Eurasian Integration and China’s BRI: Opportunities and Challenges

Uzma Siraj1,2, Najam Us Saqib1, and Manzoor Ahmad Naazer1*

1. Department of Politics & IR, International Islamic University, Islamabad Pakistan.
2. Department of Pakistan Studies, Federal Urdu University, Islamabad Pakistan

Abstract

The idea of Eurasian integration has come up as a strategic goal of major powers in recent years. Russia’s Eurasian Economic Union (EAEU) and the European Union’s (EU) Eastern Partnership Program (EPP) with the objective of expanding a sphere of influence and China’s Belt and Road Initiative (BRI) to create economic integration through transportation infrastructure and trade are three major strategies for this purpose. This study highlights that China’s growing presence in Central and Eastern Europe (CEE) is a clear indicator of its growing influence. Therefore, the article aims to appraise China’s rise in Eastern Europe through its BRI and Eurasian integration strategy. Secondly, it presents a comparative analysis of multiple Eurasian integration strategies. Through a prism of “New Regionalism Theory,” this study delves into exploring the factors behind China’s effort to create regional integration in the whole Eurasia. The findings of the study show that the Belt and Road Initiative (BRI) is a unique idea in the sense that it aims at not only the integration of geographically adjacent regions but also creating physical connections in faraway regions. This convergence will not only bring more financial opportunities for the regional states but also manifest a great probability for China’s emergence as the greatest Eurasian power.

Keywords: Eurasia, BRI, OBOR, EAEU, China, Regional Integration, New Regionalism

1. Introduction

“To win one hundred victories in one hundred battles is not the acme of skill. To subdue the enemy without fighting is the acme of skill.” Sun Tzu.

Eurasian integration is a popular topic among researchers of international relations. Chinese Belt and Road initiative (BRI) plays an incredible role in supporting the country’s influence as well as expanding the horizon for strategic power not only in Asia but also in Africa and Europe. Besides the rhetoric of boosting economic development, China’s BRI promotes another important strategic objective of “Eurasian Integration.” China’s growing influence in Eastern Europe is significant in this regard (Musabeliu, 2017). A region located at the crossroads of Asia and Europe holds strategic importance for some other regional powers like Russia and the European Union (EU) having their own versions of regional integration strategy. Russia’s Eurasian Economic Union (EAEU) and the EU’s Eastern Partnership Program (EPP) promote similar objectives of Eurasian integration (Dutkiewicz & Sakwa, 2019).
Against this backdrop, this paper examines the competing Eurasian integration strategies. The competition between different powers often created great scepticism among researchers. Especially, after the initiation of BRI, this strategic competition has entered a crucial phase (Acharya, 2011) which diverted the attention of most of the researchers towards a more pessimistic view having more divergence in it (Wang, 2016).

Notwithstanding, this assumption, this study aims at filling this gap and presents BRI, China’s rise in Eastern Europe and post-Soviet space as having more opportunities and convergence in it. This study purposefully focuses on China’s emergence in Central and Eastern Europe (CEE), where three powers interact with each other. To what extent these integration strategies produce divergence between China, Russia, and the EU? Is there any possibility of convergence between these integration strategies? BRI’s specific objective of creating connectivity through infrastructure building and creation of trade links is very important in this regard thus resulting in increased access to the European market for Chinese industrial output and internationalisation of its currency (Rolland, 2017). It has come up as a signature Chinese foreign policy strategy. Chinese growing activism in Eurasia has its own repercussions for the regional forces especially Russia and the European Union, the two dominant forces in Eastern Europe. Their competing strategies for Eurasian integration have exposed the region to potential conflicts (Smith, 2015).

2. Literature Review

The twenty-first century has seen some radical change at the world stage. The rise of China as an emerging superpower is one such event (Khatoon, Rahim, & Ali, 2018). However, the countries of CEE, being an economically backward region, find it particularly attractive to associate themselves with the EU (Schimmelfenning & Sedelmeier, 2005). Brzezinski contends that all major powers for global supremacy emerged from Eurasia. In his view, the power that dominates Eurasia also dominates the two most productive regions, i.e. Western Europe and East Asia (Brzezinski, 1997). Brzezinski wrote this in the context of US strategy against such emerging powers. He did not elaborate on what kind of policy will it be. He also pointed out about the futile Russian efforts to regain its lost territory of the cold war era. As it would not add to any strength but increase its challenges and opportunities for other regional forces. Given Eurasia’s significance, dominating power would not require making separate policies for Asia and Europe. The BRI, also known as One Belt One Road (OBOR) project and its linked projects like China Pakistan Economic Corridor (CPEC) and the Bangladesh, China, India, Myanmar (BCIM) are such strategies that simultaneously gripples the whole of Asia and Europe (Rehman, Hakim, Khan, & Khan, 2018).

China does not have a cheerful historical experience with the European powers during the last two centuries. The periodical attempts of European colonisers to colonise China in the nineteenth century were a manifestation of this rhetoric (Zheng, 2012). Moreover, China’s relations with Russia have gone through the same array. Despite recent development in their relations, they are still referred to as “frenemies.” All it happened at a time when China was at the lowest ebb of its strength (Chen, 2012). However, the twenty-first century brought a considerable change not only in the relationship of these powers with China but also in their political and economic orientations as well (Friedman, 2009). With a much-expanded horizon, China, Russia, and the EU demonstrate their political and economic strength to pursue their strategic objectives. One profound commonality is their efforts for Eurasian integration policies. Although China is a non-European power located in the Far-East, unlike
Russia and the EU whose European origin put them into a closer competitive position in a particular geographical area and that is Eastern Europe. As a non-European entity, China’s outreach in the CEE is more economically oriented. Through BRI, China’s excessive industrial production and its huge investment makes a significant impact in the region (Zhang, 2017).

In the past, European industrialisation had increased the demand of Chinese raw material in Europe. Europe also sought a market for its goods which enabled it to explore East Asia and especially China, resulting in repeated colonisation attempts (Ye, 2018). However, China’s emergence in the Eastern brink of Europe differs in its goals. BRI, encompassing at least two-third of the world population and more than 60 countries of Asia, Africa, and Europe is a pronounced effort to integrate Eurasia. Similarly, Russia pursues its own integration strategy through its self-dominated EAEU, which was established in 2015 with the like-minded states of Kazakhstan, Belarus, and Armenia later joined by Kyrgyzstan. Mostly termed as Russian return to Eurasia, this particular effort aims at regional integration through mutual trade and cooperation (Tarr, 2016). EAEU is much smaller in size and is not as heterogeneous as BRI. Secondly, Russia’s failure to persuade some other post-Soviet states from Central Asia and its close neighbour Ukraine caused stir and speculations for its success. Being the largest participating nation, Russia occupies approximately 81 percent of the collective GDP of EAEU based on only five states, giving Russia leverage in the trade and tariff matters (Vinokurov, 2017). Finally, the EAEU’s outlook is more a geostrategic one in nature than an economic forum.

As far as the EU’s integration efforts are concerned, it looks to expand the European territory towards the east. This goal has been institutionalised with the EPP and NATO’s enlargement in the Eastern Europe and post-Soviet region (Park, 2014). Russia was sluggish in its foreign policy towards the post-Soviet states during the 1990s. However, NATO’s enlargement in the early twenty-first century with the inclusion of Baltic states in NATO and later energy transport routes diverting from Russia raised the Russian concerns. Along with this, the EU’s EPP fuelled Russian anxiety (Clingendael, 2016). This brief comparative analysis demonstrates two important aspects of this interaction of different regional and extra-regional forces. First, it depicts the emergence of the competitiveness of new regionalism in the Eurasian continent. Another significant aspect of this competitiveness is the differential approach towards a similar objective. EU and EAEU are more focused to gain geopolitical aims. BRI is more geo-economic in its basic orientation and broad in spectrum. Russian failure to achieve a consensus in the former communist region for EAEU is a clear indication of their fear of Russian domination (Cooley, 2017).

However, Russia’s coercive policy has some plausible justification as it is more focused on countering EU’s inroads in its sphere of influence in the post-Soviet and former communist states. It takes the shape of a regional rivalry. Conversely, BRI appears as a balancing force in this struggle for regional hegemony. Historically, China has been at odds with both regional forces Russia and European powers in the past. However, in the twenty-first century, China’s emergence in Eurasia and especially in the back yard of Europe and Russia through BRI is transforming the old rivalries and relations (Muzaffar, Yaseen, & Rahim, 2017; Korolev, 2016). The BRI is a projection of increasing Chinese influence in whole Eurasia. One of the key features of its rise is its growing strength in Europe, the heartland of Mackinder, and the sphere of influence for Western Europe and Russia (Sempa, 2009). This is a struggle between old global structures and new emerging regional arrangements in...
Eastern Europe. Old structures were more about security concerns, and ideological issues, while new arrangements are more economically oriented, in which extra-regional forces are making imprints. BRI shows the evolution of those economically driven regional structures in eastern European space. Now the question arises, how it becomes possible for an extra-regional power like China to challenge the old structures or regional powers in their backyard. Old structures might have not provided desired outcomes for peace, stability, and economic development and let China emerge as a strong force and its Eurasian integration strategy as more successful than the other two. Let us have a look at some factors paving the way for China’s influence in the region.

Russia and the EU have been pulling the regional states towards themselves. This strained situation left the CEE as economically backward and prone to conflicts. EU’s EPP left the six states contending for EU membership consisting of Armenia, Georgia, Azerbaijan from South Caucasus, and Belarus, Moldova, and Ukraine from Eastern Europe, in chaos. They find themselves between a circumspect EU, which is willing to see them developing but not ready to accept them as EU members except for a geopolitical consideration (Wolczuk, 2010). Russia insists on keeping them under its sphere of influence. Therefore, they find them in jeopardy, where, their economic interests could be best served by the EU, but security considerations do not let them opt for it openly. Although, both EU and Russia possess hard and soft power to attract the regional states towards them, they have often used their instruments, not to attract regional states but to undermine each other for the control of the region. Russia’s coercive measures, specifically in Georgia and Ukraine on the pretext of protection of Russian speaking communities and targeting non-Russians cause a stir in the region, pulling the regional states in the opposite direction (Delcour & Wolcczuk, 2015). The constraint was the EU’s miscalculation of Ukrainian leaders. EU and US policymakers strongly believed that the Ukrainian leadership was committed to European integration and these feelings overshadowed doubts they may have had towards Ukrainian leaders. Brussels believed they were the only show in town and faced no competition from alternative integration projects. Third, Russia is a single actor and dominated by an authoritarian political system that is governed by one popular leader whereas the EU is a union of 28 democratic states where reaching a decision and the policy-making process is more difficult and takes longer (Aliboni, 2005).

The EU’s response to the Ukraine-Russia crisis remains constrained because of several factors. It has an onerous structure and cumbersome procedures where decisions and policies were discussed and formulated through the High Commissioner, the Commissioner for Enlargement, European External Action Service, Director-General for Enlargement, European Council and Member States’ diplomats, governments and parliaments (Cadier, 2014). Moreover, the EU’s sleepwalk’ into the Russia-Ukraine crisis when it ignored important domestic changes in Russia after Putin was re-elected as Russian President in 2012 based on nationalism, ‘conservative values’ and anti-Western xenophobia (Authority of the House of Lords, 2015). The EU failed to appreciate that a revisionist Russia would be more willing to flex its power into what it views as its ‘privileged zone of interests.’ For Putin and Russian nationalists, Ukraine is more strategically important than it is for the EU. Eminent ambiguities in the objectives of EPP regarding the inclusion of post-Soviet states in the EU create more confusion and disillusionment in the states which look towards the EU to improve their level of economic development and eventually their security against an assertive Russia. Offers made by the EU to the post-Soviet states seem more like a bureaucratic practice, more politically oriented, and devoid of the EU norms. For political
gains, it often turns a blind eye towards democratic failures and the human right situation, media restrictions, and corruption in these states. EU’s overtures towards the region, though of political nature provide Russia a pretext to destabilise the whole region to prevent the EU’s inroads (Chira, 2011).

This situation makes the prospect of their inclusion in the EU are quite bleak in the near future on the one hand, and their unwillingness to embrace Russia on the other. In 2008, Russia invaded Georgia and recognised the independence of the South Ossetian and Abkhaz separatist enclaves. EU’s response towards these two incidents further fuelled the ambivalence in the regional states. The EU’s policies are constrained by its failure to contain Russian interference in the smaller states who are also the contender of the EPP. On the other hand, Russia who no longer views the EU and NATO as different actors has opposed their enlargements into its ‘zone of privileged interests’ (Wawrzonek, 2014). The EU wrongly assumed that Russia would not oppose the ‘enlargement-lite,’ that is, integration without membership. In this scenario, countries of the CEE and post-Soviet region find themselves between constraints, coercion, and opportunities. The chances of Eurasian integration seem meagre, while China’s emergence gives the regional states a new opportunity to strengthen them economically without looking at the two rival forces.

However, the increasing constraints and coercion in the Eurasian region among the rival countries did not affect advancement of BRI towards other parts of the European continent. From Eastern Europe to Western Europe, China has increased its influence while creating and providing opportunities for the infrastructure development, cooperation in transforming its exports based economic model of domestic consumption into the investment targets in the fields of energy and natural resources, value-added industry, high-technology, and strategic assets. Chinese quest for more opportunities faces constraints and responses in the EU while some EU member states are signing bilateral trade agreements with China. Bilateral agreements create more opportunities, as well as decrease constrains for development prospects. In this situation, one needs to understand the regional integration, the high-power struggle between the EU and the strategic move of Chinese policymakers in the Eastern and Western parts of the Europe.

3. New Regionalism Theory and Methodology

Eurasian integration can best be described through the prism of the New Regionalism Theory. It represents a shift in the political-economic and institutional structure after the end of the cold war (Soderbaum, 2003). The post-Cold war era particularly transformed the old global integration at economic levels into a more regional integration leading to the establishment of multiple regional cooperation and integration strategies (Warleigh-Lack, 2011). The institutionalisation of this process has further corroborated the regional integration efforts. The emergence of new multiple regional organisations in Asia, Africa, and Europe, like ASEAN, EU, APEC, SCO and SARRC are few examples. This new regionalism not only enhances the interests of the scholars in studying the implications of this emerging phenomenon but also strengthen the opinion that growing regional structures will lead to the integration of Eurasia with whom the twenty-first century belongs to (Telo, 2017; Idrees, Naazer, Rehman, 2017). The old regionalism of protectionist practices lost its appeal and trade and economic interaction between different regions irrespective of the blocs have gained momentum. BRI presents the biggest example of this development. Increased trade and connectivity in the whole Eurasia in general and at the crossroads of Asia and Europe, in
particular, holds significant importance for the greater integration in the Eurasian continent.

This study is based on a comparative analysis of three Eurasian integration strategies, simultaneously going on in Eurasia. It focuses on Central & Eastern Europe as a geographical entity where three powers compete for integration and they are maintaining their influence. Among them, two regional powers are Russia and the EU while China has emerged as an external power in the region. Three integration strategies, i.e. Russia’s EAEU, EU’s EPP, and Chinese BRI, are discussed critically. This brief comparative analysis demonstrates two very important aspects of this interaction of different regional and extra-regional forces. First, it depicts the emergence of the competitiveness of new regionalism in Eurasia. Another significant aspect of this competitiveness is the differential approach towards a similar objective. EPP and EAEU are more focused to gain geopolitical aims. BRI is more geo-economic in its basic orientation and broad in spectrum. Russian failure to achieve a consensus in the former Communist region for EAEU is a clear indication of their fear of Russian domination (Cooley, 2017).

4. Discussion and Findings

4.1. Why China Wants BRI linkages towards Europe?

BRI aims to connect China with participating countries by enhancing policy coordination, infrastructure cooperation, building trade ties while exploring new strategies for integration and enhancing people to people connections. BRI provides regional and extra-regional prospects and opportunities for integration and development to all participating countries (Hong Kong Trade Development Council (HKTDC), 2019). These prospects and opportunities integrate many countries through the corridors, trade routes, railway lines, maritime silk routes as manifested in its name as BRI. Northern Silk Road (NSR) is one of the main six corridors of the BRI that connects China’s inland cities of economic zones with Europe. Significantly, NSR links China by passing through Mongolia, CARs, Russia, Baltic States, and it reaches the European continent. Besides, the maritime Silk route increases access to the Russian Seaports for enhancing trade between China and Russia as well as between China and Europe (Shang, 2019).

China will connect with Western Europe through the maritime silk route of the BRI. As a part of the BRI, the establishment of the London-Yiwu railway boosted the trade from China to Europe. It is the first direct rail freight service and has completed its eighteenth-day journey from China to the UK that arrived in London. The London-Yiwu railway line connected from China through Kazakhstan, Russia, Belarus, Poland, Germany, Belgium, and France before entering the UK via the Channel Tunnel. This New Eurasian Land Bridge line travelled the 12,000 km from the Yiwu city of Eastern cost of China towards Western Europe by passing through the nine countries (BBC News, 2017). Chinese trade is also focused on Western Europe as major economic zones and transit hubs are there. For that reason, Chinese train linkages already developed with cities like Hamburg, Madrid, Rotterdam, and Warsaw. Due to the BRI, China moved at the seventh number of largest export destinations from the nineteenth largest export market of Denmark in 2016 and the foreign trade ratio of Europe will increase by six percent (Herrero & Xu, 2016). China and Europe are natural partners because each one is situated on one side of BRI. Due to the BRI, eleven member states of the EU have concluded agreements with China. From 2016, freight trains of China marked up by 116% as a total of 3,673 travelled in 2017 and will increase more as freight train services are
linked to the thirteen countries and thirty-six cities of Europe (Ming, 2018).

4.2. Integration by BRI: A Threat or an Opportunity Knock

China is constantly searching and providing prospects for development opportunities in the developed as well as developing world. The fractions and fragility in the Eurasian region provide more prospects for economic development significantly in terms of two-way activity. So, China flexes its muscles to capture more opportunities, and tactically provide economical loans for infrastructure building projects on special terms to regional states (Xing, 2018). Due to the old structures of regional relations, Chinese bilateral trade, and outbound direct investment (ODI) increased in several projects of the region successfully. Moreover, BRI brings new prospects for cooperation in terms of trade and investment among China and the Central and Eastern European Countries (CEECs) for better alignment in the region (Pavliccevic, 2019; Gorski, 2018). CEECs look forward to more prospects for cooperation and partnership in export destinations, investment, and production into the trade business, finance, higher value-added goods and services with higher technology and infrastructure development with China. In 2009, Serbia joined as a strategic supporter of China from the Balkan region (Dimitrijevic, 2017). Under the BRI, Serbia-China bilateral economic cooperation is highly focused on several projects such as Mihailo Pupin Bridge in Belgrade, Corridor 11 highway construction, and the extension of coal mines near Kostolac power plant (Dimitrijevic, 2017; Tesic & Zakic, 2018).

Furthermore, extensions and development of the Budapest-Belgrade rail line to Skopje, Macedonia to the Athens of Greece will link freight trains of China and provide access to Mediterranean Seas. For better coordination, Chinese Shipping Company COSCO has bought outstanding shares of the Piraeus Port Authority in 2009. Along with these shares, the Chinese state-owned company got thirty-five years markdown to run the operations of Piers II & III at Piraeus port (Voros, 2018). China’s exports will reach Germany from seven to eleven days through rail links via Piraeus port which is a major pivot of exports to Europe from Asia. This port is strategically located near the Suez Canal from the Northern Mediterranean (Amighini, 2018). Many Chinese plans of investment and infrastructure developments are under consideration for further implementation, although questions are raised on the heavy debt burden difficulty as a tricky situation. Significantly, these plans of development would focus on the advancements of the port facilities in the areas of Baltic, Adriatic, and Black Seas as well as capacity building cooperation among ports, industrial and logistic parks near the coastal areas. Strategically China is already getting extra diplomatic support decisively for cooperation in BRI. Hungary and Greece supported Chinese claims on the South China Sea in July 2016 while the EU always rejected the Chinese territorial claims. Furthermore, Hungary refused to sign on a letter of EU which was about torture on Chinese prisoners in March 2017. Martin Hala, an expert in Chinese affairs, critically explained that China’s durable plan might convert EU market machinery like a Chinese model of state capital under the control of party-state like an economic tool (Lucas, 2018).

BRI consists of six main corridors and geographically Europe becomes the endpoint of this project. China could acquire benefits from the European states while getting access to the new markets. China’s evolving strategy in terms of investment and acquisition is playing a significant role in many countries. Now China is gradually changing its strategy by easing and transforming its export-based economic model of domestic consumption into the investment targets in the fields of energy and natural resources, value-added industry, high-
tech, and strategic assets (Gorski, 2018). Besides, the Chinese government helps private enterprises along with state-run companies for investment and development schemes in other countries. All these schemes of investments and developments are going through bilateral and sub-regional agreements with CEECs rather than the entire regional and extra-regional integration as per the BRI schemes. This situation creates serious apprehensions between the EU states. The increasing political and economic influence of China creates a threat and rift among many countries. So, China’s influential role is perceived as a threat by the powerful European countries in the region (Zhang, 2016).

Trade between China and Europe through the ancient Silk route is a centuries-old phenomenon. For that purpose, China mostly relies on its eastern and western coastal areas. Now, China is re-establishing its growth and stability by additional industrial development from the eastern coastal areas to the internal areas which could cause socio-economic and political tensions domestically (Ye, 2011; Shang, 2019). In this situation, European states might raise serious concerns about their security. On the other side, China eagers to show its soft and hard powers abroad while issues of Russian war activities in Eastern Europe, Brexit, and conflicts in the Middle East affect EU politics. Politics of populism and increasing disagreements on economic matters also affect the influence of the EU. Europe and China have similarities in terms of geographic, socio-economic, ethnocultural diverse backgrounds. The diverse backgrounds of both regions cause implications because of increasing competition and inequalities. These constraints and challenges create opportunities for both Europe and China to increase more focus for trade and economic cooperation under the BRI (Q. Turcsanyi, 2017; Corre, 2018).

4.3. BRI Strategy: Developed vis-à-vis Developing Countries

Chinese investment and infrastructure plans work for both developing and developed countries with different strategies. China uses financial support and infrastructure development projects as a strategy for developing countries such as economic corridors, developing road infrastructures, train-linkages, ports building, and development projects in Asia and Africa. Moreover, China focuses more on the acquisition of technological, industrial, and strategic assets as a strategy in the developed world besides other projects. It looks for more prospects in Southern Europe for privatisation opportunities in the fields of oil, energy, and port infrastructure development. While on the other side, China looks for more opportunities in research and development in technology and pharmaceuticals companies for acquisition as strategic assets (Ferchen, Pieke, Putten, Hong, & Blecourt, 2018). Due to these strategies, China intends to gain more access and expansion towards the European market for its products. China’s business dealings with German companies like KUKA AG, Aixtorn, Stada, show its expansion strategies in the EU. Notwithstanding, other than the infrastructure development, BRI is more focused on financing agreements for the projects and setting up relations with EU companies (Seaman, et.al, 2017). China developed its relations with Britain based on business cooperation in trade and investments. So, the British government named Beijing a “natural partner” in 2017 (Blanchard, 2017).

While showing more interest in research and developments in technology, pharma, and agricultural industries does not mean that Chinese companies have stopped infrastructure building projects in Europe. Chinese companies have started work on building port projects in Italy, Spain, and Greece as well as acquisitions in different countries like the Piraeus port of Greece to Northern Europe such as Rotterdam and Antwerp ports. Piraeus port of Greece is
having significantly strategic value for the BRI maritime connectivity with Europe because China depends on export transportation through maritime shipping (Zakic & Radisic, 2017). In 2010, China’s COSCO signed an agreement of $4.3 billion with Greece for Piraeus Port’s development in the container handling capacity, and to build more logistic centres as well as for port management authority on a thirty-five-year lease (Titarenko, Petrovsky, Portyakov, Ostrovsky, & Kovalevskaya, 2015). This Piraeus port provides ten days shorter rout for import-export delivery to the Chinese companies in the Mediterranean region than the Northern European ports. Moreover, China aimed to use Greece’s Port of Piraeus to Southeast and Central Europe to the areas of Balkans for its trade and transportation of export goods (Georgiopoulos, 2016).

For that purpose, China planned a 350 kilometres rail project between Belgrade and Budapest to connect Greece’s Piraeus port with Central Europe and across the region (Gorski, 2018). China has already planned to build the freight railway lines from the inner Chinese cities with Central Asian Republics (CARs) to Russia and the Rotterdam, Warsaw, and Hamburg in Europe. These freight trains will travel more through these belt lines from 1800 to 5000 trains yearly by 2020 (Putten, 2014). Although it is more costly than the sea, it is a time-saving and speedier transit route for the transportations of auto parts, electronic devices, and other products from China to the manufacturing companies in the EU (Joshi, 2018). This situation creates some serious fuss inside the decision-making corridors of the EU for acquisition and expansionist objectives by Chinese strategies for the BRI advancement and growing influence in the heart of the European continent and by managing and manipulating coercive policies of powerful EU countries.

4.4. Prospects for BRI and CEECs Apprehensions

It is not easy for China to getting EU on board with BRI projects, but after scepticism and suspicions, some EU members gladly accept these proposals such as Greece. Hungary and Poland too joined BRI later and accepted China’s funding as a complement through strict bailout packages. BRI investment embodied to make progress in reindustrialisation and infrastructure developments in Poland. Due to the fragile and limited economies, Eastern European countries are losing significance in infrastructure development of transportation comparatively from Western Europe (Gorski, 2018). It is not sure that Chines investments in Eastern Europe will elevate or boost their economies or not, but Chinese investment never increased more than one percent of CEECs’ foreign direct investment (FDI). Besides, China is more concerned about developing its own management network, and the acquisition of strategic assets. China is not interested in the upbringing of local workers and elevating employment and management skills but only through pieces of training and old experiences (Turcsanyi, 2018).

Market shares of Poland, the Czech Republic, and Romania did not increase substantially for China, while the trade deficit has increased. Domestic industries of EECs are losing their ground due to the higher influx of Chinese products such as vehicles, electronics, and machinery. Nevertheless, some countries may find themselves in a better position to negotiate with China due to the BRI advancement in CEECs. Serbia got Chinese support for upgrading, elevating, and infrastructure building for the Belgrade-Budapest rail project and further cooperation for future projects and incentives (Brinza, 2019). Therefore, some EU states believe that China is playing divide and rule strategy while increasing influence in fragile economies of Europe. On the other side, BRI supports cooperation through making
opportunities for business development and enhancing train linkages with ports of the European continent. But focusing more on the developed countries rather than weak economies could pose more constrains for the BRI advancement as well as continental integration (Corre, 2019).

Chinese policies of BRI are more directed towards the Southern, Central, and Eastern European Countries and messy with EU’s core powers such as Germany and France. EU shows its concerns and suspicions often on Chinese state-own companies and their investment procedures through BRI projects. China moves forward gradually in Europe by exploiting the weakness of the EU over and above undermining the trade, investment policies, and product standards of the EU for China (Brattberg & Soula, 2018). The EU shows reservations on the Chinese policies towards EU companies in which Beijing forces foreign companies to collaborate with local companies rather than giving them a fair competitive environment for business development. Besides this, EU countries’ concerns increase in future competition with China due to a growing influence of Chinese state-owned companies in BRI projects by the investment. For instance, Chinese’s COSCO acquired a sixty-seven percent stake in Greece’s port of Piraeus, which is a “gateway into Europe,” for China (Zeneli, 2019). Thus, Germany declared that it will not mark the BRI as a project until China guarantees free and fair trade (Amighini, 2018).

According to the EU, Chinese actions, and policies for the BRI in the European continent create rifts in the region. China’s rise and growing ties with some European nations may force them to split between political ideologies and economic necessities. The Netherlands granted China a market economy status, the Czech Republic and Denmark stepped back from disapproving and criticising China on human rights violations and lack of political freedom. This situation augments splits among EU members on common foreign policy objectives that could cause the tussles between national governments and the EU (Zakic & Radisic, 2017). Since China’s mounting weight as an economic power is unavoidable, so the EU must produce a competitive counterstrategy in the continent to keep its sustained political and economic developments in and beyond the region. As Hungarian Prime Minister, Viktor Orban aptly stated that the gravity of the world economic centre is now shifting from the Atlantic to the Pacific region (Peel, 2017). China moves its economic power towards Europe through enhancing political frictions and growing economic dependence among regional states as it does in the South China Sea and the African continent. For the EU, BRI and its projects are like a geopolitical and economic challenge of the Chinese Yuan. To overcome this challenge, European countries must come forward with counter strategies and join politically and economically.

5. Conclusion

The Eurasian century has much dynamism to offer to the entire world. China’s emergence is part of the changing global realities. Eurasian integration has become an important strategic objective of China after it rises as an economic hegemon. BRI is such a dynamic strategy in this regard that it has cloaked the whole Eurasian continent leaving behind the other strategies of Eurasian integration. One important aspect of BRI is that it not only increases China’s influence in its own region but also increases its influence in other regions. CEECs are part of China’s expanding economic horizon. Though it has created a lot of development opportunities for the less developed states of the region, it is assumed that BRI has created multiple challenges for the other regional powers and their regional integration strategies.
such as those of Russia and the EU. In fact, all three regional integration strategies differ from each other. Russia due to its coercive policies in the region which has been its sphere of influence historically has not succeeded yet in its objective. Similarly, the EU with its EPP which is a more geopolitical strategy diverted against Russia has left the CEEC states in chaos, a vacuum, which is gradually being filled by China and BRI. China provides not only much-required economic assistance to these states but also an alternative to Russian and EU rivalry. Thus, China emerges as a balancer in the region. Sometimes, BRI is perceived as a challenge that creates more divergences in the region. But China’s growing economic ties with Western European powers and Russia along with their inclusion in BRI demonstrate that BRI has more convergences hidden in it and it can integrate all of them. Hence, through BRI, China is not only economically dominating its century-old competitors but also making strong imprints without using hard power.

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