Leadership through BRI

China and global governance: 
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Abstract: The present global structure in which an economically unprecedented rise of China is highly institutionalized, fragmented, issue-specific, and is predominated by the US and its allies. Beijing pursues greater global governance proactivity with more assertive agendas and a more realistic and dualistic approach under the current presidencies. As President Xi’s overarching foreign policy, the Belt and Road Initiative (BRI) mainly seeks to enhance the connectivity of infrastructure, trade liberalization, and global financial integration. This work attempts to investigate the efficacy of the BRI in serving Beijing’s quest for leadership in global governance. The conclusion is that the initiative has been useful, but more work is required. The study found that it is a crucial stage before rising dominant powers come to assume global leadership.

Keywords: BRI; Global governance; international system; leadership; international organizations

1. Introduction
The Belt and Road Initiative (BRI), first suggested by President Xi in 2013, has risen in relevance not only for China but also for Asian, Europe, and again beyond states. During the 19th National Congress of the Communist Party of China (CPC) concluded in October 2017, the BRI was included in the Party’s constitution and consecrated as one of China’s primary guiding principles in the years to come. China has become more involved in the global governance process by facilitating reform efforts. China has formed a security bloc under its sphere of influence. However, the rise of China has long been discussed by analysts and academics.

It is the developing global governance and world order environment in which China is rising, and the present US administration is behaving deliberately or otherwise, which broadly relates to what marks a weakening hegemon (Gilpin, 1987). Also, recent is China’s increasing assertiveness in defending its domestic interests. China is establishing its realm of control without distancing itself from the foreign regimes in which they have embedded it since its opening in the last century and gaining influence

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PUBLIC INTEREST STATEMENT
The principal goal of the Belt Road Initiative (BRI) is to boost the connectivity of infrastructure, trade liberalization, and financial inclusion in the global context. The study seeks to examine the efficacy of the BRI in fulfilling the demand of China for global governance leadership. The conclusion is that the initiative has been useful, but more work is required. The study found that it is a crucial stage before rising dominant powers come to assume global leadership.
and sway across such systems to attain power (Zhang, 2017). Briefly, China has developed from passive to more active, representing both its rising influence and confidence (Shambaugh, 2013).

This restructuring of the role of China in global governance may be attributed to its discomfort in the framework’s system, even though China still behaves as a status-quo, structure-supporting force, through the functioning of international organizations (Shambaugh, 2013). The BRI, as the most critical foreign policy under President Xi, represents China’s position on global politics and enables Beijing to accomplish the very power it aspires to.

This paper on China and global governance is essential in external policy. To illustrate, the conventional global governance system that the US and its partners have built and established is behind the global redeployment of influence. Being the second-largest economy in the world, the acts and global policies of China would have a more substantial effect on the potential growth of global governance. The BRI, brought out by President Xi, has been preceded by creating innovative multilateral bodies and new rules and approaches that may contribute to a shift in the framework of international governance and has drawn a variety of peripheral nations to collaborate with China on this mission. Compared to this complexity, it becomes the White House more inward-looking and withdraws from multilateral agreements and global governance. Under the Trump administration, the US chronologically revoked the Trans-Pacific Partnership (TPP), withdrawn from the Paris Agreement, accused transatlantic partners of unrestricted retirement, and used trade strategy predatory. Faced with the apparent weakening of US dominance in the developing markets, with China at its root, the transition of power relations and the seeking of a new framework for foreign cooperation are the responsibility of the major economic powers (Keohane in Gilpin, 1987).

In China’s rise, both in its ability and capacity to seek more significant leadership, with the decline of US hegemony, an analysis of Beijing’s most significant foreign policy and its related effect on global governance is essential. Various studies have centered on a variety of concerns relevant to the topic. Schweller and Pu (2011) address the nature of the US-China partnership and Chinese search for hegemony in the context, Cooper and Zhang (2018) disagree on the approach of Beijing to engagement with the international organizations, in particular after the 2008 global financial crisis. He (2015) discusses Chinese global governance strategies from the Chinese diplomat. Shambaugh (2013) analyses China’s global governance trajectories from comprehensive points of view; Bhattacharya et al. (2012) reveal the drawback to the current global governance system in terms of addressing foreign infrastructure development needs. Pantucci and Lain (2017) examine the Silk Road Economic Belt (SREB) under BRI auspices, and Ikenberry and Lim (2017) examine the Asian Infrastructure Investment Bank (AIIB) and its anti-hegemony outlook. Herrero and Xu (2016) discuss the economic advantage of BRI. Hurley et al. (2019) demonstrates the financial risks of the BRI. Le Corre (2018) looks into Chinese BRI projects in European countries; Eisenman (2018) reveals the consequences for the United States of the BRI. The literature focuses extensively on the study of BRI from a policy perspective, on its outcomes and benefits, and other country-to-country consequences.

Primarily this study addresses the literature gap by systematically discerning as China pursues more significant leadership under the current presidency in the global governance system. In specific, it assesses the role of BRI in supporting China to achieve its potential from a holistic perspective. The analysis puzzle of this work “is BRI an effective tool for China to seek the leadership of global governance?” Qualitative content-based research will systematically reveal BRI dynamics to help China fulfill its perceived role under the government of President Xi. In questioning why China is effective in undertaking leadership, this study puts the assumption that China is yet to be a leader, but aspires to be one, echoes structurally realistic views.

According to Ikenberry and Lim (2017), BRI is one of the structural instruments for China to challenge and encourage fundamental reforms in its current global governance as a rising country as opposed to conventional governance structures governed by Western countries. The present
analysis would, therefore, primarily rely on this classification of external innovation aimed at generating structural change, which refers in this case to Beijing's assumption of leadership in the global system of governance. To do this, a process-tracing methodology will demonstrate the “causal process that occurs in-between a cause (or set of causes) and an outcome and trace each of its constituent parts empirically” (Beach, 2017, p. 5).

According to King et al. (1994) claim, “part of the descriptive task is to infer information about unobserved facts from the facts we have observed” (p. 34). In other terms, the inference is an integral part of descriptive analyses. Although inference involves the quest for observable phenomena, King et al. (1994) further claim that “we must somehow avoid being overwhelmed by the massive cacophony of potential and actual observations about the world” (p. 46). It can be achieved successfully by performing observational experiments focused on theories. It may “guide us to the selection of those facts that are implications of the theory” (King et al., 1994, p. 46). The current study is focused on a set of theories, as each, in its interpretation of international politics, has its interpretative importance (Friedberg, 2005).

Different from previous studies, which analyzed the effect of BRI on specific nations and regions, the objective of this work is to analyze the role of BRI in supporting China to achieve leadership in the global governance framework from a holistic and comprehensive view.

This paper consists of three main sections. The first section discusses the fundamental concepts of global governance with a theoretical justification on global governance and state and another extensive explanation on global governance and power, which are the aspect of a sheer number of non-state actors. Also, global governance and leadership will be further elaborated on the (hegemonic) leadership concept and how it works in the global governance framework. The second section will illustrate the BRI and global governance following the discussion, whether it impacts and/or supplements the current global governance systems and also the perspective from the stakeholders. The last section will come up with a conclusion.

2. Global governance

Economic interdependence between states and the acceleration of the globalization process has not only expanded the interaction between various countries. However, it has generated several challenges that one or two states with their traditional sovereign competence have out of their reach. Although globalization is a universal concept and intensified after the end of the cold war in Washington, global governance existed long before in human history. Since the institutionalization of Westphalia to the Vienna Congress of 1815, even since the establishment by the UN and Bretton Woods of numerous international organizations, States also assembled to discuss shared concerns or competing problems.

The simplest model of global governance can be interpreted as collective management at the international level of specific problems (Shambaugh, 2013). According to Keohane and Nye (2000), in the anarchical sense of the world structure, where there is no central authority beyond sovereign states, the word “governance” refers, compared to government, to formal and informal processes and institutions which guide and regulate group activities. Thus, the viewpoint on global governance seeks to explore the contradictions in the global system to address critical issues and to involve all actors in decisive action to solve common problems. Global governance has a declining state outlook and expanded engagement of non-state actors in norm- and rule-setting and compliance monitoring; therefore, it is a hierarchical, inter-state, and intergovernmental structure (Rittberger, 2001). Therefore, many of the global governance (GG) views lose the comparative dominance of nations and structured international organizations (IOs) over certain forms of actors and mechanisms (Sterling-Folker, 2014).

During the postwar era, an interconnected global system emerged, along with a dramatic rise during international institutions and increasingly developed norms and rules. The current global governance system in which China ascends through decades of transformation exhibits three
distinguishing features compared to the global order that many powers have developed through history. First, it is strongly institutionalized, with the UN, the Bretton Woods systems, the WTO, and a vast number of other foreign bodies and systems from the world order (Ikenberry & Lim, 2017). Nations are absorbed into and socialized by an unparalleled network of different systems that control a broad range of problems, from human security to economic activities. Second, there is the fragmented and specialized, lacking an accurate and comprehensive overview of global governance, under which sovereign states convene to address trans-border issues (Boughton & Bradford, 2007). Although the United Nations Security Council focuses on activities that affect global stability, the IMF is regulating the activity of the international monetary framework, and the World Health Organization (WHO) is monitoring health issues. Global governance involves a plurality of autonomous players, both public and private, with a clientele and constituency of their own, with their language and organizational ethos, a respective mandate, and a specific emphasis (Boughton & Bradford, 2007). Due to the fragmentation and specific characteristic of the global governance system, countries could be presented with over one approach, either from within or outside, to tackle existing institutions (Ikenberry & Lim, 2017). It is said, states will concurrently pursue various approaches to engage with the framework of global governance to meet their national interests. Third, the system of global governance is developed primarily and is governed by the US and its allies. Other under-represented rising powers threaten the status quo. Although acknowledging the role of state and non-state players in influencing the current global system of governance, this theory focuses primarily on the state and governmental aspects.

3. Theoretical justification
Given the salience of non-state powers, including multinational corporations or NGOs, states are, and are likely to be, the fundamental forces in foreign affairs; and national sovereignty is the fundamental concept of their interactions (Weiss, 2016). Waltz (1999) believes that states are irreplaceable institutions that politically and economically perform essential functions. The states remain crucial to global order is a legitimate argument for adherents to neoliberal schools. However, liberalism itself relies on the constituent bodies that implement and promote it, which are nation-state institutions with the authority distribution for understanding who gets what and how, in global contexts (Sterling-Folker, 2014). In this manner, the scope of actors on the present study of global governance shall be primarily but not exclusively confined to states, after all the BRI is proposed, implemented and supported by the government, with the participation of a massive number of state-owned enterprises (SOEs) and backed up by financing mechanisms dominated by the state. To examine the factor of a sheer quantity of non-state actors requires another thorough research.

Developing an efficient global governance system, for the systemic realists, relies primarily on exercising power, since collective management would be unsuccessful without strong power involvement and inspiration and issues may remain unresolved (Waltz in Sterling-Folker, 2014). First, it should be explained what power is. Dahl (1957) followed the traditional definition of power, recognizing the capacity of A to make B do what B would not otherwise do, it should describe while also noting that the concept of power according to practical criteria which would adjust its genuine nature. Max Weber defined power as an ability for one actor in a social relationship to play his own will against the opposition, whether or not this possibility is based (Weber in Gilpin, 1981). According to Dahl (1957), power is evaluated in terms of the power base or source; the power means or instrument, power degree, and range. It can be assumed that power is the strength to make oneself choice.

Besides the explanations of power, the term can also be split into two categories: hard power and soft power. Nye (2002) claims that while hard power involves military and economic power that can be wielded by carrots and sticks, soft power is the ability to influence the interests of others to determine the political agenda. Thus, soft power per se is hardly adequate, and when exerted with hard power, they will strengthen each other (Nye, 2002). Strange (1987) separates relational power and structural power, suggests that states with superior relational power appear
to rule the international political system. Fareed Zakaria further established state power, which concludes the capacity of the state to leverage and utilize its capital for its policies. Since the launch of the BRI initiative, Chinese soft power would be dramatically shifted because of the inadvertent rise in geo-economic and geo-political influences of China across the world and the foreign aid effect. Economically, through its BRI grand strategy, China has actively expanded bilateral trade and developed infrastructure in numerous nations. Politically, China has sought to change the environment of international relations by assisting several emerging states to improve its infrastructure and to foster the goal of closer economic integration.

National power comprises the physical capacities of the nations (Rose, 1998). Essentially, “state power is that portion of national power the government can extract for its purposes and reflects the ease with which central decision-makers can achieve their ends” (Zakaria in Rose, 1998, p. 162). Neoclassical realists may use this as an intermediary variable to analyze the real power of a state. The power introduced in this study focuses primarily on the continuum of physical capacities that a state has, which are military, economic, and technical. However, the power of physical capacity in this study must be distinguished from the power of influence because such a concept focuses on the basis or source of influence without a priority political relationship or degrees of influence among actors.

The allocation of power among coalitions of coalitions (or states), according to structural realists, is greatly affected by the global governance system as it decides who rules the international system and whose interests are primarily fostered by the functioning of the system (Gilpin, 1981). Despite a difference in the extent of consensus and mutual interest in the principles and norms enshrined in the global governance system, the fundamental foundation of rights and regulations lies in the power and interests of robust social structures or nations (Gilpin, 1981). The principle of power predominance suggests that power gaps between countries should serve the system and that an even distribution of economic, political, and military resources among competing nations groups might increase war (Kugler & Organski, 1980). Power distribution among states is never static and always dynamic. In a world characterized by scarce resources, the differential rise of power of different states within the system results in the first transfer of power in the system that leads to specific nations while eroding others (Gilpin, 1981). Also, this breakup creates problems for dominant states and prospects for the rising states in the system (Gilpin, 1981). Although states are concerned with survival in an anarchic self-help environment perceived by Kenneth Waltz, they are also trying to increase influence over the aspects of the international system which protect its core values and interests (Gilpin, 1981; Waltz, 1979). They can use a wide variety of tactics to influence their external environment through economic opportunities, military action, cultural propaganda, coalition-building, and institutionalized environments where they project and spread their ideas. When a new power of state emerges, it seeks to expand its geographical control, its political influence, and/or its dominance over the global economy. It attempts to reform the rules and norms regulating the framework of global governance and the separation of spheres of power (Gilpin, 1981). The weakening power will attempt to preserve the status quo by challenging the revisionist powers to avoid their loss of preponderance. As a consequence, the evolution of the global governance system will be subject to the shift of power, and the changing pattern of the system will reflect a large extent, the power constellation among states.

The above concepts are understood as one proponent of the hegemonic theory of stability (HST), which requires a stabilizer to the global economy. The allocation of power (mostly material) has a significant effect on developing the system’s structures. The (hegemonic) leadership concept is a core component of the global governance framework.

With the power illustrated, however, the concept leadership applies to the political relation and the degrees of influence on outcomes. Although power can be turned into leadership, nevertheless, it is not a conditio sine qua non, (and) power does not equal leadership (Lukes in Flemes, 2016). Whereas political science leadership refers to “a situation in which persons with certain motives and purposes mobilize, in competition or conflict with others, institutional, political,
psychological, and other resources to arouse, engage, and satisfy the motives of followers” (Burns, 1978, p. 18). To illustrate the connection between hegemony and leadership, Nabers (2010) defined hegemony as a “discursive political struggle between political actors over the assertion of their particular representation of the world as having a universal significance,” and contends that “hegemony is indispensable for the exercise of leadership, for it circumscribes the domain of intelligibility in which leadership processes occur” (p. 940). Hegemonic leadership is a sense in which the leader, or hegemon, is capable of “persuading others to follow a given course of action which might not be in the follower’s short-run interests if it were truly independent” (Kindleberger, 1981, p. 243). Hegemony, according to Keohane, “is defined as a situation in which one state is powerful enough to maintain the essential rules governing interstate relations and willing to do so” (1984, p. 34). The state will exert leadership only if it determines the political agenda. It wants to hegemonize the political space with its dream. With China, given its constant declaration against hegemony, yet its growth trajectory and its new ambition for leadership in global governance under President Xi administration are regarded skeptically by other states and allegedly represent its hegemonic aspiration. Leadership and hegemony shall be used interchangeably in this analysis because of their integrality.

Various scholars differentiate on the requirements of a hegemonic state. Keohane (1984) considers control over four resource sets, namely raw materials, capital sources, markets, and competitive advantages in producing highly valued products, as prerequisites for hegemonic leadership. Four dimensions of structural power by Strange (1987) are essential. Verifying such conditions is beyond the scope of this paper. However, this study maintains that the relative increase of the material power of states is one precondition for states to seek an expanded role in the international system. Other considerations, such as domestic political and economic circumstances and elite opinion, often co-shape the decision of states as to why they attempt hegemony. This work also indicates that institutions are as crucial to a hegemonic leader as the former. It would not be possible to create leadership if it were removed from an institutionalized context because it “rests on continuity, stability, and repetition” of the system under its sphere of control (Nabers, 2010, p. 935). To better demonstrate it in a globalized setting, from the HST interpretation, effective functioning of the global governance system requires hegemonic leadership, and hegemons do need institutions to practice leadership. Instead, the global governance system may be treated as “various types of jazz ensembles [...] that need a hegemon in the form of a conductor” (Florini, 2011, p. 28). As Gilpin (1987) reiterated, “the creation, maintenance, and successful functioning of a liberal international economy require the exercise of political leadership” (p. 364). The hegemon will “use its power to provide order and predictability to the world [...] provide public goods and can establish global rules and norms, and enforce these by providing selective political-economic incentives to those who follow them and coercing those who do not” (Ripsman et al., 2016, p. 147). By devising North Atlantic Treaty Organization (NATO), the US has expanded security defense to its partners. Institutionalizing the Bretton Woods System has given currency stability and funding channels to developing countries. Therefore, establishing the General Agreement on Tariffs and Trade (GATT) has controlled trading ties between countries and fostering ideologies as liberalism and democracy has further legitimized and strengthened its leadership position.

So far, a variety of points merit clarification. First, a nation wants to take the lead in global governance not because of its altruistic or cosmopolitan vision, but because, as a rational egoist (agreed by both systemic realists and neoliberalists), it is in its self-interests to claim leadership so it may profit disproportionately from the framework embodying its principles. Second, hegemonic leadership, given the risk of degenerating through exploitation, must, therefore, be differentiated from dominance, which is a circumstance where the dominated “has to take account of what the (dominant) entity did,” the dominant may ignore the dominated equally (Kindleberger, 1981, p. 243). Keohane (1984) contends that, unlike an imperial power, the hegemon “cannot make and enforce rules without a certain degree of consent from other sovereign states” (p. 46). Thus, one should resist “simplistic notions of hegemony as either complete dominance or selfless, dedicated leadership” (p.
The hegemon, therefore, requires another facet of power to “generate shared beliefs in the acceptability or legitimacy of a particular international order” (Ikenberry & Kupchan, 1990, p. 289). In this context, the hegemonic leader should “invest resources in institutions in order to ensure that its preferred rules will guide the behavior of other countries” (Keohane, 1984, p. 46).

Insights from both schools also differ on the consequences for the global order of the erosion of hegemony. HST representatives appear to conclude with pessimism that the evolving process of the international system is completed in this hegemonic war and peace resolution establishes a new status quo and balance (Gilpin, 1981). George Modelski insists that the supremacy of power provided by a hegemon may inevitably draw rivalries that lead the regime through what he defined as “oligopolistic rivalry,” wherein, “a number of major powers strive to maximize their (usually short-run) advantages and long-term considerations of world interests become increasingly secondary,” and the “long cycle of global politics” refers to the rise and decline of global powers (Modelski, 1978, p. 228). Conversely, liberalists assume that large-scale conflicts are less likely to happen due to the deterrent position of nuclear weapons and expanded economic interdependence between nations as peace gains when war costs are immense. Instead, “as hegemony erodes, the demand for international regimes may even increase,” as the role of multilateral in the reduction of transaction costs and the facilitation of the negotiation may make collaboration more likely to occur (Keohane, 1984, p. 244).

The shifting structure of power-sharing in the global system, which presents a-state revisionist challenges to the existing global governance systems developed by the hegemonic situation, will contribute to the system itself being transformed. A specific distinction should be made between various kinds of international transition: system change, systemic change, and interaction changes. Coined by Gilpin (1981), a system change can be interpreted as “a major change in the character of the international system itself” (as it were) as “nature of the principal actors or diverse entities composing the system” (p. 41). In comparison, a systemic change “entails changes in the international distribution of power, the hierarchy of prestige, and the rules and rights embodied in the system” (Gilpin, 1981, p. 42). He further explained that “the essence of systemic change involves the replacement of a declining dominant power by a rising dominant power” (p. 43). Finally, interaction changes are “modifications in the political, economic, and other interactions or processes among the actors in an international system” (Gilpin, 1981, p. 43). Through this work, China’s quest for global governance leadership comes under the umbrella of systemic change, which growing power is seeking to achieve.

According to a liberal institutional viewpoint, Ikenberry and Lim (2017) argue that China is facing several institutional preferences. Because of the fragmented, multi-layered nature of global governance, China can opt-out as “status-quo stakeholder,” an “authority-seeking Stakeholder,” and/or prefer to carry out “institutional obstruction” or even using “external innovation” (pp. 7–8). Also, “Outright opposition to or nonparticipation in existing institutional arrangements” is at the spectrum of China’s institutional choices (p. 7). The structure of the BRI, a scheme proposed and led by China, is considered under the umbrella of external innovation. Although China attempts to coordinate this effort with other established entities, it remains a Chinese-led mechanism. This work will, therefore, not address China’s other institutional options for leadership in the global governance system but will focus on this external creation.

Besides the proposition that the global governance system is more sustainable and stable under hegemonic leadership, that leadership requires an institutional framework. However, it is necessary to remember that the improvement in a state’s material capability is not adequate to explain its adoption of a more proactive role. “A given configuration of power will not lead to a potential hegemony. Instead, it depends upon the domestic characteristics of that country” (Keohane, 1984, p. 35). In the next section, more should be explained by introducing neoclassical realism.

Dissecting the ambition and foreign policy of a state needs not only to analyze its role in the international system but also to recognize its domestic circumstances. Based on the principle of
structural realism and integrated with that of Innenpolitik, neoclassical realists offer a sophisticated vision for the discernment of international politics that resist the determinism of so-called “external systemic stimuli” while describing the foreign policy of one country. The scholars of this school suggest that they agree with structural realists in that “states construct their foreign security policies primarily with an eye to the threats and opportunities that arise in the international system” (Ripsman et al., 2016, p. 19). They also argue that internal situations play an important role in deciding the external attitude, which is due to elite perception, the power of the state, and the domestic coalition of interests. Elite perception is of particular interest, as the allocation of power and the role of a state within world status hierarchy has to be perceived through the prism of human cognition, which is also not subject to information scarcity (Rose, 1998). How national leaders understand the outside environment in which their countries are embedded is critical for forming foreign policy.

The capacity of the state to extract local resources to support its foreign policies has been described as state power by Fareed Zakaria. Because of domestic limitations, whether from the legislature or the general public, states differ in their capacity to collect local resources to enforce their foreign policies, they often respond differently to systemic imperatives (Ripsman et al., 2016). However, the view of the constituencies always weights the behavior of foreign policy in the long term. The study aims to incorporate useful portions to distinguish the efficacy of the BRI in Chinese leadership practice within the global governance system.

4. The BRI and global governance

In 2013, the BRI was published as a catalyst for the development and global economy of Chinese foreign strategies. This initiative was later officially introduced into the Communist Party reform blueprint as one of three highlighted policy strategies before 2020 (Huang, 2016). BRI already has over 150 countries and organizations that makeup roughly 70 percent of the global population and over 50 percent of global GDP (Jizhong et al., 2020). Under this framework, China invests in developing critical infrastructure, including ports, airports, highways, railways, pipelines, and power plants (Tao & Zhong, 2018). It promotes transnational transactions between China and its participating countries and benefits these countries in terms of national infrastructure development, economic growth, and people’s well-being (Tao & Zhong, 2018).

Intended mainly as an initiative to foster infrastructure connectivity and investment, the BRI is embedded into a dynamic system of regimes and institutions. It surpasses national boundaries through their mandates, and that demands multilateral actions at a cohesive and coordinated global level to ensure that anticipated outcomes are appropriately achieved. It does not have only global impacts. Its context and scope encompass conventional and modern global governance systems. However, its overall effectiveness also depends on successful management “the creation of new arrangements, coalitions, and other types grouping that reflect the demand for the reform of international institutions” (UNDP & CCIEE, 2017, p. 38). The UNDP and CCIEE study on BRIs highlights that to “ensure complementary advantages, the BRI needs appropriate coordination across participating countries to promote convergence of their development strategies” (p. 7).

There are two main aspects to the interplay between the BRI and global governance: the provision of international public goods and the establishment of multilateral bodies. The two most prominent characteristics of public goods are indivisibility and non-exclusiveness (Gilpin, 1987; Kindleberger, 1981). The first feature conditions that an individual’s consumption of a good does not decrease the volume of goods consumed by another, while the second feature specifies that one individual’s consumption of the goods will not exclude access for another. Even as public goods can be further broken into club goods and common goods on which conceptual constraints are placed, they are still interchangeably regarded in this study (Kindleberger, 1981). International peace and security, rules, norms, and institutions can be exemplified by global public goods (Chan et al., 2012). The global public goods continue to be underproduced by the economy, which allows the policy of the dominant countries a more significant role in taking international
obligation owing to free riding and market failure. Within the BRI framework, China is offering funding globally for countries to construct infrastructures or update existing facilities. It also aims to promote peace and stability at the regional and global levels through the Shanghai Cooperation Organization (SCO) and other multilateral security mechanisms aligned with the BRI. These public goods offered by China are essential to both industrialized and emerging countries. Industrialized economies may “benefit from replacing or restructuring the physical infrastructure assets in place, thereby improving efficiency, or by upgrading them to be low carbon and sustainable,” and emerging economies need robust development infrastructure (UNDP & CCIEE, 2017, p. 59). The provision of global public goods of Beijing against the backdrop of a receding US demanding fairness has a strong implication for the evolution of the global governance system in the sense that those public goods may constitute, in the modest term, a complementary, if not alternative, factor concerning the existing system mainly sustained by the US.

Secondly, China is committing to setting up many multilateral organizations supporting the BRI, which includes both emerging and industrialized countries such as the AIIB. Besides developing its systems, it also seeks to put the BRI following other international or regional partnerships such as the WB, ADB, UNDP, the Eurasian Economic Union (EAEU), ASEAN, and so forth. Although, some scholars have noted that bilateralism continues to be the main focus of cooperation under the BRI (e.g., Shepard, 2017; Surie, 2019), the embedment of BRI in a broader international framework and its partnership with other multilateral frameworks bind this project led by China jointly with the current global governance system. Institutions are vital as they are produced by China to “enhance the predictability of interactions with other national governments, and the outcomes of these interactions” (Brennan & Murray, 2015, p. 69). Therefore, the institutionalization of power of China through the creation of its regimes can have a significant impact on the shifting trend of global governance.

5. Impacts on the current system of global governance

As seen by theorists of hegemonic stability, the rising power will “de-legitimize the hegemon’s global authority and order,” owing to the strongly revisionist existence of the rise in power under a unipolar and institutionalized state, before the actual assertion of hegemonic governance (Schweller & Pu, 2011, p. 44). Delegitimating must also be followed by de-concentrating because it indicates a more balanced dispersion of power within the system. De-legitimation provides a rationale for internal and external balancing practices (Schweller & Pu, 2011). This section will clarify how the global governance process is de-concentrating, and de-legitimizing from two points of view based on interpreting the results. Henceforth, (1) diversify the international lending system and diffuse the mainstream lending power; (2) further push for reform of global financial governance.

Due to the governance system formed in 1994 at the Bretton Woods conference, international development funding regimes have long been concentrated in the hands of the US. Despite its disproportionate economic strength, “the US is the dominant shareholder in the five Multilateral Development Banks (MDBs) to which it belongs—the WB, ADB, the African Development Bank (AfDB), the Inter-American Development Bank (IaDB), and the European Bank for Reconstruction and Development (EBRD)” (Morris, 2017, p. 1). The US founds “17 percent of shareholding across these institutions, or twice as much as Japan, the next largest shareholder” (Morris, 2017, p. 1). As the only member of the WB to have veto rights and has always retained the presidency of the US resident, the US has applied its foreign policy to the WB (and the other MDBs) by influencing the lending terms for borrowing countries. The low-and middle-income nations will only obtain financing from conventional MDBs without feasible alternatives if they fulfill their complex conditionality. The European Network on Debt and Development study in 2006 shows that the strings attached to WB and IMF development loans are based on controversial economic policy. “15 of the 20 poor countries Eurodad assessed have privatization-related conditions as part of their WB lending,” and 3 percent of WB requirements in low-income nations concern trade liberalization issues (Eurodad, 2006, p. 12). The micro-management and stringent domestic policy rules have eroded the national ownership of borrowing countries and revealed flaws in these low-income economies.
Also, identical to the strict conditions for the procurement of loans from the International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) under the framework of the World Bank in compliance with a declaration by Alfred-Maurice de Zayas in 2017, the Poverty Reduction and Growth Facility (PRGF) of the IMF—the low-income lending program—is detrimental to the public since its corresponding conditionality has reduced the ability of states to guarantee the rights of low-income countries and may contribute to under-resourced public sectors vulnerable to collapse and emergency (UNOHCHR, 2017). The IMF and WB are both found to have functioned “collusively, so where one institution fails to persuade a government to implement a given reform, the other picks up this reform” with Bangladesh as the case (Eurodad, 2006, p. 24). Absent viable alternatives, the Bank and the Fund, with other conventional MDBs, shall constitute a significant source of financing for the South and concentrating on the North, which because of the fundamental nature of the regimes, embodies the desire of the largest shareholder of these institutions. Toussaint (2020) spells out the pervasive political influence of the US on the decisions of the World Bank on lending to nations in the region.

Because “grants and concessional loans from development partners are an essential source of infrastructure funding in LIDCs,” infrastructure funding is still believed to be underproduced by conventional MDBs and a vast infrastructure gap remains to be filled not only in Asia but in the world (Gurara et al., 2017, p. 19). First, the shortcomings of the current multilateral funding frameworks to respond to the challenge of lack of infrastructure investments that the Joint WB-IMF Debt Sustainability Framework (DSF) “places too much emphasis on debt accumulation and too little on the economic growth impacts of the investments, thus potentially holding back countries’ growth prospects” (Bhattacharya et al., 2012, p. 20). The debt-to-GDP ratio of the DSF for low-income countries is just 30 percent to 50 percent, which is regarded by many experts as too low. New approaches to balancing investment in infrastructure and debt sustainability should be envisaged as emerging nations are hitting this threshold on average in 2010 (Bhattacharya et al., 2012). Second, the WB has been too risk-averse, which leads to unnecessarily imposed environmental and social policies burden on borrowing countries (Dollar, 2015). “High financial and non-financial costs of these loans (the ‘hassle factor’)” must be “contained or reduced,” according to the Report of the High-Level Commission on Modernization of World Bank Group Governance (Zedillo Commission, 2009, pp. 10–11). The World Bank wants to lend more to middle-income countries. Third, some have observed that the existing MDBs have deviated their focus from financing infrastructure to social-sectors, being the IBRD and IMF’s PRGF examples of such (Chhibber, 2017). Though several studies have shown that infrastructure investments could reduce transportation costs, improve cross-border trade and expedite urban development and eventually benefit the economies of countries, however, there persists a significant infrastructure gap (Herrero & Xu, 2016). Finally, the working inefficiency and slow internal control of the WB and IMF revealed the poor performance of both entities due to the resident boards of directors.

As projected by the ADB, USD 26 trillion of infrastructure spending in Asia alone would be expected from 2016 to 2030, or “USD 1.7 trillion per year, if the region is to maintain its growth momentum, eradicate poverty, and respond to climate change” (Asian Development Bank [ADB], 2017, p. xi). Over the five years from 2016 to 2020, the investment infrastructure gap is equal to 2.4 percent of expected GDP, this gap for the remaining economies rises to a much higher 5 percent of their projected GDP (ADB, 2017, p. xi). In the broader sense of the emerging nations around the world, UNCTAD has estimated that “some USD1.6 to 2.5 trillion investment in power, transport, telecommunication and water, and sanitation is needed annually by developing countries between 2015 and 2030” (Zhan, 2015, p. 2). Given an enormous infrastructure spending deficit in trade and economy expansion, scholars have advocated structural changes and new rules and norms, and even new institutions per se.

In this context, BRI offers new impetus for the financing of infrastructure to developing nations, even extending its scope to developed nations. Besides the poverty reduction theme, the main priority of observable BRI initiatives is on infrastructure. Although China has conducted numerous investment and financing initiatives since the inception of the BRI—in Africa in the 20th century,
however, by 2013, “China’s overseas direct investment (ODI) and overseas development assistance (ODA) both remain limited compared with those of other major powers,” by this mean “China remains partial economic power” (Shambaugh, 2013, p. 157). Chinese financing and international investments were carried out on a more ad-hoc and case-by-case basis without a specific development strategy. Introducing the BRI changed this trend dramatically by creating stronger cooperation at the national level and by underlining two facets of China’s global economic influence.

(1) Diversify multilateral development lending and disperse conventional lending capacity

Several new financial mechanisms were institutionalized and placed into practice, along with existing state-backed policy development banks to facilitate this ambitious mission. The addition to the global financial regulation structure of these financial networks diversifies the possibilities that borrowing countries face. Once these China-led mechanisms are choosing cumulatively over conventional ones, the BRI will primarily de-concentrate the multilateral lending powers regulated by the US by contesting and de-legitimizing traditional rules and practices of more permissive and enticing Chinese-led institutions.

As part of the BRI multilateral development financing program, the young AIIB has accomplished what its Asian counterpart, the ADB, has not done. By the end of 2019, the ADB had 68 members, a steady surge from the 31 members in its founding year of 1966; whereas by the end of the fiscal year of 2019, there were already 102 approved members in the AIIB, a surge from the 57 founding members at the start of 2016 (ADB, n.d.; Asian Infrastructure Investment Bank [AIIB], 2020). Existing AIIB membership also comes from other non-regional nations, including Germany, France, and the United Kingdom. Occupying 26.6 percent of votes, China is the biggest holder of the AIIB.

The combined multilateral and bilateral financing has helped to narrow the infrastructure spending gap about the capital raised and projects financed through the BRI. The initial capital of the AIIB is USD 100 billion, and the Silk Road Fund is USD 40 billion. In mid-2017, Chinese President Xi announced another USD 14.5 billion for the Silk Road Fund at the 2017 BRI Summit (Goh & Chen, 2017). Empirical statistics point to the setting-up of USD 36.2 and USD 18.8 billion by China Development Bank (CDB) and Export-Import Bank (ExIm) in 2017, respectively, which will cover the construction of infrastructure, energy and financial cooperation of the BRI (Nordin & Weissmann, 2018). Chinese state-owned banks have contributed to the BRI funding and “collectively extended more than USD 50 billion last year (in 2016) to more than 400 projects under the flagship blueprint” (Yap, 2017). Such as the Gwadar Port, the Belgrade-Budapest Railway, the Amur Gas Production Plant, Central Asia–China Gas Pipeline, and more are the major projects. Due to the size and coverage of BRI, the massive funding bill for infrastructure is far from completed by the BRI. However, as indicated by the ADB, the future funding of Asia’s infrastructure would entail both private and public participation, and private financing responsible for 60 percent of overall public financing (ADB, 2017). It also stressed that the sound implementation of private sector funding would rely crucially on “actions that the public sector takes to encourage greater private participation and finance in infrastructure” (ADB, 2017, p. 62). Smooth BRI projects may, thus, provide a framework “for an uplift in investment from other sources, providing both basic infrastructure for business to leverage, and a reduction in implied risk given the official imprimatur that goes with BRI participation” (Balkhuizen, 2017, para. 8). The remarkable entrance through the BRI of Chinese funding and investment into the global infrastructure and energy market has diversified the financing systems in terms of recipients and given developing countries more opportunities than conventional loan systems. Both the “the CDB and the Export-Import Bank of China—had outstanding loans to overseas borrowers amounting to an estimated USD 684 billion at the end of 2014” (Kynge, 2016, p. 1). It is an undeniable de-concentration impact on current global creditor power.

As for the innovative principles and procedures of the BRI, the rigid contractual and low efficiency of lending by conventional international lending platforms can be challenged, which essentially de-legitimize the system. Empirically, more appropriate and responsive lending requirements and better governance and operational performance have been found.
First, loans under the auspices of the BRI signify far fewer political or economic intervention with borrowing countries. BRI lending is not covered by stringent criteria that interfere with the internal governance of borrowing nations, compared to the immediate need for good governance, privatization, and liberalization relevant to the loan from the World Bank and other regional development banks. Countries considered to have poor domestic governance, human rights performance, or low debt sustainability may also have access to BRI funding, mainly on a bilateral basis. Although the Chinese government, aimed at ensuring flexibility and room for action in China, rarely disclose specific criteria. For instance, eight notable countries, along with BRI, have alarming fiscal problems that could contribute to debt distress (Hurley et al., 2019). China has been using debt relief ad-hoc with debt distress because this is not part of multilateral debt reduction schemes such as the Paris Club. The Paris Club was founded in 1956 and comprised the largest contemporary sovereign creditors, mostly from developed nations. China is the world’s leading sovereign-to-sovereign creditor. China’s weight and procedures need to be apparent globally (Hurley et al., 2019). Chinese observable debt relief activities include a debt-for-equity swap in Sri Lanka when China was awarded the 99-year lease for Hambantota Port management in 2017. Also, in Tajikistan, when China acquired a piece of disputed territory from Tajikistan in 2011 because of failure to pay back the debt. China as an outsider to major structures for global economic governance (as the Paris Club and the OECD), along with the BRI as an emerging breakthrough outside the typical sphere of control of western global governance institutions. China-led BRI “has displayed a willingness to allow loan recipients to bypass multilateral mechanisms and controls,” thus “constitute an alternative for those governments seeking to avoid the strictures of the Bretton Woods framework” (Ikenberry & Lim, 2017, p. 13). However, China’s focus on upholding the rules and practices of the host countries contrasts sharply with conventional institutional infrastructure financing. This financing requires lengthy environmental and social evaluation, including “mandatory prior public disclosure and comment periods” (Dollar, 2016, pp. 204–206). The AIIB indicates that environmental and social protection should be applied “in proportion to the risk” (Dollar, 2016, p. 207). The de-concentrative effect of the BRI is revealed when more nations refer to BRI toward infrastructure financing, and a decline of US power in this field may be hastened.

Second, with other conventional global governance bodies, the BRI demonstrated greater work efficiency and reduced bureaucracy. For example, the AIIB has accepted “four projects within six months of its launch date,” while “more established multilateral lenders can take a year or two to do the same” (The Economist, 2016). As for policy banks of China, “once terms are reached with a host country, funds may be transferred directly into the Beijing-based bank accounts of China’s state-owned enterprises, which execute the project using Chinese materials and labor” (Eisenman, 2018, p. 8). Instead, the management of traditional MDBs is seen to be too risk-averse. Also, it needs tedious paperwork, and “developing countries have learned not to take complicated, risky projects to the existing banks, when in fact those are exactly the projects where the world would benefit the most from the assistance of multilateral institutions” (Dollar, 2016, p. 207). Beyond that, AIIB has a non-resident Board of Directors, which some support as “the useful rejection of an anachronistic governing model at the other MDBs” (Morris, 2017, p. 2). The conventional resident board is costly—with the WB, about USD 70 million a year—an additional management layer that slows down preparing projects and makes the bank less efficient (Dollar, 2015). The different BRI management techniques will help cater to developing nations in contesting and de-legitimizing the existing norms and regimes. They will progressively minimize the magnitude of loans in the international system, which is allegedly undermining what the poor require “an effective government that works with them for today and tomorrow” (Deaton, 2015, para. 13).

Echoing the HST, the BRI is therefore argued as a non-negligible mechanism for dispersing the conventional players’ influence into the new global financial governance environment by incorporating diversity into the framework.
Further drive for restructuring the mainstream bodies of global governance

In the light of the de-concentration and de-legitimization of the current global governance systems partly through the BRI, the developed global governance frameworks are also changing to reflect the transforming distribution of power within the framework. They partly accommodate the centrifugal powers which China has unleashed. The transformation of existing regimes is argued to introduce to the prestige of China and strengthen its role in global governance decision-making.

Since the US Congress fails to decide on the IMF’s central quota and government reform, the restructuring that the Board of Governors agreed in 2010 to empower emerging economies in this body has not materialized. Things only improved when new organizations and practices emerged, especially after the establishment of the AIIB in 2015, which eventually led to the US Congress adopting the reform (Ikenberry & Lim, 2017), Chinese voting shares have risen from 3.8 percent to 6 percent among developed and emerging economies (BBC, 2015). The US Treasury Department suddenly provided a green light in mid-2018 after rounds of robust discussions for a USD13 billion WB capital increase, which represents China's vote in the International Bank for Reconstruction and Development (IBRD) rise from 4.45 percent to 5.7 percent (Donnan, 2018). The attitude of Washington indicates a switch in October 2017 from its antagonistic rhetoric, in which it refuses to contribute extra money for development projects and expects the WB to serve as a counter-weight to Chinese new financial structures and mounting influence. Also, Zumbrun and Fidler (2018) claim that “the administration had an initial impulse to disengage, but shifted course after realizing China would fill a void if the US were to retreat” (para. 18). Fearing to cede its power to China, the US wants to prevent its relative decline by giving China more authority, although recalcitrantly. Over time, “it may enable China to push for further adjustment of the Bretton Woods system in its favor” (Ikenberry & Lim, 2017, p. 13).

The sound implementation of BRI projects requires active financial institutions in the sphere of influence of China to enhance the productivity of the project. As a novice in the multilateral development sphere, China needs new rules and practices vis-à-vis existing ones in its traditional global governance systems, to draw other secondary nations. In the light of the difficulties posed by these more permissible rules and emerging approaches, traditional global governance systems and their key supporters are still seeking to accommodate the demand from China. Thus, China's weight in decision-making is gradually increasing, if not suddenly. The BRI can assist China in pursuing the architecture reforms of such regimes.

6. Complementarity of current global governance systems

Growing in an established international structure with the complexities of global governance systems, in pragmatic terms, is revisionist, and challenges being considered illegitimate. In this respect, strategies must be deliberately selected and applied by the rising challenger to materialize its ambitions. Because of the fragmentation of the global governance system, the BRI demonstrates this continuity, mostly consistent with the Chinese dualist approach in the previous section, by selectively complementing and aligning itself with the mandate of some existing global governance regimes to enhance the legitimacy of the project. Against the context of US withdrawal from multilateralism under the Trump administration, BRI's engagement with international treaties will offer Beijing a higher position in leading the implementation of multilateral commitments and enable it to achieve more leverage over a unilateral White House throughout the global governance framework.

Attempts have been made both by Chinese leaders and many from the international bodies to identify complementarities and synergies between the BRI and global commitments, particularly with the UN 2030 Agenda for Sustainable Development. Launched in 2015 after comprehensive international meetings and collaboration, UN SDGs cover all human development dimensions. The convergence of the 2030 Plan and the BRI could fill “the SDGs with local content and enhance their coordination,” which could open the way for BRI to impact critical social issues positively (UNDP & CCIEE, 2017, p. 56). Also, BRI can be a financing arm for SDGs. It would produce “greater access to
supply chains and alleviated financing constraints, complemented by returns to scale driven by access to the much larger global markets, and by benefits associated with inflows of technical and management know-how” (Horvath, 2016, p. 11).

Besides the goal of developing infrastructure, the BRI places more emphasis on unimpeded trade. It can be done, first, by enhancing physical interconnection and developing the soft infrastructure by reducing barriers to trade. Beijing is actively advocating free trade agreements (FTAs) deals with other nations, and since the start of the BRI, it has pursued trading relations with states envisaged in this grand arrangement. By June 2018, China signed 16 FTAs, including with Switzerland, Georgia, and the Maldives, following the BRI proposal, under discussions with the China-Singapore and China-Switzerland FTA for cooperation enhancement. 14 other FTAs are under discussion, notably the Regional Comprehensive Economic Partnership (RCEP). Notable is the China-ASEAN FTA that came into force in 2010 because “the lack of results of the ASEAN states’ 30-year-long attempt to achieve intraregional trade gave way to Beijing, which has driven the huge demand for Southeast Asian products” (Wu, 2018, p. 26). It will accelerate South-East Asia’s inclusion in another broader context, along with improved infrastructure and lowered shipping costs, by drawing these developing markets into the growth orbit of China (Wu, 2018). According to Herrero and Xu (2017), if tariffs are reduced to zero by active FTA within the BRI zone (with fixed transportation costs), then trade in Middle East nations, Central Asia, and East Asia will rise by 15 percent. Besides China’s tremendous efforts to achieve free trade deals with other countries, the BRI also includes building special economic zones (SEZs). According to Pantucci and Lain (2017), 29 SEZs are expected to be built under the CPEC banner in Pakistan. Many SEZs can be found in Laos, Khorgos, Uzbekistan, a Chinese region bordering Kazakhstan, and so on. Uzbekistan supports this move, where Chinese firms have invested in the textile industry “as it is part of the national economic strategy to invest in the production of clothing as opposed to exporting cotton” (Pantucci & Lain, 2017, p. 39).

The complementarity of BRI with the 2030 Agenda with a focus on developing infrastructure and enhancing global trade is deemed necessary by Chinese officials and scholars not only to implement the project effectively but to serve as a responsible player with its increased power. The dedication of China to the very product of multilateral cooperation within current global governance regimes reflects its ability to create credibility. “a government’s reputation, therefore, becomes an essential asset in persuading others to enter into agreements with it” (Keohane, 1984, p. 94). It can add to the leverage of China in the current global governance framework, mainly when presented with a perceived US inward-looking andretreating from free trade and multilateral agreements. First, the trade conflict caused by the Trump Administration against China and the rest of the world would not merely harm the targeted states. However, they will also affect other countries in the development, because “goods assembled in China then exported to the US will have components made elsewhere in East Asia” (McRae, 2018, para. 6). Manufacturing sectors in these countries would be affected if US protectionist trade policies were to proceed, constituting an existential barrier to fulfilling the commitments set out in the 2030 Agenda. Second, the US withdrawal and decline in its contribution to the Global Facility for the environment in 2018 have aroused widespread controversy globally (Crunden 2018). Instead, China continues to stick to the Paris climate agreement, and Chinese banks have issued belt-and-road green bonds. In 2017, One Belt One Road Green Climate Bond of USD 2.15 billion was released to refinance the “renewable energy, low-carbon and low-emission transport, energy efficiency and management of sustainable water resource projects” (Chan, 2018, para. 13). Although being a comparatively new entrant on the global green bond market, China has taken a leadership role; China’s green bond issue surpassed other nations or supranational institutions (Hu, 2018). China’s interest in the green bond is believed to expand, for “an imperative to address pollution concerns and finance sustainable development under its Belt & Road Initiative policy” (Hu, 2018, para. 4).

Regarding the multilateral financing structures of the BRI, the initial programs that AIIB finances are with other MDBs, including the ADB, EBRD, and World Bank, partially to “build up a portfolio of
low-risk projects and [...] build a positive reputation in financial markets” (Ikenberry & Lim, 2017, p. 14). China may generate more leverage to orient the funds in the global architecture of financial governance by redirecting conventional multilateral regimes to funding infrastructure projects.

Overall, the efforts of China to complement the BRI and its compliance with existing global governance frameworks and international agreements may provide it with more reputation and credibility to carry out the large-scale project. The BRI, together and aligned with the existing global governance systems, will offer an opportunity to pursue such structures.

7. Command of stakeholder
In the neoliberal form, hegemonic leadership, unlike imperial governance, “it cannot make and enforce rules without a certain degree of consent from other sovereign states” (Keohane, 1984, p. 46). Should the BRI be able to ensure strong support from secondary states that reinforce Beijing’s growing power, then the BRI could be decisive in facilitating China to assert hegemonic leadership in a broader global governance system. Presently, 150 countries were considered part of the BRI, and other non-regional countries expressed their participation in this initiative (Jizhong et al., 2020). Because of the specific issues that states have are difficult to address, the analysis would be based on interpreting perceptions from a regional viewpoint. In the framework of China’s state media, BRI-related countries are classified into six regions: Central Asia, Southeast Asia, South Asia, Eastern and Central Europe, Russia, and seven other post-soviet independent states, Middle East and West Asia.

As for Central Asia, grand infrastructure projects in this region (e.g., the gas pipeline between Turkmenistan and China, the China-Europe Railway that cuts across Kazakhstan) have “not only fulfilled China’s interests but also helped realize those land-locked countries’ common desire to become ‘land-linked’,” a vision that the Central Asia Regional Economic Cooperation Program (CAREC) proposed in 2012 (Wu, 2018, p. 23).

Even though the BRI was initially confronted with varying opinions in Southeast Asia because of maritime conflicts with China, the indicators have shown that the leaders in this region were gradually more reasonable of it. The inauguration of a more pro-China Filipino Presidency and the latest Vietnamese plan for a policy on forming three new trade zones with China’s biggest speculated beneficiary alleviated the previous antagonism to Beijing. China has acted as the driver for global economic growth through attracting the Southeast Asian developing nations to its economic sphere, and the BRI helps to disperse tensions over territorial conflict, underpins Chinese dominance in the region, and commands elite support.

Elite support for BRI depending on similar factors is also seen with Central and Eastern European nations, who collaborated with China and cooperated to encourage the BRI through the institutionalization of the “16 + 1.” At the annual China-CEEC think tank meeting, a new phenomenon has been found in this region “a need for the CEEC to find its ‘own voice’ when it comes to bringing forward a desirable model of cooperation” (Bachulska, 2018, para. 4). The commitment to diversified partnership has met with tremendous investment by China—projected at USD 8 billion in the region—and numerous infrastructure projects such as Belgrade-Budapest, the highway between Montenegro and Albania, etc.

Officials from six other countries have overall welcomed the BRI, with Pakistan the biggest partner with China. However, Bhutan still has not signed the MoU on BRI cooperation with China. China has invested heavily in Maldives infrastructure projects and has recently received concessional funding for upgrading an airport to an international airport with a maturity of 20 years and a grace period of five years, however, “other creditors have not been as generous” (Hurley et al., 2019, p. 153). Efficient access to funds, along with China’s debt relief flexibility, allows these nations to defer to the BRI.

Russia and six other post-Soviet independent states have demonstrated unenthusiastic support for the BRI. Russia agreed to join the projects in Beijing, mainly out of the consideration of the
consequences of not participating. Following the proposal of BRI in 2013, Moscow was “reluctant to engage in any meaningful negotiation as to how Xi’s initiative would coexist with the Eurasian Economic Union (EAEU)” (Zhang et al., 2016, p. 10), leading to questions about the intervention of the Chinese power into Russia’s sphere of influence. However, due to the annexation of Crimea by Russia, Western sanctions have made it more difficult for Russian firms to raise funds, the case of Novatek and Gennady Timchenko, for instance, (Pantucci & Lain, 2017). Consequently, “Moscow will be pushing Beijing to include the Trans-Siberian Railway and the northern Baikal–Amur Railway as part of the OBOR project” (Zhang et al., 2016, p. 10). Hoping to influence the post-Soviet region, Russia’s participation with China in the process is strategic, because being part of the BRI may also lead to shaping the development project to benefit Russia. About attitudes from other states in the region, Armenia and Azerbaijan are adamant about engaging in the BRI. As the former “aspires to build the north-south connection between the Persian Gulf and Georgia’s black seaports where Chinese are investing,” and the last place themselves as an essential transport route between Asia-Caucasus-Europe (Inan & Yayloyan, 2018, p. 58; Mammadov, 2018). The desire to invest and trade and the intention to compete for the transport hub also inspire representatives from Georgia, Belarus, and Ukraine to embrace the initiative.

The recent increase in China’s market exposure in the Middle East and West Asia served as the ground for its BRI expansion into this region, although the cooperation is still embryonic. During the eighth ministerial meeting of the China-Arab States Cooperation Forum (CASCF), Ministers announced that they would explore “development path that suits their national conditions, eagerly expect to participate in the Belt and Road construction, and stand ready to take this opportunity to deepen practical cooperation in various fields with China” (Ministry of Foreign Affairs of the People’s Republic of China [MFA], 2018, para. 5).

Overall, BRI endorsement emerges mainly from leaders, elites, and policymakers of these nations. From a realistic neoclassical standpoint, the view of leaders is key to orienting a country’s foreign policy. Also, Chinese bilateral collaboration with secondary-state leadership has yielded desirable results insofar as it usually secures support from those elites so the BRI can be introduced. Through a neoliberal viewpoint, secondary states have opted to adhere to some of the BRI-related multilateral regimes that promote or catalyze cooperation, such as “16 + 1” for CEECs, SCO for Central Asian countries, CASCF for Arab states, and “10 + 1” for ASEAN nations. Through institutionalizing leverage and incentivizing nations with immense investment and business potential, China has drawn the nations to exercise the sphere of influence, which will underline the importance of such regimes as the US hegemony is expected to weaken under the current administration and improve the political and economic position of Beijing insofar as it presents an alternate node of international cooperation. Hence, elite perceptions broadly supportive of BRI-related nations have been a critical factor that the BRI possesses its leverage to empower China to take on more significant leadership in global governance. Despite elite express consent, the opposition can be encountered from constituencies from individual nations participating. Since the representatives of these nations are eventually responsible for their electorate, elite deference to the BRI should not be taken for granted.

As the part of the conditions for the soft loans to the participating nations, “Chinese investment tends to come with a Chinese workforce” which it is not only “fuel concerns of a covert Chinese ‘land grab,’ but it also means that fewer jobs go to locals” (Pantucci & Lain, 2017, p. 66). Another aspect that triggers public discontent is the reduced environmental and social standards and ill management of projects. Citizens including Cambodia, Vietnam, and Laos have reported about the “environmental damage and droughts from Chinese hydropower projects along the Mekong River,” also Indonesia about an “ill-fated, over-budget coal power plant and a failed high-speed rail project,” and Myanmar Chinese companies have discovered the “clear-cutting forests” (Eisenman, 2018, p. 15). Also, the lack of conditionality of the BRI project has triggered environmental deterioration. It may intensify “rising labor costs in China push more ‘dirty’ manufacturing to relocate to cheaper and less well-regulated developing countries” (Eisenman, 2018, p. 15).
Again, the non-transparent existence of the initiatives contributes to the difficulties of putting BRI under public scrutiny and being “enforced in open societies where an independent judicial branch, media, activists and public can freely challenge government and business interests” (Ortolani, 2018, para. 27).

Fear of Chinese power infiltration due to BRI has also induced people’s nervousness in the recipient countries. In the ambiguity, still, a review by the Vietnamese authorities of the 2018 draft law authorizes the development of three new economic zones speculating on a 99-year lease to China, and there remain results to be seen (Elmer, 2018). Similarly, protests in Sri Lanka were also conducted over the 99-year lease to China of the Hambantota port and allegedly served the projects as the geopolitical interests (Stacey, 2017).

Interestingly, the EU is not outlined on the country list in the Chinese state media report considering the destination of the new Silk Road. Chinese presence in the EU is opposed not only by the general population but also by the elites themselves. In 2017, President of the European Commission Juncker proposed a screening framework for foreign direct investment, which is expected to target Chinese expansion into Europe, especially following the take-over of the management of the port of Greek Piraeus by Chinese state-owned company COSCO. In his State of the Union address Juncker stated: “if a foreign, state-owned, company wants to purchase a European harbor, part of our energy infrastructure or a defense technology firm, this should only happen in transparency, with scrutiny and debate” (European Commission, 2017, para. 2). Also, 27 out of 28 EU ambassadors in Beijing released a report in 2018 opposing the BRI, putting Chinese companies at an uneven playing field (Prasad, 2018). It is projected that 89 percent of BRI investments are conducted by Chinese firms, leaving no room for European businesses to participate in this massive initiative. Owing to concerns about non-transparency, the EU prevents the flagship Budapest-Belgrade Railway until a more open bidding procedure is approved (Prasad, 2018). In this aspect, the reticence and negative perspective of the EU as a destination for the BRI may be an obstacle for China to pursue this ambitious strategy.

Finally, rising public pressure has also influenced the elite impression of the BRI, generating concern over the direction of BRI. It can be seen that although elite expectations typically favor the BRI for the time being, they often determine in the long term whether to defer to the BRI, combined with analyses of deference from secondary nations through the neoclassical realist prism. Whether opposition remains or rises, secondary states may face a restriction to mobilize human resources to maintain their reverence for the BRI. Therefore, further efforts are also needed to prove incentives for the locals and protect the ecosystem and society of the recipient nations. So far, it is assumed that at the current phase, the BRI has been a powerful instrument for China to further assert a more significant leadership in the global governance system. Hence, it garners deference from secondary states by mainly securing the elite group, accumulates clientele, forges alliance, and presents a new node of global collaboration, which is necessary for the realization of hegemonic leadership in the views of neoliberalism. Practices in these states of Beijing will, therefore, be adjusted by recognizing the environment and exploring local community engagement. Only through this will the BRI be sustainable and hold their support.

8. Conclusion

The system of global governance, in which China is rising economically, has three core elements. First, for various regimes and organizations, it is strongly institutionalized to oversee problems of a specific type. Second, the fragmented and multi-layered global governance system enables countries to communicate with these through governance institutions in more than just one way. Third, the developed model of global governance was primarily shaped and dominated by Western countries, in which the US, among other countries, assumed hegemonic leadership in setting the agenda, the provision of public goods.

However, the major transition in power-sharing in the international system is not carried with adjustments to international governance systems whereby China and other emerging economies
are seeking to expand their influence. The study builds on neorealist and institutional liberal premises that the significant increasing powers continue to pursue influence and leadership in global problems. It argues that regimes and institutions are essential for this because they can catalyze the collaboration and deference of secondary states faced with the simplistic paradigmatic preponderance approach. The realistic neoclassical concept that domestic conditions, including elite perception and state power, are crucial to the course of a country’s foreign policy is also adopted.

Under the leadership of President Xi, the BRI is a flagship doctrine that Beijing popularizes globally. His term of office has undergone significant developments, not only regarding state policies but also in terms of global governance processes. Compared to the previous leadership of China, President Xi rhetorically propagates the ideals of China Dream and community of shared destiny for humankind, it reflects an ideological transformation from a previous risk-averse attitude to a more proactive position and forms the foundation for BRI implementation. The transparency and inclusiveness of these concepts also go in contrast with the coercive rhetoric from a more inward-looking US administration and thus provide an alternate node of international collaboration. The more vigorous discourse in practice is coupled with a dualistic approach, implying that Beijing serves both as an insider in conventional global governance institutions like the United Nations and an outsider in various innovative systems, such as the BRICS and the SCO. Therefore, the BRI can be interpreted as one of these emerging and revolutionary systems, as a China-led initiative.

To address work—why BRI is a useful instrument for China to assume the leadership in global governance, a detailed analysis focused on content analysis and process tracking has been performed from two perspectives, and concluding remarks are presented herein.

First, the neo-realist paradigm suggests that the BRI diversifies the multilateral development financing process by accepting the revisionist nature of China’s emergence into a vigorously implemented global governance system and realizing that the prior stage of de-concentration and de-legitimation of existing bodies and norms will first take place. It partially fills up the huge infrastructure gap in Asia and elsewhere with its financial support arms such as AIIB and the Silk Road Fund, and offers more suitable conditionality and work efficiency compared to the conventional international mechanism. More rigorous debt relief approaches and other innovative activities related to the internal management of the multilateral financial institutions enabled the BRI-related nations to receive infrastructure building and upgrade funds, which in traditional global financial management institutions may not be available. In the global structure of financial governance, the BRI has challenged existing rules and distribute financial power concentrated in the hands of established US and Western-ruled bodies, when more states join the BRI in seeking membership and obtaining financing from related BRI financial bodies.

Despite the increasing BRI impact from China, emerging global governance systems have also adapted by placing more weight in decision-making on China and other developing nations. Also, an alignment of the BRI with the UN 2030 Plan and Paris Agreement, with its focus on free trade, are indicators of China’s adherence to international responsibilities. In the sense of a more unilateral and protectionist White House, it gives China a significant position in leading the implementation of these products of global governance. It delivers fuel to the continuity of these regimes under which China has higher leverage.

Therefore, it is reasonably argued that BRI is an essential and influential instrument for China to achieve leadership insofar as it seeks to shift the structure of global governance in its favor. Given that the multilateralism embedded in the project from the outset may attach particular operational constraints to China itself. However, the related risks of indebtedness, and China’s economic downturn, should be considered, as they may disrupt the future sustainability of the BRI.
Second, the need to gain stakeholder approval is central to a regime's effectiveness, in line with neoliberal ideology. From a recipient standpoint, as the stakeholder—the secondary BRI states—is more separated between the elite and the ordinary people, there might be different consequences from the neoclassical realist view. Since most nations within the six major regions involved in the project have endorsed the BRI and most signed cooperation agreements with China, they are mainly endorsed through policymakers and elite groups as they consider the BRI to be advantageous for infrastructure development or economic partnership diversification for their nation. Others are strategically engaged with the BRI to influence the policy. Their positive view of the BRI led to deference to the project and facilitated the coordination of the policies in several forums introduced by China to explore an international partnership. To assist the BRI, they may further reinforce the commitment of China to move forward the project and boost the leading position of Beijing as an alternative platform for international cooperation by expanding the clientele and membership. In this context, some argue that the BRI can be considered useful in obtaining general support for China, which is necessary for claiming global leadership.

However, public unease and sometimes uprisings against China have often adversely influenced elite perception and response, as the constituencies perceive that the BRI has not benefited. Considering the environmental devastation and fear of declining sovereignty of their nations, even some of the central BRI-related countries voiced resistance to China. In this context, China should not take deference from secondary nations for granted and should instead find a more comprehensive method for ensuring support from stakeholders.

In brief, the efforts made by China to complement the BRI through the current global governance regimes and comply with international commitments could give it more reputation and credibility to pursue a significant project. The BRI, which is aligned with current global governance systems, will provide the impetus for the continuity of such regimes, in which China is, in the meantime pursuing more significant leadership in the context of the collapse of the US leadership role.

This study has led to the literature on China’s quest for leadership in global governance through the BRI, and potential research needs to tackle other features of this grandiose policy, such as its security framework in upholding sound project implementation. Additional consideration should also be given to specific instruments used by China to achieve greater leverage in the global sphere, such as the BRICS and SCO, and their collaboration with the BRI.

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