Corvinus University of Budapest

Faculty of Economics

World Economics of Institutes

The Study On the implications of Asian Infrastructure Investment Bank (AIIB) From the perspective of One Belt and One Road Initiative

Wang Biyao

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Thesis Supervisor: Barczikay Tamás
Abstract

Asia infrastructure investment bank (AIIB), a China-led institution, aims to support the establishment of Asia’s infrastructure. It is a challenge and also an opportunity for China and can help the renminbi to be internationalization, and lead the Chinese enterprises to go abroad with investment and management risks.

This paper aims to analyze the challenges and risks Chinese government is faced up during the establishment of AIIB from three dimensions which are respectively countries along AIIB, domestic level and geopolitical pressure from other major players with the starting point of exploring the motives and implications about this bank through the deep comparative analysis of the interpretations from western and Chinese sides. In the end, some feasible policies and countermeasures are put forward in this thesis for Chinese government to address the challenges and risks. To cope with the challenges and risks, it requires Chinese government should not only focus on the economic interests based on the infrastructure construction investment and trade promotion but also attach more importance to the development of its soft power by engaging the social programs of the participating countries such as the education exchange, cultural communication, health care and job creation etc. Besides, it is equally important for China to identify the common interests among AIIB member countries and other major players through interactive dialogues and coordination in order to avoid the geopolitical risks and dismiss the external suspicion and distrust.

Key Word: AIIB, implications, challenges and risks, policy recommendations
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1. Introduction

Asian Infrastructure Investment Bank (AIIB) is the first MDB initiated by a group of Asian developing countries with China at the center. In October of 2013, Asia Infrastructure Investment Bank, was first introduced by president Xi Jinping as China’s development strategy in 15th five-year plan during the visit to Indonesia. On 24th of October, Including China, India, Singapore and other 21 founding member countries’ finance ministers and authorized representatives signed in Beijing, jointly decided to set up the infrastructure investment bank. In December of 2015 the Asia Infrastructure Investment Bank agreements reached the statutory requirements and was officially established. Nowadays, It has 77 formal member states, which includes 34 Asia countries, 18 European countries, 2 Oceania countries, 2 African countries and 1 South Africa country.

1.1 Research Objects

Since the breakout of financial crisis in 2008, the current international situation is gradually experiencing profound change with the slow recovery of world economy and the further development differentiation which also offers the opportunity for the rising of some emerging countries. Besides, the weakening advanced economy and the flourishing bilateral and regional cooperation lead to the increasing marginalization of multilateral cooperation mechanisms. (Bremmer, 2015) AIIB proposed by China aims to close the massive funding gap of Asian infrastructure mainly in the fields of building roads, mobile phone towers and other forms of infrastructure, finance, energy in order to build up a multilateral cooperation relationship with sharing responsibility and interests. And serve especially for regional economy growth and improvement of living standard. On the other hand, the domestic economic situation also justifies the
proposal of the project such as slowdown of economic growth with overcapacity, huge foreign exchange reserve and regional economic equality etc.

The thesis aims to analyze the implications to the member countries and world economy from three dimensions which are respectively member states, domestic level which associated with the important strategy “One Belt and One Road (OBOR)” and also geopolitical pressure from other major players with the starting point of exploring the motives and implications about this project through the deep comparative analysis. On the other hand, the thesis also investigate from three aspects of economic risks, political risk and security risk during the process of this China-led bank, which is different with the IMF and the World Bank. So in order to be more complementary on strategy, mechanism, or practice in a long term, AIIB should equipped with the ability to face the risks and challenges.

1.2 Literature Review

As the first investment initiative initiated by President Xi Jinping in 2013, the AIIB was formally established by the end of 2015 after the strenuous preparation. However, the AIIB is just emerging as an international financial institution, which thus brings about limited access to published professional books concerning the Asian Development Bank, both at home and abroad, with the absence of the comprehensive and systematic research. The author will make a brief overview on the specific issues related to field research status and trends as follows.

1.2.1 Research Status in Foreign Countries

The foreign research on the AIIB is dispersedly shown in various news reports and periodicals, with few discussions and relevant professional books. The author will
make a brief introduction on the foreign research on journal articles about the Asian Investment Bank below.

The most representative foreign view says that the Asian investment bank advocated by China is undermining the world financial system led by the United States. In his article *Rubbing Cricket - The U.S. Economic Position Is Being Challenged by China,* (2015) Bremer believes that it doesn’t speak for the interests of the United States whose economic status is being challenged by China and questions the ability of the Seimas administration to maintain its existing hegemony. Gold Curtis's "Why the United States Stops China's Establishment of an Asian Bank of World," (2014) argues that China will push the AIIB in to great development for its preparative advocation. It is time for the United States to soberly recognize the arrival of a new economic era and gradually establish its contacts with Asia. It is indispensable to achieve the cooperation among major financial institutions in Asia. At the same time, several suggestions are made on the cooperation among the United States, Japan and the Asian Development Bank. In "Greenshoe Mechanism: Behind Asian Infrastructure Investment Banks," the author (2014) believes that what should be included in the U.S. national strategy is not the preparation for the blockade of the Asian Development Bank but the participation of the Asian Development Bank, although China is planning to integrate itself as a part of the AIIB that influences the New World Financial Order. In the article *China's Advocacy Becomes the Rival ADB,* the article (2014) clearly stated that the ADB advocated by China is a potential opponent against the Asian Development Bank and the above two are both competitive. It is relatively common for the paper to use the strategic game between China and the United States in establishing the AIIB. In his article *The Gap in Infrastructure,* the author (2015) discusses the strategic game between China and the United States on the issue of establishing the AIIB in China and the reason why China could win the support of the United States, Germany and the United Kingdom. With regard to skepticism of U.S. government, it shows that because of applying for
membership in AIIB before the deadline, the United States has cast doubts on the loyalty of former allies (such as Australia and South Korea). In the article The bridge is far from enough, the paper (2012) explains why the United States hindered China from establishing an investment banking bank. The U.S. bank and the Asian investment bank, which defame international financial rules, are committed to weakening China's influences in the international market and constantly persuading European countries to invest in AIIB. In the global governance system, Paula’s "AIIB threat to global governance system," Sparthi (2015) noted that the AIIB threatened the global governance system. Although the United States has no rights to doubt the mode of development of the AIIB in promoting the reform of the International Monetary Fund, The G20 should play an important role in determining the tone and rules of the AIIB. Shall it analyze the AIIB article from the financing perspective? In Thomson's Infrastructure: Bridging the 5 Trillion Gap in Infrastructure Construction in Asia," Tang (2013) believes that private investment agencies gladly encourage Asia to fund bridges and road construction to boost regional infrastructure and economic development. According to the data from the Asian Development Bank, infrastructure construction in Asia requires a total annual investment of 60 billion U.S. dollars between 2010 and 2020. Doris Fischer put forward with the argument that the AIIB has nothing to do with geopolitics in his article Algerian Bank has nothing to do with geopolitics."(2015) She considered it a misleading indication that some Western media are keen on creating the geopolitical background of the AIIB. The AIIB aims to provide financial supports to Asian countries and regions in terms of infrastructure construction and to enhance the cooperation among countries. In addition, there is the research on the AIIB's strategy of "the Belt and Road Initiative". The famous magazine Economist'published an article namely Silk Road, where is the point?"(2014) The article argues that President Xi Jinping, and his "the Belt and Road Initiative" have shown his efforts to enhance China's influences all over the world. President Xi Jinping advocated (2014) the "Silk Road Economic Belt" with reference to the ancient trade route which follows the Silk Road in order to enhance trade among countries
along the road, and its lead establishment of the Asian Development Bank is to offer an effective way by changing the economic and financial order in Asia.

Commonly, overseas research on relevant issues with AIIB mainly focuses on its international influence, such as the impact of the AIIB on the existing system, the strategic expansion by China's investment bank, and the diplomatic competition around the AIIB. Specifically, He said that it firstly focused on the AIIB's competition against existing multilateral financial development institutions, when it challenges the existing status of the United States or the existing multilateral international financial institutions, like Asian Development Bank. The author believes that there is no complete competition between the AIIB and the existing multilateral financial development institutions. To be exact, the AIIB supplements the existing multilateral financial development institutions and meanwhile promotes their reforms to a certain extent. In contrast, the American scholars give more objective and constructive proposals to their government. In other words, they should not be circumvented or discouraged but should endeavor to be involved in the preparation for the AIIB. Second, it shall analyze the reasons why the United States has hindered China from establishing the AIIB and why China has won the support of its U.S. allies. It is firstly mentioned that the AIIB will influence the global governance system and pay more attention to the regional role that the G20 can play. Fourthly, the AIIB and the "Belt and Road Initiative" will be elaborated as a symbol that China changes the world economic order, which is biased against the subject discussed in this article. Therefore, at present, there is no systematic and comprehensive research on the "Belt and Road" strategy analyzed by the AIIB for foreign countries.

1.2.2 The Status of Domestic Research

As China proposed to establish the AIIB and formally implemented the proposal, discussions on the AIIB are getting hotter and hotter among domestic scholars. So is
the status quo of foreign studies; since the AIIB is still an emerging research topic in the field of academic research, most of the research on AIIB is limited on academic journals at present. However, there are not many books or papers concerning the professional, systematic and comprehensive research on AIIB, especially with the absence of an analysis of the AIIB from the strategic perspective of the Belt and Road Initiative. The existing research results mainly focus on the basic ideas and countermeasures for the preparation of the AIIB as well as the challenges faced by the AIIB in the preparation, establishment and operation of the bank. The author makes a brief introduction on the classification of the domestic research on AIIB books and periodicals papers below. The most popular domestic discussions on the AIIB concentrate on the basic ideas and proposals for the challenges and preparations for the AIIB. In Gao Peng's "AIIB background, facing challenges and countermeasures?" (2015) it is quite representative in the aspect of the research. Based on the detailed introduction of the AIIB, the four major challenges that the AIIB is facing are discussed and five suggestions are given. By the combination between the preparations for AIIB establishment with the fate community of China-ASEAN, in the book Building a Infrastructure Investment Bank in Asia to Be the First to Make a Breakthrough in China-ASEAN Region"(Zhiyong, Zhong & Chunzhi, 2016), while systematically analyzing the significance, challenges and basic ideas for preparing the AIIB, they interpreted the basic principles and basic concepts of China's peripheral diplomacy with an attempt to find an effective way to set up a China-ASEAN community that shares the same destiny. In his article "The World Bank's Experiences and Its Implications for the Establishment of Asian Infrastructure Investment Banks," Huang Zhiyong and Guang (2015) proposed with five aspects for preparing the AIIB by analyzing the successful experience and existing problems in the world banking sector. There is the inspiration. In addition to analyzing the profound background of the AIIB's preparation and construction, Wang Da pointed out in the "China Considerations and Worlds Essays" of the AIIB, while analyzing the significance of China and the world and the "AIIB fever" with regard to international political
economy meanwhile. The reason is that it initiates the analysis by the AIIB. Ling Shengli adopts "AIIB" as a new concept of Chinese diplomacy? Analysts believe that the AIIB is an important attempt by China to promote the new diplomatic philosophy. While discussing the challenges, basic ideas and countermeasures in the process of preparing the AIIB, there are also some articles analyzing the interest concerns and attitudes of all countries in preparing the Asian Development Bank. For example, in his "Realistic Analysis of Infrastructure Investment Banks in Asia", all countries' attitudes toward the AIIB are divided into positive, sedentary and negative by Bai Xiulan (2015). He made the analyses. Sun Haiyong (2015) further clarified the non-zero-sum competition between China and the United States through "the non-zero-sum competition between the AIIB and the United States", which accurately regard the preparatory establishment of the AIIB as a supplement to the existing financial system. In the geopolitical and economic analysis of Asian Infrastructure Investment Bank, Sheng Wenyi and Cao Wenlian analyzed the competition or cooperation between the AIIB and the existing multilateral international financial institutions on the basis of abundant scientific data from the perspective of geo-political economy (2015). On one hand, Zhong Feiteng's Beyond Geopolitics Myth: China's New Asia Strategy"(2015) put forward with "Belt and Road Initiative" and promoted its analysis as a golden pivot fulcrum of the AIIB, which functioned as a new geo-economic layout in China. On the other hand, regarding the AIIB's research on the "Belt and Road Initiative", domestic scholars hold the view that the AIIB is of great significance for the "Belt and Road Initiative". Zhao Yazan said that "the AIIB was the core of the" Belt and Road Initiative." (2015) The article mainly discusses the impact and significance of the Asian Development Bank (AIIB) strategy on advancing the "Belt and Road Initiative" and its active cooperation along the country. In the Silk Road Strategy of "Financial Aid", Liu Ying (2015) summed up six questions that are currently encountered by China when preparing the AIIB and answered them one by one. At the same time, he proposed that the AIIB and Silk Road Fund should jointly boost the construction of the "Belt and Road Initiative" and promote China's capital
account liberalization and the internationalization of RMB. Liu Xiangfeng (2015) pointed out in the "Strategy of the AIIB and Belt and Road Initiative" that AIIB and the "Belt and Road Initiative" has the same goals and support each other, so as to achieve a smooth transition between the two in advancing the development of the "Belt and Road Initiative" and the development of the Asian Development Bank.

The article "Why international public goods supply is possible - based on the analysis of Asian infrastructure investment banks" of Li Juanjuan and Fan Liming (2015) shows another reason why the Asian investment bank was established: the dynamic game model for analyzing the supply of international public goods explains why the AIIB was founded. There is a more comprehensive and systematic analysis on the AIIB's contribution. To sum up, there are relatively few systematic studies on analyzing the AIIB by the domestic and foreign academic circles based on the "Belt and Road Initiative". In the relevant research, there are still some shortcomings: First, because the AIIB has just been established, most of the research results about the AIIB at home and abroad are limited to analyzing the reasons for the construction of the AIIB, the challenges it faces and the ways to build it. The analysis of the AIIB starts from a separate entity; the link between the preparation for building the AIIB and the strategy of "Belt and Road Initiative" is absent without a comprehensive and systematic analysis. Second, most of the research results at home and abroad have dealt with the economic and political roles of the AIIB, ignored any important questions that are elaborated on the security role and cultural role of the AIIB in detail. Therefore, based on the analysis of the uniqueness of the AIIB, this article discusses the unique role of the AIIB in terms of the "Belt and Road Initiative", the challenges faced by the AIIB and the corresponding countermeasures. At the same time, the office shall make several shallow supplements.
2. Methodology

One of the main purposes of conducting non-theoretical studies is to provide a historic explanation of specific events. The explanation focuses on the impact of producing a particular historical event. The goal of such a study is to understand and interpret rather than to generalize the universal theory. As for the article theme, it can be said that the AIIB is established for a specific reason and is a product of China's advantages and world needs. The author tries to analyze the AIIB by using the following methods.

Comparison of sub-bridge method. The international system consists of the Asian investment bank under construction, the existing World Bank, Asian Development Bank and others international relationship actors. They are committed to serving the economic development needs of all countries in the world and maintaining or reforming the existing international financial system. Each other has some similarities and differences. By comparing the similarities and differences between different financial institutions, the author attempts to analyze the uniqueness of the Asian Development Bank as a multilateral financial development institution, summarizes the experience and problems in running international financial institutions, and puts forward some suggestions for the establishment and operation of the Asian Development Bank.

Analytic Hierarchy Process was first put forward by Kenneth Waltz (1959) in "People, Countries, War", which is the analysis of international relations from three levels namely the system level, the state level and the individual level. He believes that different levels involve different issues. Only by combining the three-level analysis can we have a more complete understanding of international relations. The author tries to divide the unique role played by the AIIB under the strategy of "Belt and Road Initiative" into three levels and carry out a detailed analysis, which are to
speed up China's strategic development and promote the integration of Asia and advance the reform of the world system. Later, the Significance of the AIIB under the Strategic Belt and Road Initiative should then be fully and completely understood.

3. General Overview of Asia Infrastructure Investment Bank (AIIB)

When the world is gradually producing aesthetic fatigue for the cheap "Made in China", it is also expecting or doubting whether China can provide the world with "China's wisdom" beyond its utensils. (Ling, 2015) The AIIB can be regarded as a product of the diplomacy of a great country with Chinese characteristics that is created by China with great wisdom. The AIIB is a pro-active adaptation strategy of China under the new normal economic conditions. It is also a bold exploration of the complicated and volatile international situation and a major breakthrough in China's economic diplomacy. By combining its own advantages with world needs, the AIIB is carrying a strategy of safeguarding the "Belt and Road Initiative" and is committed to realizing the interconnection in the vast Asian region and the beneficial attempt to promote the reform of the existing international financial system. It is full of distinctive China features.

3.1 Association of AIIB and OROB Initiation

China's strategy of leading the establishment of the AIIB and the "One Belt and One Road Initiative" aims to promote regional cooperation through the provision of international public goods so as to meet the actual needs of countries along the routes as far as possible. However, China cannot independently produce regional or
inter-regional public goods. Effective operation also requires the cooperation among countries along the line, especially in the aspect of infrastructure-type public goods valued by the AIIB and the "Belt and Road Initiative". Since the global financial crisis, the countries along the routes have gradually formed a whole new situation in which public goods are supplied by cooperation among regions. By leading the Asian Development Bank and providing public goods along the route, China can make up for its deficiencies by supplying public goods due to the economic stagnation in the United States, Japan, and Europe and promote the matching and reliance of its development strategies with other countries along the line. (Gao, 2007) Forming a medium-China is also the node of the cooperation network. As the first international public goods platform dominated by China, the proposal of the AIIB and the "Belt and Road Initiative" contains profound historical background. Their appearance has had a profound impact on the countries, regions and even the world along the route.

3.1.1 Background and Impact of One Belt and One Road Initiative

"One Belt and One Road Initiative" combines both the "Silk Road Economic Belt" and the "21st World Maritime Silk Road" and is a strategic vision put forward by Chinese President Xi Jinping. After its formulation, "Belt and Road Initiative" has shortly risen to the national strategic level, which is strictly only a domestic-level strategy. "Belt and road Initiative" is a manifestation of China's initiative, integrates into the international community and calls for all countries along the route for participation. With the global financial crisis sweeping across the world, the world economy is slowly recovering. International issues such as food security and disease transmission have frequently brought unprecedented impacts on the international order and economic structure. (Li & Fan, 2015) It is forced to constantly adjust the international order. The emerging economies urgently exert their ambitions in order to blend in with the new world economy. Since the economic globalization deepens,
developed countries dominate the world economy through after the spring rain and developing countries such as emerging economies has more and more limited space. In front of such a tense international situation, China faces the long-term extreme developing imbalance between the eastern and western regions and the complicated maritime security dilemma in the surrounding areas. On basis of domestic and international efforts, China strategically puts forward the "Belt and Road Initiative" by dint of regional cooperation and aims to promote the world economy by promoting the balanced development of the domestic area. It also breaks through the plight of maritime security while seeking common development and new-pattern changes with neighboring countries. (Wang, 2015) The implementation of "Belt and Road Initiative" enables China to make up for its current incoordination of the regional development, enhance the effectiveness of its reform and opening up, realize its all-round economic development, break through the ocean dilemma and improve its surrounding environment. As for the countries along the route, it will promote the economic development of the countries alongside, deepen the regional economic cooperation, speed up the regional economic integration, improve the backward infrastructure, and promote the peace and stability by strengthening economic and trade ties. The development of emerging economies is beneficial for joint promotion and transformation of the existing economic pattern all over the world and win-win cooperation in Asia.

3.1.2 Background and Key Profile of AIIB Construction

AIIB is short for *Asian Infrastructure Investment Bank.*"Instead of a literal investment bank or a commercial bank, it is a regional multilateral developing financial institution initiated by China and is the first global international organization whose establishment is dominated by China.
Also influenced by the global financial crisis, complicated changes have taken place in the global economy. The global economic coordination and governance encounters unprecedented difficulties, which could also be considered as opportunities and challenges that many emerging economies are facing. (Liu, 2016) On one hand, the world economic pattern has always been dominated by developed countries. As a result, Asia, which is generally composed of developing countries, suffers a lack of opportunities for development. There is also a serious imbalance in the infrastructure construction in the Asian region. In addition, because the existing multilateral financial institutions cannot keep up with the change of economic situation due to the requirement of functions and positioning, the imbalance cannot be effectively alleviated by the influence of ideology and inertia of thinking. Therefore, the huge funding gap for infrastructure investment in Asia has severely blocked the interconnection and economic integration in the areas described in the "One Belt and One Road Initiative". On the other hand, the financing mechanism in Asia is not suitable for investment in infrastructure construction. The reason is that although the countries in the Asian region have the characteristics of the reserve rate, they do not enable countries to invest their money in high-risk, low-yielding and long-term investment projects such as infrastructure construction. (Zhong, 2014) Although in the Asian region there are a large number of multilateral gold mature institutions, they don’t have enough interactions with each other. In addition, China plays a leading role in infrastructure construction and investment in Asia, with sufficient capacities, desires and needs. Taking the opportunity of the Asian Development Bank as a catalyst, China has consolidated its solid progress in the "Belt and Road Initiative". Through the interaction between the AIIB and the "Belt and Road Initiative", infrastructure construction and interconnection in Asia could be effectively improved. And the existing constraints in the existing western-dominant international financial system can be effectively alleviated. It is in this context that the AIIB came into being. It should be certified that the AIIB is a new member of the existing international financial system rather than the start-up. The reason that the AIIB widely recognized
is based on the concept of its formation. First of all, the AIIB has a guaranteed start-up capital of 100 billion U.S. dollars and 50% of its share in China. Coupled with other funding sources, the security of the AIIB could be sufficiently improved. Second, although the AIIB is a multilateral financial institution dominated by China, China shows no willingness. China has all along demonstrated to all countries in the world that the AIIB is open to all the countries of the world sincerely. (Sheng & Cao, 2015) Third, the AIIB has been adhering to the concept of equality and tolerance and has made it possible for all countries in the world to integrate into this multilateral financial institution. Finally, the AIIB left 75% shareholding in Asia and the remaining areas for development outside the Asia. While protecting the interests of the Asian region, the AIIB also provides foreign countries with opportunities in order to fully cooperate with Asian countries.

3.1.3 AIIB Becomes Financial Support for the Belt and Road Initiative

One Belt and One Road Initiative has been the longest economic belt in the world so far and run through many important economic zones such as Asia Pacific, Africa and Europe. The countries along the route are just emerging. The region of Belt and Road Initiative has been the most economically developed zone in the world so far. Belt and Road Initiative gives priority to developing the infrastructure in order to interconnect the infrastructure in the region. (Liu, 2016) However, the existing multilateral treasury agency cannot meet the huge investment gap in infrastructure construction in Asia, nor can it take care of the practical needs of the vast number of developing countries in Asia and establish the AIIB that can adapt to the new environment and new needs. The establishment of AIIB will not only fulfill the funding needs of the "Belt and Road Initiative", but also offers mature and high-quality Goldin services to enhance capital utilization efficiency in Asia in order to attract global capital flows. The successive participation of financial powerhouses
in Europe will inevitably inject fresh blood into the AIIB, because of the value of the mutually beneficial and win-win concept of the "Belt and Road Initiative" to a large extent. China should seize the opportunity to learn from the mature experiences. Whereby investment banks enhances the service quality of the AIIB to a greater extent and to improve the governance structure of the AIIB. The AIIB and the "One Belt and One Road Initiative" shares close links and, with mutual support and response. The AIIB is committed to offering financial facilities and thus implements inter-country facilities. The "Belt and Road Initiative" covers five major aspects: policy, facilities, trade, capital and people. The AIIB has come up with a multilateral cooperation way for the "Belt and Road Initiative" and welcomes asking questions. Those specific projects from the AIIB, deprive "Belt and Road Initiative" of the soul and its actual effects.

The overall plan for "Belt and Road Initiative" will also greatly reduce the effectiveness of the AIIB. From this we can see that the AIIB is an indispensable part of the financial support for the "Belt and Road Initiative". The continuous progress of the AIIB will not only deepen the promotion of the "Belt and Road Initiative", but also push the economic cooperation between China and other countries in the world to a new height, which lays a solid foundation for better integration of China into the existing international community.

3.2 Uniqueness of AIIB

As an independent multilateral development organization, the AIIB shares similarities with many multilateral development institutions in the existing international gold knocking system. However, it is worthwhile to study the unique features of the organization and the first investment bank that dominate in the establishment of China's AIIB concerning other multilateral development finance institutions.
3.2.1 Infrastructure Investment is the Main Entry Point for the AIIB

Unlike most of the multilateral development financial institutions in the world such as the World Bank and the Asian Development Bank, the AIIB’s business mainly focuses on the infrastructure investment and the most demanded area in Asia, while other financial institutions basically focus on long-term development and poverty reduction targets is the most essential difference between the AIIB and the existing multilateral development financial institutions, which is also an unique feature of the AIIB. (Mancur, 1966)

The infrastructure development in the Asian region has long been involved in an uncoordinated state. If we want to interconnect and interoperate the infrastructure in the Asian region, more funds should be increased to fulfill huge investment needs. In Asia, however, the existing capital, even the allocation of resources and the capability distinctions should be considered between countries. As a result, Asia's infrastructure lags behind in terms of the development and the effective remediation is hardly to be done. The Asian Development Bank is established to solve such problems. It can be said that the AIIB is a new type of international financial institution and closely follows the needs and trends of the era.

More and more economic studies show that the degree of development of infrastructure is directly related to the degree of economic development in a country. The imperfect infrastructure construction of a country directly affects the yield ratio of introducing private investment. The introduced foreign investment enables the country to develop better and faster, create more employment opportunities, and achieve the ultimate goal of reducing poverty. (Mancur, 1971) Through the investment in infrastructure by the AIIB, such countries can improve their backward infrastructure, create a favorable national environment and effectively achieve the ultimate goal of reducing poverty.
With the commitment of infrastructure investment and financing, the AIIB can also allow more private capital to flow into the whole system to achieve a win-win situation. Private banks can avoid the long payback period for infrastructure investment through private investment banks. The mechanism guarantees a huge gap of integrating more private capital to the funds that are difficult to replenish.

3.2.2 More Considerations on the Interests of Developing Countries

The existing international financial system is gradually developed and almost dominated by developed countries after World War II, in which many multi-development financial institutions with far-reaching current capabilities are established, such as the World Bank advocated by the United States, The Asian Development Bank led by the United States and Japan and the European Development Bank led by the European financial powers. Without exception, all of these banks have dominated the operation in developed countries while developing countries or emerging economies are not able to participate in decision-making nor are they able to achieve their own national interests.

In contrast, the AIIB is led by a developing country such as China. By dint of the preparation, the AIIB aims to give more considerations to and concerns on long-unprofitable interests of developing countries in order to achieve common development in the Asian region. The AIIB leaving 75% of its equity stake in the Asian region is a good example. The business scope of the AIIB is mainly infrastructure investment in Asia. The proportion of its member countries' equity is mainly controlled by Asian countries and serves as the financial support for the "Belt and Road Initiative", which provides the basic guarantee for the interests of developing countries.
3.2.3 Combination of China's Advantages and World’s Needs

China has made a leapfrog economic development after several generations and currently become the second largest economy in the world. The sustained and growing economy has accumulated relatively abundant capital for China. The infrastructure has accumulated a wealth of experience in infrastructure construction. To be specific, China's strength in railway construction, airport construction, highway construction and aerospace engineering can meet the needs of developing countries in infrastructure construction such as airports, highways and railways. (Lv, 2008) Furthermore, there is still a large amount of surplus reserve fund in China, which can help provide the infrastructure for the countries along the "Belt and Road Initiative" in virtue of the financing platform of the AIIB.

The level of infrastructure construction in Asian countries is unmanaged. Most developing countries are lagging behind in infrastructure construction. The existing multilateral financial development agencies cannot meet the funding needs of these countries. Even if these funding needs are satisfied, shortage of adequate infrastructure construction experience will also hinder the improvement of the infrastructure construction. The abundant capital and rich experience is what demands by the countries in the Asian region for building the infrastructure. Countries outside Asia have been trying to find new economic growth points due to the trauma caused by the financial crisis which results in the sluggish economic recovery in recent years. Asia attracts the world's attention due to its huge potential for economic growth and seeks more opportunities with Asia for economic cooperation, with the AIIB functioning as a good platform.

3.2.4 Useful Tips for Optimizing Existing Mechanisms

As the developed countries have long dominated the existing international
financial system, emerging economies and developing countries have different levels of power and cannot effectively be opposed to it with joint work. As a result, the reform of the international financial system that adapts to the new global situation has been slow and has reached an impasse, which however is basically getting solved. The lagging reform has not enabled the existing multilateral development finance system to follow the trend of the times in a timely manner. In addition, most of these institutions have the defects and constraints of the governance structure, which makes it full of deficiencies in various aspects. The problem is concentrated in the fact that existing systems are increasingly unable to meet the needs of an increasing number of developing countries, and these needs cannot be ignored. The cruel reality is that even if the international financial system is to be reformed, it will be far from satisfying the current economic development in the world. The preparation of AIIB is a useful attempt to reform the existing international financial system and an optimization of the existing international development agencies as a whole. (Liu, 2015) It is an open platform where developing countries are eager to voice to the world and speak for the existing international financial system. It is worth noting that the AIIB is not trying to challenge or subvert the existing international financial system. Instead of becoming a new bridgehead, China is part of the existing international financial system. The idea of reforming the financial system should try to make up for the deficiencies of the international financial institutions, so as to promote international multilateral cooperation without hegemony.

4. Unique Roles of AIIB under the “One Belt and One Road Initiative”

The AIIB financially support the "Belt and Road Initiative" and in return "Belt and Road Initiative" provides a broad investment market for the AIIB. The two complement each other. The AIIB has a unique role to play in supporting China,
expanding the space for strategic development, promoting the integration of Asia and the reform of the world economic system. Such unique goals cannot be achieved without the promotion and support of the "Belt and Road Initiative".

4.1 Expansion of China's Strategic Development

Under the "Belt and Road Initiative", the AIIB is committed to establishing a platform for the countries in the region and works together for peaceful development with the infrastructure investment. By the means, China can get rid of its long-term dependence on the U.S. dollar and promote China's domestic economic reform as it needs, (Xue, 2009) The geopolitical influence and national cohesion in the region have broken through the strategic containment of the United States, Japan and other countries, effectively improving the long-standing maritime security dilemma that has plagued China, vigorously developing economic diplomacy, striving to establish a responsible big country and seeking further expansion in various fields of China's strategic development.

4.1.1 Getting Rid of Dependence of Dollar and Promoting Economic Reform

Since China joined the World Trade Organization (WTE) in 1986, China has gained a lot. By joining in the U.S. dollar-based financial system, China has created a relatively stable exchange rate environment temporarily and endeavored to develop an export-oriented economy so as to achieve rapid economic development and become the world's second largest economy. Simultaneously, China become a huge dollar reserves as a country through the purchase of US Treasury bonds. The duality of things highlights that behind the huge gains there are also hidden risks. After the financial crisis, the United States introduced a quantitative easing monetary policy that devalued the dollar. For China, a large number of U.S. dollar reserves are facing a
dilemma of the shrinkage. If they no longer increase their holdings of the U.S. dollar, they will only suffer the devaluation of their reserves. If they continue to increase their holdings of the U.S. dollar, they will fall into endless reliance on the U.S. dollar.

Since the financial crisis, China has been trying to get rid of dependence on the U.S. dollar, adjusting the pace of economic development, urging the reform of the existing international monetary system and pushing forward the process of internationalization of the Renminbi. However, due to the existing restrictions on the governance structure of the national monetary system and the promotion of the currency by sovereign countries, attempts on solving the difficulties of nationalization are ineffective. At the same time, the global financial crisis gets outbreak in 2008 and made it impossible for China to maintain its 30-year pattern of mainly relying on high investment and high export-led economic growth, speeding up the industrial upgrading and achieving innovation-driven and domestic demand. Pull-type growth is a top priority. (Wang, 2015) Besides, China's high foreign-exchange reserves are mainly low-risk and low-yielding assets such as the treasury bonds. Since 2010, China has been facing the problem of declining yields, single investment portfolios and channels. (Gao, 2015) Therefore, China turns to investment and drives the utilization rate of its own dollar reserves, in order activate high savings, enrich its investment portfolio and reduce the risk from the dollar devaluation. The establishment of the AIIB satisfied the demand. China is expected to lift its dependence on the dollar, speed up the upgrade of the domestic industrial structure, drive the reform of the domestic economic system and promote the reform of the existing international economic system meanwhile.

4.1.2 Strengthen Geopolitical Influences and National Cohesion

China advocates the establishment of the AIIB and the "Belt and Road Initiative" and aims to establish a networked open system between land states and
marine countries along the route. The members of the system are interdependent, interwoven, interoperable and have win-win cooperation. Through the mutual trust among the members in the system, we can dispel the jealousy of expanding each other’s own geo-strategic space and achieve common development. Concerted efforts are made to create the common geopolitical values of all Asian countries and gradually realize the economic integration in Asia.

China is unwilling to take this opportunity to compete for maritime hegemony. Likewise, it also does not want to dominate the land. China always upholds the concept of peaceful development. (Liu, 2016) China expects to use the platform of the Asian Development Bank to develop and prosper with all other countries in the region and even other countries in the world. With the gradual deepening of the AIIB and "Belt and Road Initiative", China will subsequently enter a completely new stage of opening-up and peaceful development. As its business grows and contacts among countries deepen, China will gradually show its economic presence in Asia. The same is reinforced by geopolitical influence. China desires to achieve the great rejuvenation of the Chinese nation and get the world's recognition. Although China does not seek hegemony, through their own efforts China strengthens themselves in the region or even issues the geopolitical impacts on the world, which is in line with the standard of a responsible power. China will be even more committed to realizing the process of economic integration in Asia and endeavor to achieve a regiment and strong Asia.

In the same vein, from the well-being of the people to the pros and cons of the country, the AIIB and the "Belt and Road Initiative" are important components of the dream of a powerful nation in China and will also increase national cohesion. With the gradual progress of the AIIB and "Belt and Road Initiative", the Chinese people will unite together. We will make our own contribution to the great rejuvenation of our nation.
4.1.3 Develop Economic Diplomacy and Establish a Responsible Power

As China becomes the second largest economy in the world, especially in the macroeconomic context in which China's economic strength has strengths in military, political and cultural fields ahead of others, China has frequently used economic instruments in its practice to actualize the national security, political stability and social development and achieve other important strategic goals. With the continuous growth of China's economy and its deepening engagement in the international economic system, China has gradually emerged on the stage of international economic diplomacy. The goal of China's economic diplomacy mainly concerns about economic construction. It aims to achieve more diplomatic strategic goals with economic development so as to serve for the interests of the country. The AIIB and the "Belt and Road Initiative" is importantly involved in the China's economic diplomacy practice. From joining various international economic organizations to leading the establishment of multilateral financial development agencies, China has achieved leaps in the development of economic diplomacy. In addition to following the world's footsteps, China makes more efforts to explore the world together. (Zhao, 2015) This shift from the passive to the active demonstrates the maturity of China's economic diplomacy. China's economic diplomacy is not only an important means of defending the national interests of China, but also becomes the main driving force of influencing the global economic development. While economic diplomacy continues to make new progress, China has always endeavored to establish a responsible big country in regional and international affairs and brought economic development into the overall driving force of the country. Only a responsible big country can gain a foothold in the complicated world changes, achieve the trust and cooperation of other countries and bring about the greater development. The AIIB and the Belt and Road Initiative are windows of China through which the world can learn about China, eliminate misunderstandings and misgivings and know China's sincerity for peace and development and determination to establish a responsible big country.
4.2 Promote Asia's Regional Integration

The AIIB and the Belt and Road Initiative can effectively solve the problem of misallocation of resources in Asia, promote the economic integration in Asia, balance the interests and appeals of all countries, speed up the process of regional integration in Asia, deepen cooperation in various fields and mutual trusts of the inter-state strategy, create a harmonious Asia with common people, and ultimately promote the regional integration of Asia as a whole.

4.2.1 Address Resource Mismatches and Promote Asian Economic Integration

For a long time, the entire Asian economy has always had a short board, that is, there are big investment shortfalls in countries such as China and Japan that have many savings and correspondingly slower economic growth such as Southeast Asia in contrast. Regrettably, the absence of a corresponding conversion mechanism in Asia has shifted the high level of savings in the region to a funding gap. The serious misallocation of resources has limited the economic development of the entire Asian region. (Liu, 2016) The Asian economy has always been in a state of uneven development with a low overall level, a highly diversified economy and a low level of economic integration. In the era of economic globalization, no country can realize its own economic development independently of the region. The economic development of the country and the region is usually a prosperous and one-for-all loss. Only when the regional economy has achieved thriving development, can the country well develop. In the region, the economy can bring about the better and faster development.

China played a leading role in the field of infrastructure financing business, which will boost the level of infrastructure construction in the invested countries,
promote the economy of the invested countries for the efficient development and substantially reduce the level of infrastructure construction in the countries in the region, in order to narrow the differences in the level of economic development among countries in the region and further promote the economic integration in Asia. From the perspective of regional countries' economic affiliation, increasing investment in infrastructure will encourage all countries to reduce their communication and transportation costs, achieve full mutual cooperation, promote intra-regional trade, financial development and greater regional economic integration in Asia. With the accumulation of experiences and perfections of internal system, AIIB would become more mature in the financial aspects.

4.2.2 Balance the Interests of All Countries and Accelerate Regional Integration

Asia is a region with national heterogeneity. After long-term baptism, Asian countries not only have different levels of economic development, but also have different degrees of religious belief, cultural heritage, ethnic customs, political system, social stability Differences and complex geo-political environment. These differences will determine the willingness and needs of different countries to participate in the construction of different countries. Their opinions and actions on the same issues will also be different. （Wang, 2015）Meanwhile, the AIIB has also attracted the participation of some prominent European powers in the country. The interests of all countries are obviously more different. Although there are many differences, the purpose of the AIIB's establishment is equal and inclusive. China has made corresponding preparations while announcing the preparation for the establishment of the AIIB. China has also set up an open, equitable and inclusive system through appropriate mechanisms to fully balance the interests of all countries, satisfy the demands of the great powers of the world, ignore the appeals of weak countries and ensure the smooth operation of the AIIB.
With the continuous deepening of the AIIB and the "Belt and Road Initiative", the Asian economy is more integrated. The frequent economic interaction among the countries along the line will promote deeper exchanges and cooperation among nations and create opportunities for exchanges in various fields such as culture and politics through economic cooperation. More opportunities for all Asian countries are created to enhance mutual understanding and provide the basis for the realization of regional integration in Asia, in the process of the gradual economic integration in Asia. AIIB would have a better future if all member countries could make efforts together towards the same goals and in reference to same interests.

4.2.3 Deepen the Cooperation and Build a Harmonious Asia

There are many disharmonious factors in Asia, such as the uncoordinated development of the economy, the tension between the geographies and the disputes arising from the ownership of islands, all of which hinders the implementation of a unified development in Asia. The AIIB and the Belt and Road Initiative have set up a platform to enhance the cooperation among all countries, focusing on infrastructure construction, gradually expanding their connectivity in the fields of aviation, land transport and communications, and further extending the construction and integration of trade networks among countries, by the smooth capital flow within the region, then the cross-regional flow of capital will be expanded in the future (Li & Sun, 2014). By means of multilateral mechanisms of equality and inclusiveness, we will create more possibilities for cooperation between countries and deepen economic cooperation. At the same time, we will deepen mutual understanding among nations and gradually extend our cooperation in all fields such as politics and culture so as to ease the conflicts among nations. The above cooperation is triggered by sensitive geopolitical factors and guide all countries in the region to focus more on the win-win cooperation in economic development in order to jointly establish a harmonious Asia, eventually
achieve the coordinated development of the entire Asian region and promote the prosperity of Asia as a whole. The AIIB is in conjunction with BRICS banks, Shanghai Cooperation Organization Bank, China-Africa Development Bank, Silk Road Fund, China-Africa Fund, China-Africa Forum, China-Central Asia Forum, China-Arab Forum, China-ASEAN Forum, Partnerships (RCEP) and other multilateral free trade investment arrangements, as well as with financial institutions of neighboring countries.

The cooperation and currency exchange agreement will open up a new world for "new South-South cooperation." (Wang, 2015)

4.2.4 Enhance Strategic Mutual Trust with People

The core goal of the "Belt and Road Initiative" is also known as the "five links," namely, policy communication, road connectivity, trade flow, currency circulation, and public access. Good policy communication among countries along the line is a prerequisite for the joint establishment of "Belt and Road Initiative." Unicom is the priority area for infrastructure construction that is most closely researched by the "Belt and Road Initiative". The smooth flow of trade within the region is the key content of the strategic development. The currency circulation is through Asia with the key support for investment banks and the realization of extensive social exchanges among countries along the country. Common people are the foundation and the top priority for building the social belt of "Belt and Road Initiative."

China has always adhered to the path of peaceful development that does not seek hegemony without expansion and upholds the open diplomatic strategy of mutually beneficial and win-win results with other countries in the world. China has taken active steps to implement the four-word diplomatic philosophy. The "Belt and Road Initiative" will further deepen mutually beneficial cooperation between China
and its neighboring countries, promote friendly exchanges among people along the country lines, create peaceful coexistence of nations with different races, religious beliefs and cultural traditions through their own diplomatic efforts and enhance mutual strategic trust. (Shi, 2015) With the realization of the commonalities among the people of all countries, common prosperity and development in Asia and solidarity and benefits of the countries along the route, the AIIB and the Belt and Road Initiative can truly become the beneficial project for people and create the well-being of people in the countries along the line.

4.3 Promote Changes in the World Economic System

The European financial powers such as Britain, Germany and France have joined the AIIB one after another to make them a representative and truly multilateral development organization for international finance. With the implementation of the "Belt and Road Initiative", it will promote the global economic development and rebalancing the world. It is not a challenge to the current international financing system, but a supplement to economic system and mechanism reform. It can effectively optimize the allocation of international production capacity through cooperation among all countries.

4.3.1 Promote Global Economic Development and Rebalancing

From a global perspective, as the United Kingdom, France, Germany, Italy and other European powerful countries gradually joined in the AIIB and successfully connected with the Pacific and the Atlantic, the AIIB became a representative international multilateral financial development institution and a new example of development with the joint efforts of the East and the West. The AIIB will certainly
make its own contribution to effectively promoting the economic and social development in Asia and the world at the maximization.

From the point of view of the global economic system, some western scholars believe that the global financial crisis that swept through the world in 2008 largely owes to the responsibility of the countries in East Asia, because their reserve ratio leads to a global financial imbalance that has triggered a serious financial crisis. (Blanchard, 2009) This point of view is for the developed countries led by the financial markets, which needs more profound consideration by the Asian countries. The high savings rate in Asia has caused liquid capital shortfalls in the region, resulting in a sluggish global economy. Long-period accumulation will exert an impact on the global imbalances and the global financial turmoil. The establishment of the AIIB has offered a platform for the world to finance the infrastructure construction in the countries mentioned in the Belt and Road Initiative and truly realize the transformation of the Asian region from a reserve-to-business investment needs to an Asia region resource. The self-sufficiency and the prosperity in Asia and the financial facilities will definitely promote the development and rebalancing of the global economy.

4.3.2 Promote World Economic System and Mechanism Reform

After the World War II, the Bretton Woods system led by the United States set the U.S. dollar at a leading position in the world economic system and meanwhile gave the United States the right to dominate the world economic system. Although the dominance of the Bretton Woods system came to an end because of the strong ties of Germany and Japan. The dominance of the U.S. dollar has been further consolidated by getting rid of the shackles of gold. For a long time thereafter, the international economic system has remained stable until the rise of a large number of emerging economies and developing countries breaks the tranquility. The world economic
system dominated by developed countries such as the United States has become increasingly unable to meet the interest demands of developing countries. The limited development space allows developing countries to consider institutional reforms of the existing world economic system through repeated interest demands. However, since the United States are reluctant to give up their vested interests and give choices, the economic system reform becomes very difficult.

China advocates for the establishment of an investment bank and undoubtedly fights for the reform of the world economic system. (Li, 2011) China has been strikingly stronger and separately opens up a path of establishing an infrastructure-orienting investment and financing platform by focusing on the urgent needs and economic cooperation of the Asian Region, in order to create new world economic growth points, boost the downturn in the sluggish recovery of the world economy and promote the reform of the world economic system and mechanisms that are in line with the economic development of the new era.

4.3.3 Supplement the Current International Financing System

Infrastructure conditions are crucial for the economic development of a country. Good infrastructure conditions such as transportation and communications can effectively reduce the cost of running the economy and attract more investment from outside to improve the economic efficiency of the country. The real development of our economy restricts the economic development in most developing countries to the generally low infrastructure conditions.

Most of the existing international financial institutions, such as the Asian Development Bank, shoulder the multiple tasks of reducing poverty, social development, improving the social environment and people's livelihood. The funds that can be allocated for infrastructure construction in developing countries cannot
meet the huge demands, which is difficult to be improved in a short time. The goals of the AIIB and the "Belt and Road Initiative" mainly focus on the direction of infrastructure investment and offer help to countries mentioned in the "Belt and Road Initiative". By improving infrastructure conditions, enhancing people's well-being, raising economic efficiency and fully developing the economic level of Asian developing countries, it is a timely replenishment of the existing financing system and not a challenge. It can effectively relieve the financing pressure of the existing international financing system and complement each other to contribute to the good operation of the international economic system. At the same time, in Asia, the operation of the AIIB can promote the reform of ADB to a certain extent so as to better serve for plentiful emerging economies and developing countries that have the demand for infrastructure investment.

4.3.4 Promote International Capacity Cooperation

Since the reform and opening-up carries out, China has witnessed rapid economic development and rapid progress in infrastructure construction. Chinese enterprises have accumulated many valuable experiences in energy, transportation, communications and environment after perennial experiences. Faced with saturated domestic market, there is abundant financially rich and technologically advanced infrastructure construction enterprises in these countries whose surplus production capacity can only seek foreign markets. However, due to the risks in foreign markets, enterprises are dazed.

Along with the problem of sending samples in China, the countries included in the "One Belt and One Road Initiative" have their own advantageous industries. Domestic markets that are saturated and risky externally make it unable to effectively allocate the excess capacity. In the AIIB and the "Belt and Road Initiative", by setting up a platform for infrastructure investment and making the financing, we can create a
viable external investment environment for enterprises with surplus production capacity in various countries and realize the strategic development of "going global" in Amgen through multilateral mechanisms so as to release the potentials of resources and production in the Asian region. The allocation shall be optimized so that the supply in the region will be better balanced and promote the cooperation in production capacity in Asia and even in the world. With the help of the platform, countries are simultaneously provided with opportunities for full exchange so that experience sharing and technical assistance in infrastructure construction are possible, and the AIIB and all other countries can better serve the infrastructure in Asia.

5 AIIB’s Challenges

For China, establishing a new national financial institution in the current international financial system seems to stand on the shoulders of giants. Initially, China will face many challenges when it first dominates the establishment of international financial institutions. It will analyze the challenges that the AIIB may face in the process of preparation and operation from the aspects of innovation mechanism, investment risk, credit rating and external support in the following chapters. (Gao, 2015)

5.1 AIIB’s Difficulties of Exploring and Establishing a New Mechanism

In exploring how to establish a new operational mechanism, the AIIB is facing the challenge of over-politicizing its economic problems, complicating the preparatory process and lacking in experience in preparation and operation. The difficult interests of many countries have led China to try to establish an efficient and open operating mechanism, which is not within the foreseeable future.
5.1.1 Over-politicization leads to a Highly Complicated Process

The politicization of international economic relations can be understood as that the normal economic relations between countries have political functions under the influence of the special international political environment, which has given rise to or strengthened the state's emphasis on "different values, beliefs or ideologies," or "the power among nations and the competition in power versus change," and even as an inducement to"domestic political problems". After easing the relationship between the East and the West, the international economic relations have gradually become politically overthrown, and the economic activities of a country have become the norm of serving the politics.

Instead of being understood by the international community, when only seeking steady economic growth, China is suffering from the politicization of economic problems with their continuous efforts to integrate into the current international economic system. Instead, many unwarranted speculations take shape. The politicization of economic issues has given China many setbacks in the process of foreign economic development and hindered the benign interaction between China and the world economic system. When proposing to establish the AIIB, China also knows some countries’ words that were headed by the United States, that it was a manifestation of China's attempt to break through the existing international financial system. (Liu, 2016) When preparing for the establishment of an AIIB in China, member states hindered incoordinately. These unwarranted speculations naturally cannot withstand intimidation, but vested interest in the fear of China's rising remarks. It is noteworthy that the member countries joined the AIIB and are also vigilant to China to a certain extent. As a result, China has gradually expanded its geopolitical influence and thus challenged the international economic order, which makes it even less possible to establish an international financial institution. The establishment of a
charter wing will undoubtedly complicate the preparatory process for the AIIB.

5.1.2 Shortage of Preparation and Operation Experience

Based on the preparation of establishing the AIIB, there is a huge difference in the international background that China now advocates the establishment of the AIIB and the United States has the advocacy for the establishment of the World Bank after World War II. After World War II concludes, the United States did not have much experience in building international financial institutions like current China. However, there were not too many Eastern countries that participate in the preparation of the environment, and the cultural background of European countries was closer to that of the United States in realizing its interests. Honesty is simpler. When preparing for the Asian Development Bank, the background is much more complicated than before. The preparing environment for the Asian Development Bank was mainly aimed at the East countries with a large number of Western countries involved, turning the entire environment into a complex situation where the East meets the West at a converge. Moreover, the cultural background in western countries such as Europe is quite different from those in the East countries such as China. In the absence of preparatory and operating experiences in China, it is very difficult to unify the interests of all countries and make the AIIB operate effectively.

Although China has now become the world's second-largest economy and is capable of preparing for the AIIB and its "Belt and Road Initiative", China does not have the advantage of having a clear and prosperous presence among many countries of the AIIB. (Xi, 2014) With abundant capital and abundant operations, there are not many countries that have experience in financial institutions. It should be noted that the well-functioning World Bank and Asian Development Bank have already established mature experiences and processes in areas such as governance structure, financing for loans, risk management, project management and procurement
procedures according to their own situations in the current international gold knocking system. But for China, all is unknown.

5.1.3 Difficult Coordination of Many National Interests

The management philosophy that the AIIB is open to the world has made itself link economic development between the East and the West. However, the complicated membership of the AIIB and values and other aspects of significant differences should be treated positively. The domestic system are not exactly the same, which have posed a serious challenge for the AIIB to coordinate the interests of many nations.

Set aside the differences between eastern and western countries, the uncertainty in carrying out the business of the Asian Development Bank (AIIB) has been aggravated by independently considering the Asian countries, the economic imbalances in the Asian region, geopolitical friction, historical differences of understanding and territorial claims of sovereignty over the territorial waters. The geo-strategic environment in which each country is located also determines the different national interests that all countries value. By setting up an infrastructure investment and financing platform, AIIB can bring together countries by common and necessary interests. (Gao, Zheng & Zhang, 2016) However, the motives for participating in different countries determine the benefits they expect from their participation and the costs they pay, which inevitably appears in Asia Disagreements and arises during the construction and operation of investment banks because of different opinions on operating statutes, frameworks and projects. In the Asian countries, it is possible to create such a situation, without mentioning the difficulty of coordinating the interests of all the AIIB members, which will be the most challenging issue in the process of establishing the AIIB from concept to operation.
5.1.4 Endless Way to Establish an Efficient and Transparent Mechanism

The AIIB is an international financial multilateral development institution advocated by China at the stage of new world economic development and is an attempt of seeking more development in the existing international financial system by numerous emerging economies and developing countries. In order to supplement the financial financing system, promote the reform of the existing international economic system and the international financial mechanism and allow the world economic system to take greater care of the interests of emerging economies and developing countries, these "novelties" determine that the AIIB must be different from the existing international financial institutions and make some breakthroughs.

Existing inter-bank financial institutions such as the World Bank, the Asian Development Bank and others have a well-established operating system that ensures that institutions maintain their long-term and sustainable capital operation with the mission objectives in mind. Nevertheless, we should also realize that the existing international financial institutions have been dominated by the developed countries for many years. The institutions themselves inevitably have the tendency to lead the country in realizing political interests. The long run has also brought bureaucratic windfalls to the institution, increased operating costs and impeded the efficiency of operations. （Liu, 2015）We should always be vigilant of the above drawbacks of the mechanism in the establishment and operation of the AIIB and avoid them as much as possible. For China, who plays an initial role in the international financial system as an advocate, enabling the AIIB to have a mechanism and maintain an open and transparent economy is a difficult task for China in its long-term exploration.
5.2 Investment Risks of the Project

Countries mentioned in "the Belt and Road Initiative" are different from country to country. In the process of financing the infrastructure construction projects along "the Belt and Road Initiative" by the AIIB, China faces many complicated risks. The risks can be broadly divided into two types: financial risks of the project and investment risks caused by non-economic factors.

5.2.1 Financial Risks of the Project

The AIIB mainly focuses on the investment and financing of infrastructure in the national area mentioned in "the Belt and Road Initiative", while infrastructure investment has the characteristics of long payback period, high investment risk and financing difficulties. This is also an issue that cannot bring the existing international financial institutions and explains why the attention is shifted to huge infrastructure investment needs.

Undoubtedly, the businesses undertaken by the AIIB are basically all transnational infrastructure investment and financing, while the investment in transnational infrastructure is with more risks. Investment projects themselves may have many financial risks, such as sudden interruption of infrastructure construction process which will lead to the loss of the previous investment in the project. The latter naturally cannot get the proceeds, while the opportunity costs is caused by the time. The sunk cost of the factors cannot be accurately estimated; if the project borrower or borrower governments are unable to repay the debt situation, it will make financing countries or third-party lenders of the AIIB suffered huge losses; the first is the effective funding. Secondly, it will hinder the progress of follow-up project investment. Once again the possible inability of repaying debtor's credit for future cooperation still exists. (Wang, 2015) If the AIIB itself can’t operate due to internal
mechanism or design flaws, the rolling investment is able to be achieved for unfavorable reasons. The collapse of the capital chain will also put the overall operation of the AIIB at a standstill, and pay more resumption of effective operation.

5.2.2 Investment Risks Caused by Non-Economic Factors

In addition to the possible financial risks of the infrastructure construction project, the multinational infrastructure construction project also suffers the investment risks caused by many complicated non-economic factors, possibly including investment risks due to political factors such as the long-standing political turmoil in Asia. If there are infrastructure projects in such areas and local government changes occur during the construction of projects, it is difficult to stabilize the progress of subsequent projects in a stable environment. The new government is recognized whether the construction in progress, and even if the default project will not be paid after the completion of the project due to unknown risks. Similarly, there are geopolitical conflicts or inter-regional military confrontation caused by the disease. In the follow-up process, it cannot be effectively protected. From the point of view of security, such as infrastructure construction projects in the face of terrorist activities or the implementation of extremist’s vandalism, the proceed of the project also is undermined.

If the financial risk of the project itself can be established through the perfect operation mechanism of the AIIB and gradual enrichment of management experience is circumvented, the investment risk caused by non-economic factors should be really concerned and vigilance of the AIIB, because the latter are more than uncontrollable factors. If you give up such investment for fear of risk, the AIIB will miss many opportunities for development. Infrastructure and economic development in these areas will also remain low and contrary to the original intention set by the AIIB in
order to achieve the balanced development. (Liu, 2015) Therefore, how to minimize the risk on the basis of not giving up such investment is a problem that needs to be continuously explored by the AIIB.

5.3 Lack of Supports of Major Economies

Since its establishment, the AIIB has drawn support from many countries. The joint financial powers in Europe undoubtedly greatly boosted the AIIB's improvement. However, it lacks the important role that the major countries such as the United States lead the current international financial system. The support of the economy is indeed a pity for the AIIB.

5.3.1 Subtle Attitude of Uncertainty of the United States

Since China advocated to establish the AIIB and started prepared to make the implementation, the United States has deep roots of longstanding hegemony thoughts and considered the AIIB as China's challenge against the international financial order that is dominated by the United States. While publicly opposing to the AIIB, the United States lobbied and forced its allies and relevant countries to maintain their position close to the United States and refuse the participation in the AIIB. After the major European countries such as Britain became the founding member countries of the AIIB, the United States welcomed the establishment of the AIIB in order to resolve the embarrassing situation. At the same time, however, the United States said that it may violate the international rules by failing to comply with the relevant standards of the international financial institutions. The subtle attitude of the United States, which is wobbly and in essence, consists in not allowing to emerge new forces that challenge its existing hegemony and delay the decline of its vested interests by
establishing global common interest groups.

Taking into account the current international situation, the United States is less possible to join in the AIIB in the short term. First, the United States has missed the opportunity of becoming a founding member of the AIIB, even though it has the preferential treatment and privileges. Secondly, the AIIB left its share of the absolute superiority share to Asia and less than the rest of the world. 30% stake leads to incomplete domination of the AIIB. At the same time, the accession of the United States will only dilute one of the few extra-terrestrial equities, which are not willing to be accepted by the external Europe; the United States chose international affairs, which needs to be approved by the National Assembly and virtually adds to more obstacles of the establishment of the AIIB by the U.S. (Sun, 2015) Therefore, even if the United States now ostensibly welcomes the AIIB's accession to the international financial systems, it would be impractical to seek its genuine supports in the short term.

5.3.2 Japan Follows the United States on an Equal Footing

Narrow living space and poor natural resources have created Japan's expansive cultural value tradition. Japan's long-standing behavior has served to expand more and better living space. The madness of World War II has left Japan with the right to own the national army and create an excellent uniting opportunity for the United States and Japan. As far as Japan is concerned, the economic development hasn’t met its expected strategic goals and looks forward to becoming a political power in the world system, which is Japan's long-cherished wish. However, judging from Japan's overall situation in Asia, for lacking sufficient security Japan can only realize its own efforts and its political aspirations. In addition, the lack of sufficient security in Japan allows Japan to seek the guarantee of its national interests only by constantly strengthening
its relations with the allied nations of the United States, as a result of the upsurge of China's military strength and the lack of one's own military forces. As far as the United States is concerned, the Asia-Pacific region is an important strategic area. It is in the national interest of the United States to maintain a loose state of non-combat peace in the Asia-Pacific region. Both the strategic depth and the intention enables Japan to oppose China, which is extremely rare in the United States Strategic allies, Japan's presence is even more powerful for the United States when maintaining its existing hegemony.

Therefore, out of its ever-growing ally relations with the United States or its sensitive political opposition to the rise of China, Japan will follow the pace of the United States to suppress China and hinder the progress of China's peaceful development. (Liu, 2015) At the same time, as Japan is a major member of the Asian Development Bank, the AIIB seems to be a competitor of the Asian Development Bank. The world's major economy, like the United States and Japan, will also not support China's dominance in the short term due to the AIIB.

5.4 Other Issues that AIIB may Encounter

As an additional gold-importing development organization with numerous developing country members that faces new types of financing, the AIIB faces challenges in establishing mechanisms, risk control, credit rating, external support and other aspects. This article mainly discusses the aspects of environmental protection, human rights and social benefits that the international community pays close attention to.
5.4.1 More Difficult to Adapt to Western Environmental Protection Standards

The western countries headed by the United States all have higher requirements for environmental protection when operating the projects of the multilateral financial development agencies and meanwhile setting up a relatively complete set of international standards in the existing international gold system. In contrast with supports from the European financial powerhouse by the AIIB, the United States will find it inconvenient to maintain its open opposition to the AIIB and instead, by expressing its concerns about the Asian Development Bank, it will have the side effect of undermining the AIIB. The United States mainly worries about the environmental protection International standards.

While China has achieved rapid growth and tremendous achievements since its reform and opening up. And some shortcomings are gradually emerging. The development strategy of focusing on the growth of economic indicators has made China vigorously develop the royal industry and neglected the importance of sustainable development to some extent. Although in recent years China has recognized the negative impact that rapid development has brought to China and started to adjust its development strategy to a green and sustainable development strategy, China's natural environment has already been destroyed to some extent. Some companies only value earnings and do not pay attention to the bad habit of environmental protection. The cultivation of good habits needs supervision of the government and all sectors of society and awareness of the enterprise. The original intention of China in establishing the AIIB is that most of the Asian region and even the world will share the fruits of China's development. Meanwhile, it should be realized that whether Chinese enterprises can meet the strict international environmental protection standards when they go global can guarantee the implementation of green projects, and whether we can consciously create a good reputation for the strategies of the AIIB and "the Belt and Road Initiative" should be
profoundly thought about by Chinese enterprises. The Chinese government has limited supervision and role, and endeavored more to establish green service awareness of the AIIB and "the Belt and Road Initiative".

5.4.2 Labor Benefits and Human Rights Protection Become More Difficult

"The Belt and Road Initiative" requires to build up the infrastructure around the countries along the line and the AIIB provides financial supports. Infrastructure construction mainly includes transportation and communications projects. Large-scale construction projects can boost employment levels in Asian countries. (Li, 2011) The start-up and implementation of any project requires the participation of plentiful labor forces. The labor force comes from a wide range of sources, including members of the construction and construction unit in the country where the project is located or the surrounding labor resources. The complexity of labor resources, brought some difficulties to the effective protection of labor rights and human rights.

First of all, considering the nature of labor employment, according to the different needs of different stages of the project, the contractor will sign labor contracts in different time limits according to the duration of construction or the different needs of skilled workers, as well as temporary workers who hire non-labor contracts, which makes the interests of workers to face the risk of being infringed at any time. (Li, 2011) Once the project is interrupted or suspended due to regional turmoil or other reasons, the interests of workers and retired workers will not be effectively guaranteed. Secondly, considering the differences in cultural values and concepts, the construction of infrastructure required in the Belt and Road Initiative is a project that involves people from all over the world. It is inevitable that there will be cultural differences between construction units and local laborers due to differences in country-level construction. Due to differences in cultural values, local labor interests will not be fully understood and safeguarding the human rights of workers is
unavoidable. Due to the randomness and timeliness of the project, it is impossible for the contractor to fully understand the local customs and culture, which provides a certain degree of difficulty in guaranteeing the human rights and interests of local labor in an all-round way.

5.4.3 Difficult to Ensure Good Social Benefits

The level of infrastructure construction is of crucial importance to the country economy. The AIIB and the Belt and Road Initiative are committed to serving the infrastructure construction in Asia and realizing the interconnection and mutual development of infrastructures in Asia. For the entire Asia region, Asia needs to improve the level of infrastructure construction of the macro level of developing countries which is a rare opportunity for development. However, from the microscopic point of view, the project construction will inevitably have a certain degree of impacts on the project site.

First, from the public's point of view, the construction process of any project will disturb the normal life of local residents to some extent. For example, road construction will cause inconvenience to the public for some time due to traffic inconvenience. People's attitude will also affect the orientation of public opinion. Even if the project takes long-term benefits, it will bring immeasurable development to the countries and regions in the country where it is built. The inconvenience caused by the project is an indisputable fact for local people. (Liu, 2015) Secondly, considering the project effectiveness, the construction unit does not respect the local customs and habits or the local ecological environment is destroyed during construction. If the quality of the project cannot be guaranteed reliably, quality problems in subsequent use will have a negative impact on the social benefits of the local community and will have a negative impact on the reputation of the AIIB and
the Belt and Road Initiative. Therefore, there are still many challenges and efforts to ensure the sound operation and long-term sustainable development of the AIIB and "the Belt and Road Initiative".

6 Suggestions on the AIIB's Response to Challenges

As an emerging international multilateral financial institution, the AIIB has a very bright future for development. It is a good opportunity for the common development of China, Asian countries and the world for combining the risks and challenges. The challenge is not terrible. It is terrible to live in which they do not know. The AIIB is currently facing the challenge of establishing operational mechanisms, risk management and control, credit rating and external support. As long as there are many challenges, the AIIB will take corresponding and effective countermeasures so that the AIIB will smoothly get over every difficulty and achieve the stable and sustained development.

6.1 Multi-pronged Efforts to Inject Fresh Blood to the AIIB

The politicization trend of international economic issues unquestionably challenged China's original intention of establishing the AIIB. Under pressure from international public opinion, the AIIB lacks mature experience in how to coordinate the interests of many countries, and how to establish and operate a transparent and efficient framework, which is a daunting challenge for the AIIB. The AIIB can help member countries make concerted efforts to inject fresh blood into the emerging multilateral development banks and bring the spring atmosphere to the existing international financial system.
6.1.1 Clarify Attitudes to Eliminate all Doubts

The politicization of international economic relations has complicated the process of preparation for the establishment of the AIIB. The vested interests of the existing international financial order represented by the United States have questioned whether the purpose of establishing the AIIB in China and challenged the current financial order. They held the view that through the AIIB and "the Belt and Road Initiative" enables China to broaden the depth of strategy and establish a new medium in the world. Of course, this is the unwarranted speculation of the goodwill of China in the world.

Although China's advocacy of the establishment of the AIIB cannot be understood and supported by some countries or organizations, China, as a responsible big country, should respond to the corresponding questions. At the same time, the AIIB can eliminate positive reactions from the international community to China and Asia misconceptions about investment banks. First of all, China should fully clarify its original intention of advocating the establishment of the Asian Development Bank, that is, share the achievements of China's development with Asia and other countries in the world. The establishment of the AIIB in China aims to meet the tremendous demand of developing countries in Asia with regard to investing in infrastructure construction, striving to seek more benefits for developing countries and promoting the realization of a more united and more powerful Asia region. The existing international financial mechanism makes an attempt to innovate and reform the breakthrough. In the meantime, China will continue to release its diplomatic philosophy of peaceful development, adhere to its position of adhering to the Five Principles of Peaceful Coexistence, allow the world to witness China's sincerity, enable the world economy to see the sincerity of the AIIB and eliminate all parties' threats to China in terms of the doubts and fears of theory. Second, it is necessary to properly address the various interest demands of the member countries of the AIIB,
formulate a more rational framework, operational mechanism and governance structure, fully implement the concept of openness, equality and inclusiveness of the AIIB and attract more countries to join the AIIB in order to offer good services to the world's financial industry. Third, China has already shown the world its wish to dilute its shareholdings, which shows that China does not seek hegemony and takes the path of peaceful development. Eliminating the doubts of all parties by clarifying their positions is conducive to the follow-up development of the AIIB and eliminating the negative impacts that the politicization of international economic relations in the AIIB. It is worth of more efforts.

6.1.2 Comprehensively Learn from the Mature Experiences

As a new member of the international financial system, AIIB lacks mature preparatory, operation and management experience. China has been participating in the existing international financial system for many years. Although its followers and participants in the international financial system have turned to advocating the establishment of a new international multilateral financial institution identity, it still lacks more comprehensive experiences in setting up international financial institutions, which is a major challenge for the AIIB from concept to implementation.

AIIB can make up for the inexperienced shortcomings by learning from relevant mature experiences. First of all, on the one hand, the AIIB can fully understand the internal governance structure, operation and decision-making mechanism, ways and channels for raising financing by fully learning from the multilateral development banks that have a great influence in the existing world economic system such as the World Bank and the Asian Development Bank, Project management system, risk control and other aspects of the mature experience. (Liu, 2015) At the same time, we should learn more about the details that should be paid
attention to and learn from the project management by strengthening the cooperation with the existing multilateral development financial institutions and promoting the continuous growth of the AIIB, in order to become a more mature multilateral development bank. On the other hand, among the member countries that join in the AIIB, there are many European financial powers such as the United Kingdom. They have rich experiences in operating multilateral development banks. In the process of jointly setting up the AIIB's charter and revising the framework, many member countries hold common interest associations and put forward more and more mature proposals, in order to promote more mature investment bank in the world. Second, by hiring experienced personnel or professional teams who have worked in multilateral financial institutions to work for the AIIB. They can participate in the design of the operational framework such as the institutional framework and governance structure of the AIIB and brainstorm ideas, in order to create a more complete operating mechanism and adapt to the changing needs of the new era of world economic development.

6.1.3 Issuing Mutual Respects and Enhancing the Communication

The proposal and preparation of the AIIB has attracted the participation of many countries. The heterogeneity of countries in the Asian region and the accession of Western countries have caused the AIIB to face far more problems than expected. The points of convergence of interests of various countries are different and the financial power of European countries has greatly influenced the international financial high standards of the institutions that pose an arduous challenge to the overall coordination and balance of the interests of all countries by the AIIB.

The nuclear solution to the challenge is to find the point of interest of all parties, respect the interest demands of all parties, enhance the communication and
promote strategic mutual trusts. First, it is not hard to find a good fit between the various parties, that is, all parties should join hands with the AIIB in order to seek common development plans. By grasping this lifeline, they can effectively coordinate the interest demands of all countries through appropriate means. For many developing countries in Asia, joining the AIIB means the level upgrade of its infrastructure and actualization of its own economic development. For countries outside the Europe, joining China-led AIIB means that the current international financial system is not in full compliance with its national interest. In addition, suffering from the U.S. unilateralism makes the European powers willing to support China as a multilateral Doctrine, share the fruits of China's economic development, strive for more opportunities for participating in the development of Asia and enhance its own influences in the Asian region. Secondly, we should fully respect and understand the parties' appeals for safeguarding their own national interests and find the best decisions or results by establishing a more inclusive and fair regulatory mechanism, in the event of organizing a meeting for all the member states. Third, we should establish a sound communication mechanism to guarantee that all parties enjoy the right to information of all parties through the platform of the AIIB, gradually eliminate possible misunderstandings or conflicts of interest by enhancing the cooperation, gradually establishing strategic partnership of mutual trust and forming a good atmosphere of solidarity and cooperation.

6.1.4 Careful Design of Breaking New Grounds

The existing international multilateral financial institutions run well in the international economic system established after the Second World War and have accumulated rich operational experience. In view of the governor of the Asian Development Bank, the World Bank and the Asian Development Bank are most in line with good practices of the current international norms and international norms. In
fact, even if there are flaws in best practices and where reform is needed, the AIIB should do what it takes to learn from the existing successes and the failure, in order to design mechanisms that is appropriate to its own development.

A good beginning is half the battle. Only a proper attitude can guide things toward success. First of all, starting from the inevitable treatment of the existing failure lesson, the AIIB is to supplement the existing international gold knocking system. The fundamental reason is that the existing international financial institutions need to reform and perfect areas. The AIIB needs to be modest and prudent. Attitudes mean earnestly studying existing mature experiences and learning from failure cases. For different reasons, breaking away from the old traditional mechanism does not mean the beginning of a new successful mechanism. Only by careful study and designing, will the success be achieved. Practical actions create a unique AIIB that adapts to the world economic development in the new situation that China should fulfill its duty and give back to the world. Second, starting from the mechanism design, the long-term operation of the existing multilateral financial institutions exposed the defects of some articles and articles of association. Meanwhile, the tendency of the politicization of international economic relations has also led the multilateral financial institutions to gradually accumulate bureaucratic style during their operation. Decision-making, operational efficiency and earnings have negative impacts. The AIIB should have a comprehensive understanding of the ins and outs of these failures and find out the possible scenarios for its investment bank in Central Asia. Targeting at different aspects of the design framework, the AIIB will try its best to avoid similar failures through a more complete and efficient operating system. Lessons should be learned from the AIIB during the operation.

6.2 Unity and Mutual Assistance in Maintaining the Investment Styles

The business carried out by the AIIB mainly focuses on the investment and
financing of infrastructure construction. Investment involves risks. The infrastructure projects include two major risks, namely, the financial risk of the project itself and the investment risk caused by non-economic factors. The financial risk of the project itself can ensure the return on investment by fully assessing the risks of investment as a result of non-economic factors. As a consequence, the risk of investment can be circumvented as much as possible through the common efforts of all countries to jointly stabilize the Asian region.

6.2.1 Assessing Risks and Ensuring Investment Returns

Investment projects of the AIIB focus on infrastructure construction. The long payback period, high investment risk and large financing difficulty determine the project itself to have large financial risks. In addition to the multinational nature of the project, there may be project interruptions. The negative factors such as the inability to repay the loans and the inevitable internal mechanism defects of the AIIB have increased the financial risks that infrastructure projects will face. The several following ways can be used to effectively reduce the project's own financial risks and ensure a greater degree of project investment returns: First, by learning from the existing risk control mechanisms and experience of the existing financial development banks, we can avoid unnecessary loss of experience. Among the founding members of the AIIB, developed countries and financial powerhouses with rich infrastructure investment experience can play a significant role in introducing mature experiences. Second, by hiring professionals or teams to help the AIIB sidestep the project's financial risks, especially by attracting top talent with rich practical experience in infrastructure project management, international legal affairs, international capital operation and international affairs coordination and so on, it controls project investment risk. Thirdly, the liquidity of the AIIB funds chain is ensured through continuous expansion of financing channels. Only by the AIIB or its major member
states, it cannot meet the huge demand for investment in infrastructure construction in Asia. The AIIB needs to seek assistance from private ministries to ensure the adequacy of internal funding of the AIIB through public-private financing. ADB investment projects may bring about the financial risk tolerance, to ensure the sustainable operation of the Asian Investment Bank. Fourth, through continuous learning, we have accumulated experience and lessons in practice and continuously improved the internal mechanism of the AIIB so that the AIIB is increasingly mature in responding to the project's financial risks.

6.2.2 Skills in Controlling Small and Medium-sized Enterprises Risks

The AIIB focuses on investment and financing of infrastructure construction. And these businesses are usually multinational projects with more investment risks caused by non-economic factors, including political, military and security negative factors. If these risks cannot be properly resolved, the long-term development of the AIIB will be affected.

The investment risk caused by non-economic factors is usually arbitrary and unpredictable. Even rich experiences in risk control and sound operation mechanism of multilateral development banks cannot effectively evade such risks. Only through mutual cooperation between Asian countries can co-create a harmonious and stable regional environment in order to reduce such risks. The AIIB can provide more opportunities for countries to explain their own national policies and actions, understand the national interests of other countries and motivate them through cooperative mechanisms that will help all countries to communicate and cooperate with each other so as to enhance mutual trusts among countries and cooperate with each other to promote common development in the region. Full implementation of the
AIIB's equal and inclusive concept of CCB encourage all countries to work together to jointly safeguard peace and stability in the Asian region and avoid instability caused by the political turmoil of local turmoil, sensitive geopolitical conflicts, inter-regional military confrontation and extreme terrorist activities. The situation in the region has brought unnecessary risks to the construction of infrastructure projects, ensured the return on investment projects and the sustainability of the operation of the AIIB. Therefore, the long-term development of the AIIB cannot be decided by one country or a few countries in the world. It depends on whether the member countries of the AIIB can unite and whether they can accommodate each other's common interests and goals. Whether it can maintain its restraint and calmness in order to achieve common development and whether it can contribute its own strength to maintaining the stability in the Asian region. If the answer is in the affirmative, I believe that the future of the AIIB will be even better.

6.3 Deepen the Cooperation and Expand Regional Influences

As China has played a multi-year participatory supplier status in the existing international economic system, with the rapid development of China's economy, major economies such as the United States and Japan have been demanding that China bear the responsibility of more big powers. When China showed its responsibility and advocated the establishment of the AIIB, major economies such as the United States and Japan did not support their vested interests because of their exposure to the sun.

Objectively speaking, no supports from the major economies such as the United States and Japan has issued a certain degree of impacts on the Asian Development Bank. It will not have a significant negative impact on the smooth operation of the AIIB. As a newly emerging country with great potential for development, the developing countries already have the ability to dominate the
establishment of international financial institutions. At the same time, the entry of major European powers such as the United Kingdom has also given the AIIB more reliable supports. Moreover, the AIIB has broad market prospects for "the Belt and Road Initiative". In the near future, the development of the AIIB will surely attract worldwide attention.

Nonetheless, as globalization is sweeping across the world today, a world environment with the theme of peaceful development is welcomed by all nations. Any international organization needs to gradually grow and mature in a peaceful international environment. The AIIB can promote its own development and maturity by deepening its economic cooperation with the United States and Japan and other international financial institutions led by them and showcase their good will for the peaceful development of China through concrete actions so as to avoid possible conflicts with the United States and Japan in the The fight for financial dominance in Asia will promote the stability and development in Asia. By doing something, we will establish a responsible big China and expand China's influence in the Asian region.

6.3.1 Avoiding Financial Domination and Disputes

When establishing the AIIB, the position and attitude of the United States, the leading country of the current international financial system, have been opposed and boycotted to a helpless verbal "welcome" process. On the one hand, this reflects that the AIIB already possesses a strong vitality; on the other hand, it also shows the importance of enhancing the cooperation and maintaining non-zero-sum competition between China and the United States over international financial issues.

What we should make clear is that the establishment of the AIIB is, at first, beneficial to the United States. The AIIB provides financial support for infrastructure
construction in countries along "the Belt and Road Initiative", especially in the Asian region. It provides the financial support for the improvement of the national infrastructure construction in the Asian region, the deepening of infrastructure interconnection among Asian countries and the development of national economy. To achieve full effectiveness and the network of trans-Pacific partnership advocated by the United States in Asia needs to be built upon a high level of infrastructure interconnection and infrastructure, so that more efficient trade can make a great contribution to the effective U.S. promotion of the Asia-Pacific policy. The establishment of the AIIB will facilitate the pooling of funds from relevant countries and private investors to improve infrastructure conditions such as transportation facilities in the region and thus facilitate the development of regional trade and industrial division of labor. For regional trade and investment such as the Trans-Pacific Partnership Agreement, this is also an important adjunct to the framework. In other words, no matter whether the United States joins the AIIB or not, the direct benefits that the AIIB brings to the United States are coincidental. In the meantime, the establishment of the AIIB will, to a certain extent, create the impact of the existing international financial system dominated by the United States. However, given the size of the AIIB and the scope of its operations, the scope of its operations and its development policy targets, there is a certain gap in the long run. The AIIB is a useful complement to the international financial system under the leadership of the United States. In its future development, the AIIB should pay more attention to enhancing the cooperation with existing international financial institutions and focusing on effective communication with other countries in the world in order to avoid the cruise of travel risks with the financial dominance of the United States in the Asian region. (Wang, 2015) Promoting cooperation through cooperation and creating a more stable and harmonious development environment for the AIIB is necessary. Nowadays, with the globalization of economy, the potential for both sides' cooperation brought by the Sino-U.S. Cooperation is enormous and the effect will also benefit the whole world. China should help the United States and the world to see
this through its platform such as the AIIB.

6.3.2 Enhance the Cooperation and Achieve the Stable Economic Growth in Asia

Japanese government has been hesitant about whether it should join the AIIB or not. However, given the tough stance of the United States and Japan's inherent interest in Asia, Japan eventually gave up joining in the AIIB. Japan has always been unable to treat China with a realistic attitude and cannot look squarely at its external development strategy. For Japan, without joining the Asian Development Bank, first of all, it is a good opportunity to change its attitude toward China. The relationship between China and Japan has always been in a "hot and cold" state because of historical issues. After the Abe government took power, Sino-Japanese relations have been trough to a low point. The cold relations between China and Japan have brought some negative effects to Japan's economy. Japan's economic development needs China's huge market. (Sun, 2015) Similarly, the development of China's economy needs a harmonious surrounding. To a large extent, the easing of Sino-Japanese relations needs only a suitable turning point. Obviously, Japan has missed this opportunity. Second, the Asian infrastructure investment bank and the Belt and Road Initiative are committed to infrastructure construction in Asia with huge market demand and development potential. Japan, as Asia's financial powerhouse, is equally keen on such a market. The participation of infrastructure projects along the Belt and Road initiative has made Japan miss more opportunities for economic development.

Japan has been alienated from China due to its ever-strengthening U.S.-Japan alliance, exacerbating the discord in Asia and hindering the process of economic integration in Asia. Only a stable environment and a peaceful regional environment can bring about a comprehensive Development. The AIIB also needs a good environment for development. Although Japan cannot join the AIIB in the short term
due to conflicts of interest, the AIIB can boost the level of infrastructure in Asia by strengthening its cooperation with the ADB-led Asian Development Bank or with Japanese companies through the Belt and Road initiative and the development of regional economy, the only cooperation is the long-term plan for all countries in the world to seek common development.

6.4 Strictly Redesigning the Image of a Responsible Power

The AIIB faces many complicated challenges in its preparation and operation, such as how to establish an innovative operating mechanism that is different from the existing international financial institutions, how to effectively evade the risks of investment projects, how to obtain internationally recognized AAA credit ratings, how to achieve the smooth operation in the absence of major support from the world economy and other harsh challenges. (Gao, Zheng & Zhang, 2016) Technically, the AIIB also faces challenges such as environmental protection, safeguarding the rights and interests of workers and ensuring social benefits. How to overcome these challenges is what the AIIB needs to be carefully studied.

6.4.1 Grading the Project and Protecting Environmental Sustainability

The western developed countries such as the United States and Britain have made the country's economy develop rapidly through the industrial revolution and at the same time ensured that the overall national strength of these countries has been among the highest in the world for several years. Although the developed countries have continuously demanded that developing countries achieve the goal of saving energy and reducing emission. However, the developed countries have also experienced the painful period of serious environmental pollution caused by
industrialization. This shows that in the course of development, a country will inevitably cause some damage to the environment and how to reduce the degree of environmental pollution. It is an important issue worthy of study by mankind. After all, mankind lives on the same earth and mankind has only one earth.

The Western countries led by the United States have a sound and rigorous system of environmental protection standards for projects undertaken by multilateral financial development institutions. Whether the AIIB can implement this stringent set of international environmental standards is of great concern to all countries in the world. All countries in the world, including China, do not want to see economic development at the expense of environmental pollution. China has gradually introduced the concept of green development in recent years and should constantly uphold the green philosophy of environmental protection in the preparation and operation of the AIIB so that all countries in the world can share the fruits of China's development in a healthy environment. In order to meet the stringent international environmental standards, the AIIB can learn from the common international practice of investment projects in accordance with the degree of environmental damage to the level of management, and according to the level of the project to follow different levels of examination and approval system. First of all, the project will have a more serious negative impact on the project environment and will cause great controversy as a project which should be given attention away from the level of the project, if you want to get the project investment in Asia Infrastructure Investment Bank and pass the most rigorous approval process and the most standardized Environmental standards assessment. Second, projects that have less negative impacts on the surrounding environment of the project and do not create great controversy should be set as the medium-level projects of common concern. If you want to get the investment and construction of the AIIB through the normal approval process and the ordinary level of environmental protection standard assessment, in the process of project construction, appropriate compensation measures should be taken to make every
possible effort to make up for the negative impact on the environment. Thirdly, by setting the non-controversial projects that will not have negative impacts on the surrounding environment of the project as the environmental protection-oriented projects of a radial type, the approval environment can be reduced correspondingly. At the same time, the AIIB should stipulate the proportion of loans to H-type projects at different levels, allocate more funds to light-type projects with smaller environmental pollution, achieve green development and protect the environment from sustainable development.

In addition, China's implementation of "the Belt and Road Initiative" will benefit domestic enterprises with surplus capacity globally. In order to better adapt to international environmental standards, China can train enterprises to consciously and environmentally friendly enterprises before they go abroad. Awareness of China's enterprises provides the green front service station function, for the AIIB and "the Belt and Road Initiative" in Asia and the countries along the line to create a good day for the continued operation of the Asian Development Bank and lay a solid foundation.

6.4.2 Understand the Local Public Protection of Labor Rights

The strategies of the AIIB and the Belt and Road Initiative will focus on the interconnection and interconnection of infrastructure construction in Asia. The construction process requires the employment of a large number of laborers in the construction site. Due to different types of work and different duration deadlines, the construction unit has some loose features when contracting with workers. Combined with the risks inherent in the projects, the interests of workers can hardly be fully guaranteed. On the other hand, due to the randomness and timeliness of construction projects, the construction unit lacks understanding of the local public sentiment and to
a certain extent, it is also difficult to fully guarantee the employment rights and interests of the local labor hired.

"The One Belt and One Road Initiative" focuses on the establishment of Minsheng Engineering. The financial support of the AIIB as a "financial support for the Belt and Road Initiative" project will contribute to the construction of Minya Project. In addition to guaranteeing the quality of the project, Minyi Project also includes adequate protection of labor rights and the content of interest. Effective ways to protect local labor rights can start from two aspects: First, according to the different needs of the project, it sets up different levels of labor contract processing rules, for different workers to focus on different types of labor contracts, the formation of efficient labor Division of labor system and effectively protect the rights and interests of workers during the work. As "the Belt and Road Initiative" goes further and is further elaborated by the AIIB, labor satisfaction is an important part of the Project Management Project. Second, from the perspective of cultural values and concepts differences, in order to effectively mitigate the incidence of negligence of local labor rights due to cultural differences, the project contractor may, through setting up a position of cultural exchange adviser, be familiar with local cultural practices and construction units values and talents in the construction process of the project and play a better role in the integration for a deeper understanding.

6.4.3 Strengthen the Communication and Encourage Popular Projects

As the inconvenience and negative impact caused by the construction of infrastructure construction projects on the local people are unavoidable, the strategies of the AIIB and the Belt and Road Initiative are devoted to building projects that are both people-friendly and unable to create good social benefits for the project site or get the support of local people. Qiao’s understanding (2015) is to realize the needs of overcoming the major engineering problems.
By starting from both the public attitude and the project effectiveness, effective social benefits can be effectively protected. First, we should enhance the communication and take care of the general public as well. First, through various forms of publicity to let the public understand the necessity of infrastructure construction, long-term interests will greatly benefit the development of their own country and strive to gain greater understanding from the public. Second, design a reasonable construction operation time and strive for minimizing the bother of social production and people's lives and better social benefits. Second, proceeding from the project results, we must also pay attention to the importance of communication and encourage the continuous construction of people and projects. On the one hand, it is necessary to understand local customs and practices as much as possible by strengthening communication while avoiding the destruction of the local ecological environment caused by construction. On the other hand, by building a project that focuses on quality and quality, we build Min-Ye projects for the AIIB and the Belt and Road Initiative, which provides a fundamental guarantee of quality experience to the new infrastructure for the local people in the follow-ups.

Therefore, effective communication is crucial for the multilateral development of financial institutions that focus on cross-border investment projects such as the AIIB and "the Belt and Road Initiative". Effective communication can, to a certain extent, eliminate misunderstandings between countries and bridge the gap between countries. And the past has laid the cornerstone for establishing deeper cooperation among nations and enhancing strategic mutual trust.
Conclusion

The AIIB is an international financial development institution initiated by the Chinese government in the current international financial system under the wave of new times. In the current international economic pattern, the international financial order set up after the Second World War led by the United States has all kinds of drawbacks that are inconsistent with the law of economic development in the world today. The most serious one is the reform of the governing structure of the existing international financial system. In order to safeguard the interests of the leading financial-led countries such as the United States of America from being undermined and the dominance of which is not threatened, the rapid development of the vast number of developing countries and emerging economies and their demands for the existing international economic framework cannot be accommodated. This has become the current international financial system with prominent contradictions, due to the difficult nature of the reform which led to the problem that can’t be solved.

China has become a typical representative of a large number of developing countries with its own amazing economic development strength. China has for a long time not been able to have a saying in its existing international economic system with its own economic strength. The reform of the international financial system has been hindered and the developed countries and the world under the pressure of China to assume more responsibilities and other environmental factors. China's new economic diplomatic philosophy has created the AIIB and "the Belt and Road Initiative". "The Belt and Road Initiative" aims to respond to the strong demand of developing countries to break the status quo behind the level of infrastructure. The joint efforts by various countries along the route create a prosperous infrastructure for interconnection of infrastructure in Asia which will share the fruits of China's rapid economic development and ultimately realize the overall prosperity.

As a multilateral development bank focusing on infrastructure investment and
financing business, the AIIB is the financial support for "the Belt and Road Initiative", which provides escort for the implementation of "the Belt and Road Initiative." The AIIB has a unique role as a financial support for the Belt and Road initiative. However, the Asian infrastructure investment bank led by China for the first time has faced many risks and challenges due to many complicated factors. As long as sufficient preparation is made, multilateral cooperation can help AIIB overcome many difficulties.

The AIIB is a bold attempt for China's diplomacy in the new era and the first time that China has provided the world with formal international financial public goods. It is also an important symbol of China's gradual transition from being an inherent image of a "big manufacturing country" to being an image focusing on technology and promoting economic development. The improvement of China's comprehensive strength and changes in its diplomatic attitude have only given us a beginning. There are still many tests awaiting the test of China. There are still many opportunities for China to prove its world to the world. The future prospects of the AIIB have always been the focus of attention of all countries in the world. Whether the prospect of the Asian Development Bank can be as scary as China's economic development is a common question for China and the rest of the world. The author here undertakes a tentative forecast: Has its preferential treatment lost as a founding member of the Asian Development Bank? Has it been unable to obtain absolute speaking power at the Asian Development Bank? Is it unable to obtain parliamentary support in the short term? The reasons for not being able to join in the AIIB in the short term are that the United States cannot afford to challenge its own financial hegemony status of the existing country. Japan is also unable to join in the AIIB in a short period because of its increasingly allied alliance with the United States and its rivalry with China in Asia. However, with the continuous development, the AIIB will receive more supports from developed countries and developing countries in the future.
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