

## GEOPOLITICAL

## China's Belt and Road in Europe (1/2)

**China inked over US\$64 billion in new trade deals and over 120 countries signed on to the Belt and Road Initiative (BRI) at its latest annual summit. But the BRI, hailed by supporters as a new front in global integration and by detractors as a power play for global domination, has received mixed responses in Europe. RANE spoke to expert DJ Peterson of Longview Global Advisors to understand that divided response.**

- The European Union recently classified China as a "strategic rival," marking a significant shift in the bloc's attitude and rhetoric towards the rising power.
- The EU, however, is not a monolith, says **Peterson**. It runs on a system of consensus where one country can influence the policy agenda, and member states often chart their own course in foreign affairs, regardless of Brussels' intentions.
- China is deftly moving to exploit economic and political opportunities with EU and non-EU states, particularly in the Balkans. Such moves come as US influence in Europe has waned, and this has raised concerns among some observers that China is seeking to divide and conquer the continent.

**Europe's tougher stance towards China is attributable to three developments, says Peterson: Trump, Xi, and the business community.**

- President Trump's adversarial approach towards China has prompted Europe to reconsider China. **Peterson** says that, as part of its campaign to get European countries to ban Chinese telecommunications giant Huawei's technology, the United States ramped up intelligence sharing on Chinese activities. The US has also threatened to withhold intelligence from countries that do not follow Washington's lead.



**A map of China's Belt and Road plans. Red indicates a land route, and blue indicates a shipping route.**

Source: [Forbes https://www.](https://www.forbes.com)

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## China's Belt and Road in Europe (2/2)

- **Peterson** notes that the Europeans do not need US intel to recognize President Xi's increased assertiveness, which has been on display since he took power in 2012. Everything from gaining access to European technologies and infrastructure, to China's more expansive posture in the South China Sea, to human rights concerns in the region have caused a "European awakening" to the challenges China poses, as French President Macron put it.
- **Peterson** argues that, as the geopolitical environment has changed, China hawks in the European business community have become more emboldened to speak out than in the past, when business leaders were less willing to risk Chinese market access.

**As European leaders reexamine the continent's stance towards China, the Chinese are diversifying their efforts by backing an increasing array of political actors. From bloc-leading countries like Germany and France to smaller countries like Greece, and even countries that are not part of the EU, China is seeking to gain influence with right-wing parties, while continuing to sustain friendly relations with centrists.**

- China has built ties with right-wing, anti-establishment parties across Europe. Groups such as the Alternative for Germany (AfD), Fidesz in Hungary, nationalists in Austria, and Eurosceptics in the Five-Star Movement in Italy have all benefitted politically and economically from closer ties to China.
- China still maintains its ties with centrist groups, such as parliamentary-business councils. A number of political groups both within the EU and individual member states are routinely given access to Chinese businessmen and lawmakers. Though these groups have no formal role in EU/member state-Chinese relations, China sees maintaining these ties as important to shoring up European support.

**Despite the EU's tougher stance towards China, individual states are free to make their own choices. This has led to fears that China will exploit weaker states on the continent in a divide-and-conquer approach.**

- "If you're an American," says **Peterson** "the perception of the lack of tightly unified national security posture is a critical flaw [of the EU]. If you're a European, the EU's consensus-driven approach is a critical sign of success." Regardless, the structure of the EU has made it harder for member states to quickly coalesce around a single approach.
- The "16+1" business dialogue, which includes both EU and non-EU states and China, is a prime example. The dialogue aims to bring more Chinese investment into eastern Europe. China skeptics worry that this investment, which competes with EU investment, will undermine the regulatory rules and governance practices that non-EU states would have to implement to become a part of the bloc.
- In what has by now become a commonly heard sentiment regarding Chinese investment, Chinese loans are seen as more accessible than those from EU institutions, which come with red tape and conditions.

**Concerns about a geopolitical divide-and-conquer approach may be overblown at this point, claims Peterson. China has been historically risk-averse and it benefits greatly from a constructive relationship with a prosperous Europe. Ultimately, it will be up to the Europeans to defend their interests and, in this regard, Peterson says, "European policymakers' eyes are wide open."**

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