

EU's Perception of the Chinese Westward Expansion

Niklas Swanström

Institute for Security and Development Policy, Sweden

1. Introduction

Europe has lately been reluctant to see further unrestricted Chinese expansion into the European continent, not least in the eastern and central European states. Even if many states initially saw the Chinese Belt and Road Initiative (BRI) as something that could be economically lucrative and a balance between the EU and the U.S. This was due to what was seen as a withdrawal of the U.S. from transatlantic commitments and the Eastern and Central European state's perception of Western European mistreatment of the "new" European regions. That said, there has been increased concern with Chinese expansion into Europe, and perhaps most interesting, Eastern and Central Europe have to a great extent, been leading this process.

The Chinese economic take-over of Central Asia has been much less concerning for Europe, or maybe more correctly, ignored by the EU. It should be noted that there was initially also a much more positive and naïve view of the Chinese engagement with Central Asia and Europe, especially in terms of infrastructural development and Foreign Direct Investments (FDI). This was not least due to the possible compatibility of the BRI and the European initiatives. This naivety has reduced significantly as the deliverables from China have been perceived to be negative.¹ Europe failed to see the impact of China in Europe and the Greater Central Asian

¹ For a more exhaustive analysis of BRI specifically and the impact on Europe, please see: Svante Cornell & Niklas Swanström, "Compatible Interests? The EU and China's Belt and Road Initiative," *Swedish Institute for European Policy Studies*, Report No. 1, Stockholm, January, 2020, <https://www.sieps.se/en/publications/2020/compatible-interests/>.

region, as it was concerned with the perceived U.S. disengagement with Europe and focus on Asia. It also maintained an over-reliance on the positive changes economic integration and liberalization could have on Russia and China's political and economic systems over time; this was a misperception based on a rather arrogant view that its normative and superior liberal view would change less democratic states over time. A belief that has since been revised.

The hostile relations between China and Europe have been accelerated by the second Russian invasion of Ukraine in 2022 and the tacit support from China. The war in Ukraine has fundamentally changed the security and economic landscapes of Europe, and its Eastern border has changed physically, but even more so emotionally and security-wise. It has even forced EU integration and cooperation, Finnish and Swedish formal applications for membership in NATO, and strengthened the faltering transatlantic link. The relations and perceptions of Russia have changed to a more realistic engagement driven by disengagement, reduction of energy dependencies, and strong support of Ukraine. This change was already initiated in 2014, or at least considered, during the first invasion of Ukraine. Still, the EU failed or did not care, to reduce the critical energy dependency and establish effective sanctions regimes against invading Russia. The second war in Ukraine was followed by a much more coordinated and effective response from Europe, and the international community at large, at least among democratic states, which is concerning for China.

Even if this is a war in Europe and not a conflict in Asia, the invasion by Russia of an independent and democratic European state has had and will continue to have repercussions on China's relations with Europe, and not least, its westward expansion through Central Asia and Russia. The European borders with Russia have been effectively closed through the

extensive European sanctions, and the Russian borders with Ukraine have been bombed beyond recognition by Russia itself. This has made transporting goods and persons virtually impossible without high additional costs. That is not only true about railway transport but also the air transport over Russia, and possibly maritime transport through the arctic that has taken new routes avoiding transit over Russia. This is of significant concern for China which designated Russia as one of its central nodes of the Belt and Road Initiative to connect with the important markets in Europe and the Middle East. From the early days of the BRI, China diversified its infrastructural projects and created nodes and routes independent of Russia, despite some Russian discontent with this policy. This benefits China today, even if Russia is still necessary for China's infrastructural projects and increased trade.

Despite China's diversification of infrastructural projects, its westward expansion established Russia as a critical node in its reach to Europe, which is one of its largest and most important markets, with an export of 472 billion Euros (522 billion USD) and a trade surplus of 249 billion euros for China.² Neither Russia nor Central Asia have been or will be critical trading partners for China, excluding the energy imports from the region. Still, the EU and the Middle East are Beijing's primary targets in its westward expansion, and the Russian invasion of an independent European state threatens China's trade relations with Europe.³ Beijing's, and maybe most important Xi's, support of Russia, despite its aggressions, has increased the potential for secondary sanctions against China, as well

² "Soaring Imports Depend on EU's China Trade Deficit – Eurostat," *Reuters*, April 1, 2022, <https://www.reuters.com/world/europe/soaring-imports-deepen-eus-china-trade-deficit-eurostat-2022-04-01/>.

³ This is not to say that the economic impact of the war is not devastating for many states, and Ukraine and Russia produce some the very critical resources, such as 37% of the world's palladium, 17% of its natural gas, 13% of its wheat production and 12 percent of the oil to mention only the most significant sectors. Manjushree Sanjay Dole, "Russia-Ukraine War: Impact on Indian Economy," *International Journal of Novel Research and Development*, Vol. 7, issue, 4, April 2022, p. 303.

as a transformation of the geopolitical landscape into a conflict between authoritarian states versus democracies.

2. China and its Road toward Europe

The Chinese expansion into Central Asia and Eastern and Central Europe has been a complex issue for the European Union. It is both a challenge to values and European security, but at the same time, it offers economic opportunities that are difficult to neglect. The member states of the EU and European states outside of the EU are divided on how to perceive the Chinese arrival at the EU's Eastern borders and its impact on European economies. China's economic impact on most European states is concerning. The import increase in 2021 made China the most prominent partner for the EU related to imported goods, with an average of 21 percent of goods imported to the EU, with a 56 percent import of machinery and vehicles from China.⁴ The Chinese foreign direct investments have focused on the more technologically advanced states such as Germany, France, Sweden, etc., with a much lower investment rate in Eastern and Southern Europe.⁵ Due both to increased tension between China and Europe and the pandemic, both trade and investments have been declining and will not increase as rapidly after the pandemic as it has done in the past. This is not an insignificant proportion of the European economy. Still, the challenge is not the size but the critical dependency, such as energy, high technology, and medicine, to mention a few sectors where China has made inroads that should be concerning for the EU.

The pattern China has experienced in Central Asia is even more accentuated, where the Chinese trade has grown more than 25 times over

⁴ "Significant Increase in EU Imports from China," *Eurostat*, April 1, 2022, <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20220401-1>.

⁵ "Cornelius Hirsch, China's Influence in Europe – by the Numbers," *Politico*, September 14, 2020, <https://www.politico.eu/article/mo-money-mo-pandas-chinas-influence-in-europe-by-the-numbers/>.

the last two decades and has excellent potential to be even more prominent.⁶ This trend risks accelerating unless democratic states such as the U.S., Japan, and the EU offer alternatives to Chinese domination, something they have failed to do. This is not least if the BRI can refocus from Russia to Central Asia and the Caucasus, bridging China to Southern Europe, Iran, and the Middle East. Central Asia states are not content with the increased dependency on China; on the contrary, there is an economic opportunity here for Central Asia and the Caucasus as China will be forced to change its transit routes, that is difficult to ignore. There are also political advantages to China's engagement. Beijing tends to turn a blind eye to human rights abuses and political authoritarianism, which has benefitted some regional governments and European states with weaker democratic credentials and more corruption. This said the Central Asian states seek to diversify their political and economic relations with the U.S., Japan, and Europe, to mention but three.

This is not to say that the EU and China have inherently different interests in the Greater Central Asia region or trade in general. In principle, the EU and China share the interest in expanding continental trade across Eurasia. It should also be noted that China's trade and political cooperation with the Central Asia states has improved their national sovereignty by reducing Russian influence and control. Additionally, approximately 90 percent of the Sino-EU trade is sea-based, with the bulk of the remaining trade being shipped by air.⁷ Taking the shorter routes over Eurasia would decrease both time and costs and would make a great deal of sense

⁶ Almaz Kumenov, "China Promises More Investment at Central Asia Summit," *EurasiaNet*, January 26, 2022, <https://eurasianet.org/china-promises-more-investment-at-central-asia-summit>; "China and Central Asia: Bilateral Trade Relationships and Future Outlook," *China Briefing*, May 20, 2021, <https://www.china-briefing.com/news/china-and-central-asia-bilateral-trade-relationships-and-future-outlook/>.

⁷ Svante Cornell & Niklas Swanström, "Compatible Interests? The EU and China's Belt and Road Initiative," *Swedish Institute for European Policy Studies*, Report no. 1, Stockholm, January, 2020, p. 18, <https://www.sieps.se/en/publications/2020/compatible-interests/>.

economically, not even considering the potential positive environmental impact. The idea of a Eurasian transport corridor is not an original Chinese idea. The EU launched, already in May 1993, the initiative known as TRACECA – Transport Corridor Europe-Caucasus-Asia with the vision of developing trade with East Asia. BRI, initiated in 2013, would potentially connect very well with the TRACECA and the European Neighborhood initiative (2003) that evolved into the Eastern partnership in 2009.⁸

China has been more vocal and seemingly much more successful than the older European initiatives because China has put a great deal of political prestige, economic resources, and a coherent strategy behind it. At the same time, the EU focused on the integration aspects of the union and failed to act as a realist power rather than a normative actor in its neighborhood. EU was, in reality, not ready to shoulder the political and economic commitment to construct such a significant initiative, something that could have changed with the war in Ukraine. But, if the Chinese and European initiatives are complementary, or at least not in conflict, why has there not been much more cooperation, in addition to the reality that Europe has put relatively little focus on its close neighborhoods?

The challenge with the BRI from a European perspective is that China's initiative is infected with questionable economic policies and a lack of transparency, but more importantly, is the politicization of the initiative that aims at building economic and political networks that stands in direct contrast to European interests, and then not only normative values. Despite China having been instrumental in stabilizing the political and economic development of the Eurasian states in Central Asia and the

⁸ European Commission and HR/VP, "Connecting Europe and Asia - Building Blocks for an EU Strategy, Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank," Brussels, September 19, 2018, https://www.eeas.europa.eu/sites/default/files/joint_communication_-_connecting_europe_and_asia_-_building_blocks_for_an_eu_strategy_2018-09-19.pdf.

Caucasus by breaking the Russian hegemony and securing financial independence, the step toward expanding non-democratic and non-transparent government led economies is troublesome. The BRI investments and trade often come with strings attached and have de facto cemented a negative political development in many of the states it has engaged in. On the other hand, this could be attributed not only to Chinese activism but also to the inactivity of the European and American states that have left many of these states to the warm embrace of China and Russia.

Many Central Asian, Caucasian, and European political leaders were initially attracted by Chinese investments, partly because the vanity projects they planned would not receive any funding from other sources but also because there was no need to consider human rights, transparency, or political responsibility. This was initially successful in terms of signed cooperation agreements. Still, the positive impact was left out, and there are indications that the Chinese policy of supporting dead-end projects will end after the pandemic. This is partly because it has been realized how difficult it has been to see any real impact but also because China needs to clean up its reputation, seek real economic profit, and abide by international norms, at least superficially. Beijing's policy of rampant interference in internal affairs, such as the Uighur issue in Central Asia, control of local resources such as agricultural land in Kazakhstan as well as bringing in the Chinese workforce and construction materials in all BRI projects have impacted the regional economies negatively and has created large-scale anti-Chinese sentiments. This is additional evidence of large-scale corruption that has been filling low in state-supported investors from China when engaging in business abroad. In the last Transparency International report from 2011, Bribe Payers Index, Chinese companies were second to Russia from the bottom. There is evidence that supports

that with the development of BRI, the situation has even become worse.⁹ Chinese companies, especially those with government connection, has further had issues engaging with states bound by EU legislation, compared to the conditions in the Balkans, Caucasus, and Central Asia, and today the resistance from the European members of the 16+1/17+1 institution is extensive.

Additionally, despite the promises, there is a lack of real Chinese investments. Among many, Poland and the Czech Republic experienced that China promised high but delivered low, in addition to what was perceived as political interference from China in internal affairs. Much of the BRI projects investments were from China, but the states themselves, and little economic benefits have come from participating. The Baku-Tbilisi-Kars railway connecting the Caspian Sea with the Turkish Railway network, as one example, was financed by Azerbaijan, Georgia, and Turkey with minor funding from China but hailed by China as a BRI success.¹⁰ Needless to say, there was not much help from EU either, and the unhappiness with the West is understandable.

The pandemic and the war in Ukraine finally focused on a much older issue, dependency on non-democratic and totalitarian states, in areas of critical importance. Expanding trade will be necessary, but there must be a realization that the EU cannot continue relying on China and Russia in critical sectors, and trade dependency must be reduced significantly. There is a need for home-shore industries in critical sectors. There has been some

⁹ “Bribe Payers Index 2011,” *Transparency International*, p. 5, https://issuu.com/transparencyinternational/docs/bribe_payers_index_2011?mode=window&backgroundColor=%23222222.

¹⁰ Constanze Letsch, “Istanbul’s Underwater Bosphorus Rail Tunnel Opens to Delight and Foreboding” *The Guardian*, October 29, 2013, <https://www.theguardian.com/world/2013/oct/29/istanbul-underwater-bosphorus-rail-tunnel-european-asian-earthquake>; Svante Cornell & Niklas Swanström, “Compatible Interests? The EU and China’s Belt and Road Initiative,” *Swedish Institute for European Policy Studies*, Report no. 1, Stockholm, January, 2020, <https://www.sieps.se/en/publications/2020/compatible-interests/>.

positive movement regarding Russia, but it remains to be seen if all European states have the political and economic stamina to see this through. The EU has not paid enough attention to its concrete political and economic interests in designing instruments for dealing with China and Russia. With China focusing more on the southern route, the EU must emphasize its relations with these states. Closer to home, China's interest in the new EU members is concerning, but what will happen with the Chinese attempt to gain influence in what they perceived to be Europe's soft belly, the 16/17+1 initiative?

3. 16/17+1: a Concern for EU or China?

EU has increasingly grown weary of China's influence on European economies and the lack of reciprocity in the economic and political fields. The EU is divided on how to approach China, in what sectors, and to what degree we should engage China. It is a growing consensus that dealing with an authoritarian state driven by a state-led capitalist economy is unreasonable. Furthermore, there is an understanding that the EU increasingly needs to decrease its dependency or, at a minimum, improve the reciprocity and transparency in our bilateral relations.¹¹

EU has also outlined China as an economic competitor and systemic rival. Still, there are sentiments in Europe that engage the thought of being able to engage China on equal and fair terms to benefit from the potential economic benefits. I use the word potential here as China has not delivered to the extent promised to some of its partners. Europe suffers from a severe trade deficit and political interference. Chinese interference in the internal affairs of several European states and direct economic attacks on some

¹¹ Janna Oerter, "The New China Consensus: How Europe is Growing Wary of Beijing," *European Council on Foreign Relations*, September 7, 2020, https://ecfr.eu/publication/the_new_china_consensus_how_europe_is_growing_wary_of_beijing/.

states, such as Lithuania, for taking political decisions well within the framework of national sovereignty has changed the perception of China to a more sober view. That said, the potential Chinese investments and trade have put a spell on some actors within the Union and some of the neighboring states of Europe.

China tried to coerce and split Europe by establishing the constellation of 16+1 that turned into 17+1 with the accession of Greece and utilizing the existing divide and tension between the western and eastern parts of Europe.¹² This has become China's greatest disappointment in its interaction with Europe. Almost all states that initially initiated the cooperation mechanism have now turned critical of China, and Lithuania has left the grouping for it to become 16+1 once again. The failure to provide its partners with something other than photo opportunities and promises has created resentment against China. This has been troublesome, but China's support for Russia during its illegal invasion of Ukraine and its collaboration with Russia in cyber operations, influence campaigns, etc., has been deeply disturbing for the states that once were under Soviet rule or influence. China's connection with Russia and the history these states have had with Russia made these states more inclined to turn to the U.S. and NATO than to China and Russia. It was a misunderstanding from Beijing that there would be respect or at least an acceptance of Russia as the regional master. In contrast, these states would never submit to Russia again, in the same way, that Ukraine has resisted the Russian invasion. Additionally, the Eastern and Central European states have been most inclined to follow the US recommendations to reduce Chinese economic influence in their economies, and prevent China from controlling their 5G

¹² Richard Turcsányi, "China and the Frustrated Region: Central and Eastern Europe's Repeating Troubles with Great Powers," *China Report*, Vol. 56, issues 1, 2020, pp. 66-77.

development. They arguably have the most favorable, or at least most outspoken, view of Taiwan in Europe.

As mentioned, there has been very little economic profitability for China in Eastern Europe and vice versa. The Chinese companies eyed the Western part of the Union, and it was difficult for China to produce significant results among the 16+1 actors.¹³ Moreover, it has become apparent to the European Union that the 16+1 scheme was an attempt to divide and weaken the Union and its cooperation with the U.S. This has not resulted in China has decreased its attempts to influence these states. Still, with active criticism from the Union and no or limited positive impact from the cooperation, it has virtually become a showcase of Chinese arrogance and pressure. When China promoted its economic and political model (with corruption and a state-led economy) within Europe's borders, it directly threatened the EU's internal governance. It could counter Europe's political and economic norms and values when directed to its neighbors. EU's 2018 EU-Asia Connectivity Strategy (EACS) should be viewed as a response to BRI and the Chinese assertive behavior in the extended region, the realization that the EU would need to export its form of connectivity and a rule-based system rather than the Chinese has slowly been realized. The invasion of Ukraine has made it even more necessary to implement such a system. The few references to China and the omission of BRI in the text could indicate that EACS is an initiative to counter BRI, not least when the language of "sustainable connectivity," "international rules-based connectivity," etc., seem to be directed against the Chinese language guiding BRI.

¹³ Fatoumata Dialo and Niklas Swanstrom, "Emerging Giant Shaking up the EU? Impacts, Challenges and Implications of China's Investment Frenzy in Europe," *Institute for Security and Development Policy*, March, 2020, <https://isdpeu/publication/emerging-giant-shaking-up-the-eu/>.

EU's relationship with Greater Central Asia was slow to develop. It was not until 2005 that the post of EU Special Representative for Central Asia was created. The EU did not have a concrete policy toward the Post-Soviet territories until 2007. This was very different from the strategies for other regions. In Central Asia, the EU strategy referred to "achieving stability and prosperity using peaceful interaction" and contributing to "the dialogue between civilizations." In more precise terms, Greater Central Asia seems like a region separate from Europe. In contrast, the closest neighbor of Europe has been treated as European states. This with the expectation or hope that they once could join the EU, and since Europe's focus has been on integration, Central Asia was left mainly to the influence of China and Russia. This changed somewhat in 2017, and finally, in 2019, when the EU Council clarified that Central Asia was a "significant partner of the EU," Europe established the structure to more effectively become a political and not only normative actor in the region.

4. Rugged Terrain and Trade Walls

The complexity is further added through the war in Ukraine and the halt, or at least temporary setback, to the expansion of BRI and Chinese trade with Europe. Russia was one of Beijing's main transit hubs for merchandise and infrastructure projects directed toward Europe, and especially Northern Europe, something that the sanctions against Russia and Belarus have effectively halted. Chinese is today, and for some time, forced to either take a more southern route into Europe or to increase maritime transport. Both avenues are congested and in dire need of increased investments, not least land-based transport routes that would go through Europe's southern territories and southern part of Central Asia and the Caucasus. This will involve massive investment, deal with political

challenges in the transit regions, and decrease the potential revenues that Russia could gain. China will have to consider if the return will be worth the new investments or if the EU has reached a point where they will consider decreasing their import from China, at least in critical and necessary industries and home or nearshore them at the expense of Chinese trade and if the U.S. or Europe could contest the new routes. China has been actively trying to build infrastructure links circumventing Russia. Still, the U.S. conflict with Iran, the sanctions imposed on trade with Iran, and the close relations between the U.S., Azerbaijan, Georgia, and Turkey as NATO members have not eased China's concerns putting too much reliance on the Southern route.

Besides transit issues, increased costs, and new routes that circumvent Russia to the south, Russian financial institutions are no longer a part of SWIFT and the international banking system. As long as the Russian aggressions continue, the European sanctions against Russia will increase and potentially involve third actors that break sanctions. This has made China's economic engagements with Russia a potential threat to European interests and will hurt the bilateral relations between China and the EU. President Xi has personally been the instigator of closer ties with Russia. Failing to support Russia could be seen as a personal loss of prestige for President Xi, and a change of hearts will have to wait, at least, until the congress later this fall when he is determined to be re-elected. Russia has become a bottleneck for Chinese expansion westward and a Chinese hub that has turned into a liability for Beijing. The Eastern European states notably support Ukraine and fear Russia's actions and intentions. It is hard to perceive that we will see Chinese trade crossing Russia into Europe and benefiting Putin in the near to medium-term. Russia has, in effect, become a trade barrier for Chinese trade with Europe. China's support of Russia

could be a long-term problem in the Sino-EU relations as Europe has taken a strong position against the war in Ukraine, and the sanctions put on Russia will remain for long, possibly much more prolonged than Putin will remain to see. It will be challenging to impose sanctions on states that continue to trade with Russia and strengthens its ability to violate the people of Ukraine. Still, it must be done over time, starting with European Union members. China will, in that case, be one of the first states outside of the Union that needs to be targeted. This is something that also could assist in decreasing supply chain dependency on China as well as decreasing the trade deficit. This said, the EU is far from ready to take that step today, but small steps are taken politically, and increased consumer awareness could be at the forefront of such a transition.

5. Conflicts in the Garden of Eden?

The Chinese relations with Russia are not as stable as Putin and Xi would like them to be; their economies are not complementary, and their security interests are widely different. China is fundamentally only interested in natural resources from Russia in terms of trade. The main reasons for them being so close are the ideological proximity, their conflict with the democratic international community, and a personal affiliation between Presidents Xi and Putin.¹⁴ The ideological tension internationally that China and Russia have accelerated will create problems with the EU but is the glue that keeps Russia and China together as partners. China's potential clash with Russia in Central Asia is a real challenge for the bilateral relations between China and Russia and an opportunity for Europe to expand its interest in the region. Central Asia has always been critical

¹⁴ Niklas Swanström, The Party-State Dichotomy: Convergence and Divergence in China's Foreign Policy, in Axel Berkofsky and Giuliano Sciorati, "China's Foreign Policies Today: Who Is in Charge of What," *Istituto per gli Studi di Politica Internazionale*, 2022, <https://www.ispionline.it/it/pubblicazione/chinas-foreign-policies-today-who-charge-what-34630>.

for China to diversify its trade links with Iran, the Middle East, and Europe. There is no doubt that Russia has been growing increasingly uneasy with the Chinese overtake of the region. The economic overtake has been a fact for a long time. Still, increased security, economics, and political influence come from the East, not the North, for the Central Asian states. It is a fact that so far, China has taken a backseat in security issues, apart from matters relating to the Uighur issue or other issues Beijing deems of Chinese interest. When the Central Asian states have run into internal turmoil, Russia has provided military support for the regimes, the last case being Kazakhstan in 2021. On the other side, there are ample indications that China was the factor that provided an orderly and relatively quick departure of the Russian forces from Kazakhstan instead of staying on as a “guarantee” for security. China has also become the leader in anti-terrorist activities, especially regarding anything that could be connected to domestic groups in China. The Chinese influence in Greater Central Asia has become a double-edged sword, where China’s growing influence is challenging Russia’s security interests. Still, there is very little space for Russia to exert pressure on China today.

There is a growing distrust of Russia in CA, but at the same time, it is a distrust of China and the West. The Central Asian states are increasingly interested in expanding their relations to what has been termed third neighbors to decrease the influence of both Russia and China. The international community’s response has been much more modest, particularly the EU, which should have expressed a more substantial interest from the start. The EU and the U.S. will face an uphill battle against Chinese power projects in Greater Central Asia. They have also largely failed to show support to states seeking political help, and de facto forced them into a political camp dominated by China and Russia. Since the

Russian invasions of Georgia in 2008 and Ukraine in 2014, it should have been clear that the EU's relationship with the newly independent countries east of its border cannot only rely on the power of declaring normative values and prospects of joining or collaborating with EU. All these states needed real support, economically and militarily, to effectively counter Russia and China. The second invasion of Ukraine in 2022 has made it painfully apparent that the EU will have to step up its engagement and offer the support of European realpolitik rather than normative values, as they provided very little protection against Russian tanks, in contrast to European military material and sanctions against Russia. This will also impact China if the EU can stand up and offer alternatives to China and Russia's economic and political influence.

6. Concluding Remarks: What will the Future Look like?

EU began rather late to view the Chinese expansion into Greater Central Asia and the European neighborhood with some needed skepticism. Outside the immediate European neighbors, its strategy was both late and weak. This has changed, and with the war in Ukraine, hopefully, it changed into something more coherent and based on realities on the ground both for the EU and the states concerned. At the surface, it looks as if Europe has learned a valuable lesson at the price of the Ukrainian people, you can not trust an authoritarian state and its ambitions; otherwise, it could hurt you over time, but also that normative support is excellent but real economic, military, and political support is much more crucial. However, the lessons are far from easy to remember for many. Over time, Europe will attempt to decrease its trade with Russia and China because of trust issues and realizing that trade should be home or near-

shored. Still, there is also an eagerness for low-hanging fruit, easy investment schemes, and short-term profit.

China is an integrated partner with the EU but a partner with which Europe needs to manage its relations. Europe and China stand very much at two different ends of a spectrum, where one is characterized by democracy, human rights, and international law, and the other is not. That China is a strategic and ideological competitor is evident for most states and decision-makers in Europe today, but that does not mean that Europe should or can cut its relations with China in areas of cooperation such as environmental security, pandemics, strengthening regional governments in Greater Central Asia partnership can and should continue. That said, a realization of the limitations needs to be more present. When it comes to Greater Central Asia, the Caucasus, as well as many of its European members, the EU, and the U.S., will have to increase their support, and cooperation, further and offer states that are today hedging between democracy and authoritarianism alternatives that are sustainable and bankable. The weakness of China's BRI strategy has been the lack of transparency and real economic value. These are areas in which the Union could be excelling, but a much more far-reaching approach is needed and, more importantly, money. Political capital must be invested in the region to offer concrete alternatives, preferably in cooperation with like-minded states such as the U.S., Japan, and South Korea.

Huo Yuzhen and Wu Hongbo, Chinese senior diplomats, visited Europe recently, and are attempting to mend the relations with Europe. They hope to provide a wedge between the US and Europe. China is in a very precarious situation where the Chinese economy is slowing down in a way that could even be dangerous for the stability of the communist party. Beijing is attempting to mend relations and get some positive results before

the party Congress in the fall, at least on paper. There are some Europeans that are compelled by this, but most still regard this as the charade it really is. The tone from Beijing towards Europe has changed, but nothing substantial has changed in China's policy. China will have to decide on which foot it would like to stand on when dealing with Europe, transparent and free trade, geostrategic influence, or strengthening the Statist policy that undercuts all engagement with Europe.

A more concerning challenge is Europe itself; Europe will have to start acting as a European power and not only as an integration project among its members and close neighbors. There is a need to identify European interests in Greater Central Asia, and the Russian invasion of Ukraine has shown that the EU could act as a realist power. Still, it remains to be seen how much cohesion and solidarity Europe can muster when the temperature goes down in the fall and the economies deflate. The weakness is not the region East of Europe or the strength of China, but much more the indecisiveness of the EU. It is unclear if China will be able to maintain its economic investments in BRI due to failures of investments, recession, and domestic challenges, but that should not be a reason for Europe not to increase engagement but rather an incitement to increase its support and engagement with the region to counter Russian and Chinese influence.

Dr. Niklas Swanström is the Director of the Institute for Security and Development Policy, and one of its co-founders. He is a Fellow at the Foreign Policy Institute of the Paul H. Nitze School of Advanced International Studies (SAIS) and a Senior Associate Research Fellow at the Italian Institute for International Political Studies (ISPI). His main areas of expertise are: Chinese foreign policy and security in Northeast Asia; the Belt and Road Initiative. Dr. Swanström holds a Ph.D. in Peace and Conflict Studies from Uppsala University, and a MA from Uppsala University and the Fletcher School

of Law and Diplomacy. He has also been a student at Beijing Languages Institute, Beijing University and Dalian Languages University.