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“The Belt and Road” Initiative: Innovations of Both International Development Synergy and Global Governance

Abstract

China’s “The Belt and Road Initiative” (BRI) aims to promote international cooperation and achieve mutual benefits and all-wins. In the sense of economic development, it refers to achieving synergy among all participating countries in fulfilling development goals. In the sense of global governance, BRI refers to innovation in the paths and modes of cooperation so as to boost economic globalization. BRI is not only an innovative mechanism of global synergetic development and international cooperation, but a “China Solution” to promote all-win cooperation and solve development problems facing today’s world. This paper analyzes innovations in BRI to help further promote cooperation among all BRI participating countries as well as achieve all preset goals .

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As a major national initiative pushed by China, BRI aims to promote international cooperation and achieve mutual benefits and all-wins. In the sense of economic development, it refers to achieving synergy among all participating countries in fulfilling development goals. In the sense of global governance, BRI refers to innovation in the paths and modes of cooperation so as to boost economic globalization. The proposal of BRI marks China’s entering into a new stage of opening-up and reform .

I. INTERNATIONAL SYNERGY BECOMES A NEW DEVELOPMENT MECHANISM FOR DEVELOPING COUNTRIES

Development is the defining theme and biggest challenge facing today's world. BRI represents a "China Solution" to the development issue. In the sense of economic development mechanism, the profound theoretical and historical innovations of BRI lie in its advocacy of a new development mechanism for international synergy.

When exploring various development strategies and suitable development theories, strategic choices are individually made by each BRI participating countries, i.e., development strategy is made in accordance with current situations and development goals of a country's domestic industrial structure and development level. When deciding whether to adopt a catching-up strategy or a following strategy, a country usually makes the decision based on own economic situation, rather than on cooperation with other countries. Whether the foreign trade strategy shall move up to a higher opening-up level also depends on specific conditions and goals of a country. When making strategies and policies, a country will take advantage of external conditions, but internal factors are what really matter. A country may seek international assistances when develop its economy. But such external assistances are generally earmarked for specific projects, and never change the basic development conditions for the country. Likewise, international cooperation efforts such as joining international organizations, participating in regional integration activities, or fulfilling opening-up commitment to gain access to external markets are going to increase the degree of economic liberalization and create favorable conditions for the country's development, but not able to change development planning of the country. In addition, although all countries are allowed to negotiate with other countries in international organizations, developing countries usually have no say in these organizations. In short, development strategies are formulated by each country in an independent manner, rather than as a result of cooperation with other countries.

Although China has made remarkable achievements in terms of economic development, it has no intention to force other countries to accept its successful development mode, as China believes that every country has its own national conditions and a country's development strategy must be made based on these unique national conditions.

The core significance of BRI lies in proposing an initiative for all countries along the "Belt and Road" to form a development synergy, jointly cre-

ate development hardware and software environments through consensus, and to achieve common development. Synergy is neither a binding commitment, nor an unacceptable external condition, but rather a number of down-to-earth measures and projects. These measures and projects are the results of cooperation among different countries.

The “Five-Pronged Approach” (meaning policy coordination, infrastructure connectivity, unimpeded trade, financial integration, and strengthened people-to-people ties) in BRI reveals the essences of synergetic development in all aspects. It is a soft condition that Policy Coordination effectively synergizes the respective policies under the premise of consensus on development and cooperation. Policy Coordination is voluntary and has great autonomy and flexibility. Different from agreements and commitments of international organizations, coordination enables not only facilitate interaction for development planning among various countries, but also enhance market certainty and transparency. Policy is largely open-style and cooperative, which is conducive to the implementation of common projects. But excessive incentive-based competition should also be avoided. Infrastructure Connectivity is the basis of synergetic development, which is a hard condition. Infrastructure involves a wide range of roads, communications, pipelines, power stations, ports, airports, etc. These development conditions are often inefficient and even ineffective under the separate development planning of various countries. Infrastructure Connectivity offers the greatest economic benefit and complies with the interest of various countries. Infrastructure Connectivity helps all countries in BRI gain convenient access to a big market while reduce related costs, and will enable the landlocked countries gain access to sea ports to accelerate development. For countries and regions that are currently relatively underdeveloped, the overall planning of the infrastructure is of long-term significance. Financial Integration is not only a decisive factor for the overall development of all BRI countries, but also one of the hard conditions. Financial Integration does not only include direct foreign investment, but all kinds of credit capitals and financing means, which are crucial for both infrastructure construction and corporate financing. In particular, infrastructure construction is characterized by enormous investment and long payback period, hence needs support from many market-oriented financing mechanisms. Financial Integration directly resolves the prevailing double-gap problem facing many developing countries, helping them eliminate the biggest development bottleneck. Rather than forming a simple debtor-creditor relationship among BRI countries, Financial Integration is designed to form an open financing mechanism, including absorption of funds from other parts of the world and creation of more effective financing means

to meet various needs to achieve mutual development. Unimpeded Trade reflects progress in economic specialization and cooperation among BRI countries. Trade is the engine of growth for developing countries. In other words, trade plays an important role in accelerating a country's development. Unimpeded Trade means not only reduction in tariffs and removing of non-tariff barriers, but also trade facilitation of various types, enhanced efficiency in customs clearance and decreased logistics costs. A higher level of trade facilitation can lead to closer and more efficient specialization and cooperation in BRI and accelerate mutual development of all participating countries. Strengthened People-to-people Ties is a highlight of BRI and has profound impact on countries' economic cooperation. Great differences exist in the history, culture, religion and politics of all countries along "the Belt and Road". Although BRI for economic development is by no means intended to eliminate these differences, participating countries need to cope with the adverse effects of some of these differences on economic cooperation and mutual development. To this end, the key is to seek common grounds while reserving differences, and to take advantage of the similarities in economic development and reserving the differences in ethnic characteristics. When seeking development becomes a consensus, BRI countries can find cooperation as a greatest common factor.

Evidently, "the Five-Pronged Approach" in BRI is not only a basic framework for regional cooperation, but also an overall solution to addressing some of the development challenges for international cooperation. In this sense, "the Five-Pronged Approach" is a strategic innovation for achieving International Synergy to resolve development-related problems. Drawing on the Gravity Model of Trade and other similar models, some researchers concluded that the room for mutual trade development is not promising due to the fact that a majority of BRI countries are small and less developed economies. These researches lack an in-depth understanding of the overall framework of BRI. Markets can be nurtured, trade can be created, and growth can be achieved. The goal and significance of BRI is to achieve mutual development through synergy forming. Therefore, any analysis and prediction based solely on status quo of BRI countries are not a true reflection of the core and essence of BRI.

II. SPATIAL LAYOUT OF CHINA'S OPENING-UP SHIFTING FROM A GRADIENT MODE TO A PARALLEL MODE

BRI calls for coordination of various development policies and plans of among countries. In terms of China's own opening-up to the outside world, priority needs to be placed on the central and western China, shifting the development mode from the former gradient type to a parallel type.

Theory of Comparative Advantage has proved that opening-up is beneficiary to economic development, and development economics advocates that an opening-up-based economy tends to be more efficient, regardless of the size of the economy. However, we need to point out that these economic assumptions are made based the Small Country Model in which there is little development differences among different regions.

However, China is a large country with long land borders. Due to historical reasons, there is a huge development gap between China's coastal regions and inland regions. Accordingly, China chose to start its opening-up and reform with coastal regions as a starting point, utilizing the marine transportation advantage of these area to expand open foreign trade. Later, special economic zones were established in South China following the examples of Hong Kong and Macao. Being geographically close to Taiwan, Japan and South Korea, East China has attracted huge amount of foreign investment. The relatively more developed infrastructure in some cities along the eastern coastal line (such as Shanghai) also helped them attract foreign capitals and promote of export-oriented industries. The introduction of foreign capitals and the development of export industries are not only a defining theme of an open economy, but also play a decisive role in the rise of the eastern and southern coastal areas in China. This strategic choice, made from the perspective of a large country and the reality of development, is the first innovation in China's opening-up to the outside world.

Thanks to accumulation and improvement of opening-up experience gained from the special economic zones and coastal economic and technological development zones, China's opening-up policy has gradually become a nation-wide strategy with no regional differences. Central and western China can also attract foreign investment and engage in foreign trade. However, China's entire opening-up and development inevitably shows a gradient pattern: the opening-up degree and development level in eastern China are higher than that of in central and western China. Although China has adopted a national strategy of "The Western Development Drive" and placed a priority on transferring some eastern industries to the cen-

tral and western China, the above gradient development pattern has not been changed. At present, China has started to establish strategic economic zones in inland regions and achieved great development momentum. However, constrained by geographical conditions, these new strategic economic zones are still lagging far behind their coastal counterparts in terms of opening-up degree.

To rise from a large economy to an global economic power, China needs to narrow the opening-up and development gaps between east regions and central and western regions. Under such circumstance, BRI represents another major innovation in China's implementation of Opening-up to the Outside World Strategy.

Consistent with BRI, construction of passageways for southwest, western and northern China has been adopted as an important strategy to override geographical disadvantages and promote opening-up and development of these regions, including both land passageways and passageways. The construction of the passageways consists of both domestic and foreign parts and hence international cooperation becomes the key to the opening-up of China's inland regions.

By doing so, BRI will gradually change China's opening-up structure from the current gradient pattern to a parallel one. In other words, China's eastern, central and western regions are likely to develop their foreign economic and trade relations in different ways. The Chinese-European inland railway network which is now in full operation has demonstrated the effectiveness and feasibility of this new development pattern for the central and western regions.

BRI has proved, in an innovative way, that geographical conditions can be changed and reshaped, and inland regions can also become the frontier of international trading and cooperation. The reshaping of geographical conditions has changed the mentality that geographical factor is an unmodifiable constraint in economic development and analysis. Of course, reshaping geographical conditions is not feasible without huge investment, infrastructure construction capability and policy coordination with neighboring countries. As a highly complex and comprehensive strategic theme, reshaping geographical conditions has taken up a notch China's recent exploration on how to move coastal industries to inland regions.

Undoubtedly, a parallel pattern of opening-up does not mean that the same mode shall be adopted for all parts of China in opening-up to the outside world. The specific opening-up mode of each region will largely depend on its industrial development and geographical features. Products of the western China can be transported to Europe via railways, while products in East China can be shipped to the United States and Australia by sea. The

Opening-up mode of border regions largely depends on economic features of neighboring countries.

Advancing China's "The Western Development Drive" is the key to integrate domestic development and BRI. The development and opening-up of central and western China have not followed exactly the same path as the eastern China: when opening-up to the outside world, the eastern China development is characterized by attraction of external capitals by means of offering favorable policies and reforming the old system, partly because of China's market economy was not fully developed yet in the 1980s and 1990s. However, 30 years after China's adoption of the opening-up and reform policy, China is now in a brand-new development phase. The stage of policy-driven opening-up has come to an end and Chinese governments treat foreign companies the same way as domestic companies. In addition, in the early stage of opening-up, China's domestic market was not completely open to foreign investment. Since the situation is completely different now, it is impossible to boost the development of central and western China (particularly the manufacturing sector) by simply offering favorably policies to foreign investors. The significance of promoting BRI lies in boosting infrastructure construction and external connectivity for central and western China, while taking into consideration of the particular conditions of these regions and placing special emphasis on program cooperation and joint development. As a result, "The Western Development Drive" has greatly expanded its influence and scope beyond the border thanks to the BRI.

III. COOPERATION PARTNERS EXPAND FROM DEVELOPED COUNTRIES TO DEVELOPING COUNTRIES

In echo with BRI, China has expanded collaborating countries from the previous developed economies to include developing economies.

Opening-up to the outside world refers to making full use of international resources for the sake of China's development. Due to China's backward technology and weak economy at the beginning of opening-up in late 1970s, China was not able to implement its export-oriented policies. Hence attracting foreign direct investment and advance technology became the only option available and China reached out vigorously to developed countries and regions for the latter. These countries and regions not only had the capital and technology China needed, but also vast international mar-

kets China longed for. Since the 1990s, international transfer of traditional industries has become an important part of globalization, coupled with international division of labor in value chain of some new and increasingly complex products. China's domestic market potentials and low labor costs conformed exactly to this globalization trend and hence attracted a flood of foreign companies and investors from developed countries and regions. In this phase, for most of developing countries, apart from demand for raw materials and some construction projects, China was their main competitor in the low-end markets. In terms of international mobility of production factors in a quickly globalized market, developed countries at that time had advanced production factors, such as technology, brand and sales network, while China possessed nothing but a vast unskilled labor force. Therefore, at this initial stage, China had to rely on vertical specialization when collaborating with developed countries, including inter-industry vertical specialization and intra-product value chain specialization.

Although being on the low end of vertical specialization was not at all satisfactory to China, it provided China with a valuable path to fast development and seizing the historic opportunity of economic globalization. Foreign direct investment and importing of advanced production factors developed countries was China's key to success in this period. However, when China completed the initial development stage and alleviated poverty, it started to set sight on greater wealth and higher goals and the initial stage development mode soon became obsolete. At the second development stage, China sets forth ambitious goal of independent innovation, and relies on cultivating advanced production factors (such as technology and brand) to move up to the higher end in international division of labor. Meanwhile, China is in need of a new opening-up strategy for this new historical development stage, resulting in the launch of BRI.

The meaning of the so-called "new historical development stage" is multifold: first, it implies that China has presented itself as an emerging economic power and the second largest economy in the world. Its industrial structure has completed upgrading as a whole, and China is capable of impact the world economy due to its strong manufacturing capabilities. In some fields, China's innovations and emerging industries have started to compete with those in developed countries. At the same time, the immense productive capacity of many traditional industries, such as infrastructure construction and equipment manufacturing, help China to cooperate with countries relatively backward in these industries. Moreover, China has abundant capital and is capable of investing in many fields in different countries. To sum up, China's comparative advantage structure has undergone a thorough change.

As a result, at this new historical stage, China needs not only to continuously cooperate with the developed countries to further broaden market access to the high-end industries (especially modern service industry), but also to make new international cooperation modes in view of the structural changes in its own comparative advantages. Most of the countries participating BRI have great needs for infrastructure investment, and they are in need of large amount of investment for modernize domestic traditional industries at the start of industrialization, which in turn generates huge demand for general consumer goods once the industrialization starts to gain momentum. Given that these current comparative advantages China possesses, it is necessary and realistic to expand opening-up cooperation from the previous developed countries to neighboring developing countries. Hence comes the strategic innovation of BRI: China does not indulge itself in successful participating in value-chain-based international division of labor formulated by the developed countries, nor in miraculous achievements of its economic growth. Instead, China is making historical change to its comparative advantages to vigorously expand its collaboration partners, representing an major innovation in China's exploration of opening-up and development.

Production capacity cooperation is one of the goals set by BRI, but it never refers to simple transfer of production capacity. Production capacity of some industries (such as resource industries) cannot be transferred, while other industries may pose high transfer costs. Whether transfer in a certain industry makes economic sense depends on availability of local market. Production capacity cooperation should also not be simply understood as search for external market for excess capacity. No market is available for products without the development needs of the relevant countries. Cooperation is not likely to be sustainable if it is conducted merely from the perspective of China's market searching needs. Production capacity cooperation should be based on extensive investment and trade, which are mutually beneficial and sustainable for all countries involved. BRI is precisely aimed to achieve overall economic cooperation and long-term economic development. Accordingly, it is not only a new expansion of China's opening-up, but also a new mode of international specialization.

China's cooperation with the BRI countries may take many forms which are different from China's cooperation with developed countries. First, infrastructure investment: China is at an advantageous position in this regard and by improving the infrastructure in other developing countries, China helps these countries expand their long-term development capability. Second, industrial transfer: China's manufacturing industries will not only have access to new and big market, but also accelerate the industrialization

process of the recipient countries. Third, value chain specialization: BRI participate countries will benefit from value chain specialization by taking advantage of their cheap labor costs, meanwhile China's manufacturing industry will strengthen its competitiveness through cooperation.

IV. STRUCTURE OF EXTERNAL ECONOMIC RELATIONS EVOLVES FROM ONE-WAY FLOW TO TWO-WAY FLOW

“Going Global Campaign” of the Chinese enterprises is an important feature of BRI, which will accordingly lead to a historic change in the structure of China's opening-up development. Shifting from previous emphasis on “bringing in” to equal focus on “Going Global” is an inevitable requirement for China to integrate opening-up and BRI.

In the sense of development strategy, opening-up development mode, which prevailed in the past 30 years, is a development model tailored to the globalization trend. The economic globalization has an important feature, i.e., international flow of production factors supported by international direct investment, thereby forming an international cooperation based on the different structure of production factors in various countries. Specifically, foreign investment inflow is combined with the labor force of host country so as to produce and re-export to the world market. In the previous round of economic development throughout China, trade surplus, generated by exports and especially by foreign investment, was a major driving force. Therefore, the feature of economic development is embodied by the foreign investment-dominated export growth mode, which is one of the most important features of China's development mode.

In the sense of development mode, China's development mode crystallizes an historic and epoch-making innovation because previous emphasis on development mode was placed on speedy realization of industrialization and on making choice for external economic relations (either focus on the protection and import substitution, or acceptance of open competition and development through efficiency improvement). Existing conventional development modes do not include an foreign-investment-based mode. Therefore, the driver of China's successful development mode featured with opening-up and taking advantage of globalized production factors is the development mode innovation.

One-way flow is an important characteristic of this development mode, i.e., a net inflow of capital and a net outflow of products over a long peri-

od of time. Both eventually result in enormous foreign exchange reserves. This one-way flow pattern has the advantage of boosting high growth of the domestic economy, which was absolutely necessary and helpful at the early stage of China's development, as it simultaneously lifted the so-called "double-gap" bottleneck in all development economics. However, this long-standing one-way pattern also leads to idle foreign exchanges and funds and market protection accusation on Chinese government from the international community.

As early as the early 21st Century, China put forward the strategy of "Going Global". At that time, more attention was paid to maintaining a stable supply of resources. In the years the followed, oversea M&As have gradually became the primary form of "Going Global" and played a significant role in China's national development. Now BRI further enriches the connotation and innovative significance of "Going Global".

If foreign investment inflow indicates bright domestic development prospects and the favorable investment environment, outward investment epitomizes an enterprise's enhanced international competitiveness and China's bold presence in the global market. In today's world, competition takes place at the global scale. A powerful economy is inevitably backed up by a number of world-class enterprises. Besides the competition through product export, international competition is also carried out through direct investment. Enterprises, which invest internationally, must find the most favorable investment opportunities and undergo development process. A considerable number of the countries along "The Belt and Road" are still in the early phase of industrialization. For these countries, there is still a long way to go to complete infrastructure construction and industrialization, leaving potential investors great room for investment. BRI propose a united market for development of enterprises from both China and the rest of the world. Therefore, BRI is not based solely on China's needs, but rather a response to fundamental interests of the participating countries (i.e., economical needs). BRI is built on mutual benefits, as openness is in line with the fundamental interests of all BRI countries. Meanwhile, BRI offers investment opportunities for enterprises worldwide and becomes an engine to the global economic growth.

As for the approach to alleviating the risk of outward investment and achieving higher efficiency, the key is to make a reasonable investment strategy. First, it is necessary to let the market make choices under the premise of policy coordination among different governments. In this way, enterprises and capital markets can work out the most reasonable investment solutions. Second, it is necessary to give full play to the positive role of local governments, achieve supportive industrial development, and help

individual enterprises pull through difficult times. Third, it is important to build more industrial parks to promote industrial clustering and effective administration.

To use outward investment to promote domestic development, an important mechanism is to integrate outward investment with domestic export development, forming a synergetic effect and boosting domestic products export and industrial upgrading. Other important development approaches include advancing specialization with investment, establishing value chain specialization for products and boosting the export of domestic parts and components.

V. PROJECT-DRIVEN APPROACH TO GLOBALIZATION

BRI calls on all countries to take part in globalization and promote economic development. Therefore, to find the way to promote globalization lies in the core of BRI. China's case and success have repeatedly proved that project-driven approach is a useful way to promote globalization.

Since World War II, regionalization and integration of the world economy have continuously gained ground. Economic globalization becomes an irreversible trend, profoundly reshaping world economy and promoting economic development in all countries. However, with the progress in globalization, various contradictions gradually come to light. Indicated by Brexit and the withdrawal of the United States from Trans-Pacific Partnership Agreement (TPP), an anti-globalization trend appears. In fact, the anti-globalization trend started to take shape many years ago. The reason why globalization is confronted with the problems of continued development is that as compared with cooperation, the profit-sharing mechanism is way more complicated (like the EU, for example). In addition, with the increase in the number of cooperation stakeholders, it becomes increasingly difficult to reach a consensus in terms of different countries demands (like the WTO, for example). Faced with the contradictions of globalization and especially the obstacles in negotiations of the World Economic and Trade Organization, various agreements on regional cooperation and bilateral trade and investment are well under way.

The negotiations for global multilateral cooperation, regional cooperation and bilateral cooperation share something in common: all parties involved conclude an agreement, establish a set of rules and even establish an organization, that is, the process of institutionalization. At the same

time, it is the precondition that all parties make commitments and honor these commitments. These institutionalized arrangements often feature exchange of interests, intertwined relations, high difficulties in negotiation, and long implementation duration.

There are many countries along the “Belt and Road”, which vary greatly in terms of national conditions and economic development. If BRI cooperation is conducted the same way as that of in UN or WTO, it is likely that negotiations are going to take years before anything tangible takes shape. In this sense, China’s BRI pinpoints a more pragmatic path. Compared with institutionalization lead-in or commitment lead-in, project-driven cooperation does not require participating countries make any commitment on the degree of opening-up (particularly important to developing countries). Since BRI’s official launching more than three years ago, many projects have been implemented in countries along the “Belt and Road”. Many key institutions, such as Asian Infrastructure Investment Bank (AIIB), have been established and put into operation. These successes have fully demonstrated the innovative significance of BRI in terms of promoting cooperation.

In the context of the impeded advancement of globalization in recent years, many countries have chosen a bilateral negotiation mode and end up signing more transparent bilateral trade and investment agreement. Since the launching of BRI, China has already signed a number of bilateral cooperation agreements with many BRI countries, and negotiation with more countries are under way. This proves that the project-driven cooperation mode is not against institutionalized cooperation, while the benefits of bilateral cooperation and sub-regional cooperation are more distinct and predictable. Therefore, regional cooperation, based on many bilateral cooperation may be more practical in today’s globalization trend.

Placing an emphasis on project-driven bilateral cooperation does not exclude regional cooperation. Up to now, BRI is still in its early stages of development. China attaches great importance to reaching consensus on cooperation, which is evidenced by “The Belt and Road Forum for International Cooperation” held in Beijing in May 2017. Reaching consensus creates the favorable conditions for policy coordination, a prerequisite for comprehensively promoting institutionalized and mechanism-oriented cooperation. Furthermore, it is worth noting that BRI is not an exclusive regional entity only open to established organization and designated members. By making certain commitments and obtaining the consent from other members, countries and regions can become a member of BRI. BRI is an open international cooperation platform and welcomes the participation of countries from all over the world. Many heads of state and governmental

leaders from non-BRI regions attended the abovementioned “The Belt and Road Forum for International Cooperation”. Similarly, the member of AIIB also include non-BRI countries Therefore, BRI not only promotes regional cooperation, but also global cooperation. An innovative cooperation mechanism is the most distinctive feature of BRI at the globalized dimension.

According to some researchers, U.S. dominance represents the standard of globalization, and such standard should be unconditionally accepted by all countries in order to participate in globalization. This view was especially prevalent prior to the United States’ withdraw from TPP. It should be acknowledged that domestic governance systems in developed countries, as represented by the United States, have a standard significance from the perspective of liberalization and equity in the globalized trade and investment. However, the market economy system varies with countries. In any given period of time, development level and demand for the outside world also differ. The process of opening-up and participating in the globalization should be aligned with country-specific development requirements. This is particularly important for developing countries, which is precisely the reason why special arrangements of many international agreements are made for developing countries. Due to the fact that most of the countries along the “Belt and Road” are developing countries, China opts for a more viable way for cooperation and promotion, which is indeed another innovation in the path towards globalization.

VI. BRI ECHOES WITH DEVELOPMENT NEEDS, AND SUPPLEMENTS AND INNOVATES GLOBAL GOVERNANCE

With the continuous progress in economic globalization, the issue of how to promote global governance has become increasingly important. BRI echoes with this practical need and provides a supplementary and innovative global governance perspective.

From the perspective of historical development, economic globalization is dominated by developed countries (especially the United States), and economic reason is that enterprises of developed countries need greater commodity markets and investment opportunities. Therefore, the globalization, led by the developed countries, is bound to be dominated by the rules of the developed market economies. Globalization affords opportunities and poses challenges for developing countries. Trade specialization may either increase efficiency or hinder the process of industrialization.

Inflow of foreign investment may either drive growth and exports or result in less revenue due to developing countries' position on the low end of value chain specialization. Any successful development strategy relies on drawing on advantages and avoiding disadvantages. It is also the key to the rise of any emerging economies.

Accordingly, the global economic governance, dominated by developed countries, inevitably follows the institutionalization path of the developed market economics, in which and the voice of developing economies are barely heard. Facing global development challenges, the fundamental goal of global governance is to meet the development needs of a large number of developing countries.

In recent years, China has taken four major approaches to participate in global governance. First, China makes full use of existing international systems. For example, the United Nations plays an important role in promoting world peace and cooperation after the World War II. As a founding member and permanent security council member of the United Nations, China actively safeguards the authority and functions of the United Nations. China treats WTO in the similar way, which plays an important role in global free and fair trades. Second, to reform the unreasonable parts in existing system. For example, the International Monetary Fund (IMF) plays an important role in maintaining the global financial stability. However, it is unable to keep abreast of developments and changes in voting rights making a thorough reform necessary. Third, to fix the deficiencies of the existing global governance system. For example, the World Bank and other international development aid agencies play quite significant roles. However, their funds fall short compared with the vast global development needs. The New Development Bank (NDB) and AIIB represent China's effort in this regard. Fourth, China innovates the governance modes to meet the new development needs. For example, all countries need to work together to cope with global warming. China actively fulfills its emission reduction commitments in this regard, and contributes to the development of global environmental governance system.

BRI is not only a major strategic and innovative move taken by China to promote global governance, but also a "China Solution" that promotes an all-win collaboration. China fills in the gap of global development funds through the establishment of AIIB, The Silk Road Fund and NDB, and mobilizes the worldwide financial participation through its own efforts. In the meantime, in view of low level of regional cooperation in BRI, China advocates a comprehensive cooperation system under "A Five-Pronged Approach" and promotes a mutual beneficiary and all-win development mode.

Promoting regional cooperation by considering specific development needs is the starting point for China to advance global governance. This is the fundamental difference as compared with the developed countries' stance. The core of institutional arrangements made by the developed countries request that all countries provide free market entry, guarantee fair competition, free market economy, eliminate market intervention, support domestic enterprises, apply international criteria, and set up dispute settlement mechanisms. These are reasonable requests in terms of making markets function better. However, for most of developing countries, these are not the most important and urgent needs, as their domestic markets have not even been fully cultivated. It is more urgent for developing countries to accelerate development, create the conditions for development, and eliminate constraints on development (such as poverty and social instability). Therefore, the primary theme of promoting international cooperation lies in meeting the development needs of developing countries, rather than request these countries to set up a set of complete systems according to the standards of developed countries. Although rapidly becoming a world economic power, China understands the importance of development strategy, the importance of leveraging globalization and the importance of government's positive role in the field of development. Therefore, a new global governance mode, promoted by China, may be more suitable in reflecting different needs of developing countries. China's BRI effort is likely to lead to gradual formation of a new governance mode in the world, which includes conforming to globalization trend, meeting the most urgent needs of developing countries, respecting the national conditions and choices of all countries, and aiming at mutual benefits and all-win goals at its core.

Does China want to dominate BRI? This is a question raised by some people in the international community. If the question itself means that whether or not the "Belt and Road" is intended to merely serve the needs of China, then the answer should be "NO", as such a goal is not going to be widely acceptable to the international community and is thus unrealistic. However, if the so-called "dominance" refers to actively promoting BRI and playing an active role in BRI, then the answer should be "YES". BRI is proposed by China. As a responsible world economic power, China should actively promote and spare no effort to input all kinds of economic and political resources in BRI because BRI aims to establish a new mechanism for mutual benefit and all-win cooperation. Therefore, such leading role played by China is beneficial and necessary to all BRI countries. Being the BRI leader is also the responsibility China should shoulder as an emerging world power.

To sum up, BRI not only innovates the mechanism of global synergetic development and international cooperation mode, but also is a “China Solution” to promote all-win cooperation and to solve development-related problems facing today’s world. An exploration on BRI’s benefits and innovation may help all participating countries gain an in-depth understanding of the initiative in their joint effort to achieve all mutual goals in BRI.

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