

Editorial

# Editorial for the Special Issue on “The Belt and Road-Risks and Financial Management Issues Faced by Enterprises’ Internationalization”

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In recent years, deglobalization and protectionism have been prevalent in different regions of the world (Evenett 2019; Prashantham et al. 2018) as a result of the anti-globalization stance of Donald Trump and of Brexit as supported by Boris Johnson. In contrast to Trump’s statement that protection will benefit the country and local workers, the president of China, Xi Jinping, issued a clarion call to the world to embrace economic globalization. Before joining the World Trade Organization in the early 2000s, China had long been known as a country that was reluctant to trade with others, whereas the United States was considered a free and open country that led the free trade of the world. The switching of positions between China and the United States will change the academic focus on international trade in relation to the United States to China. A fiercely debated topic is a Chinese national hallmark: The Belt and Road Initiative (BRI).

The BRI is a development strategy and framework consisting of two main components: the land-based “Silk Road Economic Belt” and the ocean-based “Maritime Silk Road” (Du 2016). It relies completely on the existing dual and multilateral mechanisms of China and relevant countries, as well as the assistance of existing and effective regional cooperation platforms. The BRI aims to borrow the historical symbols of the ancient Silk Road, hold high the banner of peaceful development, and actively develop the economic partnerships of countries to create a community of interests, of destiny, and of responsibility for mutual political trust, economic integration, and cultural inclusion.

Based on the BRI strategy, Chinese companies have invested significantly in Asian and African countries. More than 130 countries or regions have signed deals with China for Chinese investment in their railways, roads, ports, and other infrastructures. Even if most of the countries in the BRI areas are still developing, this strategy could cover economic areas representing about 65% of the world’s population and 40% of the global GDP (Li 2019). In addition to the registered regions in the BRI, countries from other areas could also participate in the BRI strategy. Although the strategy has led to significant achievements in terms of market access, resource access, positive political impact, and technology know-how, it continues to receive much criticism. Detractors have argued that the Chinese BRI is similar to the United States’ Marshall Plan after WWII (Bin 2018) in that it has not only an economic impact but also a political one. Therefore, the United States, Europe, and India have decided not to participate in the initiative, accusing China of trying to influence other countries and become a geopolitical superpower (Ayres 2017; Blanchard and Emmott 2019).

The BRI has been introduced as a new concept for internationalization in the past decade, and international risk management is an essential aspect worth to explore. Many organizations and countries have participated in the BRI; it is intensely practiced and covers different aspects such as technological, economic, political, and cultural risks.

There are several regulatory challenges the BRI must address in terms of dealing with the Chinese government because the aim of the initiative is to improve the economic performance of countries in BRI regions through alliances with the Chinese government and companies. General rules for the BRI can be derived from globalization, including foreign direct investment, international business alliances, political impact, and long-term horizons, while encouraging companies to minimize costs and potential risks accompanying their development. The sustainable use and allocation of resources require appropriate strategies that efficiently meet local needs. Despite relevant international agreements on risk management, this has not been successfully achieved in developing markets.

Although the BRI is a new business approach aimed at improving corporate performance and growth rate, it requires strategic management and efficient implementation according to local market conditions. Knowledge of the BRI and its processes is the key to creating competitive advantages for a corporation. The BRI is expected to enable small- and medium-sized enterprises (SMEs) to access and expand new markets as well as increase productivity and profitability across the value chain under partnerships with Chinese enterprises. Although the success of firm performance depends on country-specific factors such as market conditions, entrepreneurial capability, public infrastructure, and cultural norms and values, it is also increasingly subject to external influences such as foreign direct investment, international business alliances, and global research and development. To help SMEs cope with different types of risks, companies should have different actors working together efficiently and in a systematic way.

Because the BRI involves many countries, companies need to consider new strategies under global policies and regulations, given that they will face more risks and more complex financial management problems. This special issue will explore similar risks and problems. Our proposed research topics include big data management, competitive risk, credit risk, debt default risk, investment return risk, investment security risk, market risk, operational risk, risk analysis, risk modeling, and project risk management. This special issue not only has excellent practical significance but can also provide a reference for future related research. It has a particular focus on the risk perspective of BRI and how risks can affect companies' strategies. We want to generate new insights on international risk management and provide strategic approaches that can be applied from new theoretical perspectives.

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