



*Asesorías y Tutorías para la Investigación Científica en la Educación Puig-Salabarría S.C.
José María Pino Suárez 400-2 esq a Lerdo de Tejada, Toluca, Estado de México. 7223898475*

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TÍTULO: Discusiones sobre la Iniciativa Cinturón y Carretera: beneficios mutuos o pérdidas.

AUTORES:

1. Assoc. Prof. Irina N. Belova.
2. Senior Lect. Elena A. Egorycheva.
3. Prof. Valeriy S. Semenovich.
4. Prof. Elena A. Notina.
5. Senior Lect. Irena A. Ryabinina.

RESUMEN: China ha presentado un grandioso proyecto económico y de transporte, la Iniciativa Belt and Road, también conocida como "One Belt One Road" o "New Silk Road". Es imposible negar la escala y la complejidad del Proyecto, que implica prosperidad económica de los países a lo largo de la Ruta de la Seda, el desarrollo económico sostenible y el fortalecimiento de la cooperación mutua entre regions; sin embargo, hay más discusiones sobre la expansión económica de China en los países que participan en esta iniciativa y sobre el aumento de la carga de la deuda de esos países implicados. El Proyecto implica la construcción de infraestructura, incluyendo carreteras, ferrocarriles, puertos, redes de energía, transmisión de señales a través de cables ópticos, y otros.

PALABRAS CLAVES: Iniciativa Belt and Road, One Belt One Road, China, comercio internacional, corredor de tránsito.

TITLE: Discussions on the Belt and Road Initiative: mutual benefits or losses.

AUTHORS:

1. Assoc. Prof. Irina N. Belova.
2. Senior Lect. Elena A. Egorycheva.
3. Prof. Valeriy S. Semenovich.
4. Prof. Elena A. Notina.
5. Senior Lect. Irena A. Ryabinina.

ABSTRACT: China has put forward a grandiose transport and economic project the Belt and Road Initiative, also known as “One Belt One Road” or “New Silk Road. It is impossible to deny the scale and complexity of the project. It entails achievement of economic prosperity by the countries along the Silk Road, their sustainable economic development and strengthening of mutual cooperation between the regions. However, there are more and more discussions about China’s economic expansion into the countries participating in this initiative, about increasing the debt burden of the countries implementing the infrastructure projects of the Belt and Road Initiative. The concept involves the development of infrastructure construction, including roads, railways, ports, power networks, signal transmission via optical cables, and others.

KEY WORDS: Belt and Road Initiative, One Belt One Road, China, international trade, transit corridor.

INTRODUCTION.

At present, the Belt and Road Initiative, which will connect African and Eurasian countries through land and sea transport networks, plays a special part in expanding China's openness to the outside world. Its concept, in the best possible way, reflects the specific goals and objectives through which China will be able to become deeply integrated into the global economy, as well as strengthen mutually beneficial cooperation with the countries of Eurasia, Africa and other parties interested in collaborating.

The participants of the project "One Belt One Road" will jointly pursue the main goal, which is achieving economic prosperity, sustainable economic development and strengthening mutual cooperation between the regions by the countries along the Silk Road. In order to reach these goals, transport routes from China to Europe along with economic growth points will be formed and are being created and improved. There will be land and sea routes between Asia and Europe, economic corridors will be established.

In the 1980s, the leader of China Mr. Siaopin, create a new vector of Chinese's economy which was based on two objectives: to create a society of "little prosperity" by the 100th Anniversary of Chinese's Communist party by 2021 and since 2030 to create a society of "total prosperity". In order to reach these goals, high paces of economic goals were required. And China did it successfully. Over 30 years from 1980 till 2010, average China's economic growth was 10% a year. It meant that every 7 years China doubled its GDP. Since 1980, China's has increased more than in 20 times GDP and as well as GDP per capita (Akayev & Sadovnichy, 2018).

After the global financial and economic crisis of 2008-2009, the era of high paces of growth finished and changed into 6-7%. PRC Chairman Xi Jinping called this phenomenon "new normality". According to Xi Jinping, the lower acceptable limit for reducing the growth rate of the economy in the 13th five-year plan (2016-2020) should be 6.5% per year (Shcherbatov, 1908).

Then, by 2021, the average per capita income of China's population will be approximately \$10,000, which complies with the standards of the "small prosperity society". Today, this figure is \$8.2 thousand per year (Akayev & Sadovnichy, 2018).

In order to achieve "Chinese dream" - the revival of the great Chinese nation by 2050, China has to move reforms forward to build a "society of universal prosperity" by the beginning of the 2030s. It will require to double per capita income to 20 thousand dollars a year. China will be able to achieve the next doubling of GDP only in 12 years (2021-2032) (not as previously in 7 years) with an average economic growth rate of 5.5% per year and its retention in the range of 6.5-4.5%.

And the final goal is to achieve "Chinese dream" - the revival of the great Chinese nation by 2050 with per capita income of 40-45 thousand dollars, as in the developed world. And it will require another doubling of GDP within the period of 2033-2050. This bar can be taken at an average economic growth rate of 4% per year and its retention in the range of 4.5-3.5% (Akayev & Sadovnichy, 2018).

Thus, if in the next three decades (2020-2050) China succeeds in quadrupling its GDP and bringing per capita income to \$40,000 a year, then China will become one of the most developed countries in the world with a high level of average incomes of its citizens. That is why the country is extremely interested in keeping economic growth at a rather high rate. In the conditions of "new normality" without the former generous volumes of public investment, as well as constant growth of the main factors of production, increase of trade deals, investment in infrastructure of other countries, increase of innovations, smart technologies and growth of domestic consumer demand will become the main focuses over next decades.

China has achieved phenomenal success in the field of practical development and high-quality reproduction of avant-garde technologies of developed countries. Now, it is increasing its own

efforts in the qualitative development and expansion of the R&D sphere to develop its own innovative technologies (Akayev & Sadovnichy, 2018).

The country has already reached first place in the world in terms of the number of scientists and engineering and technical workers. More than 1.5 million people employed in R&D, it is higher than in United States (1.3 million people), and today China takes the first place in the world by the number of inventions patents [10]. China is increasing investment in education and human capital in order to make the vector of national economy development more innovative.

However, the country's leadership is well aware that in order to maintain medium-high economic growth rates over the next decades, it is not enough just to stimulate domestic demand. It is also necessary to increase the foreign trade turnover: at least by 6% per year till 2032 and further, it will be enough by 5%. Hence, the task is to dynamically develop foreign trade, invest in foreign investment assets, implement international infrastructure projects as additional sources to accelerate economic growth (Luzyanin, 2016).

In 2013, in response to the US initiative to sign an agreement on the Transatlantic Trade and Investment Partnership and the Trans-Pacific Partnership, to limit China's foreign trade it was precisely Xi Jinping proposed a new megaproject "One Belt One Road Initiative". It combines two projects: Silk Road Economic Belt and the 21st-century Maritime Silk Road, aimed at reviving the traditions of the Great Silk Road ("Excellent prospects," 2015). The central idea of the Initiative is to build a new, more advanced infrastructure connecting the East and West of the Eurasian continent - a large-scale network of high-speed railways and highways, seaports and terminal-logistic centers, industrial parks. To this end, barriers to trade and investment must be drastically reduced in order to ensure the increasing flow of exports of Chinese goods to Central and South Asia, Europe, the Middle East, and Africa, as well as the uninterrupted supply of energy and raw materials to China.

Megaproject “One Belt - One Way” became, in fact, the basis of China's geo-economic strategy, designed primarily to solve the most important external and internal economic problems associated with the loading of idle production capacities, pushing outdated technologies out of the country. However, the project involves an active search for a new one for the XXI century models of international cooperation.

By taking the initiative, China calls for joint action based on the principles of peaceful coexistence enshrined in the UN Charter, mutual respect for sovereignty, non-interference in the internal affairs of other states, equality, and mutual benefit. “One Belt - One Way” aroused great interest in Eurasia, since it immediately acquired a very solid base for financing projects in the field of transport, energy, and logistics in the form of the Silk Road Fund (FSP) and the Asian Infrastructure Investment Bank (AIIB) with a share capital of 40 and 100 billion dollars respectively. The point where financing is significant is that more than 80 Asian, Middle Eastern and European states are among the founders of the AIIB.

Optimism is added by the enormous amount of financial resources that the country intends to provide for the implementation of “silk projects”. So, only the Development Bank of China plans to allocate about \$1 trillion in soft loans by 2020. This means that the country is ready to invest huge amounts of money in building a modern transport and trade infrastructure on the Eurasian continent to expand the markets for goods and increase the volume of international trade. According to the AIIB, the total investment needs for the SREB project implementation exceed \$7 trillion. China’s large-scale investments are called upon to expand the belt of China-friendly states on the Eurasian continent (Akayev & Sadovnichy, 2016, 2018).

The ultimate goal of the megaproject is to conquer the rich markets of the European Union countries, where China has an all-powerful competitor in the United States. However, for the EU, participation in the creation of the SREB and MSS may be more attractive than cooperation in the

framework of the Transatlantic Trade and Investment Partnership, where the US requires significant preferences for itself.

In the spring of 2014, a new stage of Chinese-European relations began, which can be called a great European trade and economic offensive; for example, in January 2015, speaking at the World Economic Forum in Davos (Switzerland), Premier of the PRC State Council, Li Keqiang, said that his country would fully promote the construction of the SREB and IPM towards Europe, promote trade and investment liberalization, expand services, as well as capital markets.

“China, being the largest of the developing countries, and the EU, which is the largest union of developed countries, should dock their own strategies in order to give a new impetus to the economic development of the two sides” (Luzyanin, 2016). In the opinion of the Chinese leadership, the construction of the SREB and MSP will contribute to the structural reform and economic growth of the EU, giving it hope to get out of the “debt quagmire”. Moreover, Li Keqiang said that the rapid development of trade and economic cooperation between the PRC and the EU is considered by many as a factor in maintaining economic growth in Europe and around the world (Akayev & Sadovnichy, 2018).

The main purpose of this study is to answer the questions: 1) what are the implications of the One Belt One Road initiative? 2) What are the contexts of origin, strategies, opportunities, and challenges of OBOR initiatives? 3) Is Belt and Road Initiative design to boost the economics involved? and 4) what are the challenges, risks of these economies’ participation? These questions lead the researcher team to explore mutual benefits and risks of One Belt One Road initiative for global future development.

DEVELOPMENT.

Research Design.

A conceptual framework is developed for the implication of OBOR initiative for future global development through an extensive review of the literature. The research is based on the indicators of global economic development. The study mainly focuses on the contest of mutual benefits, challenges context of origin, strategy, opportunities, and challenges of OBOR initiatives based on economic, political and social aspects.

Sources of Data.

Secondary sources have been extensively used related to the implication of OBOR initiative, challenges, and opportunities for the countries along New Silk Route. The latest information has been included for a better comprehension of OBOR initiative.

Search Strategy.

Data has been extensively searched from some renowned databases as Scopus, Google Scholar, Web of Science, Springer using keywords like “New Silk Road”, “The belt and Road Initiative”, “One belt One road”, “Economic belt, Maritime silk road”, OBOR, economic development, policy, strategy, regional development, global economic development for securing authentic information. The data collection and analysis for this study has been done during 2016-2018. Literature reviews are a significant part of the development of a field. It offers the opportunity to synthesize and reflect on previous research, and thus providing secure grounding for the advancement of knowledge (Sarker, Hossin, Yin, & Sarkar, 2018).

Table 1. Recent studies on the OBOR initiative.

Authors	The title of the issues	Journal/source
A.A. Akayev, V.A. Sadovnichy.	Mathematical measurement of megaproject “One belt - One Road”	Bulletin of the Russian Academy of Sciences, 2018, vol. 88, no. 8, pp. 759-770.
Md Nazirul Islam Sarker, Md Altab Hossin, Xiaohua Yin, Md Kamruzzaman Sarkar.	One Belt One Road Initiative of China: Implication for Future of Global Development.	Modern Economy, 2018, 9, pp. 623-638.
K. Gemueva, A. Salitsky, N. Semenova.	European discussions on the Chinese Initiative “One belt - One road”.	Russian Academy of Sciences Institute of Oriental Studies Eastern Analytics Issue 3, 2018, pp. 36-43.
S.S. Goncharenko.	“One belt - One road: general prosperity or unused risks?”	Russian Academy of Sciences Institute of Oriental Studies Eastern Analytics Issue 3, 2018, pp. 43-49.
Haiquan	OBOR is a tool for enhancing China’s open economy.	Croatian International Relations Review, 2017
Cheong	Focusing on the economic assessment of OBOR. Pointed out some risks regarding implementation.	Journal of International Logistics and Trade Blanchard & Flint, 2017
Du & Zhang	China’s overseas direct investment (ODI), especially whole or majority-ownership mergers and acquisitions rose significantly in belt-road countries.	China Economic Review Vangeli, 2017
Zeng	Europe is a second-order concern for China, and Europe only plays a marginalized role in China’s policy discussion.	Journal of Common Market Studies, 2017

Let us address to the article “Key Determinants of Russian Economic Growth” written by Elena Egorycheva, Anna Kurashova, Maxim Chernyaev, Anna Korenevskaya, where the authors have made an attempt to describe the impact of the main Russian economy indicators on economic growth in terms of quantity, as well as to identify the factor playing the pivotal role.

For a quantitative description of the relationship between GDP increase (decrease) rate and the above-listed factors the following model of multiple regression equation was chosen: $Y = f(\beta, X) + \varepsilon$,

where $X = X(X_1, X_2, \dots, X_m)$ – is a vector of independent (explanatory) variables; β – is a vector of parameters (to be determined); ε – is an accidental error (deviation); Y – is a dependent (interpretable) variable.

The authors considered the following factors to be crucial in affecting annual change in an increase (decrease) in GDP (Y):

- Index of average real wages – X_1 ;
- Index of income per capita – X_2 ;
- The industrial production index – X_3 ;
- Index of capital investments – X_4 ;
- Imports index – X_5 ;
- Exports index – X_6 .

Having analyzed both positive and negative experience of scientists from different countries, regarding the linkage between national economic growth and various economic, social, political and natural and climatic factors, we attempted scientifically justified selection of the factors which could be connected with Russian GDP dynamics in present-day conditions.

Let's remind that as a result of exploring possible factors influencing GDP as a pivotal indicator of Russian economic growth we picked out indices characterizing the dynamics of average monthly wages, income per capita, industrial production, capital expenditures, imports, and exports. Correlation analysis of GDP and the listed indicators statistics for the period of 1997-2015 allowed us to obtain a regression equation in which weighed index of such factor as industrial production growth rate turned out to be the most significant among others. Further analysis of partial coefficients of pair correlation also confirmed the impact of industrial production index on GDP. The second factor that had an important influence on GDP is Exports index (Egorycheva, Kurashova, Chernyaev, & Korenevskaya, 2018).

That is why China is trying to concentrate its attention both on boosting export and industrial production. And for this proposed China proposed the world constrictive project new Silk Road. And only a modern high-speed cross-border infrastructure, which plays a crucial role in economic development and competitiveness, can provide in the XXI century such growth. It is precisely to its creation through joint efforts that China calls for. China's trade with the countries located along the Road reached 1.12 trillion dollars by 2016, which is 26% of the total foreign trade turnover of the country. According to Xi Jinping, during the implementation of the project "One Belt - One Road", this figure should exceed \$2.5 trillion by 2030. This means that the annual increase in turnover will average 6% (Akayev & Sadovnichy, 2018).

China is the main European Union's partner in the trade relations of acquiring high-tech products. The share of high-tech exports from the EU to the USA and China is 27% and 12%, respectively. However, the European Union is increasingly attracted by a rapidly growing middle class in East Asia, which is seen as a potential consumer of high-tech, high-priced products from European countries. According to various estimates of experts, a number of the middle class in China and India alone already reaches 300 million people.

As a result, the movement of passengers and cargo will be simplified as much as possible, with a significant increase not only in trade but also in cultural exchange. China and the European Union have already created their own internal high-speed rail networks with a length of over 10 thousand km and 7 thousand km, respectively, and are now mutually striving to connect them.

What are the prospects for creating a full-fledged high-speed railway between Europe and China? The priority is considered to be the high-speed highway Beijing – Kazakhstan – Kazan – Moscow and then via St. Petersburg to Europe to Berlin, Paris, and Rotterdam.

The project looks preferable because it is the safest and most reliable route, especially for transit traffic. Moreover, the central part of Moscow – Kazan is planned to be launched by the efforts of Russia and China by 2022. Besides, in January 2015, China offered Russia to implement the largest infrastructure project - the construction of a high-speed railway The Beijing – Moscow highway with a length of 7 thousand kilometers - and plans to invest 1.5 trillion yuan in it (\$250 billion).

As can be seen, the prospects for the connection between Europe and China by high-speed rail service have a real basis, and this project can be realized in the coming decade. Economic cooperation between Russia and China is based on the principles of mutual benefit, complementarity, accounting, and convergence of interests, and more recently, the matching of the development strategies of the EAEU and the SREB (Akayev & Sadovnichy, 2018). China and Russia invariably pursue an independent and independent foreign policy, develop relations of comprehensive strategic interaction and partnership, and support each other in the international arena. China is the largest trading partner of the Russian Federation, and Russia is one of the main suppliers to China of energy resources, electrical products and high technologies in the military-technical sphere. By 2017, China's share in the foreign trade turnover of Russia reached 14% (Akayev & Sadovnichy, 2018).

It is expected that by the end of 2017, the volume of trade between the Russian Federation and the People's Republic of China will amount to 80-90 billion dollars against 69.5 billion dollars in 2016. By 2020, the Ministry of Economic Development of the Russian Federation believes that this figure may increase to \$ 200 billion. Free access to Russian goods to the Chinese market is one of the factors behind the active growth of our economy. But Russia needs to work on the diversification of the export commodity group, since the basis of supplies from the Russian Federation to China is still mineral resources, including hydrocarbons, which account for up to 80% of exports (Akayev & Sadovnichy, 2018).

In the next 5 years, China will provide monetary assistance in the amount of 60 billion yuan (nearly 8.5 billion US dollars) to developing countries and international organizations along the New Silk Road. 24 thousands of new jobs will be created in the countries participating in The Belt and Road initiative ("One Belt One Road", 2018).

China has currently reached an agreement with some European Countries. Let's consider some of them. According to Wang Yi, "The head of the China diplomacy noted that after last year's productive visit to Spain and Portugal, Xi Jinping again arrived in Europe, making his first foreign trip this year, demonstrating the special attention of Chinese diplomacy to Europe. The Chinese leader held in-depth talks with the leaders of the three visited states and the German Chancellor of the Federal Republic of Germany specially arrived in Paris, which gave the world a clear signal to strengthen Chinese-European strategic mutual trust and deepen their strategic interaction".

Current China's relations with Italy.

On March 22, at 10 am, Italian President Sergio Mattarella made a solemn meeting with the President of the People's Republic of China, Xi Jinping, at his residence. During the meeting, the key phrase was "dialogue among civilizations". In his greeting, Chairman Xi Jinping noted that

both China and Italy are the heirs of ancient civilizations with a great culture, the interaction of which is historically conditioned; that is why countries should develop humanitarian communication, exchanges, and cooperation in culture, education, cinematography, television, and the media in order to strengthen mutual understanding and friendship between nations.

According to Xi Jinping, China and Italy should direct efforts to pair national development strategies, master the potential in infrastructure construction, port logistics, shipping, etc. in order to form a number of optimal projects in the context of pragmatic cooperation and the implementation of the “One Belt and One Road”, expanding humanitarian exchanges and promoting mutual understanding and friendship between the peoples of both countries. Sergio Mattarella, supporting the leader of China, said that Italy is in favor of participating in the “One Belt - One Road” Initiative, as it favorably affects interconnections and the overall development of Eurasia (“Pragmatic cooperation”, 2019).

Current China’s relations with Monaco.

On March 24, Chinese President Xi Jinping arrived on a visit to the Principality of Monaco. This is the first visit by a Chinese leader to this small country in southwest Europe. Thousands of flags of China and Monaco have decorated the streets of the country: experts say that the time of China has arrived in Monaco. Monaco carefully prepared for the visit of the leader of China: a solemn ceremony was held in front of the Princely Palace. The head of the guard of honor greeted Chairman Xi Jinping in Chinese. Before the talks, the spouses of the leaders of the two countries held a “special meeting” in the hall on the second floor of the palace. A concert was held at the welcoming banquet - Chinese traditional songs were performed by children who are learning Chinese (“Pragmatic cooperation,” 2019).

Current China's relations with France.

France became one of the European countries that was the first to express their intention to join the cooperation in the framework of the “Belt and Road” Initiative. The parties decided to promote cooperation on existing large projects in the areas of traditional strategic interaction, speed up strategic interfacing and comprehensive cooperation in such new areas as scientific innovation, agriculture, and finance, and further deepen the integration of interests of the industrial sectors of the two countries.

Several agreements were signed on March 25 between France and China during the visit of President Xi Jinping to France. Highly appreciating the development of bilateral relations, PRC Chairman Xi Jinping noted that China and France are not just friends and partners seeking mutual winnings, the strategic and creative nature of Chinese-French relations allowed the parties to make an important contribution to peace, stability, and development on the planet. Five years ago, Chinese President Xi Jinping at a meeting on the occasion of the 50th anniversary of the establishment of diplomatic relations between China and France, highlighted four principles in the development of bilateral relations: independence and autonomy, mutual understanding, foresight, mutual benefit and win-win.

According to analysts, no matter what changes the whole world is undergoing, the “special relationship” between China and France will certainly be strengthened provided the parties implement the above principles. “Joint consultation, joint construction, and sharing” is the golden rule of Xi Jinping’s “One Belt and One Way” Initiative. The Chinese side is full of confidence that while maintaining a high level of political mutual trust between the two countries, France may well play a more significant role in the implementation of the initiative projects (“Pragmatic cooperation,” 2019).

Current China's relations with Eastern Europe.

Eastern Europe has been working on strengthening relations with China as well. China and its former Eastern Bloc communist ally nations have embraced post-Cold War global capitalism in different ways and with varying degrees of success. How an economically powerful China now engages these nations based on their respective degrees of integration with Western Europe and in terms of their positioning with Russia, their former Soviet overlord, is revealing in many ways.

This section on OBOR in Eastern Europe considers the region from the perspective of eight economies: Poland, the Czech Republic, Romania, Hungary, Ukraine, Albania, Macedonia, and Moldova. Six of these (all but Ukraine and Moldova) are part of a grouping that China has organised that is styled China and the Central and Eastern European Countries (ChinaCEEC). Made up of 16 regional states, the organisation, also known as the 16+1 mechanism, factors heavily into China's westernmost expansion of the Belt-Road initiative (Gemueva, Salitsky, & Semenova, 2018).

Current China's relations with Russia.

In 2018, Russian-Chinese trade for the first time in history overcame the milestone of \$100 billion and reached \$107 billion, an increase of 27% over the year. This is a good result. At the same time, we received a positive trade balance of more than \$ 11 billion, while Russian exports added more than 40% in value.

The main contribution to the increase in commodity turnover has traditionally been made by energy: the supply of Russian oil to China last year increased by almost 20% and reached a record figure of 71 million tons. Our country has strengthened the position of the main supplier of "black gold" in the Chinese market; but at the same time, we saw a 55% increase in exports of domestic agricultural products, which had crossed the threshold of \$3 billion.

Our trade and economic cooperation now cover almost all kinds of areas and is developing dynamically. However, we see that its potential has not been fully disclosed and there is considerable space for growth, including in the energy, agriculture, scientific, technical and industrial sectors, logistics and many other industries. We are well aware that modern trade and economic relations are not just an exchange of goods, but a whole range of relations, including the implementation of investment projects and close financial integration. An important issue on today's agenda is to increase the share of national currencies in foreign trade payments.

As for the “Silk” initiatives, then, speaking at the International Forum “One Belt - One Road” in May 2017, Russian President Vladimir Putin noted that the infrastructure projects announced in the framework of the Eurasian Economic Union and the OPOP initiative, in conjunction with the Northern Sea Route they are able to create a fundamentally new transport configuration of the Eurasian continent, and this is the key to the development of the territory and the revival of economic and investment activity.

Nevertheless, along with the positives of the prospective of OBOR Initiative, there is a negative one. Chinese expansion encounters quite a few obstacles in its path, and Western European countries find a fairly wide range of opinions about this phenomenon. These assessments are of obvious interest not only in their own right but also in comparison with the Chinese approaches - as a reflection of the differences in modern ideas about the world in China and beyond. The vigorous power of the young superpower begins to resist the protectionism of recent leaders and proponents of globalization.

The existing parameters of foreign trade are perceived negatively, the EU's negative balance is perceived as an indicator of the loss-making of the Chinese sector [12]. In 2017, mutual trade grew quite dynamically: Chinese exports to Europe increased by 12.6% (versus 7.9% of the world as a whole), and imports increased quite solidly, its growth was 20.2% (against 15.9%) (Goncharenko,

2018). We emphasize that the sale of European goods in China looks like a promising direction of trade, Chinese consumers have long discovered the taste for high-grade and prestigious products from the EU. Besides, the Europeans have an asset in the services trade, largely due to the massive influx of Chinese tourists.

Without optimism, Beijing's desire to conduct business on a bilateral basis is perceived, as if ignoring EU integration and supranational structures. The cooperation of China with the countries of Central and Eastern Europe as a single regional group caused particular irritation, irrespective of their degree of involvement in European integration (Gemueva et al., 2018). The EU did not attend the first "16 + 1" summit in Warsaw, officially it was invited "too late". Beginning with the Bucharest summit of the new format in 2013 from the European Union, there is a permanent representative. Note that from December 2010 to October 2013 (the time of the Euro crisis), developing cooperation with CEE countries, China refrained from holding a high-level dialogue with the EU on economics and trade, an agreement on which was reached in 2008. In other words, there is some competition with European integration in the 16 + 1 format, although, as a rule, it is rejected by Chinese commentators "Divide and conquer - the old nightmare of Europe remains an instinctive Chinese approach," (Gemueva et al., 2018), European analysts say.

It should be noted that the preference for bilateral formats of relations is an old feature of Chinese diplomacy and does not apply only to Europe. The "16 + 1" format, by the way, resembles the scheme of cooperation between China and African countries - the China-African Cooperation Forum (FOCAC) was established in 2000, it meets once every three years, and the main work is carried out at the bilateral level. The bilateral format has its advantages, it is practical, as for the EU's common position, one observer is curious: "If Germany wants to cooperate with China, it does so on a bilateral level, if not, the refusal follows from European structures" (Gemueva et al., 2018).

Experts point out another “watershed”: cooperation in the framework of infrastructure projects of the “16 + 1” format has received a clear delineation of membership in the European Union. Five of the 16 non-EU countries (Serbia, Montenegro, Albania, Macedonia, Bosnia, and Herzegovina), using the Chinese funding model, implemented several large projects worth about 6 billion euros (Gemueva et al., 2018).

In particular, motorways were built in Serbia, Bosnia and Herzegovina, Montenegro, Macedonia, and Albania, as well as part of the Belgrade-Subotica railway (part of the route connecting Belgrade with Budapest).

The use of Chinese loans in the Western Balkans is due to the lack of attractive alternatives from the EU to finance the huge infrastructure needs of the subregion.

Individual features of Beijing’s investment policy in Europe, which see security threats, including access to the latest technologies, are also criticized. Overseas Chinese investment has attracted the attention of the authors of the report “China at the Gate,” which we have already quoted (Goncharenko, 2018). One of Beijing’s main goals is the acquisition of technology, including dual-use, Chinese companies and foundations that are involved in this business - there are over 30 of them, not counting the many shell companies (shell companies) established in 2017 and headed by Xi Jinping State Commission for Integrated Civil and Civil Development.

The Chinese are interested in integrated circuits, broadband communications, tools, robots and artificial intelligence, space and aircraft engines, etc. The acquisition of technology often begins with the purchase of a local company with a further expansion of its activities. So, at the end of 2016, the Chinese bought Avolon Holdings, an Irish aircraft leasing company, for \$2.5 billion. In April 2017, it acquired the American competitor, CIT Aircraft Leasing, for \$10 billion. As a result, Avolon Holdings became the third company in the world with a fleet of almost 900 aircraft (Godement & Vasselier, 2017).

Modern European discussions about the economic expansion of China in the states of Central and Eastern Europe have certain difficulties in assessing the scope of this phenomenon and its political consequences. The stumbling block here is insufficient, unreliable or missing/classified data on the nature of activities, forms of financial assistance to Beijing in the infrastructure projects of CEE countries. As can be seen from the analysis, some European observers believe that the economic expansion of China can be a political risk for European states (Gemueva et al., 2018).

CONCLUSIONS.

Though some scholars think that OBOR initiative is solely based on the implementation of the Chinese “Go West” policy but still it has a tremendous impact on the global economy. Chinese authority has the largest influence on OBOR initiative because of an initiator and largest economy. It also included the Digital Silk Road initiative for connecting the world digitally which is administered by the Cyberspace Administration of China. There is some geographically important place in China like Xinjiang as Core Area of the One Belt and Fujian as the “Core Area” for the “One Road” for implementing two mega projects under OBOR initiative (Sarker et al., 2018).

According to PWC analysis, the OBOR countries require at least USD 5 trillion for infrastructure development from 2016 to 2020 while according to Asian Development Bank, Asia requires USD 8 trillion for infrastructure development by 2020 for connecting the partner of OBOR countries and getting the full benefit from OBOR initiative. Since most of the OBOR partners are developing countries so infrastructure development should be the top priority for global future development under OBOR initiative. Another most important step should be taken to remove the constraints of trade and investment, reducing trade cost and motivating economic development. Financial integration is one of the important goals of OBOR initiative which can be gained by encouraging monetary policy coordination, internalization of Renminbi (RMB) for trade and investment,

motivating financial cooperation, creating regional financial institutions, strengthening cooperation for risk management, and encouraging regional mechanisms for managing financial risks.

Proper implementation of the OBOR initiative can help to develop the economy from China to central Asia, Europe, and Africa.

But “One Belt - One Road” Initiative should be approached carefully. There are facts of our common history that we cannot ignore. At one time, the Chinese empire actually destroyed Mongolia, annexed Dzungaria, and intended to seize Central Asia (Goncharenko, 2018).

And only thanks to Russia, Central Asia did not fall under the rule of the Qing dynasty. Only thanks to Russia, which supported the liberation revolution, was Mongolia saved from total annihilation (Goncharenko, 2018).

Now we need to analyze the balance of pros and cons for each state falling under this project. The benefits of China are obvious (Goncharenko, 2018):

- Laying and expansion of new ways, the coverage of large territories expands the external market for Chinese goods and accordingly strengthens the economy of China, improves the standard of living in China, contributes to the further development of the industry.
- Speeding up the delivery of goods from China to Europe speeds up the turnover of the commodity producer’s capital and, accordingly, increases the economic and production potential of the Chinese commodity producers.
- Completing the preceding paragraphs makes Chinese products cheaper, better, more competitive with similar products of other, including national producers.

What are the disadvantages for China? They are not.

What are the benefits of intermediate states? In receipt of payment for transit. What are the disadvantages of intermediate states? In accelerated deterioration of transport infrastructure,

violation of environmental safety, but the main thing is that Chinese goods will crush the goods of national producers. Or will freight trains follow non-stop in intermediate countries? but it does not happen.

About Chinese investment in the construction and modernization of the transport infrastructure of intermediate countries, Prince A.G. Shcherbatov (1908) warned in 1908 about the danger of over-accepting foreign investments, since they made the state-dependent on the will of the foreigner.

Therefore, a balance of power and rights must be initially developed. Having got rid of the world of colonialism, with its inequivalent economic exchange between colonies and the metropolis, it is not necessary to fall into another, no less negative, unequal economic exchange.

Nevertheless, no one can diminish the effect of the Chinese initiative on the global economy. Each count should find the optimum balance of positive effects on their national economy but only not to forget to insure the possible risks.

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DATA OF THE AUTHORS.

1. **Irina Nikolaevna Belova.** Associate Professor. Candidate of Economic Sciences, Department of International Economic Relations, RUDN University, Moscow, Russian Federation. E-mail: ir-belova@rambler.ru
2. **Elena Aleksandrovna Egorycheva.** Senior Lecturer. Department of National Economy, RUDN University, Moscow, Russian Federation.

- 3. Valeriy Stepanovich Semenovich.** Doctor of Economic Sciences. Professor, Department of National Economy, RUDN University, Moscow, Russian Federation.
- 4. Elena Aleksandrovna Notina.** Professor. Candidate of Economic Sciences, Head of Department of Foreign Languages, RUDN University, Moscow, Russian Federation.
- 5. Irena Alexeevna Ryabinina.** Senior Lecturer. Associate Professor, Department of Foreign Languages, RUDN University, Moscow, Russian Federation.

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