

A nighttime photograph of a city skyline, likely in China, featuring several illuminated skyscrapers and a complex highway interchange with light trails from traffic. The scene is captured from an elevated perspective, showing the density of the urban environment.

A New Opportunity In EU-China Security Ties: The One Belt One Road Initiative

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Abstract

China's Silk Road Economic Belt and 21st-Century Maritime Silk Road initiative aims to connect Asia, Africa, Europe, and their near seas. The purpose of this study is to examine whether it would be beneficial for the European member states to invest in a common response strategy to the One Belt One Road, as opposed to engaging this initiative primarily at the national level. After exploring how the EU's deteriorating security environment has caused member states to attach more importance to maintaining the EU's defence and power projection capabilities, the paper turns to the strategies currently employed to gain more influence over security matters in East Asia. Upon examination, it is shown that three out of four approaches hold little promise of progress. (1) Engagement with ASEAN will only reach its full potential when its integration process is completed, (2) expanding consultations with the US might lead to the perception of a 'dependent' Europe and loss of neutrality, and (3) a lack of hard power means that the EU is often not taken seriously as a security actor when participating in regional forums. The remainder of the paper explores the opportunity that has surfaced with regards to the fourth approach: utilising the EU's strategic partnerships in Asia. Under the definition contained in Xi Jinping's New Security Concept stating that 'development equals security', China's One Belt One Road initiative can be conceptualized as both the most ambitious infrastructure and security initiative today. It is argued that if Europe works with China in the framework of their strategic partnership to align, among others, the planned restructuring of its European Neighbourhood Strategy, as well as projects included under its European Maritime Security Strategy and Partnership Instrument to link in with the Belt and Road projects, this would entail a true added value for the EU. Doing so will enable members states to not just compete for the benefits of increased Chinese investments on their own territories, but embed China's initiative in their own strategic goal of gaining a larger security footprint in the Asian region

Keywords: Silk Road Economic Belt and 21st-Century Maritime Silk Road, One Belt One Road, Sino-European Strategic Partnership, European security interests.

欧盟—中国安全关系的新契机：“一带一路”

摘要

中国的“丝绸之路经济带”和“21世纪海上丝绸之路”旨在连接亚、非、欧及其近海。本研究的目的是探讨欧盟成员国集体投资并共同响应“一带一路”的策略是否比以国家身份参与投资更有益处。

本文首先分析了欧盟日益恶化的安全环境已经导致成员国更加重视维护欧盟的防御和力量投射能力，然后讨论了欧盟为了扩大针对东亚安全事务影响力的现行策略。通过分析我们发现，目前所采用的四种策略中，有三种都很难有所成效。（1）只有在东盟完成整合之后，参与东盟才可能充分发挥其潜力；（2）扩大与美国之间的磋商可能会给人以“依赖性”的欧洲的印象，并丧失其中立性；（3）硬实力的缺乏意味着，欧盟在参与地区性的论坛时，会经常不被重视为安全事务上的有力参与者。

本文接着探讨了第四种策略的可能性，即利用欧盟在亚洲的战略伙伴关系。根据习近平的新安全观中所指出的“发展就是安全”，中国的“一带一路”可以看作是现今最具抱负的基础设施和安全战略。本文认为，如果欧洲与中国能在其战略合作伙伴关系框架下展开合作，以调整其“欧盟邻国政策”以及“欧洲海洋安全战略”和“伙伴关系工具”所包含的计划，并与“一带一路”相对接，那么这将给欧盟带来真正的附加值。这种策略不仅能使欧盟成员国竞争到通过增加中国对其投资所带来的利益，也能使中国的“一带一路”与自己的战略目标相融合，得以在亚洲地区绘制出更大的安全图景。

关键词： 一带一路, 中欧战略伙伴关系, 欧洲安全利益

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1. Introduction

The EU's 'mental shift' regarding defence spending

In security terms, the year 2014 might just end up being a 'game changer' for the European Union member states.¹ Months of mounting unrest in the EU's neighbouring regions and the shocking terrorist attacks within its borders drove home the uncomfortable truth that trade and commerce do not always foster peace, not everyone is willing to play by the European rules, and that violence remains a currency in the Union's greater neighbourhood.² Challenges to the European security order including Russia's annexation of Crimea, the terrorist attacks in Paris on the satirical magazine Charlie Hebdo, the migrant crisis unfolding at Europe's southern shores and the humanitarian crisis in Syria have made clear the challenge of increasing the Union's security capacities. In September 2014, European leaders signed a pledge to 'halt any decline in defence expenditure [and] aim to increase defence expenditure in real terms as GDP grows.'³ Although these are no shocking numbers –and many member states have yet to reverse the downward trend in their defence budgets- the significance of this commitment to increase defence spending should not be understated. European defence spending has been on the decline for almost two decades, and public spending is still reeling from the impact of the 2008 financial crisis. That the member states chose not to overburden their already feeble economies with high defence expenditures during the crisis years should come as no surprise, but even when economies gradually started growing again, defence spending remained a low political priority and the downward trend continued (see figure 1).⁴ In this light, the NATO benchmark is a clear indication that European member states have made a 'mental shift' with regards to defence spending. They realize the challenges posed by the deterioration of their security environment, and show new political will to shore up their security capacities. Of course, defence spending is only part of the solution. The next step for the EU is to identify Europe-relevant security risks and devise an appropriate response.

One of these security risks is the situation in East Asia, where growing strategic tensions, as well as a range of non-traditional security challenges such as food security, environmental degradation, energy security and terrorism worry European leaders that negative spill-overs of instability might hurt EU

¹ For the sake of legibility, in this paper 'European Union', 'EU', 'the Union', and 'Europe' will be used interchangeably, and can always be taken to refer to the European Union.

² In official European documents the EU greater neighbourhood is indicated as countries falling under the European Neighbourhood Policy (Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestine, Syria, Tunisia and Ukraine) and Russia, with whom relations are governed under a strategic partnership framework.

³ De France, 2015. The pledge was made during the NATO summit in Newport, Wales. Ostensibly, the EU's American partners are worried about the decreasing defence capabilities in Europe at a time when the US is diverting some of its attention to other regions and the EU security environment is deteriorating.

⁴ Wolf, 2015 & De France 2015

interests. The EU wishes to become a more active security player in this region so as to enlarge its capacity to influence how these threats and tension will play out. This paper hopes to make a contribution to the larger discussion of how Europe can best propagate its security interests in Asia, by arguing that the Chinese ‘One Belt One Road’ infrastructure building initiative provides a window of opportunity for the EU. Engaging the Belt and Road would mean the EU could link in with and aid the development of an Asia-wide security network. Doing so will allow it to embed the initiative in its own broader strategic security goals. By outlining the costs and benefits of engaging the One Belt One Road initiative on the EU rather than the member state level, the paper aims to give this policy suggestion more exposure, thereby helping the EU to consider the whole array of possible responses before committing to one course of action.

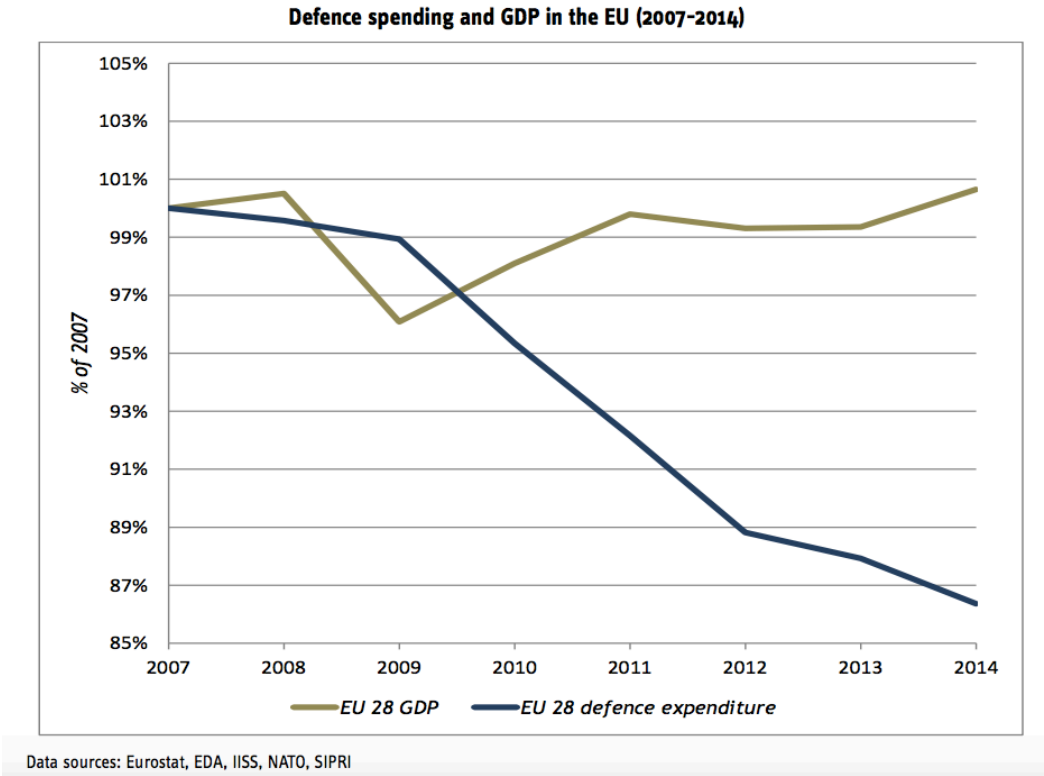


Figure 1. Source: De France, 2015

The East Asian Security environment: relevant for the EU

Although every year the vast majority of the EU's security and defence budget is allocated to projects focussing on the Union's greater neighbourhood (with African states securing the second largest sum⁵), a region that has been drawing increased political and economic attention is East Asia. This is largely motivated by Europe's extensive trade and commercial interests in the region, coupled with the realisation that negative spill-overs of instability caused by both traditional and non-traditional security threats would be noticeable all the way to Brussels. As EU High Representative Federica Mogherini explicated during her visit to Peking University the 6th of May 2015: *'Tensions on this side of the world are not indifferent to us. They might also bring insecurity and instability in other parts of the world.'*⁶

Before the Eurozone financial crisis, Brussels' main focus was on its economic relationship with China.⁷ In 2011 and 2012, however, with the euro teetering on the edge of collapse, Europe broadened its Asia policy. It recognized the need to strengthen both economic and financial cooperation with Asian governments. At the same time, the growing strategic tensions in East Asia and unrest in the EU's own neighbourhood exemplified the need for more meaningful security cooperation.⁸ During 2011 and 2012, the Union thus made its own modest 'pivot to Asia', declaring 2012 its 'year of Asia.'⁹ The EU High Representative at the time, Catherine Ashton, declared that *"Developing our relations with Asia across the board is a major strategic objective."*¹⁰ In a policy document entitled *Guidelines on the EU's Foreign and Security Policy in East Asia* the EU upgraded its East Asian policy guidelines to put more emphasis on geopolitical and security questions. The document embodies the European desire for a more consequential security role that will enable Brussels to protect EU interests that are intertwined with the well and woo of the Asian region. In the same spirit, Ashton made her first appearance at the ASEAN Regional Forum (ARF).¹¹ Both European and Asian governments also put noticeably more effort into the biennial Asia-Europe Meeting (ASEM) summit.¹² In that same year, Ashton signed a joint statement with then secretary of state Hillary Clinton promising transatlantic dialogue on Asian security and increased cooperation on maritime security. The statement confirmed that high-level US-EU dialogue on the Asia-Pacific region would be continued at the political and senior officials level.¹³ In the High Representative's Shangri-la Dialogue speech in 2013 –her first time to address this body- Ashton outlined the EU's new security ambitions for the Asian region. She stated that the EU was committed to being a security partner to Asia, with a 'unique

⁵ EUISS, 2015

⁶ Mogherini, 2015

⁷ Young, 2015

⁸ Young, 2015

⁹ Young, 2015

¹⁰ EASS, 2012

¹¹ Young, 2015 & European Council, 2012

¹² Friends of Europe Policy Briefing, 2012

¹³ U.S. Department of State, 2012

comprehensive approach' interested 'not in projecting power but in empowering.'¹⁴ During her speech she emphasised a range of non-traditional security concerns that are shared between the Union and Asian countries, such as climate change, energy security, non-proliferation and terrorism (she put noticeably less focus on traditional security concerns however, presumably because the EU holds little capacity in this area). Ashton believes a European presence in the East Asia Summit (ASEM) would be conducive to establishing a 'long lasting' EU-Asian security partnership, and underlined the EU 'looks forward to the prospect of joining.'¹⁵ As of the first half of 2015, however, the EU is not yet a member.

The EU's security presence in East Asia

In reality, the European Union hardly maintains a security presence in Asia, (feeling the need to concentrate its resources on conflicts closer to home) and the internal turmoil concerning a potential 'Brexit' (the United Kingdom exiting the Eurozone) or 'Grexit' (Greece exiting the Eurozone), combined with member states' tendency to break rank when national interests are at stake, undermines the EU's credibility as an international actor. Federica Mogherini acknowledged this challenge during her October 2014 inaugural hearing in the European Parliament, noting that while Europe is now convinced of Asia's strategic importance, Asian countries are not fully convinced that Europe matters to them strategically.¹⁶ The EU is still seen as a mainly humanitarian and development actor. It features in countries' economic and technological strategies, not as a security partner.¹⁷ The bottom line is that Europe is feeling increasingly vulnerable to an Asian security environment that it has only limited means to influence. If it does not increase its relevance, by outlining a clear EU security strategy vis-à-vis the region and increasing its tangible, consequential and visible security cooperation with Asian governments, it runs the risk of being seen as irrelevant and consequently instrumentalised by either the US or China for these nations' own strategic purposes.¹⁸

Barely anyone, not even in Europe, believes that Europe will become a great Pacific power. Nevertheless, it is not as helpless as some critics like to argue.¹⁹ Europe is not altogether absent from

¹⁴ Young, 2015 & Ashton, 2013

¹⁵ Ashton, 2013

¹⁶ Young, 2015

¹⁷ Wang, 2015

¹⁸ Wang, 2015

¹⁹ For some Chinese critical views see:

C. Zhao, 欧盟的中东北非政策评析 [EU MENA Policy Review].

Y. Fang, '北非中东政局对欧盟的挑战及欧盟的政策应对' [The EU's Policy responses towards the Challenges in North Africa and the Middle East]. 当代世界, 1, 2011

W. Sun. '欧盟担忧被停供天然气在制裁俄罗斯处境尴尬' [Europe Concerned about Gas Supplies Being Stopped after Sanctions put Russia in an Embarrassing Situation], 北京青年报 [Beijing Youth Daily], 28 March 2014.

R. Huang. 2014年2月国际形势大事述评 [Review of the International events in February 2014], International Department of the Communist Party, April 2013: <http://www.idcpc.org.cn/globalview/sjzh/1403-4.htm>

J. Wang, '克里米亚大局已定,美国制裁没用' [The General Conditions of the Crimea are Already Decided,

Asia. The Union has started to take Asian security seriously and is exploring a number of areas where its contribution might be useful. Some of its member states are among the main defence technology providers in the region and substantially contribute to the development of Asian countries' armed forces. This is hardly ever acknowledged, in part of course because the competition for these contracts is largely commercial, not strategic, and European member states compete amongst themselves and with their American counterparts to obtain them, but it still warrants mention.²⁰ Furthermore, although the US remains the undisputed principal security actor in Asia and 'security' is still viewed very much in terms of territorial integrity and sovereignty, there is a growing awareness of the threats posed by non-traditional security issues such as terrorism, human trafficking, financial stability, pandemics, or climate change. With a lack of 'neutral' hard power (NATO's reputation as a largely US-controlled body makes it unfit for this role) this is good news for the EU. It increases opportunities for the Union to become more involved in the region beyond economics and trade.²¹ Europe does not have the resources in hard power to make a true difference in the traditional security realm, but in the field of non-traditional or 'soft' security its technological and practical know-how -as well as its experience with post-war dispute resolution and regional integration- could make a meaningful contribution in a region already brimming with hard politics.

A new opportunity for EU-China security ties

The 2012 *Guidelines on the EU's Foreign and Security Policy in East Asia* outline how European Union can give shape to a more coherent and focussed common foreign and security policy in East Asia. The document indicates four broad strategies aimed at intensifying the EU's exchanges with the region's key players. First of all, the EU hopes to make full use of its strategic partnerships in the region, including that with Korea, Japan and China. A second approach is aimed at deepening engagement with ASEAN, aiding its integration process through policy dialogues and support for its institutions. A third inroad to Asia is conceptualized as developing the EU strategic dialogue on East Asia with the US. Finally, the document calls for the EU to deepen its cooperation with the countries in the region both in regional (mainly via ASEAN) and global forums, such as the UN and the WTO. On a more economic footing the Council calls for expanding the EU's network of Partnership and Cooperation Agreements (PACs) and Free Trade Agreements (FTAs).

Taking up stock in the second half of 2015, it is clear that three out of four approaches described in the 2012 Guidelines hold little promise of progress in the short term. Engagement with ASEAN will only reach its full potential when its integration process is completed, and the time-frame for this is still rather long-term. Expanding consultations with the US might lead to the perception of a 'dependent'

Sanctions are Useless], [Global Times], 15 March 2014.

²⁰ Grare, 2012

²¹ Hwee, 2014

Europe and loss of neutrality combined with the risk of getting entangled in a zero-sum competition with China if tensions regarding the Taiwan Strait or the South China Sea were to escalate. A lack of hard power and tangible strategic presence in Asia means that although the EU might have been able to secure a table at some of the regional forums (such as the Asian Regional Forum (ARF) and the South Asian Association for Regional Cooperation (SAARC)), and can try to engage Asian nations in the global forums they both partake in, they are often not taken seriously as a security actor. The only part of the strategy that is ostensibly moving forward is its economic dimension. The EU FTA network and PACs are indeed expanding. However, if the Union truly wants to move on from being perceived mainly as a economic and humanitarian player, this will not be enough to reach their goal.

A new opportunity in EU-China security ties, however, gives EU member states a chance to make progress on the first engagement strategy they outlined: through their strategic partnerships. The opportunity in question is called *The Silk Road Economic Belt and the 21st-Century Maritime Silk Road* (One Belt One Road). China has announced its intention to fund a wide range of infrastructure projects aiming to connect Asia, Africa, Europe, and their near seas. The initiative was first proposed by Xi Jinping in 2013 and has kept gaining momentum since. Beijing hopes that by aiding the development of neighbouring states China can secure the peace and stability necessary for its own continued growth. Although the initial focus will lie on countries in China's vicinity, the ambitious plan is set to eventually reach the European mainland. With the One Belt One Road, China has not only led the process of regional integration onto the fast-track but is also positioning itself as the main security provider of the region, vis-à-vis Japan and the United States: In May 2014, in a move clearly meant to be related to the One Belt One Road, Xi Jinping proposed a 'New Security Concept' for the Asian region. One of the pillars of the concept states that 'development equals security', meaning that for anyone buying into this new conceptualisation, the One Belt One Road is the largest security initiative in Asia today.²²

National or EU-level engagement

Beijing has repeatedly stated that European countries have much to gain economically by supporting these new projects, not in the least because the new infrastructure will facilitate trade flows between the European and Chinese markets. It seems clear at this point that the Xi Jinping administration intends to position the One Belt One Road initiative, alongside the newly founded Asian Infrastructure Investment Bank (AIIB), at the centre of their foreign policy.²³ The Chinese leadership is committed, and regardless of Brussels opinions, the new Silk Road is coming to Europe.

Already Chinese FDI has been flooding in. Although it currently comprises less than 1% of the total European FDI stock, Europe has been the fastest growing destination for Chinese investment since

²² China Brief, 2014 (anonymous author) & Xi, 2015

²³ Pantucci, 2015

2008. According to a 2014 estimate, Chinese outward FDI could reach between one and two trillion dollars by 2020, and about a quarter of this amount would be directed at Europe.²⁴ Chinese state owned enterprises (SOE's) are showing a distinct appetite for infrastructural facilities that could help with building up chains of influence and distribution channels within the EU. The examples include ports, (such as Piraeus in Greece, Rijeka in Croatia), airports (Parchim airport in Germany), railways (in Hungary and Slovenia) and the UK Thames Waterworks.²⁵

At the national level individual member states are enthusiastically competing against each other to win the favour of Chinese investors, but some European leaders are feeling uneasy about the Chinese participation in and takeover of European companies. EU commissioner Michel Banier, for example, already in 2010 proposed to establish a new authority that would have the power to block foreign takeovers of EU strategic businesses to protect the EU's advanced technology.²⁶ The One Belt One Road initiative will entail both larger, and more coordinated Chinese FDI targeting European markets. The EU can choose to allow each member state to formulate its own response to these Chinese advances, or to collectively 'reach back' to China, for example by coordinating the already planned restructuring of the European Neighbourhood Policy with the One Belt One Road projects. Other potential areas of engagement are projects falling under the European Maritime Security Strategy. Initiated in 2014 it is the most comprehensive EU security strategy to date and specifically calls for enhancing the EU's role as a security provider in its neighbourhood.²⁷ Another candidate would be the Partnership Instrument, a non-traditional security policy tool aimed at facilitating cooperation with third countries on projects furthering European global goals.²⁸ A collective response would put the 28-strong Union in a much better negotiation position, and holds the potential to increase cooperation with China in the framework of the hitherto rather lacklustre Sino-European strategic partnership. By choosing this approach, the EU could contribute to security and stability in Asia both by utilising its economic weight to invest in infrastructure networks that could meet the Chinese ones halfway Central Asia, as well as put its practical experience with regional integration and non-traditional security capabilities to use. Linking in with a broader Asian security network in the making might increase its ability to affect security and stability in Asia, thereby protecting its own interests. While the EU has yet to make a concerted response, individual member states are already seriously considering China's offer, and their recent domino-like ascendance to the AIIB might have made the threshold for 'opting in' even lower.²⁹ Nevertheless, when it comes to international affairs the EU's strength truly lies in its unity, and apart from the potential benefits of investment member states are now seeing, China's Silk Road also comprises large risks for the Union.

²⁴ Meunier, Burgoon and Jacoby, 2014

²⁵ Zhang and Bulcke, 2014 & Meunier, Burgoon and Jacoby, 2014

²⁶ Zhang and Bulcke, 2014

²⁷ Landman, 2015

²⁸ EUISS YES, 2015

²⁹ Ekman, 2015

One of these risks lies with a new Chinese initiative on European soil. In 2011, China launched the '16+1', a new forum for cooperation with Eastern and Central European (CEE) countries. Eleven EU member states (Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia) and five EU candidates (Albania, Bosnia and Herzegovina, Macedonia, Montenegro, and Serbia) are included. Although these countries are vastly different both culturally and religiously, they are united in their quest for Chinese investment.³⁰ As formerly communist states they can also boost some common historical experience with the PRC. By thus partnering up with the CEE countries, China has expanded its 'greater neighbourhood' to include almost half of Europe. Chinese diplomats have been careful to explain that the 16+1 in no way aims to supplant Brussels' authority, but rather seeks to complement it. However, the eleven EU countries put together could amount to quite the formidable pro-China lobby and in this capacity influence EU policies from within.³¹ Last December, Li Keqiang visited Europe and announced a \$3 billion investment fund "*to ease access to funding for projects in central and eastern Europe (CEE), including those related to infrastructure and energy*".³² Chinese media hailed the investments as "a blessing for CEE countries, which were alerted by the 2008 economic crisis to their over-reliance on Western Europe' and the 16+1 framework as a kick-starter for slow economic growth in these countries."³³

The bottom line: the Silk Road is on its way, and if Europe does not respond in time, China will engage the European member states on the national level. Whereas individual member states will undoubtedly be capable of securing further Chinese investment for their individual economies, a common-vision and strategy with regards to the One Belt One Road might allow the Union to use the Silk Road to its advantage. Rather than being a passive recipient, a strategy aimed at 'reaching out' to the Chinese projects by aligning its own ENP, EUMSS and PI projects with it, means the EU can attempt to work together with China under their strategic partnership framework and incorporate the Belt and Road in its own wider attempts to become a more active security actor in Asia.

³⁰ Fallon, 2014

³¹ Fallon, 2014 & Meunier, 2014

³² Ekman, 2015

³³ Ekman, 2015

Relevance of research

The Chinese leadership has staked its reputation on the success of the Silk Road Economic Belt and the 21st Century Maritime Silk Road and the European Union would do well to take them seriously. Even if the Asian Infrastructure Investment Bank will become less consequential for the funding of the Belt and Road than predicted, China still has additional funding tools to turn to, such as the \$40 billion ‘Silk Road Fund’ established in 2014. The Silk Roads, both maritime and land-based, are heading for Europe, and due to the novelty of the initiative there is a dire lack of academic work exploring the costs and benefits of different engagement strategies Europe could adopt.

Judging by the *Vision and Actions on Jointly Building the Silk Road Economic Belt and 21st –Century Maritime Silk Road*, -currently the most detailed blueprint of the Belt and Road released by the Chinese government-, the plan is to first focus on those infrastructure projects closer to home that could yield tangible results early on, so as to solidify international support for the Belt and Road projects. This provides Europe with a small time frame to make up its mind and devise an appropriate response with regards to the Chinese plan. First and foremost it needs to consider whether it wants to engage the new Silk Roads on the national or European level. A national engagement strategy would leave member states with more freedom to compete for investments and would be less costly. Engagement on the European level, however, might allow the Union to embed the initiative in its own wider strategic plans for the Asian region. This opportunity would be lost if the national engagement approach is chosen. The European Institute for Security Studies has published a small number of short papers regarding the Belt and Road initiative. One of these papers mentions the potential benefits of a concerted European response to the Silk Roads, but as of yet this opportunity has been scarcely explored.³⁴ This paper examines the different dimensions of this choice and provides suggestions for how a decision for a European engagement strategy might be acted upon.

³⁴ EUISS Alert, 2015
EUISS Brief, 2014
EUISS Brief, 2015

Research questions

Main question

Would it be beneficial for the European Union to spend resources on devising a common strategy vis-à-vis the ‘Silk Road Economic Belt’ and the ‘21st Century Maritime Silk Road’ as opposed to bilaterally engaging with China on this topic?

Sub questions

1. Is there actually enough of a ‘body’ for the EU to engage with? There is as of yet no ‘One Belt One Road’ forum, rendering engagement a potentially largely Sino-European affair. This would run counter to the European leitmotif (since 2012) ‘beyond trade, beyond China’.
2. Is allowing large-scale Chinese FDI into Europe a security threat?
3. Taking into account that Europe does not officially recognize the Chinese New Security Concept stating that ‘development equals security’, does the One Belt One Road initiative comprise enough of a security dimension to help enlarging the European security footprint in the region?
4. Would it be harmful to the credibility of the United States as a security actor in the Asian region if Europe decides to engage fully with the One Belt One Road initiative?
5. Chinese investments and aid are based on non-intervention/non-conditionality. But human rights promotion is a cornerstone of the EU’s foreign policy. Can it work with China on the One Belt One Road initiative and reconcile the two?
6. Now that Russia has indicated its interest in cooperating with the Belt and Road initiative, what shape would Russia-EU interaction take if Europe decides to try and link the One Belt One Road initiative with its own wider strategic goals in Central Asia?

2. The East Asian Security Environment: a matter of European Concern

As the apex of economic growth and political clout has slowly started to shift east, East Asia forms a region of especially dynamic change in which the European member states hold substantial interests. The levels of economic and, to a lesser degree, political- interdependence between the EU and East Asia have reached unprecedented levels. This also means that the EU's interest in the stability of East Asia and the foreign and security policies of its main players has never been so strong. However, there exist a number of security concerns in the region that hold the potential to destabilize it. They include the DPRK's proliferation risks, the tensions across the Taiwan Strait, the territorial disputes in the South China Sea and a number of more localised conflicts – all of these, which might be aggravated in the event of an attendant problem of energy scarcity. The latter is not unthinkable, as the energy demands from East Asia's emerging economies are steadily increasing and raising new concerns about the world's energy security. This concerns the EU for a number of reasons.

First of all, (primarily East) Asian regional security and stability is a precondition for its continued economic success. Some of the world's largest and fastest growing economies are located on the Asian continent, and especially now that many Eurozone economies are struggling to pull themselves out of their slump, growing export demand from Asia forms an important facet of their recovery. Additionally, East Asia offers substantial market opportunities for European firms, although alleged protectionism remains a point of contention. Direct investment flows between the two continents are as of yet not impressive. China represents less than 1% of the European FDI stock and EU investments account for 6,5% of FDI in China.³⁵ Nevertheless, FDI in both directions is increasing at neck breaking speed, with Chinese FDI in Europe tripling between 2008 and 2010, and tripling again in 2011.³⁶ Investment flows were still growing in 2014, earning mention in the *Guidelines on the EU's Foreign and Security Policy in East Asia* as a key to both sides' global competitiveness.

Secondly, as keepers of the largest share of the world's foreign currency reserves, the East Asian economies, and especially the PRC, hold a growing sway over worldwide financial stability. Moreover, regional cooperation agreements such as Free Trade Agreements (FTAs) also potentially impact the EU's interests, especially as there are a number of them (RCEP, TPP, FTAAP, the Japan-Korean-China FTA) currently under negotiation that the EU is no part of. To ensure a 'level playing

³⁵ Meunier, Burgoon and Jacoby, 2014

³⁶ Meunier, Burgoon, and Jacoby, 2014

field' the EU has stated it intends to expand its network of bilateral FTA's in South-East Asia –hoping to eventually work towards a bi-regional EU-ASEAN FTA.³⁷

Lastly, the policies and actions of the largest East Asian players, especially China, are having an increasing impact on the EU's wider global agenda. The EU 'needs and seeks to promote'³⁸ multilateral solutions to global problems, an open and fair trade system as well as further liberalisation under the WTO and in its regional and bilateral agreements. In the effort to achieve the global objectives of advancing human rights and good governance, fighting terrorism and climate degradation, preventing proliferation, and in seeking international cooperation on migration, the East Asian nations are more influential than ever.³⁹

In the long-term, the EU has a strong interest in fostering deeper Asian regional integration and stability, which could diffuse tension between actors such as Japan, China and the US. Nevertheless, in the first half of 2015, the EU's official security policy on Asia is still based on a number of more or less dated Council publications.⁴⁰ The foundation of its general security policy is formed by the *EU's Security Strategy* (ESS) dating back to 2003 and a review of this document dating back to 2008 entitled *Report on the Implementation of the European Security Strategy*. A specifically Asian perspective was released in the 2007 *East Asia Guidelines*, which were reviewed for the last time in 2012 in the abovementioned *Guidelines on the EU's Foreign and Security Policy in East Asia*. Guidelines specifically dealing with Central Asia, last updated in 2007, are currently under review.⁴¹

More than twelve years have passed since the publication of the ESS. Back in 2003, both its sub-title '*A secure Europe in a better world*' and the opening line asserting that '*Europe has never been so prosperous, so secure nor so free*' seemed fully justified.⁴² The 2008 report on the implementation of the ESS largely confirmed its main themes and central ambitions. However, it also identified the emergence of new challenges to the EU's security. Between 2008 and 2015 these challenges have not disappeared, and the world the EU is faced with in 2015 may warrant a much more extensive re-evaluation.⁴³ The international order that emerged after the Cold War under American leadership is increasingly being challenged as a Western construct primarily serving Western interests. Equally

³⁷ Council of the European Union, 2012

³⁸ Council of the European Union, 2012

³⁹ Council of the European Union, 2012.

China's presence in Africa, where it does not attach conditionality to its development aid as the EU traditionally has, is a prime example.

⁴⁰ The most relevant documents are mentioned in the paragraph. The full list, dating back to 2000 can be viewed at eeas.europa.eu/asia/docs/index_en.htm.

⁴¹ Gross, 2015

⁴² Missiroli, 2015

⁴³ Missiroli, 2015

contested is the success story of the ‘ever closer’ European Union.⁴⁴ The rise of the BRICS nations, the global impact of the financial crisis, the Arab uprisings and their geopolitical consequences, the migrant emergency, the unfolding crisis over Ukraine, added to the seeming end of the American unipolar moment all contribute to the need of a fundamental reappraisal of the EU’s foreign and security policies.⁴⁵ In this light, Federica Mogherini’s confirmation that the June 2015 EU summit will include an assessment of the ‘changes in the global environment’ and ‘the challenges and opportunities arising for the Union’, with a view to thereafter reviewing the EU’s security strategy, comes not a moment too late.⁴⁶ Anticipating this review, the following section evaluates the four main strategies in the *Guidelines on the EU’s Foreign and Security Policy in East Asia* currently employed by the EU in order to gain more influence over security matters in East Asia.

Current EU strategies for engaging East Asia on security

After two decades of neglecting to invest in a security presence in the Asia-Pacific, the Union has finally started to recognize the potential impact of Asian security affairs on its own interests. The EU has a large economic presence in Asia, and boasts a unique experience of reconciliation and economic and political integration after WWII. Theoretically, these qualities should put it in a strong position to aid Asian nations in bolstering their regional security. So far, however, the reality has been different. The reviewed 2012 *Guidelines* admit that the EU strategy to East Asia had been lacking. The main causes are the late realisation of the importance of Asian security, coupled with the scattered approach between the member states. “*The EU needs a more developed, coherent and focussed common foreign and security policy in East Asia*” the Council writes.⁴⁷ In order to ‘intensify relations with the region’s key players’ the *Guidelines* propose a long list of initiatives to be taken by the EU. Apart from one somewhat undefined initiative that states the EU should start consultations on regional issues with ‘other important players’ such as India, Canada, Russia and Australia, the other initiatives can be summarized into four broad strategies of engagement.

First of all, the Union hopes to utilise its strategic partnerships in the region, namely those with China, Japan and Korea, as a stepping stone for closer security cooperation with these main players.

Secondly, ASEAN is indicated as a reliable partner for the EU’s objective of deeper regional integration and stability.⁴⁸ As a regional organisation ‘*at the core of key regional initiatives such as the ARF, ADMM+ and the East Asia Summit*’ ASEAN does not only ‘*merit particular attention from the*

⁴⁴ Missiroli, 2015

⁴⁵ Missiroli, 2015

⁴⁶ Missiroli, 2015

⁴⁷ Council of the European Union, 2012, 9

⁴⁸ Council of European Union, 2012 & the EU’s Security Strategy, 2003

EU in the years ahead but is, in fact, ‘a natural counterpart for the EU.’⁴⁹ The Council envisions the ARF, the Treaty of Amity and Cooperation (TAC), as well as increased policy dialogue with ASEAN and peer-support for ASEAN institutions as the main platforms for closer contact. This optimism regarding EU-ASEAN ties in the document is partly context-related. In April 2012, right before the release of the *Guidelines*, Catherine Ashton took the biggest ever EU delegation to an EU-ASEAN ministerial dialogue, who’s attendees promised closer institutional ties on everything from trade to counter-terrorism. In this same year the EU also contributed substantially to ASEAN’s regional integration funds. Current plans will see the EU double this institution-building support to 170 million euros for the period 2014–2020.⁵⁰

As a third inroad to influence on East Asian security affairs the EU wants to develop its strategic dialogue on East Asia with the US. Washington is a traditional security partner of the EU. It’s standing security commitments to Japan, Taiwan and Korea –as well as certain ASEAN countries- make it an important stakeholder in the region, and a contributor to regional stability. The *Guidelines* confirm the EU has a strong interest in cooperation and partnership with the US regarding foreign and security policy matters. One month after the publication of the *Guidelines* the abovementioned joint statement on the Asia-Pacific by Catherine Ashton and then secretary of state Hillary Clinton was released. The two leaders promised transatlantic dialogue regarding Asian security and committed to cooperating on maritime security in particular.⁵¹

Finally, it is also deemed important for the EU to deepen its security cooperation with the countries in the region both in regional (mainly via ASEAN) and global forums, such as the UN and the WTO. Expanding consultations via the Europe-Asia meeting (ASEM) is also seen as an important contact point between the member states and Asian countries. On a more economics footing they wish to expand their network of Partnership and Cooperation Agreements, as well as the FTA network.

Three approaches lacking promise in the short term

In 2012, the EU council hoped that the above strategies would be sufficient to render the EU more of a player of consequence in East Asia and subsequently create a positive environment for eventual EU participation in the East Asia Summit. Sadly, however, very little progress has been made on strategy two, three and four. Although it is true that if the EU wishes to broaden its Asia policies beyond China the relationship with ASEAN will be critical, the timespan in which ASEAN is expected to become truly relevant to Asia’s security is rather long-term. The 2012 action plan contained a whole range of

⁴⁹ Council of the European Union, 2012, 9

⁵⁰ Young, 2015.

During this period, EU aid to Southeast Asia as a whole will increase from 2.2 billion euros to close to 3 billion euros.

⁵¹ Young, 2015 & EU-US Joint statement on the Asia Pacific, 2012

detailed commitments, but their follow-up has been slow. One causal factor here is the lack of smooth internal ASEAN decision-making processes.⁵² Of course, if the ASEAN Economic Community truly takes shape by the end of 2015 it is a potential game changer. It would mean that apart from closer political ties, an EU-ASEAN free trade agreement (for which earlier talks were aborted in 2009) becomes once again an option. But Asian diplomats warn that the proposed single market will probably be implemented only very gradually, so it may not have quite the grand effect some people seem to expect. Additionally, rather than switching to EU-style supra-nationalism, ASEAN's structure will continue to be intergovernmental and thus rely on shared recognition of rules.⁵³ Lastly, even if ASEAN completes its economic union, this does not mean it will suddenly have an increased interest in security cooperation with the EU. Alike with most Asian countries, the EU features mostly in its economic and technological strategies.

Although it might be true that an integrated ASEAN would form a 'natural partner' for the Union, while waiting for the initiative to grow into its full potential it is critical not to be pushed to the sidelines of cooperation mechanisms in Asia. The EU has no seat at the TPP, RCEP, FTAAP, EAS, SCO or APEC tables (but it did secure the presence of its four largest economies in the AIIB). While keeping ASEAN engagement on track, it would be wise to scout for other inroads to obtain a larger security footprint in East Asia.

Closer cooperation and coordination with the United States is not sustainable as a main European strategy because it might lead to the perception of a 'dependent' Europe without a security strategy of its own, and potential loss of neutrality if the US were to take a clear stance on certain tense situations in the regions (the Chinese land-reclamations, for example). Additionally, the US asks for engagement the EU cannot always give, or which is not directly in its own interest.⁵⁴ In the past, for example, Brussels has received American memos asking it to get more involved in tricky disputes like the South China sea issue. Jonathan Holslag recounts how at a commission meeting in the US congress "*members nimbly shifted from bashing Europe for its lack of vision to calling on NATO's Article 5 to mobilise Europe in case of a showdown with China.*"⁵⁵ Partly in response to its ally's calls, the EU has called on all actors in East Asia to apply the rule of law, but apart from being perceived as riding the US' coattails, traditional security is not an area where Europe can make a difference. The EU might want to have a larger security presence in the Asian region, but it is not a hard power player. It would do well to concentrate on its soft power and non-traditional security capabilities rather than getting entangled in the US' hard-ball security games.

⁵² Young, 2015

⁵³ Young, 2015

⁵⁴ Grare, 2012

⁵⁵ Holslag, 2012, 1

Lastly, as mentioned above, the EU is not a member to a number of important Asian regional forums. Moreover, although non-traditional security concerns are slowly gaining more and more recognition among Asian nations, it is still hard power that earns true respect. With a lack of traditional security capabilities and presence in the region, the EU's is not seen as an influential voice in forums that address security matters.⁵⁶ With regards to ASEM, Yeo Lay Hwee, director of the EU centre in Singapore, points out that the current 51 members make the forum bulky and unwieldy, not a high politics forum with strategic relevance as the EU seems to regard it.⁵⁷

In stark contrast to the above stand the EU's economic ventures into Asia: PCAs with South Korea, Indonesia, Vietnam and the Philippines are awaiting ratification. In 2013 another PCA with Mongolia was signed and PCA negotiations with Thailand were concluded. Negotiations are underway with Malaysia and Brunei, and the PCA negotiations with Singapore are almost finished. The comprehensive Free Trade Agreement (FTA) with South Korea has been in force since 2011 and the one with Singapore has been concluded in 2012. FTA negotiations with Japan have begun in April 2013. FTA negotiations with Malaysia, India, Vietnam and Thailand are continuing.⁵⁸

Although these FTAs and PCAs are positive developments, and were included as one of the strategies that would help the EU increase its exchanges with the regions key players, this author does not believe that in the long term Free Trade Agreements or PCA's will help the EU build up its image of a security provider. On the contrary, they will enforce the image of the EU as and economic (and development) actor. Whereas Brussels should not abandon this part of its strategy, as it does provide the EU some economic leverage in the region, it cannot form the central part of a *security* strategy.

In sum, regardless of the ambitions set out in the 2012 *Guidelines*, three out of four main strategies of engagement with East Asia do not show much promise of short-term progress. The EU is still not regarded as a consequential security player in the East Asian region.⁵⁹ This slow pace of EU-level initiatives has caused many member states to concentrate on bilateral diplomatic relations with Asian nations instead.

However, a new opportunity has opened up for the EU to make progress on its first engagement strategy: its strategic partnerships in Asia. The *European Security Strategy* emphasises the importance of strategic partnerships and international cooperation, claiming that none of the global challenges facing the EU can be tackled by the Union alone. The *Guidelines on the EU's Foreign and Security Policy in East Asia* complements this statement, stating that the EU should 'make full use' of its

⁵⁶ Wang, 2015

⁵⁷ Hwee, 2014

⁵⁸ For a more extensive listing of all European FTA and PCA negotiations see:

http://eeas.europa.eu/asia/index_en.htm

⁵⁹ Holslag, 2014 & Wang, 2015 & Ekman, 2015

strategic partnership in the region.⁶⁰ The EU currently has three such partnerships, one with Japan, one with Korea and one with China. The partnership with China is both the oldest and most extensive and because it is for the large part true that ‘*any debate about security in Asia or a strategy for the region is first and foremost a debate about China*,’⁶¹ the EU’s *Guidelines* devote considerable attention to its relations with this Asian giant and stepping up cooperation with China on non-proliferation, counter-terrorism, counter-piracy, illegal migration, serious crime, conflict prevention and peacekeeping. As the biggest indigenous security player in the region, with the largest and fastest growing⁶² economy – inextricably interlinked with the European one– China simply holds more sway over the stability or instability of the region than most other nations.

Since 2013, it seems this Chinese influence is set to expand even more. In line with one of the aims of its neighbourhood policy – developing China’s neighbouring countries so that they will not feel overly threatened by China’s rise and hedge against it- China has put forward the Belt and Road projects. These initiatives began with Xi’s presentation of the “Silk Road Economic Belt with Central Asia” (中亚丝绸之路, Zhongya sichou jingji zhilu) and the “Maritime Silk Road with Southeast Asia” (东南海上丝绸之路, Dongnan haishang sichou zhilu).⁶³ The central aim of the ‘Belt and Road’ is to improve the connectivity between Asia, Europe and Africa, as well as their adjacent seas through a policy of financing and building transport infrastructure across Eurasia, the South China Sea and the Indian Ocean. Combined with one of the tenets of Xi Jinping’s New Security Policy introduced in May last year, stating that ‘development equals security’, the One Belt One Road entails a massive project of regional integration which would in its completed form foster stability all across the Asian continent. If the EU would work together with China on the implementation of this plan they could link in with a grand Asian security network in the making, and contribute to its realisation. Perks of this include that the EU could use many of its existing programs in Central Asia and tailor them to ‘meet the Chinese projects halfway’ without having to redirect too many resources. Of course it should be kept in mind that security cooperation with China should be a means to an end, not the final destination of the European strategy with regards to East Asia, but establishing closer security cooperation with China via the One Belt One Road would put the EU in a better position to engage with the Asian security environment as a whole.

In theory, the EU and China already have a splendid framework under which to head such closer cooperation: their Strategic Partnership.

⁶⁰ Council of the European Union, 2012, 9

⁶¹ Grare, 2012

⁶² See: <http://www.bloomberg.com/news/articles/2015-02-25/the-20-fastest-growing-economies-this-year>

⁶³ For an overview of all Chinese investments abroad (excluding bonds) see: <http://www.heritage.org/research/projects/china-global-investment-tracker-interactive-map>

3. The fourth approach: the Sino-European Strategic Partnership

Since the 30th of October 2003, the European Union and China call each other ‘strategic partners’. What once started as a purely economic relationship now encompasses a large range of topics including security, sustainable development, urbanisation, culture, human rights and people-to-people exchanges. In 2003 both the EU and China had high expectations for their brand new partnership, especially due to the importance attributed to three policy initiatives set to become the ‘central pillars’ of the agreement. First of all, both parties agreed to cooperate in the “Galileo project”, a European satellite navigational system that is aiming to eventually provide an alternative to the American GPS. In the context of this cooperation, Europe was to initiate a transfer of advanced technologies to China. Additionally, in December 2003, France and Germany proposed to lift the European arms embargo against the PRC. This EU policy still dates back to time of the crackdown on the 1989 Tiananmen protests. Even though some member states were reluctant, eventually the entire EU-15 agreed to re-open the discussion –which created expectations in China of a speedy conclusion to the matter.⁶⁴ Finally, the Public Bank of China made an informal promise to start diversifying its foreign currency reserves away from the dollar and towards the euro.

Regretfully, already in April 2004 during the EU council meeting for Ministers of Foreign Affairs it became clear that there was not enough consensus among the member states to lift the embargo (part of the reason being the changed power-balance within the EU due to the admission of ten new member states). When China adopted the Anti-Secession law in 2005 –the juridical basis for China to use military means to prevent Taiwan from becoming independent- and the United States responded negatively against any lifting of the arms embargo, the European Commission eventually decided to postpone this -for both sides mainly symbolic- decision ‘until further notice’. This development, combined with the EU’s refusal to recognize China as a market economy within the WTO, attributed to China’s decision to again focus more on individual member states at the expense of communication on the European level. To get the partnership back on track in December 2005 the Strategic Dialogue was initiated.⁶⁵

In July 2008 the partnership experienced a second, perhaps even more serious, setback. After Commission report, which accused China of unfair competition, a lack of respect for intellectual property rights and reciprocity in procurement, Chinese contractors were banned from participating in the second phase of Galileo. This constituted the end of the most visible ‘pillar’ of the partnership.⁶⁶ Additionally, the Chinese response to the riots in Tibetan Lhasa that year raised human rights concerns

⁶⁴ Cassarini, 2013a

⁶⁵ Cassarini, 2013b

⁶⁶ Cassarini, 2013a

among the members states and was the cause for a number of them to boycott the opening ceremony of the Beijing Olympics. Disappointed by these actions and the overwhelmingly negative press in the EU, Beijing communicated that it did not wish to attend or host the annual Sino-EU bilateral summit that year.

The establishment of the European External Action Service in 2009 and the High Level Strategic Dialogue in 2011 somewhat redressed the balance in this ‘nationalisation’ of the relations.⁶⁷ Nevertheless, it was eventually the euro crisis that gave the partnership new impetus. Suddenly Beijing and Brussels had a clearly defined common goal: both parties do not wish for either the Eurozone or its common currency to collapse. Beijing interfered multiple times by assuring European leaders that China would continue buying European bonds. And China has kept its word: currently around 30% of China’s foreign currency reserves are made up of euros.⁶⁸

To date, the Sino-European partnership is both the EU’s oldest and most extensive strategic partnership in East Asia.⁶⁹ It is now comprised of one high-level annual summit, eight ministerial dialogues, and no less than 51 sectorial dialogues. Since the release of the *EU-China 2020 Strategic Agenda for Cooperation* in November 2013, it also holds the most potential with regards to security cooperation. In this joint statement both actors agree to consult ‘fully and effectively’ on major bilateral, regional and international issues of mutual concern. Furthermore they vow to “*enhance coordination on strategic, political and security issues within the EU-China High Level Strategic Dialogue.*”⁷⁰

However, now that the impetus provided by the financial crisis is ebbing away, the partnership is once again attracting criticism for lack of substance, not in the least from Belgium scholar Jonathan Holslag who has illustratively dubbed it ‘the Paper Partnership’.⁷¹ A comparison between policy documents released by the European Union on China and policy documents published by China on the European Union with the China-EU joint statements reveals one of the reasons for this. Notwithstanding the lofty language and ‘key initiatives’ described in the *2020 Strategic Agenda*, the partners have a lack of truly overlapping priorities. China sees Europe as a strategic resource in three key areas; a market for Chinese goods, a source of advanced technology, and food security.⁷² With regards to security, many Chinese observers still believe it is unrealistic to expect the EU to be a major ‘pole’ in the world order.

⁶⁷ Cassarini, 2014

⁶⁸ Cassarini, 2013a

⁶⁹ See <http://strategicpartnerships.eu/> for an extensive comparison between the Japanese, Korean and Chinese strategic partnerships with the EU

⁷⁰ EU-China 2020 Strategic Agenda for Cooperation, 2013, 3

⁷¹ Holslag, 2014

⁷² Fallon, 2014

Some even argue Europe should stop calling itself a ‘global power.’⁷³ In practice, China is developing a two-pronged approach to Europe. In developed Western Europe, the emphasis lies on technology transfers and high value-added cooperation, while in Eastern and Southern Europe, Chinese manufacturing and infrastructure investments are flooding in.⁷⁴

Although both the EU and China attach great importance to their economic relationship, on the European side the expectation of future benefits comes alongside a certain uneasiness vis-à-vis the trade imbalance with China, a perceived lack of reciprocity and intellectual property rights protection. China’s spotted record of adherence to WTO rules and a number of other factors are seen as obstacles to a ‘fair, equitable and rules-based’ trade relationship. The EU wishes especially for its small and medium-sized companies to gain easier access to China, and their main concern lies with increasing trade volumes. China would like to move forward with negotiations on an FTA as soon as the Bilateral Investment Treaty currently being negotiated gets concluded. The EU, however, is somewhat fearful that with an FTA lifting trade barriers, they will be even less able to protect their businesses from cheap Chinese products entering their markets. This apprehension with regards to China’s growing power is also visible in the clauses regarding development aid. Europe feels China is gaining influence in regions, particularly Africa, where the EU has been traditionally active, and bringing with it a different set of norms than Europe would like to see become international standards.

With regards to security cooperation, it is clear that the European Union hopes to get more involved in Asian affairs through closer involvement with institutions such as ASEM and ARF. Although in the Joint Statements China has shown itself willing to support European involvement in ASEM, it is questionable how strongly this initiative came from the Chinese side itself⁷⁵. The Chinese policy documents on Europe deal only briefly with security, and when they do the focus lies mainly on exchanging information and best practices. Europe is not seen as a strong security actor in China, and a joint statement cannot achieve much to change this.

A result of this lack of truly overlapping priorities has been that the Sino-EU strategic partnership has seen less cooperative dynamics in which both actors are striving to achieve a common goal, and more ‘tit-for-tat’ exchanges in which, for example, China vocally supports some of Europe’s attempts to gain a security footprint in the region and Europe hesitatingly keeps the potential for an FTA on the table. Regardless of the content of their discussions however, over the last twelve years the EU and China have used their partnership to built an impressive framework of consultation and negotiation mechanisms. If Europe were to consider greater engagement with China on the One Belt One Road

⁷³ Fallon, 2014

See, for example, Wang Yiwei (2013)

⁷⁴ Fallon, 2014 & Zhang and Bulcke, 2014 & Meunier, Burgoon and Jacoby, 2014

⁷⁵ EU-China 2020 Strategic Agenda for Cooperation, 2013

initiative, whether the focus would lie on a trade or security dimension, the infrastructure for coordinating policies and exchanging ideas is already in place. Among the most relevant platforms shared between the EU and China are;

1) the Regional Policy Dialogue (annual)

EU: DG REGIO (European Commission)

China: National Development and Reform Commission (NDRC)

2) the High Level Strategic Dialogue (annual)

EU: High Representative

China: Chinese State Councillor responsible for foreign affairs

3) the High Level Economic and Trade Dialogue (annual)

EU: European Commissioners for Competition Policy; European Commissioner for Economic and Monetary Affairs; European Commissioner for Trade; other members from the European Commission

China: Vice-Premier in charge of Economic, Energy and Financial Affairs; other Ministers and Vice-Ministers

4) the Dialogue on security and defence policy (Ad hoc)

EU: EEAS

China: Ministry of Foreign Affairs

Engaging in the Silk Road and Maritime Belt could provide some much-needed impetus to the Sino-European partnership. China very much wants this initiative to succeed, and as mentioned in both in the introduction and discussed more in details below, engaging in the Belt and Road initiative holds potential benefits for the EU as well. If Europe were to choose to embed the Belt and Road in its greater aim of becoming a more strategic player in the Asian region, the cooperation framework already established for the strategic partnership will greatly aid these efforts. Importantly, it would create a strong shared goal to work towards.

4. The Silk Road Economic Belt and the 21st Century Maritime Road

Xi Jinping's 'New Security Concept' and the neighbourhood policy

It has become somewhat of a tradition for Chinese presidents to present the world with a new security concept reflecting the leadership's evaluation of the dynamics of the international environment. Mao Zedong (and Zhou Enlai) introduced the famous 'five principles of peaceful coexistence'.⁷⁶ Among these five, especially 'sovereignty', 'equality' and 'mutually beneficial cooperation' reflected the needs of the young PRC, as well as its aversion toward any further domestic interference by the US or the Soviet Union. Deng Xiaoping, in his turn, stressed that disputes ought to be shelved in order to let cooperation in other (especially economic) areas develop; that Taiwan and the mainland should work toward a 'one country two systems' solution; that China should hide its brilliance and bide its time (*taoguang yanghui* 韬光养晦)⁷⁷ and that a 'harmonious neighbourhood' was a necessary complement to China's rise. Since Deng, changes introduced by successors have been more modest. Jiang Zemin concentrated on economic interdependence and more active membership of international organisations while during Hu Jintao's administration the terms 'peaceful rise' and later 'peaceful development' became fashionable. The latter also stressed the importance of global public goods.⁷⁸

In May 2015 it was Xi Jinping's turn to step up to the plate. In a speech delivered at the Conference on Interactions and Confidence Building in Asia (CICA), he called on countries to work towards a security architecture without exclusive alliances, focus on the full range of both traditional and non-traditional security threats and work together on a common security project while avoiding the 'monopolising' of security matters. He summarized the concept under the tagline 'common, comprehensive, cooperative and sustainable'.⁷⁹ These adjectives encompass the idea that the new security structure should include all Asian countries, not only as beneficiaries but also as contributors to security (that is, common); have respect for and accommodate the 'legitimate' security concerns of all participants (cooperative); focus on both traditional and non-traditional security projects (i.e. comprehensive); and pay attention to not only those immediate security concerns that are currently on the radar, but also prepare for potential future ones in a 'multi-pronged and holistic' manner (aka, sustainable).⁸⁰ While especially the mention of security alliances and their supposedly negative impact on the overall tension in the Asian region have been interpreted as an attempt at curbing American influence, there is another contentious element of Xi's speech that has drawn international attention:

⁷⁶ Among these five, sovereignty, equality and mutually beneficial cooperation were a reflection both of the needs of the young communist state, and the aversion it felt toward the meddling of the two superpowers.

⁷⁷ In order not to upset the geopolitical order China relied on for its economic growth.

⁷⁸ Holslag, 2014

⁷⁹ Xi, 2014

⁸⁰ Swaine 2015

his assertion that development equals security.⁸¹ Such a notion is a direct challenge to the incumbent security narratives of United States and Europe who subscribe to more traditional conceptions of security based on territory and sovereignty. In short, Xi proposed to his audience that, instead of this traditional interpretation, development should be taken as the greatest form of security. From his perspective, the peace in China and Asia is threatened not so much by unresolved territorial disputes, as an out-dated ‘zero-sum’ perception of security that pushes China’s neighbours to focus on these quarrels rather than an integrating narrative of economic growth.

That the Chinese leadership was likely aware of the inherently contentious nature of the new security concept is demonstrated by the careful choice of venue. Hitherto, CICA was a relatively unknown local conference. All Central Asian countries are in attendance, as well as Russia, South Korea, Thailand and Iran and Turkey – but auspiciously absent are the United States and Japan.

The CICA speech warrants special attention because it is the first time Xi’s ‘new security concept’ was framed and named as such. However, this speech –and the message it carries- is far from a stand-alone initiative. Xi also gave important foreign affairs speeches at the ‘Peripheral Diplomacy Work Conference’ convened in October 2013 and the November 2014 22nd APEC Economic Leaders’ Meeting. Incorporating the themes put forward in all of the foregoing conferences, arguably the most consequential meeting has been the fourth Central Conference on Work Relating to Foreign Affairs (中央外事工作会议, *Zhongyang waishi gongzuo huiyi*) held on November 28 and 29, 2014—the first such meeting since the one held under Hu Jintao in August 2006.⁸² The Foreign Affairs Work Conference (FAWC) addressed all but the military aspects of China’s foreign affairs. Similar to the 2006 meeting, the FAWC’s intention was to establish “the guidelines, basic principles, strategic goals and major mission of China’s diplomacy in the new era and endeavour to make new advance[s] in China’s foreign relations,”⁸³ The FAWC’s rarity, as well as the size and scope of the meeting made it especially notable.

While the full text of Xi’s address to the gathered standing politburo, Chinese ambassadors and MOFA attendees was not released, according to a Xinhua publication the major themes of the speech can be summarized as follows:

“the importance of holding high the banner of peace, development and win- win cooperation, pursuing China’s overall domestic and international interests and its development and security priorities in a balanced way, focusing on the overriding goal of peaceful development and national renewal, upholding China’s sovereignty, security and development interests, fostering a more enabling

⁸¹ China Brief (anonymous author), 2014 & Cassarini, 2014 & Swaine 2015

⁸² Swaine, 2015

⁸³ Swaine, 2015

international environment for peaceful development and maintaining and sustaining the important period of strategic opportunity for China's development."⁸⁴

In his 2006 FAWC address Hu Jintao already mentioned the necessity to adhere to a mutual benefit, win-win strategy for China's foreign relations –at the time as part of his broader 'harmonious world' slogan. However, Xi's emphasis on the application of the win-win approach to every aspect of Chinese foreign relations, as well as the focus on developing relations with other emerging nations and prioritizing the neighbourhood policy, is new. Ever since the president's visit to Washington in February 2012, where he coined the term "new type of great power relations" (新型大国关系, *xinxing daguo guanxi*), International Relations scholars have tended to focus on China-US relations as the key to understanding Chinese foreign policy. While this relationship will undoubtedly remain one of the most important ones, the FA work conference indicated that it might instead be the periphery that is going to form the crux of China's foreign policy focus and initiatives for the coming years.

There has been much commentary on the 'more assertive' leadership style China has assumed since the ascendance of Xi Jinping.⁸⁵ The CICA and FAWC conferences can be taken as a case in point. Where the general tone of Hu's 2006 speech was cautious, stressing that China 'is and will remain for a long time to come' in the initial stages of socialism', Xi emphasized the need for China to use its strength more effectively in achieving its developmental goals. Since the FAWC, these goals have been defined in a more long-term strategic manner, and connected to the 'double centenary' aims of creating a well-off and strong nation by 2049. They form the concrete expression of Xi's famous 'Chinese dream' concept.⁸⁶ These general features of Xi's foreign policy were less emphasized under Hu Jintao.

Particularly new is the emphasis on the development and security pair as a goal for Chinese foreign policy. This includes an overall effort to create a partnership network with countries in Asia and beyond, coupled with the development of a new 'regional security cooperation architecture', proposed during CICA 2014. Both these concepts are at least partly intended to compete with the traditional American 'security alliance structure' currently dominating the dynamics in the region. Foreign minister Wang Yi has explicitly contrasted the concept of partnerships with military alliances.⁸⁷ Of

⁸⁴ Xinhua, 2014b

⁸⁵ Apart from The Diplomat, Foreign Affairs, China Leadership Monitor and China Brief publication, see also this authors own publication 'Onder de Nieuwe Omstandigheden.' (Dutch)

⁸⁶ In itself again a central part of the 'great Chinese rejuvenation the president how vowed to pursue.

⁸⁷ For examples of speeches in which Wang Yi has made this contrast see: Full Text Of Foreign Minister Wang Yi's Speech On China's Diplomacy In 2014," Xinhua, December 25, 2014. Wang Yi, "Open up a New Phase in a Turbulent World," *People's Daily*, December 26, 2014. Ministry of Foreign Affairs of the People's Republic of China

course, China's distaste for the US alliances is nothing new, but takes on new significance in the context of the broader diplomatic goals presented at CICA and FAWC –especially in the light of China's growing economic clout, which forms the major attraction the new security concept holds for other nations.⁸⁸ The abovementioned conferences were followed by an international charm offensive trying sell the 'win-win' prosperity and 'mutual benefit' promised to those who take the invitation to free-ride with China. The hope is that by "telling China's story in an acceptable way" and stressing the aim of "common development with neighbouring countries" China's neighbours will be eased into the idea of China's rise rather than feeling threatened and hedging against it. In other words, the idea is to align the political, economic and security interests of the PRC's neighbours and make them stakeholders in China's rise.⁸⁹

And Beijing has been putting its money where its mouth is. Proposals to push this agenda forward include the Free Trade Area of the Asia Pacific (FTAAP) (as a challenger to the US-led TPP), the \$50 billion Asian Infrastructure Investment bank (currently making the World Bank and the Japan-led Asian Development Bank feel uncomfortable), and, most importantly, the \$40 billion devoted to developing the New Silk Road Economic Belt and the 21st Century Maritime Silk Road- a project of herculean proportion aiming to create a network of trade and investment spanning Europe, Africa and Central, South and Southeast Asia.⁹⁰ In Chinese and international circles alike, the New Silk Roads in particular are recognized as the key infrastructural building blocks in Xi's great vision of turning China's neighbourhood areas into a community of common destiny and the European Union should carefully consider the costs and benefits of each possible response to this grand initiative.

⁸⁸ The security concept was not specifically named during the FAWC, but definitely implied by the "win-win" cooperative elements of Chinese diplomacy showcased during the conference.

⁸⁹ Thomas, 2015, Xinhua 2013

⁹⁰ Thomas, 2015

The One Belt One Road initiative

Economically, China's rapid growth has already benefited all of its neighbours. In 2014, China was the largest trading nation and a net capital exporter of outbound direct investment. Moreover, because China's trade and investments are mostly concentrated in Asia, China's neighbours are enjoying the dividends of China's rise. However, China seemingly wants to do more than just passively benefiting its neighbours. In order to do so, it has conceived the Silk Roads projects.⁹¹ These initiatives began with Xi's presentation of three new regional cooperation networks in the autumn of 2013: the "Silk Road Economic Belt with Central Asia" (中亚丝绸之路经济之路, Zhongya sichou jingji zhilu), the "Maritime Silk Road with Southeast Asia" (东南海上丝绸之路, Dongnan haishang sichou zhilu), and lastly the "South Asia Economic Corridor" (南亚的经济走廊, Nanya de jingji zoulang) that would link China with Burma, Bangladesh, and India.⁹² The projects are aimed at promoting economic development along China's periphery. The logic behind this is that the wealthier China's neighbours are, the more sustainable China's development will be. To further this goal China is planning to provide assistance to all its neighbours, regardless of ideology or regime (contrasting with the European and American models of conditionality).⁹³ The Asian Development Bank (ADB) has estimated that Asia as a whole needs as much as 730 billion U.S. dollars per year in infrastructure investment before 2020, a sum which the ADB and World Bank cannot provide by themselves.⁹⁴ In this light, the freshly founded Asian Infrastructure Development Bank can function as a supporting institution for the ambitious plan.

Xi Jinping officially proposed the 'belt' in September 2013 during a speech in Kazakhstan, and the 'road' during a speech in Indonesia that same year.⁹⁵ Taken together as 'One Belt One Road' the central aim of the initiatives is to improve the connectivity between Asia, Europe and Africa, as well as their adjacent seas through a policy of financing and building transport infrastructure across Eurasia, the South China Sea and the Indian Ocean.⁹⁶ Focussing on "*promoting policy coordination, facilitating connectivity, unimpeded trade, financial integration and people-to-people bonds*"⁹⁷ an editorial in the South China Morning Post called it "*the most significant and far-reaching project the nation has ever put forward*".⁹⁸ Beijing has estimated that the Belt and Road will eventually reach 4.4 billion people in more than 65 countries, and that trade between the participants could climb to \$2.5 trillion within ten years. Chinese diplomats have devoted a considerably amount of effort promoting

⁹¹ Yan, 2015

⁹² EFCR China Analysis, 2015

⁹³ EFCR China Analysis, 2015

⁹⁴ Xinhua, 2014

⁹⁵ Stokes, 2015

⁹⁶ Miller, 2015 & CH MINFA, 2015a

⁹⁷ CH MINFA, 2015b, 2

⁹⁸ South China Morning Post, 2015a

the idea abroad, and according to the China Daily, already more than 60 countries have expressed their interest in participating.⁹⁹

The initiative is significant not only because the land-based Silk Road would run straight through a region traditionally considered as Russia's 'backyard', but especially because the recently published *Vision and Actions on Jointly Building the Silk Road Economic Belt and 21st –Century Maritime Silk Road*¹⁰⁰ can be considered the closest thing so far in terms of an articulated 'grand strategy' coming from the Xi Jinping administration -positing China as the primary engine of global economic development.¹⁰¹ The document itself carefully avoids the words 'grand strategy', of course, and on the day of its release foreign minister Yang Jiechi was at pains to assure the Southeast Asian nations that the One Belt One Road is 'by no means a tool for any country to seek geopolitical advantages'. Yet the official rhetoric, (usually in separate speeches) makes no secret of the fact that China's long-term strategic goal is to realize the Chinese Dream of national rejuvenation. Some authors have argued that this 'dream' in practice comes down to the aim to secure China's position as the dominant power in Asia, and eventually beyond.¹⁰²

Regardless of whether these are true accusations or groundless fears, by casting itself as an agenda-setter, China hopes to gain more control over regional institutions and agreements, as well as increasingly position itself as the regional leader vis-à-vis Japan and the US.¹⁰³ While it is too soon to speak off a fully-fledged Chinese grand strategy in the Asia Pacific, the One Belt One Road undeniably points towards a Chinese ambition to make sure that, eventually, all roads lead to Beijing. And the international community would do well to take Beijing seriously, because it has many ways to achieve its 'revival of the historic Silk Road.' Even if the Asian Infrastructure Development Bank does not eventually become a viable competitor to other existing institutions, China still has additional funds to turn to, not in the least the Silk Road Fund it has pledged. China's leadership has committed, and now will do it utmost to make the project a reality.

⁹⁹ China Daily, 2015

¹⁰⁰ The document was jointly published by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, with State Council authorization

¹⁰¹ Pantucci, 2015 & Ekman, 2015

¹⁰² Miller, 2015.

¹⁰³ Ekman, 2015



Figure 2. Source: Reuters China

In its official conceptualisation, (see figure 2) the One Belt One Road consists of both a land and sea-route respectively starting out in Xi'an, Central China and Quanzhou, Fujian province before crossing paths again in Venice, Italy.¹⁰⁴ China envisions the 'Belt and Road' to cast a wide net of infrastructure integration over the countries it runs through, mainly consisting of railway and port networks, as well as bringing 'capital convergence and currency integration' wherever it goes. Beijing has already made large investments in major ports giving entrance to the European market, (the Greek harbour Piraeus being a prime example). However, it is still unclear whether China intends to primarily promote the plan through a string of bilateral agreements (as currently seems the case), or within regional bodies such as ASEAN or the European Union. Equally hazy is the Belt and Road's potential connection with other regional projects such as the ailing \$1 billion American Silk Road initiative launched in 2013 (centred on the construction of the Central Asia South Asia electrical transmission line (CASA-1000)) or the Russian Eurasian Union.¹⁰⁵

One Belt One Road blueprint and funding

The Silk Roads projects are founded on the fifteen year old *go out (zouchuqu)* policy initiated by Jiang Zemin. At its inception, this policy aimed to help Chinese companies enter new markets and become globally competitive. Although Xi Jinping has raised the stakes and his government now prefers to translate the policy as *Go Global*, the central role Chinese companies play in the strategy has not

¹⁰⁴ Brugier, 2014

¹⁰⁵ Brugier, 2014

changed.¹⁰⁶ For example, the China Ocean and Shipping Company (COSCO), is currently developing the Port of Piraeus, located on the European end of the Maritime Silk Road, into a major hub.¹⁰⁷ The central Silk Road projects are studded by an array of smaller initiatives such as the Bangladesh-China-India-Myanmar Corridor and the China-Pakistan Economic zones.¹⁰⁸ Some European countries have voiced concerns over the lack of transparency regarding the influence Beijing holds in the decision making process of these often partly state-owned enterprises. When discussing the European approach to the One Belt One Road, one must not forget that although the ‘positive externalities’ of the plan entail boosting regional growth, the foremost goal is to benefit China and Chinese enterprises.¹⁰⁹

Infrastructure development is the ‘easy part’ of the strategy, as many countries along the road are hungry for investments. However China’s goal is more ambitious. It wants countries to coordinate their policies so that each singular economic development plan can feed into (China’s) larger regional vision. This would include Free Trade Areas, and broad financial integration, including expanded currency swap deals.¹¹⁰

Knowing that this is a lot to ask for at once, the strategy adopted by the Chinese government appears to be one of ‘planting the seeds and waiting’. All Chinese official documents concerning the One Belt One Road emphasize complementarity and underline that the framework will be one of ‘joint consultations’. After the initial phase of intensive lobbying, the Chinese government now seems to have taken a step back to see how potential partner countries interpret the message in light of their own national interests.¹¹¹ By bringing other governments on board in this early ‘brainstorming stage’ the Chinese leadership hopes to foster support for the plan by allowing other countries to make it partly their own. By taking this road, China also hopes to avoid the image of a powerful rising country imposing its will on its weaker neighbours. Any comparisons of the Silk Road to America’s WWII Marshall plan have thus firmly been discounted. After getting countries on board early on by making them part of the design process, the second part of the strategy seemingly is to keep them there by fast returns on investments. In his contribution to the 2015 Boao forum professor Wang Jun, Deputy Manager of the Department of Research of the China Centre for International Economic Exchanges, writes how “*during the initial stages, efforts should be focused on less sensitive areas, striving for fast results especially those achievable within 2015. Location wise, nearby countries and regions should be prioritized over far-flung destinations.*”¹¹² More specifically, he believes, the overland Belt should

¹⁰⁶ Miller, 2015c

¹⁰⁷ COSCO’s involvement in Piraeus began in 2009, when it obtained a concession from the Greek government to operate a part of the port’s container terminal for a period of 35 years. (van der Putten, 2015)

¹⁰⁸ Ekman, 2015

¹⁰⁹ Miller, 2015a

¹¹⁰ Tiezzi, 2015

¹¹¹ Ekman, 2015

¹¹² Boao forum, 2015

at first primarily target the Shanghai Cooperation Organisation members¹¹³ as well as Turkmenistan. For the maritime ‘road’, Pakistan, Sri Lanka, Bangladesh, India as well as the Southeast Asian Vietnam, Indonesia, Myanmar and Malaysia merit the most attention. How effective this two-stage strategy will be remains to be seen, because although the One Belt One Road definitely has people (and governments) talking, and the first big infrastructure projects are underway (not in the least the \$46 billion infrastructure investments China has recently pledged to Pakistan), many countries in the neighbourhood are asking for more information about the exact routes of the routes and hubs, how they will be protected from terrorism and other security concerns, and how they could affect their domestic economies.

It seems the main part of the funding for the One Belt One Road projects will come from the big policy banks China Exim Bank and China Development Bank. Both of these have a long history of supporting overseas investments by state-owned enterprises. Also significant, however, is the Silk Road Fund because it has been specifically tailored to the needs of the Belt and Road. At the moment, the Chinese government has allotted some \$40 billion for external infrastructure projects, and \$17 million for projects carried out within China. The Fund will act as both a lender and an equity investor.¹¹⁴ Beyond these funds, Beijing hopes to draw on the support of newly created international financial institutions, such as the BRICS Bank and the even fresher AIIB.¹¹⁵ The AIIB will likely offer low-interest loans to national governments with insufficient resources, allowing them to repay with money generation from finished projects. By an estimate of Goldman Sachs the two institutions will provide \$45 billion extra annual funding to Chinese international contractors, added to \$187 billion already secured by Chinese engineering and construction companies from banks in 2013.¹¹⁶ Eventually, China hopes to create a financing mechanism for the fund which would be administered by the Shanghai Cooperation Organisation.¹¹⁷

¹¹³ E.g. Russia, Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan in Central Asia

¹¹⁴ Ekman, 2015 & Pantucci 2015 & Miller 2015a

¹¹⁵ The Asian Infrastructure Investment Bank (founded among others to help with funding the Silk Road) was founded in a very specific context. From 1950 until 2000 the OECD countries held a stable share of the world economy. For around a decade, however, their share has been diminishing. Nevertheless, voting power in the post WWII financial Bretton Woods institutions still reflects this balance. Emerging powers, justifiably have been arguing that this arrangement does not reflect the global reality that the most successful countries are not necessarily following the whole of the Washington consensus. During the G20 negotiations in 2013 a bargain was struck: in return for their support during the financial crisis, the emerging powers would receive more voting powers (voting shares which, on a side note, would all be taken from Europe, not the States). The US congress, however, has taken a very conservative approach to the matter and thusfar has blocked any progress on truly reshuffling the shares.¹¹⁵ This mindset created an opening for an exit option: the AIIB. In other words, the slow pace of reform of the Bretton Woods system is the driving force behind the rise of the AIIB, and potentially will also form a driving force behind China’s further institution reform initiatives such as the Silk Roads projects as Beijing attempts-far more credibly than in the past—to alter some of the key foreign policy processes and power structures that have defined the post-World War II system.

¹¹⁶ Miller, 2015a

¹¹⁷ Tiezzi, 2015

Aims of the One Belt One Road Initiative

Apart from the official rhetoric coming from Beijing regarding helping their neighbours develop and becoming a more responsible international actor, China's actions –as any nation- are inherently selfish. On the surface there is the obvious attempt to counter both American and Russian influence in Central and Southern Asia, but the One Belt One Road initiatives is motivated by a much larger array of driving factors.

Comprehensive reform and opening up backwards regions

One of the official aims of especially the land-based Silk Route is to enhance comprehensive reform and the opening up of China.¹¹⁸ Former president Hu Jintao has largely unsuccessfully attempted to reduce the large socio-economic imbalance between western, central and eastern China. Consequently, the Xi Jinping administration came into office facing the urgent challenge of developing the most backward provinces. Because the maritime opening up strategy already set in motion under Deng Xiaoping cannot be repeated here, any economic development has to come from inland cross-border economic integration.¹¹⁹ Rowdy Xinjiang is designated as a main priority, and Beijing has already invested more than \$91 billion in trade-related infrastructure in the province. The reality is, however, that if Xinjiang is to be developed, it will need a more prosperous region around it to trade with, and through.¹²⁰ The regional development strategy of the Silk Road Economic Belt is tailor made to suit this purpose. Apart from Xinjiang, the Ministry of Foreign Affairs has indicated the Guangxi Zhuang Autonomous region and Fujian province as key point where the land and sea-based trade routes will take off.¹²¹

Neighbourhood Policy

A second aim behind the initiative is to promote the regional development and integration of Asia. The Chinese government is worried that instability in it's bordering countries could cause a 'domino effect' and spill over into it's Western provinces (Xinjiang again being of main concern). The Chinese investments in the region under the banner of the Silk Road are thus designed to stabilize the region, both economically and politically. Still lacking soft power but harnessing impressive economic assets, trade and investment are China's 'main and only realistic means' to achieve these ends without being seen as a threat by the other Asian governments.¹²² Under this 'security umbrella' Beijing has also shown itself more willing to engage in security matters in, for example, Kyrgyzstan and Tajikistan (perceived by Beijing to be the most unstable of the Central Asian states) in the form of military support and training.

¹¹⁸ CH MINFA, 2015b

¹¹⁹ Ekman, 2015

¹²⁰ Ekman, 2015

¹²¹ CH MINFA, 2015b

¹²² Ekman, 2015

Energy security

Another driver for the One Belt One Road is energy security. China is worried about its energy dependence on Russia (which has shown in the past that it is willing to use such dependency against states and will not allow foreigners to have investments or joint ventures in its energy sector). An additional worry lies with the straight of Malacca, through which the bulk of Chinese maritime energy imports have to sailed, but which lies in the influence spheres of countries that have not always been friendly with China (the US not being the least of them) Just like Europe, Beijing has started to look for alternative sources of supply, and believes the energy-rich Central Asian states hold high potential in this domain.

Creating an inland route to Europe

In the first half of 2015, a maritime shipment from China to Europe takes between 20 to 40 days to arrive. Trade between Europe and China is worth well over \$1 billion per day, but these huge volumes are clogging up Chinese ports and the trade routes are vulnerable to piracy and regional sea tensions. By creating a Silk Road running through the Central Asian states to Europe, China would create a land-route which could transport goods in around 11 days from China to the Eu –without having to increase reliance on the routes running through Russia that are currently in use, and thus denying Moscow the leverage that this would bring.¹²³

Bypassing Russia ?

The EU is not the only one who is worried about the way Russia sometimes deals with neighbouring country. In Beijing politicians are closely following the situation in Ukraine, as well as Moscow's creation of a Eurasian Union. Initially the Chinese concern was that Russia might try to keep Beijing away from what it feels is its traditional 'zone of influence.' This dates back to Russia's rejection of Beijing's proposal to create a free trade zone between the members of the Shanghai Cooperation Organisation–only to create its own Eurasian Custom Union with Belarus and Kazakhstan right afterwards.¹²⁴ Russia did not show itself particularly enthusiastic to the Silk Road initiatives -only officially recognizing them almost a year after their conception when the China-Russia bilateral gas deal was completed in May 2014. One of the benefits of creating an overland infrastructure network through Central Asia would be that it bypasses Russia, thus circumventing any supply line problems if bilateral relations between either Russia and China or Russia and the EU would cool to a level that Russia might block these transports. However, as a major regional power, China believes Russia needs to be if not included in the Silk Road framework, at least not working against it in order for it to succeed. One big practical challenge for the One Belt One Road, it was thought, would be how to

¹²³ Brugier 2014 & Ekman, 2015

¹²⁴ Brugier, 2014

engage the Eurasian Economic Union (as much under the influence of Russia as NATO can be said to be US-dominated) in promoting regional cooperation.

However, after the May 8th summit between Xi and Putin in Moscow, it may be time to change that perception. The two leaders signed a joint declaration entitled ‘On cooperation in coordinating development of EEU and the Silk Road Economic Belt.’ The Eurasian Economic Union was founded on the first of January 2015. Comprising of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan and Russia, the institution is modelled after the EU. It will have an executive body based in Moscow entitled the Eurasian Economic Commission as well as a political body, the Supreme Eurasian Economic Council. At its conception it had free movement of labour and a single market for retail, construction and tourism. In the future Russia hopes to achieve further integration.

The declaration discusses the creation of a ‘common economic space’ in Eurasia by coordinating the two regional projects. This coordination would include a China-EEU FTA. Though the language used in the document is still equivocal, the meeting as a whole signifies a major departure from the initial collision course the Belt and Road and Eurasian union seemed to be on. What Putin is hoping for is a ‘division of labour’ of sorts between Russia and China in Central Asia. China, with its large monetary reserves and quest for resources, can be the major driver of economic development in the region, while Moscow will strive to remain the main provider of hard security under its Collective Security Treaty Organisation.¹²⁵

Professor Li Jianmin, Research Fellow of the Institute of Russian, Eastern European, Central Asian Studies at the Chinese Academy of Social Sciences is strongly in favour of working together with Russia on the Belt and Road development: *“Through close collaboration under the immense SREZ framework, mutual understanding between the two peoples can be deepened, thereby enhancing and consolidating the standard of bilateral cooperation activities. As well, China and Russia may well raise their status in global affairs through joint development endeavors over the vast territories covered by the Silk Road Economic Zone program.”*

Regardless of the nature of the Chinese intentions with regards to the Eurasian Union and the newly signed agreement, however, a remaining slight discomfort on the Russian side would not be surprising. With the help of Chinese companies being funded by the country’s policy banks, the land-based Silk Road is de facto an effort to re-wire the Central Asian region away from Moscow and towards Urumqi, and Beijing.¹²⁶

Sino-US rivalry

¹²⁵ Gabuev, 2015

¹²⁶ Pantucci, 2015

More broadly, China's One Belt One Road project has to be understood also in a context of Sino-US rivalry. The creation of an 'Asian community of shared destiny' –pursued by China's diplomacy since the CICA 2014 conference- can be seen as the conceptualisation of the heightened economic, military, monetary and institutional competition between the US and China in the Asia-Pacific region. During CICA, Xi Jinping declared that 'it is for the people of Asia to run the affairs of Asia, solve the problems of Asia and uphold the security of Asia', implying that the American presence in the region is neither appreciated nor legitimate. China hopes that an additional gain of reviving the Silk Roads will be to translate closer economic ties into closer security and political ties –leading, in the longer term, to a more beneficial balance of power in Asia.¹²⁷ The emerging pattern seems to be one of creating or refreshing institutions in which China could play a leading role, in order to overshadow US-led regional initiatives.¹²⁸ Examples include the FTAAP (and to a lesser degree RCEP) as counter to the TPP, the BRICS bank and the AIIB next to the World Bank and the ADB, and now the Chinese Silk Roads far outdoing, both in scope and budget, the Central Asian Silk Road Hillary Clinton proposed in 2011. In the words of the Chinese Foreign Ministry: "*We should enhance the role of multilateral cooperation mechanisms, make full use of existing mechanisms such as the Shanghai Cooperation Organization (SCO), ASEAN Plus China (10+1), Asia-Pacific Economic Cooperation (APEC), Asia-Europe Meeting (ASEM), Asia Cooperation Dialogue (ACD), Conference on Interaction and Confidence-Building Measures in Asia (CICA), China-Arab States Cooperation Forum (CASCF), China-Gulf Cooperation Council Strategic Dialogue, Greater Mekong Sub-region (GMS) Economic Cooperation, and Central Asia Regional Economic Cooperation (CAREC) to strengthen communication with relevant countries, and attract more countries and regions to participate in the Belt and Road Initiative.*"¹²⁹

Amid all the media hype surrounding the plan, some Chinese analysts are beginning to warn against political hubris. Xue Li of the Chinese Academy of Social Sciences emphasizes the political risk entailed in the One Belt One Road plan, and advises that "[determining] which countries are politically stable, economically vibrant, and willing to work with China and to use them as pivot points to support the whole strategy should be the next priority."¹³⁰

¹²⁷ Ekman, 2015

¹²⁸ Ekman, 2014

¹²⁹ CH MINFA, 2015a

¹³⁰ Miller, 2015a.

5. Engaging the One Belt One Road on the EU-level: costs and benefits

Economic and political contexts of engagement with the One Belt One Road

Leaving aside the famous ‘win-win’ rhetoric of boosting regional growth, the Silk Roads are most of all meant to benefit China and Chinese enterprises.¹³¹ Before getting too enthusiastic about the golden mountains of Chinese investment arriving right at a time when many European economies are in need, member states would do well to remember this.

Nevertheless, the Belt and Road are coming to Europe. Whereas in 2012 some authors still contemplated ‘strategic marginalisation’ from what were perceived to be distant tensions in the Asia-Pacific, it is now clear that Europe cannot isolate itself.¹³² Even if the EU supranational leadership would launch an all-out attempt to stop strategic investments by Chinese firms, this would arguably not be Union’s interest (hurting diplomatic relations and economic bonds with China) and would produce fierce resistance from especially eastern member states who need these investments to kick-start their sluggish economies. Moreover, although some healthy scepticism with regards to the bright prospects painted by Chinese diplomats is not ill-advised, the One Belt One Road in and off itself does not necessarily form a threat for Europe. China’s has proven that their commitment to the initiative is real, and FDI is welcome.

The crux is that the introduction of the Silk Roads initiative has fundamentally changed the nature of Chinese investments. Usually, firms that approach European counterparts have commercial, not strategic motives in mind, meaning that they ultimately pursue market-developing and profit-maximizing goals and make purely commercial decisions. In the Chinese case, however, the state owns a controlling interest in a multitude of FDI-seeking companies. With the introduction of the Silk Road initiative the European suspicion that the Chinese state might have a say in these companies, pushing them to fulfil strategic, rather than commercial goals, now seems confirmed. China sees its State Owned Enterprises (SOEs) as an important tool in building Silk Road and Maritime Belt. Even though they are not labelled as such, the Silk Roads are the closest approximation to a Chinese grand strategy today.

If Chinese SOEs are acting to fulfil a wider Chinese goal, this is a problem for Europe. China is both a commercial and potential military rival, and has a reputation for not questioning the nature of a regime

¹³¹ Miller, 2015a

¹³² Holslag, 2014

before deciding to trade with it. If these regimes were to be linked in to the Silk Road network, this would open up the possibility of, for example, dual-use technologies being transferred out of Europe into hands they were not intended for.¹³³ This scenario is not completely improbable because China had made the Silk Roads process open and all-inclusive, meaning that every country can petition to become part of the Silk Roads network.

A second European worry with regards to the Belt and Road initiative is even more potent and hits closer to home. China has updated certain Eastern European countries into its 'greater neighbourhood' and started to engage them on a new type of platform that is neither bilateral nor European.¹³⁴ In the context of the One Belt One Road initiative this abovementioned 16+1 framework holds the real potential to split the EU on the matter of Chinese FDI, and marginalise Western Europe in the Silk Roads projects. The richer western countries, less urgently in need of investments, are more hesitant about the security risks that come with opening certain sensitive sectors to investments but also feel left out of the discussions that are held at the 16+1 summit. The eleven EU member states in the 16+1 could form an impressive pro-China lobby in Brussels if they align their interests with China through this forum. During a speech in the School of International Studies of Peking University last April, professor Wang Hong argued that this is one of the reasons the Western European countries decided to join the AIIB: to ensure their stake and benefits in the One Belt One Road.¹³⁵ Noting these concerns, during the 2015 Bo'ao forum China tried to assure both the EU and other nations that are alarmed by this dimension of the Silk Belt and Road. It emphasised that the framework is not intended as a 'tight-knit' cooperation organisation, and that it 'will not break the existing regional system of arrangements.'¹³⁶ Even without 'breaking' the EU, however, the CEE is ruffling quite some feathers in Brussels. The leaders are afraid that this new grouping might cause schisms within Europe because it lays bare the cleavages among 'Rich' and 'Poor' Europe. As such, it could hinder its integration.

Professor Cui Hongjian, director of the Department of European Studies at the China Institute of International Studies, thinks Western Europe's worries are unfounded. He believes that just by looking at the proposed route of the Belt and Road and the official documents it is clear that one of the prime goals of the Belt and Road is to connect the Chinese and European markets. He points out that the Maritime Belt will first reach Southern Europe, and the land-based one is aiming for Rotterdam in The Netherlands. He also points to the fact that only one Eastern European country joined the AIIB, Poland, whereas many western European ones count themselves as the founding members.¹³⁷ Although it is true that Western Europe also finds itself on the blue print of the Silk Roads, the main

¹³³ Meunier, Burgoon and Jacoby, 2014

¹³⁴ Fallon, 2014

¹³⁵ Zhiqin, 2015

¹³⁶ Boao, 2015

¹³⁷ SIS roundtable, 2015

problem with the CEE is that it hinders Europe's capability to coordinate its response to the Belt and Road internally before talking to China. In this light, rather than trying to oppose discussions on the Silk Road in the CEE framework, the EU could try to render it obsolete by rallying all its member states to form a common response to the Belt and Road. This is discussed further in the next subsection.

Embedding the One Belt One Road into a wider European security strategy.

Considering all the above information, this author would like to put forward the following: The Chinese leadership has committed to the One Belt One Road initiative and will do its utmost to make sure the plan is a success. It would be extremely precarious for the European supranational body to stop the One Belt One Road from expanding into the European member states. Especially Eastern Europe is in need of FDI and development of infrastructure and trying to challenge China head on with regards to its most prominent foreign policy initiative would be detrimental to political relations. That the EU will eventually engage with the One Belt One Road thus appears to be a given. However, there is no need to wait until the Belt and Road projects have reached the European mainland. As discussed in section four, the Chinese leadership has invited countries to add to the blueprint of the plan, and there is in fact much Europe could do to turn the Silk Roads to its own advantage, treating it as an opportunity rather than a threat. The above sections have outlined that the EU wishes to have a larger security presence in East Asia, mainly because instability in the Asia-Pacific region would be noticeable all the way to Brussels. The problem is, however, that growing instability closer to home, combined with previous unwillingness on the part of the member states to keep up their defence budgets, has left Europe with scant tools to accomplish such a presence. Our hard power is mainly concentrated in NATO, with a smaller amount of resources being poured into the Common Security and Defence Policy (CSDP). However, our CSDP missions and soft power initiatives are mainly concentrated on the European greater neighbourhood and Africa (see figure 3).¹³⁸

It has also been noted that the EU and China already have infrastructure in place to engage each other with regards to the Silk Road Plans: their strategic partnership. The strategic partnership is called *strategic* exactly because the two countries claim to have developed a bond that goes beyond economics and trade. This author then, proposes the idea that the most beneficial response for the European Union to the Chinese One Belt One Road initiative would be to not just receive it within its own member states, but to reach out and reach back. By devising a common European response to the Silk Roads, the EU can move from economic considerations on the FDI-level, to incorporating the Silk Roads into our own global strategy and aims. The EU wishes its own neighbourhood and the Asian region to be stable and prosperous. China similarly hopes, as explicated in its neighbourhood policy, to create a peaceful environment conducive to its own growth. The EU could choose to only

¹³⁸ EUISS YES, 2015

react to those tendrils of the Belt and Road that will reach into its territory and deal with Chinese FDI on a case by case basis. In the global arena it could then free-ride on the Chinese initiative and hope that China will succeed in stabilising Asia to subsequently profit from this. However, if the EU were to align its own initiatives – apt examples include the European Neighbourhood Policy, the Partnership instrument as well as the new EU Maritime Security Strategy (EUMSS)- with the incoming Silk Road projects, it might reap much larger benefits. In this way, it could intensify its strategic cooperation with China, by creating a truly overlapping goal to work toward. China is not entirely confident in the success of their Silk Roads yet, and if a strong economic power like the EU would start developing the Eastward infrastructure that their Westward efforts could link in with, the EU would become a truly strategic partner. As of right now, Chinese academics are looking toward Russia to perform such a pivotal role, but Beijing is still looking around for other allies. Europe would be wise to act on this opening, because Russia is seen as a stronger security actor than the EU and was presented at the 2015 Bo’ao forum as the current first choice for a ‘pivot country’ to support China in its efforts to make the Silk Roads a reality.¹³⁹

By aligning their existing projects in Central Asia with the Silk Roads, the EU would utilise the security dimension of the infrastructure network that Xi Jinping himself has imbued it with. They could become not just part of, but contributor to, a grand Eurasian security network in the making. It would lay the basic framework for engagement and relevance from which to expand. We have always argued that our post Cold War experience of regional dispute resolution and integration holds great value for our Eastern neighbours. Now that China has embarked on a great integration effort of its own, we can put this knowledge to use. Whether the PRC would be fully thrilled about such appropriation of their Belt and Road projects remains the question. An advantage for China would be that their initiative gains a strong supporter, and with European help the network might be truly ‘connected’ from East to West faster than anticipated. In return, the EU will bring its own habits of development and investment to the project, which are more moralising and contain a ‘missionary’ element of human rights, rule of law and democracy promotion.

The Chinese proposals for cooperation

Having argued that a collective European response is the right course of action, it is important to have a clear image of how China itself envisions Europe’s involvement in and contribution to the Belt and Road. Communication and information exchanges about the project are currently taking place at a number of different levels. Most broadly, the *Vision and Actions on Jointly Building the Silk Road Economic Belt and 21st –Century Maritime Silk Road* provide a general blueprint of which places are to be included into the network, and which areas of cooperation are considered priorities by the

¹³⁹ Fallon, 2014 & Boao forum, 2015

Chinese leadership (see section 4). They do not go into much detail regarding concrete implementation in Europe.¹⁴⁰ Secondly, there are the rapidly increasing FDI flows into Europe. Many European countries have existing Bilateral Investment Treaties (BITs) with China, and an EU-China BIT aimed at replacing these with one comprehensive agreement is under negotiation. Both the BITs and Chinese FDI into Europe far predate the announcement of the Belt and Road initiative, but now seem set to eventually feed into the wider Belt and Road strategy. This means that the EU should start to consider them in the light of this initiative. Lastly, a recently published article in EUobserver written by Ambassador Yang Yanyi, Head of the Chinese Mission to the EU, addresses the form cooperation would take on a European level. The ambassador explains that China hopes to work with the EU ‘in an incremental matter’ on five key initiatives:

Firstly, according to the article, the two actors should work to increase their *policy coordination*. China recognizes the fact that the strategic partnership might come in handy here, and proposes to make full use of the ‘existing mechanisms’ such as the China-EU summit, the High Level Strategic Dialogue, the High Level Economic and Trade Dialogue and the High Level People-to-People Dialogue. In this way, the ambassador writes, the Belt and Road will be aligned to both actors’ ‘synergies and strategic orientations’. The EU and China can then ‘jointly provide policy support and identify and launch programs that accommodate bilateral and multilateral interests.’¹⁴¹

A second focus should be to build up their *synergies*. The Chinese leadership has identified certain specific programs that are contained in the Belt and Road initiative (they name improving connectivity, investment and trade, developing new-generation information technology, green economy and blue economy growth, as well as strengthening financial cooperation) as being inherently compatible with Europe’s Investment Plan,¹⁴² as well as the Single Digital Market and Energy Union Plans. By working to align and coordinate these initiatives, the article reads, China and the EU could ‘tap the full potential of their complementarity.’¹⁴³

Thirdly, the two partners should ‘focus on *priority*.’ What this seems to mean is that for implementing the Belt and Road initiative, as well as for underpinning EU-China economic and trade ties, the facilitation of investment is paramount. In this light, China is ‘committed to working closely with the EU to further implement China-EU 2020 Strategic Agenda for Cooperation, attaching particular importance to taking the negotiation of the Bilateral Investment Agreement onto the “fast track”.’¹⁴⁴

¹⁴⁰ Policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonds are mentioned as the five major cooperation priorities.

¹⁴¹ CH MINFA, 2015b

¹⁴² An EU initiative meant to boost the internal job market and growth.

¹⁴³ CH MINFA, 2015b

¹⁴⁴ CH MINFA, 2015b

Additionally, China still hopes to conduct a feasibility study on a China-EU FTA. As mentioned above, the EU is hesitant about such an endeavour, but the article ensures the member states that this would surely entail a ‘win-win’ deal for both sides.

Fourthly, *financial cooperation* is on the list. It is described as an important focus both for the China-EU relationship and the new Silk Roads. The European Central Bank and the European Investment Bank are mentioned as specific targets for cooperation and in the same spirit that permeates the strategic partnership documents, China looks forward to ‘expanding exchanges and practical cooperation with the EU’ on a number of issues. The EU’s haphazard ascendance to the AIIB has also not gone unnoticed. The ambassador explicitly makes the link between the AIIB and the One Belt One Road, and confirms that China is more than ready to work with those member states that joined as founding members in the AIIB framework.

Lastly, China wishes to include an element of *people-to-people relations* in their advance to Europe because these bonds were also ‘the strengths for the ancient Silk Road’. This fifth ‘pillar’ of the European approach likely has to do with the negative image of China that endures in many member states, and China’s soft power efforts during the last decade to redress this. Specifically, China will “try [its] very best to raise awareness and understanding of the benefits and advantages of the “Belt and Road” initiative”¹⁴⁵ in order to sell it to the somewhat wary European publics.

The ambassador’s paper reflects how China currently envisions Sino-European cooperation on the Belt and Road. It will take place fully and squarely within Europe’s borders, and focus mainly on trade and investment facilitation, as well as cooperation on high-technology projects. What gives reason for pause, however, is that most of these pointers seem mostly meant to clear the path for the ‘true form’ of the Silk Road projects, which is FDI and infrastructure building in the target countries. And, even though since the 2009 Lisbon agreement FDI regulatory competence has become an integral part of the EU common commercial policy, the Commission still largely leaves FDI promotion to the member states.¹⁴⁶ Ergo, in the current Chinese plans Silk Road cooperation will happen for the large part on a bilateral level with individual member states. If the EU would accept this proposal, it is not necessary to devote extra attention to develop a common engagement strategy.

The next step for the EU is thus to reach out to China and communicate a desire to work together on the Silk Roads’ construction not just in Europe, but also in Europe’s greater neighbourhood. In official European documents the EU greater neighbourhood is indicated as countries falling under the European Neighbourhood Policy (Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel,

¹⁴⁵ MINFA, 2015b

¹⁴⁶ Zhang and Bulcke, 2014

Jordan, Lebanon, Libya, Moldova, Morocco, Palestine, Syria, Tunisia and Ukraine) and Russia, with whom relations are governed under a strategic partnership framework. The Union can point to China's own indicated desire to find synergies between EU and Chinese initiatives and argue that, among others the ENP, PI and EUMSS, also share an 'inherent compatibility' with the Silk Roads drive.

It would be beneficial for Europe to make its move quick, rather than slow, because at both the member state and European level things are not standing still. In June this year, Hungary became the first European country to sign a memorandum of understanding with China on promoting the Belt and Road. Hungary is part of the CEE collective, and Xinhua commented on the occasion by stating that 'the CEE nations will be essential links in the Belt and Road initiative.'¹⁴⁷ The 15th of April 2015, an EU special representative for Central Asia was appointed.¹⁴⁸ A much more important development on the EU-level took place in July this year, when multiple news outlets reported that China is set to pledge a multibillion-dollar investment in Europe's new infrastructure fund. The fund will 'create opportunities for China to invest in the EU.'¹⁴⁹ The European fund is a three-year program aimed at generating €300 billion for huge infrastructure projects to be carried out across the EU. The aim of the plan is to kick-start growth, battle unemployment and addresses the lack of investment in Europe. It was announced in November 2014, after the Silk Belts announcement in 2013, and thus it seems China has made a move to incorporate the EU plan in its own scheme. EU and Chinese officials have reported Chinese banks are looking primarily at telecommunications and technology projects. It is likely that in return for its investments, Beijing will ask Europe to take a greater interest in the One Belt One Road initiative. Ambassador to the EU, Yang Yanyi, said China is looking for ways to build up synergies between the One Belt One Road initiative and the European Fund. On the other side, the European Commission has indicated it is looking at whether the EU could collectively become a member of the AIIB, since the bank has stipulated it is open 'economic entities'. The EU is already working together with Beijing on governance standards and best practices in setting up the AIIB.¹⁵⁰

Expanding cooperation to make the Belt and Road serve EU strategic purposes

The EU has carefully started to explore different manners in which it can heighten its security profile in Asia. It has started to upgrade low-profile programs on border patrols, diplomatic training of Japanese and ASEAN personnel, and maritime patrols. Multiple Asian and European countries joined the EU-led Atlanta counter-piracy mission in the western Indian Ocean, and the first EU-ASEAN high-level dialogue on maritime security was held in November 2013. The EU has also been trying to play their non-traditional security card and has opened dialogues in the region on cyber-security,

¹⁴⁷ Tiezzi, 2015

¹⁴⁸ Gross, 2015

¹⁴⁹ South China Morning Post, 2015b

¹⁵⁰ South China Morning Post, 2015b

disaster management and climate security. The Commission has agreed to design the aid budget in Asia in order to support these initiatives. There has also been a proliferation of bilateral partnerships, vowing increased political cooperation. Formal EU proposals mention more often the notion of a Europe-Asia global partnership. It is the question, however, how many actual results will flow from all this activity. There remains a strong focus on trade related issues, with a lack of common European approaches. Current EU-Asia relations are a patchwork of bilateral, sub-regional and regional agreements and initiatives that sometimes reinforce, but more often obstruct each other.

If the EU were to move on the One Belt One Road opportunity outlined in this paper, using it to give increased direction and focus to its Asian security strategy what form could this take in practice?

The restructuring of the neighbourhood policy

The ENP was established in 2003, based on the values of democracy, rule of law and respect for human rights and aimed at fostering political association and economic integration with the EU's eastern and southern neighbours. Sixteen countries have signed up to the ENP and twelve have consented to implementing ENP actions plans.¹⁵¹ The last few years, however, the ENP has come under intense criticism, with some scholars claiming that the 'EU has completely failed' in its goal of avoiding the development of new dividing lines between the enlarged EU and its neighbours by strengthening the 'prosperity, stability and security of all.'¹⁵² Ian Bond, Director of foreign policy at the Center for European Reform even goes so far as to say that the policy is "*a mess of inconsistency and wishful thinking.*"¹⁵³ These criticisms are not wholly unwarranted. Since 2003, Libya and Syria have fallen into chaos; Egypt has endured a military coup; restrictions on civil society and the media have worsened in a number of states, including Azerbaijan. With a few exceptions (Israel, Georgia and Jordan), most of the ENP states are corrupt, and only a few (Tunisia and Ukraine) have made progress towards democracy. As a whole, the EU's grand scheme for the ENP has scarce to show for its efforts.

HR Mogherini and Commissioner Hahn have indicated the need for an overhaul of the policy in their Joint Consultation Paper. They write the policy could arguably better serve both the EU and its neighbours if it would concentrate on "*combining a realistic long-term vision with customised 'proximity packages' to address specific sub-regional issues (such as transport, energy or mobility) – rather than a single one-size-fits-all template geared towards normative convergence across the board.*"¹⁵⁴ The restructuring of the ENP is an apt opportunity to align new initiatives so that they could link in with Silk Road projects. Because the ENP already has allocated funds, this also partially

¹⁵¹ Dempsey, 2015

¹⁵² Dempsey, 2015

¹⁵³ Dempsey, 2015, 1

¹⁵⁴ Missiroli, 2014, 4

addresses the costs of the EU alignment with the One Belt One Road. Between 2014 and 2020 \$15,4 billion are reserved for the European Neighbourhood Instrument.¹⁵⁵

Utilising the EU’s Partnership instrument

In 2014 the European Council established the Partnership Instrument (PI) (not to be confused with the Sino-European Strategic partnership), meant for “*Financing of measures based on cooperation policies set out in instruments, such as agreements, declarations and action plans, agreed between the Union and the international organisations concerned or between the Union and the third countries and regions concerned, using a differentiated and flexible approach. The instruments promote, develop and consolidate inter alia the principles of democracy, equality, respect for human rights and fundamental freedoms and the rule of law.*”¹⁵⁶ The PI is very suitable for the purpose the engagement with the Silk Belt and Road and has an allocated \$1 billion for the period 2014-2020. The current plans for this money are projects that international dimension of ‘Europe 2020’, projection of the Union’s internal policies, global challenges, policy support, as well as support for EU trade agreements, market access and public diplomacy. Silk Road collaboration headed under the framework of the 2020 EU-China Global Agenda would fit this program well.

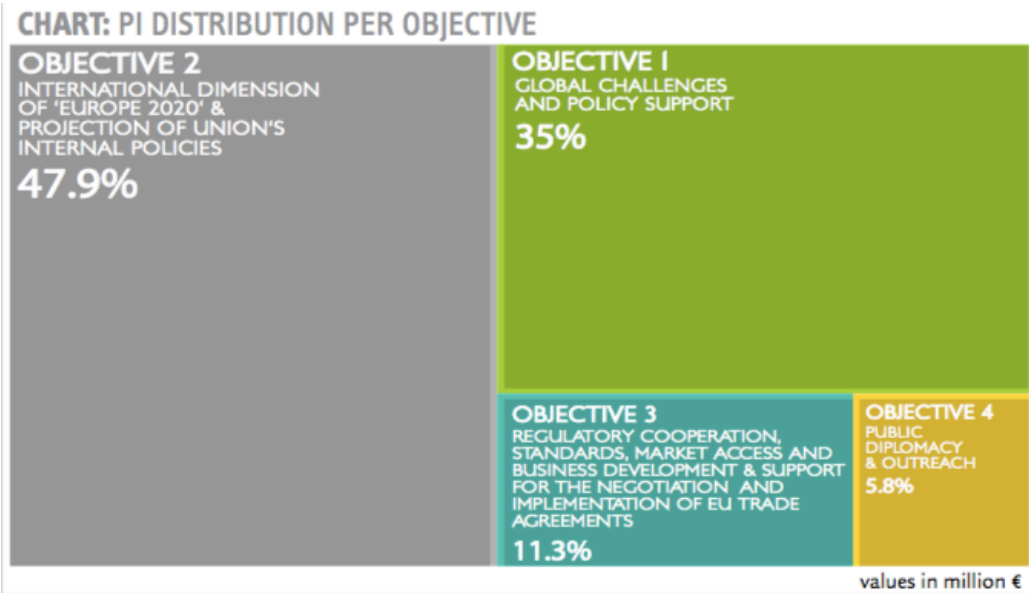


Figure 3. Source: EUISS YES 2015

¹⁵⁵ Projects being covered under the Neighbourhood instrument include “Bilateral, multi-country and cross-border cooperation programmes, covering *inter alia* human rights, good governance and the rule of law, institutional cooperation and capacity development, support to civil society actors and to their role in reform processes and democratic transitions, sustainable and inclusive economic development, development of social sectors, in particular for the youth, trade and private-sector development, agriculture and rural development, sustainable management of natural resources, the energy sector, transport and infrastructure, education and skills development, mobility and migration management, confidence-building and other measures contributing to the prevention and settlement of conflicts. (EUISS YES 2015)

¹⁵⁶ EUISS YES 2015, 35

Utilising the CFSP's EUMSS

The EU member states have signed up to a Common Foreign Security Policy. It is part of a larger foreign policy framework including trade, enlargement, development, and humanitarian aid. Under this heading the Common Security and Defence Policy (CSDP) is meant to strengthen the EU's ability to carry out conflict prevention and crisis management missions in third countries. The main aims of these missions are peace-keeping and improving international security. The missions are armed and funded by Member States. Most of the civilian and military missions are relatively small-scale and concentrated in the EU's direct neighbourhood and Africa.

Within the CFSP, the new European Maritime security strategy is best suited to link in with the Belt and Road. Adopted in 2014, it is the most comprehensive European security strategy to date. It hopes to create cost-efficiency benefits by increasing coordination across the multiple sectors and actors dealing with maritime security active in the EU. What makes it relevant to the One Belt One Road is that it explicitly aims to increase the EU's role as a global actor and security provider, and focuses on its efforts in the European neighbourhood. It makes a link between comprehensive security at sea and on land, which could be relevant for the points of contact between the land-based and maritime-based Silk Roads. This is because it uses a comprehensive definition of maritime security, including (inter)national law, freedom of the seas and the protection of citizens, infrastructure, resources, transport and the environment. The EUMSS could contribute to safeguarding One Belt One Road supply lines, but one of the remaining problems with the new strategy is that it tries to generate cost and efficiency benefits through increasing coordination and coherence among the many EU actors and sectors dealing with maritime security issues –without changing or creating new budgets.¹⁵⁷ As such the success of the strategy is very much dependent on member states will to listen to the call for cooperation.

Having argued that a common approach to the Silk Roads would be beneficial for the EU and given some examples of how such cooperation could look in practice, we will now turn to a more in depth discussion of the sub-questions of the paper, examining the hurdles facing such a common approach, as well as factors that have to be weighed before a decision in favour of an EU-level response would be deemed advisable.

¹⁵⁷ Landman, 2015

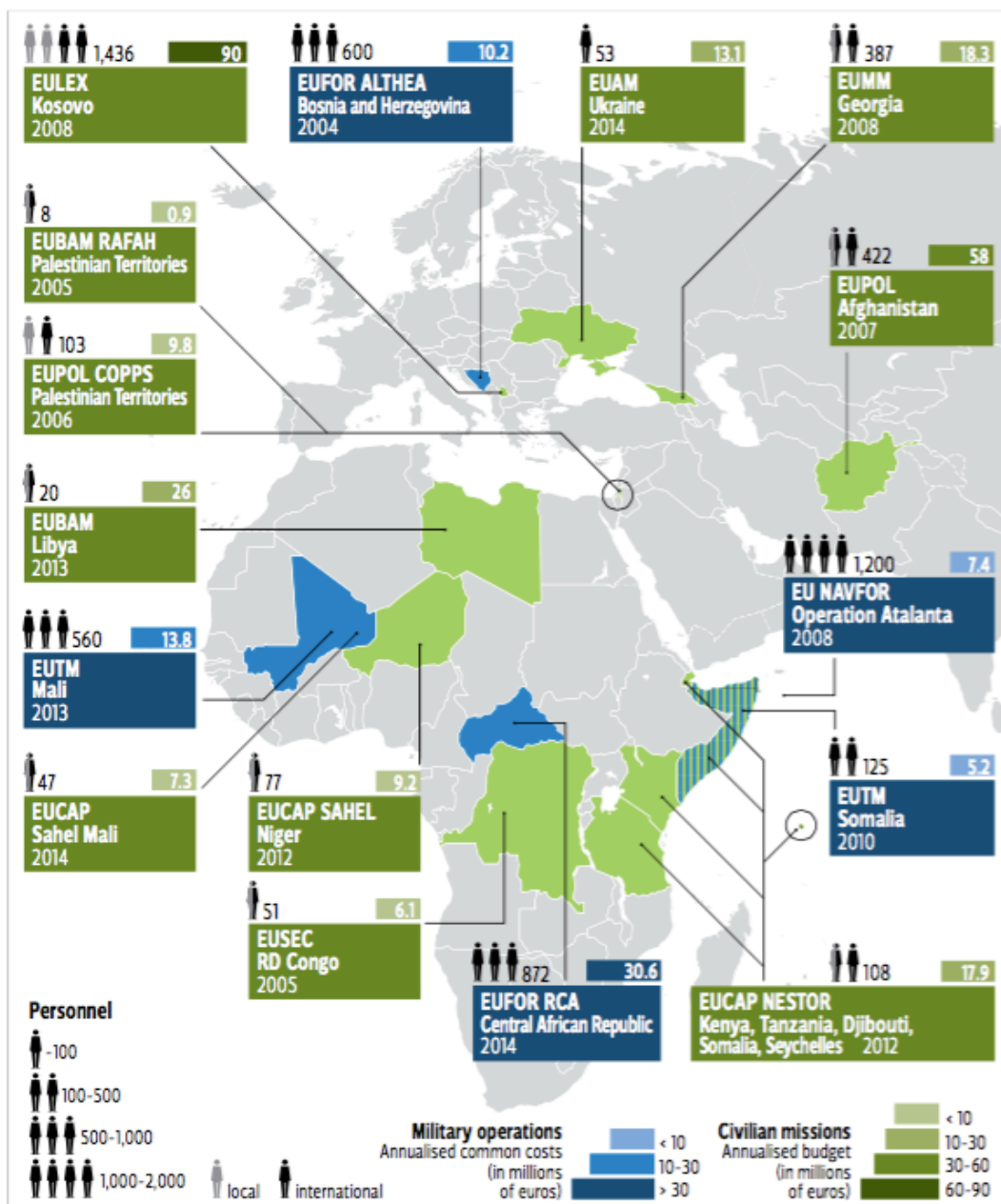


Figure 4. EU Common Security and Defence Policy. Source: EUISS YES 2015

Sub questions

1. *Is there actually enough of a 'body' for the EU to engage with? There is as of yet no 'One Belt One Road' forum, rendering engagement a potentially largely Sino-European affair. This would run counter to the European leitmotif (since 2012) 'beyond trade, beyond China'.*

The Chinese leadership has been very careful to explain that the One Belt and One Road initiative is not going to be a 'tight-knit' cooperation platform, because they worry that it would otherwise pose too much of a threat for the other regional cooperation initiatives such as the EU, the Eurasian Union, and ASEAN. This seems to mean that although European projects in the neighbourhood would be negotiated with the countries in question, the grand-strategic dimension of the plan resides with the Chinese leadership. Thus basing an attempt to gain a greater security presence in Asia on a linkage with the One Belt One Road would entail a close collaboration with China -there will be no multilateral body to engage with. Some Central Asian countries might be understandably uncomfortable with the alliance of two economic giants, jointly trying to develop linking infrastructure networks on their territory. However, not only are some of these countries even more in need of investment than Eastern Europe, the EU could mainly focus on bilateral development aid and infrastructure development. Aligning the ENP with the One Belt One Road simply means coordinating with China in a manner that would be cost-efficient for both actors –linking in a network being built by Europe from the West with the network that China has started to build from the East.

As mentioned in chapter 3, China's scholars have started to warn against the political risks inherent in the Silk Roads plan. As professor Xue Li stated, “[determining] which countries are politically stable, economically vibrant, and willing to work with China and to use them as pivot points to support the whole strategy should be the next priority.”¹⁵⁸ Beijing itself is not entirely clear yet on how to establish their Silk Road, especially in areas far from home where they have less political and economic clout, or soft power. “China is ready to work with participating countries in improving the content and mode of the initiative and developing timetable and roadmaps of cooperative mechanisms, plans and projects” and “very much welcome[s] views and proposals from our EU partners and business community and academic circle on how they see the "Belt and Road" initiative moving forward and how this initiative be an attractive destination for strategic investment for mutual prosperity.”¹⁵⁹ Beijing is searching for 'pivot' countries to support the New Silk Roads and the lack of a formal Silk Road institution and their inclusion in the AIIB means that the EU could position itself as such, giving the process shape at the same time. For example, Chinese entrepreneurs and officials often encounter the same corruption traps as their European colleagues active in Central Asia. The European Bank for Reconstruction and Development (EBRD) and other European institutions, however, have been

¹⁵⁸ Miller, 2015a.

¹⁵⁹ CH MINFA, 2015a and CH MINFA, 2015b

operating in the region for a long time, and Chinese enterprises entering with the Silk Road wave could benefit from the lessons they learned.¹⁶⁰ Likewise, China has very little experience with resolving border disputes, while the European OSCE and projects such as the EU's Border Management Programme for Central Asia (BOMCA) have been tackling these issues in the region for a long while. If China is to be truly successful in establishing a trade corridor akin to the Bangladesh-China-India-Myanmar Trade Corridor and the China-Pakistan Economic Corridor, its policy makers will have to learn how to deal with the region's complicated dynamics.¹⁶¹ This is a job Europe could help with. Apart from their unilateral efforts, joint training and capability building missions, collaborative security strategies for the built infrastructure, and attempts to counter criminality and drug trafficking are areas where cooperation could advance both actors' interests.¹⁶²

2. *Is allowing large-scale Chinese FDI into Europe a security threat?*

If the decision would be made to reach out and engage China's Belt and Road already in Central Europe, it cannot be forgotten that the Road and Belt, primarily in the form of Chinese FDI will eventually permeate the European territory as well. EU countries have extremely low levels of FDI protection, both regarding pre- and post-establishment regulations.¹⁶³ Perhaps as a result, Europe has become a popular destination for investors from emerging economies, -especially India and China. Public unrest, however, is mainly focussed on Chinese investors, because as stated above, the larger SOE's are often suspected of entertaining close ties with the government. There is a fear of implicit conditionality inherent in the investments, aptly summarized by Haiyan Zhang: On the one hand, *“European polities can be expected to welcome Chinese FDI as a source for much-needed jobs and economic recovery, perhaps even more attractive than investment from elsewhere given the ties it fosters with the world's fastest growing economic region.* On the other hand, however *‘those same polities can be expected to fear Chinese FDI for the (further) loss of sovereignty it might manifest if investment comes with conditional strings attached, particularly given the distance between the Chinese authoritarian market capitalism from democratic and “social” Europe.’*¹⁶⁴

There is a clear need to address security problems stemming from Chinese investments. If not, a European state that declines a Chinese companies' investment due to security concerns could see their security violated regardless, if a neighbour does accept the investment.¹⁶⁵ Especially for European companies or sectors, which possess a substantial technological lead, this poses a problem. Currently, the European Commission has a few policy instruments to control FDI flows entering Europe. Given

¹⁶⁰ Pantucci, 2015

¹⁶¹ Pantucci, 2015

¹⁶² Pantucci, 2015

¹⁶³ Zhang and Bulcke, 2014

¹⁶⁴ Zhang and Bulcke, 2014

¹⁶⁵ Meunier, Burgoon and Jacoby, 2014

the specific characteristic of Chinese companies, the ‘European Programme for Critical Infrastructure Protection’ (EPCIP) and the ‘EU Merger Regulation’ (EUMR) are most relevant here. The EUMR is meant to ensure that companies do not obtain market power to the point that it threatens the interests of the economy, consumers, or society as a whole. When a proposed merger or acquisition (M&A) falls under the M&A regime as stipulated by the EUMR, the Commission may assess if the deal can be considered a “*a transaction involving a change of control and impact on a lasting basis with an EU dimension, and a collective dominance, or as creating an oligopolistic situation based on economic links*”¹⁶⁶ In the case of Chinese SOE’s the main questions the Commission tries to answer is whether or not the companies operate independently of the government and if the objective for the Chinese leadership is to coordinate the behaviour of these SOE’s in a certain European sector.¹⁶⁷ Previously, the Commission has said that if China’s leadership is indeed found to be playing a coordinating role, then all Chinese companies in the sector in question will be treated as one singly body, i.e. ‘China Inc’ during the merger analysis. This of course increases the size of the analysed ‘company’ considerably, and makes it more likely that ‘the minimum thresholds of the EU regulation in terms of absolute and relative turnover’ will be applicable.¹⁶⁸ This, in turn, will make it more likely there will be a negative evaluation by the Commission possibly resulting in the deal being denied.

China and Europe are currently negotiating an EU-wide BIT. This seems appropriate not only because it could address the security concerns associated with the discrepancies in the 26 existing BIT’s addressed above, but also because since the announcement of the Silk Roads initiative, it has become clear that China’s SOE’s are in fact serving a grander strategic purpose. It would be detrimental to the implementation of the Silk Belt and Road if the SOE’s were from now on treated as China Inc. Cooperation and consultation with Europe on how to manage and treat Chinese Silk Road-related FDI could both address European security concerns and prevent Chinese SOEs from being banned from the internal market.

3. *Taking into account that Europe does not officially recognize the Chinese New Security Concept stating that ‘development equals security’, does the One Belt One Road initiative comprise enough of a security dimension to help enlarging the European security footprint in the region?*

Ultimately, the European goal is to become a stronger security actor in Asia so as to create the stability and growth in the region that would be conducive for prosperity at home. In this light it does not matter which security concept the EU officially recognizes, only the practical consequences of their engagement with the Belt and Road. Although it seems unlikely that in its official communications the

¹⁶⁶ Zhang and Bulcke, 2014, 168

¹⁶⁷ Zhang and Bulcke, 2014

¹⁶⁸ Zhang and Bulcke, 2014

EU will move away from the traditional conception of security, focussed on sovereignty and territory that it shares with the US. Nevertheless, the European Union does strongly recognize the link between regional integration and stability (this being the foundation of its own integration project). Its 2012 guidelines specifically state that the Union needs to ‘encourage and support’ regional integration as “*an essential means for promoting prosperity, stability and security.*”¹⁶⁹ Whether or not they openly endorse Xi Jinping’s New Security Concept, the fact that the Belt and Road will, when completed, integrate the whole Asian continent render it a huge stabilizing effort. This is more than enough of a security dimension to make the project relevant to EU interests.

4. *Would it be harmful to the credibility of the United States as a security actor in the Asian region if Europe decides to engage fully with the One Belt One Road initiative?*

Since World War II, Europe has relied heavily on its transatlantic partnership, but has found it difficult to get out of an uneven position with the US. The One Belt One Road initiative offers it the opportunity to ‘speak with its own voice’ and engage with China and the Asian nations as a singular actor separate from the United States. Professor Wang Yiwei, in an article published in Europe’s World is especially optimistic. He writes how “*The New Silk Road Initiative could help redirect the centre of geopolitical gravity away from the U.S. and back to Eurasia. Europe is faced with an historic opportunity to return to the centre of the world through the revival of Eurasia.*”¹⁷⁰ Whether European engagement in the Belt and Road will have such a grand effect remains to be seen, but this author agrees that the chance to become a more relevant actor separate from US goals and strategies would be beneficial. This does not mean, however, that the transatlantic partnership is no longer one of Europe’s most important alliances. The EU’s 2012 *Guidelines* underline the importance the Union attaches to its transatlantic relations, as well as security cooperation with the US in East Asia.

In the Asian region the US and China are currently in competition for influence, however, and it should be carefully considered whether alignment with China on the Belt and Road would hurt the EU’s ally. First of all, the engagement in the One Belt One Road initiative would not be the EU’s sole effort in the region. We will still be contributing troops and funds to NATO, and the primarily commercial nature of the Belt and Road allow the EU to continue to support the US with political statements without too much friction between the two. Additionally, because the US has remained one of the few strategic players in the region who did not join the AIIB as a founding member, Europe’s active participation in the bank could help advancing their ally’s interests in this body. It helps that China seems bent on not letting their “rise dilemma” (崛起困境, jueqi kunjing) head to a climax. Vice-Prime Minister Wang Yang’s underlined at a China-US trade forum in Chicago in

¹⁶⁹ Council of the European Union, 2012, 12

¹⁷⁰ Wang, 2015, 2

January 2015 that “*it is the United States that leads the world. [...] China does not have any ideas or capabilities to challenge the leading role of the United States*”.

5. *Chinese investments and aid are based on non-intervention and non-conditionality. But human rights promotion is a cornerstone of the EU’s foreign policy. Can it work with China on the One Belt One Road initiative and reconcile the two?*

Openly making ‘linking with the new Silk Roads’ a policy objective, will undoubtedly meet with some resistance from European publics. China does not have a good public image in the EU, and many EU countries pride themselves on ‘sticking to their human rights dialogues’ with China.¹⁷¹ One way in which Europe can maintain the norm and value-dimension of their foreign development aid projects was already mentioned above: although they will be working with China, and aligning infrastructure projects to eventually link in with each other in a grander network, the projects in the ENP will still be completed by European personnel on European terms. And as mentioned above, the foundation of the ENP lies with respect for human rights, rule of law and democracy. Secondly, in its *Guidelines*, under the heading ‘East Asia and the EU’s Global agenda’ the EU already foresaw an international situation in which China, Japan, Korea and ASEAN will be more active in the global community. It states that while it should continue to engage these countries on the rule of law, democracy promotion and human rights, there are also other methods that might propagate the greater good of security and prosperity for its neighbours;

*“At the same time [it] should deepen its engagement in the many sectoral areas that concern economic and social reform, including for example cooperation in the fields of education, culture, youth, innovation, research, environment and energy, entrepreneurship and tourism, and building enhanced people-to-people dialogue and contacts; and, more generally, encourage and support regional integration as an essential means for promoting prosperity, stability and security.”*¹⁷² The EU has thus already recognized that in a future in which political and economic clout are likely to shift even further to East Asia, it might be necessary to entertain different strategies to reach the same common good. Another interesting thing to consider is the number of European Security projects listed in the *Yearbook of European Security 2015* which focus on development in line with Silk Road projects. The only prominent difference in their conceptualisation appears to be that the EU links development, security *and* democracy.

¹⁷¹ d’Hooghe, 2007

¹⁷² Council of the European Union, 2012, 12

6. *Now that Russia has indicated its interest in cooperating with the Belt and Road initiative, what shape would Russia-EU interaction take if Europe decides to try and link the One Belt One Road initiative with its own wider strategic goals in Central Asia?*

Right up until the Sino-Russian declaration on ‘cooperation in coordinating development of EEU and the Silk Road Economic Belt’ signed last May, Russia had not shown itself overly enthusiastic about China’s ambitious infrastructure plans. In this author’s opinion the joint declaration in no way means that Russia no longer fears that Beijing will try to interfere with or lessen its influence over the countries included in the Eurasian Union. It simply has realised that China has the resources to progress its initiative, with or without Russia. Basically, the Kremlin has decided that the benefits of coordinating the EEU with China outweigh the risks. China will become the main investor in Central Asia, and the major market for its natural resources.¹⁷³ Russia has conceded to recalibrate its role in the region to accommodate this influx of Chinese money and resource-hunger and will concentrate on remaining the main provider of hard power security. The declaration signed by Xi and Putin outlines the formula of cooperation. China will recognize the EEU, and has agreed to talk with this regional entity and not just the separate member states. The Eurasian Economic Commission has been mandated by Belarus, Kazakhstan, Russia and Armenia to start negotiations for a trade and investment agreement with China. Simultaneously Moscow will gain access to the Silk Road fund for improving Russia’s infrastructure. The prospect of a FTA, which would be more difficult to achieve due to the EEU members’ high levels of protectionism, was put as a distant goal.

China has been courting Moscow to become one of the ‘pivot countries’ supporting the Belt and Road. Russia’s initial negative reaction toward the Belt and Road could have been beneficial for the EU: it would have given it some time and space to rally its forces to try and become a ‘pivot region’ of its own right. That Russia has now had a change of heart means that engagement with the One Belt One Road will also entail engagement with Russia. This author believes that might turn out to be a positive development. Since the end of WWII and the founding of NATO, ‘keeping Russia out’ has been a strategy of the Western European countries and the US. Since the beginning of the Ukraine crisis tensions have peaked again, and the European sanctions on Russia have soured relations further. Nevertheless, reconciliation between Russia and Europe could form a cornerstone of stability in the EU greater neighbourhood. The One Belt One Road is a project that ‘keeps Russia in’ by engaging it in the abovementioned declaration and the Shanghai Cooperation Organisation. Europe is unable to choose its neighbours, so collaboration in the Silk Road framework might make a beginning to ‘normalise’ relations and start rapprochement on other issues.

¹⁷³ Gabuev, 2015

One complicating factor of this 'triangle formation' in which the EU enters a Chinese cooperation framework that also includes Russia is the possibility for strategic competition. As mentioned in sub-question 1, there is as of yet no 'Silk Road Forum' coordinating countries' projects not just with China, but also with each other. This is a goal that China eventually hopes to reach, but the plan to get there is still unclear. The European Neighbourhood Policy encompasses Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestine, Syria, Tunisia and Ukraine. At least four of these countries also fall under Russia's influence sphere.

Perhaps the fact that Europe has a preference for concentrating the bulk of its resources close to home will open the possibility of coordination on which countries the EU and Russia respectively concentrate their efforts. With the current tense atmosphere between the two, however, the likelihood of such a dialogue progressing smoothly seems small.

6. Conclusion

The Chinese leadership believes in ‘common prosperity.’ In other words, it believes that by locking its neighbours far and wide into multilateral agreements and development programs, it can coax them into welcoming, rather than hedging against, the rise of China. Its Silk Road Economic Belt and 21st Century Maritime Silk Road does not directly upset existing regional organisations such as ASEAN, Russia’s Eurasian Union or the EU, as it does not compose a coherent institution on its own, and the AIIB is promoted as a body meant not to replace, but rather to complement the World Bank and Asian Development Bank. Nevertheless, with the development of these grand initiatives a redistribution of power will take place, with China and the developing world as relative winners. Consequently, the developed world, including Europe and the US will see its influence decline. China, and with it most Asian countries, currently do not see the EU as a consequential player in global power politics, and do not take it serious as a security actor. The EU features in their economic and technological strategies, but in scarce other places. However, the EU has started to recognize that Asian security matters to its own security, and wishes to enlarge its security footprint in Asia. The new Silk Roads initiative presented by China offers an opportunity for the EU to change the tide, and to become embedded in an economic and security network being built all the way across Asia.

In order to become an active strategic participant in the Silk Roads network, however, it is not enough for each member state to unilaterally vie for Chinese investments. The EU must do more than passively wait for the Road and Belt to reach its borders, but reach out, engage it in Central Europe and thus embed it in its own global strategies. By aligning the planned restructuring of the ENP, the new EUMSS, and the projects designated under the IP with Silk Road projects, the EU could make their partnership with China truly strategic, while having the luxury of taking incremental steps in their engagement by starting with projects close to home.

On the one hand, it seems that the Belt and Road are an opportunity that Europe must make haste to grasp with both hands. China is looking for a ‘pivot’ country to support its initiative and if the EU does not move, Russia will remain the first choice for this role. The longer Europe waits, the more entrenched Sino-Russian cooperation will get and the less space there will be for its own strategically relevant contribution. However, Europe is still split between embracing the rise of China, or remaining fully committed to its traditional ally, the US. The EU has the luxury of sitting between the two most powerful economic blocs in the world, and it is on good terms with both. It still has choices. If China would show itself hostile toward their efforts to engage the Belt and Road more proactively than currently anticipated in Beijing, the EU could decide that their need for a larger security presence in Asia is dire enough to more fully support the US’ pivot to Asia. Theresa Fallon argues that the US is in need of this support, and would have great(er) difficulty following through on the pivot without Europe. Welcoming a more proactive European participation in the Silk Roads construction is thus

also in China's interest. A negative attitude could result in extra European resources joining the threatening pivot, as the EU will want to have a stake in the region one way or another.

The EU has traditionally been America's ally, but has shown unprecedented disloyalty by joining the AIIB. Perhaps the EU is not the unified partner China was hoping for in the early 2000s when the strategic partnership was established, and it will never fully abandon its US ally. However, it holds the potential to become more integrated still, and is now offering the cooperation China has asked for. At a time where internal problems in China seem to be growing, and the 'new normal' still needs to prove it can subdue social unrest, to have a economic heavyweight back its grandest foreign policy would be a very good deal for the PRC as well.

Europe's contribution

The underlying assumption of Beijing's Silk Road Economic Belt and 21-st Century Maritime Silk Road is that developing better 'hardware,' in the form of modern infrastructure for the countries along its route will trigger economic development and improve market-oriented practices. However, especially Central Asia is challenged just as much by its lack of proper 'software'. Particularly corruption and rent-seeking at all levels of government are a problem. Central Asia remains one of the most trade unfriendly regions in the world, and we should not underestimate the extent of these challenges. In the new coalition between China and Russia, and the Belt and Road with the EEU, China is set to be the resource hungry country with the deep pockets, and Russia the hard security provider. This means the soft security challenges of the region will form the niche where Europe can make its contribution.

This paper has outlined three high-profile EU projects that might be fit for alignment with One Belt One Road initiatives: the European Neighbourhood Policy, the Partnership Instrument and the European Maritime Security Strategy. These projects should be taken as examples that can be expanded upon. The EU hosts an extensive array of projects on the promotion of human rights, the rule of law, democracy and good governance, and their inclusion in the Belt and Road effort can bring true added value to the stability of the infrastructure network, aiding its eventual successful completion.

The EU is not going to become a great security actor of the Asia-Pacific in any foreseeable future. Thanks to two decades of neglecting defence spending, such an endeavour would simply stretch their already limited means too thin. However, by making such a daring policy move as to openly link their global strategic aims with China's One Belt One Road, obtaining a moderate non-traditional security

role is definitely possible. It will allow them to concentrate most of their resources on the countries that were already part of the ENP in the first place, and utilise those soft security capacities that the Union prides itself on, such as anti-terrorism initiatives, climate security, and regional integration building. Thanks to our membership of the AIIB we already have a voice at one of the funding tools of the One Belt One Road and our strategic partnership with China will provide the initial infrastructure for cooperation.

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