



Chinese college students' attitudes toward the New Silk Road initiative

Xin Song^{1*}, Shaoshi Zou², Rongke Xu³, Zebang Chen⁴ and Shengxue Xiao⁵

¹School of Law, Hunan University, Changsha, Hunan, China

²School of Arts & Sciences, University of Washington, Seattle, WA, USA

³John Carroll School, Bel Air, MD, USA

⁴Rolling Hills Prep School, San Pedro, CA, USA

⁵Anshan No. 1 High School, Anshan, Liaoning, China
melindia123sy@163.com

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Abstract

Given the core role expected to be played by the New Silk Road initiative in the Chinese economy as well as the regional economy, this study examines how Chinese college students perceive the value of the New Silk Road initiative, what benefits they consider to be most important, what risks they consider to be most serious, and whether there are any gender differences in their views. The respondents generally had favorable attitudes toward the New Silk Road initiative. However, female students were significantly more likely to show favorable attitudes toward the New Silk Road initiative. In terms of the most important benefit of the New Silk Road initiative, the respondents identified synergy as the most important benefit of the New Silk Road initiative, followed by stability/security, sound corporate governance, and economic gap narrowing, in that order. Female respondents were most likely to identify stability/security, whereas male respondents were most likely to identify synergy. In terms of the most serious risk of the New Silk Road initiative, the respondents identified exchange rate variability as the most serious risk of the New Silk Road initiative, followed by contractual disagreement, legal/regulatory difference, and financial commitment/risk, in that order. Female respondents were most likely to identify contractual disagreement, whereas male respondents were most likely to identify exchange rate variability. These results suggest that, although the New Silk Road initiative has benefits, they may also entail some risks. The Chinese government should carefully consider not only the benefits but also the risks entailing its New Silk Road initiative to minimize unfavorable perceptions and maximize its adaption.

Keywords: New Silk Road, China, College Students, Attitudes, Benefits, Risks.

Introduction

China's New Silk Road initiative is a modern equivalent of the original Silk Road, which was established during the Western Han dynasty. The original network opened vast regions to trade by land and sea, until advances in maritime transport ultimately made the land route economically noncompetitive.

The New Silk Road resembles the old version, but it also adapts to today's circumstances. In particular, in addition to conventional trade, the New Silk Road emphasizes infrastructure projects as well as "soft" projects such as e-commerce platforms¹.

Another aspect of the New Silk Road initiative is the institutionalization of its funding scheme, namely the \$40 billion Silk Road fund created in December 2014 to enable planned investments under the initiative, which combines resources from the State Administration of Foreign Exchange, the China Investment Corporation, the Export-Import Bank of China, and the China Development Bank². China has also started a multinational funding body in the form of the \$100 billion China-initiated Asian Infrastructure Investment Bank (AIIB), which composes of 57 members including Germany, the

United Kingdom, France, and Russia³. AIIB is a development bank designed to allocate funds for infrastructure projects under the New Silk Road initiative.

China has been making efforts to make the New Silk Road an initiative that is mutually inclusive and beneficial for all parties involved. For China, the benefits come mainly in the form of growth in the domestic economy through new overseas markets⁴. The project is also expected to provide China with greater energy security by providing alternate energy supply routes, including the Strait of Malacca and the South China Sea⁵. All these factors and more are drivers of the New Silk Road initiative. For China, the initiative is therefore heralded as a vital component of its economic and foreign policy.

Given the core role expected to be played by the New Silk Road initiative in the Chinese economy as well as the regional economy, this study examines Chinese college students' attitudes toward the initiative. More specifically, the study examines how Chinese college students perceive the value of the New Silk Road initiative, what benefits they consider to be most important, what risks they consider to be most serious, and whether there are any gender differences in their views.

Theoretical framework: The New Silk Road initiative is expected to have many benefits for China and the region.

First, the New Silk Road initiative is expected to motivate involved governments and parties to adopt international best practices and improve the overall investment climate for the involved region⁶. That is, the initiative may pave the way for Chinese companies to better adopt market-oriented corporate governance measures, which can strengthen their management systems. In this regard, sound corporate governance may be an important benefit.

Second, China is relatively rich in capital and labor but lack sufficient natural resource, while Central Asian countries are abundant in natural resources but lack capital and labor⁷. Therefore, the New Silk Road initiative may bring about synergy between these parties for mutually beneficial relations in the region. In this regard, synergy may be an important benefit.

Third, China's domestic and overseas investment policies have considerable influence on regional trade and economic cooperation and thus on social cooperation. In this regard, the New Silk Road initiative may bring about peace in the region through cooperation based on mutual beneficial interests and gains. Such cooperation is ultimately expected to bring about more political stability and security in the region⁸. In this regard, stability and security may be an important benefit.

Fourth, the proposed New Silk Road initiative aims to integrate China with other countries in the region through various infrastructure systems such as roads, railways, and air/sea routes. As a result, the initiative may bring about the narrowing of the economic gap in the region, further strengthening economic stability in the region⁹. In this regard, economic gap narrowing may be an important benefit.

Although the New Silk Road initiative may have many benefits for China, it can also entail some risks.

First, the New Silk Road initiative involves cooperation among a diverse range of parties, and therefore any agreements and contracts may be subject to disagreement arising from differences in their policies, regulations, interests, and goals. When such disagreement arises, it may lead not only to damage to the particular agreement or contract itself but may also spread to relations between the parties involved, defeating the core purpose of the New Silk Road initiative¹⁰. In this regard, contractual disagreement may be a serious risk associated with the New Silk Road initiative.

Second, the New Silk Road initiative involves many countries using different currencies, and therefore any exchange rate variability will affect profits and losses due solely to changes in the exchange rate¹¹. In particular, because the initiative involves multiple parties with multiple currencies, managing exchange

rate variability is expected to be a huge challenge. In this regard, exchange rate variability may be a serious risk.

Third, the New Silk Road initiative involves countries with unique laws and regulations, and therefore any changes to those laws and regulations during/after any contract may lead to contractual issues causing project delays and even cancellations¹². In this regard, legal/regulatory differences may be a serious risk.

Fourth, the New Silk Road initiative is a massive undertaking in terms of financial resources it would ultimately require, and therefore the huge financial commitment necessary may lead to huge losses if projections do not match the actual project outcomes. In this regard, financial commitment/risk may be a serious risk.

In addition to benefits and risks, the study considers gender differences in perceptions of Chinese college students toward the New Silk Road initiative since previous studies have noted significant gender differences in attitudes toward financial and economic factors¹³.

Based on the above discussion, the following research questions are addressed:

RQ1: How do Chinese college students perceive China's NSR initiative? Is there any gender difference in Chinese college students' perception of the NSR initiative?

RQ2: What benefit of the NSR initiative do Chinese college students emphasize most? Is there any gender difference?

RQ3: What risks do Chinese college emphasize in terms of the NSR initiative? Is there any gender difference?

Methodology

Participants: A total of 148 college students in China were surveyed (72 male and 76 female). All these participants were current students studying at various colleges as undergraduate students in Beijing, China, at the time of the survey.

Procedure: The questionnaire was given to the participants to complete. These students were selected randomly at several major shopping malls near universities in Beijing. A total of 200 students who were asked to participate, and 148 did so (74% response rate). The questionnaire took about 10 minutes to complete. Standard survey techniques were used, and the survey was administered anonymously (no names were asked). All participants were notified of the voluntary and confidential nature of the survey. The survey was administered from Jan. 15 to Feb. 1, 2017.

Instrumentation: One item was used to determine the gender of the participant (nominal scale). Four items were used to assess the students' attitudes toward the New Silk Road

initiative, and these four items were measured using a five-point Likert-type scale ranging from “strongly disagree” (1) to “strongly agree” (5). The internal consistency and reliability of these four items were assessed using Cronbach’s α (.776), indicating sufficient internal consistency and reliability¹⁴.

These four items were as follows: Sound corporate governance, Synergy, Stability/security, Economic gap narrowing.

For the respondents’ perception of the most important benefits of the New Silk Road initiative, each respondent was asked to select one of the following four benefits: i. Sound corporate governance, ii. Synergy, iii. Stability/security, iv. Economic gap narrowing.

For the respondents’ perception of the most serious risks of the New Silk Road initiative, each respondent was asked to select one of the following four risks: i. Contractual disagreement, ii. Exchange rate variability, iii. Legal/regulatory differences, iv. Financial commitment/risk.

Analysis: For RQ1, the means and standard deviations for the four items for attitudes toward the New Silk Road initiative

were analyzed, and the difference in means between the groups was examined through an independent-samples t-test. For RQ2 and RQ3, a chi-square test was conducted by considering four benefits and four risks, respectively.

Results and discussion

RQ1: The respondents generally had favorable attitudes toward the New Silk Road initiative. The mean was 3.3345 (SD=.80946). Table-1 shows the means and standard deviations for attitudes toward the New Silk Road initiative.

Male students (3.1875 (SD=.86272)) showed a lower mean than female students (3.4737 (SD=.73437)). The results of the independent-samples t-test in Table-2 show no significant gender difference ($t(148) = -2.177, p = .031$) in their attitudes toward the New Silk Road initiative.

RQ2: As shown in Table-3, the respondents identified synergy as the most important benefit of the New Silk Road initiative, followed by stability/security, sound corporate governance, and economic gap narrowing, in that order.

Table-1: Means and standard deviations for attitudes toward the New Silk Road.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Score	148	1.25	5.00	3.3345	.80946
Valid N (list wise)	148				
Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
Score	Male	72	3.1875	.86272	.10167
	Female	76	3.4737	.73437	.08424

Note: The higher the mean, the more favorable the perception.

Table-2: The independent-samples t-test for attitudes toward the New Silk Road.

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Score	Equal variances assumed	.922	.339	-2.177	146	.031	-.28618	.13146	-.54600	-.02637
	Equal variances not assumed			-2.167	139.641	.032	-.28618	.13203	-.54723	-.02514

As shown in Table-3, in terms of the most important benefit of the New Silk Road initiative, female respondents were most likely to identify stability/security (30.3%), followed by sound corporate governance (28.9%), synergy (25.0%), and economic gap narrowing (15.8%), in that order. On the other hand, male respondents were most likely to identify synergy (45.8%), followed by economic gap narrowing (22.2%), stability/security (19.4%), and sound corporate governance (12.5%), in that order. The results of the chi-square test for the relationship between gender and these factors show no significant relationship ($\chi^2(3) = 11.882, p=.008$). Cramer's V was .283, implying a strong relationship.

RQ3: As shown in Table-4, the respondents identified exchange rate variability as the most serious risk of the New Silk Road initiative, followed by contractual disagreement,

legal/regulatory difference, and financial commitment/risk, in that order.

As shown in Table-4, in terms of the most serious risk of the New Silk Road initiative, female respondents were most likely to identify contractual disagreement (31.6%), followed by legal/regulatory differences (28.9%), exchange rate variability (25.0%), and financial commitment/risk (14.5%), in that order. On the other hand, male respondents were most likely to identify exchange rate variability (38.9%), followed by legal/regulatory differences (23.6%), contractual disagreement (20.8%), and financial commitment/risk (16.7%), in that order. The results of the chi-square test for the relationship between gender and these factors show no significant relationship ($\chi^2(3) = 4.380, p=.223$). Cramer's V was .172, implying a strong relationship.

Table-3: Most important benefits of the New Silk Road by gender (N, %)

			Benefit				Total
			Sound corporate governance	Synergy	Stability/security	Economic gap narrowing	
Gender	Male	Count	9	33	14	16	72
		% within gender	12.5%	45.8%	19.4%	22.2%	100.0%
	Female	Count	22	19	23	12	76
		% within gender	28.9%	25.0%	30.3%	15.8%	100.0%
Total		Count	31	52	37	28	148
		% within gender	20.9%	35.1%	25.0%	18.9%	100.0%

Table-4: Most serious risks of the New Silk Road by gender (N, %).

			Function				Total
			Contractual disagreement	Exchange rate variability	Legal/regulatory differences	Financial commitment/risk	
Gender	Male	Count	15	28	17	12	72
		% within gender	20.8%	38.9%	23.6%	16.7%	100.0%
	Female	Count	24	19	22	11	76
		% within gender	31.6%	25.0%	28.9%	14.5%	100.0%
Total		Count	39	47	39	23	148
		% within gender	26.4%	31.8%	26.4%	15.5%	100.0%

Discussion: Given the core role expected to be played by the New Silk Road initiative in the Chinese economy as well as the regional economy, this study examines Chinese college students' attitudes toward the initiative. More specifically, the study examines how Chinese college students perceive the value of the New Silk Road initiative, what benefits they consider to be most important, what risks they consider to be most serious, and whether there are any gender differences in their views.

The respondents generally had favorable attitudes toward the New Silk Road initiative. Male students (3.1875 (SD=.86272)) showed a lower mean than female students (3.4737 (SD=.73437)), implying that female students were significantly more likely to show favorable attitudes toward the New Silk Road initiative. In terms of the most important benefit of the New Silk Road initiative, the respondents identified synergy as the most important benefit of the New Silk Road initiative, followed by stability/security, sound corporate governance, and economic gap narrowing, in that order. Female respondents were most likely to identify stability/security (30.3%), followed by sound corporate governance (28.9%), synergy (25.0%), and economic gap narrowing (15.8%), in that order. Male respondents were most likely to identify synergy (45.8%), followed by economic gap narrowing (22.2%), stability/security (19.4%), and sound corporate governance (12.5%), in that order. In terms of the most serious risk of the New Silk Road initiative, the respondents identified exchange rate variability as the most serious risk of the New Silk Road initiative, followed by contractual disagreement, legal/regulatory difference, and financial commitment/risk, in that order. Female respondents were most likely to identify contractual disagreement (31.6%), followed by legal/regulatory differences (28.9%), exchange rate variability (25.0%), and financial commitment/risk (14.5%), in that order. On the other hand, male respondents were most likely to identify exchange rate variability (38.9%), followed by legal/regulatory differences (23.6%), contractual disagreement (20.8%), and financial commitment/risk (16.7%), in that order.

Conclusion

These results suggest that, although the New Silk Road initiative has benefits, they may also entail some risks. Because the perception of the public is an important factor in any public investment projects, the results suggest that the Chinese government should carefully consider not only the benefits but also the risks entailing its New Silk Road initiative to minimize unfavorable perceptions and maximize its adaption.

This study has some limitations. The sample included only college students in Beijing. However, attitudes may vary across various regions across China as well as across age groups and professions. In this regard, future research should consider a larger sample and a wider range of age groups as well as backgrounds and locations.

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