

**Why does EU change its policies towards China under the
background of the Belt and Road Initiative?**

Ce Yang

Study No.: 20212360

Master's Thesis

Development and International Relations University of Aalborg, Department of Culture and
Global Studies

10th Semester, Spring 2023

Supervisor: Professor GUO Huimin

Date of submission: 12.05.2013

Text Keystrokes: 85,302

Abstract: Since 2013, when Chinese President Xi Jinping proposed the Belt and Road Initiative (BRI), China has been actively promoting the initiative, which has resulted in many important international collaborations. "One of the important destinations of the Belt and Road Initiative is Europe, where China and the European Union have reached many achievements in the past decade in the context of the Belt and Road Initiative. The EU, as one of the most important international organizations in Europe, has not been unified in its policy towards China during the "Belt and Road" decade. The document adopted by the European Parliament in 2016 encourages member states to participate in international cooperation projects under the Belt and Road initiative in a more supportive manner and sets out a more moderate policy on cooperation with China. In the first few years, the honeymoon period of cooperation between China and European countries began; in 2019, the EU stopped mentioning the Belt and Road Initiative and warned its member states to pay attention to the consistency of the EU's overall policies, regulations and values when cooperating with China, and to be tougher in its China policy; and then in the latest document in 2021, the EU proposed a more supportive attitude. In its latest document, the EU has proposed its own global connectivity project, the "Global Gateway" strategy. This seems to be a targeted measure to counteract China's "Belt and Road" initiative. This paper will analyze the reasons for the EU's political policy toward China in the context of the Belt and Road Initiative from the perspective of geo-economic and neo-realist theories. While positioning China as a "strategic partner", the EU also sees China as a "systematic competitor" and has made different adjustments to its China strategy at different times in the context of the Belt and Road Initiative. The future Sino-European relations will be influenced by the adjustment of the EU's policy towards China, both positively and negatively. As long as China provides a "ride" for the EU's development and the EU puts aside its preconceptions about China and makes efforts to promote a win-win situation for both sides, China-EU relations will not deteriorate to a freezing point. There are still prospects for the development of China-EU cooperation under the "Belt and Road" initiative.

Key words: Sino-EU relations; the Belt and Road Initiative; Geoeconomy; Neoclassical Realism

Contents

Chapter1 Introduction.....	1
1.1 BRI and EU	1
1.2 EU changed polices towards China under the background of BRI	6
1.2.1 early years of BRI (2013-2018).....	6
1.2.2 Systemic Rival (2019-2020).....	7
1.2.3 Global Gateway Period (2021-2023).....	8
1.3 Problem formulation.....	9
Chapter 2 Methodology.....	10
2.1 Choice of Theory	10
2.1.1 Reasons for choosing Geoeconomics theory	10
2.1.2 Reasons for choosing Neoclassical Realism theory	11
2.2 Choice of Data.....	11
2.3 Method of analysis	12
2.4 Limitations.....	13
Chapter 3 Theory.....	14
3.1 Geoeconomics theory	14
3.2 Neoclassical Realism theory.....	16
Chapter 4 Analysis	19
4.1 Geoeconomics analysis	19
4.1.1 China's geoeconomic achievements in European countries	19
4.1.2 European countries attitudes and reactions towards China's investments	21
4.1.3 EU's attitude and reactions towards China's investments	24
4.1.4 Reasons of EU's changing attitude towards China under the geoeconomic framework	28
4.2 Neoclassical Theory Analysis	30
4.2.1 Material power.....	30
4.2.2 Economic gains	32
4.2.3 Security.....	34
4.2.4 The US factor	35
4.2.5 Reasons of EU's changing attitude towards China under the Neoclassical Realism framework	37

Chapter5 Conclusion	39
Biliography	41

Chapter1 Introduction

1.1 BRI and EU

Chinese President Xi Jinping first mentioned the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road" during his visits to Central and Southeast Asian countries in September and October 2013. Subsequently in March 2015, China's National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce, authorized by the Chinese State Council, jointly released the official document "Vision and Actions on Building the Silk Road Economic Belt and the 21st Century Maritime Silk Road" (hereinafter referred to as "Vision") (Chinese National Development and Reform Commission, Ministry of Foreign Affairs, 2015), which systematically describes the "Belt and Road" from the perspective of the Chinese government initiative in operation. Following this, China and EU member states opened their cooperation under the Belt and Road Initiative. This chapter will focus on reviewing China-EU cooperation under the Belt and Road Vision.

The Vision looks at the successful experience of the ancient Silk Road across Asia, Europe and Africa as the historical source of the Belt and Road Initiative. In the face of a sluggish global economic recovery, the Chinese government proposes to revive this ancient Silk Road in order to develop the global economy. Thus, the Belt and Road Initiative is planned to run through Eurasia and Africa, connecting East and West. On land, the Belt and Road Initiative proposes "China-Mongolia-Russia, China-Central Asia-West Asia and China-Indochina Peninsula economic corridors" that will be supported by the core cities around the Belt and Road Initiative(hereinafter referred to as "Vision") (Chinese National Development and Reform Commission, Ministry of Foreign Affairs, 2015). And when it comes to the Maritime Silk Road, the Belt and Road Initiative relies on major seaports to ensure the security and efficiency of trade and investment.

Since Chinese President Xi Jinping announced the "Belt and Road", 145 countries and 32 international organizations have signed 206 "Belt and Road" cooperation documents. According to

official Chinese data, by the end of 2021, China's cumulative trade with countries along the Belt and Road had exceeded US\$9.2 trillion, helping 7.6 million people escape from extreme poverty and 32 million from middle poverty¹. At the second "Belt and Road" Summit Forum, the Chinese government announced that the "Belt and Road" under the platform of multilateral cooperation framework, local governments and enterprises in China and abroad to carry out investment projects and project lists, financing projects, cooperation projects and other six types of cooperation totaling 283 .

China Railway Express: One of the most important achievements of the BRI is the China Railway Express (CR Express). It can be said that the emergence of the CR Express laid the foundation for the BRI.

On March 19, 2011, the departure of the "Chongqing-Xinjiang-Europe" container freight train marked the official opening of the China-Europe Classes. "Since the introduction of the Belt and Road Initiative, the China-Europe Classes have been gradually incorporated into it, and the different progress made by China and the countries along the route around the construction of the Belt and Road can provide different degrees of support to the China-Europe Classes. At the same time, the development of China-European Liner is also an important achievement of the BRI, in which the trade between China and the countries along the route has become more convenient and the business environment has been steadily improved. 2013, the number of China-European Liner and cargo volume developed to 80, the number of cities in and out of China were 6 and 7 respectively, and the operating routes were 8. With the BRI initiative, in 2014-2016, the increase in the operation of the China-European Liner began to improve, and the economy began to recover while the structural reform of European countries achieved certain results, and the BRI initiative also strengthened the trade between China and Europe. As the main force of China-European Liner, Chongqing was included in the pilot of China-European trade route, and China-European Liner (Chongqing) was able to open the "five scheduled trains", and by 2020, the global economy was affected by the strong shock wave of the new epidemic, and the regular operation of China-European Liner eased the

¹ From the Belt and Road Official Website: <https://www.yidaiyilu.gov.cn/>, accessed May 1, 2023

tension of medical supplies and stabilized the international trade. Its opening volume and freight volume in 2020 also broke the expectations of scholars in recent years of its slowing growth, while the integrated re-export rate further improved. By the end of 2020, the number of China-European Liner and freight volume increased by about 50% and 56% year-on-year to 12,406, and through the reasonable adjustment of overseas cities, overseas cities and operating routes, the number of overseas cities increased to 92, with a growth rate of 80%, while the number of domestic cities was 67 and the number of operating routes reached 73, which tended to be in a stable development (Eder, 2018). So far, the China-Europe train has boosted the domestic demand and stabilized the external supply despite the strong shock wave of the new epidemic and stimulated the vitality of international trade.

The land transport of BRI initiative relies heavily on railroad transport. Since the implementation of the BRI initiative, China Railway Express has developed rapidly. Today, there are more than 40,000 trains on the China-European Railway, with a total value of more than 200 billion USD, and 73 operating routes to more than 160 cities in 22 European countries. During the global coronavirus pandemic, when public transportation was blocked worldwide, China Railway Express still operated thousands of times a month, transporting more than 2.3 million TEUs of cargo and over 13 million pieces of epidemic prevention materials (Oehler-Şincai, 2016). CRL Express is not only a new and stable way to trade between countries, but also an important tool to support global supply chains and protect basic livelihoods.

Infrastructure development: China has invested in a number of infrastructure projects in Europe, mainly in the CEE region. Several of these projects have become flagship projects of the Belt and Road Initiative.

Piraeus Port: Located in the northeastern Aegean Sea of Greece, Piraeus Port is the first overseas investment project of Chinese enterprises in Europe. The total investment of the port project is about 430 million euros², mainly including the construction of new and renovated berths, quays,

² From the Belt and Road Official Website: <https://www.yidaiyilu.gov.cn/>, accessed May 1, 2023

embankments, warehouses and logistics centers and other infrastructure. The construction of the Piraeus port project will further improve the port's cargo capacity and service level, promote trade and people-to-people exchanges between China and Europe, as well as drive the development of the local economy and increase employment opportunities. The project is also regarded as one of the successful examples of cooperation between China's BRI and European infrastructure construction.

Hungarian-Serbian Railway: This is a railroad project built by China in cooperation with Hungary and Serbia, with a total length of about 350 kilometers, connecting Budapest, the capital of Hungary, and Belgrade, the capital of Serbia, with a total investment of about USD 2 billion. The railroad construction includes both new construction and reconstruction, of which the new line is 166 kilometers long and the reconstruction line is 184 kilometers long, and also includes the construction of several bridges, tunnels, stations and other infrastructure (Fallon, 2015). It is an important cooperation project between China's BRI initiative and European infrastructure construction. The construction of the Hungarian-Serbian railroad will further promote trade and people-to-people exchanges between China and Europe, shorten cargo transportation time and improve freight efficiency.

Trade Cooperation: In addition, the trade and investment cooperation between China and Europe is also expanding in scale. By strengthening trade information exchange, carrying out trade promotion activities and enhancing trade protection, both sides continue to promote the in-depth development of trade cooperation. In terms of investment, cooperation between China and Europe has also been strengthened in terms of investment information exchange, promoting cooperation on investment projects and strengthening investment protection to promote the continuous deepening development of investment cooperation. In 2019, a Chinese company acquired a 70% stake in German machine tool manufacturer De Marius, one of the largest acquisitions by Chinese companies in Europe. According to EU statistics, EU exports to China reached 230.3 billion euros in 2021, an increase of 2.2% year-on-year (Miao, L., & Wei, D, 2021).

Among them, machinery and equipment, transport equipment and chemical products are the main commodities exported by the EU to China. In addition, China and Europe have also cooperated in several fields, such as energy, automobiles, finance, etc.

In terms of trade and investment cooperation, China and Europe have been promoting the continuous and in-depth development of trade and investment cooperation by reducing trade barriers, improving investment facilitation, expanding trade scale, strengthening trade cooperation and promoting investment cooperation in various ways. Among them, reducing trade barriers is one of the important aspects, and both sides are committed to eliminating or reducing tariff and non-tariff barriers and expanding trade liberalization. Meanwhile, in order to improve investment convenience, both sides have also taken measures to optimize the investment environment, reduce investment risks and simplify investment procedures in order to attract more investment.

In addition to the three points mentioned above, China and Europe also developed health cooperation under the framework of BRI during the COVID-19. During the new coronavirus pandemic, the Chinese government also provided more than 1.7 billion doses of coronavirus vaccine to more than 110 countries and international organizations through the Belt and Road Initiative cooperation platform³, most of which were part of the Belt and Road Initiative cooperation. The majority of these are part of the Belt and Road Initiative cooperation. This cooperation has raised China's international profile. The BRI has also helped build direct city-to-city projects.

On November 19, 2021, Chinese President Xi Jinping delivered a speech at the third seminar on the Belt and Road Initiative in Beijing, acknowledging the achievements of the Belt and Road in the past eight years. In addition, Xi noted that the main elements of the Belt and Road Initiative are to promote infrastructure development and connectivity, dovetail national policies and development strategies, deepen practical cooperation, promote coordinated development and achieve common prosperity. In Chinese culture, the Chinese have a concept that the world is one big family and people from all over the world are members of this family. Thus, common prosperity refers to the

³ From the Belt and Road Official Website: <https://www.yidaiyilu.gov.cn/>, accessed May 1, 2023

idea of a common future community of humanity created by Xi Jinping.

1.2 EU changed policies towards China under the background of BRI

1.2.1 early years of BRI (2013-2018)

In the early years of the "Belt and Road", in 2013, China-EU relations were in a comprehensive strategic partnership. In 2014, the EU and China proposed to build four partnerships for peace, growth, reform and civilization, and the EU's policy towards China is focused on cooperation, aiming to achieve common interests through bilateral cooperation. The relationship between the two sides was closer during this period, and Europe's policy towards China was more positive in seeking cooperation. And the EU introduced the "Elements of a New EU Strategy for China" (European Parliament, 2016) (hereinafter referred to as the "New Strategy") in 2016, which sets out various policies and attitudes toward China, and the EU's strategy toward China is still relatively moderate on the whole. The EU's China policy in this period can be summarized as a relatively moderate strategy towards China. "The main guidance of the EU's China policy at the beginning of the Belt and Road Initiative is the New Strategy, which, in addition to seeking mutual benefits and reciprocity between China and Europe in economic trade and common interests in the diplomatic and security fields, places special emphasis on the need to maintain consistency in China policy issues (European Commission, 2016). The EU sees the Belt and Road Initiative as an important opportunity to promote regional and global economic development and is therefore inclined to cooperate with China, emphasizing equality and mutual benefit and compliance with international rules and standards. But at the same time, it also remains vigilant. The EU is alert to the potential risks of the Belt and Road, especially in the areas of investment, market access, and intellectual property protection. More benign wording and expressions have been adopted in both economic diplomacy and security areas, and although there are still unwarranted accusations against China's internal affairs issues, the overall policy is to the good.

1.2.2 Systemic Rival (2019-2020)

During this period, the EU's policy toward China has been relatively tough. With Trump's trade war with China and the deterioration of U.S.-China relations, the EU issued a new strategic document on China in 2019, "EU-China: Strategic Outlook" (European Commission, 2019) (hereinafter referred to as "Strategic Outlook"), in which the wording is much more intense than the last China policy adjustment, describing China as "an economic rival pursuing technological leadership and a systemic rival promoting alternative governance models. as an economic competitor seeking technological leadership and a systemic rival promoting alternative models of governance."

Since the EU positioned China as a systemic rival, its policy toward China has been characterized by the following features: First, it has put more emphasis on trade balance and fair competition, and adopted a series of measures to strengthen anti-dumping and countervailing measures, introduce an investment review system, and enhance intellectual property protection. Second, it attaches importance to multilateralism and cooperation, believing that cooperation with China should be based on multilateralism and international rules, and that problems should be solved through dialogue and consultation. Third, strengthen cooperation in the fields of technological security and digitalization, believing that technological security and digitalization are the future direction of development and that cooperation with China should be strengthened to promote common development.

In general, the EU's policy toward China in this period is no longer characterized by a moderate and cooperative approach, but rather a conservative and even assertive one, no longer actively involving member states in international cooperation with China. On the economic front, it is more about equality and mutual benefit with China, and on the security front, it has started to intervene in the security affairs of China's neighboring regions, and has proposed a strict monitoring policy for Huawei's 5G. During this period, the EU also proposed its own "global connectivity" strategy, but has not yet made very concrete plans. It is worth mentioning that during this period, the US withdrew

from the Paris Pact under the Trump administration, and the EU shifted its cooperation on global governance of climate and environment to China, and this time the EU and China placed high priority on strong climate and environmental governance in the document, which is the first time in the history of the EU's policy towards China. It also wants China to take more international responsibility.

1.2.3 Global Gateway Period (2021-2023)

In December 2021, the EU officially launched the "Global Gateway" strategy, a plan to raise sufficient funds to invest in infrastructure in partner countries in Central and Eastern Europe, Africa, the Middle East and ASEAN by 2027. (European Commission, 2021) This period can be seen as a continuation and development of the "systemic rivalry" period, when the EU proposed its own strategy for cooperation with other Asian, European and African countries after a clear policy of reducing cooperation with China. Although the "Global Gateway" strategy does not include China, it is easy to see that the "Global Gateway Strategy" is intended to target China. In addition to the "Global Gateway" strategy, in 2021 the EU also launched the EU Indo-Pacific Strategy Report, focusing on values promotion, economic cooperation, security cooperation and governance cooperation. In this period, the EU continues its previous perception of China as a partner, competitor and "systemic adversary", but does not see China as a threat. The EU's strategy toward China in this period will continue its previous assertive policy and will be supported by the EU Indo-Pacific Strategy Report to continue competing with China in more areas.

Since the EU proposed its "Global Gateway" strategy, its policy toward China has undergone some adjustments. In terms of economic trade, the EU and China have signed the China-EU Investment Agreement, but the guideline for all economic and trade cooperation is to emphasize fair competition. In other areas, the EU criticizes China on the basis of values and uses them to reduce its cooperation with China and switch to its own "global gateway" strategy.

1.3 Problem formulation

While the Belt and Road Initiative has made great achievements, there have been three major phases of European policy toward China in the decade of the Belt and Road. This paper is curious about this, and it will attempt to answer: Why does EU change its policies towards China under the background of Belt and Road Initiative?

Chapter 2 Methodology

2.1 Choice of Theory

2.1.1 Reasons for choosing Geoeconomics theory

Originally, Chinese companies' investment and construction in overseas ports was an economic activity following the laws of market development, but after the BRI was proposed in 2013, it started to be considered by Western countries such as the US and Europe as a strategic activity serving the expansion of China's overseas geo-economic space with strong geo-strategic attributes. The significant increase of Chinese companies' investment and construction projects in European countries since then, combined with the geopolitical importance of the Mediterranean Sea for the European Union, has led to a stronger link between this economic behavior and geostrategic objectives.

Because Chinese companies have invested in many ports and railroads in Europe, they all have natural dual economic and strategic attributes, giving a certain geo-economic significance to the railroad and port investment and construction activities carried out by the countries concerned in specific regions overseas. However, the understanding of such geo-economic significance belongs to the subjective level of perception, and differences and differences in concepts are bound to occur. While the strategic significance of railroads and ports has been highlighted by Chinese enterprises' accelerated investment and construction activities in European countries under the framework of BRI, although they hope to promote greater interconnection between the Eurasian region by strengthening bilateral economic cooperation, with the acquisition of economic benefits and expansion of market share as their primary consideration, this has given rise to a number of concerns at the EU level. This raises concerns at the EU level about the possible geostrategic implications of China's related transport infrastructure investment and construction activities.

2.1.2 Reasons for choosing Neoclassical Realism theory

The core idea of realism is power politics. Within the family of realism, there are many different schools, including classical realism represented by Morgenthau, neo-realism represented by Kenneth Waltz, offensive realism represented by Mearsheimer, and neo-classical realism represented by Gideon Roth. The reason why these schools belong to realism is that they share certain core concepts of realism. Neoclassical realism is often used to explain foreign policy, and the changes in EU policy toward China during the decade of the BRI are essentially foreign policy changes, so it is felt appropriate for the authors to use it in this paper.

First, neoclassical realism is a foreign policy theory. Kenneth Waltz distinguishes between international political theory and foreign policy theory in terms of the dependent variable (the object of explanation). He argues that international political theory seeks to explain system-level outcomes resulting from the interaction of states with homogeneous behavior, while foreign policy analysis studies the specific, concrete foreign behavior and policy choices of different states. Based on this criterion, Waltz positions his own neorealist theory as an international political theory. Neo-classical realism, on the other hand, is a clear path toward the construction of a theory of foreign policy. These scholars argue that domestic and international factors should be taken into account when studying the foreign policies of states, and they also argue that it is far more practically relevant to face the differences between states and to focus on the specific foreign policies of different states than to construct a general theory of international relations. Therefore, the research scope of neoclassical realism is mainly the foreign strategy and foreign policy of the state.

2.2 Choice of Data

In order to understand why the EU has changed its policy towards China in this decade, this paper has chosen to focus on official EU documents. These documents are the European Commission's plan for EU-China relations and the documents containing the EU's confrontation with the Belt and Road Initiative. These documents will serve as our primary source, supported by secondary

literature in the form of think-tank analyses, newspaper articles and academic writings. We have chosen to base our data collection on documents in order to examine the way discourse about China is conducted within the EU and its member states. The paper will also focus on official Chinese documents and data on China-EU cooperation provided by the official Belt and Road website to support the paper's research.

2.3 Method of analysis

This paper is the most analytical paper on the EU's policy changes towards China in the context of BRI, and will mainly use three research methods: literature research method, qualitative research method and comparative research method.

Literature research method: This paper will systematically review the adjustment of the EU's strategy towards China since the introduction of the BRI. The main body of the study is the official response of the EU to the Belt and Road Initiative, such as the documents and bills adopted by the European Parliament. The study also summarizes and organizes the literature on China's cooperation with EU member states, EU candidate countries and the EU to obtain a clear picture of the change in the EU's attitude towards the Belt and Road strategy.

Qualitative Research Methodology: The EU member states, candidate countries and the EU as a whole cooperate with the BRI, as well as relevant authoritative reports are used as qualitative research data to explore the change in the EU's attitude towards the BRI and its motivation.

Comparative research method: By comparing the EU's strategy toward China and its attitude toward the Belt and Road Initiative in different periods, and the difference between China's and the EU's attitudes toward the Belt and Road Strategy, we explore the EU's attitude toward the Belt and Road Initiative in the context of the Belt and Road Initiative. The EU's strategic adjustment towards China in the context of the BRI.

2.4 Limitations

There are many difficulties in this paper, because the BRI itself covers too much content, and the EU is a large international organization with as many as 27 member states, and the EU itself is not politically integrated, so the situation is even more complicated, especially because the BRI The cooperation projects of the BRI are mainly based on economic and trade cooperation, and only simple numerical comparisons can be obtained. This paper also wants to track the latest developments, such as Macron and von der Leyen's visit to China and the Russia-Ukraine conflict, but due to the limited material in the time period, the authors are very limited in what they can include. At the same time, there are many languages in the EU countries, and limited to the author's monolingual condition, he can only study foreign literature based on English, and the literature of France, Germany, etc., which are important EU countries, cannot be explored in depth.

Chapter 3 Theory

3.1 Geoeconomics theory

Following the emergence and development of geopolitics in the late 19th and early 20th centuries, geoeconomics was born at the turn of the new century in developed Western countries. Although it is derived from geopolitics and borrows most of its contents, it differs from geopolitics in that it places more emphasis on the combination of geographical and economic factors. Especially after the end of the Cold War, scholars paid more attention to geoeconomics and began to define its concept, explain its theoretical core and develop its characteristics from different perspectives. Because the geopolitical confrontation between the two camps of the world no longer existed, the United States became the only superpower in the world, and the role of political factors in regional development was relatively weakened.

The economic achievements of the European Union and Japan in their regions made the international community pay more attention to the role of economic factors in a particular region. Therefore, the theory of geoeconomics did not emerge out of air, but is an innovative theory that explains the dominance of economic factors in geo-regional development, based on the critical inheritance of geopolitical theory (Han, 2004). Before that, geopolitical theory had been highly respected, and it was a typical representative of the combination of geographical factors and political science analysis. However, with the rise of economic globalization and regional integration, economic association among countries and cross-regional economic and trade cooperation began to become the mainstream trend in the development of international society, making its theoretical explanatory power significantly weakened.

It is generally believed that geoeconomics was born as a systematic theory in the United States in the late 1980s and early 1990s, and Edward Luttwak is known as the "father of geoeconomics" in academic circles as the first proponent of this theory (Lu, 2004). His greatest theoretical contribution was to point out that the post-Cold War world has entered the era of geoeconomics, where

traditional geopolitical and military factors have given way to economic factors, and the mode of competition between countries has shifted from a zero-sum game based on the "high political" sphere to a soft competition focusing on the "low political" sphere. The pattern of competition between countries has shifted from a zero-sum game based on "high politics" to a soft competition focusing on "low politics". The U.S.-Japan economic dispute at the turn of the century and the ongoing U.S.-China "trade war" are evidence of the powerful explanatory power of geoeconomics as an emerging geopolitical theory in this transition period between the old and the new.

The theory of geoeconomics has been actively developed and innovated by international relations scholars, and was first applied to the study of regional integration, especially the process of economic association of European countries. Later, as the theory continued to develop, its application in the field of foreign policy practice and national security strategy became more and more mature (Ye, 2019). As a theoretical and analytical framework applicable to new developments in international relations, it has been applied to the analysis of international relations with a greater focus on the geographic features inherent in foreign policy and international relations, in addition to giving additional international and strategic significance to geographic factors. It recognizes that geographic and spatially specific geographical features not only affect the distribution of power among states, but also directly influence international relations and foreign policy. This focus on geographic features and alternative understandings of geographic dimensions is the goal of the application of economic power, which involves competition about relative power within and outside the region. But this competition for power is no longer about the acquisition of political and military power, but about the competition between economic power and market share. Geoeconomics has some explanatory power for the reality of competition and cooperation that emerges in the world economy in the context of globalization in the 21st century, and provides a useful theoretical framework for conducting international relations analysis of relevant economic behavior.

While geoeconomic theories are now established as essentially developed country theories, geoeconomics is also being used to study China's participation in geo-economic practices and their impact on the development of foreign relations and international relations patterns as the world

economic landscape is characterized by the rise of developing countries as a group. For example, studies on the geo-economic relations between China and ASEAN and the relationship between cross-border sub-regional cooperation promoted by China and the construction of the Silk Road Economic Belt. As can be seen, geoeconomics provides a new perspective for understanding the development of bilateral economic and trade relations between China and other countries in the region. With the introduction of the BRI, the vast number of developing countries represented by China has become an important force in shaping the new pattern of the world economy, and the application space of geoeconomics in the development of international relations has been further expanded. Coupled with the close economic ties between regions in the context of economic globalization, it has begun to replace traditional geopolitics as a new branch of international relations theory with more explanatory power.

3.2 Neoclassical Realism theory

Material power: The concern with power, especially material power, is a claim common to all schools of realism. For realists, all foreign behavior of the state revolves around power, whether it is a means or an end. This basic view is also enjoyed by neoclassical realists, who advocate an analysis that focuses on the impact of power factors on foreign policy. It is also because of this focus on power that neoclassical realism is considered a branch of realism, rather than a school of liberalism or constructivism.

Economic gains: It is based on the pursuit of material power, which leads to the fact that economic gain, an important component of material power, also becomes an important driver of the state's external behavior. The relationship between state power and economic power is illustrated by various approaches to assessing state power, one of the more influential of which is the Klein equation, that is, $P_p = (C + E + M) * (S + W)$, where E is the economic power of the state. Therefore, states pursue material power. Power at the same time, all will take the initiative to pursue economic interests.

Security: Another core concept linked to the concept of power is security. The premise of realist international relations theory is that the international community is in a state of anarchy. In anarchy, due to the lack of hierarchy as in domestic

In anarchy, the supply of security is decentralized, which in turn makes security a scarce resource, and each state must take responsibility for its own security. National security thus becomes the primary interest of the state. The concept of neoclassical realism was first introduced by Gideon Rose in 1998 to refer to a theoretical group within the realist camp that focuses on different levels of influences that together affect the behavior of states (Rose, 1998).

First, neoclassical realism is a foreign policy theory. Kenneth Waltz distinguishes between international political theory and foreign policy theory in terms of the dependent variable (the object of explanation). He argues that international political theory seeks to explain system-level outcomes resulting from the interaction of states with homogeneous behavior, while foreign policy analysis studies the specific, concrete foreign behavior and policy choices of different states. Based on this criterion, Waltz positions his own neorealist theory as an international political theory. Neo-classical realism, on the other hand, is a clear path toward the construction of a theory of foreign policy. These scholars advocate that domestic and international factors should be taken into account when studying the foreign policy of states, and also argue that it is far more practically relevant to face the differences between states and to focus on the specific foreign policies of different states than to construct a general theory of international relations (Zakaria, 1992). Therefore, the research scope of neoclassical realism is mainly the foreign strategy and foreign policy of the state.

Second, neoclassical realism is a theory of unitary levels. Kenneth Waltz, in his book *Man, State and War*, firstly raised the issue of the levels of analysis of international relations and summarized the three levels of analysis of international relations, namely, the system level, the unit level and the individual level. Neoclassical realism acknowledges the existence of the system level.

Neoclassical realism recognizes the existence of systemic factors and their influence on the foreign behavior of states - in this respect it is consistent with structural realism. (Finel, 2001) But in

recognizing this, neoclassical realism places greater emphasis on the role of the unitary level as an intervening variable. Neoclassical realism argues that the external environment faced by the state is similar, but that different understandings of the external environment by state policy makers lead to different foreign policies. From this we can tell that the role of unit-level factors, in the view of neoclassical realism, is greater than the role of system-level factors, and the factors present at the unit-level are also the main level of analysis of neoclassical realism, which is therefore a unit-level theory.

As a branch of realism, neoclassical realism is consistent with other realisms in terms of philosophical foundations, core concepts, and units of analysis, and its basic claims are as follows: First, neoclassical realism still insists that systemic influences are inevitable and primary, but does not consider systemic influences to be direct; systemic elements such as anarchy and relative power distribution do not independently They must be filtered and intervened by institutional factors at the domestic level or by cognitive and understanding factors at the individual level in order to have a real impact on the behavior of the state. Second, states cannot be seen as "black boxes" that can ignore their internal differences, that is, the states interacting in the system are neither homogeneous nor functionally identical, and there are too many differences within and between states, which in turn lead to increased uncertainty in state relations and differences in states' understanding of systemic factors, and ultimately affects the specific rational calculations in the state's foreign decision-making process. Third, although international politics is not reducible to domestic politics, international politics and domestic politics are not distinctly separable; the external behavior of the state is influenced by both domestic and international politics and their interactions. In short, neoclassical realism argues that although international politics cannot be reduced to simplistic terms, reality is far more complex than theoretical conceptions.

The structural analysis, though parsimonious, has a significant explanatory power deficit. Although the structural analysis is simple, the explanatory power of the theory is not. By adding the attention to the intermediate variables on this basis, although the simplicity of the theory is lacking, it is beneficial in enhancing the explanatory power of the theory and helps to bridge the gap between

theory and reality.

Chapter 4 Analysis

4.1 Geoeconomics analysis

4.1.1 China's geoeconomic achievements in European countries

So far China has undertaken a number of projects in Europe through the Belt and Road Initiative, including many flagship projects. The "Belt and Road" is a major Chinese initiative aimed at promoting trade and investment between countries along the route and improving connectivity. Within the framework of this initiative, port and railroad projects are crucial infrastructures that can facilitate economic links and cooperation between different regions.

The Piraeus Port project is one of the key projects in the framework of BRI, located in Greece, one of the gateways of the Maritime Silk Road. The project aims to increase the sales of Chinese goods in Southeast and Central Europe, and China Ocean Shipping Company has invested as much as 4.3 billion dollars in the project. This project will not only promote the sale of Chinese goods in the European market, but will also contribute to the economic development of Greece.

The Hungarian-Serbian railroad project is one of the most representative projects of the BRI railroad project, which connects the port of Piraeus to Central and Western Europe through Macedonia, Serbia and Hungary. The new track can run high-speed trains with a speed of 200 km per hour, which will greatly reduce the time for Chinese containers to reach the center of Europe. In addition, this project could also create more opportunities for Chinese construction companies and solve the problem of overcapacity, while Hungary also expects to benefit from the transfer fees.

In addition to these representative projects, others have been labeled as "repackaged", such as the Sino-German railroad in Germany and the freight rail link between Poland and China. These projects have been re-integrated into the plan in line with the BRI concept and to seize the opportunities offered by the BRI strategy.

These major cooperation projects have allowed China to increase its investments in Europe, allowing more European countries to enjoy the dividends, China's economic status in Europe has increased, the economic development rate of European countries depends on China's capital injection and support, and China's economic influence in Europe is expanding in the context of the Belt and Road Initiative.

The Belt and Road Initiative, a key strategy promoted by China, has gradually expanded the influence of the Chinese economy. This initiative aims to promote economic cooperation and exchanges among countries along the route, strengthen connectivity and promote common development. By building interconnected infrastructure and expanding trade and investment, China's economic ties with countries along the route have deepened and the influence of the Chinese economy on the countries along the route and the global economy has expanded.

First, the Belt and Road Initiative has boosted trade and investment between China and countries along the route. China has become one of the largest trading partners of the countries along the route, as well as an important source of investment for the countries along the route. The implementation of the Belt and Road Initiative will further promote trade and investment cooperation between China and countries along the route and boost economic development. This will help China further expand its influence on the global economy.

Second, the Belt and Road Initiative strengthens China's position in the global economy. Through the Belt and Road Initiative, China is providing loans and investments to countries along the route, while also strengthening its own international position. China is becoming an important player and leader in the global economy, and its influence on the global economy is growing. This will help China further expand its influence in the global economy.

Finally, the Belt and Road Initiative has also promoted industrial upgrading and technological innovation in China. China's efforts to build infrastructure, promote energy and resource cooperation, and develop high-tech cooperation in countries along the Belt and Road will promote China's industrial upgrading and technological innovation. This will help China improve its own economy and further expand its influence on the global economy. In conclusion, the implementation of the Belt and Road Initiative has strengthened China's influence in the global economy, promoted economic cooperation and exchanges between China and countries along the route, and also facilitated China's industrial upgrading and technological innovation. These factors will help China further expand its influence in the global economy and enhance its international status.

4.1.2 European countries attitudes and reactions towards China's investments

As the number of Chinese port and railway investment and construction projects in European countries has increased significantly and their geo-economic effectiveness has become more evident, the attitude and reaction of the EU, as a direct stakeholder, has also changed significantly. But since Europe is not a single concept, it is clearly multifaceted, especially in the EU's management of intra-regional affairs. The EU's attitudes and reactions have also shown some complexity because of the contradictions and differences in the management of the EU's internal affairs. This has led to a certain complexity in the EU's attitude and response.

Europe as a concept is extremely rich in its connotations and extensions. But when it comes to its internal power structure and governance characteristics, "multiplicity" becomes more and more prominent. Although China's port and railroad investment and construction activities in European countries are economic activities, their economic influence will certainly affect the power structure and governance practices in the European region to a certain extent. Therefore, it is particularly important to note the "multiplicity" of the European concept when discussing it.

The partners of China's port investment and construction activities in European countries along the Mediterranean are mainly the administrative bodies and port shipping enterprises of the host

countries, so the sovereign states are the actors with the highest degree of direct participation. Moreover, the Chinese enterprises' investment and cooperation intentions are also reached through full consultation and communication with the relevant European governments, so their participation is crucial. But the EU, as the main promoter of European integration, also has an important influence in the European region. More importantly, the European countries that cooperate with China in port investment and construction are all EU member states. The EU is characterized by a multi-layer governance model, so it has a supranational management capacity different from that of a single sovereign state, which is manifested in concrete practice by a wide range of policy intervention areas and in-depth policy intervention functions in the common affairs of member states. Therefore, China's port investment and construction activities in European countries along the Mediterranean Sea will also involve interaction with the European Union and be subject to its more stringent legal regime of investment access and foreign investment review. In the process of bilateral cooperation, some European countries will also pay attention to the attitude and reaction at the EU level and make corresponding policy adjustments. There is a clear interaction and inclusion relationship between them and the EU, but the degree of interaction and initiative varies greatly depending on specific country situations. Overall, the role and influence of the EU, as the most mature and highest level supranational governing body in the European region, in China's port investment and construction activities cannot be ignored. It should be noted that the EU, as the supranational representative of the European countries in the region concerned, is also composed and supported by these member states, and treats the changes in China's attitudes and reactions to its participation in port investment and construction activities in the European countries more obviously and more complexly.

As an influential power in the European region, France, under the impact of the global financial crisis and the "European debt crisis" in 2008, started to try to open its domestic market to Chinese capital and to develop bilateral cooperation with Chinese enterprises in the field of infrastructure investment and construction in order to better compete with Germany for the leadership of Europe and to achieve the recovery of its economy. Bilateral cooperation. Soon after the BRI was launched, policymakers and the business community within the French government were eager to learn and

engage. At a time when France was facing a number of economic development issues such as aging infrastructure and diminishing public resources, this provided an opportunity for Chinese companies to participate in the privatization process of its domestic ports. China and France have already started cooperation in the framework of the "Belt and Road", including the project of investment and operation of the port of Marseille between China Merchants International and Duffy Maritime Group in July 2015. The investment and construction cooperation between France and China in the port of Marseille will help the port of Marseille to become an important trade center in the Mediterranean region. Most companies in France view Chinese investment with a sense of opportunity, and they openly welcome the Belt and Road Initiative. But the French government is cautiously optimistic about China's Belt and Road Initiative. The Belt and Road Initiative is increasingly seen as an ambitious project with potentially significant geo-economic, geopolitical and geo-strategic implications, especially in the context of increased economic and strategic competition between the United States and China. The French government hopes to leverage its marginal engagement with the Belt and Road to obtain the resources needed for its economic development, and has maintained a progressive engagement with Chinese companies in port investment and construction cooperation.

Although Italy, Greece, Spain and other countries belong to the same developed European countries, they are more obviously hit by the economic crisis, especially the fiscal deficit has been growing for years, which makes these European countries in the southern European region deep in the mire of crisis. But they have rich marine resources, so they hope to use the port shipping industry as the fulcrum to drive the recovery of their economic growth. At this time, China's BRI initiative, which includes participation in the investment and construction of pivotal ports in important overseas regions as an important pillar, has brought new hope and impetus to these European countries, and most of them have chosen to take the initiative to connect to China's BRI initiative through bilateral port investment and construction cooperation with China. BRI initiative. In addition, the EU level has not reached a unified view on helping Greece, Italy and other countries to get out of the economic and debt crisis, which has led these southern European countries to doubt the legitimacy and effectiveness of their governance, especially since some of the sovereignty concessions

achieved in the process of European economic integration did not have a positive effect in the moment of crisis, but rather prevented them from recovering quickly from the crisis. Most of these southern European countries feel resentment and disgust towards the EU, and are deeply suspicious and even hostile towards the EU's policies and course of action towards them. And they are all countries that are in great need of investment, especially in the area of infrastructure development and the jobs it may provide. China's BRI initiative undoubtedly offers an excellent alternative for them, as cooperation with Chinese companies around relevant port investment and construction projects will not only provide strong financial and technical support for the comprehensive upgrading and repair of domestic port infrastructure, but also enable cooperation with China to achieve market integration between the two sides and promote the development of domestic port shipping and shipping. The cooperation with China will not only provide strong financial and technical support for the comprehensive upgrade and renovation of the domestic port infrastructure, but also enable the integration of the two markets and promote the revitalization of the domestic port shipping and railroad industry and the expansion of the international port market.

4.1.3 EU's attitude and reactions towards China's investments

The EU is a supranational organization constructed by the European political elite according to abstract ideas and has its own core decision-making body, which is also the core guarantee of its decision-making power and supranational governance in protecting the overall interests of Europe at a higher level. The "troika" of the EU's governing elite, namely the EU Council, the European Parliament and the European Commission, which maintain the EU's daily administrative operations and take the final decisions, have shown great concern and worry about China's economic influence in the European countries along the Mediterranean Sea through its large-scale participation in port investment and construction activities. They believe that China is using the penetration of its economic influence for the political purpose of dividing Europe.

As a result, in recent years the EU's core decision-making bodies have been increasing their scrutiny of infrastructure investments from China, setting higher barriers to entry. Some EU managers

believe that China's cooperation in port investment and construction in the Mediterranean region through the BRI is not a win-win situation, but rather a "China wins twice", using Europe to gain double benefits. It has not only expanded China's maritime influence in the Mediterranean region, but also imported Chinese goods into Europe in large quantities. The EU's core policymaking institutions believe that Chinese port investment and construction activities in member states along the Mediterranean also undermine their own strategic autonomy and supranational governance authority, and therefore seek to limit foreign acquisitions in key areas through supranational legislation to minimize the penetration of economic influence of extra-regional powers. They are particularly concerned about whether foreign investors are directly or indirectly controlled by their own governments, in which case port investment and construction activities by Chinese state-owned port and shipping companies in EU member states along the Mediterranean are subject to strict scrutiny at the EU level. The European Commission considers that these state-owned Chinese companies are taking a share of the European port shipping market through state subsidies and preferential loans granted by the Chinese government in an unfair competitive manner and tends to consider the Chinese cooperation in port investment and construction with EU member states under the framework of the "Belt and Road" as being for strategic purposes control of key infrastructure along the Mediterranean Sea.

In response, the EU core policy-making bodies have made it clear in a number of official reports that this will be carefully analyzed and appropriate action will be taken. In 2019, the EU Foreign Investment Review Regulation, jointly promoted by the three core EU policymaking bodies, will focus on foreign investors' investment and construction in key infrastructure areas such as ports, and they are increasingly concerned that the competitive advantages they have built up in the region will be lost under the impact of "non-commercial competitive advantages" held by Chinese state-owned enterprises. They are increasingly concerned that the competitive advantage they have built up in the region will be lost under the impact of the "non-commercial competitive advantage" of Chinese state-owned enterprises.

The EU's core policymaking institutions have always had the primary policy objective of

safeguarding the overall interests of Europe, so they are skeptical of the growing bilateral port investment and construction cooperation between China and individual member states, fearing that Chinese investments in European countries along the Mediterranean could threaten the financial and economic stability of the entire European region. But in addition to concerns about the challenges that Chinese companies' involvement in port investment and construction activities in European countries along the Mediterranean could pose to the overall interests of Europe, the EU is also aware of its opportunities for the recovery of the European economy as a whole after the crisis. For example, when the Belt and Road Initiative was first proposed, the EU was cautious and to some extent beneficial, believing that China's assistance to member states in improving their infrastructure, represented by ports, could have a positive impact on mutual trade between the EU and China. Therefore, they also continue to promote the orderly opening of the European market and the rational introduction of foreign investment, and in 2015 the European Commission welcomed the "Belt and Road" dovetailing with the "European Investment Plan", which officials believe will help the two sides better dovetail. It will also provide more business opportunities for Chinese and European enterprises. The EU's core policymaking institutions have taken the initiative to strengthen their interaction with China in the framework of the Belt and Road Initiative mainly because of the practical need to revitalize investment in the EU, promote economic growth and increase employment. Therefore, the EU core institutions are not emphasizing economic competition with China in the field of infrastructure investment and construction, such as ports, but they are carefully observing and looking for opportunities to cooperate with China in port investment and construction on a larger scale, while ensuring that their own initiatives and overall interests are maintained. However, the "fairness" and "reciprocity" that the EU's core policy-making bodies emphasize for China in infrastructure cooperation represented by ports is a distinctly Western understanding that does not correspond to the reality of port investment and construction by Chinese companies in European countries along the Mediterranean. Therefore, there is a certain conflict between the two. The apparent increase in the number of Chinese companies acquiring key infrastructure in European countries along the Mediterranean and the growing number of member states that have signed up to the Belt and Road cooperation initiative has led the EU to become concerned about the geostrategic intentions behind these projects. In particular, the increased role

and influence of China in the economic development of Southern European countries has increased the EU's concern that in the short-term Southern Europe could become a zone of Chinese influence in the EU. The growing anti-European sentiment in this economically weak region and the increasingly aggressive attitude of citizens of the member states involved towards China will be an obstacle to the development of a unified EU strategy to contain the threat of Chinese investments.

After taking office, the new European Commission has publicly expressed its intention to further instrumentalize the EU's economic power and increase competition with extra-regional geo-economic powers in infrastructure and other fields, so as to improve the competitiveness of the European economy and reshape the status of European geo-majority as the core of European geo-economic policy. Previously, the EU had intended to impose mandatory legislative restrictions on China's infrastructure investment and construction activities represented by ports, hoping that this would weaken the eligibility of Chinese companies to obtain infrastructure construction projects such as ports in EU member states. In the "Elements of a New EU Strategy for China", issued jointly by the core EU decision-making bodies in 2016, it was explicitly requested that any bilateral agreement between member states and China should reflect and safeguard the interests of Europe as a whole. The subsequent EU-China Strategic Outlook report, published in March 2019, re-emphasized the quest for a more balanced and mutually beneficial economic relationship, requiring China to engage in fair competition with it and taking several initiatives in terms of reciprocity, fair competition and the prevention of distorting effects on the EU internal market. The EU has been unhappy with China's restrictive investment and trade policies, especially with the port investment and construction practices carried out by Chinese companies with a clear background of state and government support within the Mediterranean region. It is foreseeable that in the future, core EU policy-making bodies will hold a more pronounced competitive and worried mindset, which will be translated into concrete actions, and this becomes a potential challenge and a significant external influence for Chinese companies to penetrate deeper into the European market for investment and construction activities.

4.1.4 Reasons of EU's changing attitude towards China under the geoeconomic framework

Although the multi-layered governance model of the EU is now more mature and the operation of the "decision-making community" is on the right track, it still has not got rid of the influence of "hierarchical governance", especially in terms of economic and trade rules and legal system, which emphasizes more on the binding rules from the supranational level. In particular, in terms of economic and trade rules and the legal system, more emphasis is placed on supranational rules to enforce constraints and project vertical authority to member states through a series of institutional rules. Under this institutionalized rule structure, the influence of the EU's regional organization is continuously strengthened through the creation of a series of institutional rules. In order to realize their legitimate interests, the member states play a "two-tier game" with the EU on specific issues. There are also differences between the core decision-making bodies of the EU and the member states in terms of their attitudes and reactions to China's port investments in European countries along the Mediterranean. Especially after the BRI initiative, the core EU policy-making bodies have shown more obvious concerns and doubts about China's port investment and construction, which is reflected in a clear geo-strategic shift, with more emphasis on competition in the geo-economic strategies introduced. However, the relevant EU member states are more pragmatic in their attitude, actively attracting Chinese investments and taking the initiative to strengthen bilateral cooperation with China in port investment and construction. This positive attitude has also pushed them to take the initiative to dovetail with China's BRI initiative, which has led to the expansion of bilateral cooperation around port investment and construction. For them, the economic benefits of cooperation are the main reason for their welcoming gesture, and the need to recover the growth of their economies as soon as possible, which was originally hit by the economic crisis, have prompted the relevant EU member states to actively seek cooperation with China in the field of infrastructure investment and construction, especially those countries along the Mediterranean Sea that have rich marine resources and excellent ports.

The core decision-making institutions of the EU are more concerned about the geostrategic

implications of China's economic influence in the Mediterranean region through the BRI, which could threaten the overall interests of Europe. Since their primary goal is to maintain and achieve the overall interests of Europe and the security and stability of the regional order, they need to make more considerations than the member states, and accordingly their perceptions and attitudes towards China's relevant port investment and construction actions are necessarily more complex. The EU core policy-making institutions already have a certain understanding and perception of the economic effectiveness and development opportunities brought by China's port investment and construction activities in European countries along the Mediterranean Sea, but they are worried that China's port investment and construction activities in European countries along the Mediterranean Sea will further increase the economic dependence of member states on China, thus affecting the realization of Europe's overall economic development strategy. Therefore, the core decision-making bodies of the EU are still on the fence and hesitant to strengthen cooperation with China in port investment and construction at a broader level. More importantly, because they see the Belt and Road Initiative as a strategic tool for China to expand its geo-economic space abroad, coupled with the EU's pre-existing emphasis on ports as key infrastructure in the region, they view China's port investment and construction activities in European countries along the Mediterranean Sea from a more political and strategic perspective. The core objective is to ensure effective and stable supranational governance of the member states. The core decision-making bodies of the EU are also ambivalent, wanting to observe in further contacts the extent to which China's port investments in European countries along the Mediterranean have an impact on the overall interests of Europe, and to actively communicate on cooperation points that are in line with their own development needs and strategic plans. But at the same time, as the economic and trade relations between China and its member states grow closer, and considering the natural strategic pivot of the ports, their concerns about China's investment and construction in ports along the Mediterranean become more evident, which also affects the realization of China's development goal of promoting the BRI more deeply in the European context. This also affects the realization of China's development goals in Europe to further promote the BRI.

4.2 Neoclassical Theory Analysis

4.2.1 Material Power

China's economic take-off and stable development since its reform and opening up has undoubtedly provided the world with an alternative modernization solution. Although Europe is one of the more developed regions in the world, there are differences among the countries within it, especially in Southern and Central Eastern Europe, where there is a considerable gap in development compared to Northwest Europe. The Chinese model offers a viable alternative path for these relatively backward European countries.

In his article "The "Chinese Model" as an Alternative to Western Liberal Democracy", Spanish sinologist and senior researcher at the Barcelona Institute of International Affairs, Sean Golden, argues that China's balanced stance is conducive to the stability of the international order and is in fact in the interest of the vast majority of the world's population, the developing countries. It is also in the interest of the developing countries, which make up the majority of the world's population.

The attractiveness of the Chinese model has been enhanced to some extent by the BRI. China's economic development model, foreign aid and investment, cultural exchanges, and demand for raw materials and markets all provide opportunities to promote the Chinese model. China's rapid economic development has become a role model and a reference for countries along the Belt and Road, providing them with reference and experience to learn from. At the same time, China has invested in a large number of infrastructure and industrial park projects in the countries along the Belt and Road, providing employment opportunities and economic growth for the countries along the Belt and Road, as well as supporting its own raw materials and market demand. In terms of cultural exchanges and cooperation, China's soft power has been enhanced, which helps to strengthen the attractiveness of the Chinese model. In the context of the Belt and Road, the attractiveness of the Chinese model will continue to grow, but it is also necessary to maintain the principles of openness, inclusiveness, equality and mutual benefit in cooperation and to contribute to common development.

More and more European scholars are paying attention to the prospects of the "Chinese model", as the traditional Western-led approach to capitalist modernization has been questioned in Europe. China's stable development, especially its positive economic growth in the three years since the new epidemic ravaged the world, makes the "China model" increasingly attractive and influential in the context of the "Belt and Road".

Since the BRI was proposed, the EU has not been able to make EU member states have a unified perception and response to the BRI, the EU does not have a unified voice on this, and countries' views on the BRI are also different. "The EU does not have a unified voice on this issue, and all countries have their own views on the Belt and Road. The UK also withdrew from the EU during this period, and the EU's political influence was again affected.

Before the COVID-19 became popular, some EU member states were still more active in participating in the BRI when China proposed it in the early stages. Even Italy, one of the old capitalist countries, was the first to sign the Belt and Road document with China. The Balkans and Eastern Europe, which are economically weaker, are also scrambling to join the Belt and Road Initiative, reflecting to a large extent the urgent need for Chinese investment in Europe in order to continue its development. The original development model of Europe has seriously divided the rich and poor within the EU, and more EU countries or candidate countries have chosen to join the ranks of cooperation with China in order to seek development.

The EU as a whole has not reached a unified standard on the BRI, and the resolution adopted by the European Council does not make the EU countries give up cooperation with China. The EU as a political and economic community has not been able to make a "one voice" on the China issue. One of the factors why Britain chose to leave the EU is its dissatisfaction with the level of governance in the EU, which has been plunged into the migration problem and the European debt crisis in recent years, and the benefits Britain has gained in the EU are much smaller than its input. The decline of political trust in the EU within Europe is one of the reasons why the UK chose to leave the EU, and the EU received a further blow to its political influence after the loss of the UK.

4.2.2 Economic gains

In 2020, the world was hit by the COVID-19 epidemic that ravaged the world, and the global economy fell into the Great Depression. China, on the other hand, has maintained positive economic growth throughout this period, surpassing the EU as the world's second largest economy.

The EU has long regarded free trade as its foundation, priding itself as a defender of multilateralism and an active participant in economic globalization, and its international economic status has always been important. However, with the rise of developing economies represented by China, the weight of the EU in the world economy has continued to decline, mainly in terms of its share of GDP in the global economy and its share in international trade and investment. According to the United Nations Conference on Trade and Development (UNCTAD) database in 2015 in constant U.S. dollars, in 2000, the EU's share of global GDP was 28.07 and China's share of global GDP was only 5.76%, respectively; as of 2019, the EU and China's shares of global GDP were 21.22% and 17.02%, respectively. Moreover, the share of total EU exports in the world fell from 38.02% in 2000 to 33.10% in 2019, a decline of 4.92% in 20 years, while China rose by 9.28% in the same period. The share of EU OFDI in the world also fell from 48.34% in 2008 to 36.37% in 2019, with China increasing by 4.89% (Cui & Thoburn, 2022).

The EU is regressing in terms of both total economic volume and outward investment compared to China, which continues to grow rapidly as an emerging economy, and many countries in the EU have turned to cooperation platforms with China such as 17+1.

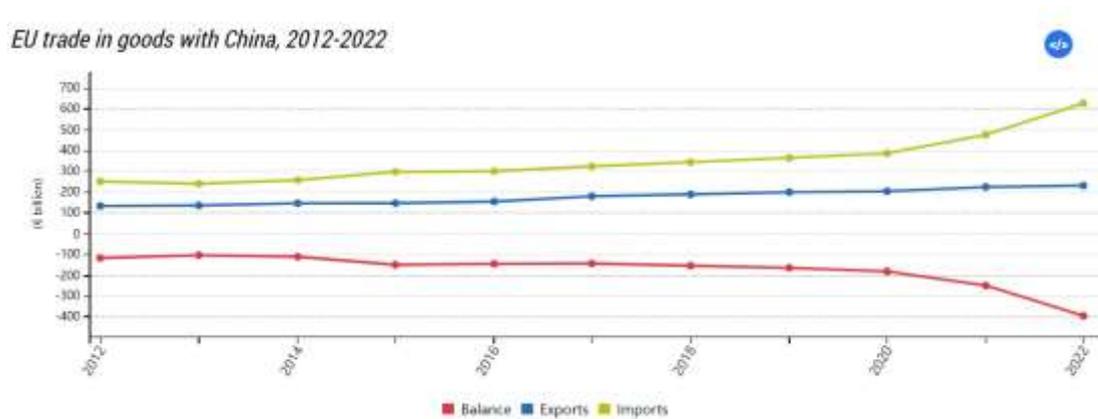
China, one of the world's largest developing countries, has maintained a high rate of economic growth. This trend has been going on for decades and is expected to continue in the coming years. This rapid economic growth has made China an attractive market and has led to increasingly strong economic ties between the EU and China. As a country of 1.3 billion people, China's economic growth has always been highly visible. Since the late 1980s, China has embarked on a policy of reform and opening up and has gradually embarked on a path of rapid development. With China's expanding domestic market and increasing external demand, the Chinese economy has maintained

a high growth rate over the past decades.

In the process of China's economic rise, manufacturing has been the focus of its development. The advantages of China's manufacturing industry lie in low cost, high production efficiency and significant scale effect. These advantages have made China's manufacturing industry highly competitive and an important player in the international market. With China's overcapacity in need of a market and Europe's continued infrastructure development, China has taken the opportunity to transfer its production capacity abroad while also enhancing its international influence.

As China's economy continues to develop and improve, the attractiveness of the Chinese market is becoming more and more apparent. European countries are gradually realizing the importance of the Chinese market and have been strengthening their economic and trade cooperation with China. The economic ties between the EU and China are getting closer and closer, and the trade volume between the two sides is climbing. EU enterprises actively participate in the Chinese market and share the opportunities and dividends brought by the rise of Chinese economy.

To sum up, the rise of China's economy is a global economic phenomenon that cannot be ignored. The Chinese government has taken a series of effective measures in the process of economic development, which has enabled the Chinese economy to maintain a high growth rate and become an important player in the construction of the European economy . China's increased influence has led to the need for the European Union to pay strategic attention to China and to compete with it in order to safeguard its own interests.



Picture1

Although EU sales in the Chinese market have been growing, EU imports to China have also been increasing, leading to a growing trade deficit. This has led the EU to review its policy towards China and start taking measures to ease the trade deficit. The EU's trade deficit with China has been a topic of great concern. From the data in recent years, the EU's trade deficit with China has been increasing year by year. According to statistics, the EU's trade deficit with China reached 161.2 billion euros in 2019, up 7% from 2018. between 2020 and 2022, the global economy and trade received the impact of the new coronavirus pandemic, China controlled the epidemic during this period, stabilized production, and continued economic growth made the EU's trade deficit with China continue to expand during these three years. the deficit in 2020 was The EU trade deficit with China in 2022 is already 245% of the deficit in 2019, before the global pandemic of the new coronavirus. In this situation the EU has started to re-examine its policy towards China and started to take measures to alleviate the trade deficit.

4.2.3 Security

As mentioned above, the Belt and Road Initiative covers a very large number of countries and territories, both the Maritime Silk Road and the Land Silk Road, which cross the European region. The key Chinese investment projects in the region are infrastructure construction, such as ports and railroads, and if a regional conflict breaks out these key strategic locations, which are invested in or even controlled by China (Miskimmon, 2018), will be a threat to European countries and the EU, so the EU has to be equally wary of China in terms of security.

The Russia-Ukraine conflict took place during the recent period of the EU's "Global Gateway" strategy, and it can be said that the EU's policy towards China at this stage has received a great influence from the Russia-Ukraine conflict, and in the context of the Russia-Ukraine conflict, the EU has made new changes to its strategy.

First of all, politically, the EU High Representative for Foreign Affairs and Security Policy Borrell sees the 2022 Sino-Russian joint statement as a "qualitative leap" in Sino-Russian relations, and the

EU also positions China as "pro-Russian neutral" in the Russia-Ukraine conflict, so the EU is politically tied to the US. The EU is therefore more closely tied to the US politically and has fundamental differences with China in terms of values and political positions. In terms of security, the Russia-Ukraine conflict has led the EU to include China in its security strategy, as Central and Eastern European countries have always viewed Russia as the primary security threat, while the EU has identified China as "pro-Russian neutral" in the Russia-Ukraine conflict, leading the EU to include China in its security considerations (Pan & Xu, 2022). Both China and Russia appear in the EU's assessment of security challenges in the first EU defense white paper in March 2022, but the EU does not call China a "security threat" for now.

4.2.4 The US factor

The United States, the European Union and China, as the world's top three economies, are not to be underestimated in terms of international influence, especially the United States as the largest economy and the world's only superpower at present, any change in the foreign policy of any country may be affected by the United States (Nordin & Weissmann, 2018) . At the same time, the EU as the United States has long existed a special relationship, its economic and political foreign security policy is always affected by the attitude of the United States. Europe and the United States have similar values, similar ideologies, historically closer ties, and European integration into the city of the United States have played a role. In particular, most of the EU countries are also in NATO, and the EU military power also depends on the United States. So the special relationship between the U.S. and Europe is necessary to mention in the study of EU policy adjustment towards China.

The Trump administration: Compared with the Obama administration's moderate policy toward China, the Trump administration adopted a "competitive strategy" toward China, which opened the prelude to the era of strategic competition between China and the United States. The Trump administration launched a strategic competition with China, based on four official Trump administration documents represented by the 2018 edition of the U.S. National Security Strategy Report, which positioned China as a "strategic competitor" of the United States and launched a

competitive relationship with China in four areas: economy, science and technology, politics and humanities. The Trump administration's unilateralist and protectionist approach views China as a "strategic competitor" and launches a trade war between China and the United States.

The United States withdrew from the Paris Agreement during the Trump administration, and cooperation between the EU and China on energy efficiency, climate and environmental protection is prominently featured in the 2019 EU Strategic Outlook.

The EU also does not share Trump's unilateralist and protectionist approach to trade. But the EU has not chosen to fall on either side of the US or China. Instead, it has strengthened its own internal solidarity and enhanced its own economic strength to get rid of the impact of U.S. unilateralism on the global economy and trade. In the following year, the EU also called China a "systemic adversary" and strengthened its competition with China in the economic and trade fields and in the security field, so as to ensure its own interests.

The Biden Administration: After the Biden administration took office, there was a clear change in U.S. foreign policy. Compared with the unilateralism and protectionism policies adopted by the Trump administration, the Biden administration emphasized cooperation with allies and hoped to reshape the international order by jointly addressing global challenges. Under such circumstances, the EU's policy toward China has also undergone certain adjustments in its cooperation with the United States.

First, the Biden administration has changed its attitude toward China, which it still regards as a "strategic competitor". The Biden administration believes that China is challenging the international status and influence of the United States, and the United States needs to take more resolute measures to contain the rise of China. In this context, the U.S. wants to join forces with its allies to strengthen pressure and constraints on China.

Second, the Biden administration has proposed a global infrastructure program, the Global Infrastructure Initiative, to enhance the U.S. position in the global economy. This program is in

competition with China's Belt and Road Initiative, as they both aim to expand their influence in the global economy. Therefore, the U.S. wants to compete with the EU to strengthen its position against China by providing more favorable loans and higher quality infrastructure development.

In this context, it is not difficult to understand the reasons for the change in the EU's policy toward China. In its cooperation with the United States, the EU has also begun to see China as a potential competitor. Although the economic and trade relations between the EU and China are close, the differences between the EU and China have gradually deepened on issues such as security and human rights. In addition, China's investment in the European market has also aroused the concern of EU countries, and the EU has gradually strengthened the regulation and review of Chinese investment. Under such circumstances, changes in the EU's policy toward China are inevitable.

To sum up, the changes in the policies of two successive U.S. administrations in the context of "One Belt, One Road" have affected the EU's own interests, and the EU will adjust its own policies, including the EU's policy towards China.

4.2.5 Reasons of EU's changing attitude towards China under the Neoclassical Realism framework

Since the establishment of diplomatic relations between the EU and China in 1975, the two sides have maintained close economic ties. However, with the rise of China's economy and the intensification of the EU's criticism of China in the fields of human rights and intellectual property protection, the EU's policy towards China has gradually changed in recent years, and during the period of the New Strategy in 2016, the EU's attitude was still one of cooperation and competition, with cooperation being the main focus. Since the Belt and Road Initiative, the biggest change in the EU's policy toward China was during the "systemic rivalry" period, and the 2019 Strategic Outlook, which was released in 2019, presented a stronger position, calling China the EU's "systemic rival. systemic rival". This marks a major shift in the EU's policy toward China, implying that the EU will focus more on being tougher across the board and more on competition than on cooperation, which is reinforced by two additional EU documents in 2021 that put China outside the scope of

cooperation.

In terms of neo-realism, China's relative power has been rising in the decade since the Belt and Road Initiative was launched, and its own influence among EU countries has increased. In terms of economic gains, the EU has a long-standing trade deficit with China, and the deficit has increased further during the COVID-19 pandemic. The EU is also wary of China in terms of security, especially since the Russia-Ukraine conflict, and the conflict of interests between China and Europe on security issues will become more pronounced.

Chapter5 Conclusion

This study analyzes the evolution of the EU's policy toward China in the context of the Belt and Road Initiative and the reasons for its changes from the perspectives of geo-economic theory and neoclassical realism theory, and tries to provide new insights into the complexity and evolution of China-EU relations.

This study first reviews China and the EU in the context of the Belt and Road Initiative. In the process of investing and building infrastructure in Europe through the Belt and Road Initiative, China's influence in Europe has increased, while the EU's influence in Europe has relatively decreased. He then summarizes the evolution of the EU's policy toward China since 2013, when the Belt and Road Initiative was proposed, and divides it into three phases: the early Belt and Road period, the Systemic Adversaries period, and the Global Gateway period. The EU's policy toward China has been divided into three phases: the early period of BRI, the period of "systematic adversaries" and the period of "global gateway". During this process, the EU's policy toward China has changed from being a strategic partner and a supporter of the Belt and Road Initiative to viewing China as a "systemic adversary" and formulating different policies toward China in different periods. In this process, the EU's China policy has gradually changed from a more moderate to a tougher one. From the perspective of geo-economic theory, there are many reasons for this: China has invested heavily in infrastructure construction along the Belt and Road and made huge profits in trade. From the perspective of neoclassical realism theory, the EU feels threatened in terms of power, economic gains, security issues and the USA factors.

The study of the changes in the EU's policy toward China shows the complexity and diversity of China-EU relations. But China-EU cooperation has always been about cooperation in competition and competition in cooperation, and competition will always exist, but cooperation will be mainstream. China is currently the "systemic adversary" of the EU, but in the future, China-EU relations will continue to be influenced by international political, economic and cultural factors, as well as the still unresolved Russian-Ukrainian conflict. visit to China. Although the next step of the

EU's policy toward China is still unclear, the EU's perception and policy toward China will also be adjusted after von der Leyen's visit. As long as both sides have firm confidence and uphold an open and cooperative attitude, I believe that China-EU relations will continue to develop amidst challenges and opportunities and make greater contributions to global peace, prosperity and progress.

Bibliography

Alden, C., & Alves, A. C. (2017). "China's Regional Forum Diplomacy in the Developing World: Socialization and the 'Sinosphere'". *Journal of Contemporary China*, 26(103), 151-165.

Casarini, N. (2016). Is Europe to Benefit from China's Belt and Road Initiative?" *IAI Working Paper*, 16(40).

Chen, D., & Kinzelbach, K. (2015). "China's Strategy for the European Union: The Case of the EU Arms Embargo". *Journal of Contemporary China*, 24(95), 924-943.

Cheng, E. K. Y. (2017). "China's New Silk Road and Its Impact on Sino-European Relations". *The RUSI Journal*, 162(3), 36-48.

Chinese National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce (2015) *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*. Beijing: Chinese State Council.

Cui, H., & Thoburn, J. T. (2022). "China's Belt and Road Initiative and European Union Regions". *European Urban and Regional Studies*, 26(2), 121-139.

Ding, Y., & Wang, Y. (2018). "China's Road and Europe's Destiny: How the Belt and Road Initiative is Shaping Europe's Future". *Journal of Contemporary China*, 27(112), 499-516.

Dreyer, I., & Stang, G. (2018). "Europe's Response to China's Belt and Road Initiative." *Asia Europe Journal*, 16(4), 363-377.

Eder, T. S. (2018). "China's Global Connectivity Politics: The Belt and Road Initiative, Regional Integration, and the Reorganization of the World Order". *Journal of Chinese Political Science*,

23(3), 293-312.

European Commission (2016) *Joint Communication to the European Parliament and the Council: Elements for a New EU Strategy on China*. Brussels: European Commission.

European Commission (2018) *Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank: Connecting Europe and Asia – Building blocks for an EU Strategy*. Brussels: European Commission.

European Commission (2019) *Joint Communication to the European Parliament, the European Council and the Council: EU-China – A Strategic Outlook*. Brussels: European Commission.

European Commission (2021) *Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank: The Global Gateway*. Brussels: European Commission.

European Council (2015) *EU-China Summit Joint Statement: The Way Forward After Forty Years Of EU-China Cooperation*. Brussels: European Council.

European Parliament (2016) *One Belt One Road (OBOR): China's Regional Integration Initiative*. Brussels: European Parliament.

Ferrari, Claudio and Alessio Tei (2020) "Effects of BRI Strategy on Mediterranean Shipping Transport." *Journal of Shipping and Trade* 5 (14): 1-18.

Fallon, T. (2015). "The New Silk Road: Xi Jinping's Grand Strategy for Eurasia". *American Foreign Policy Interests*, 37(3), 140-147.

- Ferdinand, P. (2016). "Westward Ho—The China Dream and 'One Belt, One Road': Chinese Foreign Policy under Xi Jinping". *International Affairs*, 92(4), 941-957.
- Fuchs, A., & Klann, N. H. (2013). "Paying a Visit: The Dalai Lama Effect on International Trade". *Journal of International Economics*, 91(1), 164-177.
- Gaspers, J. (2017). "The Quest for Connectivity: China's Inroads into Central, Eastern, and Southeastern Europe". *Asia Europe Journal*, 15(2), 121-142.
- Ghiasi, R., & Zhou, J. (2017). "The Silk Road Economic Belt: Considering Security Implications and EU–China Cooperation Prospects". *SIPRI Policy Paper*, 46.
- Hameiri, S., & Jones, L. (2016). "Rising Powers and State Transformation: The Case of China". *European Journal of International Relations*, 22(1), 72-98.
- Jacopo, M. (2017). "The EU's Pivot towards Greater Eurasia: The Role of China's Belt and Road Initiative". *European View*, 16(2), 161-172.
- Kaczmarek, M. (2016). "China's European Dilemmas: The European Union as a Normative Power". *Europe-Asia Studies*, 68(9), 1507-1525.
- Kavalski, E. (2017). "China's 'Belt and Road': From Global to Regional". *Australian Journal of International Affairs*, 71(5), 459-464.
- Kratz, A., Feng, W., & Wright, S. (2019). "New Perspectives on China-EU Relations and the Global Order". *Asia Europe Journal*, 17(1), 1-14.
- Lim, D. J., & Jiang, Z. (2018). "What Drives China's 'One Belt, One Road' Initiative?". *Asia Policy*,

25, 71-78.

Manning, R. A. (2019). "The Asian Infrastructure Investment Bank and the Rise of China: Asian Infrastructure Investment Bank: Challenges and Opportunities". *Asia Policy*, 24, 19-25.

Merics, M. (2018). "China's Belt and Road Initiative: The New Geopolitics of Global Infrastructure Development". *The RUSI Journal*, 163(2), 4-15.

Miao, L., & Wei, D. (2021). "The Geopolitical Dilemma of the Belt and Road Initiative: The Case of the China-Pakistan Economic Corridor". *Journal of Contemporary China*, 27(114), 763-778.

Miskimmon, A., & O'Loughlin, B. (2021). "The EU's Crisis Diplomacy in Ukraine: The Matrix of Possibilities". *Journal of International Affairs*, 70(1), 51-66.

Nordin, A. H. M., & Weissmann, M. (2018). "Will Trump Make China Great Again? The Belt and Road Initiative and International Order". *International Affairs*, 94(2), 231-249.

Nyiri, P. (2016). "Chinese Investment in Europe as an Emerging Issue in Globalization and Contentious Politics". *Eurasian Geography and Economics*, 57(1), 1-28.

Oehler-Şincai, I. (2016). "China's Economic Diplomacy: A Comparative Approach for Central and Eastern Europe". *Romanian Journal of European Affairs*, 16(4), 14-32.

Pan, C., & Xu, X. (2022). "China's Engagement in Global Economic Governance: A Strategic Choice between Power Balancing and Identity Emulation". *Journal of Contemporary China*, 27(110), 243-258.

Roson, R., & Van den Berg, M. (2016). "Climate Change, Economic Growth, and Migration". *Journal of Environmental Economics and Management*, 78, 209-230.

- Shi, Y., & Li, S. (2017). "The Belt and Road Initiative and China's Influence in Southeast Asia". *Pacific Review*, 30(4), 635-654.
- Shirk, S. (2018). "China in Xi's 'New Era': Overstepping Down Under". *Journal of Democracy*, 29(2), 59-67.
- Smith, M., & Xie, H. (2018). "The European Union and China: The Logics of Strategic Cooperation". *Journal of Common Market Studies*, 56(4), 921-932.
- Strüver, G. (2016). "EU-China Relations in a Transforming Global Order: Brussels' Perceptions of China's Rise and Its Implications for EU-China Cooperation". *Asia Europe Journal*, 14(3), 293-307.
- Wang, J. (2016). "China's Search for a Grand Strategy: A Rising Great Power Finds Its Way". *Foreign Affairs*, 95(2), 68-79.
- Wang, Y. (2017). "Offensive for Defensive: The Belt and Road Initiative and China's New Grand Strategy". *Pacific Review*, 30(3), 455-463.
- Xia, L. (2017). "EU's Asymmetric Engagement with the One Belt, One Road Initiative: Determinants and Policy Implications". *Asia Europe Journal*, 15(4), 407-420.
- Xu, J., & Li, X. (2018). "Europe's Connectivity Strategy and Its Implications for China's Belt and Road Initiative". *Asia Policy*, 25, 84-90.
- Yu, H. (2017). "Motivation behind China's One Belt, One Road Initiative: A New Institutional Economics Perspective". *Journal of Economic Policy Reform*, 20(4), 309-324.

Picture1: Eurostat: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=China-EU_-_international_trade_in_goods_statistics