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Book Review

Frans-Paul van der Putten, John Seaman, Mikko Huotari, Alice Ekman and Miguel Otero-Iglesias (eds.) (2016), *Europe and China's New Silk Roads*, Wassenaar: Nederlands Instituut voor Internationale Betrekkingen Clingendael (Instituut Clingendael), 73 pp. + iv.

In April 2016, a European Think-tank Network on China (ETNC) roundtable discussion was hosted by the ESSCA School of Management in Budapest, Hungary, to dissect and reassemble Europe–China relations from an EU member state perspective, which was followed by another discussion held at the Institute of International Relations in Prague, Czech Republic, in October 2016. The discussions are in line with ETNC's main aim that is to enhance European expertise, knowledge and networking capacity on China's foreign policy and its relations with the member states of the European Union and the EU as a whole, by focusing on all the different levels of interaction, but with the national sphere taken to be the main analytical point of departure. The report, edited and published by the Netherlands Institute of International Relations 'Clingendael' (Clingendael Institute) is the result of these fruitful discussions.

The volume consists of sixteen chapter, including an opening paper on the role of the Belt and Road Initiative (or "One Belt, One Road" / OBOR) in Europe–China Relations, a closing piece on how BRI is fitting itself into the environment at the EU level, and fourteen other chapters in between on BRI from different EU members' respective perspectives. These countries include the Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, Netherlands, Poland, Portugal, Slovakia, Spain, Sweden and the United Kingdom of Great Britain and Northern Ireland.

As the individual country chapters do not share a standard structure or format, it is difficult to derive a common focus among these papers. Somehow, reading through these chapters does give the impression of the Belt and Road Initiative may have the potential to continue to receive a more substantive positive response from the members of the European Union that are in Eastern Europe – formerly the Communist bloc members of the Warsaw Pact – than the economically more advanced Western European countries with their more entrenched liberal democratic political system and a traditionally more adverse societal feeling towards human-rights infringing, repressive authoritarian regimes like China. The Czech Republic, however, could be an exception. This impression could be partly due to the way the author of the chapter has paid much attention to "domestic doubts" and "security risks" (pp. 15-16) that have been in general ignored by authors of other chapters on East European countries. However, the recent event in which the Prague mayor Zdeněk Hřib had moved to deviate from the Czech president Miloš Zeman's more pro-China line to cancel sister city agreement with Beijing and switch to sign the agreement with Taipei three months later in January 2020 may be evidence of the strength of the sentiment of the "opposition parties, human rights-supporting NGOs and Tibet groups, backed by academic circles, [who] accused Czech politicians of giving up on human rights criticism and therefore also committing treason" to the ideas of former dissident and former Czech President Václav Havel (p. 15). This could be in contrast to the responses of other East European members of the EU, e.g. Hungary which is a country most positive about BRI in Eastern and Central Europe. While Hungary had become the first European country to sign a MoU on OBOR with China in June 2015 (p. 37), there has always been doubt regarding Hungarian interests *vis-à-vis* China's. An example is the reconstruction of the railway line between the Hungarian and Serbian capitals (Budapest and Belgrade) on which China, Hungary and Serbia first agreed back in 2013 which "would be an important section of OBOR, connecting the port of Piraeus in Greece (run by China COSCO Shipping) to Central and Western Europe via Macedonia, Serbia and Hungary" but observers have speculated that "the interest rate could be at or above 2 per cent, which is not favourable from a Hungarian point of view, especially since the project mostly serves Chinese interests" (p. 35).

However, a paper by Hungarian scholar Tamás Novák published in the April 2018 issue of *Contemporary Chinese Political Economy and Strategic Relations: An International Journal* (Volume 4, Issue 1), pp. 139-154, explains how problems within the European Union have led to the active search for new strategies in Hungary:

> First, Hungarian domestic politics became very complicated; objectives became obscure and difficult to follow. A second problem was apparently related to the lack of strategic vision on how EU membership could be part of a long-term development strategy for the country. Short-term objectives and lack of consent among political parties on long-term development goals made the elaboration of a viable strategy impossible. The third challenge was related to developments in the EU, namely, the strategic problems regarding its future. At the turn of the millennium ambitious plans and strategies were formulated including enlargement or the Lisbon strategy, not to

> mention the introduction of the euro, but by 2004–2005 no further plans were on the table.
>
> (*CCPS* 4(1): 150)

This active search for new strategies on the part of Hungary, coupled with the growing interest of China towards the CEE region, had made "the well-known strategies initiated in recent years by China are logically attractive for Central European countries and Hungary too" (*CCPS* 4(1): 151). This is against the background of scepticism and soul-searching, according to Novák, that "developed regarding the success of economic transformation" with negative perceptions of the EU's role in convergence being strengthened "which made the emergence of very divergent strategies regarding relations with the EU possible":

> When the dynamic phase of eastern enlargement ended, there were clear signs of destabilization in parts of the CEE as a result of unfulfilled expectations concerning mostly living standards. Voices questioning the success and rationale of more than twenty years of transformation and EU accession started to become stronger and questioned the competence and efficiency of the EU. Hungarian convergence was either slow compared to Poland or Slovakia or the absolute level of development lagged substantially in comparison to the Czech Republic … Given this framework, a new narrative emerged in Hungary. Its most important elements were the following. The whole transformation project was based on Western ideologies and principles that did not seem to be in the interest of the Central European countries (e.g., the basic principles of the Washington Consensus, supported by renowned Western, mostly US advisers); international corporations investing in Hungary only extract their "extra" profits and disregard the true interests of the country. The EU

> uses double standards when applying economic and political rules and regulations requiring "new" and weak members to exhibit better performance than older and large members.
>
> (*CCPS* 4(1): 150-151)

However, Hungary's awarding contracts to Chinese builders of a high-speed railway to neighbouring Serbia without competing bids is being looked into by the European Union to see whether it has violated the trade bloc's rules.

In the case of Poland, while China has recast existing Polish-Chinese projects under the BRI/OBOR framework, largely no new projects have really been launched (p. 45), though there are plans for other projects under the BRI/OBOR label, but most that have appeared are largely in the form of MoUs concluded between ministries and state agencies, with the Silk Road as an important framework or slogan, being products of "China's increasingly proactive MoU diplomacy" (pp. 46-47). Notably, "Polish companies are not very active in OBOR" with rather low interest in using the Łódź–Chengdu connection and potential projects under the AIIB, and there has so far been "no specific, publicly-announced strategy or institution within the Polish administration devoted specifically to OBOR" (p. 48). Furthermore, there is not much media coverage on the BRI, and on the contrary, "critical articles have been published that enumerate potential threats, such as exports to Poland from subsided Chinese overproduction, which might be dangerous if China is granted market economy status" (*ibid.*).

Although among the first countries to sign MoU with China on BRI/OBOR, the other East European member of the EU covered in this book, Slovakia, is described as being "disconnected from China's New Silk Road" in the title of the chapter devoted to it, for its involvement in the BRI has been minimal with no major projects to contribute, largely because the country "is located outside the main corridors that China is planning to develop as part of the Silk Road project" (p. 53). BRI has been little discussed in Slovak media, and none of the collaborative projects with China previously suggested by the Slovak government have so far materialised, and "no specific initiatives were planned to connect with China, either as part of the 'Belt and Road' project, or any other initiative" (p. 55).

In the case of Western European and Southern European members of the EU, the response to BRI tends to be one of mixed feeling and cautiousness among the former who are more pronouncedly wary of the geopolitical underpinnings of the BRI, and more concrete involvement among the latter for whom economic and commercial concerns are more overwhelmingly dominant.

As the title of the chapter on France indicates, this G7 member country is lying on the periphery of *Nouvelles routes de la soie* (New Silk Roads), with China's strategy so far being "very low key in France, in contrast to more high-profile lobbying in countries such as Spain, Greece, Poland, or even Germany" and "is generally met with a wary sense of optimism" by French policy-makers, businesses and citizens, as then French foreign minister Laurent Fabius (who had previously served as the country's prime minister, 1984-86, and minister of finance, 2000-02) noted in his June 2015 speech, "China's Silk Road project must be viewed, among other perspectives, through a geopolitical lens" (p. 22) that reflects the growing perception in France of the BRI being an ambitious project of China with potentially significant geoeconomic, geopolitical and geostrategic implications in the long term (p. 23). According to the chapter, while then French foreign minister Laurent Fabius "laid out a clear, official stance that welcomes China's international engagement and 'new forms of cooperation'", apart from the limited communication of the French Ministry of Foreign Affairs, "other French ministries have so far refrained from referring to the Chinese project, and France has no coordinated, trans-ministerial position or strategy on the topic"; hence, in general, "France so far appears mainly reactive on the B&R, and official cooperation in this domain has largely been limited to participation in the AIIB" (*ibid.*). The chapter also takes note of concerns from arms of the French defence establishment regarding "China's development of a blue-water navy and its parallel investments in the growth of deep-water ports throughout the Indian Ocean (such as Colombo in Sri Lanka and Gwadar in Pakistan), around the Horn of Africa (Djibouti) and into the Mediterranean (Cherchell in Algeria) – including the opening of a military logistics facility in Djibouti, alongside the existing French, American and Japanese facilities there" (pp. 22-23), thus bringing expansion of China's interests abroad into conflict with France's more traditional spheres of influence.

Similarly, according to the chapter on Germany, other than a slim line of railway operation projects connecting Germany and China, there "BRI has neither yielded infrastructure investments […] nor has it featured as a driver of Chinese mergers and acquisitions (M&A) and greenfield investment activities" although the this G7 member was an early European prime target of high-level BRI promotion activities from China (p. 24).

In the case of the other two G7 members in the EU, namely Italy and United Kingdom, the respective chapters devoted to them in this book point to the phenomenon of business community's supportive argument in Italy at least at the moment still winning over concerns from local media and environmental NGOs particularly regarding the potential environmental risks posed by the "five-port alliance" project (involving the Italian ports of Venice, Trieste and Ravenna, plus Capodistria/Koper in Slovenia, and Rijeka (Fiume) in Croatia, linked together in the North Adriatic Port Association (NAPA) consortium that aims to attract and service China's huge cargo ships that reach the Mediterranean Sea via the Suez Canal) financed by the Italian government as well as OBOR money from the Chinese government and Chinese state-owned companies (pp. 39-40), and the primacy given to economic and commercial engagement in the geographically peripheral UK's response to both the BRI and the AIIB in contrast to the often suspicious and nervous response to Chinese initiatives from the traditional UK allies and partners such as the United States and Japan (p. 66). While the book was published three years before UK left the European Union, there is no reason for the readers to expect that such positive and economically pragmatic engagement by UK with the Chinese initiative would experience backtracking after the 31st January 2020 Brexit.

In the case of Netherlands and the two Nordic countries Denmark and Sweden covered in the book, engagement by both the Dutch and Danish governments with BRI remains mainly limited to its membership of the Asian Infrastructure Investment Bank (AIIB), and as for Sweden, the impact of BRI there has been very limited and the focus among the country's policy-makers and business community alike has been more of a wait-and-see approach.

Similar to Italy that is located at the centre of the Mediterranean Sea, which is the end-point of China's 21st Century Maritime Silk Road, in the other EU members that are positioned on the southern flank of Europe, i.e. Spain, Portugal, Greece, both their governments and big companies, according to the respective chapters on these countries, have been enthusiastic in supporting the Chinese initiative, largely regarding BRI as an economic opportunity rather than a geostrategic risk (p. 56) with Greece especially becoming "an important actor in the context of China's OBOR strategy" and the Piraeus OBOR project a key driver of

Sino-Greek relations (p. 30, p. 34), though for Spain "many of the potential advantages of OBOR remain theoretical" (p. 56) except for the only one concrete project there under way, namely the train connection between Yiwu and Madrid known as *Yixinou* that represents the world's longest rail link, and in Portugal, which has become the fifth preferred destination for Chinese OFDI in the EU, behind Germany, the United Kingdom, France and Italy, the Chinese interest in promoting BRI there "has hitherto not found significant echo in the Portuguese government's realm" (p. 52).

To take the book as a whole, one of its major strong points is that besides looking at the reach of BRI at the EU level in the opening and closing chapters, this volume has paid valuable attention to the individual country cases over the fourteen chapters in between. Being published just three years after the Chinese leadership officially launched the OBOR framework (later renamed BRI) in autumn 2013, this represents one of the earliest studies on BRI in the international context and in particular that of EU. As stated in the report's introductory chapter, its basic purpose is to take stock of how the OBOR project is playing out in Europe by addressing three basic issues across a selection of EU member states and at the EU level itself, namely: which OBOR-related activities exist in the host countries and at the EU level; what China's approach is towards individual EU member states with regard to OBOR; what perceptions and reactions are in individual European countries and at the EU level. Within that scope, the volume has done a good job to serve as a useful introductory text for readers who interested to gain preliminary knowledge on BRI/OBOR in the European context. While the lack of a standard format of treatment across the many chapters of country cases can pose a limitation to a clearer understanding of the issue, and the obvious insufficient treatment of most of the country cases in terms of critical details is sure to leave the reader begging for more, this pioneering volume still represents a valuable introduction to BRI/OBOR for the academia, the general public as well as other stakeholders.

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