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Editorial

# Belt and Road Initiative in Times of ‘Synchronized Downturn’: Issues, Challenges, and Opportunities

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In 2013, the launch of the Belt and Road Initiative (BRI) triggered questions among experts and academicians. Symptomatically, very little information about the initiative was available at that time, and so a sense of confusion was induced in the debate on the scope of the BRI as well as its potential influence on all of the stakeholders involved. Connotations with the historical Silk Road infused the debate on BRI, not only with great expectations and hopes, but also with fears [1]. Clearly, considering that China epitomizes an export-led growth model, many observers argued that the BRI might be just another way of facilitating Chinese exports. Additionally, caution has been recommended in terms of the modes of financing BRI-related projects with regard to sustainable financing, potential indebtedness, and the management of debt problems in borrower countries [2,3]. In the same context, implications for Southeast Asian regional architecture and the prospect of Sinicization have been stressed.

Nearly ten years after the official start of the BRI, an understanding of what the initiative’s objectives are has been consolidated. This is reflected in academic research and more policy-oriented publications stemming from the think-tank sector. Notably, there is a growing recognition on the part of international organizations, such as the World Bank Group (WB), and other key players on the international scene, such as the International Chamber of Commerce (ICC), to mention just these two, that serious consideration should be given to the BRI and its implications. At the same time, developments on the ground suggest that in as much as the BRI embodies a bold vision of the future, it is also beset, like the original Silk Road, by a variety of contingencies and constraints.

Current developments pertinent to international trade, including trade wars, unstable political and economic environment, military conflicts, and the ‘synchronized slowdown’ [4], aggravated by the enduring implications of the COVID-19 pandemic, place the BRI and its dynamics in very complex context. The objective of this Special Issue was to tap into some aspects of related processes and developments. Several papers were submitted in response to the call for papers. Seven papers were eventually published in this Special Issue. The following section sheds light on these works.

Chang et al. [5] explore the question of whether existing foreign direct investment (FDI) theories can explain specific aspects of the BRI. Indeed, the data the authors collect suggest that a large proportion of the existing theories are applicable to Chinese OFDI. In other words, Chinese OFDI is likely to choose countries with large market sizes, abundant natural resources, cheap unskilled labor, stable politics, good infrastructure, high trade costs, and high investment costs. Caveats apply.

By means of continuing the conversation, Zhao et al. [6] focus on the Chinese Overseas Economic and Trade Cooperation Zones (COCZs), including the determinants of their localization and ways of improving their efficiency. The latter is viewed as a measure of



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inclusive and sustainable industrialization and a tool that can be used to attain the United Nations' Sustainable Development Goals.

Ho et al. [7] add to the same thread by exploring the impact of the BRI on sectoral trade between the countries included in the initiative and countries that show little support for the BRI. Specifically, the changing patterns of clothing imports by the United States (US) from China and 14 BRI countries in Asia are explored. The results of the study show a positive effect of the BRI on the clothing exports of some Asian developing countries.

The following paper by Sun et al. [8] focuses on political risk within the BRI and its impact on investment and planning decisions over the period of 2013–2019. By separating political risk into two components, domestic and international, and examining their spatiotemporal evolution, the results of this study suggest that the number of BRI countries with the extremely high and high levels of domestic, international, and (overall) political risk all reached a peak in 2015 and decreased thereafter. It is also argued that in this period, the level of domestic political risk within the BRI was often higher than the international political risk. A strong positive correlation between political risk and China's total investments and construction contracts within the BRI is identified in this paper.

In the context defined above, Thees [9] conducts an extended literature review to examine the scope of the existing publications' focus on environmental issues. The latter are considered as crucial for the socio-cultural dimension of sustainability on a local scale. As the author argues, more research regarding this aspect of the BRI is necessary.

The notion of broadly conceived sustainability is also addressed by Hu and Wang [10], who explore uncontrolled and unprofitable urban expansion, frequently associated with the establishment or re-emergence of special economic zones (SEZ). As, in the context of the BRI, SEZ are frequently employed tools of OFDI, this paper deserves our readers' particular attention.

The Special Issue closes with a paper by Ghao [11], who reviews policy documents and the existing literature on the BRI to examine how the narrative on the BRI has evolved and how a BRI-specific language ecosystem has evolved.

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