

# The Opportunities and Challenges of China's Regional Economic Cooperation from the Perspective of the “Belt and Road”

Ling Cao

Jilin Business and Technology College, Changchun, Jilin, 130507, China

**Keywords:** the “Belt and Road”, Regional Economic Cooperation, Economic Governance Structure, Industrial Transfer

**Abstract:** The Belt and Road Initiative's positive role in promoting international and regional economic cooperation also faces new opportunities and challenges. For example, it is facing challenges such as the adjustment of the global economic structure, economic geography, and the transformation of the global economic governance system. It also faces new opportunities in the changing Asia-Europe pattern and global industrial transfer. At present, in the perspective of the “Belt and Road”, China should further strengthen international regional economic cooperation, establish a new model of regional economic cooperation, and realize the prosperity and development of the global economy.

## 1. Introduction

The “One Belt, One Road” initiative proposed by China has played a good role in driving and demonstrating international regional economic cooperation, and has enhanced the comprehensive strength of developing countries and emerging economies in participating in global economic competition, and has brought new opportunities for global economic governance. The methods and ideas are conducive to solving the problem of unequal status of developed and developing countries in economic globalization. With the development of infrastructure and production capacity cooperation among countries and regions along the “Belt and Road”, international regional economic cooperation will usher in brand new development.

## 2. The Connotation and Characteristics of the “Belt and Road” Initiative

The “Belt and Road” initiative emphasizes the spirit of “peaceful cooperation, openness, tolerance, mutual benefit and win-win”, follows the development principle of “co-negotiation, co-construction and sharing”, and focuses on the common and coordinated development of China and the countries along the route. The “Belt and Road” initiative defines “to promote the orderly and free flow of economic factors, the efficient allocation of resources and the deep integration of markets, to promote the coordination of economic policies among the countries along the route, to carry out larger-scale, higher-level, and deeper-level regional cooperation to jointly create openness. Development framework of a regional economic cooperation framework that is inclusive, balanced, and inclusive. In March 2015, the “Vision and Action for Promoting the Co-construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road” issued by the State Council authorized the further planning of the Silk Road West from some countries in Central Asia, Russia to the Baltic Sea in Europe. Line, via Central Asia, West Asia to the Persian Gulf, the Southwestern Silk Road of the Mediterranean Sea, Southeast Asia, South Asia to the Indian Ocean South of the Silk Road, China's coastal ports, the South China Sea, the Indian Ocean to Europe and the South Pacific Maritime Silk Road. This will further play the role of the core areas of Fujian, Xinjiang, Yunnan and Inner Mongolia, and directly promote the economic development of the provinces, municipalities and coastal provinces in the northwest and southwest of China. Adhering to the spirit of openness, the “Belt and Road” initiative has distinctive characteristics of win-win cooperation. It accelerates the construction of inter-regional infrastructure, promotes inter-regional connectivity and trade facilitation, establishes a new model of regional economic cooperation, and realizes the

prosperity and development of the global economy. In general, the Belt and Road Initiative has the following characteristics:

First, the “Belt and Road” initiative is open and inclusive. The Belt and Road Initiative emphasizes the establishment of an open and cooperative trading system to achieve the optimal allocation of production factors and promote the coordinated development of interregional economies. It is not exclusive or closed. Its multilateral principle of “freedom, openness, and equality” welcomes all Countries and organizations have joined, paying more attention to inclusiveness in cooperation. Countries and regions along the “Belt and Road” have differences in political, economic, and cultural aspects, and even some landlocked countries that connect Asia and Europe have underdeveloped infrastructures and underdeveloped economies, and have not joined the WTO. The Belt and Road Initiative respects differences, embraces different countries and regions, and achieves common development with complementary advantages.

Second, the “Belt and Road” initiative has the characteristics of co-construction and sharing. The “co-consultation, co-construction, and sharing” advocated by it is focused on building a community of responsibilities and interests. Emphasis on equal negotiation, taking into account the interests of all parties, and protecting the rights and interests of all parties involved. Promote joint participation in construction and governance, create a joint development force, and share construction results and benefits. The characteristics of co-construction and sharing reflect the new wisdom and new methods of global governance, and are an effective way to solve the lack of funds and backward infrastructure in countries and regions along the “Belt and Road”.

Third, the “Belt and Road” initiative has the characteristics of win-win cooperation. The “Belt and Road” initiative opposes protectionism, advocates win-win cooperation, and accelerates investment and trade facilitation and interconnection. At present, many countries and regions along the route are still in the initial stage of industrialization, and there is a greater demand for capital and infrastructure construction. The “Belt and Road” initiative is a major measure to realize China's foreign investment and resource introduction, and to solve the imbalance in regional development, and is conducive to the integration and development of regional economy and culture.

### **3. New Opportunities Facing China's Regional Economic Cooperation in the Perspective of the “Belt and Road” Initiative**

Most of the countries and regions connected by the “Belt and Road” initiative are the less developed regions in the Eurasian continent. Their economic development level is relatively backward, their development methods are extensive, and they are on the verge of international economic development for a long time. The “Belt and Road” initiative put forward by China meets the economic development needs of countries and regions in the region, meets the new situation and changes in international economic development, and opens a new chapter in international regional economic cooperation.

The new round of industrial transfer accompanied by economic globalization has not only accelerated the pace of the fourth industrial revolution in developed countries, but also accelerated the process of transferring general manufacturing to developing countries. However, the new round of industrial transfer is different from the past. It is no longer a simple industrial transfer in order to pursue lower production costs. But with the accelerated implementation of artificial intelligence and intelligent manufacturing, the relocation of manufacturing industries using intelligent production lines and intelligent robots from developing countries to developed countries around the regional market environment. The new round of industrial transfer is undoubtedly a huge challenge for developing countries that are still in the industrial 2.0 or 3.0 stage. The general manufacturing transfer that has been undertaken by virtue of cheap labor and resources has lost its advantage. The future is bound to be fierce competition in the intelligent manufacturing and technological innovation industries. The “One Belt, One Road” initiative proposed by China in a timely manner has provided new development opportunities for deepening international regional economic cooperation and undertaking the transfer of advantageous industries in line with regional characteristics. The “Belt and Road” initiative put forward by China is a deeper and more extensive

international and regional economic cooperation based on equal consultation and mutual benefit and win-win results. It takes advantage of China's industrial advantages in the fields of the Internet, energy and transportation, and exports China's Advantageous industries and technologies are not simply the transfer of low-end manufacturing output. This has an important role in accelerating the economic development of countries and regions along the “Belt and Road”, and can quickly change the imbalanced and inadequate situation of regional economic development. Important reasons for attracting countries and regions along the route to actively participate in the “Belt and Road” initiative.

It can be seen from the international economic geographic structure that although most countries and regions in Central Asia, South Asia, and West Asia have rich resources and vast areas, the level of industrialization is not high, and the third industrial revolution is still in its infancy. Some countries and regions have not even completed the second industrial revolution, and their economies are very underdeveloped. In these countries and regions, infrastructure such as water, electricity, and transportation is seriously backward, and more than half of the people in the information age still cannot access the Internet. The backward infrastructure construction is the bottleneck that restricts the economic development of these countries and regions. In the process of economic globalization, it is far behind. It is not difficult to see the world economic development in recent years. Asia has become the main pillar of global economic development and a new growth pole of the world economy. With the implementation of the “Belt and Road” initiative, Asia's role in promoting and supporting the global economy will be obtained. Take it a step further. At the same time, with the gradual adjustment of the Asian-European economic and trade pattern, international and regional economic cooperation is further unfolded, and the interconnection and interconnection of the countries and regions along the route will better promote the integration of resources between regions and the sustainable development of economic society. Many developing countries have learned from the achievements of China's economic development in recent years. India, Vietnam, and Thailand have all proposed to speed up infrastructure construction, adapt to and integrate into international regional economic cooperation, and the “Belt and Road” initiative is the most effective entry point to promote international regional economic cooperation. Through the implementation of the “Belt and Road” initiative, countries and regions along the route will carry out more active infrastructure construction, which will help promote industrial development and the establishment of market mechanisms, realize the interconnection of information, resources and goods, and further reduce the regional gap between regions. Achieve more frequent economic and trade exchanges between Asia and Europe, and closer economic ties, and create a new pattern of economic development in Asia and Europe. At present, China 's cooperation with the countries and regions along the “Belt and Road” in the fields of energy and transportation has begun in an all-round way, and a new comprehensive three-dimensional international and regional economic cooperation pattern connecting Asia and Europe has been initially established.

#### **4. New Challenges Facing China's Regional Economic Cooperation in the Perspective of the “Belt and Road” Initiative**

After the global financial crisis, economic globalization is facing many problems such as structural contradictions, economic and geographic changes, and anti-globalization waves, which have severely restricted the development of regional economic cooperation.

Under the global economic development model in which financial capital dominates the real economy, developed countries have realized the global allocation of financial capital by providing conditional loans and assistance. There has been a serious economic structural imbalance between capital and manufacturing, and international trade. The contradiction between division of labor and profit distribution has further expanded. After the financial crisis broke out in 2008, the global economy entered a new round of structural adjustment. Many countries have begun to digest the accumulated economic bubbles and risks while seeking new development opportunities. Developed countries such as Europe and the United States have readjusted their economic growth methods, returned to the real economy such as advanced manufacturing, focused on building their new

competitive advantages, and introduced a series of measures. For example, the United States' "Reinvigorating the American Manufacturing Framework", Germany's Industry 4.0, and so on, China has also proposed "Made in China 2025". With the advent of the fourth industrial revolution, global economic development has begun to shift from cost competition to innovation and service competition. The global system of production and consumption will gradually be replaced by regional trade, which has brought new opportunities to international regional economic cooperation.

Opportunities and Challenges.

The rise of the "BRICS" signifies that the global economic geography is shifting towards developing countries. In the future, the role of developing countries and emerging markets in driving the global economy will be significantly enhanced. In fact, in recent years, the contribution of Asian countries to global economic growth has exceeded 50%. The new global economic center is shifting with the rise of Asia. China has officially become the second largest economy in the world, and Asia has also become With the world's largest consumer market, changes in economic geography have brought new opportunities and challenges to international regional economic cooperation.

In the past, we have been concerned about the adverse effects of economic globalization on developing countries. But with the emergence of issues such as "Brexit" and "America First", economic globalization is facing unprecedented new challenges. Opposing economic globalization has proposed a more fair, just, and free global economic development direction. It has proposed that more people can participate in, understand, and recognize the risks of globalization. It has also proposed the establishment of a comprehensive globalization system and an orderly promotion of economic globalization This has brought new tests and challenges to regional economic cooperation.

## **5. New Challenges Brought by the Transformation and Upgrading of the Global Economic Governance System to Regional Economic Cooperation**

Due to the huge differences in the political, economic, and cultural aspects of countries around the world, there has not been a unified governance standard and a complete governance system in the process of economic globalization. At present, the global economic governance system includes the United States-led multilateral governance system such as the General Agreement on Tariffs and Trade, the International Monetary Fund, and the European Community regional governance system dominated by France and Germany. As the economic strength of countries around the world improves, the global economic governance system is becoming more democratic and transparent. The emergence of "BRICS" and G20 has further promoted the innovation and transformation and upgrading of the global economic governance system. Developing countries are gradually establishing new governance mechanisms and trade rules, and the original multilateral trading system is shifting to regional and bilateral trade. In the future, China will play a greater role in global economic governance, and the global economic governance system will also transform and upgrade to multiple levels, which will also bring new challenges to regional economic cooperation.

## **6. From the Perspective of the "Belt and Road", China Will Continue to Strengthen Regional Economic Cooperation**

As the world 's second largest economy, China is also the world 's largest developing country. Under the concept of win-win cooperation in international and regional economic cooperation, with the substantial increase in economic strength, China 's influence on international affairs and economic globalization has been greatly improved. Chinese experience and Chinese wisdom have been widely accepted, learned and For reference, China is also actively participating in more international and regional economic cooperation.

First, we must further promote the balanced development of the regional economy. Accelerate the mid-line international regional economic cooperation of the "Belt and Road" initiative, connect China 's eastern, central and western regions, and central and western Asian countries with

European developed countries and regions, and promote the integration of Asian inland resource elements with advanced productivity in developed countries. Generally speaking, the “Belt and Road” initiative is an important economic globalization strategy, which can improve the flow of production factors such as capital, trade, and technology among regions, and achieve wider bilateral and multilateral cooperation in the regional economy, effectively promoting The balanced development of the regional economy.

Second, we must actively promote the balanced allocation of financial capital in the region. The implementation of the “Belt and Road” initiative requires huge financial capital support, and the financial systems and capital strength of the countries and regions along the route are difficult to meet their own development needs. We must accelerate the establishment of a multilateral financial cooperation network led by China. Especially after the RMB joins the SDR, the frequency of use in cross-border payments and settlement will increase significantly, which avoids the exchange rate risk brought by the fluctuation of the US dollar and also enhances the RMB's settlement position in world economic activities. Under the “Belt and Road” initiative, it is necessary to realize multi-channel support for construction funds in countries and regions along the route, promote the balanced allocation of financial capital in less developed countries and regions, reduce dependence on the US dollar, and alleviate the imbalance in financial development in international regional economic cooperation. .

Third, we must speed up the construction of the free trade zone and fully complete the docking with the international market. The “Belt and Road” initiative will inevitably drive a substantial increase in trade among the countries and regions along the route. The “Belt and Road” initiative has effectively solved the problem of overcapacity in some domestic industries, and has also promoted trade development in countries and regions along the route. China has always been committed to promoting international and regional economic cooperation and trade development. It has signed bilateral and multilateral trade agreements with 11 countries and regions along the “Belt and Road”, breaking the long-standing policy-based trade protection barriers of developed countries. It is necessary to further accelerate the construction of the free trade zone, fully complete the docking with the international market, and realize the transformation and upgrading of the domestic economic structure. By driving the growth of intra-regional trade, developing countries can gain more voice in the process of economic globalization, and establish a long-term healthy new international trade order.

## **Acknowledgment**

This article is the phased result of the 2017 “Project Analysis of the Changjitu Pilot Zone to Promote the Construction of Internal and External Passages Through the” Belt and Road “Strategy” (JJKH20170205SK).

## **References**

- [1] Ma Dong. The countermeasures of China's implementation of the “Belt and Road” initiative under the new situation of global regional economic cooperation [J]. Reform and Strategy, 2016 (12): 60-63.
- [2] Li Zhonglin, Jin Shiwen. The Choice of the Economic Corridor for the “Belt and Road” Initiative in Northeast Asia [J]. Dongjiang Academic Journal, 2019 (4): 104-108.
- [3] Li Zhenfu. Research on the construction of “competitive strength” and “Belt and Road” channel [J]. Academic Exploration, 2019 (9): 34-43.
- [4] Lu Hua, Wang Xiaoping, Wang Xinyu. Research on the construction of logistics hub network system along the “Belt and Road” [J]. Macroeconomic Research, 2018 (11): 94-101 + 138.