

THE BELT AND ROAD IS HAO:
UNDERSTANDING THE BELT AND ROAD INITIATIVE AS
AN EXAMPLE OF NATION BRANDING

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Political Science 344: Global Political Economy

November 27, 2018

I. Introduction

The Belt and Road Initiative (BRI), formerly the One Belt One Road Initiative, was announced in September 2013 when President Xi of China addressed an audience at Nazarbayev University in Kazakhstan. In this speech, President Xi asserted the initiative would “forge closer economic ties, deepen cooperation, and expand development space in the Eurasian region” by “tak[ing] an innovative approach [to] jointly build an ‘economic belt along the Silk Road’” (Jinping 2013, para 25). The approximately 60 countries involved in the initiative are located along the historic Silk Road and make up the “Silk Road Economic Belt” and “Twenty-First Century Maritime Silk Road.” Including all these countries is an impressive feat, especially when one considers they make up 64 per cent of the world’s population and 30 per cent of global GDP (Huang 2016, 318). Furthermore, insistence from China that the initiative “belong[s] to the world” (China Daily 2017, 0:00-0:25) indicates that China has broader ambitions with the program.

The BRI aims at greater economic development throughout the region by emphasizing joint prosperity. It is comprised of four areas of focus: openness and cooperation, harmony and inclusiveness, market-based operation, and win-win outcomes for all participants (Huang 2016, 318). An exact definition for the program is hard to come by because reports from Chinese officials indicate that any infrastructure project between BRI member-states is considered part of the initiative (Hurley, Morris and Portelance 2018, 1). However, it is hardly novel for the Chinese to invest in infrastructure. In fact, infrastructure investment is a main cause of the considerable growth China has experienced in its’ recent past (Huang 2016, 316). Therefore, the project appears to encompass all actions of the Chinese government abroad. This was highlighted when the initiative became a central component of the government’s foreign policy in November 2013 (Huang 2016, 314).

The all-encompassing nature of the initiative makes it crucial to understand what it says about China and its' current place in the world. In this essay, I will argue the BRI is largely a branding exercise to boost China's position as a global leader and increase their economic gains and security. This is critical in the current geopolitical climate as the current actions of the U.S. government indicate the U.S. is stepping back from global leadership. First, I will explain "nation branding" and how the BRI can be understood in this framework. Second, I will adopt a constructivist lens to describe the brand China is developing for itself with the initiative. Last, I will consider the economic implications of China's new brand from a neomercantilist perspective. To achieve these goals, I will employ an empirical strategy that considers primary sources from China and scholarly sources from western and Chinese thinkers.

II. The BRI as a brand

In the 1990s, increasing competitive pressures led states to consider how they were perceived globally (Victorin, Gienow-Hecht, Estner, and Will 2018, 1). The progressively competitive nature of the world prompted states to take action that challenged liberal assumptions. As opposed to pursuing absolute gains, states began to partake in a process called "nation branding" to gain prominence relative to each other. Nation branding is defined as "a deliberate, collective effort by multiple constituencies to generate a visible representation of a geographical-political-economic-social entity" (Victorin, Gienow-Hecht, Estner and Will 2018, 1). The motives behind nation branding are similar to the motives behind companies' branding efforts (Madhavram, Badrinayanan and McDonald 2005, 69). States engage in nation branding to evoke favourable responses from their target audience. These favourable responses include legitimacy, higher levels of investment, greater influx of talent, increased tourism, and more (Victorin, Gienow-Hecht, Estner and Will 2018, 2).

Victorin, Gienow-Hecht, Estner, and Will (2018) develop a framework to explain nation branding. According to this framework, nation branding is comprised of three components: the agents who create the brand, the audience who consumes the brand, and the measures undertaken to spread the brand (17). I will adopt this framework to understand how China's Belt and Road Initiative is an exercise in nation branding.

The first criteria to understand a nation's branding strategy is the agents who are involved in creating the brand. Although Victorin, Gienow-Hecht and Will (2018) state that generally the agents who grow the brand are not the government (10), in the case of China, the government, and President Xi in particular, appear to be large drivers of the brand. When President Xi announced the initiative, he emphasized it would "forge closer economic ties" and lead to "deepe[r] cooperation" (Jinping 2013, para 18). While he was explicitly discussing the ambitions of the project, the implications for China's brand, and consequentially, China's role in the global economy are more interesting. In leading the BRI, China has changed their brand to become a beacon for international cooperation. President Xi's commitment to this facet of the brand is clear in all of the speeches where he has discussed the BRI since 2013, which connect the initiative with "win-win cooperation" across member states.

While President Xi ushered in the brand for China, support from non-governmental actors have aided in the brand's growth. This includes academics who have written about the initiative and what it means for China's relationship with the rest of the world. For example, Zeng Linglang, of Wuhan University wrote, "[the] long strategy is not limited to merely formulating a community of common destiny in the region, but to building a community of common destiny of the whole of mankind" (2016, 540-541). Similarly, China Daily, a news agency within China, released a mini-series to explain the initiative, which emphasized the weight the initiative places on international cooperation (China Daily 2017).

The second criteria to understand how China is participating in nation branding is their intended audience. The intended audience includes both internal and external actors. This is true of China. For example, when President Xi goes abroad and discusses the initiative to others, he is spreading the brand to external stakeholders. Likewise, a mini-series explaining the initiative was released by China Daily where the characters spoke in English. The characters are also made more relatable to westerners because the father and daughter featured in the mini-series immigrated to China from the U.S. (China Daily 2017). This indicates the intended audience is external to China. In addition to gaining traction among external audiences, the brand must also attract internal agents within China (Madhavram, Badrinayanan and McDonald 2005, 70). This internal buy-in is demonstrated by the increase in foreign direct investment outflows from China that have occurred in response to the initiative (Du and Zang 2018, 190).

The third and final criteria to understand how a country has participated in nation branding is how they seek to brand themselves. The measures undertaken will differ depending on the social and historical context they exist in (Victorin, Gienow-Hecht and Will 2018, 17). In the next section, I will explore what measures the Chinese government have used to brand itself with the BRI.

III. A constructivist understanding of the brand

By engaging in nation branding, a country creates a persona for themselves: an idea of who they are and what they stand for (Herskovitz and Crystal 2010, 21). The emphasis nation branding places on creating knowledge is why nation branding is understood within the constructivist theoretical framework. Specifically, critical constructivism questions who creates the prevalent knowledge about agents and whether that knowledge is changing. This makes it an appropriate lens to view nation branding (Van Ham 2002, 262). Constructivists understand knowledge to be created in a particular moment in time (Van Ham 2002, 261). We are currently

in a significant moment for China because of structural transitions occurring within the country. Additionally, the fact the United States has begun to recede into protectionism (Golley and Ingle 2018, 48) makes the current geo-political context unique. That the U.S. is in the process of becoming more protectionist leaves a gap for China to fill, but their current identity and the norms that constrain their behaviour stop them from taking a greater leadership role. This is because many countries, especially countries in the west, still view China as a communist country (Huang 2016, 318). Therefore, President Xi seeks to replace the existing knowledge of China and its place in the global system. This will alter the constraints that currently define appropriate behaviours for China in the global economy (Van Ham 2002, 261) to ones that are more favourable to China's ambitions.

Because the way countries are understood affects their behaviours, it is important to understand what knowledge they are creating of themselves. Like all countries, China's identity is dependent on the historical, cultural, political, and social context in which they exist (Van Ham 2002, 261). One facet of China that they have previously emphasized is their history (Victorin, Gienow-Hecht and Will 2018, 14), and the way they have postured the BRI is no different. In discussions of the initiative, the Chinese repeatedly refer to their history with the Silk Road. For instance, at the 2017 BRI forum, President Xi draws on China's history and likens the BRI to the historical Silk Road when discussing his vision for the project. He refers to the initiative as a "project of the century, so that it will benefit people across the world" (Jinping 2017, para 1). Like the Silk Road, President Xi asserts the initiative will "open windows of friendly engagement across nations" (Jinping 2017, para 2). These sentiments are repeated in the mini-series created by China Daily. In this mini-series, a father tells his daughter of the BRI as a bedtime story over the course of five evenings. The father begins to explain the initiative to his daughter by explaining the historical context of the Silk Road. He then tells her of the current

initiative by stating that, “a few years ago China’s president, Xi Jinping, proposed making old routes like the new routes” (China Daily 2017, 0:58).

China’s emphasis on the Silk Road is a process whereby they create knowledge of their past. This also allows China to modernize through the brand they are building. As Van Ham (2002) comments, “modern nations are based on invented traditions and the continuous mobilization and adaptation of history” (259). In China’s communications about the BRI they have chosen to acknowledge their history with the Silk Road, while leaving behind their more recent history of protectionism. For instance, in President Xi’s announcement of the initiative, he asserted that “the people of various countries along the ancient Silk Road have jointly wrote a chapter of friendship that has been passed on to this very day” (Jinping 2013, para 14). This sentence implies that the economic ties and trade between China and BRI countries have prevailed from the time of the Silk Road to this day.

In addition to modernization, the BRI brand also displays that China is no longer a country in the process of “developing.” Rather, they brand themselves as being already developed and ready to export the “China Model” of development abroad. This is demonstrated by the emphasis the initiative places on the role of infrastructure in development, which is significant because infrastructure investments were vital to China’s growth (Hurley, Morris and Portulance 2018, 1). By exporting the China Model abroad, China creates the knowledge that they are the experts in this area. This is likewise demonstrated in a video released by New China TV that features children from countries participating in the initiative where they sing that, “the future is coming now/the belt and road is how” (New China TV 2017, 0:34). This video, in addition to statements from academics about China’s rapid growth (Huang 2016, 315) create credibility for the Chinese government in their portrayal of themselves as experts.

Using the constructivist terminology, the fact that an effective brand requires buy-in from both internal agents and the external audience means that the brand must become engrained as the dominant knowledge about the actor. For China, this would mean that external agents use the same terms to explain the initiative. This has had mixed success between academics and international leaders. For example, in May 2017, Ethiopian Prime Minister, Hailemariam Desalegn said in leading the initiative China is “laying the foundations for the realization of our shared vision for an open, fair, and prosperous world” (quoted by The National Herald 2017). This places China in a leadership position as the initiators of the program. Likewise, at the same meeting, Christine Lagarde, the Managing Director of the International Monetary Fund, was quoted as saying the initiative is “about connecting culture” (quoted by the National Herald). This is similar to the terms Chinese agents have used to describe the brand and, as China is the leader of the initiative, implies that cooperation and connection are things they value.

Despite gaining some support from global leaders, the economic risks of the initiative have also been discussed by western academics and policy wonks (Hurley, Morris, and Portulance 2018 and Wang 2016). This emphasis on the risks of the endeavour is not something we have heard from the Chinese government. Despite these risks, countries engage in nation branding to pursue economic goals (Victorin, Gienow-Hecht, Estner, and Will 2018, 10). In the next section, I will discuss how China will gain relative to other countries because of nation branding.

IV. A neomercantilist understanding of China’s economic gains

Nation branding is an important exercise for the Chinese government now, when the growth of the country is declining. While Chinese exports used to achieve a growth rate of 25%, in 2015 they experienced negative growth. If the government is not careful in their pursuit of policy, the

economy of the country could fall into the middle-income country trap, whereby they are stuck at their current level of economic growth (Huang 2016, 2).

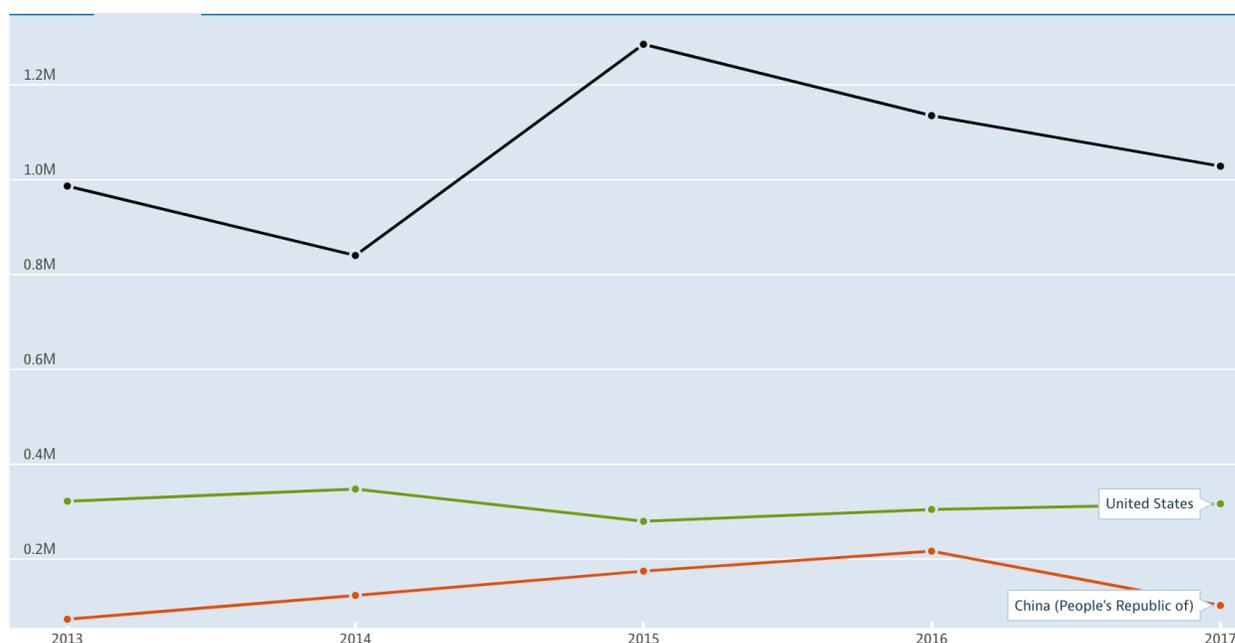
A vital component of China's earlier success and rapid growth was the comparative advantage they had in manufacturing. However, they no longer have this advantage as they transition to become more of a service-based economy. The service-based sector is one where the United States has historically dominated, which means China does not have the same advantage they did in manufacturing. Therefore, the relative gains of China are lower in the service sector than they were in the manufacturing sector. Even if they do successfully transform their economy, service-based economies seldom experience the double-digit growth that China has seen previously (Huang 216, 316). These facts mean it is even more important for the Chinese government to find customers for its exports. The BRI's emphasis on close relationships with developing countries in Asia, Europe, and Africa will likely give the Chinese access to growing markets through this transformation.

As aforementioned, an additional cause of the considerable growth China experienced was that the country put in the appropriate infrastructure for their manufacturing sector to become successful. As infrastructure projects are a main focus of the initiative, it is transparent that China is exporting their growth model to developing countries in Asia, Africa, and Europe. The benefits of this are two-fold: as these countries develop, they will become important markets for China to export to, and by exporting its model abroad China gains influence (Huang 2016, 315).

First, the Belt and Road Initiative will invest in infrastructure projects to aid the development of developing countries, which will increase their importance in the global economy. Many of the creditors of the initiative are Chinese, including, the Silk Road Fund, the China Development Bank, as well as non-government owned Chinese companies (Huang 2016, 315). This means that debtor countries will already be economically tied to China as they become more important. In

fact, when we consider Chinese foreign investment outflows since the initiative was launched in 2013, they have grown closer to the levels achieved by the United States, but for a decline between 2016 and 2017 (see figure 1). From a neomercantilist perspective, the amount of foreign direct investment is an important measure because of its' effects on competitiveness. Although jobs are exported abroad, the highest paying jobs remain in the country of origin, which would be China in this case (Cohn 2016, 316).

Figure 1: Foreign Direct Investment in China vs. the United States



Source: OECD (2018), FDI flows (indicator)

Second, China will gain influence globally as it exports the “China Model” abroad. This is especially important because of protectionist forces currently at play in the United States. Given this, China has indicated it will fill the position as the defender of globalization. This was incredibly clear during President Xi’s speech at Davos in 2017 where he states, “[w]e should commit ourselves to growing an open global economy to share opportunities and interests through opening-up and achieve win-win outcomes” (Jinping 2017, para. 25). Here he also uses the phrase “win-win outcomes,” which he often uses in reference to the BRI brand. If the

Chinese government is able to successfully export their development strategy abroad, the countries who follow a similar path to China for development will find a connection with China's story that they do not have with other countries. Thus, China will likely be successful in marketing to them, which will translate to higher economic gains.

V. Conclusion

Nation branding is a deliberate process undertaken by countries to create their image and achieve economic objectives. Understanding nation branding requires an understanding of the audience, actors, and measures a country undertakes to brand itself. For China and the BRI, these agents include the government, Chinese scholars, and Chinese news agencies. The target audience has included actors internal and external to China. Methods employed by governmental and non-governmental actors to grow the brand have included, videos aimed at western countries, speeches made by President Xi, and the works of Chinese academics.

In the global political economy, nation branding is best understood within a constructivist framework because of the emphasis it places on knowledge creation. In engaging in nation branding, President Xi seeks to replace the current understanding of China and norms that constrain its' behaviours with ones more favourable to China's current ambitions. This new brand understands China as a modern, developed country, with the ability to take leadership on the global stage and export the "China Model" of development abroad.

From this new brand China stands to gain economically, as it is currently at a juncture where its' economy is transforming from a manufacturing-based economy to a service-based economy. This means it is critical for Chinese economy that the country develops new partnerships. By exporting the "China Model" of development abroad, China hopes to build close relationships with countries whose markets will become vital to their future success. Thus, it is clear China is engaging in nation branding to overcome its current economic challenges and gain a greater

leadership role in the global economy. This will have important implications for the economic future of the world. (3100 words).

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