



UNIVERSITAT DE
BARCELONA

Master's Degree Final Project

Challenging or endorsing the Belt Road Initiative:
has the European Union decided?

Author: Lisa Ji

Supervisor: Patricia Garcia-Duran Huet

Master's degree in Internationalization

Faculty of Economics and Business

University of Barcelona

Barcelona, November 2019

ABSTRACT

The Belt and Road Initiative (BRI) is an ambitious global connectivity initiative launched by President Xi Jinping in 2013. To date more than one hundred countries have endorsed China's flagship initiative, despite criticism received from the United States (US). However, the European Union (EU) does not seem to have a clear position towards the BRI. While 14 individual EU member states have already signed bilateral cooperation agreements with China on the BRI, some other member states are not so supportive, such as Germany. This paper investigates whether EU has been able to take common actions towards the BRI. Its hypothesis is that while the EU has been unable to find a common approach towards the BRI through its foreign policy, it has been able to do so through its trade policy with the introduction of the Foreign Direct Investment Screening Regulation (FDISR). In order to examine that, both a qualitative content analysis of EU official documents and a literature review of the FDISR are conducted. The results indicate that the hypothesis cannot be rejected and that the EU itself is evolving towards a more protectionist approach in order to deal with growing Chinese influence.

Keywords: Belt Road Initiative, China, European Union, Foreign Direct Investment Screening Regulation.

INDEX

INTRODUCTION.....	4
I. BELT AND ROAD INITIATIVE.....	6
1. The origin and coverage of the BRI.....	6
2. The BRI's objectives, funding and expected impact.....	8
3. The BRI pros and cons from the EU perspective	11
4. Conclusions.....	12
II. THE EU FOREIGN AND TRADE POLICY.....	13
1. The EU's origin and its foreign and trade policies evolution	13
2. The intergovernmental nature of EU's foreign policy.....	15
2.1. Council of the European Union.....	16
2.2. High Representative of the Union for Foreign Affairs and Security Policy	16
2.3. The European Council.....	17
2.4. President of the European Council	18
3. The supranational nature of EU's trade policy	19
3.1. European Commission	20
3.2. Council of the European Union.....	21
3.3. European Parliament	21
4. Conclusions.....	22
III. Methodology	23
1. EU-China relations since 1975.....	23
2. Testing the EU-China relations on the BRI.....	24
3. Conclusions.....	26
IV. ANALYSIS.....	28
1. Belt Road Initiative from the EU's foreign policy perspective	28
1.1. High Representative speeches	28
1.2. Council of the European Union Conclusions	29
1.3. European Commission	30
2. Belt Road Initiative from EU's trade policy perspective.....	32
2.1. EU Foreign Direct Investment Screening Regulation	33
2.2. Literature review	34
3. Conclusions.....	36
V. CONCLUSIONS	38
BIBLIOGRAPHY	40

ABBREVIATIONS

AIIB	Asia Infrastructure Investment Bank
BIT	Bilateral Investment Treaty
BOC	Bank of China
BRI	Belt Road Initiative
CCB	China Construction Bank
CDB	China Development Bank
CEE	China and Central and Eastern Europe
CEXIM	Export-Import Bank of China
CFSP	Common Foreign and Security Policy
DG Trade	Directorate-General for trade
EC	European Communities
ECSC	European Coal and Steel Community
EEAS	European External Action Service
EEC	European Economic Community
EPC	European Political Cooperation
EU	European Union
Euratom	European Atomic Energy Community
FDI	Foreign Direct Investment
FDISR	Foreign Direct Investment Screening Regulation
GDP	Gross Domestic Product
HR	High Representative for Foreign Affairs and Security Policy
ICBC	Industrial and Commercial Bank of China
MEPs	Members of the European Parliament
MoU	Memorandum of Understanding
OBOR	One Belt, One Road
TPC	Trade Policy Committee
US	United States
WTO	World Trade Organization

INTRODUCTION

The international trade environment has entered a new era of global protectionism and isolationism, mainly led by the UK with its Brexit and the US under President Trump Administration. Meanwhile, in this context characterised by increased protectionist stances, China claims to be a country that defends and supports globalization by promoting international cooperation and free trade. In this regard, in 2013, the Chinese President Xi proposed one of the most ambitious initiative ever suggested since the founding of the People's Republic of China, the so-called Belt Road Initiative (BRI). According to the Chinese president, the BRI is a global initiative that seeks to benefit all parties involved; he refers to the initiative as a win-win cooperation. This initiative alludes to the old Silk Road. Back in the days, it was a network of trade routes that connected China with Europe. Therefore, the BRI aims to revive the ancient trading routes between the two continents, mainly investing in infrastructures in Asia, Europe and Africa.

The initiative has certainly attracted attention. To date more than one hundred countries have endorsed president Xi's flagship initiative, despite criticism received from the United States (US). The US is clearly against the Chinese initiative mainly for two reasons. On the one hand, its government claims that the initiative's opaque financing could lead to unsustainable debt in the developing countries along the road. On the other hand, it also argues that the BRI has a geopolitical objective: to export China's norms and standards. In short, the US fears that the BRI is an attempt to challenge US's hegemony. However, the European Union (EU) does not seem to have a clear position towards the initiative proposed by China. Since the launch of the initiative, 14 individual EU member states have signed a BRI Memorandum of Understanding (MoU) (not binding) with China. The most recent and important EU country to endorse the BRI is Italy (in March 2019). Italy is not the first EU country to sign, but by far is the largest EU economy and the first G7 country to do so. In contrast, some other countries in the EU are not so supportive regarding the BRI. For example, the German Minister Sigmar Gabriel warned in February 2018 that the BRI is China's attempt to promote values different from the western system.

The objective of this paper is to investigate whether the EU has been able to take common actions regarding the BRI. The hypothesis is that while the EU has been unable to reach a common position towards BRI through its foreign policy, it has been able to respond as one through its trade policy. The methodology to test the hypothesis is straightforward: review of the official publications issued by the EU on the BRI as well as an assessment of whether the introduction of the Foreign Direct Investment Screening Regulation (FDISR) in EU's trade policy was an answer to BRI. The former is done through qualitative content analysis and the latter through a review of the literature on the FDI

screening mechanism. The hypothesis would be rejected if the official documents analysed state an EU position on the BRI (either in favour or against). It would also be rejected if the literature does not link the EU FDISR with the BRI. In order to accept the hypothesis, the documents analysed must use a vague language towards the BRI and the literature must reveal that the establishment of the FDISR in EU's trade policy was as an answer to BRI.

This paper is organized in five parts. Chapter 1 introduces the concept of the BRI and its implications for the EU. Chapter 2 explains the EU and its foreign and trade policies. The chapter 3 justifies and explains the method applied in this paper to test the hypothesis. Chapter 4 presents the analysis' results. Conclusions are discussed in chapter 5.

I. BELT AND ROAD INITIATIVE

China plays nowadays an important role at the international economic landscape, as it has been the largest contributor to the world growth since the financial crisis of 2008 (World Bank, 2019). The country started its reforms and opening up policies in 1978 and transformed from a centrally planned economy to a more market based economy. Since then, China has experienced a rapid economic growth and at the same time impressive social development. Since the country's opening up until 2010, its Gross Domestic Product (GDP) grew at an average speed of almost 10% per year (Morrison, 2018). However, in recent years, the growth of the Chinese economy has been moderating. In 2018, China's GDP reached 13.6 trillion USD, representing an annual growth of 6.5% (World Bank, 2019). According to estimates of the International Monetary Fund (2019), China's GDP is expected to grow 6.3% in 2019 and 6.1% in 2020. Despite the country's GDP slowdown, China still is one of the biggest economies in the world. In terms of purchasing parity, it is the largest.

In January 2017 at the Davos Forum, Chinese President Xi gave a speech expressing its commitment to support and promote economic opening up and made clear his anti-protectionism position. He claimed that while the US under the Trump administration is looking inward and building walls, China tries to improve connectivity among different economies by building infrastructures such as bridges, roads and ports with the launch of the BRI in 2013. This chapter is devoted to present the BRI and is structured in three sections. The first introduces the BRI concept by explaining its origin and geographical coverage. The next section then describes the objectives that the BRI is aimed to achieve and presents its funding mechanisms as well as its expected impact. The third section is devoted to explain the pros and cons of China's megaproject from the EU perspective.

1. The origin and coverage of the BRI

The BRI alludes to the ancient Silk Road, back in the days it was a network of trade routes that connected China with Europe. The reference to the ancient Silk Road was clearly not chosen by chance, as it reminds to the images of a peaceful and diverse exchange from prosperous Eurasian continent (Rolland, 2019). The term "Silk Road" was firstly introduced by the German geologist Ferdinand von Richthofen in 1877. Prior to that, the network that connected the East to the West had no specific name (Chanda, 2015).

The Silk Road came into being during China's expansion to the West that took place during the Han Dynasty (206 BCE-220CE) (Chatzky and McBride, 2019). Specifically, the ancient Silk Road refers to the vast network of trade routes that connected ancient

China with Central and Western Asia, Africa and Europe, from the 2nd century BCE to the 15th century CE (UNESCO, 2019). The usage of the routes intensified and reached its peak during the Tang Dynasty (618-907 CE), which is considered one of the most prosperous dynasties in China. The Silk Road was composed of a network of routes both by land and sea, linking East and West which allowed the trade for merchandising and commodities. Luxury goods such as silk, spices, jade and other products were moved to the West while China obtained gold and other precious materials as metal and ivory (Chatzky and McBride, 2019). Remarkably, silk was one of the major products transported from China to the West since the Roman Empire period. However, those networks were not only limited to the trade of merchandising and commodities but also intellectual and cultural exchange of the civilizations involved along the route was taking place (UNESCO, 2019).

In the autumn of 2013, Chinese President Xi announced the launch of both the Silk Economic Belt and the 21st Century Maritime Silk Road. Collectively, these two routes are called in Chinese as *Yi Dai Yi Lu* 一帶一路 which literally means “one belt one road”. In 2017, the Chinese government decided to change the official English translation from One Belt, One Road (OBOR) to the now commonly known Belt and Road Initiative (BRI). The initial name was considered confusing for foreigners as they consistently made misinterpretations on the meaning. They tended focus exclusively on word “one” and assumed there is only a single network. In addition, the word “initiative” has been included into the official translation with the aim to make the slogan sound more inclusive rather than a strategy (Shepard, 2017; Stanzel, 2017).

The BRI is considered as the most significant international project that China has ever suggested (South China Morning Post, 2015). In the early years after the BRI’s launch, Chinese sources often mentioned that the initiative spans a massive geographic area covering between 60 and 65 countries (Rolland, 2019). The area represents about 65% of world’s population, one third world’s GDP and 40% of global trade (World Bank, 2019). According to official sources, so far 123 countries and 29 international organizations has signed cooperation documents (Belt and Road Portal, 2019). Some experts hold the view that BRI has the potential to become the world’s largest platform for regional collaboration (McKinsey&Company, 2016).

The initiative is centred on two main corridors, as Figure 1 illustrates, one over land and one over the sea. Regarding the latter, 21st Century Maritime Silk Road links economies in Asia, Africa, and Europe by sea routes. Specifically, it connects the coastal China to the Mediterranean through Singapore and Malaysia, the Indian Ocean, the Arabian Sea and the Strait of Hormuz. The maritime road is supported by upgrades to ports and logistics hubs. As to the land corridor, it connects China with Europe by crossing through

Central Asia. This route focuses on the connectivity of world's largest economies by building large scale infrastructures, such as the construction of high speed rail links. According to the official Belt and Road Portal (2019), the Silk Economic Belt is a land corridor composed by the following six international economic cooperation corridors, namely: (1) New Eurasian Land Bridge that connects the west region of China with the west region of Russia, (2) China–Mongolia–Russia Corridor that connects the north region of China to east region of Russia via Mongolia, (3) China–Central Asia–West Asia Corridor that links the western China to Turkey via central and west Asia, (4) China–Indochina Peninsula Corridor that links the south region of China to Singapore through Indo-China, (5) China–Pakistan Corridor that links south western China via Pakistan to Arabia sea routes, and (6) Bangladesh–China–India–Myanmar Corridor that links southern China to India through Bangladesh and Myanmar. While improving Asia – Europe connectivity, these corridors are expected to play a significant role in setting up and strengthening the partnership among several countries.

Figure 1. Planned routes for the Belt and Road Initiative



Source: China Daily, 2018.

2. The BRI's objectives, funding and expected impact

According to the official outline published in 2015, “Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road”, the BRI has five major goals, namely policy co-ordination, connectivity of facilities, unimpeded trade, financial integration and people-to-people bonding. In other words, Beijing wants to

connect participating members' states infrastructure, align their economic development policies to China's, encourage them to open their markets to facilitate trade, connect their financial markets to China's and strengthen people to people links (Mercator Institute for China Studies, 2018). By so doing, the initiative aims to promote the connectivity between Asia, Europe and Africa and their adjacent seas, establish and strengthen partnerships among the countries along the BRI and to achieve sustainable development.

Several financial mechanisms are expected to support the huge investments in development of infrastructure involved (such as railways, roadways, highways, maritime ports, energy pipelines and power grids in countries along the BRI). They can be classified under the following headings: Chinese policy banks, state-owned enterprise banks, state owned enterprises in the energy and infrastructure sectors and large multinational financial institutions (Lau, Sun and Li, 2018). China Development Bank (CDB) and Export-Import Bank of China (CEXIM) are the main Chinese policy banks that fund the BRI. On the one hand, CDB, which China's biggest foreign investment bank, provided 183 billion USD by the end 2017 to fund BRI projects (Hallgren and Abeleen, 2019). On the other hand, CEXIM provided 118 billion USD loans to finance BRI projects by March 2018 (Hallgren and Abeleen, 2019). The three largest state-owned banks, namely Industrial and Commercial Bank of China (ICBC), Bank of China (BOC) and China Construction Bank (CCB) had provided a total sum about 200 billion USD to fund BRI projects by the end 2016 (Peng and Jia 2017). Furthermore, a state-owned investment fund was launched at the end of 2014, named the Silk Road Fund, with an initial capital of around 40 billion USD (Lau, Sun and Li, 2018). Regarding large international financial institutions, the most important contributor is the Asia Infrastructure Investment Bank (AIIB), established in 2015 and led by China, with an initial capital of 100 billion USD (McKinsey&Company, 2016). It mostly co-funds projects with other international development finance institutions such as the World Bank and the Asian Development Bank (Rolland, 2019). In addition, in 2014 the New Development Bank was established by the BRIC countries, with an initial capital of 100 billion USD (McKinsey&Company, 2016). According Morgan Stanley (2018) estimates, China's total investment over the life of the BRI could reach 1.2 to 1.3 trillion USD by 2027.

This impressive infrastructure led economic integration megaproject (Du and Zhang, 2017) is expected to have a positive impact on the region. It is expected to reduce the Asia-Pacific region infrastructure funding gap that according to a report from Asian Development Bank (2017), amounts to 26 trillion USD (1.7 trillion USD annually) over the period from 2016 to 2030. With the launch of the BRI, therefore, region will greatly benefit from China's initiative in terms of infrastructure development. Another expected benefit has to do with transportation bottlenecks affecting cross-border trade and

international cooperation on investment and construction, finance, research and development, medicine, science and technology, cultural and academic exchange among others (Müller-Markus, 2016). It is expected to reduce the first and to enhance the second. According to a recent study from the World Bank (2018), if the BRI is eventually completed, it could reduce travel times by 12% for economies along corridors and reduce trade costs between 1.1% and 2.2%. In addition, the initiative would contribute to the world growth at least by 0.10%. Furthermore, the study shows that non participating countries would also benefit from the improved infrastructure, increasing global trade between 1.7% and 6.2%.

Few would deny that China obtains clear benefits from the initiative. These benefits are not only economic but also geopolitical. As to the former, BRI would allow China to create alternative trade routes to guarantee the supply of energy and primary materials that are essential for China's economic and social growth (Chatzky and McBride, 2019). Currently China depends on a single maritime access. An estimated 85% of Chinese energy imports pass through the Strait of Malacca, which has been in a context of territorial conflicts with strong US presence (Müller-Markus, 2016). The BRI can also provide new markets for products that have a saturated demand in China. In this regard, the BRI can be a way of reducing industrial oversupply in sectors such as cement and steel manufacturer that suffer a huge overcapacity and require new overseas demand (Cooley, 2016). Finally, the BRI is a tool for tackling socio-economic differences between inland and coastal regions within China (Rolland, 2019), and to create more stability in the conflictive areas along the route, such as Xinjiang province (Müller-Markus, 2016).

Regarding geopolitical benefits, outside of China, Xi's initiative has been interpreted as a strategy to increase China's influence in its regional neighbourhood and beyond. According some commentators (Chanda, 2015; Economy, 2018) the BRI reflects China's power ambitions in the 21st century and aims to shape international norms and institutions. At the same time, the BRI is considered as a strategy to in order to hedge against the eastward move of the US, launched during the Obama administration in 2011 (Qiao, 2015). Moreover, some observers claim that the BRI is the Chinese Marshall Plan for Asia (Tiezzi, 2014), a tool for China to build an alliance among the beneficiaries' countries to confront the West (Bin, 2018). This interpretation of BRI has, of course, been denied by the Chinese government. In 2015, the Chinese foreign minister argued that BRI is a platform for cooperation and not a geopolitical tool and rejected the comparison between BRI and the US Marshall Plan (Chance, 2016).

3. The BRI pros and cons from the EU perspective

The EU has achieved the highest level of integration among a group neighbouring countries and plays a remarkably important strategic role in the international arena. According to the official Belt and Road Portal (2018), despite the Brexit, the EU has been committed to achieve greater integration and constantly overcome new challenges and played a major role in both regional and international affairs.

China encourages the EU participation in the BRI (Belt and Road Portal, 2018). China's largest trading partner is the EU and China is the EU's second largest trading partner (European Commission, 2019). According to China, the two sides are indispensable partners to each other and important global players. The two together represent one quarter of the global population and account for one third of the world's economy (Mission of the People's Republic of China to the European Union 2019). According to the official Belt and Road Portal (2018), China and the EU are major contributors to economic globalization and share common interests in several aspects such as world peace and stability, promoting global prosperity and sustainable development.

A number of academic publications suggest that from the EU's perspective, there are several potential positive outcomes that the EU can benefit from joining the BRI (Casarini, 2015; Garcia and Xu, 2016; Wang, 2015). By narrowing the existing infrastructure gap between Western and Eastern EU through the construction or improvement of transport infrastructure, the BRI megaproject could significantly diminish shipping times and costs for trade within the EU and with Asia (Casarini, 2015; Garcia and Xu, 2016). Moreover, the EU can also benefit from the initiative by having access to new markets in whole Eurasia area. Finally, the BRI paves the way for the EU to have the opportunity to pursue its geostrategic ambitions through cooperation along the land-based road, such as EU-Russia reconciliation (Wang, 2015).

Regarding the cons, some commentators have pointed out that the BRI could lead to trade deficit for the EU (Müller-Markus, 2016). This is explained by the fact that currently trains arrive from China to Warsaw with tonnes of Chinese products, however, trains return back to China half empty. In addition, it could also foster anti-Chinese perceptions. In recent years, the EU has faced a growing Chinese acquisition of European businesses. In 2016, these investments reached to 41.15 billion USD (Ivana, 2017). Chinese investors acquire business from strategic sectors, such as nuclear, aeronautical, energy, automobile, banking and telecommunications (Müller-Markus, 2016). As a result, in 2017, Germany, France and Italy put pressure on the European institutions to develop a new mechanism for closer analysis and review of Chinese investments in Europe (Zeneli, 2019). After almost two years since the first draft was presented, the new EU framework for the

screening of foreign direct investments officially entered into force on 10th April 2019. This system of screening aims to protect EU from foreign investments, notably from China, in strategic sectors such as technologies and infrastructure (Reuters, 2019).

Some observers hold the view that China is playing divide and conquer strategy, by dealing with EU member states bilaterally and avoiding the EU's institutions (Jonquières, 2015). China would be taking the advantage of the lack of EU level coordination when forming a joint policy to face new changes to the international order on the European region (Müller-Markus, 2016). Until recently, China's infrastructure investment in Europe was carefully targeting select group of countries such as the "16+1" rather than whole EU. In 2012, "16+1" economic platform was created between China and Central and Eastern Europe (CEE) countries, specifically formed by 11 EU member states (Bulgaria, Croatia, Czech, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia) and five EU candidate countries (Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia). Its aim is to build and improve transport infrastructure in the region. It was launched with EU's displeasure as it lacked of previous consultation at the EU level (Müller-Markus, 2016). More recently, other EU countries also joined the China's BRI megaproject, Greece (August 2018), Portugal (January 2019) and Italy (April 2019).

At the end of 2018, the European Commission launched its own strategy for infrastructure development with Asia named as "Connecting Europe and Asia – Building Blocks for an EU Strategy". The strategy's aim is to create an EU engagement framework based on Western economic and institutional norms and principle. According to the EU's officials, this connectivity strategy is not a response to the BRI. However, it surely appears to be an alternative to the Chinese initiative.

4. Conclusions

During the last few decades China has become one of the world's most important economies. The BRI provides an opportunity for China to play a leading role at the global landscape. Therefore, in a context of rising protectionism, China has the opportunity to occupy the spaces left by other powers and to develop into the biggest driving force of globalization with the BRI. The Chinese initiative is welcomed by an important number of EU's member states, as so far there are already 14 individual EU member states that joined to the initiative. However, there are also signs of increasing distrust with investment screening and the project connecting Europe to Asia.

II. THE EU FOREIGN AND TRADE POLICY

The EU is the most ambitious regional integration ever reached without being a state. Since its origin which dates back to the 1950s, the EU has evolved significantly both in terms of introduction of new competences and the accession of new member states. In integration terms, it has evolved from Custom Union among six countries in 1968 to nowadays 28 members' Single Market. As a result, the EU is considered as a major economic and trading power in the world (European Union, 2019). In terms of GDP, the EU is the largest economy. In 2018, it was estimated to be 18.8 trillion USD, representing about 22% of the global economy (World Bank, 2019). In global trade, the EU is the largest trading power with 15.1% of world imports and 15.2 % of world exports, ahead of China (13.8% and 16.4% respectively) and the US (16.4% and 10.9% respectively) (European Commission, 2019).

The EU trade power is not only the result of an increasing internal economic integration between an expanding number of member states but also of speaking with a single voice in trade matters (European Commission, 2019). Yet, while the EU's foreign policy has also evolved, it has done so to much lesser extent. The EU's foreign policy scope (outside of trade matters) is quite limited and it is commonly considered as weak and underdeveloped in comparison to EU's trade policy. This chapter aims to present the EU foreign and trade policy. In order to do so, it is divided in four parts. First, it introduces the EU's origin and how its foreign and trade policies have evolved over time. Then, it follows by presenting the current EU's foreign policy (in force since the Lisbon Treaty). Section three explores the EU trade policy. Finally, in the last section conclusions are presented.

1. The EU's origin and its foreign and trade policies evolution

The EU traces its origins back to the 1950s, with the formation of the European Coal and Steel Community (ECSC), under the Treaty of Paris which entered into force in 1952. It was signed by six European countries, namely Belgium, France, Italy, Luxembourg, the Netherlands and West Germany. It was established by the founding members with the aim to prevent further wars in the region, as it was believed that by creating a supranational entity to supervise the production and commercialization of coal and steel (industries essentials for war) is a way to secure peace. A custom union for coal, iron and steel was created for a period of 50 years. It is worth noticing that since very beginning, trade was at the core of the EU's external action (Gstöhl and De Bièvre, 2018).

Later, in 1958, the Treaty of Rome came in force and the European Economic Community (EEC) and European Atomic Energy Community (Euratom) were established. As result, during that time three different integration organizations coexisted in Europe, collectively referred as the European Communities (EC). The focus of the largest (the EEC) was on the establishment of the common agricultural policy as well as the abolition of trade barriers between its members. In 1968, the custom union was completed. The creation of the custom union entailed removal of tariffs among member states and common customs tariff on imports from third countries. As a result, this implies the necessity of the establishment of a common commercial policy since trade relations with third countries must be managed at the EEC level. The EC started expanding its members in the 1970s. The first enlargement took place in 1973 with the joining of three new members: Denmark, Ireland and the United Kingdom.

It was in 1970 that the process of European integration stepped down to the path towards foreign policy, with the emergence of the European Political Cooperation (EPC) (Barbé, 2014). The latter was the EC's foreign policy coordination mechanism and enabled the first steps towards a harmonized diplomacy of the member's states. The EPC was created with the goal of having Europe's voice to be heard in the world. It was a success in that it allowed the EC to be an active player in specific issues on the international scene such as the Conference on Security and Cooperation in Europe and the Middle East Conflict (Gainar, 2017). However, the EPC was an informal process of cooperation, as no member state could be made to join it and the actions were not coordinated.

The next steps towards the present EU were given in the following two treaty revisions: the Single European Act and the Maastricht Treaty. Having expanded southwards, to Greece (1981) and Spain and Portugal (1986), the EC revised its founding treaties in the mid-1980s. In 1986, the Single European Act solidified the principles of the EU's foreign policy (including the EPC into the Treaty) and formalized the idea of a single European market to enter into force in January 1993. Some years later, the so-called Maastricht Treaty formally introduced the objective of having a Foreign and Security Policy. Through this Treaty, which entered into force in 1993, the EC was included into a larger organization: the EU. While the EC constituted the economic integration pillar (or First Pillar) of this organization and established the stages to create the euro, the EU also included two more pillars: one for Foreign and Security Policy (the so-called Second Pillar) and another for Cooperation in the Fields of Justice and Home Affairs (the so-called Third Pillar). The Common Foreign and Security Policy (CFSP) was expected to help tackle the EPC limitations; the latter was criticised for being excessively reactive and declaratory, lacking in proactivity and instruments that allow to follow up announcements. A key figure that CFSP introduced in 1999 is the High Representative.

After the Maastricht Treaty there have been further enlargements of the EU as well as further EU reforms. As to the former, in 1995, three further countries joined the EU: Austria, Finland and Sweden. In 2004, 10 more countries joined to the EU: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. Bulgaria and Romania gained access in 2007. The most recent accession was the case of Croatia, in 2013. Today, the EU consists of 28 member states yet Brexit (the exit of the United Kingdom from the EU) may take place later this year.

The Maastricht Treaty has subsequently been further amended by the Amsterdam Treaty (1999), the Nice Treaty (2003) and the Lisbon Treaty (2009). The EU faced a necessity to reform its institutional framework on foreign policy for the three reasons (Morillas, 2014). Firstly, the EU needed to provide an answer to the integration of new member states due to the disappearance of Soviet Union. Secondly, due to the EU's high institutional complexity and growing distancing from the EU citizens, the EU governance system needed to be improved. Lastly, even with the introduction of the CFSP at the Maastricht Treaty in 1993 and the figure of High Representative in 1999, the UE did not yet have optimal mechanisms to become decisive at the international landscape. While some proposed to create the figure of Minister of Foreign Affairs, several countries were against that idea, especially the United Kingdom. As a result, progress was exclusively made on institutional mechanisms of coordination of EU's external action.

The Treaty of Lisbon which entered into force in 2009, replaced the three-pillared structure that had been introduced by the Maastricht Treaty by a single structure for both economic integration and political integration (foreign and security policy and justice and home affairs). In the field of EU's foreign policy, the Lisbon Treaty re-enforced the figure of the now High Representative of the Union for Foreign Affairs and Security Policy, established the European External Action Service (EEAS), and inserted new responsibilities on foreign policy for the European Council and its President. From the EU's trade policy perspective, the Treaty of Lisbon also introduced major changes: it increased the exclusive competence of the EU, areas such as Foreign Direct Investment (FDI) were added to the common commercial policy. At the same time, the European Parliament acquired new powers in the implementation of trade policy and in the conclusion of international trade agreements (European Commission, 2011).

2. The intergovernmental nature of EU's foreign policy

As explained in the previous section, the EU's foreign policy has evolved during the last decades and currently it is based on the provisions of the Lisbon Treaty. Following the literature, however, the EU's foreign policy still remains weak and undeveloped in

comparison to other EU projects, such as trade policy (Lehne, 2017). One of the main constraints to EU's foreign policy is its decision making process. Decisions regarding foreign and security are taken by unanimity by the member states in the Council of Ministers. As one can imagine, this is difficult for such a large group of countries with divergent interests. In fact, in 2017, the European Commission President proposed foreign policy decisions to be made based on majority voting system. However, very few member states seem ready to do that, as it implies to subordinate national law to the one of the EU (Lehne, 2017). In any case, today's EU's foreign policy is grounded on four figures: the Council of Ministers, the High Representative (in charge of the EEAS), the European Council and the President of the European Council.

2.1. Council of the European Union

The Council of the European Union, otherwise known as the Council of Ministers, is one of the main decision maker bodies of the EU (EEAS, 2019). Meetings are carried out by one minister from each member state according to the policy area to be discussed. Member states and the European Commission may refer to the Council of Minister any question related to the CFSP and may suggest proposals to it. The Council of Ministers meets at least once a month to discuss, amend and adopt law and coordinate policies (European Union, 2019). Its president rotates between member states every six months. In the case of the Foreign Affairs Council, the position is chaired by the High Representative for Foreign Affairs and Security Policy (the figure is explained in detail in the next section).

The Council of Ministers, or more concretely the Foreign Affairs Council (when dealing issues related to CFSP), is responsible for adopting CFSP Decisions. Before the Treaty of Lisbon, there used to be a clear distinction between two most important types of legal instruments: the joint action and the common position. The joint action refers to the specific situation when operational action by the EU is considered necessary (CSFP missions and/or sanctions). As stated in the Article 14 of the Treaty on EU, a joint action commits the member states in the positions they adopt and in the conduct of their activity. On the other hand, the common position relates to the approach of the EU to a particular matter (specific geographical or thematic issue). As stated in the Article 15 of the Treaty on EU, common positions commit member states to assure that their national policies conform to the common position. However, after the Treaty of Lisbon, the distinction between the described two types of decisions are no longer existent, as every decision is called a Decision of the Council (Federal Foreign Office, 2019).

2.2. High Representative of the Union for Foreign Affairs and Security Policy

The position of the High Representative for the CFSP was originally created in 1999, when the Amsterdam Treaty entered into force. Javier Solana was the first holder of the post and simultaneously the Secretary General of the Council of the EU, from 1999 until 2009. The Treaty of Lisbon redefined the post of High Representative and separated the position from the office of Secretary General of the Council of the EU. In addition, the treaty expanded the role, by adding significant new responsibilities to the post. Since then, the post is known as the High Representative for Foreign Affairs and Security Policy (HR). Nowadays, the incoming HR is Josep Borrell who is going to begin his five-year mandate in December 2019. He will succeed Federica Mogherini who was appointed to the post for the period from 2014 until 2019. Previously, Catherine Ashton held the position between 2009 and 2014.

The HR is the person who is in charge of the CFSP, conducts the Foreign Affairs Council and at the same time is one of the Vice-Presidents of the European Commission. The combination of these roles is expected to help the HR to coordinate and ensure coherence in EU's foreign policy (EEAS, 2019). In particular, EU's foreign policy should not conflict or overlap in areas such as trade, development, neighbourhood policy and humanitarian aid where the European Commission has important responsibilities. Accordingly, the HR is in charge of external relations and coordination of other aspects regarding the EU's external action. The post of HR is appointed by the European Council and the President of the Commission must be in agreement with the choice, for a period of five years.

In order to support to the HR in carrying out its mission, the EEAS was created by the Treaty of Lisbon, formally launched in 2011. The EEAS works in cooperation with EU member countries' diplomatic services. It is based in Brussels but counts with a network of EU Delegations with worldwide presence. In addition, the EEAS also provides assistance to the President of the European Council, the President of the Council of EU and to members of the European Commission when they are dealing with their respective functions in the area of external relations (EEAS, 2019).

2.3. The European Council

The European Council was established in 1974 as an informal forum for discussion between heads of government or state of the EU member states. Promptly, it developed a role as the body responsible for setting EU goals and priorities (European Council, 2019). When the Treaty of Maastricht entered into force, the European Council acquired a formal status for the first time. In 2009, following the changes inserted by the Lisbon Treaty, the European Council officially gained the status of an EU institution.

The European Council sets the EU's overall political direction and priorities. It comprises the heads of state or government of the 28 EU member states, the European Council President and the President of the European Commission. In addition, the HR also participates in European Council meetings when foreign affairs issues are debated. The European Council has no (formal) legislative power, so does not (formally) negotiate or adopt EU laws. The European Commission remains the unique initiator of legislation, but as stated in the Treaty on EU (Article 15) the European Council is able to provide an impetus to guide and define general political directions and priorities.

The meetings of the European Council, commonly referred as “EU summits”, are held in Brussels. Meetings are chaired by the President European Council and meets at least twice every six months. The President of the European Parliament attends the start of each meeting, to outline the European Parliament's views. Other people are also invited to the meetings, such as the President of the European Central Bank. Decisions of the European Council are mostly taken by consensus, except for some specific cases outlined in the EU treaties. If a vote is taken, neither the President of the European Council nor the President of the European Commission take part (European Council, 2019).

The European Council defines the EU's policy agenda, traditionally by adopting “conclusions” during European Council meetings which identify issues relevance and actions to take. However, more recently, the European Council adopted a “strategic agenda” of priority areas for longer-term defining its action.

2.4. President of the European Council

The figure of President of the European Council was introduced when Treaty of Lisbon entered into force. Previously, the head of European Council was referred as President in office of the European Council and was an unofficial position. Herman Van Rompuy was appointed the first full-time President of the European Council, from 2009 until 2014. Since December 2014, the current President of the European Council is Donald Tusk. However, from December 2019 Charles Michael is expected to replace Donald Tusk position. The President of the European Council is the person who is responsible for overseeing and driving forward the work of the European Council as the key representative of the EU on the world stage. As stated in the Article 15 of the Treaty on EU, the president’s role is mainly political, which includes preparing the work of the European Council, chairing its meetings, helping to facilitate cohesion and consensus among its members and reporting to the European Parliament after each meeting. In addition, the President acts as external representation of the EU at the level of heads of government and state at three types of international summits: bilateral summits, multilateral summits at international level and multilateral summits at EU level. At the

same time, the Presidents also represents on issues related to the EU CFSP along with the HR who helps put into effect the CFSP and ensure its unity, consistency and effectiveness (European Council, 2019).

The President of the European Council is elected by the European Council and requires a qualified majority. In order to obtain a qualified majority, two conditions require to be met: supported by at least 55% of member states and representing at least of 65% of the total EU population. It is elected for a 2.5-year term, which is renewable once. In agreement with established practice, the rotating presidency is responsible for the coordination of the election process. During the European Council, when discusses the election of the President, the presidency that chairs this part of the meeting it is represented by the head of state or government (European Council, 2019).

3. The supranational nature of EU's trade policy

The EU's trade policy differs critically from EU's foreign policy because the EU has nearly exclusive competence for trade policy issues. This means that the EU as a whole, instead of individual member states, has the power to legislate on trade related matters and conclude international agreements (European Parliament, 2019). This exclusive EU competence today covers trade in goods, trade in services (with an exception for transport), commercial aspects of intellectual property and FDI (Gstöhl and De Bièvre, 2018). By acting together with a single voice on trade issues, rather than with multiple separate individual trade strategies, the EU obtains a strong position when it comes to global trade (General Secretariat of the Council, 2019).

However, at the beginning, the exclusive competence only covered trade in goods. The scope enlarged gradually through several treaty revisions. The EU competence in trade matters remained almost unchanged until the Treaty of Amsterdam, when an enabling clause was introduced that allowed the EU to have the competence to negotiate and conclude negotiations on services and intellectual property (Gstöhl and De Bièvre, 2018). While the enabling clause implied that the member states would decide on ad-hoc basis where to extend the exclusive EU competence on these two new areas (Güçlü, 2018). This situation was partly modified with the Treaty of Nice. It extended the EU exclusive competence scope to services and commercial aspects of intellectual property rights. However, politically sensitive areas, such as cultural and audiovisual services remained a shared competence between the EU and its member states (Gstöhl and De Bièvre, 2018). The Treaty of Nice also introduced an enabling clause to extend EU competence to non-commercial aspects of intellectual property rights. Undoubtedly, the most relevant changes to the common commercial policy came with the Treaty of Lisbon (Woolcock,

2010). It extended the coverage of the common commercial policy to cover FDI. In addition, politically sensitive sectors previously excluded from EU exclusive competence have been added, with exception of transport services (Güçlü, 2018).

The direction of the EU's trade policy is defined in cooperation between three EU institutions: the European Commission, the Council of the EU and the European Parliament. Trade agreements negotiated by the European Commission are adopted following their approval by the Council of the EU and the European Parliament. In addition, business and other societal stakeholders and government of third countries are also important actors in the EU's trade policy (Gstöhl and De Bièvre, 2018). However, in reality only large corporations and their lobbyists usually have a significant influence over the EU's trade policy (Dür and De Bièvre, 2007).

3.1. European Commission

The European Commission was established in 1958 and is composed by 28 commissioners (one from each EU country) and including its President. Currently, the head of the European Commission is Jean-Claude Juncker. In December 2019, Ursula von der Leyen will take the office. The President of the European Commission chairs the weekly meetings and sets its policy agenda (European Commission, 2019). The European Commission promotes the general interest of the EU, with complete independence from national governments, by proposing and enforcing legislation. It also oversees the implementation of EU law and executes the EU budget. In addition, it also speaks for the EU around the world in areas that not covered by the CFSP, such as trade policy (Eurelex, 2019).

In the area of the EU trade policy, the European Commission prepares and proposes positions to take in relations with third countries and negotiates trade agreements on behalf of the EU member states (Ministry for Foreign Affairs of Finland, 2019). In addition, the European Commission also speaks on behalf of the EU with international organizations, in particular the World Trade Organization (WTO). While all member states of the EU are individually members of the WTO, the EU negotiates in the WTO as a single body (and is also a member of the WTO). Furthermore, the European Commission also proposes the legal acts to implement the common commercial policy, and it issues decisions when applying EU's trade policy instruments, such as anti-dumping measures (Gstöhl and De Bièvre, 2018).

Within the European Commission, the Trade Commissioner and the Directorate-General for trade (DG Trade) are the key players responsible for setting out the EU trade policy. Since 2014, Cecilia Malmström holds the position of the Trade Commissioner, who leads

the trade negotiations and also represents the EU within the WTO. Phil Hogan will take up Malmström's role in December 2019. DG Trade, which is subdivided into eight directorates, is responsible for drafting proposals and getting opinions of the economic sector concerned and of the member states (Gstöhl and De Bièvre, 2018).

3.2. Council of the European Union

In the field of EU's trade policy, the Council of the EU has the power to authorize the European Commission to open negotiations with third countries and conduct them under certain conditions, in other words, the European Commission need to receive a mandate previously from the Council of the EU to be able to start negotiations (European Parliament, 2019).

The Council of the EU has two important committees on trade policy: the Trade Policy Committee (TPC) and the Working Parties on Trade (Gstöhl and De Bièvre, 2018). The TPC assists and guides the European Commission in the process of negotiation and gives advice on the common commercial policy. All the Member States are represented in the TPC, which meets in Brussels every week (Ministry for Foreign Affairs of Finland, 2019). The Working Parties on Trade deal with internal trade legislation and the application of the EU's trade policy instruments. Qualified majority voting is the general rule in Council of the EU for all aspects of trade policy, however unanimity is still required in specific circumstances, i.e. where politically sensitive services are tacked (European Commission, 2011).

3.3. European Parliament

The European Parliament is responsible for legislative, supervisory and budgetary duties. It is the only directly-elected EU body by EU citizens every five years. Its representatives are named Members of the European Parliament (MEPs). The number of MEPs for each member state is roughly proportionate to its population, under the condition that no country can have fewer than 6 or more than 96 MEPs within a total of 751 members (European Union, 2019). The President who is elected for a renewable two years and a half, represents the European Parliament outside the world and with other EU institutions. David Maria Sassoli is the current President.

The European Parliament's work is conducted in two main stages. First, the committees examine proposals for legislation and prepare the work for plenary sessions. Then, at the plenary session is when all the MEPs gather to vote whether to approve or not the proposed legislation. In regards with the EU's trade policy area, the preparation work for decision-making is mainly conducted by its International Trade Committee.

The Treaty of Lisbon (2009) increased the European Parliament's power, among others issues, over the EU trade policy. Since 2009, international trade agreements can only enter into force if the Parliament votes in favour of them (European Parliament, 2019). When the European Commission suggests to initiate negotiations for international trade agreement, it is not required the authorization by the European Parliament. However, the European Parliament has the right to be informed at all stages while the negotiations take place. The Council of the EU and the European Parliament and are co-legislators, this means that both institutions have to ratify the negotiated agreement. Given this ratification requisite, the European Commission has a strong interest to ensure that the European Parliament supports the negotiations from the beginning (Gstöhl and De Bièvre, 2018). In order to conclude an agreement, the Council of the EU needs to receive the European Parliament's consent, in other words, when a simple majority vote in plenary is obtained (European Parliament, 2019).

4. Conclusions

Since its origins in 1950s, the EU has focused on the trade aspect and its competence has evolved significantly. Originally, the EU exclusive competence was basically trade in goods. However, over the years through different treaty revisions (specially the Treaty of Lisbon), EU exclusive competence extended to include trade in services, commercial aspects of intellectual property and FDI. This existence of common commercial policy at supranational level, has enabled the EU have one voice on trade matters. However, the EU's foreign policy remains weak and underdeveloped. The EU began to work on its foreign policy in the 1970s. Later, in the 1990s a key contribution in the area was the creation of the CFSP and the introduction of the HR figure. While the Treaty of Lisbon has further strengthened the capacities of the EU, the decision making process of its foreign policy continues to be based on unanimity limiting the capacity to speak with a single voice. Therefore, organizing a unified voice on the BRI seems to be a hard task for the EU.

III. Methodology

This paper aims to investigate whether EU has been able to take common actions towards the BRI. Its hypothesis is that the EU has responded as one to the BRI through its trade policy. While the EU has been unable to reach an official position towards the BRI through its foreign policy, it has been able to reach agreement in the area of trade policy. The methodology used to test the hypothesis is a review of the official documents of the EU on the BRI as well as an assessment of whether the introduction of the FDISR in EU's trade policy was an answer to BRI. The former is done through qualitative content analysis and the latter through a review of the literature on the FDI screening mechanism. The present chapter aims to present and justify this methodology. It is divided in three sections. The first section revises the EU-China relations. The second section presents and justifies the methodology. Lastly, the conclusions are presented in the last section.

1. EU-China relations since 1975

Bilateral relations between the EU and China have developed at considerable speed since 1975, when diplomatic ties were formally established. During the first two decades, two agreements were reached between the then EC and China. In 1978, the first intergovernmental trade agreement was signed. Later, in 1985, a new agreement was signed to replace the trade agreement of 1978. The 1985 agreement is a Trade and Cooperation Agreement and is still in force. It deals with wider areas than the former one including not only trade but also investment, development assistance and economic cooperation (MOFCOM, 2019).

Bilateral relations developed smoothly until 1989, when the EC decided to freeze relationship with China as reaction to Tiananmen incident. The EC imposed several sanctions, among them an arms embargo. While the interdiction of arms sales still remains in place, relations were setback to normal in 1992 (European Commission, 2019). In 1995, the EU issued its first China policy paper "A Long-term Policy for China-Europe Relations". It pointed out that the EU recognises China's rise and considers its relation with China as part of a long-term plan (Men, 2008). From 1995 to 2003, relations between the EU and China have evolved quickly in parallel with China's reform and opening door policy (European Commission, 2019). Total bilateral trade reached 120 billion USD in 2003, which doubles the amount of 1995 (Men, 2008). Since 2003, China has become the EU's second largest trading partner (European Commission, 2019).

From the start of the EU-China relations, the economic aspect has dominated the relationship (Morelli, 2019). However, from 1994 the political factor of the relationship

started to take shape, when the political dialogue on both regional and international level affairs was established. It created an institutionalised framework at the level of foreign ministers, ambassadors and experts (European Commission, 2019). The political aspect of the relation progressed even more rapidly after the establishment of the EU-China Comprehensive Strategic Partnership in 2003 by further deepening and expanding the bilateral relations in a wide range of non-trade areas (EEAS, 2013).

Since 1998, their bilateral relation encompasses an Annual Summit between the two sides that sets a strategic guidance for the relationship. It is done through three pillars that underpin the Summit: the high level economic and trade dialogue launched in 2007, the high level strategic dialogue established in 2010 and the high level people to people dialogue since 2012 (Mission of the People's Republic of China to the European Union, 2013). In 2007, the two sides noticed the need for a more comprehensive agreement and as a result they launched negotiations for a Partnership and Cooperation Agreement. Currently it is in deadlock mode, but if eventually negotiations are completed, it will replace the 1985 agreement and will serve as a legal framework for bilateral relations (Men, 2008).

In 2013, at the 16th EU-China summit, the two sides agreed to launch negotiations for a Bilateral Investment Treaty (BIT). According to the European Commission (2019), the aim of the BIT is to facilitate and eliminate the market access restrictions for investors from both sides. At the same time, both sides jointly adopted the “EU-China 2020 Strategic Agenda for Cooperation”, a document that guided EU-China relations from 2013 until earlier this year. It highlights China as a vital strategic partner for the EU to jointly address a wide range of issues on the global agenda (Esteban and Otero, 2019).

Earlier this year, the EU narrative on China has changed considerably. For the first time, the EU mentions China as a “systemic rival” (European Commission report issued on March 2019, titled “EU-China – A strategic outlook”). In addition, it also mentions that the EU conceives China as “strategic partner” but at the same time as a “an economic competitor”. It is considered as the toughest language used toward China from an official EU document so far (Kempe, 2019). However, in contrast to the US, it is important to highlight that the EU does not view China as a “strategic rival”, but instead a “systemic” one. This suggests that there is still room for cooperation between the EU and China (Zou, 2019).

2. Testing the EU-China relations on the BRI

As pointed out in the introduction of the present paper, EU member states have reacted

in different ways to the BRI: 14 of them have signed a MoU with China, others have made public declarations expressing misgivings. Following different commentators, as explained in chapter 1, from the EU perspective, endorsing the BRI has both pros and cons. On the one hand, the EU may be benefited from the Chinese led infrastructure megaproject, such as the access to new markets. On the other hand, the BRI has the potential to cause challenges for the EU, such as trade deficit. Therefore, at the EU level, it is viable to consider that the EU can be in favour or against the BRI. In addition, chapter 2 points to the fact that while the EU has problems to speak with a single voice in foreign policy, its trade policy is much more mature.

On the grounds of this information, the hypothesis of this work is that we should look at a common EU response to the BRI from its trade policy rather than from its foreign policy. In fact, recently the EU has introduced a new mechanism: the Foreign Direct Investment screening regulation (FDISR). According to OECD (2017), the EU member states collectively have the fewest restrictions on FDI, this means that the EU has one of the world's most open regimes for FDI. However, member states agreed to become more protective regarding EU's interest in the global arena with establishment of an EU-wide framework for FDI screening which entered into force in April 2019. Therefore, the regulation reflects a new position of the EU towards FDI.

While the EU does not publicly claim that its target is Chinese FDI, the FDISR may be the answer to Chinese FDI in general and the BRI in particular. Chinese FDI into the EU that has increased exponentially over the last decade. The value of Chinese FDI in 2017 (29.1 billion euros) is almost fifteen times the value in 2010 (2.1 billion euros) (Bickenbach and Liu, 2018; Hanemann, Huotari and Kratz, 2019). Moreover, in the recent years, Chinese investments are mainly targeted to key sectors, such as energy, automobiles, transport infrastructure and telecommunications, among others (Müller-Markus, 2016). Several of these investments are within the framework of BRI. For example, in 2015, China's acquisition of Italian tyre producer Pirelli for 7 billion euros was partly financed by the Chinese Silk Road Fund (Guerrero, 2017). Another example is the acquisition of 67% of Greece's Port of Piraeus by the state-controlled China Ocean Shipping Company in 2016 (Müller-Markus, 2016). In fact, the latter is usually used as example by Chinese authorities as a success story of the BRI (China SCIO, 2018). Therefore, with the introduction of the FDISR, the EU may be trying to prevent more Chinese FDI from the BRI.

The hypothesis to be tested includes therefore two aspects. First, the lack of a common EU position towards the BRI through its foreign policy. Second, the EU was able to reach an agreement in the area of trade policy with the introduction of the FDISR. To validate the first part of the hypothesis, the present paper proceeds to review official documents

of the EU on the BRI through qualitative content analysis. The documents analysed they must use a vague language towards the BRI. In contrast, if all the documents analysed state clearly the position of the EU whether in favour or in contrast, then the hypothesis will be rejected. Regarding the second part of the hypothesis, to assess whether the introduction of the investment screening mechanism in EU's trade policy was an answer to BRI, the method is a review of the literature on the FDISR. The hypothesis will be rejected if the literature does not link the EU framework for investment screening with the BRI at all.

Literature review is a research method that allows the researcher to be able prove its hypothesis, as a key element of the literature review is to summarize the findings that have emerged from previous research efforts on a specific subject (Knopf, 2006). For the present paper, the literature to review has been selected through Google Scholar database. Four articles from well known academic journals, a policy paper and a report have been chosen to process the literature review due to its relevance on the topic analysed. As for the content analysis, this paper looks at EU official documents on BRI since 2013 until 2019. That implies the review of the official documents issued by the EU, speeches from the HP, European Council Conclusions and publications from the European Commission's database. The review is conducted through a qualitative content analysis method. Content analysis can be defined as systematic and quantitative method of analysis of the characteristics of a message (Neuendorf, 2002). However, other analysts consider is a qualitative methodology even when later certain characteristics are transformed into numbers (Krippendorff, 2004). Content analysis methodology allows researchers to come up with conclusions without influencing it. Hosty (1969) defined content analysis as a research technique that objectively and systematically identifies specified characteristic of messages. In this specific research, the focus is on the qualitative side of content analysis since what is important is not the number of times a concept appears in the documents but rather the evolution of the position.

3. Conclusions

Since 1975, when formal diplomatic ties between the EU and China were officially established, bilateral relations have developed at considerable speed. For more than a decade, the EU has considered China as "strategic partner". Recently, however, in March 2019 the EU issued a common report by changing significantly the EU narrative towards China, labelling China for the first time as "systemic rival". This common position towards China does not seem to include the BRI: some member states have signed MoU with China while others have not.

Qualitative content analysis and literature review methods are used to test whether the EU has been able to take common actions towards the BRI. The hypothesis of the present paper will be rejected either if the EU has been able to reach an official position towards the BRI through its foreign policy or if the introduction of the FDISR is unrelated with BRI.

IV. ANALYSIS

The present chapter investigates whether the EU has been able to take common actions towards the BRI. The hypothesis is that from the EU's foreign policy perspective, the EU has been unable to find a common approach towards the BRI while it has been able to reach an agreement through its trade policy. In order to test the hypothesis, this chapter is divided in two sections. The first section, regarding the EU foreign policy, tests the first part of the hypothesis through content analysis from official documents from the EU. Then, section two, regarding the EU trade policy, reviews the literature through six papers that have been selected to verify the second part of the hypothesis.

1. Belt Road Initiative from the EU's foreign policy perspective

At individual EU member states level, it is clear that the position regarding the BRI is diversified. So far, 14 EU economies have signed a MoU with China on the BRI, while other economies have expressed their concerns about the possible impacts that the initiative could generate. However, it is not clear whether at EU level there is a common approach towards to the BRI. Therefore, in this section, official documents issued by the EU are reviewed from September 2013 (when the BRI was launched) until October 2019. This implied the analysis of speeches from the HP, Conclusions from the Council of the EU and publications from the European Commission's database. The analysis indicate that as expected there is a coherence between the documents issued by the three institutions. It also indicates that there has been an evolution in the EU way of looking at the BRI: from looking at it as an opportunity to mistrust.

1.1. High Representative speeches

Looking at the HP speeches to establish whether there is an official position of the EU regarding the BRI makes sense. As explained in chapter 2, the HP is expected to express EU position on matters related to CFSP. HP speeches are available at the EEAS's website. Eight HP speeches were found by filtering as country China and only two of them mentions about the BRI. Therefore, these two speeches are selected to analysed further.

One speech that talks about the BRI is the September 2018 "Speech by HR/VP Mogherini at the plenary session of the European Parliament on the state of the EU-China relations". In this speech, Mogherini highlights how the EU and China are cooperating in a wide range of issues. She suggests that EU must not be "afraid to engage" with China's BRI as it is a way of "creating synergies between their initiative and our projects on connectivity". However, she highlights that these connectivity projects should be

“sustainable development for local communities, and not about crafting new spheres of influence”. With this speech, Mogherini supports the BRI but also express her concerns on the sustainability of the BRI.

In another more recent speech, of August 2019, titled “EU keen to strengthen security ties with Asia: foreign policy chief”. In this speech, there is an interesting direct question that was asked to Mogherini about what is the EU’s view regarding BRI. She answered the question very vaguely. She starts explaining that the EU is a great supporter of connectivity as she mentions “Connectivity is part of the EU's DNA”. Then, she remarks that EU also launched its own strategy on connecting Europe and Asia at the end of 2018 (explained in chapter 1). Next, she highlights the necessity to “deepen our understanding of each other's connectivity policies (...) and ultimately to find ways in which our two approaches can be complimentary”. With this answer, the HR is suggesting that a possible cooperation with China’s BRI may take place but not at the present moment.

This review of the HR speeches regarding BRI indicates it is possible to say that the current EU position regarding the BRI is ambiguous. While Mogherini suggests to engage with the BRI as it can create synergies with EU’s projects on connectivity, but at the same time she advises to be cautious with the initiative as she proposes to get the full understanding of the initiative before engaging with it.

1.2. Council of the European Union Conclusions

The Council of the EU can adopt no legally binding documents such as the Conclusions. The Conclusions express EU’s political position on a specific topic. In order to adopt a Conclusion, the consensus of all member states is needed. Therefore, by reviewing the Council of the EU Conclusions also allows to know which is the EU position regarding the BRI. At the Council’s official website, searching in the register list of Council Conclusions regarding China and the BRI, surprisingly among ten results that came out only one is about China’s BRI.

The specific Conclusion that mentions BRI is titled as “EU Strategy on China - Council conclusions”. It was adopted at the meeting held on 18 July 2016, just a few days after the 18th EU-China Summit regarding the EU Strategy on China for the coming years. The point eleven of the document mentions the BRI. It expresses that the Council of the EU is in favour to cooperate with China’s BRI as it states that: “The Council supports cooperation with China” on its BRI. However, then the document remarks that under the condition that China is “fulfilling its declared aim of making it an open platform which adheres to market rules, EU and international requirements and standards, and complements EU policies and projects”.

Therefore, the analysis of the Council of the EU's Conclusions also suggests that the current EU position regarding the BRI is ambiguous. In 2016, the EU was giving support to cooperate with the Chinese initiative but only under certain conditions.

1.3. European Commission

Looking at the European Commission publications regarding the BRI helps establish the view of the EU on this topic since this institution has the power to propose policy to the Council. By searching BRI in the European Commission website, it came out with around one hundred results, but only few of them are actually related to China's BRI which are analysed below.

The earliest document regarding the BRI found in the database of the European Commission is from 2014. Specifically, it is a "Joint Statement: Deepening the EU-China Comprehensive Strategic Partnership for mutual benefit" from 31 March 2014. It states that both sides have decided to "develop synergies between EU policies and China's "Silk Road Economic Belt" initiative and jointly to explore common initiatives along these lines" as it considers a great potential to improve their transportation relations. With this, at that moment the EU started to consider to cooperate with China within the BRI framework, as it could bring synergies and the EU could be benefited from that.

In 2015, the BRI was mentioned more times in the European Commission's database. There is a speech by the President Juncker named as "The EU and China: A solid partnership - Speech by President Juncker at the EU-China Business Summit Brussels", from a summit that was held on 29 June 2015. He starts highlighting the importance of EU-China partnership and recognizes their cooperation can be even intensified more. Then Juncker made clear that EU is interested on the BRI as he mentions "Let me say we take note with interest of China's 'One Belt One Road' initiative". Furthermore, Juncker sees the BRI as a project beneficial for both continents, as he mentions that the BRI "is the kind of strategic thinking from which both Asia, China and Europe could benefit."

Another document from 2015 is the "EU-China Summit joint statement", from a summit that was held on 29 June 2015. It was the 17th EU-China Summit, which also coincides for the 40th anniversary of EU-China diplomatic relations. During the summit, both sides expressed their interest in each other's initiatives, namely the Investment Plan for Europe and the BRI. In addition, in order to improve the connectivity links between the EU and China, they decided to establish a new "Connectivity Platform", which leads room for cooperation "between their respective policies (...) including the Trans-European Networks and The Belt and Road Initiative".

In September 2015, the “Memorandum of Understanding between the National Development and Reform Commission of the People's Republic of China and the European Commission on establishing a Connectivity Platform between China and the EU” signed on 23 September 2015. With this document, both sides agreed to establish the “Connectivity Platform” that had been decided at the 17th EU-China Summit to enhance synergies between China’s BRI and EU’s connectivity initiatives such as the Trans-European Networks. According to the document, the new platform “will create multiple business opportunities and promote employment, growth and development for both sides”. With the mentioned MoU signed, it shows officially how the EU is approaching the BRI. At least at that moment, the EU was greatly interested to cooperate with China’s BRI to develop infrastructure networks between the EU and China.

However, in 2016 a speech from the Vice-President Katainen named "Prosperity and Economic Diplomacy" at a seminar on 26 February 2016, starts to express some concerns on the BRI. He suggests that the EU “can cooperate with China on this initiative to ensure our own companies and Member States benefit from this major project”. With this statement, he is in a warning to be cautious to cooperate with the BRI, as it is necessary to ensure that the EU can benefit from the Chinese initiative.

A report published in June 2018 from the European Political Strategy Centre (European Commission’s in-house think tank), named “Geopolitical Outlook for Europe Confrontation vs Cooperation” gives policy advice to the EU. In the report, there is a section regarding China that reads “China’s divide-and-conquer strategy will continue to pose difficulties to homogenous EU approaches across several policy areas”. It indirectly suggests that EU member states are establishing relations with China within the framework of BRI individually rather than following what was set on the “EU Strategy on China” of 2016.

The most recent European Commission publication about the BRI is the Vice-President Katainen’s speech at the EU-China Business Association lunch on 6 May 2019. He starts highlighting the size and the deep of EU-China relationship and then he follows to explain about what have been tackled at the 21st EU-China Summit earlier this year in April. He finishes his speech by talking about Euro-Asian connectivity and points out the EU Connectivity Strategy for Asia. Lastly, he mentions the BRI but in a way as warning to member states to stay united so as to achieve their objectives “We must stay united. This also applies to the Belt and Road Initiative”. By these words, it is noticeable that the EU is worried about how the BRI is dealing with individual member states rather than at the EU level.

Lastly, it is interesting also to detail a bit further about the most recent European Commission report issued on March 2019 regarding China “EU-China – A strategic outlook”. As mentioned in the previous chapter, the EU narrative on China has changed considerably with the publication of the mentioned report. The document starts highlighting the important trade links between the EU and China as two of world’s three largest economies. Moreover, the EU recognizes the China’s economic and political rise during the last decades. It recommends 10 concrete actions concerning for discussion and endorsement by the European Council. The paper mentions several aspects to consider, such as WTO reforms for China, market access and fair competition and protections for investors. Remarkably, while the report fully references other Chinese initiatives such as “Made in China 2025” and the EU’s infrastructure initiative on Connecting Europe and Asia “Connecting Europe and Asia - Building blocks for an EU Strategy”, it does not directly mention the BRI. Yet, the joint communication stresses the fact that “neither the EU nor any of its member states can effectively achieve their aims with China without full unity”. According to analysts (Wallace, 2019), the EU is warning its member countries to act as a union when dealing with China and that includes the BRI.

From the European Commission perspective, in 2015 the aim was to cooperate with China by creating the “EU-China Connectivity Platform” and by so doing to strengthen the synergies between China's BRI and the EU's Trans-European Transport Network's policy. However, more recently, in 2018 the EU launched its own initiative to infrastructure initiative on Connecting Europe and Asia, the “EU Strategy on Connecting Europe and Asia”. In addition, in recent years the European Commission started to warn member states to act in unity in front of China’s initiative. Therefore, it seems that the EU have realized that there is a need for a stronger EU framework dealing with China, as members states are seeking to engage at the individual level with China.

2. Belt Road Initiative from EU’s trade policy perspective

The EU is considered to be one of the most open investment regimes in the world (OECD, 2019). However, recently the EU has started to show protectionist behaviour against inflow FDI with the introduction of an EU-wide framework for FDI screening, the so called FDISR (Bungenberg and Hazarika, 2019). As explained in chapter 2, the Treaty of Lisbon brought several changes in the area of EU’s common commercial policy, among others, it placed FDI as an area of EU exclusive competence. The FDISR is explained further in detail in the first part of the present section. The second part reviews the literature on the causes of FDISR introduction.

Four journal articles have been selected for the review, one from each of following journals: *Journal of World Investment & Trade*, *Legal Issues of Economic Integration*, *China International Studies* and *Social Transformations in Contemporary Society*. In addition, a policy paper from Centre for European Policy Studies and a joint report by Rhodium Group and the Mercator Institute for China Studies are also reviewed. While the selection has been done on grounds of the article content (it should cover the causes of the introduction of FDISR) rather than on the position of the article regarding the hypothesis (whether the causes are related with BRI), most articles consider that the FDISR is a response to Chinese investment in the EU.

2.1. EU Foreign Direct Investment Screening Regulation

The EU started to consider for a common framework for FDI screening regime when it was proposed by France, Germany and Italy in February 2017. Their respective governments submitted a joint letter to the European Commission expressing their concerns about non-EU investors are taking over EU companies with key technologies for strategic sectors, and proposed to introduce effective instruments to combat the situation at EU level (Grieger, 2019). In September of the same year, the European Commission adopted a proposal for a regulation establishing a framework for screening FDI inflows on grounds of EU security and public order (European Commission, 2019). After almost two years since the first draft was presented, the FDISR officially entered into force on 10 April 2019. There is a transitional period of 18 months for the European Commission and member states to take necessary steps to make sure that FDISR can fully apply as of 11 October 2020. Member states should use the transition period to make necessary changes to their national mechanisms and to implement administrative procedures to ensure effective cooperation at the EU level with the European Commission.

At present, 14 member states have national screening mechanisms in place, namely Austria, Denmark, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Spain and the United Kingdom. However, member states national screening mechanisms vary significantly both in scope and in design (European Commission, 2019). Therefore, with the introduction of the FDISR, it aims to establish a comprehensive framework at the EU level for screening of FDI on the grounds for security or public order. In this way, as stated in the Article 3 of the FDISR, it does not require member states to have national FDI screening mechanism, member states may maintain their existing, adopt new ones or remain without such mechanism. However, the FDISR sets some key requirement for national screening mechanisms. They include transparency of rules and procedures, non-discrimination among foreign investors,

confidentiality of information exchanged, the possibility of recourse against screening decisions and measures to identify and prevent circumvention by foreign investors.

As stated in the Article 1, the FDISR establishes a framework for screening by member states of FDI into the EU on the grounds of security or public order. However, the FDISR does not define explicitly what constitutes security or public order, it leaves to member states to decide on this issue, but it does provide a non-exhaustive list of factors when a FDI is likely to affect security or public order. Article 4 (1) states that member states need to consider the potential effect of the FDI in areas including critical infrastructure, critical technologies, security supply of critical inputs or access to sensitive information or the ability to control sensitive information. In addition, under the Article 4 (2) the instrument also advises member states to take into consideration when the foreign investor is controlled by the government of a third country, including through significant funding.

The FDISR creates an expedient of cooperation mechanism in relation to FDIs which either undergo screening or not. Under Article 6, when the FDI undergoes screening, the member state conducting it has the obligation to notify to the European Commission and the other member states about the screening that is conducting in its territory and the provide information regarding the FDI. It includes information about the investor and the target company, sectors in which they operate, value of the investment and its funding and the date of its completion. Once it is notified, both member states and the European Commission can provide their comments or opinion on whether such FDI is likely to affect security or public order. In the case that a FDI does not undergo screening (Article 7), the European Commission or member states can request to the member state where the FDI is located to provide information about the FDI. When the European Commission considers that a determined FDI that is not undergoing screening is likely to affect security or public order, it also can provide an opinion. In any case, it should be noted that a member state is not under the obligation to follow the opinion of the European Commission, as member states retain their final decision-making power on FDI. Finally, the European Commission can also offer an opinion to a FDI that is likely to affect projects or programmes of “Union interest”, such as Horizon 2020 or Trans-European Networks for Transport.

2.2. Literature review

In recent years, the rise of Chinese FDI in the EU in 2013 coincided with the launch of the BRI. Since 2013, Chinese FDI in the EU has increased at an exponential speed, from 6.7 billion euros in 2013 to 37.2 billion euros in 2016 (Hanemann, Huotari and Kratz, 2019). Following a decade of rapid growth, it started to decrease in 2017 after the Chinese authorities’ administrative controls to limit “irrational” Chinese FDI in sectors such as

real state or sports clubs (Blockmans and Hu, 2019). In addition, another reason for the fall of Chinese FDI in the EU is due to the fact that during 2017 and 2018 several EU economies, including Germany, France and the UK modernised their national investment screening regimes as a response to the Chinese investment (Hanemann et al., 2019). These updates have impacted Chinese investment patterns, as it blocked and delayed several Chinese acquisitions. As a result of mentioned reasons, Chinese FDI in the EU fell to 29.1 billion euros in 2017, and further decreased to 17.3 billion euros in 2018 (Hanemann et al., 2019).

According to Hanemann et al. (2019) the EU-wide FDISR could particularly impact Chinese investors. Le (2019) suggests that the FDISR is perceived as targeting China specifically because it makes provisions for dominant characteristics of the BRI investment strategy: the FDISR encourages member states to specifically review investments in sensitive technologies and critical infrastructure or state-backed investors. Following this criteria, Hanemann et al. (2019) suggests that 82 percent of Chinese transactions in the EU in 2018 would fall under at least one of previous criteria. More specific, 68 percent of investments in the EU were performed by Chinese state-owned enterprises in 2017 (Blockmans and Hu, 2019). This high percentage of Chinese state-owned enterprises investing in the EU is due to the fact that they are less restricted in their ability to invest abroad, specially on projects backed by Beijing and labelled under the BRI (Le, 2019). In addition, another key feature of the EU's new screening mechanism that suggests it is targeting specifically to the BRI, is the inclusion of the Trans-European Networks in the list of projects or program of "Union interest" (Bambalas, 2019) when the BRI is aiming at connecting China and Europe through both sea and land infrastructure.

Blockmans and Hu (2019) also support the idea that the core motive for the introduction of the FDISR was to response to Chinese acquisitions in the EU under the BRI. Even though no specific list of projects has been drawn up under the BRI investments in the EU, it is noticeable that the current emphasis of Chinese FDI is on transport, infrastructure and energy projects which are clearly related to BRI. For example, one pillars of the BRI is the construction or improvement of land and sea transport infrastructure which is reasonable that much of Chinese investments in the EU involves upgrading existing infrastructure, such as the Port of Piraeus in Greece or Port of Zeebrugge in Belgium (both cases the investment come from the state-owned China Ocean Shipping Company). According to Blockmans and Hu (2019) these investments in the EU port infrastructure combine both commercial and political purposes. Therefore, this fact has raised suspicion that FDI serves as China's policy goals instead of purely commercial interests (Bambalas, 2019).

Bungenberg and Hazarika (2019) focuses their study more concretely regarding the Chinese FDI in the EU related to the energy sector. They suggest that a significant part of these investment in the energy sector was made under the BRI. During the last decade Chinese investment in the European energy sector are growing at significant rate. As of 2015, around 28 billion USD have been invested in the EU energy sector. As energy infrastructure is considered as a critical sector for an economy, it rose concerns among EU economies over potential national security implications. In addition, Bungenberg and Hazarika (2019) notes that investing in EU energy sector does not only generate economic benefits but also a means to satisfy China's interest in the EU, specifically to gain political influence. As a result, this is one of the reasons why the EU decided to introduce the FDISR.

In front of the response of the EU towards Chinese investment in the region, Blockmans and Hu (2019) suggests that EU must not fall in the trap of protectionism. Moreover, Liu (2018) also considers that it would be more difficult for China and EU to reach cooperation agreements under the BRI due to the growing protectionism atmosphere in the EU with the introduction of the FDISR, which aims to protect strategic industries and projects or program of "Union interest". Liu (2018) also suggests in front of the present situation, the EU and China may be forced to speed up their negotiations on the BIT. Such treaty would standardize the bilateral cooperation under a legal framework recognized by both sides and that would facilitate BRI related investment.

However, Schill (2019) argues that the FDISR should not be exclusively considered to be aimed at protecting and defending EU and member states interests, rather the new regulation can provide to the EU other tangible external economic justification. As by having the possibility to limit FDI in the EU, it can be used by the EU as a bargaining tool in its trade and investment negotiations with third countries, such the case of the US or China. It would allow the EU to achieve better access of EU investors in their markets. Therefore, it wrong to merely consider that the EU is looking inward by establishing protectionist measures. FDISR can be seen as a tool to achieve further investment liberalization rather than as protecting the internal market from unwanted external influence.

3. Conclusions

In general, the EU official documents do not mention the BRI. However, from the documents analysed it is possible to see how EU's attitude has evolved over time, it can be divided into three stages. At first, during 2013 and 2014, the EU's position was wait-and-see, as no official document gave a clear opinion regarding the BRI. Then, in 2015

the EU reacted for the first time its opinion towards the BRI, which leads towards the first steps of a prudent cooperation. The EU expressed its idea to cooperate with China by creating the “EU-China Connectivity Platform”. However, in 2016 the EU started to express its concerns regarding the BRI and since 2018, the EU’s attitude focused on urging individual member states to act together and launching its own EU-Asia Connectivity strategy.

Regarding EU’s trade policy response, one may detect an evolution towards a more protectionist posture through the establishment of the FDISR. This EU framework for determining when investments threaten EU interest may not seem sufficient, as the ultimate decision is still left for member state where the FDI is target. However, it provides a mechanism for information sharing with the European Commission and member states, as other member states and the European Commission may offer their comments or opinion to the member state that is conducting the screening. A literature review on the causes of FDISR indicates that the introduction of the FDISR was an answer to the Chinese investments related to the BRI. While FDISR does not provide an exhaustive list regarding which type investments poses a threat to the security or public order, all BRI investment targets (such as infrastructure, energy, technology or state-owned investments) are included under the FDISR.

V. CONCLUSIONS

During the last few decades China has become one of the world's most important economies. In a context of rising protectionism, China has the opportunity to occupy the spaces left by other powers and to develop into the biggest driving force of globalization with the launch of the BRI in 2013. The BRI provides an opportunity for China to play a leading role at the global landscape as the initiative has certainly attracted attention. To date more than one hundred countries have endorsed to the BRI, despite criticism received from the US. However, the EU does not seem to have a clear position towards the initiative proposed by China. So far there are 14 individual EU member states have signed a BRI MoU with China. In contrast, some other countries in the EU are not so supportive regarding the BRI, such as Germany. The present paper has investigated whether the EU has been able to take common actions regarding the BRI. Since the EU's foreign policy is not as developed as its trade policy, the hypothesis was that while the EU has been unable to find a common approach towards the BRI through its foreign policy, it has been able to do so through its trade policy.

A content analysis of the EU official publications indicates that the EU has been unable to find common ground from a foreign policy perspective, giving support to the first half of the research hypothesis. The results show that in general the EU official publications do not mention BRI. This fact can be interpreted that as the EU's foreign policy nature is intergovernmental, this means that the decision making process is based on unanimity which limits the capacity to speak with a single voice. Despite the fact that the EU's foreign policy remains weak and underdeveloped, however, the qualitative content analysis review of the official publications issued by the European Council, and the European Commission indicates that there is a coherence between the documents. Moreover, the European Commission publications show an evolution regarding the BRI: from looking at it as an opportunity to looking at it with mistrust.

The review of the literature on the reasons behind the FDISR also supports the research hypothesis. Most articles consider that the FDISR is a response to Chinese investment in the EU. Although the FDISR has no power to impose on individual member states decisions as the ultimate decision is still left for member state where the FDI is target, it allows to establish transparency, as it is a mechanism for information sharing with the European Commission and the other member states. At the same time, it provides a common answer to the BRI. This is possible as a result of the existence of common commercial policy at supranational level which has enabled the EU have one voice on trade matters.

Therefore, the results indicate that the hypothesis of the present paper cannot be rejected as nowadays the EU's foreign policy towards the BRI is lukewarm and from the EU trade perspective the introduction of the FDISR is considered to be related with the BRI. It brings to the conclusion that while half of the EU member states have already signed bilateral cooperation agreements with China on the BRI, the EU itself is evolving towards a more protectionist approach in order to deal with growing Chinese influence. In addition, it is worthy to highlight that the EU is resisting the China's attempt to divide it, by introducing new common tools such as the FDSR or by labelling China as "systemic rival".

BIBLIOGRAPHY

Asian Development Bank (2017). “Meeting Asia’s infrastructure needs” [online]. Asian Development Bank. Available at: <https://www.adb.org/sites/default/files/publication/227496/special-report-infrastructure.pdf> [Accessed 3 July 2019].

Bambalas, Andrius (2019). “CHINA'S ONE BELT ONE ROAD INITIATIVE AND THE EU’S FDI SCREENING REGIME: SCOPE, EU’S ATTITUDE AND IMPACT” [online]. *Social Transformations in Contemporary Society*. Available at: <https://repository.mruni.eu/handle/007/15837> [Accessed 8 November 2019].

Barbé, Esther (2014). *La Unión Europea en las Relaciones Internacionales*. Madrid: Editorial Tecnos.

Belt and Road Portal (2018). *BRI transport projects to benefit global economy, says World Bank* [online]. Belt and Road Portal. Available at: <https://eng.yidaiyilu.gov.cn/qwyw/rdxw/94252.htm> [Accessed 4 July 2019].

Belt and Road Portal (2018). *Full text of China's Policy Paper on the European Union* [online]. Belt and Road Portal. Available at: <https://eng.yidaiyilu.gov.cn/zchj/zcfg/75172.htm> [Accessed 4 July 2019].

Belt and Road Portal (2019). *An Overview of Six Economic Corridors and Six Connectivity Networks* [online]. Belt and Road Portal. Available at: <https://eng.yidaiyilu.gov.cn/qwyw/rdxw/88408.htm> [Accessed 3 July 2019].

Belt and Road Portal (2019). *China has signed 171 B&R cooperation documents* [online]. Belt and Road Portal. Available at: <https://eng.yidaiyilu.gov.cn/qwyw/rdxw/81686.htm> [Accessed 5 July 2019].

Blockmans, Steven and Hu, Weinian (2019). “Systemic rivalry and balancing interests: Chinese investment meets EU law on the Belt and Road” [online]. *Centre for European Policy Studies*. Available at: https://www.ceps.eu/system/files/PI_2019_04_SB-WH_EU-China_0.pdf [Accessed 28 October 2019].

Bungenberg, Marc and Hazarika, Angshuman (2019). “Chinese Foreign Investments in the European Union Energy Sector: The Regulation of Security Concerns” [online]. *The Journal of World Investment & Trade*. Available at:

https://brill.com/view/journals/jwit/20/2-3/article-p375_9.xml?lang=en [Accessed 12 November 2019].

Casarini, Nicola (2015). “Is Europe to Benefit from China’s Belt and Road Initiative?” [online]. *Instituto Affari Internazionali*. Available at: <http://www.iai.it/sites/default/files/iaiw1540.pdf> [Accessed 5 July 2019].

Chanda, Nayan (2015). *The Silk Road: Old and New* [online]. Global Asia. Available at: http://www.globalasia.org/v10no3/cover/the-silk-road-old-and-new_nayan-chanda [Accessed 4 July 2019].

Chatzky, Andrew and McBride, James (2019). *China’s Massive Belt and Road Initiative* [online]. Council of Foreign Relations. Available at: <https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative> [Accessed 2 July 2019].

China Daily (2018). *Belt & Road Initiative making a difference in Asia-Pacific region* [online]. China Daily. Available at: <https://www.chinadailyhk.com/articles/165/106/34/1545891548672.html> [Accessed 3 July 2019].

Cooley, Alexander (2016). “The Emerging Political Economy of OBOR. The Challenges of Promoting Connectivity in Central Asia and Beyond” [online]. *Centre for Strategic and International Studies*. Available at: https://csis-prod.s3.amazonaws.com/s3fs-public/publication/161021_Cooley_OBOR_Web.pdf [Accessed 4 July 2019].

Council of the European Union (2016). “EU Strategy on China - Council conclusions (18 July 2016)”. *Council of the European Union*. Available at: <https://data.consilium.europa.eu/doc/document/ST-11252-2016-INIT/en/pdf> [Accessed 12 October 2019].

Council of the European Union (2019). *Council conclusions and resolutions* [online]. Council of the European Union. Available at: <https://www.consilium.europa.eu/en/council-eu/conclusions-resolutions/> [Accessed 20 October 2019].

Du, Julan and Zhang, Yifei (2017). “Does One Belt One Road initiative promote Chinese overseas direct investment?” [online]. *China Economic Review*. Available at: <https://www.sciencedirect.com/science/article/pii/S1043951X17300743> [Accessed 3 July 2019].

Dür, Andreas and De Bièvre (2007). “Inclusion without Influence? NGOs in European Trade Policy” [online]. *Cambridge University Press*. Available at: <http://www.web.cemus.se/wp-content/uploads/2018/01/Inclusion-without-Influence-NGOs-in-European-Trade-Policy.pdf> [Accessed 26 July 2019].

Economy, Elizabeth C. (2018). *China's New Revolution: The Reign of Xi Jinping* [online]. Foreign Affairs. Available at: <https://www.foreignaffairs.com/articles/china/2018-04-17/chinas-new-revolution> [Accessed 4 July 2019].

Eder, Thomas S. (2018). *Mapping the Belt and Road initiative: this is where we stand* [online]. Mercantor Institute for China Studies. Available at: <https://www.merics.org/en/bri-tracker/mapping-the-belt-and-road-initiative> [Accessed 28 June 2019].

EEAS (2016). *About the European External Action Service (EEAS)* [online]. EEAS. Available at: https://eeas.europa.eu/headquarters/headquarters-homepage/82/about-european-external-action-service-eeas_en [Accessed 22 July 2019].

EEAS (2016). *High Representative/Vice President* [online]. EEAS. Available at: https://eeas.europa.eu/headquarters/headquarters-homepage/3598/high-representativevice-president_en [Accessed 11 July 2019].

EEAS (2018). *Speech by HR/VP Mogherini at the plenary session of the European Parliament on the state of the EU-China relations* [online]. EEAS. Available at: https://eeas.europa.eu/headquarters/headquarters-homepage/50337/speech-hrvp-mogherini-plenary-session-european-parliament-state-eu-china-relations_en [Accessed 2 October 2019].

EEAS (2019). *EU keen to strengthen security ties with Asia: foreign policy chief* [online]. EEAS. Available at: https://eeas.europa.eu/headquarters/headquarters-homepage/66206/eu-keen-strengthen-security-ties-asia-foreign-policy-chief_en [Accessed 2 October 2019].

EULEX-KOSOVO (2019). *What is EU Foreign Policy?* [online]. EULEX-KOSOVO. Available at: <https://www.eulex-kosovo.eu/?page=2,21> [Accessed 22 July 2019].

EUR-Lex (2019). *Glossary of summaries. COMMON FOREIGN AND SECURITY POLICY (CFSP)* [online]. EUR-Lex. Available at: https://eur-lex.europa.eu/summary/glossary/foreign_security_policy.html [Accessed 10 July 2019].

EUR-Lex (2019). *Glossary of summaries. COUNCIL OF THE EUROPEAN UNION* [online]. EUR-Lex. Available at: https://eur-lex.europa.eu/summary/glossary/eu_council.html [Accessed 10 July 2019].

EUR-Lex (2019). *Glossary of summaries. EUROPEAN COMMISSION* [online]. EUR-Lex. Available at: https://eur-lex.europa.eu/summary/glossary/european_commission.html [Accessed 10 July 2019].

EUR-Lex (2019). *Glossary of summaries. EUROPEAN COUNCIL* [online]. EUR-Lex. Available at: https://eur-lex.europa.eu/summary/glossary/european_council.html [Accessed 10 July 2019].

EUR-Lex (2019). *Glossary of summaries. EUROPEAN EXTERNAL ACTION SERVICE (EEAS)* [online]. EUR-Lex. Available at: https://eur-lex.europa.eu/summary/glossary/eu_external_action_service.html [Accessed 10 July 2019].

EUR-Lex (2019). *Glossary of summaries. HIGH REPRESENTATIVE OF THE UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY* [online]. EUR-Lex. Available at: https://eur-lex.europa.eu/summary/glossary/high_representative_cfsp.html?locale=en [Accessed 10 July 2019].

EUR-Lex (2019). “REGULATION (EU) 2019/452 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL” [online]. *Official Journal of the European Union*. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0452&from=EN> [Accessed 22 October 2019].

European Commission (2011). “*What did the Lisbon Treaty change?*” [online]. *European Commission*. Available at: https://trade.ec.europa.eu/doclib/docs/2011/june/tradoc_147977.pdf [Accessed 26 July 2019].

European Commission (2014). *Joint Statement: Deepening the EU-China Comprehensive Strategic Partnership for mutual benefit* [online]. European Commission. Available at: https://europa.eu/rapid/press-release_STATEMENT-14-89_en.htm [Accessed 10 October 2019].

European Commission (2015). *The EU and China: A solid partnership - Speech by*

President Juncker at the EU-China Business Summit [online]. European Commission. Available at: https://europa.eu/rapid/press-release_SPEECH-15-5278_en.htm [Accessed 10 October 2019].

European Commission (2015). “EU-China Summit joint statement” [online]. *European Commission*. Available at: https://ec.europa.eu/transport/sites/transport/files/themes/international/bilateral_cooperation/doc/bilateral_eu_china_statement.pdf [Accessed 10 October 2019].

European Commission (2015). “Memorandum of Understanding between the National Development and Reform Commission of the People's Republic of China and the European Commission on establishing a Connectivity Platform between China and the EU” [online]. *European Commission*. Available at: <https://ec.europa.eu/transparency/regdoc/rep/3/2015/EN/3-2015-6512-EN-F1-1-ANNEX-1.PDF> [Accessed 10 October 2019].

European Commission (2019). *Vice-President Katainen's keynote address at the EU-China Business Association lunch on 6 May 2019* [online]. European Commission. Available at: https://ec.europa.eu/commission/commissioners/2014-2019/katainen/announcements/vice-president-katainens-keynote-address-eu-china-business-association-lunch-6-may-2019_en [Accessed 12 October 2019].

European Commission (2019). “EU-China – A strategic outlook” [online]. *European Commission*. Available at: <https://ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategic-outlook.pdf> [Accessed 20 October 2019].

European Commission (2019). “DG Trade Statistical Guide” [online]. *European Commission*. Available at: http://trade.ec.europa.eu/doclib/docs/2013/may/tradoc_151348.pdf [Accessed 21 July 2019].

European Commission (2019). Trade [online]. *European Commission*. Available at: https://ec.europa.eu/info/policies/trade_en [Accessed 11 July 2019].

European Council (2019). *In focus. The European Council* [online]. European Council. Available at: <https://www.consilium.europa.eu/en/european-council/> [Accessed 21 July 2019].

European Parliament (2019). *Making the most of globalisation: EU trade policy explained* [online]. European Parliament. Available at: <http://www.europarl.europa.eu/news/en/headlines/economy/20190528STO53303/making-the-most-of-globalisation-eu-trade-policy-explained> [Accessed 22 July 2019].

European Political Strategy Centre (2018). “Geopolitical Outlook for Europe Confrontation vs Cooperation” [online]. *European Commission*. Available at: https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_geopolitical.pdf [Accessed 12 October 2019].

European Union (2019). *About the EU* [online]. European Union. Available at: https://europa.eu/european-union/about-eu/figures/economy_en [Accessed 29 July 2019].

Federal Foreign Office (2019). *CFSP – Instruments* [online]. Federal Foreign Office. Available at: <https://www.auswaertiges-amt.de/en/aussenpolitik/europa/aussenpolitik/gasp/instrumentegasp-node> [Accessed 29 July 2019].

Gainar, Maria (2016). *European Political Cooperation (1970-1993)* [online]. LabEx EHNE. Available at: <http://ehne.fr/en/node/1080> [Accessed 29 July 2019].

Garcia, Alicia and Xu, Jianwei (2016). “China’s Belt and Road initiative: can Europe expect trade gains?” [online]. *Bruegel*. Available at: <https://bruegel.org/wp-content/uploads/2016/09/WP-05-2016.pdf> [Accessed 2 July 2019].

Grieger, Gisela (2019). “EU framework for FDI screening” [online]. *European Parliament*. Available at: [http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/614667/EPRS_BRI\(2018\)614667_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/614667/EPRS_BRI(2018)614667_EN.pdf) [Accessed 22 October 2019].

Gstöhl, Sieglinde and De Bièvre, Dirk (2018). *The Trade Policy of the European Union*. Basingstoke: Palgrave Macmillan.

Güçlü, Bahar (2018). “EU COMPETENCES ON TRADE POLICY: OPINION 2/15 AND PROSPECTS FOR FUTURE EU TRADE AGREEMENTS” [online]. Dünya Süper Veb Ofset AŞ. Available at: [https://www.ikv.org.tr/images/files/EU%20Trade%20Policy%20Competences%20Jan2018BaharGuclu\(1\).pdf](https://www.ikv.org.tr/images/files/EU%20Trade%20Policy%20Competences%20Jan2018BaharGuclu(1).pdf) [Accessed 26 July 2019].

Hallgren, Fredrik and Abeleen, David (2019) "CHINA'S BELT & ROAD INITIATIVE. WHAT'S IN IT FOR SWEDISH COMPANIES?" [online]. *Business Sweden*. Available at: <http://beta.business-sweden.se/globalassets/grow-global/articles-global/region-insights/chinas-belt--road-initiative/china---belt-and-road-initiative.pdf> [Accessed 6 July 2019].

Hanemann, Thilo; Huotari, Mikko and Kratz, Agatha (2019). "CHINESE FDI IN EUROPE: 2018 TRENDS AND IMPACT OF NEW SCREENING POLICIES" [online]. *Rhodium Group and Mercator Institute for China Studies*. Available at: https://www.merics.org/sites/default/files/2019-03/190311_MERICS-Rhodium%20Group_COFDI-Update_2019_0.pdf [Accessed 28 October 2019].

International Monetary Fund (2019). *Real GDP growth* [online]. International Monetary Fund. Available at: https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD/CHN [Accessed 28 June 2019].

Lau, Hilary; Sun, Monica and Li, Jie (2018). *CHINA'S BELT AND ROAD INITIATIVE: PROJECTS PAVE THE WAY* [online]. Herbert Smith Freehills. Available at: <https://www.herbertsmithfreehills.com/latest-thinking/chinas-belt-and-road-initiative-projects-pave-the-way> [Accessed 28 June 2019].

Lehne, Stefan (2017). "IS THERE HOPE FOR EU FOREIGN POLICY?" [online]. Carnegie Europe. Available at: https://carnegieendowment.org/files/CP_322_Lehne_EU1.pdf [Accessed 12 July 2019].

Liu, Zuokui (2018). "Europe's Protectionist Position on the Belt and Road Initiative and Its Influence" [online]. *China International Studies*. Available at: <https://heinonline.org/HOL/LandingPage?handle=hein.journals/chintersd72&div=12&id=&page> [Accessed 12 November 2019].

McKinsey&Company (2016). *China's One Belt, One Road: Will it reshape global trade?* [online]. McKinsey&Company. Available at: <https://www.mckinsey.com/featured-insights/china/chinas-one-belt-one-road-will-it-reshape-global-trade> [Accessed 3 July 2019].

Ministry for Foreign Affairs of Finland (2019). *Common Commercial Policy of the EU* [online]. Ministry for Foreign Affairs of Finland. Available at: <https://um.fi/common-commercial-policy-of-the-eu> [Accessed 23 July 2019].

Mission of the People's Republic of China to the European Union (2015). *Q&A on China's 'road and belt' initiative* [online]. Mission of the People's Republic of China to the European Union. Available at: <http://www.chinamission.be/eng/zgggfz/ydyl12/t1260607.htm> [Accessed 1 July 2019].

Morgan Stanley (2018). *Inside China's Plan to Create a Modern Silk Road* [online]. Morgan Stanley. Available at: <https://www.morganstanley.com/ideas/china-belt-and-road> [Accessed 2 July 2019].

Morillas, Pol (2014). *Actores y procesos en la política exterior y de seguridad común*. In Barbé, Esther (2014). *La Unión Europea en las Relaciones Internacionales*. Madrid: Editorial Tecnos.

Morrison, Wayne M. (2019). “China’s Economic Rise: History, Trends, Challenges, and Implications for the United States” [online]. *Congressional Research Service*. Available at: <https://fas.org/sgp/crs/row/RL33534.pdf> [Accessed 5 July 2019].

Müller-Markus, Christina (2016). “One Belt, One Road: the Chinese Dream and its Impact on Europe” [online]. CIDOB. Available at: https://www.cidob.org/en/publications/publication_series/notes_internacionales/n1_148_one_belt_one_road_el_sueno_chino_y_su_impacto_sobre_europa/one_belt_one_road_the_chinese_dream_and_its_impact_on_europe [Accessed 4 July 2019].

National Development and Reform Commission (2015). *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road* [online]. National Development and Reform Commission Available at: http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html [Accessed 28 June 2019].

Peng, Qinqin and Jia, Denise (2017). *China State Banks Provide Over \$400 Bln of Credits to Belt and Road Projects* [online]. Caixin. Available at: <https://www.caixinglobal.com/2017-05-12/china-state-banks-provide-over-400-bln-of-credits-to-belt-and-road-projects-101089361.html> [Accessed 6 July 2019].

Qiao Liang, Gen. (2015). *One belt, one road* [online]. Limes, Rivista Italiana di Geopolitica. Available at: http://www.limesonline.com/en/one-belt-one-road?refresh_ce [Accessed 4 July 2019].

Reuters (2019). *With eyes on China, EU lawmakers back investment screening* [online]. Reuters. Available at: <https://www.reuters.com/article/us-eu-china-investment/with->

eyes-on-china-eu-lawmakers-back-investment-screening-idUSKCN1Q31JU [Accessed 5 June 2019].

Rolland, Nadège (2019). *A Concise Guide to the Belt and Road Initiative* [online]. The National Bureau of Asian Research. Available at: <https://www.nbr.org/publication/a-guide-to-the-belt-and-road-initiative/> [Accessed 28 June 2019].

Shepard, Wade (2017). *Beijing To The World: Don't Call The Belt And Road Initiative OBOR* [online]. Forbes. Available at: <https://www.forbes.com/sites/wadeshepard/2017/08/01/beijing-to-the-world-please-stop-saying-obor/#3507800617d4> [Accessed 3 July 2019].

Schill, Stephan W. (2019). “The European Union’s Foreign Direct Investment Screening Paradox: Tightening Inward Investment Control to Further External Investment Liberalization” [online]. *Legal Issues of Economic Integration*. Available at: <http://www.kluwerlawonline.com/abstract.php?area=Journals&id=LEIE2019007> [Accessed 28 October 2019].

South China Morning Post (2015). *One belt, one road initiative will define China’s role as world leader* [online]. South China Morning Post. Available at: <https://www.scmp.com/comment/insight-opinion/article/1753773/one-belt-one-road-initiative-will-define-chinas-role-world> [Accessed 3 July 2019].

Soyres, François; Mulabdic, Ale; Murray, Siobhan; Rocha, Nadia and Ruta, Michele (2018). “How Much Will the Belt and Road Initiative Reduce Trade Costs?” [online]. *World Bank*. Available at: <http://documents.worldbank.org/curated/en/592771539630482582/pdf/WPS8614.pdf> [Accessed 1 July 2019].

Stanzel, Angela (2017). *China’s Belt and Road – new name, same doubts?* [online]. European Council on Foreign Relations. Available at: https://www.ecfr.eu/article/commentary_chinas_belt_and_road_new_name_same_doubts# [Accessed 1 July 2019].

Techau, Jan (2010). “The Five Structural Problems of EU Foreign Policy” [online]. *Konrad-Adenauer-Stiftung*. Available at: https://www.kas.de/documents/252038/253252/7_dokument_dok_pdf_19799_2.pdf/c5c9140c-20dc-95c5-57d7-146587b20558?version=1.0&t=1539661017156 [Accessed 22 July 2019].

The State Council (2019). *THE BELT AND ROAD INITIATIVE* [online]. The State Council. Available at: <http://english.gov.cn/beltAndRoad/> [Accessed 28 June 2019].

Tiezzi, Shannon (2014). The New Silk Road: China's Marshall Plan? [online]. The Diplomat. Available at: <https://thediplomat.com/2014/11/the-new-silk-road-chinas-marshall-plan/> [Accessed 2 July 2019].

UNESCO (2019). *About the silk road* [online]. UNESCO. Available at: <https://en.unesco.org/silkroad/about-silk-road> [Accessed 28 June 2019].

Wang, Yiwei (2015). "China's "New Silk Road": A Case Study in EU-China Relations" [online]. *Italian Institute for International Political Studies*. Available at: https://www.ispionline.it/it/EBook/CHINA.POLICY.2015/CHINA.POLICY_Cap.6_EBOOK.pdf [Accessed 5 July 2019].

Woolcock, Stephen (2010). *EU Trade and Investment Policymaking After the Lisbon Treaty* [online]. Intereconomics. Available at: <https://archive.intereconomics.eu/year/2010/1/eu-trade-and-investment-policymaking-after-the-lisbon-treaty/search/EU+Trade+and+Investment+Policymaking+After+the+Lisbon+Treaty./0/> [Accessed 26 July 2019].

World Bank (2018). *Belt and Road Initiative* [online]. World Bank. Available at: <https://www.worldbank.org/en/topic/regional-integration/brief/belt-and-road-initiative> [Accessed 4 July 2019].

World Bank (2019). *China* [online]. World Bank. Available at: <https://data.worldbank.org/country/china> [Accessed 2 July 2019].

Zeneli, Valbona (2019). *Italy Signs on to Belt and Road Initiative: EU-China Relations at Crossroads?* [online]. The Diplomat. Available at: <https://thediplomat.com/2019/04/italy-signs-on-to-belt-and-road-initiative-eu-china-relations-at-crossroads/> [Accessed 3 June 2019].