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A discursive construction of the Belt and Road Initiative:

From neo-liberal to inclusive globalization

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Abstract: An international consensus is emerging around the Belt and Road Initiative (BRI) proposed by the Chinese government, with a growing number of countries seeing it as a way of jointly exploring new international economic governance mechanisms. Meanwhile, with the crisis of neo-liberalism, economic globalization has arrived at a crossroad. In particular, incessant voices speak out against globalization, making the quest for a new way of promoting global development a major challenge. In this context, more and more political elites and scholars consider that the BRI opens up a possible new globalization path, amongst which inclusive globalization warrants exploration. On the basis of a brief analysis of the course and mechanism of global economic expansion and the limitations of neo-liberal globalization, along with the putting into practice of the BRI, this paper outlines some of the core features of inclusive globalization, i.e., inclusive growth with effective and efficient government regulation; inclusive infrastructure development; inclusive development paths chosen nationally that suit national conditions; inclusive participation; and cultural inclusiveness. Although these features are not sufficient to characterize fully inclusive globalization, they do identify some directions for future research, and provide elements of a discursive construction of the BRI.

Keywords: Belt and Road Initiative; globalization; neo-liberalism; inclusive globalization; China

1 Introduction

In May 2017, the Belt and Road Initiative (BRI, hereafter) entered a new historical stage, marked by the holding by the Chinese government of the Belt and Road International Cooperation Forum in Beijing. The forum attracted 1500 participants from more than 130 countries and 70 international organizations, including 29 foreign heads of State or Government, nearly 100 foreign government ministers or top officials and the heads of 60 international

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organizations, and it established a broad international consensus about China's initiative. On the second day of the forum, 30 heads of State, the United Nations, the World Bank and the International Monetary Fund signed a joint communiqué at the conclusion of a round-table summit on international co-operation (hereinafter referred to as the Joint Communiqué). The Joint Communiqué noted that the BRI afforded opportunities to deepen international co-operation and jointly address global challenges, affirmed a commitment to 'free and inclusive trade' and noted that the BRI provided important opportunities for countries to deepen their cooperation and for a globalization path that is 'open, inclusive and beneficial to all.' At the forum, a number of heads of State pointed out that the BRI has a strongly inclusive nature and will allow more regions to share the benefits of globalization. It can be argued that promoting inclusive globalization is one of the important understandings reached by the heads of State at this forum. Given this consensus, an understanding of inclusive globalization and its relationship with the construction of the BRI need more in-depth discussion and discursive elaboration.

Inclusive globalization is a new concept developed in response to the ills of economic globalization as practiced over the last 30 years, and an important theoretical perspective for understanding the BRI (Liu, 2015; Liu and Dunford, 2015). In the past 'inclusive growth' and 'inclusive development' were popular concepts. The discussion of 'inclusive growth' dates back to the formulation in 2008 of the official 2020 Strategy of the Asian Development Bank (ADB, 2008). Since then, the concept of 'inclusive development' has been accepted by the Chinese government as an important concept guiding macro-policy (Li, 2012; Wang, 2012) and was reflected in the 12th and 13th five-year plans (2011–2020). As early as the opening ceremony of the Fifth APEC Human Resources Development Ministerial Meeting in 2010, the then Chinese President Hu Jintao pointed out that achieving inclusive growth was a fundamental objective that would enable economic globalization and economic development to benefit all countries and regions and reach all groups. After the 18th National Congress of the Communist Party of China in 2012, General Secretary Xi Jinping also spoke about inclusive development in important speeches and foreign visits.

Although inclusive development is directed at the salient problems of the development of today's world, and is a core concept guiding global sustainable development, this concept is not geographically specified. The concept can refer to regional, national and international scales, and is not specifically targeted at global economic governance and international economic cooperation. From the specific perspective of global economic governance, Liu Weidong (2015) argues that 'the BRI ... is an important framework for promoting the deep development of economic globalization ... is not simply a continuation of past economic globalization, but involves a new type of globalization, whose salient features are integrated into the cultural meaning of the Silk Road ... [,] are the expression of inclusive globalization' and will usher in a new era of inclusive globalization (also see Liu *et al*., 2016, Liu, 2016, 2017a, 2017b; Liu *et al*., 2017; Liu and Liu, 2016). Over the past three years, the concept has received more and more attention and recognition from scholars (such as Xie and Cheng, 2017; Wang, 2017a, 2017b; Zhao, 2017) as well as at the BRI International Cooperation Forum, the BRICS summit in Xiamen and the World Economic Forum in Davos, resulting in the emergence of a consensus among political leaders.

Although the concept of 'inclusive globalization' has gained in popularity, it lacks rigorous academic analysis. In his work, Liu Weidong (2017b) identified five core characteristics of inclusive globalization. However the analysis needs to be broadened, deepened and integrated more closely with existing theories of globalization and global governance. It is for this reason that this paper draws on exiting research to develop a concept of inclusive globalization and provide a solid theoretical basis for promoting the construction of the BRI. To this end what follows is a brief review of the course of global economic expansion, the limitations of neo-liberal globalization, and the contribution of the BRI to the new type of globalization, along with an outline of some of the main dimensions of inclusive globalization.

2 Global economic expansion: From colonial trade to the global organization of production

At present, a consensus in academic circles is that the BRI represents a new type of globalization. Therefore, the establishment of a discursive basis for the BRI must start with a thorough understanding of economic globalization. Although the phenomenon is much older, the use of a concept of economic globalization dates from the 1980s and became popular in the 1990s. At that time the concept was used to refer to historical phenomena deriving from the accumulation of capital on a global scale and underlying technological progress and institutional conditions and to identify the main mechanisms governing world economic governance over the past three decades. In recent years, the use of the concept was widened. For example, some scholars trace the origins of globalization back to the development of cross-border trade in the ancient world. Others date it from the European Age of Discovery and European colonial expansion. Yet others focus on the international flows of capital and labor in the 19th and early 20th centuries (Harod, 2001; Zhao, 2017). In dealing with earlier eras, these generalizations deal, however, with phenomena that significantly differ from those that marked out the last 30 years, namely, revolutionary changes in the organization of production and in particular the formation of global production networks (Dicken, 2010) along with the globalization of financial activities. In this paper, economic globalization is used in its original meaning to refer to the new stage of economic global expansion dating from the 1970s and 1980s.

Although globalization is a new phenomenon, economic global expansion has existed for centuries (Taylor, 2005). Due to low levels of productivity and transport constraints, in the ancient world, trade was confined to regional and long-distance luxury goods trade. A typical trade route was the Silk Road. From the second half of the 15th and into the 16th century, European explorers discovered a new route to India and East Asia and the American continent. After that, European countries started to develop trans-oceanic colonial trade with Asia and the Americas. Until 1820, however, as a share of Gross Domestic Product, trade was persistently low: 99% of the world's manufactured goods had not yet entered international trade (Taylor, 2005).

If the Age of Discovery initiated global economic expansion, the Industrial Revolution saw the emergence of a high degree of economic interdependence and integration. From the end of 18th to the middle of 19th century, the first industrial revolution unfolded mainly in Great Britain: factories gradually replaced artisanal workshops, large-scale production became a reality, productivity increased, and the types and quantities of goods that could be traded increased significantly. Needing to export a large volume of industrial products and to import raw materials, Great Britain emerged as the world factory, catalyzing global economic expansion (see Table 1). In order to expand their markets, the British, French and other developed industrial countries used their military and political power to force colonial countries to reduce or even abolish tariffs, opening up their markets for the dumping of western commodities, turning their economies into suppliers of raw materials and resources and forming a 'core-periphery' international division of labor. A consequence was economic dependency as many colonial economies gradually came to specialize almost entirely in agricultural and mineral products. The global trade of this period has often been characterized as free trade, with free trade used as a slogan to impose unequal trade relationships on countries the European powers colonized. In the case of Algeria, for example, the import of French goods was exempt from tariffs from 1835. From 1851 some Algerian goods were admitted duty-free into France. In 1867 tariff exemption was extended to all Algerian (and French settler) exports to France (Issawi, 1982).

Table 1 Share of major industrialized countries in world industrial production and trade, 1820–1870

Year	Great Britain		France		Germany		United States	
	Industrial output (%)	Trade (%)	Industrial output (%)	Trade (%)	Industrial output (%)	Trade (%)	Industrial output (%)	Trade (%)
1820	50	27	15–20	9	–	–	10	6
1840	45	25	–	9	12	8	11	7
1850	39	22	–	11	15	8	15	7
1870	32	25	10	10	13	10	23	8

Source: Kuklinski, 1955; Rostow, 1978

The second wave of global economic expansion occurred in the second half of the 19th century and the early 20th century and was closely linked with the second industrial revolution. Its main form was the global expansion of capital and finance promoted by technological progress. On the one hand, advances in power, communications, and transportation technologies have led to a significant reduction in the cost of distance, such as a 70% drop in world transport costs in 1840–1901 (O'Rourke and Williamson, 2001); on the other hand, the development in the late 19th century of monopoly capitalism saw the emergence of large cartels, syndicates and trusts in Europe and the United States (which saw the establishment from 1890 in the United States of antitrust (competition) law). In order to secure high rates of return, these large monopolies started to invest and acquire assets in other countries, generating a sharp rise in world foreign direct investment. From 1900 to 1914, total foreign investment almost doubled to reach 43 billion US dollars as part of a major upturn in the international expansion of capital (see Figure 1). At the same time, large numbers of people migrated to the Americas and other white-settler countries (as Europe exported its surplus population). Between 1870 and 1910, the United States accepted 20.4 million immigrants from around the world. Comparable

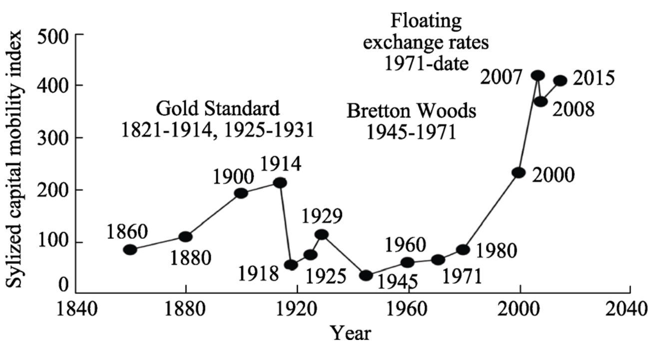

Figure 1 Evolution of capital mobility (Source: Dunford and Liu, 2017)

figures are 3.5 million for Argentina, 3.1 million for Canada, and 2.6 million for Brazil (Ferenczi and Willcox, 1929). The coexistence of high rates of capital and labor mobility has led some scholars to consider this phase the real stage of globalization. In this phase of global expansion, the United States replaced Great Britain as the world's main industrial nation. By 1913, Great Britain's share of world industrial output dropped to 14%, while the share of the United States rose to 36% (Dicken, 2010). In this phase, however, foreign direct investment came from relatively few countries and was mainly designed to acquire resources or sell into local markets.

From 1914 to 1945, two World Wars and the Great Depression of 1929–1933 had a severe impact on the international economic order, with global economic expansion going into reverse gear. For example, the First World War alone reduced international trade by 40%, while international trade in the Second World War (WWII) period was mainly in armaments and strategic resources. The end of WWII ushered in a new phase of global economic expansion. This era was underpinned by the US-led establishment at Bretton Woods in 1944 of a series of international economic cooperation mechanisms and institutions designed to move in the direction of free trade (via multilateral tariff reductions) and manage exchange rates and financial flows, namely, the International Monetary Fund, the World Bank and the General Agreement on Tariffs and Trade (GATT). By the end of WWII, the United States was the largest economy in the world, while the European continent was greatly weakened. In 1945, the GDP of the United States accounted for around one-half of the world total, while in 1950 with European recovery well under way the United States still accounted for 27% of world GDP and nearly 60% of the world's gold reserves. In these conditions, it was the United States that led the establishment of the new international cooperation and financial rules, but this system was confined to the capitalist world. In 1949 after deciding not to participate in the US controlled Marshall Plan the Soviet Union established the Council for Mutual Economic Assistance (CMEA or COMECON): a socialist system of international economic relations in which general multilateral accords were implemented through more detailed, bilateral agreements. Whereas earlier economic expansion followed from developments in transport technology, industrial capacity and national politics, as already mentioned, the years after WWII saw the establishment of international organizations to oversee and manage trade and international payments. International economic expansion occurred but it was not global in that the world was divided into capitalist and socialist spheres.

Although the colonial system gradually disintegrated as former colonies secured independence after WWII, the core-periphery model did not disappear, and an unequal division of labor persisted. In the post-war period of prosperity, the major Western countries adopted Keynesian policies. Government regulation and interventionist measures were once more popular. At the same time, when the economies were growing rapidly and companies were able to maintain a high level of profitability, there was little pressure on capital accumulation and no large-scale flow of investment overseas (Hudson, 2016). Coupled with the domestic orientation of growth, the Cold War division of the world and the development of trade within the capitalist and socialist spheres of influence, capital mobility was much lower than in the wave of global expansion at the end of the 19th and start of the 20th centuries (see Figure 1). As economic globalization in a real sense was not taking place, this phase can only be called one of the economic internationalization.

In the 1970s, there was serious stagflation and profitability crisis in major Western developed countries. In response to the crisis, Keynesian policies were largely abandoned in favor of a neo-liberal model (an updated version of classical liberal economic thought that was dominant in the United States and Great Britain up to the Great Depression of the 1930s) especially in the United States and United Kingdom. State-owned enterprises and assets were privatized, government intervention was reduced, markets for goods, services and money were liberalized and international investment and (managed) trade liberalization were actively promoted (Harvey, 2007; Hudson, 2016). These institutional changes along with a decline in profitability led to a large-scale offshore movement of the capital of developed countries to developing countries, generating the phenomenon Dicken (2010) called a global shift. At the same time, Western companies adapted to the economic crisis by reorganizing production, moving away from Fordist vertical integration and mass production to post-Fordist models, characterized by outsourcing of component manufacture and flexible production. Regional specialization in parts and components production increased, resulting in a large increase in supply chain trade, and the formation of global production networks. For example, more than 70% of the current intra-East Asian trade is trade in intermediate products. Another factor that cannot be overlooked is that container technology, which spread in the 1970s, further reduced intercontinental transport costs, improved logistics and stimulated global trade. Since 2000, the rapid progress of internet technology facilitated the management of enterprises' transnational operations. In short, large-scale foreign investment by developed countries, the transformation of production organization, the progress in transport and information technology and national and international neo-liberal policies jointly promoted an era of economic globalization and a fourth upturn in global economic expansion. As these processes unfolded, the structure of the world economy evolved from a granular structure centered on national production systems to a variety of global production network structures, realizing the globalization of the organization of production.

Throughout the capitalist phases of these historical waves of global economic expansion, capital's quest for profit and what Harvey (1975, 1981) calls spatial fixes were fundamental driving forces, while technological progress was a catalyst and national government policy acted as a gatekeeper. Harvey (1975, 1981) argues that the accumulation of capital comes up against internal limits. Capital, he argues, seeks to resolve these problems through, amongst other ways, geographical expansion and restructuring and the creation of new geographies of fixed investment, while the diffusion of major innovations in transportation and communication technology provide necessary conditions for geographical expansion/displacement by reducing the costs of distance. However, state intervention also shapes the friction of distance (what Marx called the 'annihilation of space through time') and the spatial scope and direction of the spatial fix. As a result, capital, technology and the state play different roles in the global expansion of the economy. The first two are the driving forces while the third acts as a facilitator and is alone capable of adjusting the pace and direction of globalization. In the last three decades, the main aim of governments that chose or were made to choose neoliberal paths was to create a favorable political and economic environment for the global flow of capital (Harvey, 2007). In addition, this historical experience summarized above shows that only world powers can direct global economic expansion or globalization.

3 The limitations of neo-liberal globalization

Economic globalization plays a positive role in promoting world economic growth. In

1980–2015, the world economy grew at an average annual rate of 2.86% and world GDP increased 5.2 times. Although the pace was far below that of the earlier post-war boom (see Figure 2), investment and trade liberalization helped overcome developed country stagflation from the early 1980s. In the same period, the volume of world merchandise imports and exports increased 7.3 times to 33.3 trillion US dollars/year, while outward direct investment increased 40 times to reach 2.1 trillion US dollars/year, and capital mobility soared to a new peak (Figure 1). However, during this period, the world economy also experienced a number of financial crises including those that occurred in 1997 and 2008. To date it has not yet completely recovered from the 2008 financial crisis. In 2009–2015 the average annual growth rate of the world economy was just 2.24%, with negative growth at nominal prices occurring in 2009 and 2015.

Figure 2 World economic growth (three year moving averages, 1961–2015)
(Source: elaborated from World Bank data)

As a result of the global shift of industry, global economic growth was associated with a certain degree of convergence at a continental scale. In 1980–2016, the economies of Asia, Africa and Oceania grew at higher average annual rates than those of Europe and the Americas. The latter grew at less than the world average rate. Asia's average annual growth rate of 3.86% saw GDP increase 4.91 times to $26.9 trillion US dollars. Considering the five continents Europe with 41.9% accounted for the highest proportion of world GDP in 1980, the Americas accounted for 32.1%, and Asia, Africa and Oceania for 20.6%, 3.7% and 1.7%, respectively. By 2016, the Asian economies had leapt into first position, accounting for 35.5% of world GDP, followed by the Americas, which accounted for 32.8%, while Europe had fallen to 26.2%.

However, contrary to the claims of a large number of academic institutes dealing with free trade and globalization, globalization has led to increasingly serious development imbalances and social polarization at many spatial scales. According to World Bank data, in 1982 the ratio of the per capita GDP of the richest country in the world to that of the poorest country stood at 272:1. By 2015 it had increased to 336:1: the richest country was Luxembourg with an annual per capita GDP of $102,000 compared with just $303.7 for Burundi in Africa. This imbalance is not only manifested in the gap between developed European and North American countries and the developing countries in Africa, Asia and Latin America, but also within developed countries. In recent years, in Japan, Germany, the United States and other countries the share of the population living in poverty has increased reaching about 15%. A recent study shows that the proportion of United States workers in their thirties (30–39 years old) earning more than their parents fell from 90% in 1970 to 41% in 2014, with the most dramatic declines occurring for middle class groups (Chetty *et al.*, 2017). In other words, since the 1970s, U.S. income growth has mainly benefitted high-income families, while middle- and low-income families have found it increasingly difficult to raise their incomes. The main reason for this is the continued loss of stable manufacturing jobs in a country in which manufacturing jobs fell by 40%, from 19.43 million in 1979 to 11.53 in million in 2010 (Tong and Liu, 2017) and the de-professionalization of some service sector jobs. By 2016, the United States middle class had fallen to 40% of the total population.

The worldwide gap between the rich and the poor is widening, as wealth is concentrated in the hands of a small global elite. Although the global Gini income coefficient has declined in the last 20 years as a result of a sharp rise in per capita income in emerging markets such as China and India, overall income growth has been concentrated in the hands of middle- and high-income groups, with hardly any of the fruits of the economic growth brought about by globalization accruing to low-income groups. Xie and Cheng (2017) found that in 1978 to 2016 China's per capita income growth was the fastest, but its Gini coefficient rose the fastest, from an extremely low 0.15 in the early days of reform and opening-up to 0.47 in 2016, while the richest 10% of the population saw its share of total income increase from 15% of the total in 1978 to 41% in 2015. Meanwhile Oxfam (2016) reported that the wealth of the richest 62 people in the world was equal to that of the poorest one-half of the world's population, and identified an 'economy for the 1%', in which the wealth of the richest 1% of the world's population was expected to exceed that of the remaining 99% by 2016. Moreover, the wealth of the world's poor did not increase in the five years from 2011 to 2015.

The negative effects and economic instability of the above-mentioned processes of economic globalization and the wave of de-globalization to which they gave rise have been widely discussed in academic circles (such as Piketty, 2014; Streeck, 2014; Bao, 2017; Henderson and Jepson, 2017; Tong and Liu, 2017; Xie and Cheng, 2017). Neo-liberalism assumed a variety of forms (Brenner *et al*., 2010). In general however, the neo-liberal theories that underpinned economic globalization and especially their promotion of privatization, marketization and liberalization along with reduced government intervention, while solving the stagnation crisis faced by developed countries in the 1970s, generated new contradictions which have made further world economic development unsustainable.

Harvey (2007) has argued that neo-liberalism was a political project of corporate capital. Designed to alter ways of thinking and create conditions for capital accumulation off-shoring some jobs to low-wage countries, automating others and promoting privatization and deregulation, it ultimately led to serious polarization of wealth and income. Early advocates of neoliberal globalization argued that capital should be free from regional and national restrictions and able to flow freely. In When Corporations Rule the World, Korten (1995) described the ideology of corporate libertarians and their 'dreams of global empires': money, technology and the production of goods and services of all kinds are controlled and managed by huge global corporations; consumption increases endlessly with a unified consumption culture at each average level of material satisfaction; companies are free to act externalizing costs in whatever ways increase their profitability; and all relationships are entirely determined by market relations and the competitive pursuit of individual self-interest. Korten's portrayal of a world in which corporate capital and finance reign supreme, although slightly extreme as a description of current realities, accurately expresses the direction of the deregulated rule of mobile corporate capital and global finance. Compared however with its reality, advocates of neoliberal globalization themselves inhabit an imaginary world, dreaming dreams of an idealized globalization, while ignoring its inner contradictions. At present capital is relatively free to seek out the places in the world whose markets, resources and cheap labor afford the highest rates of return helping satisfy capital's quest for a 'spatial fix'. The mobility of people (and especially of blue collar workers and low-income groups) is however restricted, although some neoliberal thinkers also insist that people should also be free to move. In the European Union, however, where labor is relatively free to move, some aspects of population mobility have themselves generated serious social tensions (as have the movements of refugees).

The limitations of this economic globalization are related to misleading economic studies (Sheppard, 2016). Mainstream economic models seek to demonstrate that free trade and free markets benefit all the parties involved and drive in the direction of even development. In practice the opposite is true (at least at many spatial scales). In fact, as early as the mid-19th century, by abolishing its own Corn Laws Great Britain enticed other West European countries to move in the direction of free trade. Within a short space of time other countries came to the conclusion that free trade was damaging their interests and they all adopted protectionist measures. As Sheppard (2016) argued, the mainstream economic theory of trade is based on the average individual rather than on all individual cases. The extent to which different regions can benefit from globalization varies greatly, due to connectivity constraints and differences in the 'socio-spatial positionality' of different regions. In particular, many developing countries have not yet been able to participate deeply in and benefit from the globalization process.

Therefore, neo-liberal economic globalization has involved a set of mechanisms that have mainly served the needs of capital and its geographical expansion, while increases in the mobility of labor occurred, but were limited. The outcome is the coexistence of precarity and prosperity (Sheppard, 2016). Capital and large corporations have benefited enormously, while very many people, especially at a grassroots level, have paid a huge price, leading to serious social problems. If neo-liberal mechanisms are allowed to dominate future world economic governance, global social contradictions will become increasingly prominent, and global sustainable development goals will be difficult to achieve.

4 The BRI and inclusive globalization

The problems generated by neo-liberal globalization have resulted in constant academic criticism and social protest, especially since the global financial crisis of 2008. The recent election of Trump as President of the United States and Britain's decision to leave the European Union may be seen as responses leading to the direction of de-globalization. However, mainstream academic voices are attempting to rethink globalization, seeking new or alternative globalization paths. After revealing and criticizing the limits to globalization, Sheppard (2016), for example, did not advocate a revolutionary anti-globalization politics. Instead he called for more attention to, and research into, other forms of organization of international trade and investment and for serious consideration of the possibility of alternative globalization paths. At present there is no academic consensus as to what this new type of globalization or alternative globalization is and what paths are available. However, increasing scholars believe that China's BRI is worthy of attention as a possible new globalization path (e.g. Braun *et al*., 2017; Wang, 2017b; Zhao, 2017).

In many debates, Liu Weidong (2017a) has argued 'modern production methods, global production networks and modern communication technologies have already created inseparably close links between many countries in the world, i.e., you are tied to me and I am tied to you. The world cannot return to isolationism and a closed era ...'At this point in time the world needs to reform the mechanisms of economic globalization, and not to overturn and re-invent them. In order to tackle the negative effects of neo-liberal globalization, a new global economic governance model needs to take into account the social interests of ordinary people, to extend modern infrastructure to more areas and to ensure that economic growth benefits more people. Neo-liberal globalization has demonstrated that it is incapable of achieving these goals. The world should seek to preserve the beneficial side of economic globalization, introducing reforms to overcome the limitations of the neo-liberal model. The BRI provides one platform and direction for reform.

From a macro perspective, the BRI is a result of the combined effect of the deepening of globalization, changes in the structure of the world economy and transformation of China's own development model. The core factor is the globalization of Chinese capital (Liu, 2017). As the earlier discussion of global economic expansion suggested, the way in which a country's capital is globalised affects not only its strategic interests but also the direction of globalization. China can neither invest abroad in a colonial manner nor can it adopt an imperialist path or a path consistent with currently dominant ideologies. Nor can China on its own establish a new international economic order. China can only operate within existing international economic governance conditions, while seeking new ways of strengthening international cooperation to generate mutual benefits and win-win solutions. To this end China can draw on the cultural connotations of the Silk Road and make the Silk Road Spirit the essence of the BRI.

According to the Chinese government's Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road, the BRI is 'designed to uphold the global free trade regime and the open world economy in the spirit of open regional cooperation. It is aimed at promoting [an] orderly and free flow of economic factors, highly efficient allocation of resources and deep integration of markets; encouraging the countries along the Belt and Road to achieve economic policy coordination and carry out broader and more in-depth regional cooperation of higher standards; and jointly creating an open, inclusive and balanced regional economic cooperation architecture that benefits all.' China's president, Xi Jinping, has repeatedly stressed that the BRI embodies the Silk Road Spirit, variously defined as 'the aspiration for inter-civilization exchanges, the yearning for peace and stability, the pursuit of common development and the shared dream for a better life' and as 'peaceful cooperation, openness, inclusion, mutual learning and mutual benefit'. The BRI is therefore an organic combination of the 'Silk Road Spirit' and economic globalization, pointing the way to a new inclusive globalization path.

Designed as an immanent critique of the neo-liberal globalization of the last thirty to forty years, inclusive globalization embodies fundamental similarities and fundamental differences with the former. Inclusive globalization does not involve de-globalization or a reversal of globalization but rather a fundamental development and reform of globalization. As far as technology-driven globalization is concerned, inclusive and neo-liberal globalization drive in the same direction. A quest for a spatial fix is also an important mechanism in both cases. The fundamental difference between the two is that inclusive globalization is designed first and foremost to improve people's livelihoods rather than only serve the interests of capital. To this end, the state must first play an effective regulatory role to ensure economic growth is inclusive. Second, capital markets require reform to direct investment to infrastructure and productive activities. Third, instead of a neo-liberal path imposed from above, countries should choose development paths that suit their own national conditions. Fourth, participation should be open to all and should generate mutual benefits. Finally, cultural diversity (and the environment) should be protected.

4.1 Inclusive growth

In both global and national development research and policy, the relationship between markets and government intervention has been a focus of attention (Henderson & Jepson, 2017). From the 19th and early 20th century economic liberalism to the rise of Keynesian government interventionism in the 1930s and the rise of neo-liberalism from the 1970s, policy orientation has witnessed a see-saw motion, with the roles of free markets and government intervention rising and falling (Wei, 2006). In a neo-liberal order, the role of the state is limited to provision of good conditions for the accumulation of capital by defining and protecting property rights, enforcing contracts, regulating money markets and helping finance infrastructure and skills. To perform these roles the state itself is reconfigured (Harvey, 2007).

An inclusive growth model requires a more active state, no longer subservient to the needs of capital accumulation, with greater emphasis on social equity and environmental sustainability and improved governance capacity, although it does not necessarily mean that there has to be a return to Keynesianism. First, governments need to strengthen cooperation to meet global challenges, such as turbulence in financial markets, and climate change. Second, countries need to strengthen the protection of ordinary people and increase the capabilities of poor people through training and education, targeted innovation, entrepreneurship, job creation, service and infrastructure provision. Third, a country needs to have the ability to allocate the provision of financial resources and to prevent tax avoidance and speculation. The BRI attaches great importance to the role of government, emphasizing joined-up country policy communication and development strategies, joined up planning, joined up projects and an active search for points of agreement and mutual interest. The aim is not just to meet the need to valorize capital and provide for a spatial fix but do so in ways that meet the needs of less developed regions and ordinary people, spread the benefits to more regions and more people and provide for inclusive, win-win adaptation and adjustment.

4.2 Inclusive infrastructure development

Inclusive infrastructure development means providing reliable and affordable infrastructure in less developed areas and countries. Many studies have shown that connectivity is a prerequisite for developing opportunities for a region to benefit from economic globalization (Sheppard, 2016), and that investing in infrastructure bottlenecks can spur economic growth and social and financial returns (Lin and Wang, 2017). Although modern infrastructure has linked many parts of the globe into a networked small world, with a well-developed market system, there are still however many regions and billions of people around the world who are not part of this modern system, while in some developed countries such as the United States the infrastructure has become outdated and dilapidated due to a lack of investment.

These problems are closely related to changes in national and global capital markets since the 1980s. Over the past 25 years regional banks and traditional savings organizations have lost out to new financial intermediaries such as pension funds, mutual funds, Sovereign Wealth Funds (SWFs), the funds of private corporations and certain types of insurance companies (Clark, 2017). In many countries of the Organization for Economic Co-operation and Development (OECD) over the past 50 years, pension funds have been the single most important savings institution. In the 30 years from 1987 to 2016 UK pension fund entitlements rose more than seven-fold from £360 billion to £2.8 trillion. US pension assets are estimated to be worth nearly £20 trillion. According to the Sovereign Wealth Fund Institute the assets of SWFs estimated their assets at more than $7.5 trillion in 2017.

While institutions of the kind considered in the last paragraph do act as intermediaries between savers and lenders, commercial banks do not for the most part act as intermediaries. The importance of commercial banks is that almost all the money in circulation originates as credit or debt that they provide. Rather than acting as intermediaries and lending out deposits placed with them, their action of lending money itself creates deposits or bank money. In modern developed economies savings are not needed to fund investment: a commercial bank can simply create money through its provision of credit. And as Keynes argued, in a well-managed monetary system there need be no limit on the availability of finance or credit for sustainable, income-generating activity.

The fundamental problem is that credit and the funds supplied by financial intermediaries are more likely to be invested in speculative or short-term financial market investments. Hot money that flows from one country to another to earn short-term profits is exemplary, as is the conduct of institutions such as hedge funds. As Stiglitz (2015) noted, 'Hedge funds are not noted for their long-term thinking–for them, a quarter [three months] is an eternity.'

Infrastructure projects are however large scale and capital-intensive with long turnover times and long payback periods that require long-term funding. The gap between these needs and the predominance of short-term finance led Lin Yifu (2017) to emphasize the importance of a serious 'maturity mismatch' in the global infrastructure financing market and the need for more 'patient capital'. One of the priority areas of the Chinese government's BRI is the provision of substantial infrastructure finance for facilities' interconnection to accelerate access to modern infrastructure networks in less developed countries and regions and provide opportunities for development. The provision of patient capital is one of the important reasons why the BRI initiative has been welcomed by many developing countries.

4.3 Inclusive development paths

Globalization does not require a unified development model, i.e. in further promoting globalization best practice and one best way should be abandoned. In the years since the 1980s the United States, Britain and other countries sought to transfer neo-liberal ideas and policies often in the shape of conditionality to other countries, especially developing countries. In the 1980s the Washington Consensus emerged as a set of policy prescriptions adopted by Washington-based institutions such as the International Monetary Fund, World Bank, and United States Treasury Department. In the 1990s these and sometimes a wider set of neo-liberal measures were imposed on countries in need of financial assistance (Harvey, 2007). At least until the global financial crisis of 2008, the World Bank peddled to developing countries a set of 'best practices' whose essence was privatization, marketization and liberalization.

Nearly two decades of experience have shown that almost all the countries that were forced to adopt Washington Consensus type measures were subsequently mired for some time in serious economic difficulties and lost their economic independence (which was indeed an objective of the measures). Although frequently recommended (but unable to be imposed), China, did not adopt these standard prescriptions. Instead, it explored its own development path through 'crossing the river while feeling for the stones'. As a result of its choices it achieved high and sustained economic growth. It is precisely for this reason that unlike the neo-liberal globalization model, China's BRI does not involve the identification of one best development path (namely, one centered on contemporary economic, institutional and political conditions in developed countries). Instead the BRI stresses that each country should choose a development path that suits its development conditions and its own circumstances. At the Belt and Road International Cooperation Forum Chinese President Xi Jinping said that China will not interfere ideologically in other countries, will not export its own model of development, concentrating instead on mutual benefit, win-win, jointly making the cake bigger and jointly sharing it.

4.4 Inclusive participation in globalization

The very concept of globalization embodies the notion that it involves all countries and all of the people in the world. Although global powers are the catalysts of globalization, all countries should have the basic right to equal participation. In historical experiences of global economic expansion, strong countries exercised predominant (hegemonic) influence. The expansion of colonial trade was dominated at various times by the Portuguese, Spanish, Dutch and Great Britain, while the wave of imperial expansion was led by Great Britain and subsequently by the United States. The liberal international order that they along subsequently with other Western countries dominated was associated with an extremely unequal system of international trade and investment. In the course of the last phase of economic globalization, multinational corporations and Western-dominated international organizations along with the United States as the only global superpower exercised extraordinary power, leaving many countries in a weak position to negotiate with them. Liu Weidong and Peter Dicken (2006) used the theoretical concept of 'obligated embeddness' to show that large countries and strong state enjoy a natural better position in globalization processes.

In further advancing globalization, a key issue for a path that is inclusive concerns ways of taking care of the weak and limiting exercise by great powers of predominant influence. The BRI adheres to the principles of 'openness, inclusiveness, equality and mutual benefit' and the principle of 'joint discussion, joint development and sharing', placing the largest common development factor in first position, and giving predominance to joint development and common prosperity. Moreover, the initiative is not confined to a small group, and is not just for groups with one set of beliefs or civilizational values. The initiative upholds open-mindedness and welcomes all interested countries and regions to participate in appropriate ways on an equal footing. The Joint Communiqué specifically emphasized the need to pay special attention to the least developed and landlocked developing countries, small island developing states and so on. This is the embodiment of a strong and inclusive BRI.

4.5 Cultural inclusiveness

Over the past three hundred years, Western European and North American countries took the lead in development, emerging as developed countries and colonial/imperial powers and occupying a leading position in the global economic order. On the one hand, these Western countries have developed a self-centered ideology and an absolute sense of cultural superiority. On the other hand, under severe pressure, many developing countries have developed a sense of cultural inferiority. Especially in recent decades, the increasingly powerful forces of economic globalization and the projection of Western political and ideological power have objectively and subjectively eroded the cultural independence of many countries and non-Western civilizational values. Hollywood movies, McDonald's fast food culture, Western-inspired and supported color revolutions and in some cases wars have swept through many countries and regions, bringing about all kinds of cultural conflicts. The evil consequences of the dominance of Western doctrine and Western cultural superiority are very detrimental to global sustainable development.

The traditional Silk Road principle of mutual respect and mutual learning ('hù xué hù jiàn') is an expression of completely different cultural values. The principle of mutual respect and mutual learning embraces respect for civilizational variety, the drawing of lessons from the variety of development paths and inequalities in levels of development to correct one's own weaknesses and jointly making progress. The BRI also venerates the Silk Road Spirit's respect for the cultural values of harmony and difference (hé ér bù tóng – together but different) and it emphasises principles of common development and common prosperity on the basis of the preservation of cultural pluralism and shared peace. The principle of 'harmony and difference' means treating each other equally, learning from each other's experience, and the coexistence of diversity and unity. Chinese President Xi Jinping has repeatedly stressed that the BRI does not involve an ideological or political agenda. There is no such thing as civilizational superiority or inferiority. Through equal exchange and mutual learning, civilizations have become more colorful and more innovative.

5 Summary

At present, economic globalization, as largely shaped by neo-liberalism, stands at a crossroads. Anti-globalization voices are heard endlessly, and practical actions are constantly emerging. The question as to how to promote further globalization has become a worldwide challenge. The task of exploring a new type of globalization or an alternative globalization path has been put before political leaders and academic elites in various countries in the world. Against this backdrop, more and more countries have responded positively to the BRI proposed by the Chinese government as a platform for jointly exploring new international economic governance mechanisms. In particular, the Belt and Road International Cooperation Forum attracted more than 130 countries and 70 international organizations. Of these, 74 countries and international organizations have already signed BRI cooperation agreements with China. As an international consensus has emerged around the BRI, the further promotion of this initiative urgently requires underlying discursive concepts and analysis from the perspective of global economic governance.

The idea that the BRI will lead to inclusive globalization has received more and more academic attention and has become a matter of consensus among political leaders at many international summits or forums. In particular, the Joint Communiqué of the Belt and Road International Cooperation Forum highlights 'free and inclusive trade' and globalization that is 'open, inclusive and beneficial to all'. Undoubtedly, the idea that economic globalization should benefit all regions and all people is being established as a clear political concept and dream. However, achieving this outcome requires constant practical exploration and discursive construction. Based on a brief analysis of the course and mechanisms of global economic expansion and the limitations of neoliberal globalization, this paper proposes several core dimensions of inclusive globalization in the light of the practical development of the BRI: namely, inclusive growth with effective and efficient government regulation; inclusive infrastructure development by resolving the problem of maturity mismatch in capital markets and directing investment resources to productive activities; inclusive development paths that enable countries to choose development paths that suit national conditions; inclusive participation that guarantees the equal participation of all parties in globalization; and cultural inclusiveness that protects cultural diversity in the process of globalization. Although these dimensions are not sufficient fully to characterize inclusive globalization, excluding for the moment the question of environmental sustainability, they do indicate directions for further research and for discursive construction of the BRI.

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