



ΣΧΟΛΗ ΔΙΕΘΝΩΝ ΣΠΟΥΔΩΝ, ΕΠΙΚΟΙΝΩΝΙΑΣ ΚΑΙ ΠΟΛΙΤΙΣΜΟΥ  
ΤΜΗΜΑ ΔΙΕΘΝΩΝ, ΕΥΡΩΠΑΪΚΩΝ & ΠΕΡΙΦΕΡΕΙΑΚΩΝ ΣΠΟΥΔΩΝ  
ΠΡΟΓΡΑΜΜΑ ΜΕΤΑΠΤΥΧΙΑΚΩΝ ΣΠΟΥΔΩΝ  
«ΔΙΕΘΝΕΙΣ ΣΧΕΣΕΙΣ ΚΑΙ ΣΤΡΑΤΗΓΙΚΕΣ ΣΠΟΥΔΕΣ»

The United States of America, the European Union,  
and the challenge of a rising China

ΔΙΠΛΩΜΑΤΙΚΗ ΕΡΓΑΣΙΑ

Ευγενία Χατζηαντωνίου  
Α.Μ.: 1220Μ015

Αθήνα, 2021

Τριμελής Επιτροπή:

Χαράλαμπος Παπασωτηρίου, Καθηγητής Παντείου Πανεπιστημίου (Επιβλέπων)

Κωνσταντίνος Τσιμώνης, Αναπληρωτής Καθηγητής Παντείου Πανεπιστημίου

Κωνσταντίνος Υφαντής, Καθηγητής Παντείου Πανεπιστημίου



Copyright © Ευγενία Χατζηαντωνίου, 2021

All rights reserved. Με επιφύλαξη παντός δικαιώματος.

Απαγορεύεται η αντιγραφή, αποθήκευση και διανομή της παρούσας διπλωματικής εργασίας εξ ολοκλήρου ή τμήματος αυτής, για εμπορικό σκοπό. Επιτρέπεται η ανατύπωση, αποθήκευση και διανομή για σκοπό μη κερδοσκοπικό, εκπαιδευτικής ή ερευνητικής φύσης, υπό την προϋπόθεση να αναφέρεται η πηγή προέλευσης και να διατηρείται το παρόν μήνυμα. Ερωτήματα που αφορούν τη χρήση της διπλωματικής εργασίας για κερδοσκοπικό σκοπό πρέπει να απευθύνονται προς τον συγγραφέα.

Με ατομική μου ευθύνη και γνωρίζοντας τις κυρώσεις, που προβλέπονται από τις διατάξεις της παρ. 6 του άρθρου 22 του Ν. 1599/1986, δηλώνω ότι η εργασία που παραδίδω είναι αποτέλεσμα πρωτότυπης έρευνας και δεν χρησιμοποιεί πνευματική ιδιοκτησία τρίτων χωρίς αναφορές.

Αναλαμβάνω όλες τις νομικές και διοικητικές συνέπειες σε περίπτωση που αποδειχθεί ότι η εργασία μου αποτελεί προϊόν λογοκλοπής ή προϊόν τρίτων.

Η έγκριση της διπλωματικής εργασίας από το Πάντειο Πανεπιστήμιο Κοινωνικών και Πολιτικών Επιστημών δεν δηλώνει αποδοχή των γνώμων του συγγραφέα.

## **Abstract**

The purpose of this dissertation is to explore the response of the United States and the European Union with respect to China's economic rise. In our analysis we will apply Henry Kissinger's theoretical framework. Economy will be regarded as an element of high politics, as Kissinger's theory proposes. We will examine the "Chinese miracle" as a phenomenon that can be attributed to China's international trade policies and the special characteristics of its domestic economy on the one hand and on the other to the effect of nationalism in its interior. We will first examine how international trade affects foreign relations and then we will proceed with a study of the Chinese economy. In this section we will identify China's domestic priorities as well as the way the Belt and Road Initiative has contributed to Chinese growth and prosperity. The second part will focus on the role of ideology and Chinese rhetoric. We will underline the importance of nationalism and the ways in which it acts as a source of legitimacy of the Chinese Communist Party. The third part will analyze the various challenges that China poses to the international system. We will also evaluate the strategies promoted by the United States and by the European Union.

*Key words: China, EU, USA, globalization, world order, nationalism, economy, trade*

*Στους γονείς μου*

## Table of Contents

Abstract .....	2
Table of Contents .....	4
Introduction .....	5
Literature Review .....	7
Methodology .....	10
Analysis .....	11
China's economic outlook.....	11
Chinese economy in a globalized world .....	11
The Belt and Road Initiative .....	16
The role of political ideology .....	20
China: The peaceful rise that fostered national pride.....	21
A geopolitical assessment of international relations .....	22
Findings .....	26
Bibliography.....	29

## Introduction

China's spectacular economic growth has raised several questions. The purpose of this dissertation is to explore whether, having become one of the world's top economies, China will seek to review the existing rules of the trade system. We will also try to assess the response of the United States and the European Union with respect to China's economic rise. The theoretical framework used in our analysis will be the one that Henry Kissinger develops in his book *World Order: Reflections on the Character of Nations and the Course of History*. We chose this method of analysis because it belongs to the realist school yet regards economy as an element of high politics.

To decide upon whether China has revisionist aspirations or not, we need to have a brief look at how globalization has transformed the world order. We will then investigate China's domestic economy to identify the country's strengths and weaknesses. After this, we will be able to comprehend the motives behind the Chinese global initiative, but also discern the vital points of its strategy. We will see how some Chinese domestic challenges, namely, the country's housing bubble, its growing economic penetration into foreign markets, the unusually low exchange rate of its currency (renminbi) etc., affect global economy. We will then shift our attention to the impact of the prominent Belt and Road Initiative (BRI) on the balance of trade relations among states and on global economy in general. The impressive number of the countries involved in the BRI, indicates the growing influence of Chinese economy. It also causes concern to several states that do not participate in the initiative and hold the view that the growing participation of other states to China's initiative is a threat to their own trade interests. Another worry prompted by the BRI has to do with the terms it entails. Many critics sharply reprove this scheme for creating debt traps that could have detrimental effects on the national economies of non-Chinese BRI partners. In this section we will examine the extent to which such claims are legitimate as well as the argument concerning Chinese expansionism to the detriment of other major players in global trade such as the United States (US) and the European Union (EU).

Having reflected on the economic motives behind China's plans and the country's geopolitical priorities, we shall proceed with a study of the function of ideology within the People's Republic of China. In the corresponding chapter, ideology will be examined as an element of special gravity for various reasons. In our view, ideology affects the official rhetoric of the government and acts as its source of legitimacy. Even in countries that do not have the checks and balances that are inherent in the democratic states, the exploration of ideology through the prism of each country's particular values can provide us with valuable information about the ways in which state leadership can be bound by the announcement of its intentions and strategies. In other words, ideology may trap state leaders in a policy from which it cannot deviate without severely damaging their country's prestige and reliability. We will investigate the function of nationalism in the context of Chinese rhetoric and explore the ways in which nationalism works both on a national and on a global scale.

We will also underline how shifts in governmental rhetoric may be perceived as a threat by other governments. In some cases, this could trigger the fear that the use of a more provocative rhetoric nurtures ambitions of world domination. In this vein, we believe that there is a gray area where the ideologically charged pronouncements of one government interact with values of other states, thus promoting a certain reaction in the interior of those states. We will try to understand the nature of this interaction and assess the influence these pronouncements have in foreign relations. We believe that ideology can fuel an interstate public debate that might lead to the manipulation of public opinion within democratic states.

To complete our analysis, we will give an overview of how the promotion of Chinese national interests affects certain geopolitical priorities of the United States and the European Union. This analysis will be limited to the Southeast Asian region. For the greater part we will investigate the main actors' strategies and activities in the Pacific Ocean and the maritime routes leading to China. The material used in this dissertation is composed of primary and secondary sources.

## Literature Review

In this part we will outline Henry Kissinger's theoretical approach to the study of foreign policy. His analysis belongs to the classical realist school of thought of International Relations and places great emphasis on the concept of legitimacy. The reason why we have chosen to apply this theory is partly because we wanted to examine the ways in which power and geopolitics affect international relations in a globalized world but also, because it places emphasis on the micro level, focusing on national variables, such as domestic sensitivities, predominant societal values, and public opinion. Finally, we wanted to explore the implications of the *policy of linkage* (Γκόφας & Τζιφάκης, 2017, pp. 56-57, Guzzini, 1998, pp. 96-97, 100-102). In our view, these variables bring out the priorities of the Chinese government in a very clear and direct way. Also, Kissinger's concept of a "world order" allows us to comprehend and compare the geopolitical and ideological particularities of each of the three main actors involved in this analysis: the United States (US), the European Union (EU) and China.

In his book *World Order: Reflections on the Character of Nations and the Course of History*, Kissinger argues that several varieties of a "world order" have existed in different parts of the globe. He points to the different sources of legitimacy of these concepts, namely religion and culture (Kissinger, *World Order. Reflections on the Character of Nations and the Course of History*, 2014, pp. 8-9). Looking at the 19<sup>th</sup> century European history from an abstract perspective, Kissinger proposed a scheme which he called "traditional European approach to world order". This system was based on multipolarity and sovereign equality of independent states. In this scheme states put aside their contradictory philosophies and internal practices for the sake of a practical *modus operandi*. Through statecraft, a complex mechanism would prevent the emergence of a state powerful enough to dominate the rest, thus the mechanism would secure "each people's interests, integrity, and autonomy" (Kissinger, *World Order. Reflections on the Character of Nations and the Course of History*, 2014, p. 15). A Concert system is based on balance-of-power diplomacy and imbued with a generally accepted set of principles. This legitimate world order would be free to use all necessary means to restore the equilibrium in case of an emerging threat (Guzzini, 1998, pp. 95-96).

However, to function in a modern context, this system needs to address several challenges. To begin with, the number of countries that exist nowadays has increased a lot compared to times of the Congress of Vienna of 1814-1815. Given that all countries are restricted by a set of unique, geopolitical conditions, cooperation has become more intellectually demanding. To make matters worse, some revolutionary polities within the system challenge or even reject the rules of the world order. Moreover, state interdependence has reduced the flexibility and effectiveness of diplomatic maneuvers. Kissinger is deeply concerned about the absence of a shared attitude among foreign policy elite of different states. The situation is aggravated by a clash of incompatible domestic structures. Another factor to take into consideration is the leadership style of each head of state. Variations in leadership style, which could be ideological, bureaucratic-pragmatic, or revolutionary, tend to promote short-term policy conceptions. Also, in modern societies mass support is very important because it legitimizes central authority and enables it to use more power to pursue its goals. Perhaps the most influential component of contemporary states is ideology due to its capacity to provide a sense of identity and purpose for nations which translates into concrete foreign policy priorities. Domestic legitimacy may urge a state to adopt a revisionist attitude or even have a paralyzing effect on its decision-making (Guzzini, 1998, pp. 96-98).

Kissinger juxtaposes the concept of the traditional European world order (or "Westphalian system") with the sense of a world community championed by the United States during the decades that followed the end of World War II. On the one hand, the Westphalian system which Kissinger believed derived from its value-neutral nature was based on a set of rules that



safeguarded the sovereignty of states. Consequently, it promoted noninterference in domestic affairs of other states, inviolability of borders and encouragements of international law. Its major defect was, however, that it did not provide any answer to the question of the source of legitimacy. On the other hand, international leadership under the United States had a fairly defined sense of direction regarding legitimacy: it had to be founded on the idea of free and representative governance and free markets. This system would theoretically lead up to a just and lasting peace that would encompass all regions of the globe as soon as the Cold War came to an end. In this comparison, the Westphalian version is based on the assumption that the nature of peoples and states is inherently competitive, whereas the American view sees people as inherently reasonable and inclined toward peaceful compromise, common sense, and fair dealing. Moreover, free markets are thought to encourage economic interdependence and make societies wealthier. Thus, international conflicts would be unnecessary (Kissinger, *World Order. Reflections on the Character of Nations and the Course of History*, 2014, pp. 244-245).

Furthermore, Kissinger stresses the importance of the economic sphere, which he deems to be a matter of high diplomacy and opposed moralism in foreign policy, regardless of whether moralism led to isolationism or to some other moral crusade. Given that he pursued to include both the Soviet Union and the People's Republic of China in his vision of an international order, it is evident that he did not consider communist ideology in itself as an insurmountable obstacle to international cooperation. The danger lurked in the overlapping of an ideologically charged regime that possesses sophisticated military capabilities and its ability to project them on worldwide scale. Kissinger pursued a policy of negotiated containment by applying "containment where necessary and cooperation where possible". He tried to convert the Soviet Union into a "legitimate power", which would respect the rules of conduct of international society, through a combination of incentives to change its adversary's foreign policy and a "robust military and political posture". In short, détente involved "economic and financial help, recognition of equal status and prestige" that were "dependent on the international behavior of the USSR" (Guzzini, 1998, p. 99).

In this dissertation, we will focus on economic statecraft as a central tool in foreign policy. We will also evaluate the application of the policy of linkage, the use of military sticks and economic carrots, in a world order composed of globalized states (Guzzini, 1998, p. 101). During the cold war period, the military capacities of the Soviet Union posed a strategic threat that actuated the Transatlantic partnership, the Sino-American rapprochement, and to some extent reinforced the European Union's federation project. The dissolution of the Soviet Union has convulsed the bipolar world order. The absence of a strategic threat has had a major influence on the ideologically motivated political groups within the United States and the member states of the European Union. Ideologically charged rhetoric has also had a huge footprint in China. For a long period of time, the United States has enjoyed its unipolar moment on the premise that its democratic and liberal economy values have rendered it the largest economy in the world and have contributed to its unmatched military power.

In recent years however, China has emerged as a challenger. After its accession to the World Trade Organization (WTO), in 2001, under a "developing country status", its market-oriented mixed economy became the second national economy in the world in terms of real GDP.<sup>1</sup> What is truly remarkable about Chinese economy is that it has enjoyed a period of

---

<sup>1</sup> According to the World Bank's Databank, in 2020 the world's 10 largest economies by Gross Domestic Product (GDP) index were: The United States, China, Japan, Germany, the United Kingdom, France, India, Italy, Canada, and the Rep. of Korea.

Information available at: [https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2020&most\\_recent\\_value\\_desc=true&start=1960&view=chart](https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2020&most_recent_value_desc=true&start=1960&view=chart)

sustained high economic growth, as its annual GDP growth rates indicate.<sup>2</sup> Later in our analysis we will see that the Chinese People's Party is faced with serious problems due to the fact that this model is unsustainable in the long run. Nevertheless, this notable, yet brittle, ascent has given rise to great concern to many countries whose economies are largely dependent on trade relations with China, mainly to the United States. The European Union is also in a very vulnerable position given the fact that it is China's biggest trading partner and China is the EU's second-biggest trading partner behind the US (EU Trade Policy : Countries and regions - China).

The problem that arises reminds us of the concept of Thucydides's trap, as articulated by Graham Allison in his book *Destined for War*. According to this trap, when a rising power rivals a ruling power, there is a high probability that their competition will escalate into a war. Allison examines several cases and concludes that most of them have indeed led to a war, yet there are exceptions where peace has prevailed due to apt recalibrations in the attitudes and actions of governments and societies on both sides (Allison, 2017, pp. 190-191, 194, 198-200, 206-213). In Kissinger's view, as presented in his book *On China*, a disastrous collision between China and the United States across the Pacific can be avoided if political leaders pursue a cooperative approach, instead of dealing with each other as competing blocs (Γκόφας & Τζιφάκης, 2017, pp. 56-59). He remarks that the United States and China are both "too large to be dominated, too special to be transformed, and too necessary to each other to be able to afford isolation" (On China, 2011, p. 413).

Another important factor of consideration is that China and the US represent two different versions of exceptionalism and that their relations are characterized by mutual mistrust. According to Kissinger, "the Chinese fear that America is seeking to contain China" and the Americans that "China is seeking to expel the United States from Asia". He explains that "the United States has often been motivated by visions of the universal relevance of its ideals and of a proclaimed duty to spread them", whereas "China has acted on the basis of its singularity; it expanded by cultural osmosis, not missionary zeal". Kissinger recognizes the existence of cultural, historic, and strategic gaps that could pose great challenges for the leaders on both sides and underlines the importance of consultation and mutual respect as two very important factors that will allow them to pursue their national aspirations in parallel. In this regard, the creation of a "Pacific Community", a joint system where the United States, China, and other major countries such as Japan, Indonesia, Vietnam, India, and Australia can participate, would thwart the likelihood of a devastating war. Alike the Atlantic Community, which emerged at the end of the Second World War, the Pacific Community shall be founded on shared purposes and the elaboration of them (Kissinger, On China, 2011, pp. 445-447).

In our analysis we shall examine the ways in which foreign policy is intertwined with domestic policy. By placing emphasis on the role of the ruling power's closest ally, the European Union, which we believe is catalytic, we will study the Sino-American competition through a different lens. We will also underline the impact of globalization in the post-cold war world order system and explore the limits that market forces pose on foreign policy and on linkage instruments. Furthermore, in this dissertation we will focus on the role of legitimacy and on how ideology defines the conduct of diplomatic relations and the formation of international partnerships. To this end we will emphasize the imprint of ideology on the development and execution of national plans dealing with geopolitical priorities.

---

<sup>2</sup> The COVID-19 pandemic has had devastating consequences for most economies around the world. Nonetheless, the related data indicate that China has endured the shock.

Information available at:

<https://www.macrotrends.net/countries/CHN/china/gdp-gross-domestic-product>

Our main hypothesis is that under the current world order, globalization and democratic values render the use of linkage policy tools highly controversial for national governments of states that abide by democratic values and comply with the rules of market economy. On the contrary, states that do not safeguard a high level of protection and respect for human rights and democratic values are faced with less state-level institutional constraints and are less restrained by public opinion. Their governments control the state mechanism; hence, they have the capacity to apply military sticks and economic carrots freely to pursue their geopolitical objectives. In the analysis that follows we will put forth the reasons for which we maintain this position.

## **Methodology**

In this section we will describe in detail our plan of analysis and we will outline the reasoning behind its adoption. This dissertation is an attempt to evaluate the use of economic tools through a realist lens. Nonetheless, in this analysis economy will be regarded as an element of high politics, as Kissinger's theory proposes, and great emphasis will be placed on the role of international trade with respect to foreign relations. China's spectacular economic growth has raised several questions. Our main question is whether, having become one of the world's top economies, China will seek to review the existing rules of the trade system.

To decide upon whether China has revisionist aspirations or not, we need to have a brief look at how globalization has transformed the world order. We will then investigate China's domestic economy in order to identify the country's strengths and weaknesses. After this, we will be able to comprehend the motives behind the Chinese global initiative, but also discern the vital points of its strategy. We will see how some Chinese domestic challenges, namely, the country's housing bubble, its growing economic penetration into foreign markets, the unusually low exchange rate of its currency (renminbi) etc., affect global economy. We will then shift our attention to the impact of the prominent Belt and Road Initiative (BRI) on the balance of trade relations among states and on global economy in general. The impressive number of the countries involved in the BRI, indicates the growing influence of Chinese economy. It also causes concern to several states that do not participate in the initiative and hold the view that the growing participation of other states to China's initiative is a threat to their own trade interests. Another worry prompted by the BRI has to do with the terms it entails. Many critics sharply reprove this scheme for creating debt traps that could have detrimental effects on the national economies of non-Chinese BRI partners. In this section we will examine the extent to which such claims are legitimate as well as the argument concerning Chinese expansionism to the detriment of other major players in global trade such as the United States (US) and the European Union (EU).

Having reflected on the economic motives behind China's plans and the country's geopolitical priorities, we shall proceed with a study of the function of ideology within the People's Republic of China. In the corresponding chapter, ideology will be examined as an element of special gravity for various reasons. In our view, ideology affects the official rhetoric of the government and acts as its source of legitimacy. Even in countries that do not have the checks and balances that are inherent in the democratic states, the exploration of ideology through the prism of each country particular values can provide us with valuable information about the ways in which state leadership can be bound by the announcement of its intentions and strategies. In other words, ideology may trap state leaders in a policy from which it cannot deviate without severely damaging their country's prestige and reliability. We will investigate the function of nationalism in the context of Chinese rhetoric and explore the ways in which nationalism works both on a national and on a global scale.

We will also underline how shifts in governmental rhetoric may be perceived as a threat by other governments. In some cases, this could trigger the fear that the use of a more provocative rhetoric nurtures ambitions of world domination. In this vein, we believe that there is a gray area where the ideologically charged pronouncements of one government interact with values of other states, thus promoting a certain reaction in the interior of those states. We will try to understand the nature of this interaction and assess the influence these pronouncements have in foreign relations. We believe that ideology can fuel an interstate public debate that might lead to the manipulation of public opinion within democratic states.

To complete our analysis, we will give an overview of how the promotion of Chinese national interests affects certain geopolitical priorities of the United States and the European Union. This analysis will be limited to certain geographical areas that are very important for China, the United States, and the European Union. For the greater part we will investigate the main actors' strategies and activities in the Pacific Ocean and the maritime routes leading to China.

The material used in this dissertation is composed of primary and secondary sources. The academic work of scholars from different fields of science, namely from international relations and economy, elucidated several complex concepts that were necessary for our analysis. We also used official documents of the US government and the EU institutions, opinions, committee reports, and speeches of scholars and experts published in the press as well as selected news articles that highlighted certain important aspects of the topics covered.

## **Analysis**

### ***China's economic outlook***

#### *Chinese economy in a globalized world*

Before we proceed with the study of Chinese economy policies and the challenges they pose to global economy, we will touch upon the main characteristics of contemporary globalization. In recent years, we witness the rise in the volume of cross-border transactions, in the form of movements of people, goods, capital, technology, telecommunication etc. as well as an increase in the numbers of multinational companies. There is a tendency for a gradual removal of state restrictions on international transfers of resources through the enforcement of multilateral and bilateral trade agreements. In 1999, after seven and a half years of multilateral negotiations, the World Trade Organization (WTO) was created, replacing the General Agreement on Tariffs and Trade (GATT) of 1948. The WTO is an intergovernmental organization with a mandate to regulate and facilitate international trade between states, through the enforcement of existing trade agreements and the encouragement of liberalization of international trade. It provides a forum for negotiations among its member states and administers a dispute settlement body that renders decisions on matters dealt with under its rules. It cooperates with the International Monetary Fund (IMF), which regulates financial transactions and promotes international monetary cooperation, and other international organizations. In recent decades, international trade, and money movements, in the form of foreign direct investments (FDI, which could be liquid assets like loans, bonds and shares, or fixed assets such as facilities and factories) have become indispensable for national economies and have led to an increase of the standards of living worldwide. Moreover, technological evolution has facilitated the growth of transborder economy and the proliferation of multinational companies. Consequentially, transborder currencies, supranational banking, securities (Scholte, 2001).

On the other hand, the salient increase in international trade and financial transactions has also had a strong impact on national economies. To attract FDI, several states choose to

lower corporate tax rates or reduce restriction on the movement of capitals. Some might relax their labor or environmental legislation standards or introduce other practices that have a distortive effect on global trade, since the competition becomes a race to the bottom. Within each economy there is a group of sceptics that opposes the trend of openness to a world economy, because they cannot compete against the economies of scale. Powerful multinational companies can break down their production line into stages completed in different countries, thus they can exploit cost differentials between locations. Also, these companies have access to cheaper materials, components, machinery, finance, etc. and therefore they can improve the quality of their products more easily. Multinational companies often engage in country-hopping: the movement of factories to countries that guarantee a reduction of production costs; this practice has inexorable socioeconomic consequences for the areas whose economies are dependent on the industries that move abroad. In some cases, firms might relocate only certain stages of their production. To combat these practices, states offer waivers on labor regulations, tax reductions, or even subsidies. Transnational capital flows are usually followed by supraterritorial securities and derivatives, which involve issuers, exchanges, currencies etc. of multiple countries. Nowadays, most investment portfolios are globalized, and security markets are interlinked. Therefore, the effects of a stock market crash can be felt in other markets worldwide within hours (Scholte, 2001).

We can observe that contemporary world economy is characterized by growing wealth gaps between countries, but also within countries, given that rural districts do not profit as much as urban and industrial areas do. Furthermore, albeit technology has facilitated international trade activity, geographical limitations and several territorial monopolies continue to exist. In this regard, rather than signaling the demise of states, globalization has redefined the role of territorial states in the world system. Some states have decided to promote collaboration through special economic zones, whereas others have resorted to various restrictions of transnational economic activity or have used their central banks to manipulate money supplies and interest rates. Apart from the purely economic concerns, another worrying aspect for sceptics is that of cultural homogenization. Some anti-globalists fear that globalized commerce might result in a growing pressure of cosmopolitan orientations on their national identities. Seldom if ever, exhortations to “buy national products” instead of imported foreign products manage to convince consumers (Scholte, 2001).

Having a long tradition of conservative mentality, China struggled to shift into modernity and a globalized world (Kissinger, *On China*, 2011, p. 360). Deng Xiaoping’s economic reforms of 1978 aimed to reverse the dreadful effects the *Great Leap Forward* had on Chinese economy.<sup>3</sup> He furthered China’s opening to the West. Instead of ideological purity, he promoted the depoliticization of society and pushed for changes in the spirit of market economy, a concept he described as “socialism with Chinese characteristics”. Deng Xiaoping’s strategy for the modernization of the Chinese state focused on four sectors: 1. agriculture, 2. industrial production, 3. national security, and 4. science & technology. Following the example of the *Four Asian Tigers*<sup>4</sup>, he opened Chinese economy to international trade with emphasis on exports and foreign direct investments. A key element in his planning was the introduction of several *Special*

---

<sup>3</sup> In 1958, the Chinese Communist Party under the leadership of Mao Zedong introduced a five-year plan, known as the *Great Leap Forward*, which sought to modernize China’s agricultural sector through forced agricultural collectivization and rural industrialization. It resulted in mass starvation and famine and caused the deaths of approximately 30-45 million people. It was abandoned in 1961.

<sup>4</sup> The economies of South Korea, Singapore, Taiwan, Hong Kong, known as the *Four Asian Tigers*, gained worldwide fame due to their surprisingly high annual growth rates. There is a lot of debate among economists regarding the factors that brought about this outstanding growth. Some point to the export-oriented policies of the Four Asian Tigers, whereas others underline the explanatory quality of the exceptionally high savings rates within these economies, which are used in investment (Krugman & Obstfeld, 2011, σσ. 427-432).

*Economic Zones* (SEZ), located in the coastal part of China. SEZs were allowed to adopt free market-oriented policies and thus attract foreign investment through lower taxes. This resulted in the relocation of labor-intensive export-led industries to SEZs (Παπασωτηρίου, 2013, pp. 328-345).

In 2001, the People's Republic of China officially became WTO's 143<sup>rd</sup> member after 15 years of negotiations (WTO, 2011). The concerns are crystalized in its accession agreement and included: several systemic reforms with a view to promote transparency, rectification of several of its policies - notably in agriculture, tariff reductions, removal of technical barriers to trade etc. Nonetheless, several of its partners, namely the EU, have argued that Chinese companies do not operate under the rules of marked. Therefore, China should not be considered as market economy. The Chinese government issues massive subsidies to state-owned enterprises and large private companies and these entities export their products at unfairly low prices, in order to drive their competitors out of the market. China's critics question the validity of the data presented by the country's officials to counter the accusations related to dumping practices (Πετρόπουλος, 2017). Moreover, WTO rules grant China the right to self-report as a developing nation and thus benefit from its special provisions (Levine, 2020).<sup>5</sup>

Despite the impressive rise of China as a global economic power, its internal economy continues to face numerous challenges. Probably the most pressing issue of its domestic affairs is the creation of at least 20 million jobs per year. This overwhelming number corresponds to the extent of internal migration flows from the poverty-stricken provinces of inland China toward its affluent coastal cities. The country's current economic model has relied on its exports and on subsidies. However, its economic model has become unsustainable in the long run, given that Chinese labor-intensive production and torrential exports have already raised China to the second place among national economies worldwide. Therefore, there is little room for further growth through these means (Παπασωτηρίου, 2013, pp. 348-349). As we can see in the table below, from 2010 onwards there is a gradual decline in China's annual growth rates. In 2020, they reached a record low when they fell to 2.30%, a figure that exhibits the impact of the COVID-19 pandemic.

*Table 1: Chinese GDP (in billion \$), GDP Per Capita & Annual Growth rates*

<b>Year</b>	<b>GDP</b>	<b>Per Capita</b>	<b>Growth</b>
2020	\$14,722.73B	\$10,500	2.30%
2019	\$14,279.94B	\$10,217	5.95%
2018	\$13,894.82B	\$9,977	6.75%
2017	\$12,310.41B	\$8,879	6.95%
2016	\$11,233.28B	\$8,148	6.85%
2015	\$11,061.55B	\$8,067	7.04%
2014	\$10,475.68B	\$7,679	7.43%
2013	\$9,570.41B	\$7,051	7.77%
2012	\$8,532.23B	\$6,317	7.86%

<sup>5</sup> For a clearer view of the developing countries status within the WTO framework: [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/dev1\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/dev1_e.htm) [Retrieved November 29, 2021]



Year	GDP	Per Capita	Growth
2011	\$7,551.50B	\$5,618	9.55%
2010	\$6,087.16B	\$4,550	10.64%

*Source: World Bank national accounts data, and OECD National Accounts data files.*

Regarding China's macroeconomics, we need to make some important remarks. One the peculiarity of the Chinese system is its heightened sensitivity to inflation fluctuations. This phenomenon can be explained through the unusually high savings rates of Chinese households, which in turn is linked to the "one-child policy"<sup>6</sup>. Due to the defects of the Chinese welfare system, which is interlinked with the Hukou system of household registration<sup>7</sup>, Chinese citizens provide for their old age by saving money. These savings are kept in four major banks which provide loans primarily on political criteria. These loans are directed to public entities, such as universities, local governments etc. with the prospect of investing them in infrastructure projects. However, most of these investments do not have high returns. Chinese internal economy is oriented toward saving rather than consuming. Therefore, China must rely on exports to make profit and maintain its growth levels high. As we will see in the following sections, China's strategy relies on expansion to other markets (Παπασωτηρίου, 2013, pp. 349-350).

China's demographic problem affects the country's macro-economic profile since it reveals a shrinking working age population along with a rapidly aging society. On 31.5.2021, the Chinese President Xi Jinping announced that family planning would shift to a three-child policy which could be accommodated with the introduction of supportive measures for education and housing, but also maternity leaves. This change is expected to affect the costs of living, as the hyper-competitive Chinese education system requires spending huge amounts of money on extracurricular classes in order to improve one's chances of succeeding in life (Chipman Koty, 2021). An area of great concern that is related to the demographic shifts is real estate. Chinese economy is dependent on real estate for growth and in recent years real estate demand has surged. President Xi Jinping whose priorities include reducing inequality, introduced various tools, such as temporary suspension of land sales, property taxes, ea. to restrain housing prices. Nonetheless the housing bubble created through speculation has taken huge proportions. Despite the government's urges toward the banks to increase the flow of credit to small business instead of the industry, the share of funds directed to the latter has risen (Brooker, 2021). Normally, the rising prices in the housing market are a sign of impending inflation. Nonetheless, this ominous turn can be mitigated through state intervention in currency markets. Many countries resort to this distortive monetary intervention to curb excessive fluctuations in exchange rates, thus stabilizing their currency.<sup>8</sup> An adverse effect of this policy however is that it artificially hinders foreign exports to the country in question, which in our case is China (Allison, 2010, pp. 181-182).

<sup>6</sup> The one-child policy was introduced in China in 1979 to contain population growth and has had a grave impact on the country's demographics. It resulted in a great number of abortions, unregistered children, as well as a distortion of the sex ration. Moreover, it affected the social, health and care needs of elderly people in China. In 2015, China's one-child policy was replaced by a universal two-child policy (Zeng & Hesketh, 2018). The punishments for transgressors varied from heavy fines to unofficial penalties such as losing one's job, especially in the cases of people working in the public sector (Chipman Koty, 2021).

<sup>7</sup> Hukou is a system of household registration employed in mainland China, but not in its Special Administrative Regions. It is linked with benefits like education, healthcare, or access to public services. This bureaucratic obstacle is a manifestation of social injustice and discrimination that restricts the relocation of citizens within Chinese territory (Πετρόπουλος, 2017, p. 618).

<sup>8</sup> Currency manipulation's aim is to influence foreign exchange rates by buying and selling currencies in foreign exchange market.

Another matter which we need to address is that of intellectual property rights protection. China is over-dependent on processing trade and cheap production. Most industries move the activity of their global value chain that deals with the assemblage of the final product to China, in order to benefit from the country's cheap labor and poor environmental protection framework. In that sense, products are "assembled in China", not "made in China" (Permanent Mission of China to the WTO Presentation, 2011). The lack of eminent Chinese brands in most sectors can be attributed to the widespread practice of copying the designs of foreign products illegally, in facilities with extremely low environmental protection standards (Παπασωτηρίου, 2013, pp. 350-352). Moreover, the scarcity of investment in research and development has made the emergence of Chinese brands even more difficult.<sup>9</sup>

In recent years, government intervention in the form of large subsidies to state-owned enterprises and private companies has promoted Chinese innovation in several sectors, namely in the tech industry, where China has caught up to the technological advances of other industrialized nations (Levine, 2020). Chinese companies like Huawei, Xiaomi, TikTok and ZTE have reached the level of salience of other global brands such as Eriksson (Sweden) and Nokia (Finland), Fujitsu and Panasonic (Japan), Samsung and LG (South Korea) (Gilli, 2020). Nonetheless, China has often been rebuked for its acquisition of advanced technology from foreign companies. Through unfair and illicit practices such as forced technology transfers, commercial and cyber espionage, Chinese companies have managed to gain access to proprietary information and perform intellectual property theft (Levine, 2020). Some critics argue that China's predatory policies have challenged the effectiveness of multinational institutions such as the WTO (Levine, 2020).

Technological sophistication in the field of telecommunications has become the epicenter of growing geopolitical competition among countries. In recent years, 4G sparked an unprecedented technological revolution that brought the iPhone, other smartphones, and all related apps (such as Twitter, Facebook, WhatsApp, TikTok, Telegram, Snapchat etc.) into our everyday lives. The superior performance of 5G communications technology<sup>10</sup> is expected to spur tremendous opportunities, both for the civilian economy and in military affairs. The fact that physical and software infrastructure of 5G networks enable massive distribution of data and ubiquitous use of AI and cloud computing has caused great concern to governments worldwide.<sup>11</sup> China's prowess in 5G raises concerns about the Chinese companies illegitimate or unvetted powers, by analogy to those regarding Big Tech companies in the United States, i.e., Google, Facebook, Twitter, or Apple (Gilli, 2020).

Many countries are reluctant to cooperate with China, as they fear that China's dominance of 5G will be damaging to their national economies. China has oriented its efforts toward dominating the semi-conductor industry. To that end it has invested in purchasing American and international companies, promising Silicon Valley start-ups etc. and has tried to strengthen its connection to key buyers (Allison, 2010, p. 182). 5G technology is connected to issues such as the Big Tech, next generation mobile devices, new software, and applications but also to more worrying military applications such as the so-called Internet Battlefield of Things. China's

---

<sup>9</sup> To illustrate the magnitude of this problem we would like to draw attention to the fact that until 2017, China had been unable to produce a high-quality version of a complete ballpoint pen without relying on imports for its most important part (the tip, but also the refills) from countries like Japan, Germany, and Switzerland, which had developed the technology for ballpoint pen tips. The ballpoint pen innovation only took place after concerted government intervention. In the past such an investment would be considered unprofitable due to China's lax intellectual property laws (Taylor, 2017).

<sup>10</sup> 5G is characterized by high-speed and ubiquitous connectivity, two elements that will enable widespread distribution of massive data packages in almost real-time. Moreover, it can facilitate the processing of huge amounts of data gathered through distributed sensors across the entire force structure (Gilli, 2020).

<sup>11</sup> Geopolitical competition around 5G revolves around three main areas: 1) technological primacy; 2) spectrum allocation; and 3) standards definition (Gilli, 2020).



defense planners have identified 5G networks as a fundamental enabler in the country's quest to the "intelligentization" of its armed forces (Gilli, 2020). Moreover, tests on Chinese electronic devices have revealed several security vulnerabilities including backdoors that can lead to direct transfer of data to China (Gilli, 2020). These technological breakthroughs increase the possibility of an escalation of trade conflict into some sort of hybrid cyber warfare (Allison, 2017, pp. 183-184).

### *The Belt and Road Initiative*

In 2013, President Xi Jinping launched China's "One Belt, One Road" strategy, which comprised two elements: the overland Silk Road Economic Belt and the Maritime Silk Road. Later the "One Belt, One Road" (OBOR) strategy became the "Belt and Road<sup>12</sup> Initiative" (BRI). BRI is an ambitious project involving a series of colossal infrastructure investments with the aspiration to ensure global connectivity and to facilitate trade among China and its partners.

The initial goal of this ambitious project was to connect East Asia to Europe. Through the creation of a vast network of railways, energy pipelines, highways, and streamlined border crossings, Xi Jinping envisioned that the "bottleneck in Asian connectivity" would be broken. This physical infrastructure would expand toward the west, through the mountainous former Soviet republics, and toward the east, linking Pakistan, India, with the rest of Southeast Asia. Another aspiration of this scheme is to establish fifty special economic zones, modeled after the Shenzhen Special Economic Zone<sup>13</sup> (Chatzky & McBride, 2020). This is expected to promote the international use of Chinese currency, the renminbi. The plans for the 21st Century Maritime Silk Road involve expanding maritime trade traffic through a series of investments in port development along the Indian Ocean, from Southeast Asia all the way to East Africa and parts of Europe (Chatzky & McBride, 2020).

In 2015, the People's Bank of China transferred the amount of US \$82 billion to three Chinese banks to finance infrastructure projects related to the OBOR (and later BRI) initiative. Furthermore, the Chinese government established a state-owned investment fund, with a total capital of US \$40 billion. The Chinese government proposed the creation of an "Asian Infrastructure Investment Bank" (AIIB)<sup>14</sup>, which is a multilateral development bank with members from all over the world (Πετρόπουλος, 2017). As its name suggests, AIIB's main area of focus is Asia, and its aim is to foster sustainable economic development, wealth, and infrastructure connectivity, through investments in infrastructure and other promising sectors such as green infrastructure, and projects promoting innovation and connectivity. AIIB co-finances programs with the World Bank and the Asian Development Bank and collaborates with a great number of regional development banks.<sup>15</sup> Among its partners are private financial institutions, but also entities in the public and non-governmental sectors.

---

<sup>12</sup> The name of the project is a reminiscent of the Silk Road, which was a network of trade routes that linked China to Europe and was established during the reign of the Han Dynasty in China (206 B.C.–220 A.D.). This network that crossed the lands of most contemporary Central Asian countries (Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, as well as modern-day India and Pakistan to the South). The Silk Road connected eastern and western markets and spurred immense wealth. China exported silk, spices, jade, and other goods to western countries, and it imported gold and other precious metals, ivory, and glass products. Also, Silk Road facilitated cultural exchange and religious traditions as well as ideas and knowledge (Chatzky & McBride, 2020).

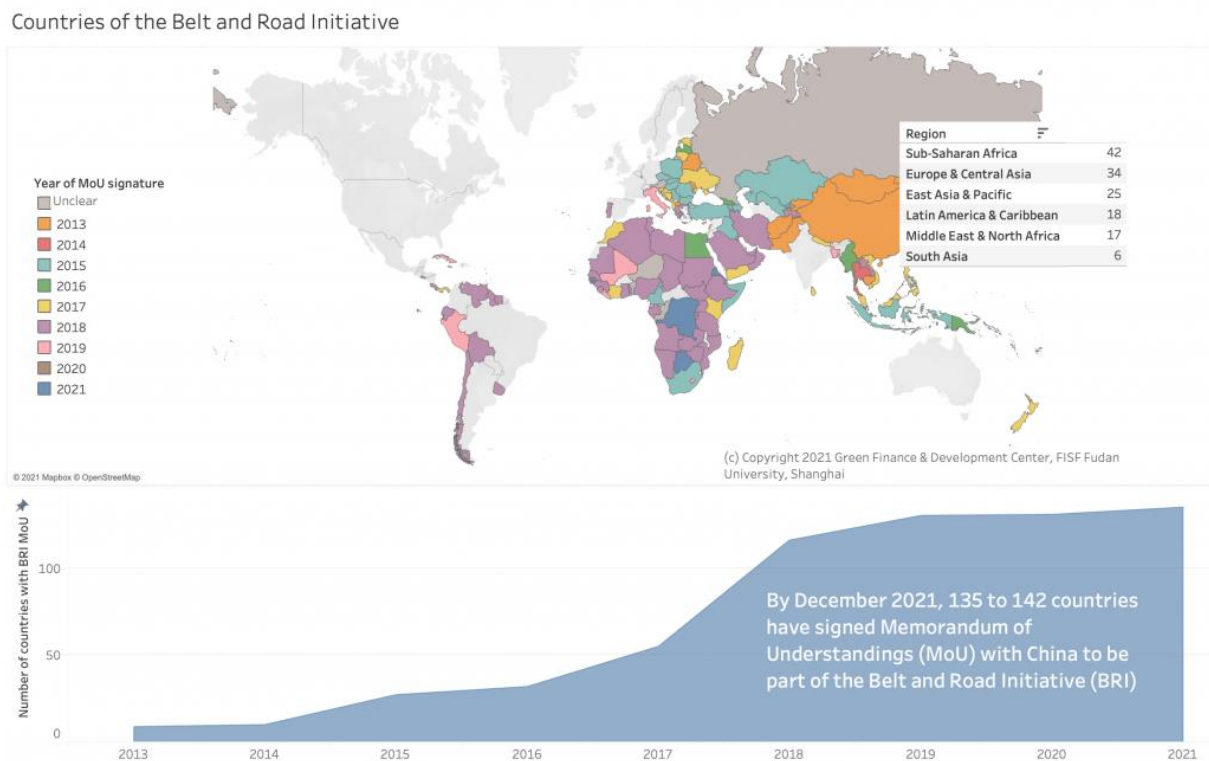
<sup>13</sup> In 1980, Deng Xiaoping's economic reforms introduced the Special Economic Zone regime, which allowed the conduct of foreign and domestic trade and investment without former authorization of the Central Government of the People's Republic of China (Chatzky & McBride, 2020).

<sup>14</sup>

<sup>15</sup> For more information on the regional development banks that cooperate with AIIB: <https://www.aiib.org/en/about-aiib/who-we-are/partnership/index.html> [Retrieved December 3, 2021]

In December 2021, the number of countries that have joined the Belt and Road Initiative [including those that have signed a Memorandum of Understanding (MoU) with China] raised to 142.<sup>16</sup> The Belt and Road Initiative (BRI) spreads across all continents, counting partners in 42 Sub-Saharan Africa; 34 in Europe & Central Asia (including 18 countries of the European Union); 24 in East Asia & the Pacific; 17 in Middle East & North Africa; 19 in Latin America & the Caribbean; and 6 in Southeast Asia (Nedopil, 2021).

Image 1: Belt and Road Initiative Partners (December 2021)



Source: Green Finance & Development Center, FISF Fudan University.

The Belt and Road Initiative's original aim was to modernize the existing land road network that connects Beijing to Europe, through Central Asia and Russia (Πετρόπουλος, 2017, pp. 628-630). However, as we can see in the map above, the Belt and Road Initiative also includes the vast majority of African countries, as well as countries in East Asia and the Pacific, countries in the Middle East and even some countries in Latin America and the Caribbean.<sup>17</sup> Therefore, we can argue that the vision behind this initiative continues to evolve. Another interesting remark we can make has to do with the countries that have decided to refrain from joining the initiative, some of which are: the United States, Canada, Mexico, Brazil, Argentina, the United Kingdom, France, Germany, Spain, Scandinavian countries, India, Australia, Japan, ea.. Despite the fact that several of its member states are involved in the project, namely, Eastern European countries, Italy, Greece and Portugal, the European Union does not participate in the Belt and Road Initiative. Some analysts see the project as an expansion of Chinese<sup>18</sup> power and economic and political influence (Chatzky & McBride, 2020).

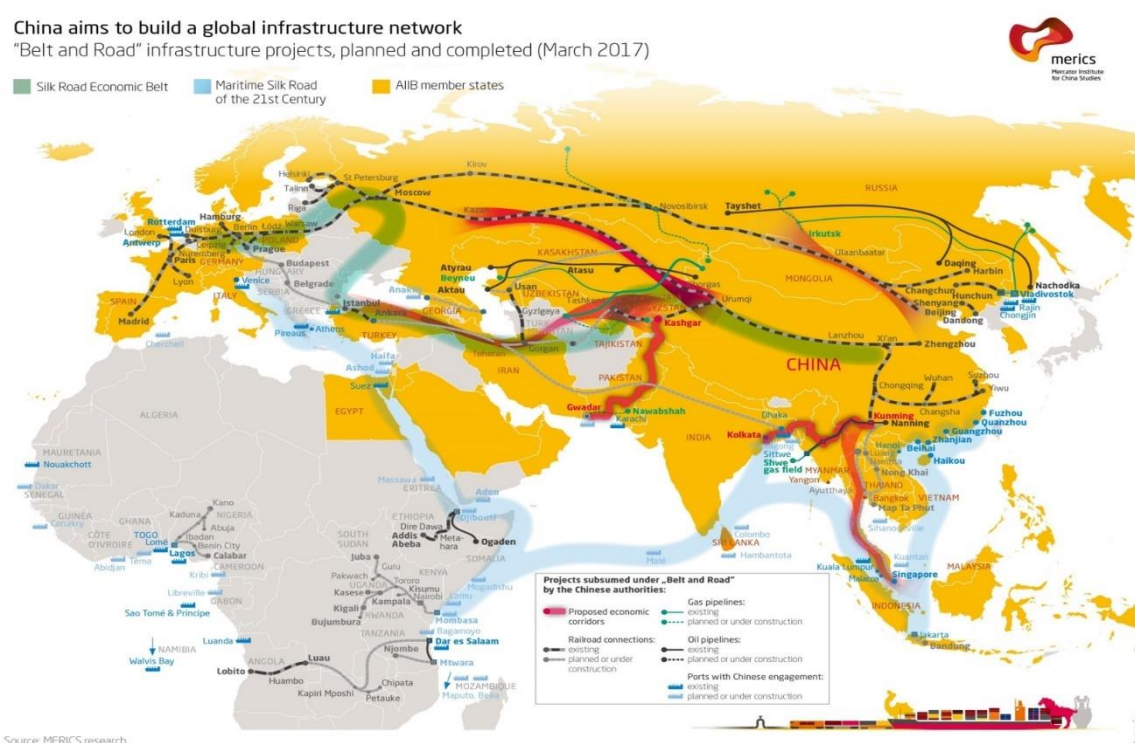
<sup>16</sup> With the addition of 7 more countries that signed MOU with China: Austria, Benin, Comoros, the Republic of Congo, Dominica, Niger, Russian Federation (Nedopil, 2021).

<sup>17</sup> To access the full list of the countries that have joined the Belt and Road Initiative: <https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/> [Retrieved December 3, 2021]

<sup>18</sup> Interestingly, several allies and partners of the U.S. such as South Korea, Saudi Arabia, Kuwait and the United Arab Emirates have joined the Belt and Road Initiative.

The Belt and Road Initiative has become a hotbed of controversy within several of the countries involved (like in Malaysia, Kazakhstan ea.). Taking on large amounts of debt in the form of low-interest loans, as opposed to aid grants, to fund infrastructure upgrades has proved to be damaging for some national economies. Opaque bidding processes, which include provisions that Chinese firms must be involved in the projects have caused inflated costs, leading to canceled projects and political backlash. Furthermore, since these projects often become the epicenter of the political debates within countries, there is high chance that they lead to corruption and mismanagement of the funds (Chatzky & McBride, 2020). In 2018, the Center for Global Development issued a report noting that eight BRI countries are vulnerable to debt crises. Since 2013, some countries' overall debt to China has soared, surpassing 20 percent of GDP, according to CFR's Belt and Road Tracker (Chatzky & McBride, 2020).

Image 2: Chinese BRI [planned & completed] corridors (March 2017)



Source: MERICS research

Regarding the motives behind this initiative, we can infer that they are both geopolitical and economic (Chatzky & McBride, 2020). As we can see in the image above, China has been promoting its global infrastructure network through a land and a maritime route. The China-Pakistan Economic Corridor, which connects China to Pakistan's Gwadar Port on the Arabian Sea, is estimated to be the most profitable of all projects (Chatzky & McBride, 2020). Furthermore, even though several countries, such as Spain or Germany are not partners at the BRI, they get to profit from the Chinese initiative. China has been promoting trade ties with these countries and in some cases (Spain, France) it has actively sought to include them in this partnership.

The Chinese enterprise seems to be in coherence with the Chinese president's aspirations of upscaling the image of his country worldwide. Through these projects, president Xi Jinping seeks to promote the idea of "common prosperity" to global partners abroad. According to this concept, the main cause of economic hardship in developing countries is the lack of

infrastructure and investments. In this regard, China can act both as a success story and as an enabler in the quest of reshaping the world order, to achieve a more “egalitarian” and functional system of international affairs (Schuman, 2021). In our view this rhetoric is closely linked with the predominant political ideology in China which will be thoroughly examined in the next part of this analysis. We will briefly mention that its ideology is based on a nuanced rhetoric concentrating on the end of “the century of humiliation” in China that implicitly promotes the idea of national emancipation through economic growth (Kissinger, *On China*, 2011, p. 106).

Apart from the American and European concerns regarding China’s ambitions, which will be thoroughly examined in following sections of this analysis, many of China’s neighbors are afraid of its growing regional grip. Several countries suspect that behind China’s scheme of creating unsustainable debt burdens for its Indian Ocean neighbors hides its desire to seize control of critical choke points in the Indo-Pacific (Chatzky & McBride, 2020). India, Japan, and Australia have all taken action to protect their regional interests. New Delhi has been very uneasy due to watching the establishment of cordial relations between China and Pakistan, its traditional rival. This rapprochement is mainly promoted by the strategic importance of Pakistani ports for the BRI. Thus, India has taken on efforts to promote its own development assistance to neighboring countries, like Afghanistan, through its own geo-economic strategy called the “String of Pearls”. India is viewed as a counterweight to Chinese rise by the United States. In the same spirit, Tokyo has sought to promote its own infrastructure projects throughout Asia, spending \$110 billion. Japan and India have agreed to invest in a project called “Asia-Africa Growth Corridor” (AAGC), concerning the development and connection of ports from Myanmar to East Africa. As for Russia, even though it is viewed as one of the most important partners of the BRI, it would rather promote the Russian-led vision for a “Eurasian Economic Union” (Chatzky & McBride, 2020). Alike the US domination in the Western hemisphere, China seeks to gain the dominant position in Asia by overshadowing its most powerful neighbors’ influence, namely Japan, Russia, and India (Jose, 2020).

Advancements in 5G technology have had a huge impact on China’s economy, both in terms of profit and in terms of the country’s dependence on energy imports. China’s booming high-tech economy has spawned a surge in energy consumption, but has also increased China’s environmental footprint, aggravating the existing serious problems with respect to climate change. To cope with its growing energy demands, China has relied on imports of overseas oil, especially from the Middle East, Africa, Central Asia, and Latin America. Energy security has become an increasingly important factor in Chinese foreign policy and international behavior. China’s policy priorities are developed after making strategic, political, and economic calculations. Although there is a correlation between high-tech economy, energy security, environmental concerns and China’s expanding global outreach, we cannot infer that the latter is the result of China’s efforts to secure supplies globally. Nonetheless, China’s pursuit of energy security has influenced its bilateral relations with major powers, including the United States and the European Union (Tang, 2006).

Along with the effort to expand its economic influence on a global scale, China has been focusing on its military capacity building, especially in the maritime domain. The success of the Maritime Silk Road depends on China’s ensuring that the Sea Lines of Communications linking BRI affiliated ports remain open, given that Chinese production relies heavily on resources imported from the Middle East and Africa. Therefore, supply disruptions caused by political destabilization in those areas, by piracy or by blockades in chokepoints can have tremendous effects on Chinese economy. The fact that ships carrying essential resources need to pass through many chokepoints, namely in the South China Sea, the Persian Gulf, and the Malacca Strait, before reaching Chinese ports renders China extremely vulnerable to sea blockades. To secure its maritime supply chain, China promotes its trade and diplomatic relations with

many countries of the Indian and Pacific Oceans while it increases its military presence in these strategic regions (Jose, 2020).

### *The role of political ideology*

To explore the extent to which political ideology within our three main actors contributes to their foreign relations' calculations, we need to focus on two main issues: first we need to see how each constitutional (or institutional in the case of the European Union) structure affects foreign policy and then we need to examine the most prevalent ideological tendencies within each actor's domestic politics with respect to foreign relations. For the purposes of this analysis, we will use the theoretical framework on ideologies<sup>19</sup> of Kenneth Newton and Jan W. van Deth as described in their book *Foundations of Comparative Politics: Democracies of the Modern World*.<sup>ε</sup>

In democracies, the most common ideologies are conservatism, liberalism, Christian democracy and socialism/social democracy. However, there are three additional systems of thought that have been gaining ground in recent years. These are: nationalism, green political thought, and populism. Given that the People's Republic of China is a one-party state that does not follow democratic processes, we will use a different tool to proceed with our analysis: that of political culture<sup>20</sup> (Newton & Van Deth, 2010, pp. 292-294). Of all the ideologies mentioned above we will focus on the role of nationalism, because we believe it is one of the key factors that affecting the trajectory of international relations.

The fluidity of nationalism makes it a very powerful and enduring force in politics. Nationalism embodies various values that can fit into different political contexts, such as the protection of a common national identity, freedom, state sovereignty, territorial integrity, etc. Some analysts see nationalism as "an empty bottle into which one can pour any doctrine". After all, it is true that throughout time, communists, conservatives, fascists, democrats, imperialists, and anti-imperialists alike have all used nationalist ideas to promote their own goals. The three main features of modern states (territory, people, and sovereignty) serve as the foundation of nationalist rhetoric. In this light, nationalist movements may at times have a centrifugal or a centripetal nature. Many empires have been dissolved in the name of national self-determination, but also many national states have emerged after the unification of various region. National independence is accompanied by nationalist culture (flags, anthems, leaders, full UN membership, national airlines, national athletes, ea.). Much nationalist ideology is taken for granted, because it bears a lot of similarities to common perceptions of the world order, such as the presumption that the globe should be divided between states (Newton & Van Deth, 2010, pp. 305-307).

On the other hand, globalists express the exact opposite worldview to nationalism: Globalists claim that the end of nationalism is near, due to the emergence of a modern society of a globalized world that will render the concept of borders obsolete. In this 'global village' the

---

<sup>19</sup> Kenneth Newton and Jan W. van Deth define ideology as "a more or less systematic, well-developed and comprehensive set of ideas and beliefs about politics consisting of both (empirical) statements about what is, and (prescriptive) statements about what ought to be" (Newton & Van Deth, 2010, p. 291).

<sup>20</sup> Political culture is "the pattern of attitudes, values, and beliefs about politics, whether they are conscious or unconscious, explicit or implicit" (Newton & Van Deth, 2010, p. 171). The main difference between ideology and political culture is that the latter is more "implicit and built on assumptions and deep-seated values that are taken for granted". "Political cultures are built on assumptions about trust, happiness, political salience, national pride and political competence", rather than abstract concepts such as "liberty, equality, fraternity, rights, justice and liberalism". In other words ideology requires thinking, arguing and reading, whereas political culture is (Newton & Van Deth, 2010, p. 294).

integration of economy will be so great that nation-states won't be needed anymore. However, some globalist arguments that call for immediate global action against natural disasters, terrorism, and global warming without the involvement of nation-states don't seem realistic. Nation-states remain the most important actors of the international system (Newton & Van Deth, 2010, pp. 305-307).

### *China: The peaceful rise that fostered national pride*

The People's Republic of China is a highly centralized unitary state, governed by the Communist Party of China. The structure of its one-party political system allows its administration to pursue a stable and long-term foreign policy. Furthermore, the communist state structure ensures a top-down decision-making process in accordance with the Communist Party's values and official views on all matters, and above all on matters of international relations (Hill, 2015, pp. 242-243). In this scheme, the Communist party leaders have played a very critical role in building China's path to economic success. Their main line of direction drew its inspiration from the values developed during the Imperial China Period, which starts with the unification of the greatest part of its territory, in 221 B.C., by the founder of the Qin dynasty, emperor Qin Shi Huang and ends with the 1911 Xinhai Revolution that overthrew Chinese monarchical rule. Traditional Chinese values were primarily shaped by cultural and political elements of both Chinese legalism and Confucian philosophy. The school of Legalism emphasized the importance of strict laws and severe punishment. It also insisted on safeguarding the absolute rule of the emperor as a symbol of unity, through the centralization and institutionalization of state power. Conversely, the Confucian approach placed great emphasis on social harmony and the ability of human beings to improve through education, self-cultivation, and respect of social hierarchy. It promoted a paternalistic code of ethics that pervaded all aspects of society and affected each of its members' political disposition. In this society, ancestor worship was based on traditional beliefs about family and piety. Education was of paramount importance since it could increase a person's chance of succeeding in the national exams and entering the elite caste of Chinese bureaucrats, regardless of his social class (Παπασωτηρίου, 2013, pp. 16, 20-28, 134-137). Contrary to elitist systems in other parts of the world where land ownership, hereditary titles or wealth acquired through trade determined a person's social status, in China one could climb the social ladder and become part of the most influential Chinese elite caste as long as he was well educated and could prove his allegiance to the emperor and the state.

For centuries the foundation of the Chinese system of international relations had been the presumed boundlessness of the Chinese Emperor's reach, rather than the sovereign equality of states. China's civilization is deeply ethnocentric, and traditionally the country has sought to maintain a hierarchic system of foreign relations, rather than use military power to expand its borders. Physical coercion was used only as a last resort (Allison, 2017, p. 110). For the Chinese, the rest of humankind was classified with respect to their mastery of Chinese writing and cultural institutions as various degrees of barbarians. In the traditional Chinese concept of world order, China, being the center of the world, would awe other societies with its cultural magnificence and economic prosperity. This would urge them to deepen their relationship with the Celestial Empire, that would in turn lead to a sort of "harmony under heaven" and under the rule of the Chinese Emperor (Kissinger, *On China*, 2011, pp. 435-436).

Modern-day Chinese students learn about the eminence of the Celestial Empire, but they also learn about the events that brought about its demise. "The century of humiliation" describes the period when China was disgraced by Western imperialists, that came from industrialized countries (Great Britain and later France) and sought to force China to open its ports to foreign trade. The two Opium Wars and the treaties that followed, the Japanese invasion of Manchuria along with foreign dominance in Chinese waters - rivers and seas - are all grim reminders of a



period of national victimhood that started in the first half of the nineteenth century and subsided after the victory of Mao Zedong's Communists in the Chinese civil war, in 1949. Despite its devastating mistakes, such as the "Great Leap Forward" and the "Cultural Revolution", that have taken their toll on Chinese people, the country's Communist Party continues to draw its legitimacy from the fact that it brought domination by foreign imperialists and to social disorder to an end (Allison, 2017, pp. 111-113).

Apart from nationalism, the second pillar of legitimacy of the Chinese Communist Party's authority is economic success. Deng Xiaoping introduced a series of reforms that stimulated Chinese economy and promoted growth. The governments Deng Xiaoping and his successors Jiang Zemin and Hu Jintao chose to use official Chinese pronouncements that reflected a moderated posture in order not to intimidate Western states and push them toward protectionism. This was mainly because they feared that a more triumphalist stance of China in foreign relations could lead to the country's ostracization from the international system by the rest of the great powers (Παπασωτηρίου, 2013, pp. 358-359). However, after the collapse of American and European financial markets in 2007 and 2008 and the emergency infusion of Chinese capital to Western countries and companies, Chinese politicians started reconsidering their country's role in world politics. The splendor of the 2008 Summer Olympics that were held in Beijing further emphasized the Chinese success (Kissinger, On China, 2011, pp. 423-424). After his ascent to the presidency, Xi Jinping introduced a new vision for China's role in the world. Xi Jinping's vision was expressed in a more assertive official language and captured the aspiration of Chinese people for a richer, more powerful, and respected China. The key priorities of this ambitious plan are: to foster Chinese ascendancy in Asia; to exert control over all areas of "greater China" (Xinjiang, Tibet, Hong Kong, Taiwan etc.); to reestablish China's traditional sphere of influence in its region; and to gain the respect of other great powers (Allison, 2017, pp. 108-109).

The change of the Chinese political leadership's attitude has a very important consequence: henceforth the country cannot succumb to pressure on matters interlinked with its national interests, because that would undermine its leader's legitimacy and the people's national pride. Nor can it allow other powers to impose their objectives and rules on China, in order to limit its ambitions and initiatives, since such an action would be perceived as an outright violation of China's sovereignty and would invoke memories of the "century of humiliation". Thus, the thorny issues of Taiwan, of the South China Sea and the East China Sea, as well as the dispute over the Diaoyu/Senkaku islands have all been classified as China's internal affairs. Therefore, any hostile comment or action on behalf of members of any foreign government would provoke China's disdain and urge for retribution. The Chinese officials are likewise highly sensitive to criticism of their human rights record, which they believe is politically driven. The US and the EU are very vocal about the Chinese treatment of its Uighur Muslims of Xinjiang, or China's efforts to assimilate the region of Tibet through the migration and settlement of people of Han Chinese origin in the region, which in time would bring about the cultural assimilation of ethnic Tibetans.

### ***A geopolitical assessment of international relations***

The growth of China has troubled its trade partners and the international markets alike for many reasons. Arguably, a point of acute political contestation is China's monetary policy. For a period starting from 2019 to early 2020 the United States had labeled China as currency manipulator but decided to change its stance later. This was mostly because many US politicians had been criticizing China for "keeping their currency artificially low at the expense of American

exporters. In 2015, the People's Bank of China (PBoC) devaluated the renminbi<sup>21</sup>, the national currency, shocking the markets worldwide. The Chinese president Xi Jinping justified this practice, claiming that it was a response to a rise of the U.S. dollar and a necessary step that would promote China's shift toward domestic consumption and a service-based economy. The International Monetary Fund (IMF) welcomed China's efforts to commit to free-market values, yet many skeptics expressed their disapproval (Investopedia, 2021).

China has been trying to develop and introduce a Central Bank Digital Currency. From 2020, the Digital Currency Electronic Payment (DC/EP) known as "e-CNY" or "digital yuan" has been open to public testing which is expected to provide specialists with valuable insight on its usability and effects on domestic and international transactions. Chinese authorities hope to use the e-CNY during the Beijing 2022 Winter Olympic Games. China's ambitious effort to digitalize its monetary system will have a huge impact on the world economy as it would enable international transactions in developing or US sanctioned countries, it would allow partially anonymous payments, it would introduce an alternative to the USD in the international financial system and by and large circumvent the limits posed by central banks (Hajjar, 2020).

In the last decade, South-East Asia has captivated the attention of the global community. From the Sino-American rapprochement of 1972 until recently, the US presidents have all tried to maintain amicable relations with China to the extent that such a posture was in accordance with American interests. During the period of Barack Obama's presidency, there was a significant shift in the US foreign policy from the Middle East and East Europe to Asia and the Pacific Rim (Παπασωτηρίου, 2013, p. 369). President Obama's strategy involved fostering good trade relations with countries in the Pacific Rim. To that end, he promoted the Trans-Pacific Partnership (TPP) a multilateral trade and investment agreement that was later abandoned by president Donald Trump when the latter took office in 2017 (Jaipragas & Sim, 2021). The TPP addressed current and anticipated issues, such as environment protection and labor, digital commerce, state-owned enterprises ea. Its provisions crystalized the rules and values of the most advanced economies. Moreover, the TPP sought to oblige member economies to embrace greater liberalization, the rule of law, sustainable economic policies and respect for the dignity of the worker (Glosserman, 2021).

After the US withdrawal, the Japanese government resurrected the deal as the CPTPP, or TPP-11: The remaining 11 countries concluded another free trade agreement, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), without the participation of the United States<sup>22</sup>. The CPTPP has a lot of similar provisions with the text of TPP (Jaipragas & Sim, 2021). Most changes are minor, yet in CPTPP there are some notable alterations to the TPP text concerning provisions on pharmaceutical patents, copyrights, and technology protection. The CPTPP can be considered as a "next-generation" trade agreement because it regulates innovative sectors such as e-commerce, electronic transmissions, regionalized supply chains ea. CPTPP liberalizes trade in services and promotes the domestic adoption of

---

<sup>21</sup> Currency devaluation is a very controversial monetary tool that involves the artificial reduction of a country's currency purchasing power. It gives a competitive advantage in international trade to the country that practices this method because it renders its exports cheaper and its imports more expensive. Local consumers opt for domestic instead of imported products. Therefore, currency devaluation can shrink trade deficits, while boosting exports and reducing government-issued sovereign debt. In the case of managed currencies, central banks might either float their currency or intervene in foreign currency exchange markets to influence the monetary funds transfer rate of the national currency or to stabilize the exchange rate. This practice distorts the function of the markets and might create uncertainty or bring about a currency war and reduce growth rates (Hayes, 2019).

<sup>22</sup> The members of the CPTPP are Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam and they represent about 13.5 percent of global merchandise trade. The agreement was signed on March 8, 2018 and entered into force on December 30, 2018 (Caporal & Lesh, 2019).



internationally agreed-upon labor laws and environmental commitments (Caporal & Lesh, 2019). Many countries have openly expressed their interest in becoming a signatory member to the CPTPP, among which are China, Taiwan, Thailand, Indonesia, and South Korea. After their application, candidate countries need the unanimous approval of all active members to become full CPTPP members. The CPTPP will play a decisive role in shaping trade rules that will determine the region's evolution. Therefore, the accession process will be strict. Candidate countries will have to submit detailed action plans of how they intend to meet the CPTPP requirements. China filed its official application on Sept. 16, 2021, to join the CPTPP. Taiwan submitted its own application just days after Beijing did. Sceptics believe that China is trying to hamper Taiwan's effort to join the CPTPP, since accepting Taiwan alone would not be diplomatically sustainable (Glosserman, 2021).

The People's Republic of China sees Taiwan as part of its national territory that was conquered by the Qing Dynasty in the late 17<sup>th</sup> century. Taiwan is the place where the supporters of Kuomintang, the Chinese nationalist party of Chiang Kai-shek, retreated after their defeat in the Chinese Civil War by the Chinese Communist Party, in 1949. The People's Republic of China considers any form of Taiwan's proclamation of independence as cause of war. Chinese officials suspect that the USA might be promoting Taiwan's independentist movement. The United States does not deny that Taiwan is Chinese territory. Nonetheless, it has made a declaration stating that it will intervene to cancel any attempt of the People's Republic of China to seize the territory by force (Παπασωτηρίου, 2013, pp. 360-361).

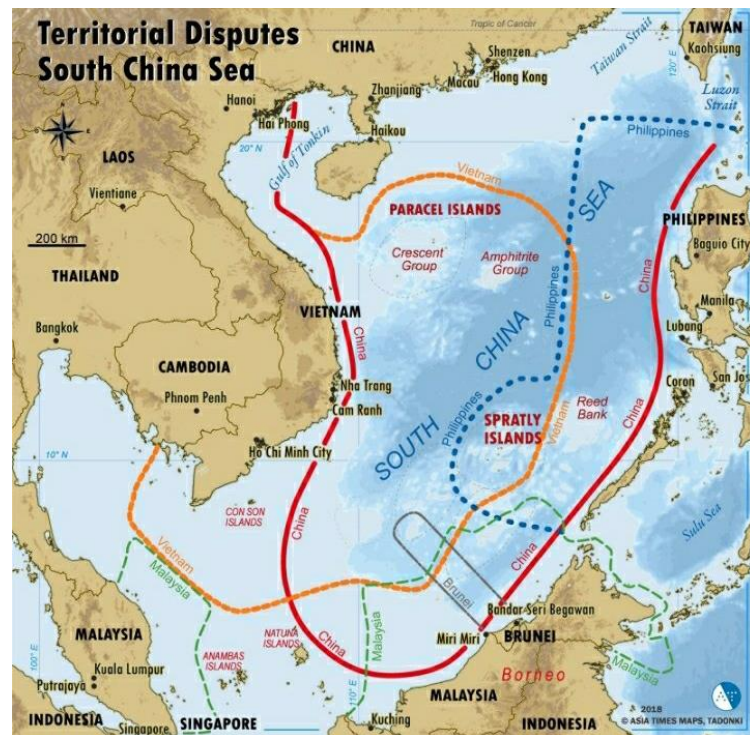
Another issue that has created a lot of tension lately is China's aggressive promotion of its "nine-dash line claims in the South China Sea".<sup>23</sup> China's neighbors contest these unfounded and extreme claims hence many territorial disputes have emerged. In 2016, the arbitral tribunal adjudicating the Philippines' case against China in the South China Sea issued a ruling that was overwhelmingly in favor of the Philippines<sup>24</sup>. Nonetheless, China hasn't conformed to the arbitration ruling. Under the 1951 U.S. Philippines Mutual Defense Treaty, the United States may intervene in the case of an armed attack on Philippine public vessels in the South China Sea (US Press statement on the situation in the South China Sea, 2021). The EU's response was rather mild, because its member states find it difficult to "speak with one voice". The discord among EU governments choosing between security and economic interests is very challenging, since for a great number among them China has become their most important trading partner. Thus, they unwilling to denounce China's militarization of South China Sea islands (Emmott, 2016). Nonetheless, in July 2021 Germany joined other Western nations efforts to expand their military presence in the region by sending a warship to the South China Sea for the first time in almost two decades (Thomasson, 2021).

---

<sup>23</sup> According to Article 3 of the United Nations Convention on the Law of the Sea (UNCLOS) of 1982 to which China has been a party since 1996, "every state has the right to establish the breadth of its the territorial sea up to a limit not exceeding 12 nautical miles, measured from baselines determined according to this Convention.

<sup>24</sup> For a legal analysis of the case see:

[https://www.uscc.gov/sites/default/files/Research/Issue%20Brief\\_South%20China%20Sea%20Arbitration%20Ruling%20What%20Happened%20and%20What's%20Next071216.pdf](https://www.uscc.gov/sites/default/files/Research/Issue%20Brief_South%20China%20Sea%20Arbitration%20Ruling%20What%20Happened%20and%20What's%20Next071216.pdf)



Source: Asia Times Maps, Tadonki

Given that the South China Sea is one of the principal sea routes facilitating international trade, the European Union and the United States decided to hold high-level consultations on the Indo-Pacific, at the beginning of December 2021. The EU and the US reviewed their respective Indo-Pacific engagement and strategies and reaffirmed their intention to work together and with partners to manage China's actions in the South China Sea, East China Seas and Taiwan Strait. They committed to support an inclusive, free, and open Indo-Pacific, based on multilateral rules-based frameworks that respect the rule of law and democratic values. To that end, the cooperation of the Association of Southeast Asian Nations (ASEAN) is indispensable to the stability, security, and sustainable development of the region (Al Jazeera, 2021).

To curb China's massive economic pull on the Indo-Pacific region, Washington has been trying to reinforce its ties with allies and partners, such as ASEAN members, Japan, South Korea, Australia, and India. The U.S. policy under President Joe Biden places emphasis on values, on democracy "at home and abroad", as well as on multilateralism and cooperation with the US partners. President Biden has used a tough rhetoric in his talks describing US competition with China; a shift in tone that was well received throughout Southeast Asia. The US aim is to regain the faith in the U.S. security commitments which was lost due to the American inaction in the face of China's annexation of the Scarborough Shoal. Furthermore, Australia, the United Kingdom, and the United State signed a security pact (AUKUS), which intensified fears of militarization of the region among ASEAN States and created tension between the US and its NATO ally France. However, no regional power wishes an escalation to a war. Instead, regional countries prefer the promotion of a rules-based order that will ensure a "free and open" Indo-Pacific and will not force them to align with either the United States or China. To promote relations with valuable geopolitical allies and partners that do not live up to the liberal order democratic standards, US officials employed a softer tone on human rights, freedom, and democracy in their speeches in Singapore, India and elsewhere. Apart from focusing just on China's bad behavior, the Biden administration has been promoting its international agenda that includes climate change, global supply chains, and pandemic recovery ea. Contrary to China

which has joined the ASEAN-lead Regional Comprehensive Economic Partnership (RCEP), the US still lacks a formulated official Indo-Pacific strategy or regional economic/trade policy. Other members of the RCEP are Australia, Japan, New Zealand, South Korea, and the 10 ASEAN states (Grossman, 2021).

The EU has been trying to balance its relationships with the US and China, since China is the second largest trade partner of the EU, followed by the US. The varying positions of the EU member states with respect to EU's relations with China render an undivided and uniform approach almost impossible. In different policy areas, EU considers China as a cooperation partner, as a negotiating partner or as an economic competitor. The EU uses different tools and modalities of engagement with China, depending on the issues and policies at stake, and promotes linkage policies to exert more leverage in pursuit of its objectives. It fears Chinese influence on some of its member states but also China's presence in the Western Balkans, which it considers as "EU neighbourhood". Moreover, the EU is committed to "engaging with China to uphold the rules-based international order" since its officials believe that China acts in unilateral way that contradicts the rules-based international order (EU-China – A strategic outlook, 2019). The Ursula von der Leyen Commission has promoted the concept of 'strategic autonomy', which can turn out to be a rather unsustainable strategy if there is lack of conviction from the EU member states. It might leave the EU vulnerable to economic and political pressure from both the US and China (Bergsen, 2021).

NATO does not consider China as an adversary. However, as NATO Secretary General Jens Stoltenberg has stated, its rise could entail consequences for NATO security. China has been investing in nuclear, new technologies (like long-range nuclear weapons, hypersonic glide vehicles, new silos for missiles, 5G, ea.) and China has the biggest navy. The NATO official emphasized that NATO should remain an alliance of North America and Europe but pointed out that it should be able to face global threats. In his view, China is coming closer to the West in space, in cyberspace, in Africa, in the Arctic, or in the control critical infrastructure (referring to the 5G competition). China has increased its economic and military footprint in the Indo-Pacific. On the other hand, he stressed that NATO countries should engage with China on issues like climate change, and possibly arms control. Furthermore, the NATO Secretary General warned that a creation of parallel defense structures in the EU would be counter-productive, as it would limit the pool of resources and forces used within NATO. He also recognized the special importance of German military and nuclear capacities for the capabilities of the NATO alliance and insisted on further strengthening the EU-NATO cooperation (Stoltenberg, 2021).

## **Findings**

The analysis reveals some interesting aspects of the relations the United States and the European Union have with China.

The globalized system of trade rules focuses on increasing trade flows while limiting production costs, rather than ensuring fair trade and improving the quality of life within states. Global trade does offer opportunities for wealth and prosperity but whether the consumers and producers get to reap the benefits highly depends on the institutional structure of their state.

In the case of China, the confluence of several factors has generated its spectacular economic rise. China's domestic economy has been shaped by a series of governmental interventions throughout the years. The two predominant characteristics of modern-day Chinese economy, labor-intensive production, and orientation toward exports, are complimented by unusually high savings and relatively low inflation rates. Nonetheless, China's growth model is unsustainable because it calls for constant expansion. In the last decades, due to China's cheap

labor and low environmental standards many manufacturing industries relocated to Chinese cities. China has become the “world’s factory” and produces all sorts of products. Nonetheless, Chinese production heavily relies on imports of components that require the use of sophisticated technology, which the country does not possess due to its poor protection of property rights.

In recent years, Chinese firms have acquired technology from more advanced countries by various of illegal or unethical methods. This practice along with governmental subsidies and investments led to the emergence of a prominent tech sector in China. One very serious aspect of technological development is its connection to energy demands. To respond to its raising energy demands, which have boomed due to its growing manufacturing sector and its developing high-tech economy, China has used the Belt and Road Initiative to gain access to raw material and energy sources. Initially most of its partners in the Middle East and in Africa supported this “win-win” project. However, some countries have expressed their frustration regarding the BRI, saying that it creates debt traps for the partners of China. Another vulnerable point of China’s growth strategy is that depends on transport of goods to China though the sea and thus any sort of sea blockade would deal a severe blow to Chinese economy.

Several Chinese tech giants such as Huawei, have managed to surpass their foreign competitors in the field of telecommunications technology by developing the new generation of 5G technology, which has both commercial and military applications. This has created great frustration and concern to governments worldwide, and above all to the US. The advantage in the field of technology is considered as a key component of modern security systems. Therefore, China has the potential to become a serious threat to the US.

Apart from economic success, the second pillar of legitimacy of the Chinese Communist Party’s authority is nationalism, the guiding ideology in China which uses several historical elements from the glorious days of the Celestial Empire. It also incorporates memories of dark times and presents Chinese Communists as the heroes that brought an end to “the century of humiliation”. The Chinese educational system presents that period as the times when China was disgraced by Western imperialists who sought to force China to open its ports to foreign trade. Deng Xiaoping tried to focus on economy instead of fostering reverence toward an idolized political leader. He introduced a series of reforms that stimulated Chinese economy and promoted growth but used a very mild tone in his political proclamations. Conversely, President Xi Jinping introduced a new vision for China’s role in the world. He used a more assertive rhetoric and promoted his vision of making China a superpower that would help other nations improve their economies through multilateralism and inclusiveness. Nationalist proclamations however involve the risk of trapping a country’s leadership in a foreign policy from which it cannot deviate without damaging the national pride of its people.

China’s trade and financial practices have often been the target of severe criticism, mostly due to the huge impact they have on the global market. China has often been accused of using unlawful or distorting methods, such as boosting its trade through currency devaluation. However, the greatest challenge that China poses to the international system is that it challenges the validity and fairness of the system itself. Through the BRI it has created a platform of rules that are in favor of Chinese partners but promise prosperity and aid for the development of impactful infrastructure. China presents its own development as a “success story” and takes advantage of the fact that other developing countries find the existing system of rules as “exclusive” and unfair. Most of these countries have suffered under colonialist rulers and are now striving for their independence.

China’s growing influence in the Southeast Asia region and its trade connections have caught the attention of both the US and the EU. After the American “Pivot to Asia” and the US failed attempt to establish a Trans-Pacific Partnership (TPP), 11 South Asian countries signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a free trade agreement, under the initiative of Japan. So far this has been the best alternative to Chinese

expansion in the area. This analysis shows that China's survival depends on growth and that China uses the existing system of global trade rules to promote an even more integrated system. The Chinese vision however will be characterized by a lack of regulation on labor rights, environmental issues, and intellectual property protection.

Our last remark will be about the response of the US and the EU. Both actors place great emphasis on matters of human rights and security. Nonetheless, what they are offering does not seem to convince Asian states that are more interested in trade and cooperation, rather than on militarization of their region on the grounds that they need to force China to uphold the rule of law and the respect human rights. As Henry Kissinger has said: "the blueprints for containment drawn from Cold War strategies used by both sides against an expansionist Soviet Union do not apply to current conditions" (Kissinger, *The Future of U.S.-Chinese Relations. Conflict Is a Choice, Not a Necessity*, 2012).

## Bibliography

- Allison, G. (2017). *Destined for War: Can America and China escape Thucydides's trap?* London: Scribe.
- Bergsen, P. (2021, July 9). The EU's unsustainable China strategy: Can the EU continue to balance its relationships with China and the US in the context of increased rivalry between the superpowers? *Chatham House*. Retrieved December 16, 2021, from <https://www.chathamhouse.org/2021/07/eus-unsustainable-china-strategy>
- Brooker, M. (2021, August 20). *Can China step off its property treadmill? Not Likely*. Retrieved November 20, 2021, from Bloomberg: <https://www.bloomberg.com/opinion/articles/2021-08-19/china-s-real-estate-bubble-is-so-dangerous-beijing-can-only-watch-it-grow>
- Caporal, J., & Lesh, J. (2019, November 5). The CPTPP: (Almost) One Year Later. *Center for Strategic and International Studies*. Retrieved December 10, 2021, from <https://www.csis.org/analysis/cptpp-almost-one-year-later>
- Chatzky, A., & McBride, J. (2020, January 28). China's Massive Belt and Road Initiative. New York, USA: Council on Foreign Relations. Retrieved November 28, 2021, from <https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative>
- Chipman Koty, A. (2021, June 8). *Why China has amended its population policy and what it means for the economy*. Retrieved November 20, 2021, from China Briefing: <https://www.china-briefing.com/news/chinas-three-child-policy-what-it-means-for-the-economy/>
- Emmott, R. (2016, July 15). EU's statement on South China Sea reflects divisions. *Reuters*. Retrieved December 10, 2021, from <https://www.reuters.com/article/us-southchinasea-ruling-eu-idUSKCN0ZV1TS>
- EU-China – A strategic outlook. (2019, March 12). *European Commission*. Retrieved December 15, 2021, from <https://ec.europa.eu/info/sites/default/files/communication-eu-china-a-strategic-outlook.pdf>
- European Commission*. (n.d.). Retrieved December December, 2021, from European Commission Web site: <https://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>
- Gilli, A. (2020, July). NATO and 5G: what strategic lessons. *NATO Defense College POLICY BRIEF*(13). Retrieved June 21, 2021, from <http://www.jstor.org/stable/resrep25095>
- Glosserman, B. (2021, November 9). China's bid to join CPTPP: Neither serious nor sincere. Joining the pact is a smart move for Beijing, but will it abide by the rules? *The Japan Times*. Retrieved December 10, 2021, from <https://www.japantimes.co.jp/opinion/2021/11/09/commentary/world-commentary/chinas-cptpp-bid/>
- Grossman, D. (2021, December 16). Biden Needs a Southeast Asia Policy to Counter China's Pull. *Foreign Policy*. Retrieved December 18, 2021, from <https://foreignpolicy.com/2021/12/16/biden-southeast-asia-asean-china-strategy-geopolitics/>
- Guzzini, S. (1998). *Realism in International Relations and International Political Economy. The continuing story of a death foretold*. New York: Routledge.
- Hajjar, A. (2020, May 7). Digital Yuan: China's Attempt to Replace Cryptocurrency / USD. *AI Multiple*. Retrieved December 10, 2021, from <https://research.aimultiple.com/digital-yuan/>

- Hayes, A. (2019, July 6). 3 Reasons why countries devalue their currency. *Investopedia*. Retrieved December 10, 2021, from <https://www.investopedia.com/articles/investing/090215/3-reasons-why-countries-devalue-their-currency.asp>
- Hill, C. (2015). *Foreign Policy in the Twenty-First Century* (2nd ed.). London: Palgrave - Macmillan Publishers Limited.
- Holslag, J. (2015). Explaining Economic Frictions Between China and the European Union. In V. K. Aggarwal, & S. A. Newland (Eds.), *Responding to China's Rise. US and EU Strategies*. (pp. 131-150). Cham: Springer International Publishing.
- Investopedia. (2021). The Impact of China Devaluing the Yuan in 2015. *Investopedia*. Retrieved December 10, 2021, from <https://www.investopedia.com/trading/chinese-devaluation-yuan/>
- Jaipragas, B., & Sim, D. (2021, November 17). US plans 'coalition of democracies' for trade but won't join CPTPP: Secretary of Commerce Gina Raimondo. *South China Morning Post*. Retrieved December 2, 2021, from <https://www.scmp.com/week-asia/economics/article/3156405/us-plans-coalition-democracies-trade-wont-join-cptpp-secretary>
- JAZEERA, A. (2021, December 3). US, EU concerned at China's 'problematic' actions in disputed sea. *Al Jazeera news*. Retrieved December 10, 2021, from <https://www.aljazeera.com/news/2021/12/3/us-eu-concerned-at-chinas-problematic-actions-in-disputed-sea>
- Jose, N. (2020, June 29). String of Pearls in the Indian Ocean: How is India countering China in the Maldives? *South Asia Journal*. Retrieved November 26, 2021, from <http://southasiajournal.net/string-of-pearls-in-the-indian-ocean-how-is-india-countering-china-in-the-maldives/>
- Kastner, S. L. (2015). US-China Economic Integration and its Implications for US Policy in the Taiwan Strait. In V. K. Aggarwal, & S. A. Newland (Eds.), *Responding to China's Rise. US and EU Strategies* (pp. 113-129). Cham: Springer International Publishing.
- Kissinger, H. (2011). *On China*. New York: The Penguin Press.
- Kissinger, H. (2012, March/April). The Future of U.S.-Chinese Relations. Conflict Is a Choice, Not a Necessity. *Foreign Affairs*(91(2)). Retrieved November 18, 2021, from <https://www.foreignaffairs.com/articles/china/2012-03-01/future-us-chinese-relations>
- Kissinger, H. (2014). *World Order. Reflections on the Character of Nations and the Course of History*. New York: Penguin Press.
- Krugman, P. R., & Obstfeld, M. (2011). *Διεθνής Οικονομική: Θεωρία και Πολιτική* (3η ed.). (Γ. Λαντούρης, Γ. Δουλφής, & Σ. Πανταζίδης, Trans.) Αθήνα: Εκδόσεις Κριτική.
- Levine, D. A. (2020). Made in China 2025. *Journal of Strategic Security*, 13(3), 1-16. Retrieved November 25, 2021, from <https://www.jstor.org/stable/10.2307/26936543>
- Nedopil, C. (2021). Countries of the Belt and Road Initiative (BRI). *Green Finance & Development Center*. Retrieved December 3, 2021, from <https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/?cookie-state-change=1639585569385>
- Newton, K., & Van Deth, J. W. (2010). *Foundations of Comparative Politics: Democracies of the Modern World* (2nd ed.). Cambridge: Cambridge University Press.
- Scholte, J. A. (2001). Global Trade and Finance. In J. Baylis, & S. Smith (Eds.), *The Globalization of World Politics: An introduction to international relations* (2nd ed., pp. 519-539). New York: Oxford University Press.

- Schuman, M. (2021, December 14). China's Big New Idea: Why Xi Jinping won't stop talking about "common prosperity". *The Atlantic*. Retrieved December 14, 2021, from <https://www.theatlantic.com/international/archive/2021/12/china-getting-worried-about-income-inequality/620993/>
- Stoltenberg, J. (2021, November 19). Speech by NATO Secretary General Jens Stoltenberg at the German Atlantic Association 'NATO Talk' Conference 2021. Berlin, Germany. Retrieved November 29, 2021, from North Atlantic Treaty Organization Web site: [https://www.nato.int/cps/en/natohq/opinions\\_188772.htm?selectedLocale=en](https://www.nato.int/cps/en/natohq/opinions_188772.htm?selectedLocale=en)
- Tang, J. (2006, October). WITH THE GRAIN OR AGAINST THE GRAIN? ENERGY SECURITY AND CHINESE FOREIGN POLICY IN THE HU JINTAO ERA. *CENTER FOR NORTHEAST ASIAN POLICY STUDIES*. Retrieved December 3, 2021, from <https://www.brookings.edu/wp-content/uploads/2016/06/tang2006.pdf>
- Taylor, A. (2017, January 18). Finally, China manufactures a ballpoint pen all by itself. *The Washington Post*. Retrieved November 12, 2021, from <https://www.washingtonpost.com/news/worldviews/wp/2017/01/18/finally-china-manufactures-a-ballpoint-pen-all-by-itself/>
- Thomasson, E. (2021, August 3). China denies German warship entry into harbour, Berlin says. *Reuters*. Retrieved December 10, 2021, from <https://www.reuters.com/world/europe/china-denies-german-warship-entry-into-harbour-berlin-says-2021-09-15/>
- US Press statement on the situation in the South China Sea. (2021, November 19). Retrieved December 10, 2021, from <https://www.state.gov/on-the-situation-in-the-south-china-sea/>
- WTO, P. M. (2011, December). China in the WTO: Past, Present and Future. *Presentation following the 10th year anniversary of China's accession to the WTO*. World Trade Organisation. Retrieved November 20, 2021, from [https://www.wto.org/english/thewto\\_e/acc\\_e/s7lu\\_e.pdf](https://www.wto.org/english/thewto_e/acc_e/s7lu_e.pdf)
- Zeng, Y., & Hesketh, T. (2018, May 10). The effects of China's universal two-child policy. *Lancet*. *Author manuscript*. doi:10.1016/S0140-6736(16)31405-2
- Γκόφας, Α., & Τζιφάκης, Ν. (2017). *Θεωρητικές Προβολές στη Διεθνή Πολιτική: Η Σινο-Αμερικανική Πρόκληση*. Αθήνα: Εκδόσεις Πεδίο.
- Μπλαβούκος, Σ. (2013). Οι σχέσεις της Ευρωπαϊκής Ένωσης με την Κίνα [The relations between the EU and China]. In Σ. Πετρόπουλος, & Α. Χουλιάρας (Eds.), *Η Κίνα και οι Άλλοι* (pp. 135-166). Αθήνα: Εκδόσεις Παπαζήση.
- Παπασωτηρίου, Χ. (2013). *Η Κίνα από την ουράνια αυτοκρατορία στην ανερχόμενη υπερδύναμη του 21ου αιώνα [China: from Celestial Empire to the 21st-century Rising Superpower]*. Αθήνα: Εκδόσεις Ποιότητα.
- Πετρόπουλος, Σ. (2017). Η Γηραιά Ήπειρος συναντά τον Ασιατικό Γίγαντα: Οικονομικές, εμπορικές και πολιτικές διαστάσεις των σχέσεων ΕΕ-Κίνας [The Old Continent meets the Asian Giant: economic, trade and political aspects of EU-China relations]. In Σ. Βέρνυ, & Α. Κόντης (Eds.), *Ευρωπαϊκή Ολοκλήρωση: Οι πολλαπλές κρίσεις και οι προκλήσεις του μέλλοντος* (pp. 611-638). Αθήνα: Εκδόσεις Παπαζήση.