Journal of Innovation and Development
ISSN: 2958-4752 | Vol. 3, No. 3, 2023

The Development of International Financial Markets and Cooperation under "The Belt and Road Initiatives"

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Abstract: The construction of "The Belt and Road Initiatives" has been widely welcomed by countries along the route, and a large number of cooperation projects are gradually being launched. In the context of "The Belt and Road Initiatives", we should make better use of this advantage and strengthen the cooperation with other countries in the world. This paper mainly discusses the characteristics of the international financial market and the strategic space for international financial cooperation under "The Belt and Road Initiatives", and also discuss the proposes and methods to establish an international financial cooperation system, with the aim of solving the problems that arise in the current cooperation process and making the trade cooperation between China and the countries along the route more convenient.

Keywords: "The Belt and Road Initiatives"; International Finance; International Financial Market.

1. Introduction

"The Belt and Road Initiatives" is an acronym for both the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road". The implementation of "The Belt and Road Initiatives" can promote economic cooperation with countries along the route, enhance our comprehensive national strength, and effectively tap the potential of our surrounding areas. In the context of "The Belt and Road Initiatives", we should establish a reasonable international financial cooperation mechanism and give full play to its leading role, so as to promote the coordinated economic development of the regions along the route. In the context of "The Belt and Road Initiatives", the financing and leverage of finance can be used to promote cooperation between China and other countries along the route, ensure the full flow of various production factors, improve the efficiency of resource utilization, optimize the distribution of resources, and enhance China's international influence [1].

Financial cooperation between regions can attract a large amount of capital and also promote the continuous gathering of financial organizations and institutions to meet the diversified financial needs of the region. With the gradual advancement of the world economic integration process, the value of the international currency, represented by the U.S. dollar, has become very volatile, and we need to invest more in order to carry out economic construction. Under such circumstances, we need to establish sound currency circulation channels to reduce a series of risks arising from currency value fluctuations and ensure more orderly trade cooperation and exchanges between countries. From the perspective of finance, the ability of currency to circulate and circulate effectively in the financial and capital markets is also influenced by the financial intermediary organizations. "The Belt and Road Initiatives" is an important strategy for China's economic development, but due to the large differences in the economic development of various countries, many countries face difficulties in economic development in terms of capital and funding, and need to play a financial role to ensure the effective circulation of funds.

The financial cooperation between countries will involve a series of basic guarantee services such as guarantee and clearing. With the gradual development of regional trade economies toward economies of scale, it is necessary to make full use of financial resources in order to obtain more capital. In the process of sustained regional economic development, it is necessary to further establish a sound financial organization system and financing mechanism, thus promoting stable economic growth of regional countries and guaranteeing cooperation among them [2]. Under the guidance of "The Belt and Road Initiatives", the financial cooperation among countries will be further deepened, promoting the effective distribution of funds among regions, financial integration among regions, and the cross-regional flow of various production factors.

In the development of the economic belt, stronger financial support is necessary to attract more capital. The economic strength of "The Belt and Road Initiatives" countries is very different from each other, and the infrastructure is also very imperfect, so it is difficult to meet the national demand for highways in the process of road construction. In this context, the function of finance should be given full play to promote the economic construction among countries to ensure the smooth implementation of cooperation.

2. Relevant Characteristics of the International Financial Market

2.1. The Overall Situation of the International Financial Market is Relatively Stable

In recent years, the world financial markets have continued to develop and the overall situation has remained stable. For certain heavily indebted countries in Europe, their debt problems have been solved to a large extent; the prices of high-risk assets, such as those in the United States, have also started to fall, which has eased the pressure on global financial markets to a certain extent. However, although the overall situation of the international financial markets is relatively stable, but this does not mean that there are no problems in the process of development, especially with the continuous improvement of the world economic system, many international policies are likely to change, it is possible

to break the current stability of the international financial markets.

2.2. Capital Flows in the International Financial Markets Are Reversing

In the process of world economic development, the international financial markets show a phenomenon of high in south and low in north, a phenomenon that is mainly reflected in the growth of developed countries. In addition, the downturn in the stock markets of new economies also has an extremely obvious contrast with the former. The development of emerging economies and the growing power of autonomous growth in economically developed countries have both caused changes in the international financial markets to some extent, and such changes have not only given more liquidity to developed economies, but also accelerated the flow of liquidity to developed economies.

2.3. Structural Divergence in the Credit Environment of International Financial Markets

With the gradual divergence of monetary policies in the global economy, the specific structure of global capital interest rates has changed. First of all, in the international arena, relatively developed economies, their long-term interest rates and short-term interest rates are different. Quantitative easing is practiced internationally, while developed countries believe that they will support their development without raising their benchmark interest rates even if they do not participate in quantitative easing. However, with the gradual increase of credit rates in developed countries, including the U.S. Federal Reserve, have introduced quantitative easing monetary policies one after another [3]. Second, the funding structure of emerging countries, there are also obvious changes, some emerging countries, have taken many ways to reduce the lending rate and prevent the lending rate from continuing to rise. While the developed countries, have kept the lending rate stable, so that these emerging countries, simply have no better choice.

3. Strategic Space for International Financial Cooperation

The construction of "The Belt and Road Initiatives" can promote economic development and improve people's lives for the regions along the route, and it can also be of great help in coping with the financial crisis. Without financial support, the economic development of a region and the opening up of the region to the outside world are impossible to achieve. In the context of "The Belt and Road Initiatives" construction, international financial cooperation will definitely play an important role. To establish financial cooperation for economic interoperability, we can start from three aspects: to infrastructure interoperability, establishment of Asia-Pacific FTA, strengthening energy cooperation, and giving full play to the advantages of financial cooperation to promote the development of regional economy.

3.1. Infrastructure Construction Interoperability

The countries along "The Belt and Road Initiatives" are mainly developing countries, whose infrastructure construction is in a relatively backward situation, and the internal energy development and construction work of the whole country is not complete. Accelerating infrastructure development is the main goal of "The Belt and Road Initiatives". The World Bank pointed out a long time ago that there is a synchronous relationship between infrastructure interoperability and regional economic development. According to big data, for every 1% improvement in infrastructure development, the local economic development will also increase by 1%.

3.2. Cross-border Financial Bridges Needed to Start Construction of Asia-Pacific Free Trade Area

In recent years, the financial crisis has had a significant impact on free trade zones, mainly in the form of impeded economic integration of free trade zones. At present, China has signed trade area agreements with nine countries, but compared with some developed countries, the agreements signed by China are still few, and the trade areas covered as well as the level of standards are relatively low. The Asia-Pacific region is the main driver of global economic growth, it has 40% of the world's population, while the total economic volume accounts for 60% of the world economy. Analyzing from the comparative advantages, the Asia-Pacific region has a ladder-like level of economic development, and also has unique advantageous features in the construction of supply partnerships.

3.3. A new Breakthrough in Energy Cooperation Requires the Support of the Energy Finance System

Financial development and energy development have many similarities, so that strengthening the optimization of different energy sectors can form certain links with the financial industry. "The Belt and Road Initiatives" strategy has been proposed to synchronize energy development with economic development in the region and to make it a long-term and sustainable development model [4]. At the same time, we have good communication and cooperation with countries along "The Belt and Road Initiatives", which is important for our further development in the energy field and maintenance of regional energy security.

4. Construction of International Financial Cooperation System Under "One Belt One Road" Initiative

4.1. Build a Perfect Communication Mechanism and Dialogue Platform

To Further improve the central bank's monetary policy, engage in equal dialogue with other banks in the world and exchange opinions in a timely manner to improve the degree of cooperation and tacit understanding in order to avoid conflicts. Supervision of financial policies should be strengthened; the connotation of financial policies should be improved and he deepening of cooperation should be promoted. Additionally, we should strengthen financial information exchange and resource sharing, and strengthen projects and establish sound and reasonable channels for financial resource sharing. Only by strengthening mutual understanding and trust can we ensure a more tacit understanding of cooperation among countries. In order to

achieve this purpose, a perfect credit platform can be built, advanced technology can be actively introduced, and a special supervisory body can be set up to reasonably coordinate the problems arising from communication; only by trusting each other can we have equal, friendly and lasting cooperative relations.

4.2. Promoting the RMB Towards Internationalization

With the continued growth of our economy, the RMB has gained wide recognition globally. Against this background, it is necessary to expand the use of our currency to further strengthen international financial cooperation. At present, China is accelerating the internationalization of the RMB, which can effectively prevent the risk of exchange rate changes and further enhance our international competitiveness. In the context of "The Belt and Road Initiatives", we should follow the policy of "gradual advancement" to lay a solid foundation for the internationalization of RMB. First, we should formulate a comprehensive plan to make our RMB move more and more steadily and smoothly in the long run. In the context of world economic integration, the risks of RMB internationalization are great, but as our international status improves, we will have more favorable factors to explore in this regard. Secondly, we should further enhance our status in the international arena, come out with a financial reform path that suits our national conditions, establish a perfect financial system, and provide a solid legal basis and guarantee for RMB internationalization. Third, to further reduce the trade surplus, optimize the economic growth pattern, optimize the industrial structure, and improve our economic development [5]. Fourth, we should build a perfect financial market, actively carry out the innovation of financial products to meet the needs of all kinds of investors, continuously improve our influence in the international arena, attract more countries and regions to cooperate with us, and lay the foundation for the development of RMB internationalization.

4.3. Create a Perfect Cooperation Model

4.3.1. Innovative International Financial Cooperation Model

With "The Belt and Road Initiatives" as the guide, we should focus on infrastructure construction, energy resources development and trade cooperation, and further expand our investment in neighboring countries. Because countries have different levels of economic development and different policies, we should be innovative in the process of international financial cooperation, use a dynamic viewpoint, adhere to the implementation of an open economic system, and create a favorable environment for the development of the regional economy. In order to achieve this, we should try to create a good investment environment and a new type of economic system to create more favorable conditions for the development of countries along the route [6].

4.3.2. Develop Multilateral Financial Cooperation

In this process, we should take an open and cooperative stance and take the initiative to engage in multilateral financial cooperation. In the construction of "The Belt and Road Initiatives", we should strengthen our confidence in cooperation, clarify our goals, and deepen our multilateral cooperation on this basis. In addition, it is necessary to further improve the infrastructure, establish a diversified financial institution, and enrich the functions of the cooperative organization [7]. To achieve the goal of resource sharing, it is necessary to encourage high-quality resource sharing, establish a compact, and give strong financial support to each country. In addition, we should accelerate the establishment of the Asian Infrastructure Investment Bank to provide strong financing support for countries' infrastructure and related work, and provide a good financing platform for countries' infrastructure and related work.

5. Conclusion

To sum up, in the context of "The Belt and Road Initiatives", the establishment of a new international financial cooperation mechanism can promote the development of countries along the route in a better direction, and also help these countries to obtain a clearer development situation. Under the impetus of "The Belt and Road Initiatives", the economic development of the whole country has shown obvious characteristics. However, the development problems and difficulties of cooperation cannot be ignored, such as the competition between countries is drastic, and the form is also relatively complex. There is also a big difference between the level of economic development and specific development needs of countries along "The Belt and Road Initiatives", which is the core problem affecting the financial cooperation between regions. Therefore, in order to achieve international financial cooperation, the first step is to do a good job in the infrastructure of each country, the second step is to narrow the gap in the application of technology in each country, and the third step is to make the financial cooperation of each country reach the same level.

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