Will Kickey writes: March 31 marked the deadline for charter founders to line up for the new China-led Asian Infrastructure Investment Bank, 亚洲基础设施投资银行, or AIIB initiative. At the last moment Norway, Taiwan and others rushed to find the good graces of the Chinese opportunity. Many countries seek Asian influence, and Washington has been miffed by Chinese rejection of its traditional actors – the World Bank, the International Monetary Fund and the Asian Development Bank. The US and Japan, initially cool but now perhaps contemplating some eventual partnership, will remain on the sidelines.

A Chinese proverb says "they sleep in the same bed but dream different dreams." The AIIB founding members are a diverse group with a range of investment agendas:
South Korea, marginalized in the Asian Development Bank, and despite US misgivings, expects to take a stake of upwards of 5 percent in the AIIB. With it heavy equipment industry, Hyundai, Doosan and infrastructure prowess in everything from roads to ports to bridges with GS, Hanwha and POSCO, South Korea will not play second-place against Japanese industry.

Australia, another country the US had leaned heavily on not to join, counts China among its main export markets for coal, copper and iron ore through its mining giants BHP, Rio Tinto and Leighton – creating the industrial might for major infrastructure projects.
The United Kingdom, the first major EU country to clamor for AIIB membership, mystified Washington by keeping it out of the loop during secret negotiations. While the UK's major interests in accomodating China are unclear, it undoubtedly hopes to regain Asian influence lost after the handover of Hong Kong in 1997.
Switzerland, Germany and France no doubt seek to market their engineering and technical skills via an ABB, Thyssen or EDF to any big-scale infrastructure projects in Asia for water, power plants or electrification.
In short, a new development bank with China's financial support via its $4 trillion in reserves is too big to pass up.
For South Korea, Australia and the UK, a development bank with China's financial support is too big to pass up.
A main question regarding the new Chinese initiative is will it be effective or merely an iconoclast offset to established western development interests? The Chinese development model of technology transfer and infrastructure development, including highways, ports, railways, has brought millions out of poverty and into a middle class existence. Exporting this model, and not just labor-intensive manufactured products to western nations, could prove the next leg up in China's ascent as a credible, newly emerging superpower.
Of course, skepticism abounds. In fact, the US stated "We are wary about a trend toward constant accommodation of China, which is not the best way to engage a rising power." Oddly, these words are reminiscent of the heated 1944 economic maneuverings at Bretton Woods between British economist John Maynard Keynes and US technocrat Harry Dexter White. The British system was in decline, the rising actor of the United States was challenging pound sterling supremacy that the British Empire did not want to relinquish. Yet, as the Guardian pointed out in 2014, "Strategically, the United States cannot keep on shoring up an obsolete economic order in Asia."

Asia is in need of approximately $800 billion in infrastructure per year. However, investment today is not merely defined in financial capital, but also human capital. The IMF and the World Bank have demonstrated human capital effectiveness perhaps too well, with a deep bench of talent, gathered from much of the developing world, and now in need of reform. Perhaps no other organizations have such an agglomeration of financial, economic and legal knowledge to work with on hand for their many projects, most no doubt politically mandated and recently geared towards European "rich-country" challenges including Greece and Ukraine.

Asia is in need of near $800 billion in infrastructure per year. China's model of development is "one size fits all."

The Chinese model of development has been traditionally a "one size fits all" straightjacket due industrial planning and state-sponsored enterprises that tend to ignore such matters as human and labor rights, and the environment. It is capital-intensive investment, with an engineering mindset intensely focused on processes and physical results.

These are not minor concerns in formation of a new regional investment bank. Domestically, China's one-party state brooks no dissent regarding labor-related protests, equitable pay, air pollution or other industrial project environmental concerns. Acidic smog in major Chinese cities is off the charts with health concerns taking a backseat to full-speed growth, mostly due to burning coal for steel production and electricity generation. The Three Gorges Dam, 长江三峡水利枢纽工程, was planned and mandated from Beijing, without significant local input. Historical sites were submerged, some aquatic species, such as river dolphins, destroyed, and villages relocated without debate and many not receiving promised compensation in return in the process. Recent chemical and refinery spills in major Chinese rivers such as the Hei and Yellow rivers have poisoned many.

The overall track record is not good.

Sri Lanka and perhaps Nicaraguaga can serve as international examples. In the former, Chinese investment in a costly port and useless airport was approved under former Sri Lankan President Mahinda Rajapaksa for his hometown, Hambantota, a non-strategic location. Such projects were no doubt to pave inroads for a larger Chinese presence in South Asia, but proved costly for Sri Lanka. Newly elected leader Maithripala Sirisena has sought to renegotiate or cancel them, despite Beijing's objections. In Nicaragua, large-scale Chinese investment would no doubt be the driver of a second canal across the pan-American isthmus. If the Three Gorges dam were any benchmark, the project's outcome could prove controversial: a technological marvel, but wracked with social and environmental concerns.

Perhaps the best outcome for the Chinese-led AIIB is transparency and cooperation, yet the venue and leadership could be "All China."

If negligent behaviors are tolerated in new infrastructure projects in, say, dams for Cambodia or electrification in Mongolia for political reasons, the AIIB could garner negative media treatment in a socially connected world, which would only reaffirm US critiques for western, not Asian-led, investment actors who enforce high standards. Any capital intensive infrastructure project must be handled carefully, and planners must consider that we all share an interconnected world, where problems cannot simply be swept under the carpet. Domestically, China is now tackling problems such as smog and corruption more aggressively, but whether or not these politically mandated initiatives influence regional thinking with needed investment projects in less developed countries such as a Laos or Bangladesh remains to be seen. Nonetheless, these regions could receive immense benefits learned from China's infrastrucure "Great Leap Forward." Perhaps the best outcome to a Chinese-led AIIB is transparency and cooperation among all actors. Yet, the venue and leadership must be seen as "All China" in substance and form. Asia is now the "pivot," and with so many countries signing on, population giants such as India and Indonesia, should be institutionalized in their roles, perhaps with an Indian director of the AIIB, based in Jakarta, the world's second largest metro area. Such moves would seal greater cooperation with the two. China has stated that while open to other venues, Shanghai is its preferred choice.

The key takeaway is that success of the AIIB will not be solely defined in capital largess and engineering excellence. It must incorporate and embed human-capital development and social issues in its processes and, perhaps most importantly, address environmental and natural resource concerns of our shrinking planet. Only then will the bank and all its development projects have real legitimacy and value.