Why Are International Organizations Actively Participating in China's Belt and Road Initiative?

University of International Relations & Aalborg University

Master Thesis – China and International Relations

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Abstract

This dissertation explores the intrinsic motivation of international organizations in participating the China-proposed One Belt One Road Initiative. As the rational subject of the international community, international organizations are able to behave independently to achieve their respective goals. However, they still choose to participate in joint One Belt One Road projects with China.

From the perspective of Rational Choice Institutionalism, the decision-making process of international organizations is explored. These international organizations behave as rational actors with their own preferences. The One Belt One Road Initiative can be regarded as a public product provided by China, which means that outstanding contributors to the initiative often obtain additional benefits such as selective incentives and leadership.

It can be concluded that international organizations choose to participate the One Belt One Road Initiative when the expected benefits outweigh the costs after the internal cost-benefit measurement. Compared with other alternatives such as being independent international actions, promoting the joint projects within the One Belt One Road framework is the benefit maximization option.

Key Words: International Organizations, The One Belt One Road Initiative, Cost-Benefit Calculation, Rational Choice Institutionalism

Contents

1. Introduction

1.1. Background

The One Belt One Road Initiative was put forward by Chinese President Xi Jinping in the fall of 2013. The first official action plan on the China-proposed the One Belt One Road Initiative was formally unveiled in 2015. In accordance with the action plan, the principles, framework, cooperation priorities and cooperation mechanisms for the One Belt One Road Initiative were initially clarified. The 'belt' refers to the Silk Road Economic Belt, which connects China with central Asia, Russia and Europe, and links China with the Indian Ocean with the Persian Gulf and the Mediterranean Sea through central Asia. A network of overland routes and railways, oil and natural gas pipelines, and power grids are included. The 'road' refers to the Twenty-First-Century Maritime Silk Road, which aims to bring together China's coast to Europe through the South China Sea and the Indian Ocean in one route, from China's coast through the South China Sea to the south Pacific in the other. It consists of a network of ports and other coastal infrastructure projects (Nordin and Weissmann, 2018).

Considered as a top-down grand strategic behaviour proposed by China, the One Belt One Road Initiative is designed to build infrastructure and coordinate policymaking across Eurasia and eastern Africa (Yilmaz Kaplan, 2017). The operation of the One Belt One Road Initiative mode is mainly based on policy coordination by means of multi-level international macro policy mechanisms, including bilateral or multilateral cooperation arrangement (Pencea, 2017). Since the Initiative official launched, global and regional international organizations have shown great interest in participating in the One Belt One Road Initiative. As of January 2020, 31 international organizations have signed cooperation documents for the joint construction of the One Belt One Road Initiative with the Chinese government (Belt and Road Portal, 2019).

Many global political and economic international organizations uphold an active participation attitude towards the One Belt One Road Initiative. Take cooperation under the UN framework as an example. In March 2016, the UN Security Council adopted Resolution 2274 (2016), calling for the strengthening of regional cooperation processes, including "regional development initiatives such as the Silk Road Economic Belt and 21st Century Maritime Silk Road initiative" (United Nations, 2016). In September 2016, the United Nations Development Programme signed a Memorandum of Understanding (hereinafter MoU) on cooperation on the One Belt One Road Initiative during the 71st United Nations General Assembly with China (United Nations, 2016), which is the first MoU signed by an international organization to joint build the One Belt One Road Initiative. In November 2016, the United Nations General Assembly for the first time mentioned the One Belt One Road Initiative in Resolution A/71/9, encouraging its member states support the One Belt One Road Initiative and provide a safe and secure environment for it (UN General Assembly, 2016). In March 2017, the Security Council passed Resolution 2344 (2017), urging the international community to provide security guarantees and promote practical cooperation for the construction of the One Belt One Road Initiative. In addition, a number of projects on the One Belt One Road Initiative under the framework of the United Nations have been launched, including the establishment of the United Nations Maritime and Continental Silk Road Cities Alliance (South-South Galaxy, 2021).

The World Bank has been actively involved in the One Belt One Road Initiative projects as well. It changed its sceptical attitude on the One Belt One Road Initiative after realizing that the cooperation with Asian Infrastructure Investment Bank (hereinafter AIIB) under the framework of the One Belt One Road Initiative can promote joint investment to fill the huge infrastructure financing gap in development countries. In April 2016, the World Bank and AIIB signed the first co-financing framework agreement (World Bank and AIIB Sign First Co-Financing Framework Agreement, 2016). The two parties provided joint financing for a variety of projects, including power generation in Pakistan, a natural gas pipeline in Azerbaijan, and slum reconstruction, dam safety, and regional infrastructure development in Indonesia

(World Bank and AIIB Sign Cooperation Framework, 2017). In April 2017, the World Bank signed a MoU with AIIB to strengthen the cooperation and knowledge sharing between two institutions on the One Belt One Road Initiative.

The first Belt and Road Forum for International Cooperation was held in May 2017, in which leaders and senior officials of more than 70 international organizations attended. The Forum reached consensus on the goals, principles, and measures of future cooperation. Many international organizations have shown a positive attitude towards the One Belt One Road Initiative cooperation. During the forum, 19 international organizations have signed 'Belt and Road' cooperation documents with China, and 14 international organizations have signed assistance agreements. As a result, 1 billion U.S. dollars were provided to relevant international organizations aiming to promote various international cooperation projects.

In April 2019, the second Belt and Road Forum for International Cooperation was held. In the list of achievements, there are 6 measures or cooperation initiatives that China and international organizations are carried out together. During or before the summit of the forum, 12 international organizations signed cooperation documents with China.

As more and more attentions are paid to China-led One Belt One Road Initiative construction, international actors are divided into two groups: the positive group who actively evaluate and participate and the negative group who hold a wait-and-see or vigilant attitude. Compared with the active response of many international organizations to becoming partners of the One Belt One Road Initiative, many western countries hold a vague attitude toward it, worrying that the goal of the One Belt One Road Initiative is to institutionalize an alternative system paralleling the existing Western domination (Kaplan, 2017).

The United States has generally shown a negative attitude towards the One Belt One Road Initiative. In November 2017, the Asia and the Pacific Subcommittee Hearing of Foreign Affairs Committee of the House held a hearing on Development

Finance in Asia: US Economic Strategy amid China's Belt and Road. The chairman of the committee made a statement that the One Belt One Road Initiative is driven by China's unilateral interests and serves China's strategic and military interests (Development Finance in Asia: U.S. Economic Strategy Amid China's Belt and Road, 2017). In accordance with the National Security Strategy of the United States released in 2017, the One Belt One Road Initiative policy is indirectly criticized. China is considered to have an attempt to expand its influence of state-driven economic model and rearrange regional order (The national security strategy of the United States of America, 2017). The transparency, corruption, and debt traps issues or the One Belt One Road Initiative are repeatedly questioned by the United States.

European countries' view on the One Belt One Road Initiative varies according to their geographical locations. Eastern and Southern European countries hold a more positive attitude toward the One Belt One Road Initiative, while Northern and Western European countries show a cautious and protectionist attitude toward the One Belt One Road Initiative cooperation. These countries are worried that the One Belt One Road Initiative policy may undermine the unity with the European Union (Liu, 2018).

1.2. Research Question

In view of the herein above, this dissertation focuses on the phenomenon that, why international organizations are more actively involved in China-led One Belt One Road Initiative than many of its member countries. Specifically, the research problem is as follows: **Why are international organizations actively participating in China's One Belt One Road Initiative?** The word 'actively participate' hereinbefore is defined as all expressions of trust and support attitude for the One Belt One Road Initiative through practical actions, including but not limited to publicly declaring willingness to participate in the One Belt One Road Initiative, and establishing a partner relation with China within the One Belt One Road Initiative framework.

This dissertation will examine decision-making basis behind the research question.

The discussion of research issues will involve the following sub questions: **What are the motivations for international organizations to participate in the One Belt One Road Initiative? How to define, evaluate and measure the costs and benefits of international organizations participating in the One Belt One Road Initiative?** Both theoretical and empirical methods will be employed in order to answer the research question.

2. Methodology

2.1. Unit of Analysis

Both nations and international organizations can be considered as the research objects. However, this dissertation regards international organizations as the basic unit of research, and restricts the discussions to the internal reasons why international organizations to participate in the One Belt One Road Initiative.

As a complex and diversified concept, the term international organization has been used in many different contexts for decades and refers to a board range of meanings. International organizations can be divided into different categories according to different selection of standards. It can be divided into inter-governmental organizations and non-governmental organizations based on the nature of the members. Based on the nature of the functions, international organizations include comprehensive and specialized international organizations. In accordance with the geographical distribution scope of members, it can be divided into global international organizations and regional international organizations.

As a typical type of international organization, inter-governmental international organizations have the universal characteristics of international organizations. From a historical perspective, international organizations are the practical product of the development of international political to a certain stage, and they are built on the basis of international conferences. However, compared with international conferences, international organizations have permanent and stable organizational structures. Compared with supranational world governments, international organizations are organizations parallel to sovereign states, and they are international entities that can independently participate in international affairs, exercise international rights and perform international obligations in the international community. An inter-governmental international organization is an international organization formed by the governments of two or more countries by signing a contract that conforms to international law. The members of intergovernmental international organizations can only be composed of sovereign states in the sense of international law, and non-sovereign state actors cannot, in principle, become members of intergovernmental international organizations.

From the standpoint of the state, authorizing an inter-governmental international organization is a way of institutional design or choice. Inter-governmental international organizations can perform functions that are beneficial to member states and achieve goals that are difficult for states to achieve. States negotiate to establish or authorize a specific inter-governmental international organization as an agent, and allows the intergovernmental international organization to pursue these goals with little interference in most cases.

This research will mainly focus on global intergovernmental international organizations in political and economic fields, considering this category of international organization has the most extensive influence among the international organizations participating in the One Belt One Road Initiatives. Both the IMF and the World Bank can be served as representative international organizations of this category.

2.2. Choice of Theory

In contemporary theories of politics, relevant theories that can be selected include the mainstream of international relations: realism, liberalism and constructivism (Barnett and Finnermore, 2004; Hawkins et al., 2006; Koremenos et al, 2001; Simmons and Martin, 2001). In this dissertation, the three main theoretical schools are examined to select the most explanatory understanding for the research question.

Both the realism paradigm and the liberalism paradigm provide partly explanatory power for the issue. In view that these realism and liberalism are too general, I chose the Cost-Benefit analysis from the realism, coupled with Rational Choice Institutionalism as a branch of Neo-liberal institutionalism, which will be analysed in detail hereinafter. Furthermore, constructivism can also explain the behaviour of international organizations from the level of international norms and values, but this research does not choose a constructivist interpretation path. The main reason is as follows: Constructivism defines inter-governmental organizations as international bureaucrats, and recognizes their roles as autonomous actors that do not mechanically perform tasks assigned by the states, but selectively use resources to make decisions based on their own benefits (Wendt, 1987). Furthermore, the model of Constructivism builds an interaction relation between international institutions and international actors (Wendt, 1987), while this research mainly focuses on the unilateral influence of international organizations on the institutionalization during participating in the One Belt One Road Initiative.

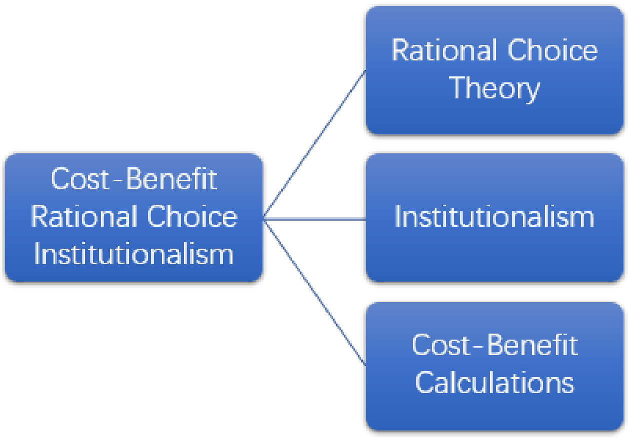

Figure 1. *The theoretical framework of Cost-Benefit Rational Choice Institutionalism.*

As the analysis tool of this dissertation, Cost-Benefit Rational Choice

Institutionalism includes the following three internally related perspectives: cost-benefit calculation, rational choice theory and institutionalism. These three perspectives will be explained in sequence below.

Rational Choice Theory starts from the assumption of “rational economic man” from the field of economics. This hypothesis can be applied into political science to create a framework for analysis. This theory provides a logical basis: the motivation of the actions taken by international organizations is to pursue the maximization of self-interests in the global society.

Considering this research focuses on international organizations participating in the institutionalization process of the One Belt One Road Initiative, institutionalism remains to be an important tool for understanding the complex cooperation between international organization and state actors. Institutionalism provides an approach to explain how institutions originate (Hall and Taylor, 1996). The core of institutionalism is the emphasis on institutions (Schmidt, 2014). From this perspective, the One Belt One Road Initiative is understood as the rules, laws, structure and background that influence political results and shape political behaviours. Therefore, the purpose of international organizations of participating in the One Belt One Road Initiative can be understood as an attempt to obtain the right to formulate international rules.

Rational Choice Theory can be combined with institutionalism as Rational Choice Institutionalism to provide explanations for the research question. Rational Choice Institutionalism explains that high alternative costs and interdependence lead to the cooperation between international organizations and nations (Keohane and Nye, 1989). In accordance with Rational Choice Institutionalism, the international organizations cooperate with states and build an authorized relationship. The international organization becomes an agent through the authorization of the states. It explains the reason why the state authorizes some of its state power to the international organizations. Under the circumstance of information asymmetry, cooperating as authorized actors helps international organizations get the most benefits. This theory also explains the methods through which international organizations influence states to realize its own interests. International organizations hedge against state control to achieve its independent power.

The Cost-Benefit Calculation runs through the logic of rational choice hypotheses and decision-making choices as a theoretical tool. The cost-benefit measurement within an international organization is the key basis for external decision-making. The theory holds that when the benefits obtained by international organizations in collective actions exceed the costs, a cooperation strategy is considered reasonable. The independence to formulate the institutional rules of the One Belt One Road Initiative can also be calculated as a benefit.

In view of the foregoing context, Cost-Benefit Rational Choice Institutionalism is considered appropriate to explain why international organizations including the United Nations, the World Bank, and the International Trade Fund are willing to participate in the One Belt One Road Initiative.

2.3. Research Methods and Case

In this section, to answer the research question, theory and data will be combined in lying with the three perspective. First of all, qualitative methods will be used to discuss the decision-making mechanism of international organizations participating in the One Belt One Road Initiative from the perspective of Rational Choice Institutionalism. Second, quantitative methods will be used for cost-benefit analysis. Finally, a case study will be employed to test the theoretical applicability of the issue. To explain the above three perspectives, qualitative and quantitative methods are chosen, as well as the empirical study.

2.3.1. Qualitative Data

When exploring the qualitative data, our main sources can be divided into the following categories. Firstly, official documents can be utilized for rule-based analysis. These documents include the feedback reports of the major international organizations participating in the One Belt One Road Initiative, and international organizations resolutions related to the One Belt One Road Initiative. To further explain why International Organizations are deeply involved in the One Belt One Road Initiative, some second research sources including existing research articles and reports will also be explored to post an empirical perspective to the analysis.

Qualitative data is used to show that the participation of international organizations in the One Belt One Road Initiative meets the applicable conditions of Rational Choice Institutionalism. Based on the effects of selective incentives and leadership in administration, international organizations have an institutionalized tendency to obtain a unique position of the One Belt One Road Initiative.

2.3.2. Quantitative Data

The research will consider quantitative data necessary to post a cost-benefit calculation. The data in the Memorandum of Understand under the One Belt One Road Initiative signed between the World Bank and the Ministry of Finance of China will be involved. The information will include fields on infrastructure, financing mechanisms, business environment and financial cooperation to show the benefits in participating in the One Belt One Road Initiative. In addition, the report from the World Bank also provides corresponding data, which can be used to estimate the impact of the One Belt One Road Initiative on the reduction of the world’s poor population, the increase in global economic trade, the increase in global total income, and the increase in Foreign Direct Investment (hereinafter FDI) of the of less developed countries. These data can be incorporated into the cost-benefit model.

Quantitative data is used to compare the costs and benefits in the process of institutionalization. The net benefit can reflect the inherent economic motivation of international organizations' decision-making.

2.3.3. Empirical Analysis

As a means of studying the participation of international organizations in the One Belt One Road Initiative, the research will conduct a demonstration study on the motivations of international organizations by selecting the practice of the World Bank as a representative example.

The World Bank can be a typical example for studying this issue based on the following considerations. (i) Typicality. The World Bank has a very close working relationship with the Chinese government to propose the One Belt One Road Initiative, therefore can be selected as a typical research object. The World Bank has participated in the One Belt One Road projects at multiple levels, including promoting cooperation between countries along the One Belt One Road Initiative and the Chinese government at the bilateral level; strengthening cooperation through AIIB and other multilateral institutions at the multilateral level; attracting more private capital to participate in the One Belt One Road Initiative at the private participation level. In fields such as facility connectivity, the World Bank has become one of the important supports of the One Belt One Road Initiative. In view of the fact, the cooperation between the World Bank and China in the One Belt One Road Initiative facilitates research. (ii) The feasibility. The use of cost-benefit analysis is a feasible method for studying the issue. In fact, cost-benefit analysis has been one of the main research tools of the World Bank. It helped establish the reputation of the World Bank as a knowledge bank and proved its credibility in measuring results and ensuring accountability to taxpayers. Cost-benefit analysis is used by the Bank to obtain the results long before this tool became popular (Independent Evaluation Group, 2010). Furthermore, The World Bank released a research report on the One Belt One Road Initiative in 2019, therefore relevant quantitative data is available.

To sum up, the choice of data and case includes both quantitative data, qualitative data and the empirical case. The choice of method and data lie in the need of understanding the interest behind the behaviour of international organizations based on a comparison of costs and benefits, so as to understand the motivations of International Organizations to participate in the One Belt One Road Initiative.

2.4. Structure of the Project

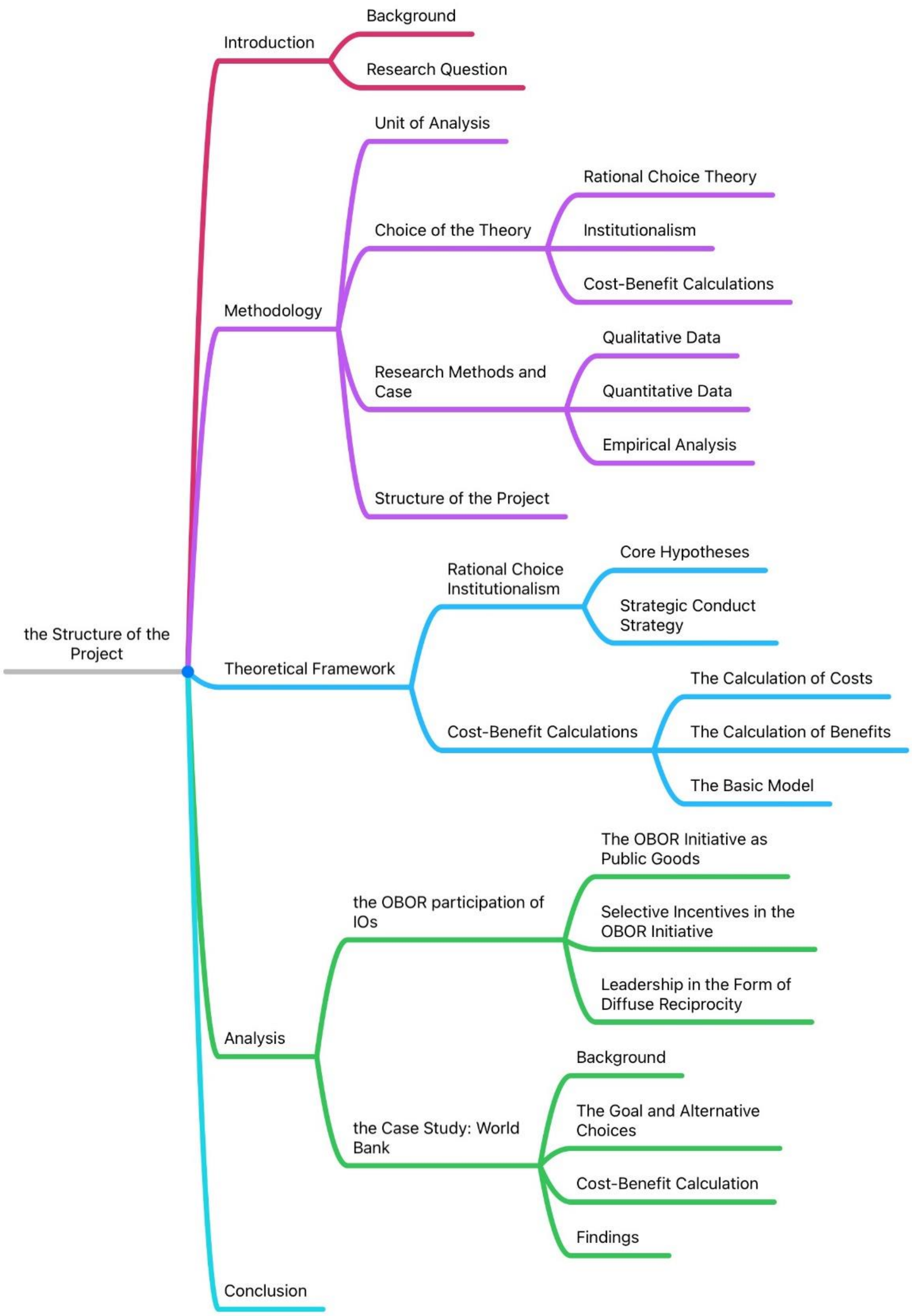

Figure 2. *The structure of the thesis.*

3. Theoretical Framework

The hereinbefore research questions can be answered based on different interpretation paths, including the political, geo-economic, and cultural approaches. This dissertation chooses the path of economic interpretation based on the perspective of Cost-Benefit Rational Choice Institutionalism.

Cost-Benefit Rational Choice Institutionalism is a framework combination of cost-benefit calculation, rational choice theory and institutionalism. It surpasses the contribution of rational choice theory and provides a theoretical perspective of neo-institutionalism to enhance the explanatory power in political science. Two main research paths of Rational Choice Institutionalism are mainly adopted: rule-based discourse and calculation-based analysis. This dissertation comprehensively uses these two paths for analysis. The neoclassical branch represented by Thomas Hobbes, Adam Smith and Vilfredo Pareto is not adopted by this dissertation. Instead, a modern branch represented by Barry Weingast, William Niskanen and Kenneth Shepsle is been chosen considering economic tools can be helpful in solving political science issues.

3.1. Rational Choice Institutionalism

The theory of Rational Choice Institutionalism originated from the study on the majoritarian decision-making system of the Congress of the United States by scholars represented by Kenneth Shepsle, Richard McKelvey, and William Riker in the 1960s. Neo-institutional scholars of rational choice theory gained conscious awareness and formed an identity in the 1980s. The name rational choice institutionalism was proposed in the 1990s by Kenneth Shepsle, prompting related researchers and their results as an academic genre to receive more attention.

The sources of Rational Choice Institutionalism include Neoclassical Economics and Behaviourism. Born from the mutual influence of multiple social science fields, Rational Choice Institutionalism uses economic tools (including principal-agent analysis, game theory analysis and rule-based analysis) to solve political science issues (including government credit, political transactions, and rule selection and system formation). While providing a micro perspective for the analysis of macro-political phenomena, Rational Choice Institutionalism also provides a more systematic theoretical framework and methodological tools for the evolution of the political system.

To put the research question under this theoretical perspective, the egoistic tendency of international actors is considered to be economically decisive. According to this theory, international organizations regard participating the One Belt One Road Initiative as a rational choice. As rational actor, international organizations have their own preferences and follow the internal rules in political institutions with leadership and structures of incentives.

Rational choice institutionalism views the institution from a static point of view and defines the institution as a collection of rules that shape the behaviour of individuals. In this dissertation, a broad definition of institution is been adopted. The word institution refers to the global system from not only the level of rules and policies, but also the level of mechanism. Firstly, given that international cooperation is based on rules and regulations, only through rules can we transform the concepts, principles and consensus of the BRI into effective actions. Therefore, the process of institutionalization involves the construction of new global regulations within current international order, including more liberalized trade rules, more standardized investment rules and more efficient, open and safe international financial rules. Secondly, institution refers to international cooperation mechanisms, including the mechanism specifically for the One Belt and Road Initiative, as well as coordination with existing regional cooperation mechanisms. Thirdly, institutions are not regulated exogenously (Shepsle, 2006). Instead, it is created and abided by the participants. The participating international entities define themselves as agenda promoters.

The term Institution include: (1) regional interaction relationship; (2) the communication network and agenda setting; (3) the rule-making and policy-making mechanism; (4) the management of rules and decisions; (5) the construction of international cooperation mechanism.

3.1.1. Core Hypotheses

Rational actor hypothesis forms the bedrock of Rational Choice Institutionalism. The concept of rational actor derived from homo economicus in economics (Stuart Mills, 1836) and is brought into the field of international politics by Rational Choice Institutionalism. The theory defines rational actor as the actors who use rational calculations to make rational choices and achieve results consistent with their individual objectives. Ration actor is been assumed to actively employ strategies that maximize its expected utility based on the information they achieve. The early stage of Rational Choice Institutionalism adopted the assumption of perfect rational actor. Perfect rational actor was widely criticized as this model relies heavily on the actor's instrumental rationality (Archer, 2000). Later Rational Choice Institutionalism theorists revised the theory by adopting a bounded rational actor assumption, acknowledging the asymmetry of information and the role of irrational factors.

The theory of Rational Choice Institutionalism is also based on the assumption of collective action paradox. The study of collective action began with Paul Samuelson's (1954) analysis of public goods. Paul proposed the concept of public goods in the modern sense and distinguishes two types of markets: the economic market that provide private goods and the political market that provide public goods. Public goods are defined as any item, when any individual in a group consume it, it cannot but be consumed by other individual in that group (Olson, 1968), with its most important characteristic as non-excludability. The concept of public goods is introduced to explain collective action failure. Collective actions are expected to play a role in providing public goods in political market (Kaul et al. 1999). However, this outcome is difficult to achieve due to the phenomenon of free ride. Collective action paradox arises according to the following logic: in a large group with many members, each member is more inclined to the free riding option in the collective action game, expect others to provide public goods and decide not to cooperate. That is because based on the non-exclusive characteristic, even if being a non-contributor, an individual can still enjoy the benefits of public goods without paying for it. On the contrary, making contributions to public goods turns out to be an uneconomical choice and has limited effect on advancing group goals (Shepsle, 2017). According to this assumption, the logic of collective action is more obvious especially in large groups like the international community. The collective action of international actors is public goods for the international community. Every international actor wants to enjoy public goods and abstain from contribution at the same time.

Another key assumption is that the international institution is regarded as a tool of social mobilization, playing a role of signal and commitment, and behave as a means of redistributing rights. The function of the institution for the international actors is assumed to provide a credible commitment in a clear way (Oliver, 1985), to avoid the fear of betraying the contract. One party of the international contract can utilize the institution to endorse its credit and eliminate the other party's fear about breaching the contract. From the perspective of institutionalism, Rational Choice Institutionalists believe that institutions have the effect as signalling and commitment devices, which can help strengthen cooperation. Furthermore, the international institution redistributed the power and resources among political actors, as a result making it easier for policy initiators to realize their preferences.

When applying the theory of public goods into the international community, modern nation-states and international organizations can be regarded as rationally actors, the international political and economic community can be regarded as a group, and public goods within the international system can replace public goods within the nation. In order to overcome the dilemma of collective action, the international system is seen as a means of redistributing power. The international rules and regulations such as the One Belt One Road can provide the necessary resources to implement the distribution of public goods in the international society.

Without international situation, policies will be unable to implement.

3.1.2. Strategic Conduct Strategy

Based only on the basic assumptions of rational actor and collective action paradox mentioned above, the following conclusion can be drawn: an anarchic international society cannot form effective cooperation to provide public goods, which is obviously not in line with the actual situation. Facing the contradiction between theory and practice, Rational Choice Institutionalism scholars represented by Olson (1965), Wagner (1966) and Knight (1992) developed the Strategic Conduct Strategy. The theoretical contributions of selective benefits and leadership help to explain why international organizations are willing to participate in cooperation in the situation of collective action paradox (Knight, 1996).

In accordance with this theory, the motivation for individuals to make collective contributions is not to merely achieve the collective goal (given that its members can enjoy the public goods without paying and the contribution is insignificant). On the contrary, individuals act for their own purposes and collective interests are only by-products of pursuing self-interest. In accordance with Olson (1971) and Sandler (1992), the collective encourages individuals to contribute to public goods by providing selective incentives. The design of institutional rule constructs the distribution mechanism of the group as a tendentious system. It only provides valuable distributions to individuals who have made outstanding contributions to the collective. The guiding hand of selective incentives transform the voluntary behaviour of independent subjects into orderly organizational behaviour. This special institutional arrangement interprets the formation and development of the institution as a bargaining game, which depends on the relative power of the participants (Shepsle, 2005).

Rational Choice Institutionalism provides the following analytical tools for explaining the micro-foundation of the hereinbefore rational actor behaviour. The first tool is **selective incentives** (benefits). There is usually more than one way to construct the social system, and the difference between different social structures lies in the specific distribution of benefits. Libecap (1989) and North (1990) introduced selective incentives into the interpretation of economic actor. They believed that the institutional framework produces institutional imbalances (North, 1990:178). Systemic beneficiaries and non-beneficiaries are brought about by the unequal distribution of the institution.

In accordance with Olson (2000), selective incentives include positive incentives and negative incentives (selective harms). Positive incentives are rewards for members who actively participate in collective actions, while negative incentives are punishments for members who do not share the cost of participating in collective actions.

The role of **leadership** is also employed as an analysis tool. In order to explain the selective distribution process of systemic benefits, it is necessary to introduce leadership into the analysis of social life. Leadership is defined as the ability to exercise power over a certain object and influence its feasible configuration (Knight, 1992). The reason why some subjects are willing to contribute more is that they expect to gain leadership in order to get more rewards in the future. After become outstanding contributors, certain group members have the power to implement reward and punish, so that they can allocate selective benefit opportunities. Leadership attracts people to act for collective goals.

In conclusion, the theorical tools of selective incentive and leadership can both be brought into the One Belt One Road practice to understand the roles of international organizations. International organizations contribute to the building of the One Belt One Road public goods with the pursue of obtaining maximized self-interests. The needs of certain international organizations in the international community constitute the preferences of international organizations, and the changes in social needs and individual preferences are the basic motivation for the behaviour of international organizations in world politics. This pursuit led to the formation and immobilization of One Belt One Road institutions. Strategic Conduct Strategy can forcefully explain that the formation of the institution is based on the consensus reached by relevant actors in the collective. The more cooperative benefits the institution can bring to the actors, the more stability it can maintain. The following contexts will explain why the institution can affect the behaviour of actors through the calculus approach.

3.2. Cost-Benefit Calculation

Cost-Benefit calculation is based on three basic assumptions of rational actor, robust preferences, and static equilibrium. It regards the international society as a market in which the legal relationship between international entities is essentially a form of transaction. The inherent logic of this analysis is to determine a better decision by comparing the interests of different cooperation strategies. It is worth noting that Cost-Benefit Calculation is not an independent theoretical tool but runs through the entire logical process of rational assumptions and decision-making choices.

Cost-Benefit Calculation rests on the proposition that the comparison between cost and benefit is a key consideration for the internal conduct and strategic decision-making of an actor (Williams, 1974). To implement the most beneficial strategy, to prevent mutual damage with partners, and promote the long-term stability of cooperation, the subject will calculate the cost and benefit to make a rational choice. In accordance with Cost-Benefit Calculation, when the actor's participation in cooperation in collective action gains more than the cost, namely the actor behaves as a potential beneficiary, the cooperation strategy is rational and guaranteed.

3.2.1. The Calculation of Costs

The cost is a concept derived from institutional economics. It refers to the price incurred in the process of economics transactions. It covers the dimensions of time and space at the abstract level, includes the resources of human, material and financial at the special level. Institutional economics believes that due to the existence of costs during transaction, the necessity of institution is reflected in the fact that cost can be reduced through the institution.

The concept of cost can also be used in international relations analysis. When a contract is signed or an institutional rule is established, the transaction between international actors is essentially the process power transfer. Cost can be divided into two categories: international governance costs and international contracting costs. The former refers to the costs incurred before the establishment of a contract or rule. The costs to obtain information about potential trading partners and the external environment, the cost of pre-determining rights and obligations between parties, and the cost of bargaining on the terms of the contract can all be considered as international contracting costs. International governance costs refer to the cost of maintaining the contract or rule, including the costs paid to monitor the performance of parties, the re-bargain cost after change of situation, and the costs of sanctions against non-performing partners.

To a certain extent, cost is a quantitative indicator that can be measured with objective data. Taking foreign trade as an example, infrastructure construction and trade barriers are costs in trade transactions, because the implement of free trade will result in the reduction of tariff and non-tariff barriers of nations, while regional infrastructure construction can reduce intra-regional by increasing regional trade flows. The cost is not necessarily embodying in the form of currency but can also be in non-monetary form, such as the loss of national political image, the negative externalities caused by national behaviour.

When measuring the objective cost of the actors, the cost caused by subjective error should not be ignored. Every rational subject takes the maximization of utility as the ultimate expectation in behaviour, but this so-called "maximization" only exists in ideal situations. In practical process, the premise of maximization will be relative. International actors will make the relatively optimal choice at that time based on their limited rational cognition. Therefore, when an international actor makes any decision, it will inevitably face the opportunity cost brought by relative optimality. Once the cooperation with a certain object in a certain field is determined, it may face the possibility of losing cooperation opportunities in other fields, and the potential benefits lost by giving up these decisions should also be taken into consideration as the cost of the decision.

3.2.2. The Calculation of Benefits

Benefit is defined as the total net increase in income during the process of contract signing or rule establishment. There are a variety of benefits including resource allocation and the acquisition of property rights (Knight, 1992). Benefits are realized through the reasonable allocation of power and can be divided into economic benefits and non-economic benefits. Economic benefits can be calculated quantitatively through economic indicators, including but not limited to freight volume, total volume trade value, production capacity, gross domestic product and increase rate.

Non-economic benefits involve political benefits, social benefits, and ethical benefits. Take international reputation as an example: in non-economic cooperation, information asymmetry can lead to a credit crisis at the beginning of cooperation. With the aim of forming a relationship of mutual trust, a good global reputation helps international actors obtain long-term benefits. Therefore, maintaining a sound and stable international reputation can enable actors to enjoy more opportunities in cooperation and guide the group to get rid of dilemma of collective action. Non-economic benefits can only be analysed through qualitative methods with quantitative methods as an auxiliary means.

3.2.3. The Basic Model

The core step of cost-benefit analysis is to use a uniform standard to weigh the favourable and unfavourable consequences caused by political behaviour and compare this action with other possible alternative choices to maximum the result.

When applying the basic model of cost-benefit analysis, subjects need to calculate the total benefits (including economic and non-economic benefits), such as saved lives, avoided diseases and increased jobs. The total costs such as welfare loss caused by unemployment and additional supervision costs also need to be considered. After completing the hereinbefore practical level work, decision makers need to further measure at the normative level, namely making weighted adjustments to costs and benefits. Based on the weighted results, decision makes can determine whether the action is more costly or more profitable. Any action that costs more than benefits is not worth taking. The situation where the benefit is higher than the cost is more complicated because the opportunity cost will be further involved into the decision-making process to determine whether to act. Opportunity cost is the evaluation placed on the most highly value of the alternative options that is given up (Buchanan, 1991). Among all alternative measures, the option with the highest net benefit is the most worthwhile - considering the limited public budget should be practical spent to advantage. At the same time, we also need to enumerate whether there are unquantifiable benefits and costs that cannot be calculated. This comprehensive measuring method of the net benefits including quantifiable and non-quantifiable data is the basic calculation model of cost-benefit analysis.

Specifically, the cost-benefit measurement goes through the following steps:

(i) Determine the target of the action and alternative choices.

(ii) Determine the costs and benefits of the action.

(iii) Classify costs and benefits into quantifiable and unquantifiable types.

(iv) Weigh the costs and benefits that can be measured in monetary terms.

(v) Compare the costs and benefits of various alternatives.

(vi) Adjust based on unmeasured costs and benefits.

4. Analysis

4.1. The One Belt One Road Participation of International Organizations

4.1.1. The One Belt One Road Initiative as Public Goods

The United Nations divides the current public good products supplied globally into 10 categories: basic human rights, sovereignty respect, centralized management of knowledge, transnational communication and transportation system, global security, global peace, global public health, transnational coordinated institutional infrastructure, global commons management, and the effectiveness of international forums for multilateral negotiations (UN Secretary-General, 2001).

According to the above analysis, the key factor in determining whether the One Belt One Road Initiative is public goods defined by Olson is whether it is non-exclusive. Under the circumstances that the demanding gap of international public goods is huge and cannot meet individual needs, the common needs and interests will unite international actors between regions to jointly design a set of arrangements and share its cost. Therefore, if a product serves the One Belt One Road Initiative nations, with its benefits not uniquely shared by some of the members and its costs shared between all members, this arrangement or mechanism can be regarded as the One Belt One Road Initiative public goods.

The public goods currently provided by the One Belt One Road Initiative cover a wide range of types, ranging from public products for energy, electricity, transportation and information infrastructure construction, to public services such as education services, cultural communication, medical support, and financial assistance. In addition to hereinbefore public goods at the physical level, public goods at the organizational and institutional level are also provided. Cooperative mechanisms including AIIB, the BRICs New Development Bank, Silk Road Fund, Shanghai Cooperation Organization Development Bank provide the coordination of national laws and regulations.

As shown below in the table, the products provided by the One Belt One Road Initiative manifest the attributes of public goods or semi-public goods.

Categories of Public Goods	Examples	Remarks
Pure Public Goods	Environmental governance along the One Belt One Road Initiate nations; implementation of regional or cross-region trade and financial cooperation agreements; prevention of cross-border pests; finding treatments for cross-border infectious diseases	Completely non-exclusivity
Quasi-Public Goods	Domestic infectious disease prevention; pollution control; ensuring water safety; improving agricultural production technology; collecting information on political instability	Limited non-exclusivity
Club Goods (Estevadeorda and Frantz, 2002)	Cross-border bridges and pipelines; cross-border power grids; Internet access; satellite launch facilities	Non-exclusive among club members within small-scale; exclusive among non-club members
Joint Products	Protection of rain forests; prevention of natural disasters; protection of biodiversity	Products with various degrees of exclusivity

Table 1. *The categories of Global Public Goods provided by the Belt and Road Initiative (Estevadeorda and Frantz, 2002; Huang, 2015).*

4.1.2. Selective Incentives in the One Belt One Road Initiative

During the implementation of the One Belt One Road Initiative, selective incentives are mainly manifested in the form of positive incentives. Such incentives do not require formal system and fixed mechanism to achieve and can be implemented irregularly by non-centralized entities through economic and non-economic means.

The One Belt One Road Initiative has selective incentive arrangement with and between regions. The World Bank Report can be taken as an example. It has formed a demonstration effect and has posted a huge positive effect on building the One Belt One Road Initiative; therefore, it has obtained a larger investment quota as a selective incentive. South Asia, as a relay station and land-sea junction in the One Belt One Road Initiative, is the location of the China-Pakistan Economic Corridor and the Bangladesh-China-India-Myanmar Economic Corridor. It actively undertakes some regional development obligations for the common political and economic benefits of the region. In return, the status of South Asia in the international strategy of the One Belt One Road Initiative has been elevated to an unprecedented height. In 2015, the China-Pakistan Economic Corridor project received US$46 billion in investment. By January 2017, the investment amount of this project had increased to US$55 billion; in April 2017, the investment amount further increased to US$62 billion. This demonstration in South Asia is the result of positive incentives, which include both political and economic benefits, as well as non-material benefits such as a sense of identity and unity.

4.1.3. Leadership in the Form of Diffuse Reciprocity

Although the text of the One Belt One Road Initiative documents do not specify the hierarchical distinctions of dominant countries and affiliated countries, leadership is substantively reflected in the dominant position and special rights possessed by some entities.

Cooperation between the One Belt One Road Initiative entities embodies the characteristic of non-equivalence between the process of diffuse reciprocity. One example of this non-equal value exchange process is China's direct investment in developing countries. In accordance with 2019 Statistical Bulletin of China’s Outward Foreign Direct Investment, China has become the major investor in developing countries. In 2019, China’s FDI accounted for 10.4% of the global flow and 6.4% of the global stock, respectively ranked second and third in the global (region) ranking. The scale of non-financial direct investment and project contracting by Chinese enterprises in the One Belt One Road Initiative countries reached 13.6% and 59.5% of the overall proportion respectively in 2019 (CSCC: One Belt, One Road Region has become a new growth point of China's foreign direct investment, 2020).

In the China-proposed and China-centric One Belt One Road Initiative, China plays the role of the dominator and utilize its material capacities to build institutions and mechanisms. Some international organizations can also be regarded as the actors with leadership in building the One Belt One Road Initiative. The dominant in the One Belt One Road Initiative is not a leader with autocratic power, who has the freedom take measures it deems necessary to manage the collective goods (Vugt and Cremer, 1999). On the contrary, this relationship promotes the recognition and trust among group members (Smith and Tyler, 1997).

In view of the above, the theoretical hypothesis of rational choice institutionalism can be applied to the participation of international organizations in building the One Belt One Road Initiative. Therefore, the World Bank will be taken as an example to conduct empirical analysis to explore the motivations to it participate in the One Belt One Road Initiative.

4.2. The Case Study: The World Bank

4.2.1. Background of World Bank’s One Belt One Road Participation

The World Bank Group (hereinafter WBG) is the world’s largest development aid agency, organized by five closely-connected institutions: The International Bank for Reconstruction and Development (hereinafter IBRD), the International Finance Corporation (hereinafter IFC), the International Centre for Settlement of Investment Disputes (hereinafter ICSID), the International Development Association (hereinafter IDA) and the Multilateral Investment Guarantee Agency (hereinafter MIGA). Among them, IBRD and IDA are collectively form the World Bank. In 2016, the World Bank provided US$64.2 billion in loans, grants, equity investments and guarantees to member countries and private enterprises, and the One Belt One Road related regions accounted for about 60%.

Among them, IBRD financing mainly lies in (i) public management, law and justice, (ii) energy and mining, (iii) transportation, (iv) water supply, sanitation and flood control. The last three items account for nearly half of the World Bank's funding supply. Among the existing cases, a large part of the investment of the One Belt One Road projects by AIIB, the Silk Road Fund and policy banks is in cooperation with the World Bank.

IDA mainly provides interest-free loans and grants to the poorest countries. It mainly provides financing in the fields of healthcare and other social services, public administration, law and justice, energy, mining and transportation. Some One Belt One Road countries are qualified to adopt IDA financing mode.

The close relationship between The World Bank and the One Belt One Road Initiative are also reflected in the MoU signed in May 2017. As stated by World Bank Group President Jim Yong Kim during the World Bank IMF Annual Meetings, the One Belt One Road Initiative is supported by the World Bank and its institutions to jointly work with countries to leverage the initiative's full benefits.

When taking a microscopic glance at the MoU signed between World Bank and the Chinese government, it is indicated from the characteristic of MoU that the World Bank does not seek to apply its standard to the One Belt One Road Initiative, instead focuses more on cooperation among the Multilateral Development Banks themselves on One Belt One Road projects. The World Bank is promoting its reputation to the broader initiative while currently participates in specific One Belt One Road projects funded by itself (Hurley et. al., 2018).

In addition, as the outcome of the second Belt and Road International Cooperation Summit Forum, a multilateral development financing cooperation centre was established by the World Bank Group and other MIGAs in conjunction with the Ministry of Finance of China.

From the above data, it is guided by the following facts: The World Bank is deeply involved in the One Belt One Road projects and played an indispensable role in the institutionalization process of the One Belt One Road Initiative.

4.2.2. The Goal and Alternative Choices of The World Bank

As an international organization for the funding and knowledge for developing countries, the World Bank holds the mission of ending extreme poverty and promoting shared prosperity. It provides a wealth of resources and experience for the development of developing countries, in eliminating poverty, disseminating development knowledge, supporting a fair and open trading system, and supporting the flow of private capital to emerging markets (World Bank, 2021).

In accordance with the Articles of Agreement that established the International Bank for Reconstruction and Development in 1944, the purposes of the World Bank are stated as "(i) To assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes …(iii)… thereby assisting in raising productivity, the standard of living and conditions of labour in their territories" (World Bank, 1944).

Given this the above statement, the fundamental goals of the World Bank policy is to reduce extreme poverty and increase shared prosperity of less developed countries in sustainable manners, therefore the cost-benefit analysis below will examine which choice is most consistent with the World Bank's poverty-reduction and welfare-increase strategy.

The potential choice should be compared with other choices. In this case, the alternative choice available mainly include the choice of doing nothing. Therefore, this dissertation will conduct a cost-benefit analysis with non-participation as a comparison reference.

4.2.3. The Costs of Participating the One Belt One Road Initiative

Participating in the One Belt One Road Initiative is taken by the World Bank as a multilateral means of ending poverty and boosting shared prosperity. Although the

One Belt One Road projects can produce large socioeconomic benefits, they also consume a lot of costs.

4.2.3.1. The Fiscal Cost

The One Belt One Road Initiative seeks to establish a network of infrastructure projects to encourage trade. At first glance, it seems that every actor involved should benefit. The World Bank load will be invested for the construction of infrastructure projects, and the developing countries that establish the projects will benefit from it and intervene in the Global Value Chains. The income from the economic growth will then repay the interest-bearing World Bank loan.

However, above situation is based on the assumption that sufficient trade can make the infrastructure profitable. Merely roads and ports alone cannot ensure that the trade will flourish, and the promotion of trade is necessary. But at present, global economic activity is slowing down. Under the circumstances that global economic activity is slowing down, there is not enough trade to make the new infrastructure profitable, and the benefits of the One Belt One Road Initiative tends to flow in the direction of China. The World Bank have to face the inability of less developed countries to repay project loans. Even though the World Bank can monetize some of the broader economic benefits (such as increased trade, land use and work), most of the costs will still be covered by loan interest.

Currently, some One Belt One Road economies represented by low-income countries tend to have low integration in the markets, low participation in trade, low inflows of FDI, and marginal participation in global value chains. In accordance with the World Bank report, the trade of the One Belt One Road economies is estimated to be 30% lower than potential, and FDI is estimated to be 70% lower than potential (World Bank, 2019).

For some entities, the rising public debt for One Belt One Road projects may expand to unsustainable levels. For example, the construction cost of the Lao People's Democratic Republic section of the Kunming-Singapore Railway is estimated at US$ 6 billion, accounting for nearly 40% of GDP of Laos in 2016. The Centre for Global Development estimated that the One Belt One Road projects will put the debt-to-GDP ratio of 8 One Belt One Road countries at a high risk.

	Actual		Forecast	
World	**2015**	**2016**	**2017**	**2018**
MICs	**80.6**	**83.6**	**83.1**	**82.8**
Mongolia	44.5	47.4	48.6	49.8
Montenegro	76.8	78.0	79.7	80.9
Pakistan	65.7	70.0	69.1	67.6
LICs	**36.1**	**40.4**	**41.9**	**41.6**
Maldives	73.1	83.1	96.5	109.0
Djibouti	72.1	86.6	88.1	87.5
Laos	65.8	67.8	69.0	70.3
Kyrgyz Republic	65.0	62.1	64.2	65.5
Tajikistan	33.4	44.8	51.8	56.8

Table 2. *General Government gross debt (% of GDP) from those 8 high risk countries (Hurley et. al., 2018).*

4.2.3.2. The Adjustment Cost

In the short to medium term, the reduction of trade costs may bring about an increase in adjustment costs. The cost of adjustment may be due to the increased competitiveness of Chinese products, which will lead to challenges for other One Belt One Road industries. In accordance with the research of Bastos (2018), the extent to which the One Belt One Road countries are impacted by China's trade is assessed. Relatively speaking, the economies of Indonesia, Malaysia, the Philippines, Thailand, and Vietnam have been greatly affected because their production structure and positions in Global Value Chains are similar to China.

Employment will also be affected to a certain extent. It is estimated that among the One Belt One Road countries, the total loss of the labour force in 2030 is estimated to be 12 million workers, accounting for 0.48% of the baseline (Maliszewska and van der Mensbrugghe, 2018). The agricultural net employment opportunities of the One Belt One Road countries may decrease by about 0.8 million by 2030 (World Bank, 2019).

4.2.3.3. The Social Governance Cost

Firstly, the One Belt One Road Initiative has brought a wide range of environmental governance costs to the One Belt One Road countries, including the cost for traffic pollution, gas polluting and noise pollution, and the cost of eliminating the negative impact of biological diversity and hydrology. In medium-developed economies such as China, Mongolia, and Russia, these environmental changes bring higher governance costs, as lower transportation costs often come at the expense of ultimately higher environmental costs (World Bank, 2019).

In addition, the cost of security governance is also included in social costs, including but not limited to illegal behaviours and rising crime rates, regional unrest and conflicts, terrorism and religious conflicts, the community governance pressure caused by migrant labour, the risk of land use disputes (World Bank, 2016), the damaged interests of vulnerable groups, and increased risk of disease transmission. These social governance costs are difficult to be measured in quantitative calculations directly.

4.2.4. The Benefits of Participating the One Belt One Road Initiative

4.2.4.1. The Benefit of Real Income

Through the reduction of trade costs, the increase in FDI and participating in the One Belt One Road Initiative can fulfil the aim of increasing real income.

Both the World Bank and One Belt One Road entities aim to facilitate cross-border transactions and increase the real income of economies by lowering transaction costs. The analysis of de Soyres (2018) proves that the trade effects on real income and welfare. The participating economies of the One Belt One Road Initiative reduce trade costs by increasing the infrastructure investment. De Soyres employed the quantitative analysis to measure the effect of the One Belt One Road Initiative in connecting countries before and after the infrastructure investment.

In accordance with the World Bank Report, the One Belt One Road Initiative has led to a reduction in trade costs, which indirectly increased the real income of both One Belt One Road economies and non-participating countries. It is estimated that the reduction in trade costs due to the One Belt One Road Initiative has resulted in a 0.7% increase in global real income in 2030 relative to the baseline (World Bank, 2019), excluding the cost of infrastructure investment.

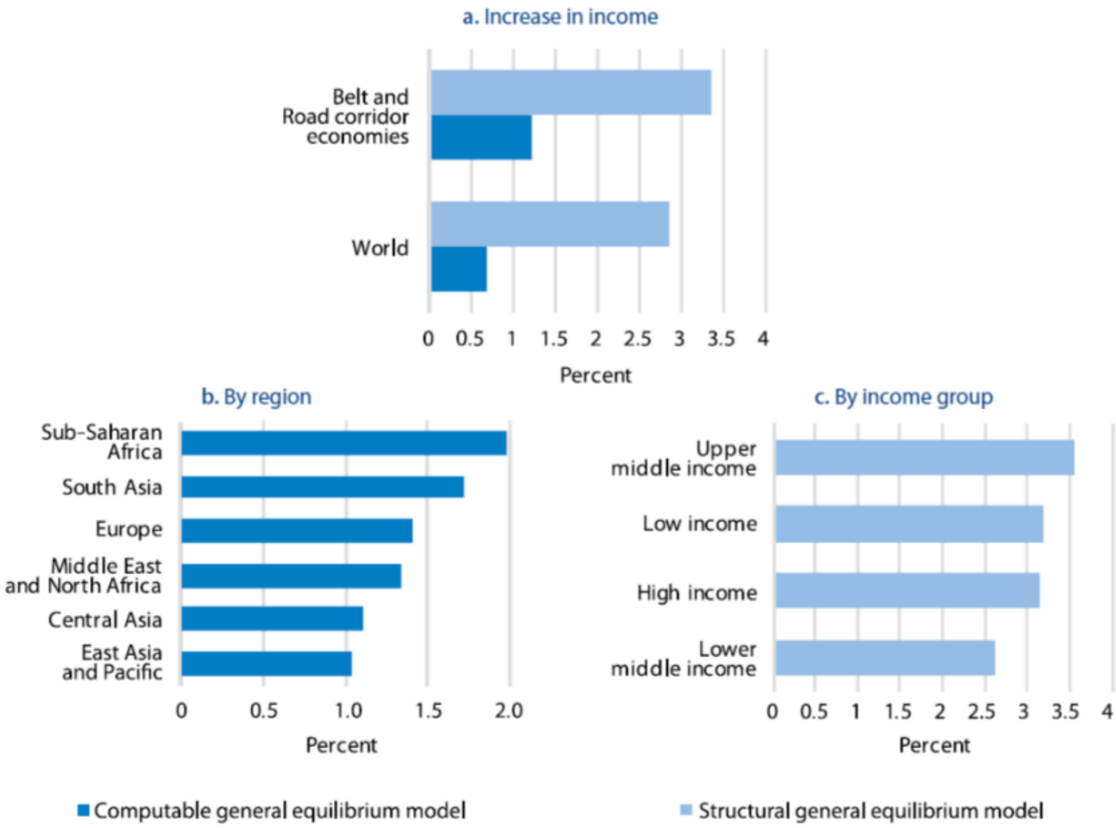

Figure 3. *Infrastructure Improvements are projected to increase GDP (Maliszewska and van der Mensbrugghe 2019; de Soyres, Mulabdic, and Ruta 2019).*

Furthermore, the One Belt One Road Initiative can bring more real income through the flows of FDI. FDI attracted by transportation projects along the One Belt One Road Initiative can increase the average annual GDP of the One Belt One Road economies by 0.09 percentage points (Chen and Lin, 2018). The One Belt One Road economies in Sub-Saharan Africa are expected to receive approximately 0.23 percentage points from GDP growth of 7.47% in FDI flows, while the growth rate of Central Asia and Central Asia is expected to increase by 0.14% and 0.12% respectively (Maliszewska, 2019). The One Belt One Road project can also stimulate economic growth through FDI in non- One Belt One Road countries. A typical example is that non- One Belt One Road countries in sub-Saharan Africa have gained positive externalities through improved transportation networks, resulting in a 0.13% growth in GDP (Maliszewska, 2019).

4.2.3.2. The Benefit on Reduce Poverty

Under the current development condition, it is estimated that by 2030, global extreme poverty will fall from 9.5% in 2015 to 3.9% (World Bank, 2019). Estimated data reported by the World Bank said that the One Belt One Road investments can free 7.6 million from extreme poverty (less than PPP US$1.90 per day) and 32 million from moderate poverty (less than PPP US$3.20 per day). Among them, countries involved in the One Belt One Road Initiative will benefit the most from the reduction of 4.3 million in extreme poverty and 26.7 million in moderate poverty, while non-One Belt One Road countries benefit from the reduction of 3.3 million in extreme poverty and 5.3 million in moderate poverty (World Bank, 2019). The impact varies among different economies.

	Bangladesh			Kenya		
Scenario	**2015**	**2030**	**Change**	**2015**	**2030**	**Change**
Baseline	15.16	0.24		37.29	19.32	
New infrastructure	15.16	0.13	0.11	37.29	18.34	0.98
	Pakistan			**Tanzania**		
Scenario	**2015**	**2030**	**Change**	**2015**	**2030**	**Change**
Baseline	5.33	0.63		40.69	9.03	
New infrastructure	5.33	0.18	0.45	40.69	8.17	0.86

Table 3. *Impact of the One Belt One Road Initiative on poverty as Poverty headcount ratios, percent, PPP US$1.90 per day (Maliszewska and van der Mensbrugghe, 2019).*

4.2.5. Cost-Benefit Calculation

The above assesses the benefits and costs associated with the World Bank's participation in the One Belt One Road Initiative in achieving its goals.

The Costs can be divided into the fiscal cost (hereinafter FC), the adjustment cost (hereinafter AC) and the cost of social governance (hereinafter SGC). The benefits mainly contain the benefit of real income (hereinafter RIB) and the benefit of reduce poverty (hereinafter RPB).

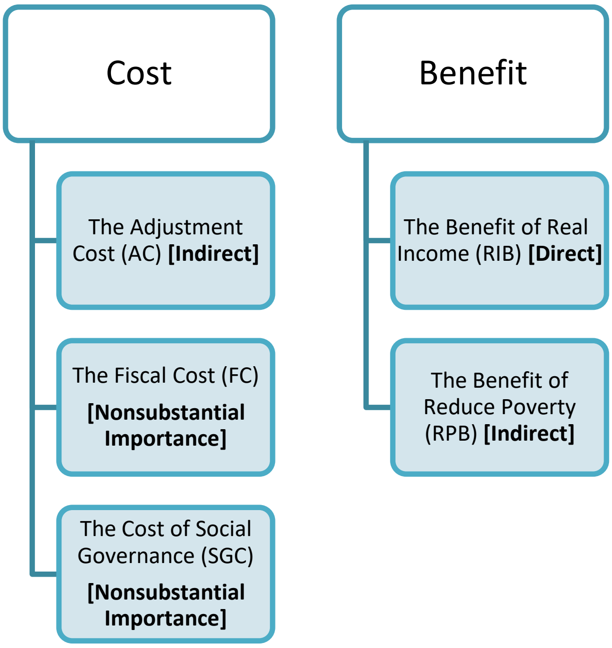

Figure 4. *The cost-benefit composition for World Bank's participation in the One Belt One Road Initiative in categories.*

(i) Classification

As stated by World Bank Group's Board of Governors, the World Bank's goals mainly contain two aspects: ending poverty and promoting prosperity (World Bank, 2013). This dissertation will classify the above costs and benefits based on the strategical goals.

RIB, FC and SGC are regarded as costs/benefits that mainly serving to promote common prosperity. Among them, RIB is the direct factor that can be employed directly as dollar value, while FC and SGC as non-quantifiable factors can be employed as reference factors after calculation. The characteristic of FC and SGC is that they can be regarded as non-substantial important factors compared to other factors, in view that FC and SGC are less related to the World Bank's policy objectives, and are potential risks that can be avoided.

On the contrary, RPB and AC are regarded as the cost/benefit that mainly serving to end poverty, both of which are the indirect parts that need to be calculated into dollar value.

(ii) Determine Weight

As stated in the document, the goal of promoting prosperity is in the "as important" position with the goal of poverty reduction (World Bank, 2013). Therefore, this dissertation gives equally importance to the measurement of the two goals when considering the World Bank's motivation of participating in the One Belt One Road projects. During the process of calculation, this dissertation gives the goal of promoting prosperity and the goal of reducing poverty each 50% weight.

(iii) Calculation of Net Benefit and Unmeasured Factors

There are two measures to compare cost-effectiveness. One is to calculate the benefit-cost ratio (B/C), namely how many dollars will be saved for every dollar spent on the World Bank's One Belt One Road projects. If the B/C ratio is> 1, then it is worth participating in the projects. The second method is to calculate the net income (B-C), that is, subtract the cost from the income to get the net income. If the net income> 0, then implement. The first method is often used in the calculation of investment income in the financial field. However, considering the World Bank's goal is not limited to dollar value, this dissertation chooses to calculate in the second method, namely the net interest measurement.

The benefits related to **the goal of promoting prosperity** is obvious. In accordance with RIB**,** a **0.7% increase** in global real income will be brought about in 2030. This result is quite considerable, taking into account that the real income increase brought by global free trade is been estimated as 1% (Maliszewska, 2019). In terms of costs, the impact of FC and SGC as unmeasurable factors is considered to be limited in affecting the real income. When participated in the One Belt One Road financing, the ratio of funds provided by IBRD and IDA was about 2:1, and the loans were mainly hard loans (commercial loans with more stringent conditions and requiring hard currency to repay), including project financing and sector financing. And sector financing. Some countries and regions have opportunities to get soft loans (government loans which can repay long-term debts at low interest rates). The relatively small proportion of soft loans in the One Belt One Road countries shows that limited financial pressure on the local economies is generated. The World Bank's financing period is long with low interest rates. Therefore, FC is a limited factor. In addition, compared with the reduction of trade costs, the increase of SGC is also a relatively small factor. Therefore, on the whole, the World Bank's cooperation under the Belt and Road framework has more advantages than disadvantages for the goal of real income growth of underdeveloped economies.

The cost and benefit related to **the goal of reducing poverty** are both indirect quantitative data. On the one hand, the One Belt One Road Initiative can save 7.6 million from extreme poverty and 32 million from moderate poverty in 2030. On the other hand, the total displacement labour by the One Belt One Road Initiative reached 12 million in 2030. Because the hypothetical we used for comparison is that all workers are fixed in their own positions, the original displacement rate is pre-set as 0. However, due to the certain displacement rate exists in actual situation, the impact of labour displacement brought by the One Belt One Road Initiative is minor than estimated. In addition, displaced workers may have new population mobility and employment options, which may not necessarily lead to a return to poverty. Therefore, it should be considered that the World Bank's participation in the One Belt One Road has a net benefit in achieving the poverty reduction goal.

4.2.6. Findings

To sum up, the findings indicate that participating in the One Belt One Road Initiative will be economically appropriate to achieve the World Bank's goals of reducing poverty and promoting prosperity.

On the one hand, strengthening multilateral cooperation helps the World Bank achieve its goals within the One Belt One Road framework. Regarding the goal of poverty alleviation, the One Belt One Road Initiative frees a total of 7.6 million extreme poverty and 32 million moderate poverty. Although a moderate rate of labour is forced to poverty due to displacement, the advantages still far outweigh the disadvantages.

On the other hand, in terms of increasing income, the World Bank's participation in the One Belt One Road Initiative has contributed to a considerable increase in global real income, and a large part of them are low-income countries. However, some potential risks may pose a threat in income growth in the future. Therefore, with the aim of maximize its benefits, the World Bank has chosen to actively participate in the joint build while also formulated risk prevention strategies, such as evaluating the government capacity of the economies before financing, and promoting transparency in rules.

5. Conclusion

The hereinbefore analysis explored the motivations and decision-making mechanisms of international organizations participating in the One Belt One Road Initiative. Combining the three theorical perspectives with all the analysis, it can be concluded that the active participation of intergovernmental international organizations is the result of their maximization of interests after rational decision-making.

As an international actor with independent preferences, international organizations hope to have full autonomy and pursue their own interests. This kind of self-benefit is not necessarily limited to economic benefits but broad-based understanding of benefits, which may exist in many aspects such as transparency, corruption, environmental, integration, income and poverty reduction. Obtaining the rule-making power in the process of institutionalization can be regarded as benefit as well.

International organizations choose not to directly perform actions on their own to achieve their goals, because the provision of public goods may cause other international entities to come free-riding and share the benefits without paying a price. On the contrary, within the One Belt One Road framework, international organizations can obtain leadership and selective incentives from the participation, which leads to higher benefits than independent actions.

In addition, this dissertation focuses merely on the motivation of international organizations of participation, which indicates that the cost-benefit analysis is only an estimate of the actual situation, and does not represent the actual benefits and costs in reality. The realization of the self-interests sought by international organizations may encounter some obstacles. Whether the interests of international organizations are actually realized is another research topic worth continuing to study.

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