Strategic Challenges and Risk Governance in the Globalization of the Belt and Road Initiative

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Abstract

The Belt and Road Initiative (BRI), as China's flagship international cooperation framework, aims to enhance regional connectivity and promote a new global economic order. However, escalating political risks among participating countries—especially terrorism, security instability, and institutional divergence—have significantly hindered its implementation. This paper adopts political risk as its analytical lens and employs a mixed-method approach, including index-based assessment, literature synthesis, and case comparisons, to identify key sources of uncertainty in the BRI process. It further examines root causes across economic, political, cultural, and technological dimensions. Based on the analysis, the study proposes a multi-level response strategy, including the construction of a community of shared responsibility, the development of risk early-warning systems, and the enhancement of institutional coordination. The findings aim to inform policy improvements and contribute to a more resilient and secure globalization process under the BRI framework.

Keywords: Belt and Road Initiative; political risk; terrorism; global governance; international cooperation security

Evidence for Practice

- Effective BRI implementation requires coordinated political risk governance and proactive international cooperation mechanisms.
- The sustainability of Belt and Road projects hinges on early risk detection, institutional resilience, and multilateral engagement.
- BRI globalization must balance opportunity with risk by building robust legal, security, and policy response frameworks.

- Political uncertainty and terrorism demand strategic foresight and joint risk mitigation for cross-border investment success.

The Belt and Road Initiative (BRI) represents a major international strategy proposed by China to construct a globally integrated economic network. It aims to foster cooperation across multiple sectors—including trade, investment, finance, culture, technology, education, and tourism—between China and participating countries. The BRI promotes both regional and global economic integration, seeking to realize shared development and mutual prosperity. Since its launch by President Xi Jinping in 2013, the BRI has served as a key platform for China's engagement in global governance and international cooperation.

In *The World Is Flat*, Thomas Friedman divides globalization into three stages: Globalization 1.0 (1492–1800), driven by national expansion; Globalization 2.0 (1800–2000), led by multinational corporations; and Globalization 3.0 (2000–present), marked by people-centered and technology-driven integration. Against this evolving global landscape, the BRI embodies China's strategic response to the new phase of globalization by promoting openness, connectivity, and institutional collaboration.

However, the BRI also faces mounting challenges amid rising global uncertainties—including political instability, cultural conflict, economic inequality, security threats, and ecological crises. Among these, terrorism has emerged as the most acute non-traditional security threat. Terrorist activity not only undermines regional stability but also disrupts the implementation of key infrastructure and cooperation projects.

This paper takes political risk as its analytical focus, examining the primary security and governance challenges encountered in the implementation of the BRI. Particular attention is paid to terrorism-related risks and corresponding policy responses.

Political Risk Assessment in the Belt and Road Initiative

Political Index and General Risk Conditions

Using factor analysis, the political index of 63 Belt and Road countries was calculated based on indicators such as political stability, corruption levels, law enforcement costs, and the frequency of diplomatic exchanges. A higher score indicates a more favorable institutional environment for Chinese overseas investment.

According to cluster analysis from the Pishu Database, the countries were grouped into five levels using the farthest neighbor method, revealing marked disparities. The score differences between adjacent levels were substantial: 3.8 between Levels I and II, 2.5 between II and III, 4.8 between III and IV, and 4.1 between IV and V.

The 2022 Global Terrorism Index recorded 3,955 terrorist incidents worldwide, marking a 28% decrease from the previous year. Fatalities also dropped to 6,701. However, the lethality per incident rose from 1.3 to 1.7, indicating increased destructive capacity.

The Islamic State (IS) was again ranked the world’s most lethal terrorist organization, with 410 attacks resulting in 1,045 deaths. Other high-risk groups include Al-Shabaab, the Baloch Liberation Army, and jihadist factions in West Africa and the Maghreb.

Terrorism and Armed Conflict

The theoretical roots of terrorism are diverse. The frustration–aggression theory argues that systemic deprivation may incite violent retaliation; strain theory posits that the absence of legitimate means to achieve societal goals increases deviant behavior. Power consolidation theory views terrorism as a strategic tool to build organizational influence.

The role of media (as per the media amplification theory) and legitimacy crises (highlighted in conflict functionalism) further exacerbate radicalization.

In the Chinese academic context, scholars emphasize that colonial legacies, hegemonic interference, socio-economic injustice, and ethnic nationalism are key drivers of terrorism. As the BRI expands into conflict-prone regions such as the Middle East, South Asia, and North Africa, these risks become more salient.

Root Causes of Political Risk in the Belt and Road Initiative

The Belt and Road Initiative (BRI) seeks to establish six major economic corridors—namely, the China–Mongolia–Russia Corridor, the New Eurasian Land Bridge, the China–Central Asia–West Asia Corridor, the China–Indochina Peninsula Corridor, the China–Pakistan Economic Corridor (CPEC), and the Bangladesh–China–India–Myanmar Corridor. These efforts aim to realize "policy coordination, infrastructure connectivity, unimpeded trade, financial integration, and people-to-people bonds," forming the Silk Road Economic Belt and the 21st Century Maritime Silk Road. Despite its integrative goals, the BRI faces complex and persistent political risks across participating regions. These risks stem primarily from economic, political, cultural, and technological dimensions.

Economic Factors: Inequality and Marginalization

As globalization accelerates, structural inequality and income disparity have become more pronounced, particularly in developing and fragile states. Marginalized populations often serve as fertile ground for extremist ideologies. The unequal distribution of economic resources within and across countries contributes significantly to regional instability and the proliferation of violence.

Political Factors: Hegemony and Regime Tensions

Political risk is often rooted in hegemonic interference, unilateral sanctions, and the imposition of foreign policy preferences. Such practices provoke nationalist sentiments and foster environments conducive to extremist mobilization. The post–Cold War unipolar order, led by the United States, has encountered growing global opposition, unintentionally legitimizing anti-Western terrorism in certain regions.

Cultural Factors: Value Clashes and Identity Crises

The cultural dimension of political risk arises when globalization is perceived as cultural imposition. Western double standards and value absolutism often fuel resentment in regions with strong religious or traditional identities. This intensifies civilizational clashes and contributes to the radicalization of local populations.

Technological Factors: Rise of High-Tech Terrorism

Advances in information and military technology have enabled terrorist organizations to operate more efficiently and with broader impact. The same tools that promote innovation and development can also be weaponized to destabilize societies. High-tech terrorism poses asymmetric security challenges, leading to significant economic costs and long-term disruptions.

Policy Recommendations for BRI Implementation under Political Risk

The successful implementation of the Belt and Road Initiative (BRI) requires a risk-informed approach, emphasizing incremental advancement, institutional safeguards, and robust international coordination. This section proposes four strategic measures to mitigate evolving political risks.

Institutionalizing Globalization through "Consultation, Contribution, and Shared Benefits"

The principle of "Consultation, Contribution, and Shared Benefits" embodies China's vision for a new type of globalization. It calls for jointly setting rules, maximizing collective potential, and ensuring equitable distribution of development dividends. The BRI should serve as a platform for reforming the global economic order by addressing institutional asymmetries and fostering inclusive cooperation.

From Interest Alignment to Shared Responsibility: Strengthening Risk Co-Governance

Beyond economic alignment, the BRI should cultivate a “community of shared responsibility.” This involves institutionalizing regular summits, fostering trilateral dialogues among China, the EU, and the U.S., and enhancing trust-based regional frameworks. China’s partnerships with Middle Eastern countries in infrastructure, finance, and cultural exchange offer a replicable model for deeper engagement.

Developing Risk Early-Warning and Emergency Response Systems

A comprehensive risk early-warning system should be developed to include real-time data collection, scenario-based risk modeling, and policy alerts. Simultaneously, an emergency response mechanism should be instituted to manage contingencies such as political unrest, terrorist attacks, pandemics, and contract defaults, thereby minimizing the operational disruptions for overseas projects.

Coordinating Government and Enterprise Responses to Political Risk

Governments should play a protective role by expanding bilateral/multilateral investment treaties and enhancing overseas investment insurance schemes. Enterprises, in turn, should conduct due diligence and scenario planning. Industry associations can facilitate collective intelligence and risk-sharing. In the face of imminent threats, coordinated withdrawal and asset redeployment strategies must be employed.

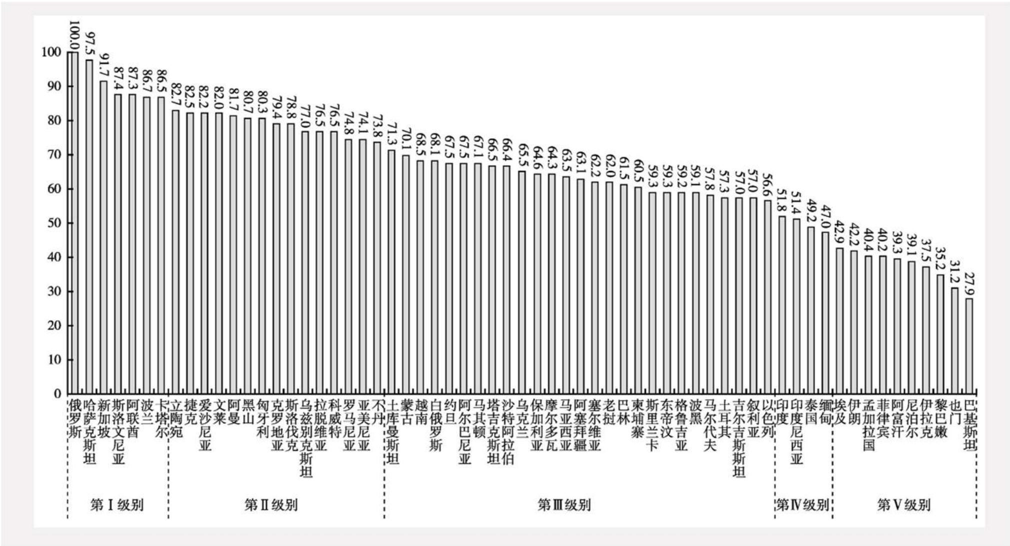
Conclusion

The Belt and Road Initiative injects renewed momentum into contemporary globalization by promoting cross-regional economic cooperation, infrastructure connectivity, and institutional reform in global governance. It expands opportunities for global growth while fostering political multipolarity, cultural diversity, and the provision of global public goods.

Despite facing political volatility and security threats, the BRI remains a resilient and adaptive model for a new phase of globalization. Through institutional safeguards, shared risk governance, and multilateral engagement, it holds the potential to realize its core vision of "consultation, contribution, and shared benefits." Ultimately, the BRI offers a distinct Chinese approach to shaping a more equitable, inclusive, and sustainable global order.

Tables and Figures

[Figure 1] Political Risk Index Rankings of Countries along the Belt and Road



Source: The Blue Ocean for Going Abroad.[1]

Conflict of Interest

The authors declare no conflict of interest.

Endnotes

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