

The Construction of New Land and Sea Corridors in the West from the Perspective of "Soft Connectivity". Improvement of the Path

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Abstract: As a major national strategic deployment, the new western land and sea corridor is China's ASEAN-facing land and sea trade corridor and an important link to China-ASEAN cooperation. Since it was first proposed in 2017, the construction speed of the new western land and sea corridor has been increasing, and the system of the new land and sea corridor with Chongqing, Guangxi, Guizhou, Gansu, Qinghai and other western provinces as the main operating body has been gradually improved. However, the construction of new western land and sea corridors still faces many challenges, which need to be analysed in depth from the perspective of "soft connectivity" to identify the shortcomings and weaknesses that constrain its development, and then put forward a targeted improvement path. This paper will start from the new connotation of "soft connectivity" construction under the new development pattern, and analyse in-depth the current "soft connectivity" construction of western land and sea new corridor, which exists in the absence of long-term policy communication mechanism, the channel rules and standards system is not sound, the policy landing rate is low, the business environment is not good, the financial support for the construction of the channel project is not good, and the development of the corridor project is not good. Inadequate financial support for the construction of the corridor project, unbalanced humanistic exchanges along the route, and a large gap between the supply and demand of talents, etc., and put forward relevant improvement paths to provide reference for the construction of the new western land and sea corridor.

Keywords: New Western Land-Sea Corridor; Soft Connectivity; Belt and Road.

1. New Connotation of "Soft Connectivity" under the New Development Pattern

Under the new development pattern, "soft connectivity" is an important complement to and support for "hard connectivity", mainly referring to a mode of cooperation and exchange featuring win-win cooperation, openness and inclusiveness, and shared development. Specifically, it is to strengthen communication and exchange with relevant countries and regions in terms of rules, standards, policies and laws through government guidance, market promotion and social participation, to promote people-to-people exchanges and economic, trade and investment co-operation among countries, and to enhance people-to-people communication among countries. The construction of "soft connectivity" under the new development pattern aims at realising a high level of opening up to the outside world, and its main functions are to promote the flow of resources and factors between China and relevant countries and regions, increase the right to formulate rules and standards in the field of China's opening up to the outside world, enhance China's discourse on the reform of the global economic governance system, and promote humanistic exchanges among relevant countries and regions.

1.1. Interpreting the New Meaning of "Soft Connectivity" Construction

The goal of the construction of "soft connectivity" is to achieve a high level of opening up to the outside world, and the core task of its construction is to take the fields of rules, standards, policies and laws as a link, and give full play to

their positive role in the construction of new western land and sea corridors by strengthening the exchanges and co-operation in these fields; to take humanistic exchanges as an important carrier. In order to strengthen communication and exchanges with the relevant countries and regions, and taking the joint construction of new western land and sea corridors as an important platform, we will build a more open and inclusive, win-win international cooperation system, promote the high-quality development of the joint construction of new western land and sea corridors, and promote the economic and social development of the relevant countries and regions.

1.2. The Need For "Soft Connectivity"

As a major development strategy put forward by the Chinese Government, the new western land and sea corridor has its unique advantages in the new development pattern. At the beginning of the opening of the new western land and sea corridor, there was a big gap between the supply of infrastructure in western China and the demand for rapid regional economic development, and there were obvious shortcomings in "hard connectivity"; therefore, "hard connectivity" should be the first step to further consolidate the consensus of all parties and gather the strength of all parties, which will help all parties take concerted action to further promote the construction of the new land and sea corridor. Therefore, "hard connectivity" should be the first step to further build consensus and gather the strength of all parties, which will help all parties to take concerted actions to further promote the construction of new land and sea corridors.

However, as the scale of the construction of the "hard link" of the new land and sea corridor in the west expands, the original dividend of infrastructure construction is weakening, and its rate of return on investment is gradually decreasing.

This not only affects the recovery of the government's huge investment in the early stage, but also affects the absorption of social capital in the later stage. For this reason, while promoting the "hard connectivity" of railways, highways, ports and logistics parks, it is also necessary to carry out "soft connectivity" in terms of policies, systems, standards and rules, in order to maximise the role of infrastructure and enhance the return on investment of infrastructure, thus attracting more investment. In order to maximise the role of infrastructure and increase the rate of return on infrastructure investment, more social capital should be attracted. This has put forward higher requirements for the construction of "soft connectivity", that is, in terms of promoting digital transformation, deepening international cooperation, promoting green development, and strengthening safety and security, so as to provide new impetus and support for the construction and development of new corridors.

2. Problems in the Construction of "Soft Links" in the New Western Land and Sea Corridor

Since the new western land and sea corridor was first proposed, the parties concerned have adhered to a problem-oriented approach, focussed on key areas, and continued to strengthen systems, policies, rules and scientific and technological innovations, thus forming the basic framework for the "soft connectivity" of the new western land and sea corridor. However, due to the large differences in the level of economic development of regions along the corridor, there are also large differences in the business environment, coupled with the large risks and uncertainties in cross-border trade, there are also certain differences in the strength of provincial support for the corridor. From the viewpoint of existing practice, the construction of new land and sea corridors in the west is still facing a number of challenges and problems: first, the absence of a long-term policy communication mechanism; second, the inadequacy of the rules and standards system; third, the low rate of implementation of policies and the poor business environment; fourth, insufficient financial support for the construction of the corridor project; and, fifth, the imbalance in humanistic exchanges in the regions along the corridor, as well as the large gap in the supply of and demand for human resources.

2.1. Policy Communication: Absence of a Long-Term Policy Communication Mechanism

From a global perspective, policy exchanges on the new western land corridor have been conducted mainly through informal meetings between leaders of various countries, with a great deal of randomness and uncertainty. From the domestic scope, although 10 provinces and cities in the western region have reached and signed cooperation initiatives, an effective collaboration platform has yet to be built. Practice has shown that at the initial stage of cross-regional economic cooperation, all provinces, regions and municipalities have a high degree of enthusiasm for construction, but the lack of a long-term policy coordination mechanism for a long period of time tends to result in the phenomenon of some provinces being more active in the construction process and others being relatively indifferent.

At present, countries along the new western land and sea corridors have varying degrees of lag in information on

construction measures, construction progress and construction results, leading to a lack of awareness of the major opportunities for the construction of the new western land and sea corridors in some countries and a low motivation to participate in the construction of the corridors, which in turn lagged behind the process of the interconnection and intercommunication of the new western land and sea corridors. An important reason for the lack of timely transmission of information lies in the single channel of policy communication and the lack of a long-term mechanism.

In addition, there are many participants in the new western land and sea corridor, including not only the western provinces of China, but also other countries and regions along the route, and the degree of awareness of and concern for the new corridor varies among the participants. Before the construction of the corridor, the policies of all the participants were basically formulated on the basis of their own development needs and interests rather than the overall interests of the corridor. After the construction of the corridor, all parties, as stakeholders, should not base their relevant policies on the above considerations, but should take into account both their own interests and the externalities of the policies, as well as the impact of the policies on other participants. Experience has shown that the lack of effective policy exchanges in the context of economic cooperation among a large number of countries and regions can lead to inconsistencies in the policies of all parties, making it difficult to form synergies, and in the worst case, to friction and, in serious cases, even to obstruction of the construction of corridors.

2.2. Facility Connectivity: Inadequate System of Access Rules and Standards

Prior to the construction of the channel, each participant had formulated its own transport policies and taxation standards according to its own actual situation and needs. After the completion of the channel, the co-operation of all parties is necessary in order to give full play to the superiority of the channel. However, in the absence of a sound system of rules and standards for the channel, if each participant still insists on implementing its own independent transport policies and taxation standards, it will greatly hinder the reduction of transport costs in the channel, the improvement of transport efficiency in the channel, and the degree of liberalisation and facilitation of customs clearance.

2.3. Trade Facilitation: Low Rate of Policy Implementation and Poor Business Environment

The smoothness of trade is of great significance to the establishment of the new western land and sea corridor. In the process of the construction of the corridor, the game among the participants is mainly reflected in the inter-regional game. Prior to the construction of the corridor, most of the participants will set up different degrees of trade protection barriers out of consideration of regional economic protection, leading to the formation of different degrees of market segmentation among the participants, thus affecting the corridor to play the maximum role of the market economy of scale effect. At the same time, there are large differences in policy implementation capacity, economic development level and transport conditions among regions, making it difficult to reach consensus on cross-administrative regional cooperation. Under these circumstances, the construction of new land and

sea corridors in the west is likely to be marked by competition between the governments of the regions along the routes, which is manifested in the various means used by the governments in the construction of the new corridors to attract investment and increase tax revenues, which in turn triggers interregional competitive behaviour and economic behaviour.

In addition, the business environment varies considerably from one participating entity to another, depending on the level of marketisation. Generally speaking, commodities and factors of production from regions with relatively poor business environments can easily flow to regions with good business environments, but not vice versa. Under the condition of interconnection, this big difference in business environment will not only hinder the free flow of commodities and factors of production, but also be more unfavourable to their two-way flow among the participating entities. [1] The new western land and sea corridor is a big trade channel with two-way circulation function, and the business environment of each participant will directly affect the two-way smooth flow of commodities and production factors in the corridor.

2.4. Financing: Insufficient Financial Support and Weak Innovation Capacity

The construction and reconstruction of new land and sea corridors in the west requires a huge amount of capital, which is mainly financed by the State, with relatively little input from social capital. Although there are a large number of small and medium-sized enterprises (SMEs) along the routes, their role in the construction of the new corridor is seriously affected by the problems of narrow financing channels, high costs and low efficiency. In addition, the different forms and modes of transport organisation of the various participants in the new western land and sea corridor also differ in their requirements for transport documents, trade settlements and insurance contracts.

In particular, traditional finance, which is based on Internet technology and information and communications technology, has undergone disruptive changes in terms of capital financing, investment and information intermediation services. However, the development of Internet finance requires a certain scale, which is prevalent in the countries along the corridor, and their network communication infrastructure is also relatively backward, which in turn leads to underdeveloped Internet financial applications. In addition, for reasons of their own financial and economic security, countries along the corridor are cautious about the development or introduction of Internet finance, which, to a certain extent, hinders Internet financial services in the construction of the new land and sea trade corridor in the west, thus limiting the possibilities for SMEs to participate in the construction of the corridor.

2.5. People-to-people Communication: Uneven Humanistic Exchanges and A Large Gap in The Supply and Demand of Human Resources in The Regions Along the Route

The countries and regions through which the new western land and sea corridor passes through are quite different in terms of law, politics and religion. According to statistics, a total of 492,185 foreign students of various types from 196 countries and regions studied in 1,004 institutions of higher education in 31 provinces (autonomous regions and

municipalities) nationwide in 2018, an increase of 3,013 students or 0.62 per cent compared with 2017 (all the above figures exclude Hong Kong, Macao, and Taiwan). On the one hand, judging from the number of international students coming to China from China and the countries along the route, Thailand and Laos have a higher number of students coming to China, while Vietnam and Malaysia have a lower number, and on the other hand, judging from the cities of study of international students coming to China, the number of students studying in Guangxi among the western provinces and municipalities is predominant, which reflects an obvious imbalance in the humanistic exchange activities in the western land and sea new corridors.

3. Improvement Path for the Construction of "Soft Connectivity" of the New Western Land and Sea Corridor

As an important link in the construction of new land and sea corridors in the west, the construction of "soft connectivity" is an important hand in opening up regional connectivity and an important link in China-ASEAN economic and trade exchanges. Therefore, we need to improve the institutional rules and policy initiatives to promote the construction of "soft connectivity" of the corridor, increase support from project planning and financial support, and optimise regional humanistic exchanges in terms of cultural exchanges and talent cultivation along the route, so as to comprehensively push forward the high-quality development of the new western land and sea corridor.

3.1. Establishment of a Sound Long-Term Policy Communication Mechanism

On the international front, we should actively promote regular visits and meetings between leaders of countries along the corridor, so as to strengthen the political trust between the two sides; at the annual China-ASEAN Expo, we should make the "New Western Land and Sea Corridor" a regular topic and conduct in-depth discussions on its related issues and, on this basis, promote the signing of bilateral and multilateral cooperation agreements to further clear the obstacles to cooperation among the corridor participants. On the basis of this, it will promote the signing of bilateral and multilateral co-operation agreements, and further clear the obstacles to co-operation among the participants in the corridor. On the domestic front, a permanent joint meeting (hosted by western provinces, autonomous regions and municipalities on a rotational basis) has been set up to actively interface with the Inter-provincial Joint Conference on the Construction of New Western Land-Sea Corridors and the Coordination Committee for the Transportation of Liners of the New Western Land-Sea Corridors, and to organise meetings on a regular basis to discuss the annual achievements of the construction of the New Western Land-Sea Corridors, problems and work to be carried out in a concerted manner. [2] It has broadened the path for social organisations in western provinces, autonomous regions and municipalities to participate in the construction of the corridor, and has also organised trade associations, chambers of commerce and so on to carry out inspections and exchanges along the new western land and sea corridors, so as to make the information on the construction of the corridor transparent and real-time.

3.2. Sound System of Access Rules and Standards

Deepening the reform of customs clearance facilitation, taking the enhancement of the level of "soft connectivity" of channel rules, systems and standards as the focus point, continuously innovating land trade rules and improving the system of channel rules and standards, to further promote the liberalisation and facilitation of investment and trade. Promote the innovation of international railway-sea intermodal transport rules system, and promote the synergy and mutual recognition of railway and maritime cargo categories, safety standards, cargo codes, data standards, and so on. Promote the formulation and revision of standards related to digitalisation and intelligence of logistics equipment and facilities. Promote the cold chain container transport standard of the new western land and sea corridor to be upgraded to a national standard. Actively set up a standardisation alliance for the new western land and sea corridor, and promote the standardisation of circulation and processing, facilities and equipment, logistics operations and trading procedures.

3.3. Improving the Rate of Policy Implementation and Optimising the Business Environment

Provinces, autonomous regions and municipalities along the new western land and sea corridor need to take the "release of management and service" as an opportunity to learn from the experience of advanced and developed regions, especially the successful experience of the Shanghai Free Trade Zone and the Guangdong-Hong Kong-Macao Greater Bay Area, and to replicate the latest and most advanced experience in the improvement of the business environment of the western land and sea corridor, so as to let the market really play a decisive role in the allocation of resources; Continuously improve the application of artificial intelligence and new technologies in trade clearance in the new western land and sea corridors, and reduce the influence of the human factor; strengthen and standardise the supervision during and after the incident, and carry out special inspections of the business environment and the implementation of trade facilitation measures at regular or irregular intervals, focusing on checking the implementation of the relevant systems which are most frequently reflected by the public, and on the non-implementation of some policies, the "discounted" implementation, and some complaints about the "discounted" implementation. " implementation, as well as pursuing responsibility and accountability for departments with more complaints that are delayed or slow in resolving them. At the same time, good experiences in improving the business environment and promoting trade facilitation should be summarised and promoted in a timely manner.

3.4. Increasing Financial Support and Innovation for The Construction of New Land and Sea Corridors

In order to create a financial market for the new land and sea corridors in the west and increase financial support and innovation for the construction of the new land and sea corridors, it is necessary to strengthen the interconnection of financial markets, advocate diversified and sustainable financing methods, innovate financial methods, and develop green finance, under the premise of complying with the laws,

regulatory regimes, international treaties, and respective international commitments of the countries and regions along the routes. [3]

Firstly, the National Development and Reform Commission should take the lead in increasing the support for the construction of new land and sea corridors in the west from investment within the central budget, special funds of the central government and special bonds of local governments. [4] At the same time, the People's Bank of China and the China Securities Regulatory Commission should actively play a role in striving for the co-financing of the China Investment Corporation, the Export-Import Bank, the China Development Bank and other institutions to set up a development fund for the new western land and sea corridors, and to encourage financial institutions to increase their support for the construction of infrastructure and the development of industries along the corridors.

Secondly, it is necessary to carry out overall planning for banks and other financial institutions, guide policy banks, state-owned banks and local commercial banks to give full play to their own advantages, and strengthen the division of labour and collaboration; encourage private capital and private finance to participate in the construction of new western land and sea corridors by means of insurance and securities, etc.; encourage and support them to participate in the construction of new western land and sea corridors by means of Internet technology and information and communication technology. The construction of the new western land and sea corridor will establish a financial market, financial services, financial organisations, financial products and Internet financial supervision system that is suitable and compatible with the new western land and sea corridor;

Finally, a financial services consortium for the new western land and sea corridor will be formed to carry out interbank credit, agency clearing, cross-border lending, currency swaps, credit information sharing and other businesses to support the construction of key projects. Encourage banks, insurance, securities and other types of financial institutions to participate in the development, innovation and application of financial products in the corridor, and promote the use of new modes, services and products such as factoring, guarantees, supply chain finance, offshore finance, etc., in the scenario of the western land and sea new corridor. Make good use of the RCEP financial liberalisation policy, promote business cooperation in the capital markets along the corridor in the fields of bonds, fund management and other areas, and expand the scale of two-way capital flows. Further enhance the level of trade foreign exchange balance facilitation and expand the cross-border use of RMB. Promoting the direct-connection platform for railway waybill financial services to provide "one-stop" financial services for foreign trade enterprises.

3.5. Expanding The Path of Humanistic Exchange and Intensifying the Cultivation of Human Resources in Order to Build a Humanistic Community

The western provinces should, through various means, expand the folk cultural exchanges among the countries along the western land and sea new corridor, so that it can become an effective supplement to the official exchanges; strengthen the external publicity, improve foreign investors' knowledge and understanding of the "western land and sea new corridor", and carry out the investment attraction work of the countries

along the "western land and sea new corridor" in a targeted manner. New Western Land and Sea Corridor"; according to the structure and scale of the demand for talents in the new western land and sea corridor, increase financial funds to add a number of "language +" ethnic specialties in western provinces and cities, and cultivate a number of complex talents with the ability of "language + specialties + actual combat". Cultivate a group of composite talents with "language+professional+practical" abilities. Promote cooperation between institutions of higher education in the western region and institutions of higher education in countries along the Western Land and Sea Corridor, increase enrolment in countries along the Western Land and Sea Corridor, and vigorously cultivate students who know China and are friendly to China. We will make great efforts to cultivate international talents who "know China", "know China well" and "love China".

4. Summary

Under the new development pattern, the connotation of "soft connectivity" is richer, manifesting itself as a "combination of soft and hard", with both "hard connectivity" and "soft connectivity". "The new western land and sea corridor is one of China's most important and important projects. The new western land and sea corridor is a key link in China's new development pattern to open up the domestic and international double cycle, and it is necessary to strengthen "soft connectivity" in a number of areas, such as policy communication, institutional rules, business environment, financial support and humanistic exchanges, in order to make up for China's shortcomings in this area. For example, the establishment of a legal service centre for the western land and sea corridor to provide legal advice and assistance to countries and regions along the route; promoting cooperation with international organizations related to the corridor, such as strengthening the construction of the international trade single window, promoting the establishment of an international alliance for the green

development of the western land and sea corridor, and realizing the facilitation of trade and the optimal allocation of energy resources; strengthening the communication and exchange with relevant countries and regions, such as deepening cooperation with neighbouring countries, with ASEAN as the focus, and promoting cooperation with China-European Union (CEU). Strengthen communication and exchanges with relevant countries and regions, such as deepening cooperation with neighbouring countries, focusing on ASEAN, and promoting cooperation with countries along the China-Europe liner; promote the establishment of diversified financing channels with relevant countries and regions, such as supporting enterprises to broaden financing channels through bond issuance, asset securitization, mergers and acquisitions, and restructuring; and actively participate in the reform and construction of the global governance system, and promote the high-quality development of the "One Belt, One Road". At the same time, it should also pay attention to international rule-making and strengthen international humanities exchanges and cooperation, so as to provide assistance for the construction and development of the new western land and sea corridor under the new development pattern.

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