



DECEMBER 2015

## 'One Belt, One Road' An Opportunity for the EU's Security Strategy

China's initiative for a modern-day silk road, known as 'One Belt, One Road' (OBOR), aims to connect Asia, Africa, Europe and their near seas. Under the definition contained in Xi Jinping's New Security Concept stating that 'development equals security', OBOR can be conceptualized as the most ambitious infrastructure-based security initiative in the world today. This has major implications for geopolitical relations and stability in various regions. It would be beneficial for the European Union (EU) member states to invest in a common response to OBOR, as opposed to engaging with this initiative primarily at the national level. This Clingendael Policy Brief explores how the EU's existing policy tools and frameworks might be used for enhanced Sino-European security cooperation in relation to OBOR.<sup>1</sup> It is argued that if the European Union works with China under the framework of the EU-China strategic partnership, to align with, *inter alia*, the planned restructuring of its European Neighbourhood Policy, as well as projects included under its European Maritime Security Strategy and Partnership Instrument to link with the so-called 'Belt' and 'Road' projects, this would entail true added value for the EU. These steps should be part of the EU's new Global Strategy for Foreign Policy and Security, which is due to be published in June 2016. This would go beyond the tendency of EU member states to compete for the benefits of increased Chinese investments on their own territories, but instead embed China's initiative in the common European strategic goal of gaining a larger security footprint in neighbouring regions.

### Win-Win

Xi Jinping officially proposed the Silk Road Economic Belt (connecting China and Europe overland) in September 2013 during a speech in Kazakhstan, and the 21st Century Maritime Silk Road (linking Asia, Africa and Europe via sea routes) during a speech

in Indonesia, also in 2013. Taken together as One Belt, One Road, the central aim of the initiatives is to improve connectivity throughout Asia, Europe and Africa through a policy of financing and building transport infrastructure across Eurasia, the South China Sea, the Indian Ocean and the Mediterranean.<sup>2</sup> Focusing on 'promoting policy coordination, facilitating connectivity, unimpeded trade, financial integration and

1 This Clingendael Policy Brief is based on the research project 'A New Opportunity in EU-China Security Ties: The One Belt One Road Initiative', conducted by Jikkie Verlare at Peking University. The full paper can be found [here](#). The authors are grateful to Francesco Montesano, Luc van de Goor and Margriet Drent for commenting on a draft version of this Clingendael Policy Brief.

2 Ministry of Foreign Affairs of the People's Republic of China (2015), *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road* (Beijing: Ministry of Foreign Affairs).

people to people bonds',<sup>3</sup> in April 2015 an editorial in the *South China Morning Post* (Hong Kong) called it 'the most significant and far-reaching project the nation has ever put forward'. Beijing has estimated that the 'Belt' and 'Road' will eventually reach 4.4 billion people in more than 65 countries.

The initiative is significant not only because the land-based Silk Road would run straight through Central Asia, a region traditionally considered as Russia's 'backyard', but especially because a document published by the Chinese government in March 2015 – 'Vision and Actions on Jointly Building the Silk Road Economic Belt and 21st-Century Maritime Silk Road'<sup>4</sup> – can be considered the closest thing so far in terms of an articulated 'grand strategy' coming from the Xi Jinping administration – positing China as the primary engine of global economic development.<sup>5</sup> Leaving aside the famous 'win-win' rhetoric of boosting regional growth, the modern 'Silk Roads' are most of all meant to benefit China's geostrategic position and bring new benefits for Chinese enterprises.

Nevertheless, the 'Belt' and 'Road' are coming to Europe. China's leadership is strongly committed to the initiative, and foreign direct investment (FDI) is generally welcomed by EU member states. The crux is that the introduction of the Silk Road initiative has fundamentally changed the nature of Chinese investments. In China, the state owns a controlling interest in a multitude of FDI-seeking companies. With the introduction of the Silk Road initiative, the European suspicion that the Chinese

state is pushing Chinese firms to fulfil strategic, not only commercial, goals abroad now seems confirmed. China sees its state owned enterprises (SOEs) as an important tool in implementing OBOR.

A second European worry with regard to the 'Belt' and 'Road' initiative is even more potent and hits closer to home. China has started to engage Central and East European (CEE) countries on a new type of platform that is neither bilateral nor European.<sup>6</sup> In the context of the 'One Belt' One Road' initiative, this CEE 16+1 framework holds a real potential to split the EU on the matter of Chinese FDI. The richer Western countries, which are less urgently in need of investments, are more hesitant because of the potential security risks that come with opening up certain sensitive sectors, but also feel left out of the discussions that are held at the 16+1 annual summit. The eleven EU member states in the 16+1 could form an impressive pro-China lobby in Brussels if they aligned their interests with China through this forum. Although such an alignment currently does not exist, the longer-term possibility of this scenario cannot be ignored by the EU. In this manner, OBOR is designed not just to create new trade and investment opportunities for China, but it can accelerate the build-up of Chinese influence in Asia, Africa and Europe.

## Incorporating OBOR into a Wider European Security Strategy

In July 2015, multiple news outlets reported that China is set to pledge a multi-billion-dollar investment in Europe's new infrastructure fund (which is part of the so-called Juncker Plan). The European fund is a three-year programme aimed at generating € 300 billion for huge infrastructure projects to be carried out across the European Union. The plan's aim is to kick-start growth, battle unemployment and address the lack of investment in

---

3 Ministry of Foreign Affairs of the People's Republic of China (2015), 'An article by Ambassador Yang Yanyi, Head of the Chinese Mission to the EU', on EUobserver (Beijing: Ministry of Foreign Affairs), p. 2.

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

5 Raffaello Pantucci (2015), 'Central Asia: The View from China', *EUISS Alert*, p. 3; Alice Ekman (2015), 'China: Setting the Agenda(s)?', *EUISS Brief*, p. 4.

---

6 Theresa Fallon (2014), 'China's Pivot to Europe', *American Foreign Policy Interests*, no. 36, pp. 175–182.

Europe. It was announced in November 2014, after the Silk Road announcement in 2013, and thus it seems that China has made a move to incorporate the EU plan in its own scheme. It is likely that in return for its investments, Beijing will ask Europe to take a greater interest in the 'One Belt, One Road' initiative. China's ambassador to the EU, Yang Yanyi, said that China is looking for ways to build up synergies between the 'One Belt, One Road' initiative and the European Fund. The European Commission has indicated that it is looking at whether the EU could collectively become a member of the Asian Infrastructure Investment Bank (AIIB), since the bank has stipulated that it is open to 'economic entities'. The EU is already working together with Beijing on governance standards and best practices in setting up the AIIB.<sup>7</sup> If the European leaders want this seemingly inevitable interaction between the EU's own infrastructure and growth plans with OBOR to happen on European terms, it would be wise to start devising a common European response as soon as possible.

The EU is increasingly engaging with China on matters related to OBOR. A recent example is the Forum on China–Europe Investment and Connectivity Cooperation, which was held in Brussels on 9 November 2015. However, there is no need for the EU merely to respond to China's initiatives or to wait until the 'Belt' and 'Road' projects have engulfed the European mainland. The Chinese leadership has invited other countries to contribute to the shaping and implementing of the plan, and there is indeed much that Europe can still do to turn the Silk Road to its own advantage. This applies not just to economic cooperation with Chinese actors inside the EU, but also to OBOR-related activities in the regions between China and Europe.

Here lies the main geopolitical opportunity for the EU with OBOR: by aligning its existing approach to Central Asia with the Silk Road, the EU could utilize the security dimension of the infrastructure network that Xi Jinping

himself has imbued it with. The EU could become not just part of, but a contributor to a Eurasian security network in the making. China seems very much interested in building on existing regional security platforms such as the Conference on Interaction and Confidence-Building Measures in Asia (CICA), the Shanghai Cooperation Organization (SCO) and the ASEAN Regional Forum (ARF) in order to create a new Asian security mechanism. The joining of the SCO by India and Pakistan in 2016 enhances in particular this organization's potential to become a broad multilateral platform for security and economic cooperation throughout multiple regions in Asia. In this light, the EU – which is already a member of the ARF – might in the long run consider applying for observer status in the SCO.<sup>8</sup> For now, however, the EU and China already have a mechanism in place to engage each other with regard to China's Silk Road plans: their Strategic Partnership, established in 2003. The EU also has strategic partnerships with other great powers such as the United States, Japan, India and Brazil. The EU–China strategic partnership is called *strategic* exactly because the two countries intend to cooperate in areas beyond bilateral economic relations – that is, also in security matters, and in third regions and at the global level.<sup>9</sup>

This Clingendael Policy Brief proposes that the most beneficial response for the European Union to OBOR would be not to let EU member states respond individually, but to reach out actively at the EU level. By devising a common European response to the Silk Road, the EU can move from economic considerations on the FDI level, to incorporating the Silk Road into its own Global Strategy. If the EU is to align its own initiatives – apt examples include the European Neighbourhood Policy (ENP), the Partnership Instrument (PI) and the new EU

---

7 'China Plans to Inject Billions into EU Infrastructure Fund', *South China Morning Post* (18 June 2015).

---

8 Tony van der Togt, Francesco S. Montesano and Iaroslav Kozak, 'From Competition to Compatibility: Striking a Eurasian Balance in EU–Russia Relations', Clingendael Report (2015), p. 73.

9 Frans Paul van der Putten and Jikkie Verlare, 'Strategisch partnerschap EU–China: Bependingen en potentieel', *Internationale Spectator*, vol. 68, no. 6 (June 2014).

Maritime Security Strategy (EUMSS) – with the incoming Silk Road projects, it might reap much larger benefits than engaging with them on a case-by-case basis. In this way, the EU could intensify its strategic cooperation with China, by creating a truly overlapping goal towards which both parties can work. China is not yet entirely confident of the success of its Silk Road strategy, and if a strong economic power like the EU starts developing the eastward infrastructure with which Beijing's westward efforts could link, the EU would become a truly strategic partner. China and Russia are currently attempting to align their Central Asian policies with regard to OBOR and the Eurasian Economic Union, but Beijing is looking for other major partners as well. The EU is an obvious candidate, even though Russia is seen as a stronger security actor than the EU and was presented at the 2015 Boao Forum as the current first choice for a 'pivot country' to support China in its efforts to make the Silk Road a reality.<sup>10</sup>

The next step for the EU is to reach out to China and communicate a desire to work together on infrastructure cooperation, not just in Europe (as is currently the norm), but also in Europe's greater neighbourhood. The Union can point to China's own indicated desire to find synergies between EU and Chinese initiatives and argue that, *inter alia*, the ENP, PI and EUMSS share an 'inherent compatibility' with the Silk Road drive. It would be beneficial for Europe to make its move quickly, rather than slowly, because at both the EU member state and the European levels, things are not standing still. In June 2015, Hungary became the first European country to sign a memorandum of understanding with China on promoting the 'Belt' and 'Road'. Hungary is part of the CEE 16+1 platform, and *Xinhua* commented on the occasion by stating that 'the CEE nations will be essential links in the Belt and Road initiative'.<sup>11</sup> On 15 April 2015, an EU

special representative for Central Asia was appointed.<sup>12</sup>

## Building on existing Policy Tools

If the EU is to move on the 'One Belt, One Road' opportunity that is outlined in this Clingendael Policy Brief, using it to give increased direction and focus to its Asian security strategy, what form could this take in practice? At least three existing EU initiatives offer potentially useful policy tools.

### 1. The European Neighbourhood Policy

The ENP was established in 2003, based on the values of democracy, rule of law and respect for human rights and is aimed at fostering political association and economic integration with the EU's eastern and southern neighbours. Sixteen countries have signed up to the ENP and twelve have consented to implementing ENP actions plans. During the last few years, however, the ENP has come under intense criticism, with some scholars claiming that the 'EU has completely failed' in its goal of avoiding the development of new dividing lines between the enlarged EU and its neighbours by strengthening the 'prosperity, stability and security of all'. Ian Bond, director of foreign policy at the Centre for European Reform (CER), even goes so far as to say that the policy is 'a mess of inconsistency and wishful thinking'.<sup>13</sup> As a whole, the EU's grand scheme for the ENP has few successes to show for its efforts.

EU High Representative/Vice-President Federica Mogherini and Commissioner for the European Neighbourhood Policy Johannes Hahn have indicated the need for an overhaul of the policy in their Joint Consultation Paper. They write that the policy could arguably better serve both the EU and its neighbours if it focused

10 Fallon, 'China's Pivot to Europe', p. 36; and 'Asia's New Future: Towards a Community of Common Destiny', Boao Forum for Asia 2015 (March 2015), pp. 26–29.

11 Shannon Tiezzi (2015), 'Where is China's Silk Road Actually Going?', *The Diplomat* (30 March).

12 Eva Gross (2015), 'Recalibrating EU–Central Asia Relations', *EUISS Brief*, no. 16.

13 Judy Dempsey (2015), 'Is the European Neighbourhood Policy Doomed?', *Carnegie Europe* (20 May), p. 1.

on ‘combining a realistic long-term vision with customised “proximity packages” to address specific sub-regional issues (such as transport, energy or mobility) – rather than a single one-size-fits-all template geared towards normative convergence across the board’.<sup>14</sup> Indeed, in November 2015 the EU released a review of the ENP that clearly moves away from the former values-driven approach. The focus is now on pragmatic cooperation towards greater stability and more economic interaction.<sup>15</sup> This presents an apt opportunity to align new initiatives so that they could link in with Silk Road projects. Since the ENP has already allocated funds, this also partially addresses the costs of EU alignment with the ‘One Belt, One Road’. Between 2014 and 2020, EUR 15.4 billion are reserved for the European Neighbourhood Instrument. Shifting the main emphasis from democracy promotion to strengthening stability through economic development could help to make a more effective contribution to enhanced security in the European neighbourhood.

## 2. The EU Partnership Instrument

In 2014, the European Council established the PI (not to be confused with the Sino-European strategic partnership), a funding instrument meant for the:

*Financing of measures based on cooperation policies set out in instruments, such as agreements, declarations and action plans, agreed between the Union and the international organizations concerned, or between the Union and the third countries and regions concerned, using a differentiated and flexible approach. The instruments promote, develop and consolidate inter alia the principles of democracy, equality, respect for human rights and fundamental freedoms, and the rule of law.*<sup>16</sup>

Assuming that the PI follows the EPN in its new course away from values promotion towards cooperation at the pragmatic level, the PI would be very suitable for the purpose of engagement with the ‘Belt’ and ‘Road’. For the period 2014–2020, it has an allocated budget of EUR 1 billion.

## 3. The EU Maritime Security Strategy

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

## Conclusion

The European Union faces great challenges when it comes to stabilizing its own neighbourhood and it should therefore welcome the opportunity to strengthen its security role in these regions. Engaging with China’s ‘Belt’ and ‘Road’ initiative would serve the dual

14 Antonio Missiroli (2015), ‘The EU in a Multiplex World’, *EUISS Brief*, no. 7, p. 4.

15 Mark Furness and Isabel Schäfer, ‘The 2015 European Neighbourhood Policy Review: More Realism, Less Ambition’, German Development Institute (26 November 2015).

16 EUISS, *Yearbook of European Security* 2015 (Brussels: EUISS), p. 35.

purpose of keeping a close eye on China's growing influence, while simultaneously cooperating towards greater regional stability. The challenges and opportunities presented by OBOR should therefore be explicitly addressed in the new EU Global Strategy on Foreign and Security Policy. The EU should use its existing regional initiatives and the Sino-European Strategic Partnership framework to engage with OBOR not just on the European mainland, but in its greater neighbourhood. The EU's emerging emphasis on stability and economic cooperation – rather than values' promotion – with regard to its neighbourhood greatly facilitates such

an approach. By making such a daring policy move as to link its strategic aims openly with China's 'One Belt, One Road' policy under the EU-China strategic partnership, the EU would be able to lay new foundations for a long-term involvement in non-traditional security in regions such as Central Asia and the Indian Ocean. This would allow the EU to concentrate its resources on the countries that were already part of the ENP in the first place, while at the same time effectively utilizing those soft security capacities on which the Union prides itself, such as anti-terrorism initiatives, climate security and building regional integration.

## About Clingendael

Clingendael is the Netherlands Institute of International Relations. We operate as a think-tank, as well as a diplomatic academy, and always maintain a strong international perspective. Our objective is to explore the continuously changing global environment in order to identify and analyse emerging political and social developments for the benefit of government and the general public.

[www.clingendael.nl](http://www.clingendael.nl)

## About the authors

**Jikkie Verlare** holds a double MSc degree from Peking University and the London School of Economics.

**Frans Paul van der Putten** is a Senior Research Fellow at the Netherlands Institute of International Relations 'Clingendael'.