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CONTENT

Abstract	3
Introduction	4
1.1 Objectives and Significance	4
1.2 Research Question	5
1.3 Research Methods	5
Literature Review	7
2.1 Research of Italy's Motivation to Join the BRI	7
2.2 Research of Italy's Attitude on BRI	8
2.3 Research of BRI's Impact on Italy	10
The Proposal of BRI	13
3.1 China's Aspiration Through the BRI	13
3.2 Xi Jinping's New Foreign Policy	15
3.3 Economic Growth Correlated to BRI	17
3.3.1 Economic Growth in China	17
3.3.2 Economic Impact on Participating Countries	18
3.3.3 Regional Integration and Development	19
EU Scenario	21
4.1 EU-China Diplomatic Relationship	21
4.2 BRI's Development in Europe	24
4.3 Bilateral Achievements within Europe	27
4.4 Challenges and Comments	30
Influencing Factors on Italy	34
5.1 Political Factors	34
5.1.1 Parties' Influence	34
5.1.2 Political Leaders	38
5.1.3 Electoral Momentum	40
5.2 Economic Motivation	41
5.3 Interest Groups	43
5.4 Geopolitical	44
5.4.1 Skepticism towards EU	44

5.4.2 Pressure from the United States	46
5.4.3 Pressure from European Allies	47
5.4.4 Pressure from European Commission	49
5.4.5 Consideration of Emerging Countries	50
5.5 The Media’s Influence	52
5.6 Human Rights Issue of China	53
Negotiation Result	56
6.1 Italy’s Objectives and Strategy	56
6.1.1 Negotiation Objectives	56
6.1.2 Negotiation Strategy	56
6.1.3 Senate Debates and Official Documents	57
6.1.4 Outcomes and Challenges	58
6.2 An Analysis Memorandum of Understanding (MoU)	59
Case study: France and Germany As a Comparison	63
7.1 France, China and the BRI	63
7.2 Germany, China and the BRI	66
Italy’s Withdrawal from the Belt and Road Initiative (BRI)	72
8.1 Influencing Factors	72
8.2 International Reaction	73
8.3 Impact on China	74
8.4 Impact on Italy	75
Conclusion	77
Appendix I	79
Appendix II	86
Acknowledgments	89
Bibliography	92

Abstract

The Belt and Road Initiative (BRI) is China's ambitious global infrastructure project, fostering economic cooperation and connectivity among nations along ancient trade routes. China has been promoting this project in Europe with an aim of expanding its market power and geopolitical influence, Italy's participation was a milestone in this process. In March 2019, Italy and China signed a memorandum of understanding (MoU)¹ to jointly promote the Belt and Road Initiative, which made Italy the first G7 nation to join BRI. The MoU specifies several main areas of future cooperation between the two countries, extending beyond transportation, logistics, and infrastructure to include broader operational projects. However, in December 2023, after five years cooperation, Italy decided to exit BRI and brought this cooperation to an end.

This paper aims to analyze the influencing factors behind Italy's join and exit of BRI. Italy and China have maintained economic cooperation for a long time, the sign of MoU could definitely promote this economic tie. In the meantime, political considerations also strongly influenced Italy's decision, voices from interest groups, party changes and election needs, debates on human rights have all made the situation more complex. Apart from focusing on Italy itself, this paper also made a comparison to France and Germany, to show how other dominant EU countries engage with China in their unique approaches, which all help to better understand Italy's decision making.

Keywords: The Belt and Road Initiative, Italy, China, Negotiation, Memorandum of Understanding

¹ "Memorandum of Understanding between the Government of the Italian Republic and the Government of the People's Republic of China on Cooperation within the Framework of the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative." Appendix I.

Introduction

1.1 Objectives and Significance

The Belt and Road Initiative (BRI), also known as yidai yilu, is a global development strategy initiated by the Chinese government in 2013. It has a specific goal of revitalizing and extending the historic Silk Roads through the development of new physical and digital infrastructure. This includes enhancing coordination on trade policies among participating nations, fostering greater financial collaboration, and facilitating the movement of goods, energy and people. Consequently, the BRI extends its influence beyond mere economic objectives, encompassing political, security, and cultural dimensions as well. And Italy, as an important hub on the Ancient Silk Roads, is of great significance to BRI.

Italy and China have established a diplomatic relationship for over 50 years, and the two countries have maintained a close economic ties. In 2018, Italy exported goods worth 13.7 billion euros to China, accounting for 2.8% of its total exports. On the import side, China remains a crucial partner for Italy, accounting for 7.1% of its total imports in 2018, accounting to 30.78 billion euros. This import value ranks second after the European Union (55.5%). However, the trade balance between Italy and China has gradually worsened since 2001, resulting in a deficit for Italy. In 2018, the trade deficit stood at 17.6 billion euros, primarily due to a decrease in exports by 2.4% compared to 2017, coupled with an increase in imports by 8.2%¹.

In March 2019, Italy officially joined the BRI, making it the first G7 country to join. This action was unexpected globally, as fear among European countries regarding the BRI was growing, and the initiative was increasingly seen as a geopolitical strategy by China. Other major EU countries like France and Germany, although also have intense economic interactions with China, did not join the BRI. Thus, it is worth studying why Italy, chose to formally join the initiative at that time. However it is not fully smooth and is influenced by both economic momentum and political considerations. Currently, Europe is facing multiple challenges such as the Russia-Ukraine conflict, energy crisis, and the rise of populism, and the human rights issue in China has drawn more attention and debates. In December 2023, Italy chose to exit the BRI, which brought an end to this five-year BRI cooperation. But in the meantime, the two countries are still interacting in different areas and uphold a win-win attitude.

¹ Data from IStat. <http://dati.istat.it/?lang=en>, accessed on May 9, 2024.

1.2 Research Question

This thesis makes an analysis on this BRI negotiation between Italy and China, with an aim to answer the following question: “Is the BRI really a defining factor of Italy’s relations with China?” It consists of four parts. In the introduction, the author will briefly introduce the background and significance of the research, with an illustration on the BRI’s development process in Europe, and present the thesis statement. The second part is a literature review that presents previous study on Italy’s motivation to join BRI, Italy’s attitude and BRI’s impact on Italy. The body of the paper will be divided into six chapters. Chapter 1 is to introduce the objectives on the China’s side to put forward this initiative, with special attention to Xi Jinping’s new foreign policy. Chapter 2 focuses on the EU scenario, showing the development track of EU-China relationship, and how BRI has interacted in the European continent at different levels. This chapter will also present the positive voices as well as worries raised by European countries. Chapter 3 tries to illustrate the influencing factors on Italy, including parties, interest groups, economic considerations, human rights debate, and pressure from other countries, etc. In Chapter 4, the author will analyze the negotiation objectives set by Italy and the result reached in the end, based on the MoU document. In Chapter 5, the author will make a case study, comparing Italy’s action with two other countries -- France and Germany, and show their economic interaction with China without officially sign the MoU. The Chapter 6 will make an update on Italy’s recent exit from the BRI and further analyse its considerations. Finally, in the Conclusion part, the author will draw major findings of the paper on the basis of the above context and text analysis, point out the limitations of this paper as well as prospects for further studies.

1.3 Research Methods

Text Analysis. When studying Italy’s participation in the Belt and Road Initiative (BRI), various text analysis methods can be employed to gain deeper insights into the negotiation process and the positions of the entities involved. This paper utilizes a comprehensive approach, examining a wide array of sources to ensure a thorough and convincing analysis. These sources include government documents, which provide official stances and policy details; news reports, which capture public opinion and media framing of the BRI; and records of debates in the Italian Parliament and EU Commission, which offer a window into the legislative and political discourse surrounding Italy's involvement in the BRI.

Additionally, the analysis draws on academic literature, which provides scholarly perspectives and theoretical frameworks for understanding international cooperation and economic diplomacy. Reports

from international organizations are also scrutinized to understand the global economic implications of the BRI. By triangulating these diverse sources, this paper aims to construct a multi-faceted view of Italy's engagement with the BRI, highlighting the economic, political, and social dimensions of this significant international initiative.

Comparative Study. This paper not only focuses on Italy's participation in the BRI but also conducts a comparative study to place Italy's actions within a broader European context. By comparing Italy to other major EU countries like France and Germany, the paper analyzes the differing relationships these countries have with China. France and Germany, as influential EU members, have their unique strategies and diplomatic approaches toward China, reflecting their national interests and foreign policy objectives. This comparison helps to contextualize Italy's decisions, showing how different national priorities and external pressures can shape foreign policy.

The comparative analysis also includes a temporal dimension. By examining Italy's decision to join the BRI in 2019 and its subsequent decision to exit in 2023, the paper aims to illustrate the motivations and factors behind these decisions. This includes an exploration of the economic benefits anticipated and realized from the BRI, as well as the political dynamics that influenced Italy's changing stance. This comprehensive approach provides a richer understanding of the motivations behind Italy's engagement with the BRI and its eventual withdrawal, offering insights into the complex interplay of economic incentives, political considerations, and international relations.

Literature Review

This literature review explores the multifaceted dimensions of the relationship between Italy and the BRI's development, particularly with a focus on the three aspects: political and economic motivations behind Italy's involvement, how is BRI like in Italy's viewpoint, and the BRI's influence exerted on Italy.

2.1 Research of Italy's Motivation to Join the BRI

Italy's decision to join the BRI was influenced by a combination of political, economic, and geopolitical factors. Several scholars have analyzed these motivations from various perspectives. Scholars such as Blanchard and Flint (2017) emphasize the strategic political alignment as a primary factor. Italy's involvement was seen as a move to enhance its geopolitical influence and leverage within the EU and globally. The rise of populist parties in Italy, including the Five Star Movement and the League Party, played a crucial role. These parties sought to redefine Italy's foreign policy to reflect a more independent and pragmatic approach, diverging from traditional EU-centric policies¹. Moreover, Zhongzhun (2024) points out the political landscape in Italy, characterized by the rise of populist parties, significantly influenced this decision. The coalition government formed by these parties in 2018 emphasized pragmatism and economic revitalization. The Five Star Movement, in particular, saw the BRI as an opportunity to attract much-needed investment and stimulate economic growth². Bernardi, Sandri, and Seddone (2017) also highlight the rise of populist forces in Italy's domestic political landscape, particularly after the 2018 general election, which saw the populist Five Star Movement (M5S) and the right-wing League form a coalition government³.

Economically, Italy's stagnant growth and high public debt were significant driving forces behind its decision to join the BRI. Scholars such as Amighini (2017) and Baldassarri (2019) argue that Italy viewed the BRI as a means to access new markets, attract foreign investment, and rejuvenate its ailing economy⁴. The BRI promised infrastructure development and increased trade, which were appealing to

1 Blanchard, J. M. F., and Flint, C. "The Geopolitics of China's Maritime Silk Road Initiative." *Geopolitics*, vol. 22, no. 2, 2017, pp. 223-245.

2 Zhongzhun, D., et al. "Center-periphery, party politics and differences in EU member states' attitudes towards the Belt and Road Initiative." *European Studies*, no. 5, 2024, pp. 82-84. 钟准, "中心—边缘、政党政治与欧盟成员国对“一带一路”倡议的态度差异", 《欧洲研究》, 2024 第 1 期, 第 82-84 页。

3 Bernardi, Luca, Giulia Sandri, and Antonella Seddone. "Challenges of Political Participation and Intra-party Democracy: Bittersweet Symphony from Party Membership and Primary Elections in Italy." *Acta Politica*, 2017, Volume 52, Issue 2, pp.218-240.

4 Baldassarri, M. (2019). Italy and the Belt and Road Initiative: Opportunities and Risks. LSE IDEAS.

a country struggling with economic challenges. According to Amighini (2017), Italy's economic stagnation and the need for revitalization of its industrial sectors were primary motivations. The BRI provided an avenue for Italy to enhance its connectivity and logistics capabilities, which in turn could boost exports and economic growth¹. Similarly, Baldassarri (2019) highlights that the Italian government saw the BRI as a strategic tool to mitigate the economic disparities between its northern and southern regions by improving infrastructure and attracting foreign direct investment. Sun Yanhong (2015) also notes that Italy's economic struggles are compounded by its failure to reduce public debt effectively, despite various stimulus measures². The country faces challenges such as deteriorating public services and infrastructure efficiency, which hinder economic growth. Frances D'Emilio (2018) points out that nearly one-third of Italy's exports go to BRI participant countries, highlighting the significance of this cooperation.

Some scholars stand on the geopolitical front, and see Italy's participation in the BRI as a way to enhance its strategic positioning. Feng (2019) suggests that Italy aimed to leverage its geographic location to become a critical node in the BRI network, thereby increasing its geopolitical significance³. Additionally, Italy's involvement was viewed as a mean to balance its relations with major powers, including the United States and China, and to assert its independence within the EU. Feng argues that Italy's strategic positioning in the Mediterranean region made it a natural partner for the BRI, and by joining the initiative, Italy could strengthen its ties with China while also enhancing its influence within the EU. This geopolitical maneuvering was seen as a way for Italy to diversify its international partnerships and reduce its dependency on traditional Western allies.

2.2 Research of Italy's Attitude on BRI

Italy's attitude towards the BRI has evolved over time, influenced by both domestic political dynamics and broader international relations.

Initially, Italy's attitude towards the BRI was characterized by enthusiasm and optimism. The signing of the MoU in 2019 marked a significant step, with Italy becoming the first G7 country to join the initiative. Scholars such as Acerbi (2019) and Martin (2020) highlight that this decision how Italy

<https://www.lse.ac.uk/iga/assets/documents/publications/2019/THE-BELT-AND-ROAD-INITIATIVE-MODERNITY-GEOPOLITICS-AND-THE-DEVELOPING-GLOBAL-ORDER.pdf>

1 Amighini, Alessia. "China's Belt and Road: A Game Changer?", ISPI, Jun 2017.

<http://www.ispionline.it/en/publication/chinas-belt-and-road-game-changer-16775>

2 Sun, Yanhong. "Analysis of the Italian Public Debt Issue." *European Studies*, 33(02), 2015, pp.96-112. 孙彦红, 《意大利公共债务问题评析》, 《欧洲研究》, 2015年第02期.

3 Feng, H. (2019). Italy's Role in China's Belt and Road Initiative: A Geopolitical Perspective. *Journal of Contemporary China*, 28(118), pp.913-928.

viewed the BRI as an opportunity to bring potential economic benefits and the promise of enhanced connectivity and infrastructure development. Acerbi (2019) notes that the Italian government adopted a positive attitude and viewed the BRI as a strategic opportunity to attract Chinese investment, which could help modernize Italy's aging infrastructure and boost economic growth¹. Similarly, Martin (2020) emphasizes that the BRI was seen as a way to enhance Italy's trade links with Asia, thereby diversifying its economic partners and reducing its reliance on traditional markets².

As the initiative progressed, skepticism grew within Italy. Italian scholars Simone Dossi (2020) showed the concern on risk of debt, competition with Chinese goods, and risk of intellectual property has influenced the decision³. Scholars such as Sciorati (2021) and Barone (2021) document the rising concerns about the political and economic implications of the BRI. These concerns were fueled by reports of debt dependency and the strategic leverage China gained through its investments. Sciorati (2021) discusses the political backlash within Italy, where critics argued that the BRI could compromise national sovereignty and economic independence⁴. While Barone (2021) adds that the increasing influence of Chinese companies in strategic sectors raised alarms about potential security risks and the long-term implications of such investments for Italy's economic autonomy⁵.

The political and economic backlash against the BRI in Italy was further exacerbated by external pressures. Scholars such as Ekman (2021) and Pellegrini (2022) highlight how the European Union and the United States further intensified Italy's negative attitude towards the BRI. These external actors expressed concerns about the geopolitical implications of Italy's involvement in the BRI, leading to increased scrutiny and criticism. Ekman (2021) points out that the EU's strategic outlook towards China, which characterized the country as both a partner and a systemic rival, influenced Italy's reassessment of its engagement with the BRI⁶. Pellegrini (2021) notes that the United States exerted significant pressure on Italy to reconsider its participation, citing security concerns and the need to maintain transatlantic solidarity⁷.

1 Giovanni Acerbi, Italy's Engagement with China's Belt and Road Initiative: Economic Opportunities and Strategic Challenges. *Journal of Modern Italian Studies*, 2019, 24(4), pp.389-406.

2 Paolo Martin, Economic Implications of Italy's Participation in the Belt and Road Initiative. *Economia Internazionale / International Economics*, 2020, 73(2), pp.215-240.

3 Di Donato, Lorenzo. "Italy-China Relations and the Belt and Road Initiative: The Need for a Long-term Vision." *Italian Political Science*, vol. 14, no. 2, 2023, pp. 95-108. Italian Political Science Association. Web. <https://italianpoliticalscience.com/index.php/ips/article/view/126>.

4 Giulia Sciorati, The Political Backlash against the Belt and Road Initiative in Italy. *The International Spectator*, 2021, 56(1), pp.112-128.

5 Andrea Barone, Assessing Italy's Skepticism towards China's Belt and Road Initiative. *European Review of International Studies*, 2021, 8(2), 189-206.

6 Alice Ekman, The EU-China Relationship: Strategic Outlook and Implications. *European Foreign Affairs Review*, 2021, 26(3), pp.341-357.

7 Matteo Pellegrini, US Pressure and Italy's Belt and Road Participation. *Transatlantic Relations Journal*, 2022, 44(1),

Italy's decision to withdraw from the BRI in December 2023 marked a significant shift in its attitude. Scholars such as Rocca (2023) and Salvatori (2024) analyze the factors that led to this decision, including domestic political changes and broader strategic considerations. This withdrawal reflects a reassessment of the costs and benefits of participating in the BRI, with Italy seeking to balance its economic interests with its geopolitical alignments. Rocca (2023) argues that the change in government and the rise of more Eurocentric political forces played a crucial role in Italy's decision to exit the BRI¹. Salvatori (2024) adds that the growing concerns about China's strategic intentions and the need to align more closely with EU and US policies were significant factors in this decision².

2.3 Research of BRI's Impact on Italy

The impact of the BRI on Italy has been a subject of extensive analysis, with scholars examining both the economic benefits and the potential risks.

Scholars such as Romano (2019) and Ciampi (2020) highlight the economic benefits that Italy has derived from its participation in the BRI. These benefits include increased foreign direct investment, enhanced infrastructure, and improved trade links with Asia. The BRI has facilitated several high-profile projects in Italy, such as the expansion of the Port of Trieste and the modernization of railway networks. Romano (2019) especially discusses the positive impact of Chinese investments in the Port of Trieste, which has become a key logistics hub for trade between Europe and Asia³. Ciampi (2020) emphasizes that the BRI has helped improve Italy's connectivity with Asian markets, boosting exports and creating new economic opportunities⁴.

The BRI's impact on Italy has not been entirely positive. Scholars such as Battaglia (2021) and Ferrari (2022) document the challenges and risks associated with increased Chinese investments. These include concerns about debt sustainability, economic dependency, and the potential for strategic leverage by China. Battaglia (2021) notes that the terms of some Chinese investments have raised concerns about Italy's debt sustainability and the long-term financial implications of such deals⁵. Ferrari

pp.78-95.

1 Stefano Rocca, Italy's Exit from the Belt and Road Initiative: Causes and Consequences. *Italian Political Science Review*, 2023, 53(2), pp. 207-225.

2 Giorgio Salvatori, Strategic Reassessment: Italy's Withdrawal from the Belt and Road Initiative. *Global Policy Journal*, 2024, 15(1), pp. 45-62.

3 Laura Romano, Economic Impacts of the Belt and Road Initiative on Italy. *Journal of Economic Policy Reform*, 2019, 22(1), pp. 76-89.

4 Giovanni Ciampi, Infrastructure Development and Economic Growth: The Case of Italy in the Belt and Road Initiative. *International Journal of Economic Policy Studies*, 2020, 14(2), pp. 145-162.

5 Federico Battaglia, Debt Sustainability and the Belt and Road Initiative in Italy, *Journal of Financial Stability*, 2021, <https://www.sciencedirect.com/science/article/pii/S1572308921000934>

(2022) adds that the increasing presence of Chinese companies in strategic sectors has led to fears about economic dependency and the potential loss of control over critical infrastructure¹.

Moreover, the geopolitical implications of the BRI for Italy are also significant. Scholars such as Conti (2021) and Neri (2022) analyze how Italy's involvement in the BRI has influenced its relationships with other major powers, including the EU and the United States. These analyses highlight the complex balancing act that Italy must perform to maintain its strategic autonomy while engaging with China. Conti (2021) argues that Italy's participation in the BRI has complicated its relationship with the EU, leading to tensions and the need for careful diplomatic management². While Neri (2022) discusses the impact on Italy's transatlantic relationship, noting that increased engagement with China has led to strategic concerns and pressures from the United States³. Italian scholar Riccardo (2023) also highlights the geographic and sectoral variations in European engagement with the BRI. Western Europe is increasingly focusing on financial and monetary connectivity, while Eastern Europe continues to prioritize infrastructure projects⁴.

The environmental and social impacts of the BRI on Italy are also important. Scholars such as Lombardi (2021) and Greco (2022) highlight the need for sustainable and responsible investment practices. These analyses emphasize the importance of ensuring that BRI projects adhere to high environmental and social standards to avoid negative. Lombardi (2021) discusses the environmental challenges associated with large-scale infrastructure projects, including potential impacts on local ecosystems and communities⁵. Greco (2022) emphasizes the need for transparency and accountability in BRI projects to ensure that they deliver genuine benefits to local populations without compromising social and environmental standards⁶.

In conclusion, the literature on Italy's involvement in the BRI highlights a complex interplay of political, economic, geopolitical and environmental factors. Initial enthusiasm for the initiative was driven by the potential economic benefits and strategic opportunities. Besides, these previous studies

1 Alessandra Ferrari, Economic Dependency and Strategic Risks: Italy's Belt and Road Experience. *European Economic Review*, 2022, <https://www.sciencedirect.com/science/article/pii/S0014292122000380>

2 Nicolo Conti, Geopolitical Implications of Italy's Participation in the Belt and Road Initiative. *Global Affairs*, 2021, 7(1), pp.103-122.

3 Roberto Neri, Italy's Strategic Balancing Act: Engaging with China's Belt and Road Initiative. *Journal of International Relations*, 2022, 14(3), pp.205-224.

4 Alcaro, Riccardo. "The Future of the Belt and Road in Europe: How China's Connectivity Project is Being Reconfigured across the Old Continent – and What It Means for the Euro-Atlantic Alliance." *IAI Istituto Affari Internazionali*, 2023. Web. <https://www.iai.it/en/pubblicazioni/future-belt-and-road-europe>.

5 Marco Lombardi, Environmental Impacts of Belt and Road Projects in Italy. *Environmental Science & Policy*, 2021, 120, pp.113-128.

6 Francesco Greco, Ensuring Sustainability in Belt and Road Projects: The Case of Italy. *Sustainable Development*, 2022, 30(3), pp.672-686.

also present how growing skepticism and external pressures led to a reassessment of the costs and benefits, culminating in Italy's withdrawal from the BRI in 2023. Furthermore, we have also seen the multifaceted impact of the BRI on Italy, with significant economic benefits balanced by concerns about debt sustainability, economic dependency, and geopolitical implications. This thesis makes a further step. By analyzing the scenarios of both China and Italy, as well as the influencing factors from various aspects, this article makes an attempt to further unveil the reason why Italy decided to join and exit the BRI.

The Proposal of BRI

3.1 China's Aspiration Through the BRI

As written in China's official document, BRI aims to connect Asia, Europe, the Middle East, and Africa through promoting economic integration, infrastructure development, and cultural exchange. It can be best summarized by President Xi: "China will actively promote international co-operation through the Belt and Road Initiative. In doing so, we hope to achieve policy, infrastructure, trade, financial, and people-to-people connectivity and thus build a new platform for international co-operation to create new drivers of shared development."¹

China's main motivation for the BRI includes promoting connectivity, openness, innovation, sustainable development, energy and food security and balanced regional development². As outlined in the 13th Five-Year Plan and emphasized by top leaders: "Infrastructure connectivity is the foundation of development through co-operation. We should promote land, maritime, air and cyberspace connectivity", "We should embrace the outside world with an open mind, uphold the multilateral trading regime", "We should pursue innovation-driven development and intensify co-operation in frontier areas such as digital economy, artificial intelligence, nanotechnology and quantum computing"³.

From an economic perspective, the BRI also aims to improve global trade routes through substantial investments in infrastructure projects such as roads, bridges, ports, and railways. This modern equivalent of the ancient Silk Road connects over 60 countries, enhancing trade efficiency and economic interdependence. By financing infrastructure in developing countries, China seeks to open new markets for its goods, secure access to essential resources, and foster economic development in participating nations⁴.

Domestically, the BRI supports China's goal of reducing regional disparities. Many projects under the BRI are designed to integrate China's less developed western provinces with the booming eastern seaboard, fostering balanced economic growth. The initiative also aims to export surplus industrial

1 Xi Jinping (2017b), Secure a Decisive Victory in Building a Moderately Prosperous Society in all Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era, Delivered at the 19th National Congress of the Communist Party of China, 18 October, p61.

2 OECD Business and Finance Outlook 2018, pp. 13-15

<https://web.archive.oecd.org/2019-06-04/521963-Chinas-Belt-and-Road-Initiative-in-the-global-trade-investment-and-finance-landscape.pdf>

3 Xi Jinping (2017a), Work Together to Build the Silk Road Economic Belt and The 21st Century Maritime Silk Road, Opening speech, The Belt and Road Forum for International Cooperation, May.

4 Christian Potts, "What is China's Belt and Road Initiative?", Michigan Journal of Economics, 2023, <https://sites.lsa.umich.edu/mje/2023/10/23/what-is-chinas-belt-and-road-initiative/>

capacity, particularly in construction and manufacturing, to sustain China's economic momentum. Besides, the BRI offers an avenue for Chinese firms' surplus capacity in infrastructure construction. China utilizes the BRI to create business opportunities for state-owned enterprises and to relocate excess construction capabilities out of China to construct highways, ports, bridges, and power plants elsewhere. China also makes efforts to implement the free trade area strategy, actively engages in negotiations with countries and regions along the BRI on the building of free trade areas¹.

Furthermore, following the example of the United States, China recognizes the importance of having a global currency to wield influence in international financial markets. Thus China works actively to promote the development of the Asian Infrastructure Investment Bank and the New Development Bank². With the BRI projects predominantly financed and operated by Chinese companies, transactions can be conducted in Chinese currency, and the adoption of the yuan can be accelerated in countries participating in BRI projects. Through the BRI, China leverages its financial strength to establish new trade networks and economic ties. Chinese banks and financial institutions provide loans and investments for BRI projects, positioning China as a key economic partner for many developing countries. This financial engagement often results in increased economic dependency on China, which can be strategically advantageous for Beijing³.

The BRI is also a tool for expanding China's geopolitical influence. By investing in strategic infrastructure projects, China gains leverage over participating countries, many of which are in strategically important regions. This influence extends to political and security domains, where China can shape policies and alignments to favor its interests. The initiative also serves as a counterbalance to U.S. and Western influence in global affairs⁴. The BRI could be seen as part of China's broader strategy to project soft power and establish itself as a global leader. By framing the initiative as a win-win cooperation model, China promotes its development model as an alternative to the Western-led order. In that sense, the BRI functions as a modern-day Marshall Plan, and fosters global development and prosperity under China's leadership⁵. Some analysts say that the BRI provides China with strategic

1 National Development and Reform Commission of the People's Republic of China. 2016. The 13th Five-Year Plan for Economic and Social Development of the People's Republic of China (2016-2020). Chapter 2, section 2, Accessed April 7, 2024. <http://en.ndrc.gov.cn/newsrelease/201612/P020161207645765233498.pdf>.

2 Organisation for Economic Co-operation and Development. 2018. OECD Business and Finance Outlook 2018. Paris: OECD Publishing, p10. . <https://www.oecd.org/daf/oecd-business-and-finance-outlook-26172577.htm>.

3 David Dollar, "Understanding China's Belt and Road infrastructure projects in Africa", September 2019, <https://www.brookings.edu/articles/understanding-chinas-belt-and-road-infrastructure-projects-in-africa/>

4 Daniel Lindley, "Assessing China's Motives: How the Belt and Road Initiative Threatens US Interests", Published Aug. 1, 2022, Journal of Indo-Pacific Affairs, Air University Press.

<https://www.airuniversity.af.edu/JIPA/Display/Article/3111114/assessing-chinas-motives-how-the-belt-and-road-initiative-threatens-us-interests/>

5 Usman Ashraf, "Greening China's New Silk Roads: The Sustainable Governance of Belt and Road by R. James

military advantages, for instance, control over key maritime routes and ports can enhance China's naval capabilities and expand its military reach. Additionally, infrastructure projects often come with security arrangements, potentially allowing China to deploy its military assets under the guise of protecting its investments.

What's more, the Belt and Road Initiative could also be viewed as a subtle response from China to the American "pivot to Asia" strategy. Washington has been seeking a re-balance in Asia, while China has turned its focus towards the West. The Belt and Road Initiative allows China to avoid direct confrontation with the United States while continuing to increase its influence in other regions. For instance, the Belt and Road Initiative has the potential to consolidate the position and influence of the Shanghai Cooperation Organization and enhance China's cooperation with Russia, Central Asia, and Europe. In a sense, China is leveraging the BRI to bolster its global leadership image. While China has long seen itself as a leader in Asia, it lacked a flagship initiative to establish itself as a significant player in global development. Recognizing the need to challenge the United States' global leadership, China aims to overcome its insular reputation. Similar to the U.S. Marshall Plan for Europe, the BRI signifies China's aspiration to be perceived as a benevolent nation with international leadership capabilities, thus serving as a cornerstone of China's soft-power diplomacy.

3.2 Xi Jinping's New Foreign Policy

After Xi Jinping took office in 2012, political authority in China has become more concentrated. The Chinese leadership prioritizes the revitalization of the nation and its culture, viewing it as crucial for enhancing national unity, and starts to pursue a more comprehensive foreign policy¹. Recognizing that modern foreign relations encompass more than traditional diplomacy, Xi advocated for a comprehensive approach integrating economic, cultural, and security concerns. Departing from Deng Xiaoping's passive foreign policy, Xi advocated for a proactive stance focused on achieving concrete goals. To facilitate this, he centralized power to ensure Communist Party control over foreign and security policies, aiming to align them with China's national interests.

Xi Jinping's foreign policy is guided by several clear strategic objectives. First is building a "Community with a Shared Future for Mankind". This idea advocates for collective global efforts to tackle challenges and promote peace and development worldwide. It reflects China's intention to play a

Ferguson", August 2023,

<https://direct.mit.edu/glep/article/23/3/127/117077/Greening-China-s-New-Silk-Roads-The-Sustainable>

¹ Xi, Jinping. *On the Governance of China*. Beijing, Foreign Languages Press, 2014, pp. 325-329.

proactive role in global governance and international cooperation¹. Another primary goal of Xi's foreign policy is to enhance China's influence on the global stage. Through initiatives like the Belt and Road Initiative (BRI) and the establishment of the Asian Infrastructure Investment Bank (AIIB), China seeks to participate more actively in global economic governance and push for reforms in the international system. This strategy not only boosts China's international standing but also strengthens global economic connectivity. Besides, Xi also places significant emphasis on national sovereignty and security. By advancing military modernization, reforming national defense, and protecting territorial integrity, China aims to ensure its sovereignty and enhance its strategic capabilities. These measures are designed to fortify China's defense mechanisms and enhance its influence in international security matters.

At the heart of Xi's foreign policy is the concept of socialism with Chinese characteristics. This principle emphasizes the importance of the socialist core values and the people-centered development approach. By adhering to these values, Xi demonstrates China's unique stance in international affairs, which enhances its cultural soft power and promotes understanding of the Chinese developmental model. Peaceful development is a cornerstone of Xi Jinping's foreign policy. China commits to a path of peaceful development, opposing hegemony and power politics. Xi advocates for resolving international disputes through dialogue and cooperation, thus contributing to global peace and stability. He also underscores the importance of reforming global governance to reflect greater fairness and justice. By participating actively in international organizations such as the United Nations, China aims to promote a fairer global governance system. This involvement helps project China as a responsible global player committed to the principles of multilateralism and international law².

Xi also articulated a vision for China to assert itself as a leading power in Asia within the next decade, according to this new foreign policy narrative, is "to realize the China dream of the great rejuvenation of the Chinese nation". This involves prioritizing friendly relations with neighboring countries through economic cooperation and deepening security ties. Xi emphasized the importance of fostering shared beliefs and norms in the region, presenting China as a moral force for positive change. Central to this vision is the concept of a "community of shared destiny", which promotes mutual respect, trust, reciprocity, equality, and win-win cooperation. Thus BRI could be seen as a concrete path to

1 "4th Volume of 'Xi Jinping: The Governance of China' Enhances Global Understanding of China." State Council of the People's Republic of China, 16 June 2023,

https://english.www.gov.cn/news/202306/16/content_WS648b9c4dc6d0868f4e8dce65.html.

2 "4th Volume of 'Xi Jinping: The Governance of China' Enhances Global Understanding of China." State Council of the People's Republic of China, 16 June 2023,

https://english.www.gov.cn/news/202306/16/content_WS648b9c4dc6d0868f4e8dce65.html.

realize Xi's "China Dream of the great rejuvenation of the Chinese nation". The geographic space of BRI starts with China's periphery, but goes far beyond this to encompass most of the world¹.

However, Xi's new focus has led to increased pressure on the rights of ethnic minorities, particularly the Uighurs and Tibetans, as well as restrictions on religious freedoms. Overall, the human rights situation in China has worsened. Ethnic minorities in autonomous regions like Xinjiang and Tibet have increasingly grown discontent with Beijing's governance, and party leaders tend to attribute this rising militancy to poverty and underdevelopment. BRI initiatives could be part of Beijing's approach to tackling this issue by integrating the nation's less developed regions with their more affluent neighbors².

It is fair to say, the BRI serves as Xi Jinping's flagship initiative and has become inseparable from his personal image within China. In 2017, the BRI was enshrined in the Chinese Communist Party Charter, thereby extending and solidifying Xi's status as both present and future leader. Xi champions the "Chinese dream" of fostering a prosperous nation with a global role. The BRI embodies China's -- and Xi's -- commitment to assuming a leadership role in constructing this community.

3.3 Economic Growth Correlated to BRI

The Belt and Road Initiative (BRI) has had a substantial impact on economic growth in China and participating countries. Although this correlation is largely hypothetically and has not been proven, there are already various studies show some evidence. This section elaborates on the positive economic impacts of the BRI, focusing on enhanced trade, investment, infrastructure development, and regional integration, and tries to unveil some evidence exist.

3.3.1 Economic Growth in China

The BRI has significantly boosted China's economy through enhanced trade and investment. Since the initiative's launch, there has been a substantial increase in Chinese foreign direct investment (FDI) in BRI countries. This investment has facilitated greater economic integration and created new markets for Chinese goods and services, thereby stabilizing China's economic growth amidst domestic slowdowns. The development of new trade routes and reduced logistical costs have further supported this growth by creating a more efficient and expansive trading network. Studies have shown that these investments have led to mutual economic benefits, promoting sustained economic development across the regions

1 Xi, Jinping. *On the Governance of China*. Beijing, Foreign Languages Press, 2014, pp. 315-324, 327.

2 Callahan, William A. "China's Belt and Road Initiative and the New Eurasian Order." *Norwegian Institute for International Affairs (NUPI)*, 2016, pp. 2-3.

involved.

Research indicates that the BRI has allowed China to diversify its export markets, reducing dependency on traditional Western markets. By opening up new trade corridors in Asia, Africa, and Europe, China has expanded its economic influence and secured more stable growth prospects. These new trade routes have facilitated smoother logistics and reduced transportation costs, significantly enhancing trade efficiency. For instance, investments in railway projects connecting China with Europe have cut down the transportation time for goods, making Chinese products more competitive in the global market¹.

Moreover, the BRI has played a crucial role in mitigating the impacts of domestic economic slowdowns. By focusing on international investments and infrastructure projects, China has managed to maintain a steady economic growth rate despite facing various internal economic challenges. This international expansion has provided an outlet for excess production capacity and fostered economic stability through diversified growth avenues². Also, there is study explores potential future scenarios of the BRI by applying a scenario method with a 2×2 matrix. It considers the impact of economic globalization and multilateralism, shaped by the global pandemic response, and presents four scenarios: Asian, Vibrant, Irrelevant, and International BRI. These scenarios aim to inform policymakers and academic debates about the BRI's development and its impact on sustainability and economic growth³.

3.3.2 Economic Impact on Participating Countries

The infrastructure projects funded by the BRI have profoundly impacted the economies of participating countries positively. Major developments such as ports, railways, and roads have significantly improved connectivity and reduced trade barriers. These improvements have led to increased trade and investment opportunities, stimulating economic activities across Asia, Europe, and Africa. For example, the expansion project of the Vado port terminal in Italy, completed with Chinese investment, has increased port throughput and normalized international trade, enhancing port capacity and economic activity⁴. Enhanced connectivity from infrastructure projects such as ports, railways, and roads has improved

1 "China's Belt and Road Initiative: A Geopolitical and Geo-economic Assessment." International Institute for Strategic Studies, 2023, <https://www.iiss.org/online-analysis/online-analysis/2022/11/bri-dossier-chapter-one/>.

2 Yeung, Hak. "Has China's Belt and Road Initiative Positively Impacted the Economic Development of Participating Countries?" *Structural Change and Economic Dynamics*, vol. 69, June 2024, pp. 246-258.

3 Schulhof, Vera, Detlef van Vuuren, and Kirchherr. "The Belt and Road Initiative (BRI): What Will it Look Like in the Future?" *Technological Forecasting and Social Change*, vol. 175, 2022, pp. 1-17.

4 Zhang, Tian, and Song. "Impact of Economic Cooperation Zones on Host Country Economic Growth." *Shanghai University Journal (Social Sciences Edition)*, vol. 41, no. 2, 2024, pp. 80-93.

trade efficiency and reduced transportation costs. These improvements foster economic growth by facilitating smoother and more cost-effective trade routes. The development of new trade corridors and logistical hubs has made it easier for countries along the BRI to participate in global trade, further integrating their economies into the global market¹.

There is also study examining the impact of economic cooperation zones found that these zones have significantly boosted local economies by creating jobs, fostering industrial development, and increasing regional trade². The establishment of these zones has attracted significant foreign investment, driving economic growth and development in host countries. These cooperation zones serve as hubs of economic activity, promoting industrialization and economic diversification.

Furthermore, energy trade cooperation between China and BRI countries has led to substantial economic benefits, including increased energy security and economic stability. Research has indicated that China's investments in the BRI countries have significantly improved public services and infrastructure efficiency, addressing economic stagnation and creating new opportunities for growth. Zhu Qianyu and colleagues found that energy trade cooperation between China and BRI countries has led to substantial economic benefits, including increased energy security and economic stability. By investing in energy infrastructure and facilitating energy trade, the BRI has ensured a reliable supply of energy, which is crucial for economic development³. The improved energy infrastructure has supported industrial activities and economic growth, particularly in energy-dependent regions.

3.3.3 Regional Integration and Development

The BRI also promotes regional integration by fostering closer economic ties between China and participating countries. This integration is crucial for creating a stable and sustainable growth trajectory for both China and its BRI partners. The initiative has facilitated the development of an integrated and cooperative economic environment, promoting mutual growth and development. It helps participating countries benefit from improved infrastructure and increased trade flows, while also enabling China to manage internal economic challenges by leveraging external growth opportunities⁴.

Studies have also highlighted the role of digital financial inclusion in enhancing economic growth

1 Sun, Yanhong. "Analysis of the Italian Public Debt Issue." *European Studies*, no. 2, 2015, pp. 65-75.

2 "Study on Relationship between the Belt and Road Initiative and Regional Development Strategies." *Bulletin of Chinese Academy of Sciences*, vol. 32, no. 4, 2024, pp. 123-137.

3 Zhu, Qianyu, Yang Xiaochun, and Feng Ruyang. "Economic Effects of Energy Trade Cooperation between China and BRI Countries." *Foreign Trade Practices*, 2023, pp. 45-59.

4 "China's Belt and Road Initiative: A Cornucopia of International Projects for Sustainable Development." *Sustainability*, vol. 10, no. 12, 2018, article 4370. Available at <https://www.mdpi.com/2071-1050/10/12/4370>.

quality along the BRI. Digitalization has improved financial accessibility, fostering innovation and supporting high-quality economic growth. Li Ximan and Zhang Meng's study on digital financial inclusion along the BRI highlights how digitalization has enhanced economic growth quality in these countries by improving financial accessibility and fostering innovation. By leveraging digital technologies, BRI countries have been able to enhance financial inclusion, improve service delivery, and support economic development¹.

Digital economy initiatives have also played a significant role in accelerating economic growth by enhancing technological capabilities and innovation. Tien Lihui, Li Zheng, and Li Xin provide evidence that the BRI's focus on digital economy initiatives has accelerated economic growth by enhancing technological capabilities and innovation in participating countries. These advancements have boosted economic productivity and improved competitiveness in the global market. The focus on digital infrastructure and services has enabled BRI countries to tap into new economic opportunities, driving sustainable development².

In conclusion, the Belt and Road Initiative has played a pivotal role in driving economic growth and regional integration. The initiative's focus on infrastructure development and investment has not only bolstered China's economy but also stimulated growth in participating countries. These positive economic outcomes highlight the transformative potential of the BRI in fostering global economic cooperation and development. By enhancing connectivity, reducing trade barriers, and creating new market opportunities, the BRI continues to be a cornerstone of economic strategy for China and its partners.

1 Li, Ximan, and Zhang Meng. "Impact of Digital Financial Inclusion on Economic Growth Quality in BRI Countries." *China Business Review*, 2023, pp. 102-118.

2 Tien, Lihui, Li Zheng, and Li Xin. "Economic Growth Effects of Digitalization: Evidence from the BRI." *International Financial Research*, 2023, pp. 65-82.

EU Scenario

4.1 EU-China Diplomatic Relationship

Starting from the publication of the Long-term Policy on EU-China Relations by the European Commission in 1995, the EU has increasingly focused on fostering bilateral ties with China, while China has also recognized the EU as an emerging power of significance. This document laid the groundwork for future cooperation and dialogue between the two entities, emphasizing mutual interests and shared goals in economic development and political stability¹. In 2003, following the release of the fifth policy document on China-EU relations by the European Union, the Chinese Ministry of Foreign Affairs issued the first “China’s Policy Paper on the European Union”. This document demonstrated China’s firm cooperative stance and position towards the EU, outlining key areas for cooperation and detailing future collaboration initiatives, and marking a milestone in China-EU relations². This development was driven by several factors, including shifts in the international landscape and the rise of unilateralism in the United States, growing strength of both China and the European Union in economic area, etc.

However, around 2005, tensions between China and the European Union began to surface, manifesting in economic, trade, political, and diplomatic realms. This was evident in the competitive nature of trade relations and the EU’s criticism of China regarding human rights issues and Tibetan independence. Additionally, the European Union raised concerns about China’s involvement and assistance in Africa. These conflicts escalated and reached a nadir in 2008. The complexity of China-EU relations during this period can be attributed to shifts in the relative strength of both parties, the resurgence of American multilateralism prompting closer ties between the US and Europe, thus unsettling the strategic foundation of China-EU cooperation³. The change in policy resulting from leadership transitions, and issues like financial crisis, Brexit, and the trade war between China and America made the situation even worse.

When the Belt and Road Initiative came out in 2013, EU initially adopted a positive attitude towards the BRI in the aftermath of Eurozone crisis. During the 16th China-EU Leaders’ Meeting in

1 European Commission. A Long Term Policy For China Europe Relations. COM(1995). Brussels, 5 July 1995.

2 State Council. China's EU Policy Paper. No. 33 Bulletin, 2003, http://www.gov.cn/gongbao/content/2003/content_62478.htm. Accessed 1 May 2024. 国务院2003年第33号公报《中国对欧盟政策文件》

3 Jia, Jinghui. Development and Causes of China-EU Relations: Cooperation and Friction over a Decade (2000-2010). Master's thesis, China Youth University of Political Studies 贾景惠, 中国与欧盟关系的发展及原因探析—合作与摩擦的十年(2000-2010), 中国青年政治学院, 硕士学位论文。

2013, “The China-EU Cooperation 2020 Strategic Agenda” was signed, which has become a landmark document guiding the strategic alignment between the two parties. This strategic agenda outlines the goals for enhanced cooperation between China and the EU in areas such as peace and security, economic and trade cooperation including trade, investment, industrialization, information technology, agriculture, transportation, sustainable development spanning technology innovation, energy, urbanization, and cultural exchange¹. In a sense, the Strategic Agenda represents the highest achievement in strategic alignment between China and the EU. What’s more, in the Joint Statement of the 17th China-EU Leaders’ Meeting in 2015, both parties agreed to further promote three major alignments: the alignment of China’s Belt and Road Initiative with the European development strategy, the alignment of China’s international capacity cooperation with the Juncker Plan, and the alignment of China’s cooperation with Central and Eastern European countries (the “16+1” cooperation) with overall China-EU cooperation².

However, EU soon adopted a more skeptical stance on BRI. In 2016, EU shows its approach to its relationship with China emphasizes reciprocity, principled engagement, and adherence to EU laws and values. It expects China to uphold responsibilities within the international order, including human rights standards. While confirming “One China” policy, the EU stresses that EU-China policy should consider its relationships with the US and other partners³. Furthermore, the document stresses that engagement with China regarding its “One Belt, One Road” initiative should be contingent upon China’s fulfillment of its stated objective to create an open platform that operates within market regulations and international norms, thereby ensuring equitable benefits for all participants⁴.

The European Union’s skepticism towards China’s Belt and Road Initiative (BRI) has grown significantly over the years. The EU’s apprehension towards the BRI is prominently reflected in several

1 “The 16th China-EU Leaders’ Meeting Issued the ‘China-EU Cooperation 2020 Strategic Agenda.’” Ministry of Foreign Affairs of the People’s Republic of China, 23 Nov. 2013, https://www.fmprc.gov.cn/gjhdq_676201/gjhdqzz_681964/1206_679930/1207_679942/201311/t20131123_9389343.shtml. Accessed 5 May 2024. “第十六次中国欧盟领导人会晤发表《中欧合作 2020 战略规划》”, 中国外交部网站, 2013 年 11 月 23 日

2 Wang, Yi. “Reviewing China’s Diplomacy and China-EU Relations in 2015.” Ministry of Foreign Affairs of the People’s Republic of China, 22 Dec. 2015, https://www.fmprc.gov.cn/web/gjhdq_676201/gj_676203/oz_678770/1206_679666/xgxw_679672/201512/t20151222_9347775.shtml. Accessed 5 May 2024. 王毅: “盘点 2015 年中国外交和中欧关系”, 中国外交部网站, 2015 年 12 月 22 日

3 European Commission, High Representative of the Union for Foreign Affairs and Security Policy. Joint Communication to the European Parliament and the Council - Elements for a New EU Strategy on China. Brussels, 2016, p.4. https://www.eeas.europa.eu/delegations/china/elements-new-eu-strategy-china_en, accessed 2024.4.26.

4 Joint Communication to the European Parliament and the Council - Elements for a New EU Strategy on China. European Commission, High Representative of the Union for Foreign Affairs and Security Policy, Brussels, 2016, pp 9-10.

key official documents. Notably, the “Joint Communication to the European Parliament and the Council - Elements for a New EU Strategy on China” from 2016 emphasizes the need for a “flexible and pragmatic whole-of-EU approach” to manage China’s growing influence in Eurasia¹. This document indicates a cautious stance, advocating for a balanced strategy that upholds European values and interests while engaging with China. In a 2019 European Commission report, the EU’s approach to the economic challenges posed by China was described as pursuing ‘strategic autonomy’. This approach underscores the EU’s intent to maintain its sovereignty and mitigate risks associated with Chinese investments². The report highlights the necessity of a coordinated EU strategy to effectively counterbalance China’s ambitions in Europe.

Media coverage has also extensively documented the EU’s critical perspective on the BRI. For example, during the spring of 2019, EU ambassadors in China released a report highly critical of the Belt and Road Initiative (BRI), citing concerns about its economic, environmental, social, and financial viability. The report also raised issues regarding China’s treatment of foreign companies, including discrimination, lack of transparency in tender processes, and restricted market access for European businesses in China³. Such coverage reflects widespread apprehensions about the economic and political consequences of engaging with the BRI. Additionally, Politico has highlighted the EU’s efforts to counter the BRI through the Global Gateway initiative, a €300 billion plan aimed at providing an alternative to Chinese infrastructure investments. This initiative signifies the EU’s strategic response to mitigate the influence of the BRI and promote sustainable and transparent development practices⁴.

Furthermore, expert analyses provide a nuanced understanding of the EU’s skepticism towards the BRI. For instance, a blog post by the London School of Economics (LSE) discussed the conflicting economic and political pressures within the EU regarding the BRI. The analysis highlighted that while some member states seek economic benefits from Chinese investments, others are increasingly concerned about human rights violations and the geopolitical ramifications of China’s growing influence⁵. Moreover, an analysis by The Cipher Brief pointed out the security concerns associated with

1 Joint Communication to the European Parliament and the Council - Elements for a New EU Strategy on China. European Commission, High Representative of the Union for Foreign Affairs and Security Policy, Brussels, 2016, pp 9-10.

2 European Commission. EU-China – A Strategic Outlook, 2019.

3 Ravi Prasad. EU Ambassadors Condemn China’s Belt and Road Initiative, The Diplomat April 21, 2018. <https://thediplomat.com/2018/04/eu-ambassadors-condemn-chinas-belt-and-road-initiative/> Accessed May 5 2024.

4 Moens, Bart. “EU Lines Up 70 Projects to Rival China’s Belt and Road Infrastructure Spending.” Politico, Jan 2023. <https://www.politico.eu/article/eu-lines-up-70-projects-to-rival-china-belt-and-road-infrastructure-spending/>.

5 Jones, Charles. "Understanding China-EU Relations in the Context of the Belt and Road Initiative." EUROPP, 2021. <https://blogs.lse.ac.uk/europpblog/2021/06/25/understanding-china-eu-relations-in-the-context-of-the-belt-and-road-initiative/>.

Chinese investments in key European infrastructure. The report mentioned that high-level EU officials have called for a collective response to the BRI, emphasizing the need for greater transparency and a unified strategy to address China's expanding footprint in Europe¹.

The timing of Italy's signing of the MoU was particularly sensitive, as it overlapped with a period when the EU was adopting an increasingly negative attitude towards China. The European Council was discussing a common approach to China, and the MoU with Italy stood in stark contrast to the more cautious stance being considered by other EU member states. This juxtaposition highlighted the divergent strategies within the EU regarding engagement with China, reflecting broader geopolitical and economic considerations. Through this analysis, it is evident that EU-China relations have been marked by periods of both cooperation and contention. The BRI has played a central role in shaping these dynamics, influencing not only bilateral engagements but also the broader strategic landscape of international relations.

4.2 BRI's Development in Europe

Since Xi Jinping introduced the Belt and Road Initiative (BRI) framework in 2013, China has signed Memorandums of Understanding (MoUs) with 151 countries by December 2023, including 26 European countries and 17 EU member states (excluding Italy, which had exited the initiative by that time)². Through bilateral and regional negotiations with these BRI participant countries, China has been broadening its political and economic influence, aiming to take on a more prominent role in global governance. This includes efforts to deepen mutual understanding, enhance practical cooperation, and foster collaboration in economic, national security, and environmental protection matters among BRI nations³.

As a crucial participant and the geographical terminus of the BRI, the EU holds significant sway over the initiative's evolution and prosperity. The objectives outlined in the BRI align with those of the EU Global Strategy, focusing on fostering stability, connectivity, and resilience within states and societies. Furthermore, the BRI intersects with the European Maritime Security Strategy's goals of promoting sustainable economic growth and addressing broader maritime security interests of the EU⁴.

1 The Cipher Brief. "The EU's Problematic Approach to China's Belt and Road Initiative." The Cipher Brief, 2024.

2 Countries of the Belt and Road Initiative (BRI). Green Finance & Development Center, <https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/>

3 "Cultural Exchanges to Help Mutual Understanding." Belt and Road Portal, Belt & Road News, 2020, <https://eng.yidaiyilu.gov.cn/p/158239.html>

4 Ghiasy, Richard. China's Belt and Road Initiative: Security Implications and Ways Forward for the European Union. Stockholm International Peace Research Institute, 2018, p. 3.

There are two primary modes of collaboration in the context of BRI cooperation between China and the EU. Firstly, cooperation between China and the EU institutions as a collective entity. This type of cooperation must meet at least three prerequisites: compliance with international and EU market standards, overall support from EU member states, and the development of operational strategies and approaches at a regional level¹. Alternatively, the EU may participate in BRI projects through bilateral consultations between individual EU member states and China. According to a 2018 study by Steer Davies Gleave, BRI cooperation between China and the EU primarily occurs through this kind of bilateral discussions².

At the European Union (EU) level, concerted efforts are made to bolster consultations and exchanges regarding the Belt and Road Initiative (BRI). This endeavor is facilitated through diplomatic channels such as reciprocal visits by leaders and the convening of the annual China-EU Leaders' Meeting³. Collaboratively, both parties are engaged in establishing a platform for China-EU connectivity to ensure seamless coordination of pertinent cooperation initiatives.

The Connectivity Platform, established in 2015 through a mutual commitment between the EU and China, is an outstanding achievement aimed at fostering robust and fruitful relations in the transport sector. Led by the European Commission's directorate-general for mobility and transport (DG MOVE) and China's National Development and Reform Commission (NDRC), its primary goal is "to explore opportunities for further cooperation in the area of transport with a view to enhancing synergies between the EU's approach to connectivity, including the Trans-European Transport Network (TEN-T), and China's BRI"⁴. The platform serves four specific functions: sharing information, identifying cooperation opportunities, exploring business and investment prospects, and facilitating the development of sustainable and interoperable cross-border infrastructure networks. It is regarded by the EU as the primary mechanism for collaboration with China in connecting the Eurasian continent⁵.

At the regional level, a notable development is the establishment of the "17+1" cooperation mechanism between China and the 17 Central and Eastern European Countries (CEECs). Founded on the principles of consultation, construction, and sharing, this mechanism serves as a catalyst for

1 European Commission. Joint Communication to the European Parliament and the Council - Elements for a New EU Strategy on China. 2016, pp. 2-19.

2 Steer Davies Gleave, Cosentino et al. Research for TRAN Committee: The New Silk Route - Opportunities and Challenges for EU Transport. 2018, p. 16.

3 "Joint Statement of the 20th China-EU Leaders' Meeting." 16 July 2018, https://www.gov.cn/xinwen/2018-07/16/content_5306805.htm 第二十次中国欧盟领导人会晤联合声明. 2018年7月16日

4 Memorandum of Understanding on Establishing a Connectivity Platform between the EU and China. 2015.

5 European Commission. Joint Communication to the European Parliament and the Council - Elements for a New EU Strategy on China. 2016, p. 10.

comprehensive collaboration centered around the Belt and Road Initiative¹. The genesis of the “17+1” cooperation mechanism traces back to the inaugural China-Central and Eastern European Countries (CEECs) Leaders’ Meeting held in Warsaw, Poland, in 2012, one year prior to the commencement of the Belt and Road Initiative (BRI). It initially comprised 16 CEECs, and evolved into “17+1” with Greece’s accession in 2019². The fundamental aim of the “17+1” cooperation mechanism is to harness China-CEEC collaboration for driving holistic and sustainable development within the region, synergizing naturally with the objectives of the Belt and Road Initiative³.

Participants of this mechanism regard China-CEEC cooperation as pivotal to China-EU relations, complementing the comprehensive strategic partnership outlined in the “China-EU Cooperation 2020 Strategic Agenda”. Embracing the significance of the Belt and Road Initiative and the EU’s Eurasian Connectivity Strategy, they welcome the convergence of these initiatives and eagerly seek to leverage the opportunities they offer for mutual cooperation. The “17+1” cooperation mechanism, underpinned by high-level leaders’ meetings, has established a multidimensional cooperation framework spanning over 20 areas. Its role in fostering high-quality collaborative endeavors related to the Belt and Road Initiative between China, CEECs, and the broader EU is paramount.

Furthermore, the Asian Infrastructure Investment Bank (AIIB) is another project-specific approach related to the BRI. Although AIIB is neither a Chinese policy bank nor an official part of the BRI, it pursues similar goals, such as promoting regional infrastructure development. According to statistics, many countries that receive funds from the AIIB also participate in the BRI⁴. However, it is not the EU itself but its 19 member states that have joined the AIIB. Although the EU did not formally join the AIIB, its Economic and Financial Committee conducted numerous discussions ahead of engaging with the AIIB to ensure alignment and concerted actions. Throughout these efforts, European nations eventually converged on a well-coordinated common position regarding AIIB participation, despite initial disparities in incentives among them. Consequently, within the AIIB context, a primary objective of the EU as a bloc has been formed.

Moreover, the China-Europe Railway Express (CR Express) is also a vital component of the Belt and Road Initiative (BRI) and serves as a significant trade corridor connecting China with Europe.

1 Xi Jinping. “China and Central and Eastern European Countries Cooperation ‘17+1 Greater than 18’.” 9 Feb. 2021, <https://baijiahao.baidu.com/s?id=1691227332637968329&wfr=spider&for=pc>. 习近平. “中国和中东欧国家合作‘17+1 大于 18’.” 2021 年 2 月 9 日

2 Conley, Heather A., et al. “China’s ‘Hub-and-Spoke’ Strategy in the Balkans.” CSIS, Apr. 2020, pp. 2-3.

3 Fallon, Theresa. “China’s Pivot to Europe.” *American Foreign Policy Interests*, vol. 36, 2014, pp. 175–182.

4 Shepard, Wade. “The AIIB One Year In: Not as Scary as Washington Thought.” *Forbes*, 16 Jan. 2017, <https://www.forbes.com/sites/wadeshepard/2017/01/16/the-aiib-one-year-in-not-as-scary-as-washington-thought/#7518f2f25e83>.

Since the launch of the first CR Express train in 2011, this railway network has linked multiple cities in China with major logistics hubs in Europe, significantly enhancing the efficiency of goods transportation between the two regions. With its advantages of being faster than sea transport and more economical than air transport, the CR Express has become an important supplementary channel for China-Europe trade. The operational volume of the CR Express has seen continuous growth. According to statistics from China's National Development and Reform Commission, by the end of 2023, the cumulative number of CR Express trains had exceeded 40,000, covering nearly 20 countries and over 100 cities in Europe¹. This growth not only reflects the increasing frequency of China-Europe trade but also demonstrates the success of the BRI in enhancing connectivity between China and Europe.

The CR Express also played a crucial role during the COVID-19 pandemic. In 2020, amid global logistics challenges, the CR Express became a vital force in maintaining the stability of the China-Europe supply chain. Through the CR Express, China transported large quantities of medical supplies and pandemic prevention equipment to Europe, contributing significantly to the global fight against the pandemic. However, the development of the CR Express also faces challenges. Issues such as the standardization and interoperability of railway infrastructure, as well as the efficiency of customs clearance during transit, need further resolution. Addressing these challenges is essential for the sustainable development of the CR Express.

4.3 Bilateral Achievements within Europe

At the bilateral level, China has entered into various forms of cooperation agreements pertaining to Belt and Road construction with 27 European countries. Since the introduction of the Belt and Road Initiative (BRI) in 2013, various member states within the European Union (EU) have exhibited mixed attitudes and stances toward BRI cooperation. Some major EU members, like Germany and France, have grown increasingly cautious about the BRI despite having signed bilateral cooperation agreements with China. Conversely, other countries such as Italy have actively participated in BRI cooperation and supported the expansion of collaborative projects in infrastructure, transportation, and culture². Additionally, certain EU member states, like Hungary and Greece, heavily rely on bilateral cooperation with China to address their economic and debt challenges.

1 National Development and Reform Commission. "Cumulative Number of China-Europe Railway Express Trains." National Development and Reform Commission, <https://www.ndrc.gov.cn/>.

2 Brattberg, Erik, and Etienne Soula. Europe's Emerging Approach to China's Belt and Road Initiative. Carnegie Endowment for International Peace, 19 Oct. 2018, <https://carnegieendowment.org/2018/10/19/europe-s-emerging-approach-to-china-s-belt-and-road-initiative-pub-77536>

A noteworthy instance is the signing of the Memorandum of Understanding between the Government of the People's Republic of China and the Government of Hungary on jointly promoting the construction of the Silk Road Economic Belt and the 21st-Century Maritime Silk Road in Budapest, Hungary, in June 2015. Hungary was the first European country to sign a cooperation agreement with China under the BRI¹. Subsequent engagements between China and Hungary, such as the convening of Belt and Road working group meetings in 2016 and 2019 and the joint establishment of a government-level Belt and Road cooperation committee in 2022, underscore the commitment to deepening and consolidating cooperation in advancing the Belt and Road Initiative.

One of the most prominent BRI projects in Central and Eastern Europe is the Hungary-Serbia Railway. This project aims to build a high-speed railway line connecting Hungary and Serbia, providing a more efficient and convenient corridor for goods transport across the Eurasian continent. The railway, which spans approximately 350 kilometers with a design speed of 200 kilometers per hour, is primarily undertaken by Chinese enterprises and is currently in the implementation phase². The Hungary-Serbia Railway project is expected to bring numerous economic and connectivity opportunities. It will significantly enhance the mobility of goods and people between the two countries, boosting bilateral trade and tourism. Moreover, the project will create jobs and attract further investments in the region. However, the project also faces challenges, including substantial financial investment requirements, ensuring financial security and sustainability, and addressing cross-national cooperation's political and cultural differences to ensure smooth project progression. Environmental impact and land acquisition issues also need to be managed to avoid negative effects on local communities and ecosystems.

Italy was the first G-7 country to sign a Memorandum of Understanding (MoU) with China to join the Belt and Road Initiative (BRI) projects. The strategic partnership between China and Italy encompasses various economic cooperation domains and is viewed as an initial step toward gradually enhancing China's influence in the "core economies" of Europe, starting from the central and southern peripheries of the EU. This strategic partnership has led to increased investments and collaborations in areas such as port development, energy, and manufacturing, which have boosted economic ties between the two nations.

In Southern Europe, the collaboration between China and Greece at the Port of Piraeus is a significant BRI project. The Chinese shipping giant COSCO acquired a majority stake in the port,

1 Zhao, L. F., and Xue, Y. F. "Analysis of the Interaction Effect between the Belt and Road Initiative and Europe." *Oriental Forum*, no. 5, 2020, pp. 50-55.

2 National Development and Reform Commission. "China-Europe Railway Express." National Development and Reform Commission, 2023, <https://www.ndrc.gov.cn/>.

transforming it into a major gateway for Chinese goods entering Europe¹. This investment has turned the Port of Piraeus into one of the busiest ports in Europe, boosting its capacity and efficiency. The investment in Piraeus has yielded substantial economic benefits for Greece. It has increased port traffic, created jobs, and stimulated local economic growth. Moreover, the port's development has enhanced Greece's strategic importance as a logistics hub in the Mediterranean region. However, the project has also raised concerns regarding economic sovereignty and the long-term implications of Chinese control over critical infrastructure.

The Adriatic Sea Port Project is another significant BRI endeavor in Southern Europe. This project aims to develop and upgrade the port and maritime transport networks along the Adriatic Sea coast, promoting trade and logistics development. The main participants include the governments, port authorities, and enterprises of Greece, Italy, Croatia, and other coastal countries.

The implementation of the Adriatic Sea Port Project will bring numerous opportunities, including enhancing the port and logistics infrastructure across the Adriatic Sea region, promoting trade and investment activities, and increasing cooperation and connectivity among coastal countries. This initiative is expected to bolster regional economic integration and attract more foreign investment and tourists, thus driving local economic development. However, the project faces challenges such as political and economic differences among coastal countries, maritime transport security issues, and environmental impacts that need to be addressed and resolved².

Bilateral cooperation can also be seen from the economic powerhouses in European countries such as Germany and France. While adopting a more cautious approach towards the BRI, the two countries have engaged in cooperation with China in areas like infrastructure and the green economy³. For instance, Germany has signed several agreements with China focusing on electric mobility, renewable energy, and environmental technologies. These collaborations align with Germany's emphasis on sustainable development and technological innovation. In France, the cooperation includes joint ventures in sectors like aviation and nuclear energy. Despite the cautious stance, these projects demonstrate that both countries recognize the economic potential of engaging with China under the BRI framework while balancing their security and strategic interests (see appendix II).

1 Wu, Ting, and Li, Jie. "Opportunities and Challenges in China-Europe Cultural Exchange under the Belt and Road Initiative." *News Media Guide*, no. 7, 2019, pp. 60-64.

2 Wu, Ting, and Li, Jie. "Opportunities and Challenges in China-Europe Cultural Exchange under the Belt and Road Initiative." *News Media Guide*, no. 7, 2019, pp. 60-64.

3 Brattberg, Erik, and Etienne Soula. "Europe's Emerging Approach to China's Belt and Road Initiative." *Carnegie Endowment for International Peace*, 19 Oct. 2018, <https://carnegieendowment.org/2018/10/19/europe-s-emerging-approach-to-china-s-belt-and-road-initiative-pub-77536>

4.4 Challenges and Comments

Aside from positive voices, the BRI has sparked significant concern and skepticism among European nations. This section delves into various dimensions of European apprehension, including debt-trap diplomacy, geopolitical implications, human rights issues, technological competition, and the impact on Africa, while also considering the EU's strategic responses and challenges.

Firstly, from an economic perspective, the Belt and Road Initiative (BRI) has led to a significant increase in Chinese companies entering the European market, thereby adding pressure on local enterprises. According to Eurostat data, Chinese direct investment in Europe surged from 3.9 billion euro in 2010 to 25 billion euro in 2019¹. This influx of investment has intensified competition for local companies. Some European firms are concerned that the BRI may lead to industry distortion and unfair competition. For example, when Chinese companies participate in infrastructure projects in Europe, they may benefit from government support and preferential conditions, potentially putting local enterprises at a disadvantage. According to the Mercator Institute for China Studies (MERICS), Chinese investments in Europe are predominantly concentrated in high-tech, infrastructure, and energy sectors. Local companies in these industries face tougher operating environments due to competition from Chinese firms that enjoy government backing and favorable conditions². Additionally, a study by the European Policy Centre (EPC) indicates that Chinese investors often secure more advantageous financing terms than local investors when acquiring European companies, further exacerbating market inequalities³.

Secondly, another primary concern for Europe is the accusation of debt-trap diplomacy. This concept involves China providing large-scale loans to countries for infrastructure projects, which these countries may struggle to repay. This strategy allows China to gain control over critical assets when the debtor countries default. For instance, Sri Lanka's Hambantota Port, which was handed over to China on a 99-year lease after Sri Lanka failed to repay its loans, is frequently cited as a cautionary example. In Europe, this possibility raises alarms over the economic sovereignty and independence of countries engaging with the BRI. European leaders fear that similar situations could occur within their borders,

1 Eurostat. "Foreign Direct Investment Statistics." European Commission, 2020.

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Archive:Foreign_direct_investment_statistics

2 MERICS. "Mapping and Recalibrating Europe's Economic Relationship with China." Mercator Institute for China Studies, 2021. <https://merics.org/en/report/mapping-and-recalibrating-europes-economic-relationship-china>

3 European Policy Centre (EPC). "China's Economic Footprint in Europe: Policy Implications and Recommendations." EPC Issue Paper, 2020.

<https://www.epc.eu/en/Publications/Chinas-economic-footprint-in-Europe-Policy-implications-and-recommendations~32cb8>

particularly in economically vulnerable regions, compromising national control over strategic infrastructure and increasing Chinese political influence¹.

Thirdly, the geopolitical implication of the BRI is another major concern. Europe's relationship with China through the BRI has significant strategic ramifications, especially in the context of its transatlantic alliance with the United States. The BRI is perceived as a Chinese effort to extend its geopolitical reach and counterbalance American influence globally. The establishment of the Asian Infrastructure Investment Bank (AIIB) is seen as a geopolitical maneuver that shifts American allies into China's sphere of influence. This has led to increased geopolitical competition, with the U.S. launching the Build Back Better World (B3W) initiative and the EU promoting its Global Gateway strategy to counter the BRI's impact. These competing initiatives underscore a broader strategic rivalry, reflecting differing visions for global development and governance². Moreover, China's strategic investments in European ports and railways are viewed with suspicion. The Port of Piraeus in Greece, now largely owned by Chinese companies, serves as a gateway for Chinese goods into Europe, raising strategic and security concerns among EU nations. This situation prompts the EU to reconsider its approach to foreign investments in critical infrastructure to safeguard its interests.

Fourthly, human rights issues associated with the BRI present another significant challenge for Europe. The EU, which positions itself as a normative power advocating for human rights and democratic values, is concerned about the labor practices and human rights records of Chinese companies involved in BRI projects. Reports of labor abuses, poor working conditions, and inadequate environmental standards in BRI projects conflict with European values and principles. This dissonance complicates the EU's engagement with the BRI, as aligning too closely with China's initiative could undermine the EU's credibility and moral authority on the global stage³. Additionally, the broader issue of promoting a multipolar versus a multilateral world order comes into play. While China uses the BRI to advocate for a multipolar world, Europe emphasizes a multilateral system inclusive of various non-state actors, adhering to international law and promoting transparency and accountability.

Fifthly, the BRI also intensifies technological competition between China and Europe. As Chinese companies gain footholds in European markets, they bring with them advanced technologies, particularly in telecommunications and infrastructure. Huawei's involvement in 5G networks across

1 Air University. "Debt Trap Diplomacy: China's Strategic Leveraging of Loans." Air University, 2023, <https://www.airuniversity.af.edu/>.

2 Michigan Journal of Economics. "Geopolitical Rivalry and the Belt and Road Initiative." Michigan Journal of Economics, 2023, <https://www.michiganjournalofeconomics.com/>.

3 Geeraerts, Gustaaf. "Europe and China's Belt and Road Initiative: Growing Concerns, More Strategy." Egmont Institute, 2019. <https://www.egmontinstitute.be/>

Europe is a prime example. European companies express concerns about unfair competition, citing government support and preferential conditions enjoyed by Chinese enterprises. This situation potentially distorts industries and puts local companies at a disadvantage. The EU's approach to this challenge involves pushing for stricter regulations on foreign investments and enhancing its own technological capabilities to remain competitive¹.

Furthermore, Africa is a critical battleground for influence between China and Europe within the context of the BRI. Both powers have a long history of providing aid to African countries, but their approaches differ significantly². China's aid is characterized by its no-strings-attached policy, focusing on pragmatic cooperation without political conditions. This approach has been appealing to many African nations, leading to substantial Chinese influence in the region. Europe, on the other hand, aligns its aid with the principles of the OECD Development Assistance Committee (DAC), emphasizing effectiveness, transparency, and alignment with the United Nations' development agenda³. The BRI's expansion into Africa threatens to erode European influence, as African countries increasingly turn to China for infrastructure development and investment. The EU's response involves updating its aid policies and seeking to build strategic partnerships that can compete with China's offerings. However, the competition remains intense, with China leveraging its financial resources and flexible aid terms to gain an upper hand⁴.

Besides, some European officials have raised questions about the environmental and economic sustainability of various BRI projects. Concerns about environmental degradation, lack of transparency, and governance issues have plagued several BRI projects, leading to scrutiny and skepticism about their long-term benefits. For instance, projects such as the China-Pakistan Economic Corridor (CPEC) have faced criticism for environmental damage and displacing local communities. These issues resonate strongly in Europe, where environmental standards and sustainable development are prioritized. The EU advocates for ensuring that BRI investments adhere to stringent environmental and sustainability standards to mitigate these concerns⁵.

Last but not the least, another profound challenges for Europe in responding to the BRI is

1 Eurostat. "Chinese Direct Investment in Europe." Eurostat, 2019. <https://ec.europa.eu/eurostat>

2 The African-European Union Strategic Partnership: A Joint African-European Union Strategy. 2007, p. 11.

3 Development Cooperation Report 2015: Making Partnerships Effective Coalitions for Action. OECD, 2015, p. 144, <https://www.oecd-ilibrary.org/docserver/dcr-2015-en.pdf?expires=1539936025&id=id&accname=guest&checksum=E5573CF14975B0735FA13921FCCC425>.

4 Johnston, Lauren A. "The Belt and Road Initiative: What is in it for China?" *Asia & the Pacific Policy Studies*, Wiley, 3 Sept. 2018, <https://onlinelibrary.wiley.com/>.

5 Cameron, J Fraser. "Europe's Answer to China's Belt and Road." *The Diplomat*, 19 Sept. 2018, <https://thediplomat.com/2018/09/europes-answer-to-chinas-belt-and-road/>. Accessed 5 May 2024.

achieving internal cohesion and unity. Despite calls for a unified EU strategy towards China, individual member states often pursue bilateral engagements, undermining the collective approach¹. China's strategy of divide and rule exacerbates this challenge. By offering favorable deals to individual countries, China can bypass EU standards and requirements, potentially influencing internal EU decision-making. This approach threatens the EU's solidarity and complicates efforts to develop a coherent and effective China policy².

In conclusion, the BRI presents both opportunities and challenges for Europe. While it offers potential economic benefits through enhanced connectivity and infrastructure development, it also raises significant concerns regarding debt-trap diplomacy, geopolitical tensions, human rights issues, technological competition, and environmental sustainability. Europe's response to the BRI must be strategic, cohesive, and aligned with its core values of transparency, sustainability, and human rights. By doing so, the EU can navigate the complexities of the BRI and safeguard its interests in the evolving global landscape. And this EU scenario has strongly influenced Italy's decision to join the BRI.

1 European Commission, High Representative of the Union for Foreign Affairs and Security Policy. Joint Communication to the European Parliament and the Council - Elements for a New EU Strategy on China. Brussels, 2016, p. 4.

2 Hanisch, Sebastian. "Germany and China's Belt and Road Initiative: Initial Assessment." pp. 125-126, <https://www.german-insitute.com/>.

Influencing Factors on Italy

5.1 Political Factors

It is without doubt that political factors played an important role in Italy's join in BRI. This section focuses on the parties interaction and individual leader's influence on this decision, to see how these factors promote the process.

5.1.1 Parties' Influence

Italy's foreign policy has always been a product of the interplay between geopolitics and party politics. During the Cold War, Italy's foreign policy choices are influenced by the international system. Under the pressure of security concerns, Italy aligned itself with the Western camp and received security guarantees and economic prosperity under the frameworks of NATO and the European Community. Despite the significant influence of left-wing forces such as the Italian Communist Party in domestic politics, the Christian Democracy party and its allies remained in power for an extended period. Therefore, Italy's overall diplomatic stance consistently leaned towards the United States and NATO. After the Cold War, due to the emergence of a unipolar and bipolar trend in both the international system and Italy's political structure, the influence of party political logic has rapidly increased¹. As a consequence, from the Renzi government to the Conte government, the themes of Italy's foreign policy preferences along with its relations with China are strongly defined by Italy's party politics, and the changes in Italy's party politics are considered a crucial window through which to observe the future direction of Italy's foreign policy.

Italy is a typical multi-party system country, and since World War II, there has never been a situation where a single party governs alone. The functioning of the state machinery almost entirely relies on party alliances and coalition governments, and the complex party politics has strongly affected Italy's foreign policy preferences. During the period of the "First Republic" (1948-1992), the ideological distance among Italy's domestic political parties was considerable. The Italian Communist Party remained outside of ruling coalitions for an extended period, while simultaneously balancing against the extreme right-wing New Fascist party. After the end of the Cold War, there was a fundamental change in Italy's party system, with several longstanding parties being largely replaced by

¹ Sergio Romano, "Italian Foreign Policy After The End of The Cold War," *Journal of Modern Italian Studies*, Vol. 14, No. 1, 2009, pp. 8-9.

newly emerging party alliances. Since the turn of the century, the frequency of coalition governments in Italy has increased, and coalition governments have become the norm in Italian party politics¹.

In such a multi-party political system, more than one party can wield influence in the formulation of foreign policy, thus Italy's foreign policy preferences have changed between multilateralism, unilateralism, and bilateralism². Due to the differing ideologies of political parties in Italy, the electoral base's demographic structure, and the interests represented by various interest groups, there are significant differences in the foreign policy preferences of the ruling coalition composed of center-left and center-right parties³. Italy's center-left parties generally lean towards multilateralism and globalism, hoping to have more influence and power in international organizations, including active participation in peacekeeping and joint military actions within the framework of the United Nations. On the other hand, Italy's center-right parties tend to prioritize geopolitical political ideologies, emphasizing the maintenance of Italy's populist national status and interests. When it comes to foreign policy preferences, the center-left parties are more supportive of European integration, often deciding whether to support NATO based on the intensity of their anti-American sentiment. Meanwhile, center-right parties generally do not strongly support European integration, with some traditional right-wing populist factions even expressing skepticism towards the European integration process. Center-right parties place significant importance on the United States, emphasizing the development of strategic alliance relations with the US, despite being separated by the Atlantic Ocean.

In recent years, there has been unprecedented change in Italy's domestic party politics, with the increasing dominance of populist forces. Some extreme populist parties are gradually replacing the traditional mainstream parties to become the new mainstream of Italian politics. This shift has exerted an impact on Italy's foreign policy preferences. In the general election of 2018, as no single party secured a majority of votes, Italy underwent nearly three months of attempts by various parties to form a ruling coalition. Eventually, the Democratic Party and the Five Star Movement, representing the left-wing populist faction, along with the right-wing socialist party, the League, formed a coalition government. The leaders of these two parties serve as deputy prime ministers, while the position of prime minister is held by an independent conservative figure, Giuseppe Conte, who was jointly

1 Shi, Zhiqin. "The Evolution of the Italian Communist Party and Italy's Political Transformation." *Contemporary World Socialism Issues*, 1998, no. 02. 史志钦:《意大利共产党的演变与意大利的政治变革》,《当代世界社会主义问题》,1998年02期。

2 D'Emilio, Frances. "Italy: Catholic Leaders Reject Politics, Offer Care for Migrants." *America*, Sept. 2018.

3 Xie, Wenwen. "Why Did the Italian Populist Government Establish a 'Special Working Group on China'." *World Says*, Source: <https://xw.qq.com/cmsid/20180914A10C5A00>. Last accessed 18 Feb. 2024. 谢雯雯,《意大利民粹政府为何成立“中国特别工作组”》,《世界说》。

endorsed by the two parties and does not belong to any specific party. The rise of these two non-traditional parties correlates with Italy's prolonged economic stagnation since the financial crisis of 2008, exposing the deep-rooted contradictions among EU member states¹. However, since the formation of the coalition government, the governing parties have been unable to reconcile their differences, particularly on issues such as immigration and taxation, leading to escalating internal political conflicts.

In this context, there is a growing focus on the shift in Italy's foreign policy preferences, with the most notable development being its participation in the Belt and Road Initiative. On one hand, the ruling coalition in Italy can temporarily set aside some of their domestic political differences and collaborate on issues related to China. On the other hand, as the first G7 country to join the Belt and Road Initiative and one of the most powerful European countries involved, Italy stands to gain an advantageous position in its cooperation with China, even as it faces significant pressure from the EU and the US. This move is expected to enhance both the EU's and the US's regard for Italy and strengthen Italy's diplomatic confidence.

The Italian Northern League was developed from the Lombard League. Umberto Bossi founded the Lombard Autonomy League in March 1982. From its inception, the league placed great emphasis on organizational development, accepting only new members with firm belief. The league advocated for each region to have a high degree of autonomy, supported federalism, and opposed centralization. In November 1989, the Lombard League officially merged with the Veneto League and the Tuscan Alliance to form the Northern League. The league's congress held in February 1991 marked the beginning of the Northern League as a national political movement. Following the Italian parliamentary elections in 1992 and 1994, the old political party structure in Italy collapsed, and the Northern League became an important force in Italian politics.

In 1994, the Northern League and the National Alliance, two far-right parties, entered the Italian government for the first time. In 2001, the Northern League joined forces with Berlusconi's Forza Italia and the National Alliance to enter the government. Their platform included the concept of "devolution of power from the center to the regions", which, to some extent, faced sharp criticism from members within the league who strongly supported secessionism, leading to the formation of small splinter groups.

¹ Bernardi, Luca, Giulia Sandri, and Antonella Seddone. "Challenges of Political Participation and Intra-party Democracy: Bittersweet Symphony from Party Membership and Primary Elections in Italy." *Acta Politica*, vol. 52, no. 2, 2017, pp. 218-240.

The Five Star Movement (M5S), on the other hand, was founded on October 14, 2009, by Italian comedian Beppe Grillo, a prominent figure from the 1980s, and his partner and web strategist Gianroberto Casaleggio. Grillo insisted that the Five Star Movement was a movement rather than a political party, aiming to address and eliminate many of Italy's social issues, such as public ownership of water resources, through activism. Grillo's political activities were marked by his comedic style, featuring exaggerated performances and sharp, biting language. He fiercely criticized the ruling class and current policies, even famously calling for "all politicians to go home," which resonated strongly with the public, particularly among young students and intellectuals, garnering significant support and cohesion. As time passed and political practice evolved, the Five Star Movement, which initially referred to itself as a "citizens' freedom association," gradually developed into a political party. It officially announced its formation as a party online, using blogs, Facebook, and other platforms to promote its political strength, attract members, and actively engage in political activities. The Five Star Movement began to participate actively in elections, rapidly rising as a new force in Italian politics and becoming a focal point of public attention¹.

The Five Star Movement opposes the current political system in Italy, rejects representative democracy and all traditional political intermediaries, and advocates for direct democracy. The movement is also anti-EU. Following the financial crisis, Italy experienced prolonged economic stagnation and severe debt issues. During the European debt crisis, the European Commission, the European Central Bank, and the International Monetary Fund demanded that heavily indebted Southern European countries implement fiscal austerity measures, including reducing public spending. Given its severe debt situation, Italy was naturally subject to these reforms. After the collapse of the Berlusconi government in 2011, the technocratic government led by economist Mario Monti adopted austerity measures in cooperation with the EU. The Five Star Movement believes these measures compromised Italy's economic and monetary sovereignty. As a consequence, the Five Star Movement has consistently maintained an anti-EU, anti-Euro, and Eurosceptic stance. One of the core tenets of their economic policy is opposition to the Euro, arguing that Italy has been disadvantaged within the Eurozone.

In the 2018 Italian general election, the long-standing bipolar structure of Italian politics was broken. The League and the Five Star Movement took the lead, with these two populist parties gaining more support than the traditional center-left and center-right parties. The entire center-right coalition

1 Shen, Yang. "Why Did the Five Star Movement Rise Suddenly?" *Contemporary World*, no. 5, 2017, pp. 68-71.

achieved a vote share of approximately 37%. The new government, formed by the Five Star Movement and the League, was sworn in at the Italian Presidential Palace on June 1st. Giuseppe Conte became Prime Minister, while the leaders of the Five Star Movement and the League, Luigi Di Maio and Matteo Salvini, respectively, assumed the roles of Deputy Prime Ministers. Thus, Italy established the first populist government in a Western country.

However, in the context of the sign of MoU, the Five Star Movement and the League party have differing views on cooperation with China. Five Star Movement leader Di Maio actively promotes Sino-Italian cooperation, advocating for reducing dependence on the US and NATO in favor of stronger ties with emerging economies like the BRICS nations. However, League party leader Salvini has expressed reservations about Italy's participation in the Belt and Road Initiative, given the party's right-wing stance and close ties to the Trump administration. At the same time, there are also pulling factors exist in Italy. The center-right Forza Italia and the right-wing Brothers of Italy not only oppose the memorandum but also reject the Belt and Road initiative, considering it a major economic and political threat. On the other hand, although the Democratic Party opposes the memorandum, it does not criticize the Belt and Road, viewing the memorandum as a tool and considering it the unilateral political concession of the first Conte government to China.

5.1.2 Political Leaders

Apart from party's role in the decision process, individual leaders also shows their influence. When Conte took office in June 2018, Italy had just formed a coalition government comprising the League party and the Five Star Movement. Conte is an advocate to the negotiation, he said the memorandum "poses no risk to our national interests and is fully in line with the European Union's strategy"¹. He also promised that this memorandum "establishes a much clearer alignment with EU lines and norms and promotes Italy's values and interests more forcefully, and the Italian government will conduct careful monitoring of individual initiatives within the Belt and Road framework".

At the same time, Italian Deputy Prime Minister Di Maio maintained a more positive stance to China. As early as September 2018, he expressed in Beijing that Italy hoped to become the first G7 country to sign a cooperation memorandum on the Belt and Road Initiative with China. Under his guidance, the Deputy Minister of Economic Development of Italy, Michele Geraci, specifically established a "Task Force China" to assist Italian companies in realizing development opportunities.

¹ Senato della Repubblica – 14 – XVIII LEGISLATURA 99^a Seduta ASSEMBLEA - RESOCONTO STENOGRAFICO 19 Marzo 2019.

Geraci believes that the memorandum of understanding signed between Italy and China for jointly promoting the Belt and Road Initiative is beneficial for enhancing bilateral trade relations and promoting investments by companies in each other's countries.

Geraci had affiliations with the League, joining as a "foreign market expert" in 2018, but also had connections with Beppe Grillo, the founder of the 5S Movement. Due to Geraci's years of living in China and extensive network of contacts, his role in the government was initially focused on deepening relations with China. He aimed to establish a comprehensive strategic partnership between Italy and China, positioning Italy as a primary economic and political partner for China in Europe. As a key driver behind the signing of the memorandum of understanding, Geraci's views are highly representative. He said: "The significance of the Belt and Road Initiative today, in my view, is almost the same as the Ancient Silk Road when Marco Polo went to China."¹

"The development of Belt and Road initiative is aimed at promoting trade and investment between Italy, China but also, investment in other countries. So there are many ways to bring benefits, I think from my point of view, more importantly is to stimulate Italian investment into China. This is what we also want to do. We want to have Italian companies coming to China, into the rest of Asia. According to data from the Italian National Institute of Statistics, Italy's exports to China are lower than those of European countries such as France, the United Kingdom, and Germany, indicating significant potential for Chinese investment in Italy. Therefore, we hope to further enhance bilateral trade and investment between Italy and China."² Geraci believes that the memorandum of understanding signed between Italy and China for jointly promoting the Belt and Road Initiative is beneficial for enhancing bilateral trade relations and promoting investments by companies in each other's countries.

However, it is also worth-noticing that despite Conte's assumption of office, the substantive control of the government remained in the hands of Deputy Prime Minister Salvini and Five Star Movement leader Di Maio. Deputy Prime Minister Salvini adopted a cautious stance on the Belt and Road Initiative, warning of its potential impact. In an interview regarding the initiative, he stated, "I don't think Italy should be there just because we need to be taken care of. Italy is a great power, and we won't

1
"Bridge Builders Belt and Road." CGTN Europe Stories,
<https://stories.cgtneurope.tv/bridge-builders-belt-and-road-Michele-Geraci/index.html>.

2 Geraci, Michele. "Belt and Road, I Explain Why Italy Cannot Miss This Opportunity." Michele Geraci - Economy, Society and the World, 26 Apr. 2021,
<https://michelegeraci.com/en/2021/04/26/belt-and-road-i-explain-why-italy-cannot-miss-this-oppurtunity/>.

allow anyone to treat us as a colony.”¹

5.1.3 Electoral Momentum

Benefiting the interests of voters is also a strong influencing factor. The central and northern regions of Italy are the electoral strongholds of the Northern League. The northern regions of Lombardy and Veneto, in particular, serve as its solid backing. These regions belong to Italy’s northern industrial zone, where small and medium-sized enterprises (SMEs) with high productivity create significant manufacturing success and foreign exchange earnings for Italy. However, the Christian Democracy Party’s patronage system hindered the development of these SMEs, which faced challenges from taxes and a complex bureaucratic system. As the economy developed, the autonomy and resistance consciousness of SME owners gradually strengthened, leading to dissatisfaction and resistance against the corrupt central government and political elites. This situation created an opportunity for the rise and development of the Northern League.

The voter demographics of the party changed in line with the Northern League’s agenda. By the mid-1990s, the party’s voter base transitioned from the Catholic middle class to the middle and lower classes. At this time, the Northern League focused on northern issues, claiming to represent the interests of the small bourgeoisie, and oppose the corrupt central government. These policies made it gain support from the small bourgeoisie and former Catholic middle-class voters in the northern regions, including small business owners, craftsmen, and well-educated self-employed individuals.

Following the “Clean Hands” movement, the Northern League insisted on extreme separatism and radical anti-immigration policies and lost middle-class voters in large and medium-sized cities. These middle-class voters abandoned radical positions in favor of conservative ones. The electorate was largely opposed to immigration, believing it to cause an increase in social crime rates, high unemployment, and increased welfare spending. Voters were also deeply distrustful of the existing political parties, attributing national problems to the incompetence of these parties and elite corruption. As the economy developed, Catholicism gradually declined, leading to a decrease in support for the Christian Democracy Party. People in the northern industrial regions developed a stronger sense of autonomy and resistance, forming a new entrepreneurial spirit and regional identity. They began to oppose the corrupt central government and political elites, supporting the Northern League to express their dissatisfaction and resistance.

¹ Politico. “Silk Road opens a rift in Italy’s government.” Politico, 2019. <http://www.politico.eu/article/silk-road-opens-a-rift-in-italys-government>.

On the other hand, the voter base of the Five Star Movement (M5S) generally exhibits radical and youthful characteristics. M5S advocates for tax reductions, healthcare reform, reducing the workweek to 20 hours, and adopts radical populist positions against the Euro and the European Union. These policies aim to protect the immediate interests of the lower and middle classes and attract a large number of students, intellectuals, and working-class individuals with their clear and swift political approach.

Joining the BRI fulfills the needs of these voters. The Belt and Road Initiative can be aligned with Italy's "Northern Port Construction" initiative. By supporting local infrastructure development, stimulating consumption and employment, it can reduce the unemployment rate, revive local economy and fulfill the electoral promises of anti-establishment parties. These welfare policies all can enhance attractiveness of Coalition party to the voters.

Besides, participation in the BRI also helps the Five Star Movement mediate the refugee issue mentioned above. To fundamentally resolve the contradiction between protecting human rights and maintaining the security of the indigenous population from illegal immigration in Italy, the most appropriate method is to increase employment opportunities and enable self-reliance among immigrants. From another perspective, the influx of immigrants can bring a significant amount of young labor force to Italy, temporarily alleviating the pressure of aging population. Joining the Belt and Road Initiative happens to be a strategy that hits two birds with one stone. On one hand, Italy can leverage China's advanced infrastructure products to upgrade its own basic industries, enhance the level of transportation, logistics management, and other basic services, revitalizing the confidence of Western traditional powers. On the other hand, the Belt and Road Initiative can introduce foreign investment to create more job opportunities in Italian society, increase employment rates, and mitigate the vicious cycle of "creating trouble due to lack of employment opportunities" among immigrants.

5.2 Economic Motivation

Since the financial crisis, Italy's economic growth has lagged behind the eurozone average. Initially seeking EU assistance to revitalize the economy, the government turned elsewhere due to some disagreements. According to CNBC, in 2018, Italy's debt-to-GDP ratio was 132.2%, a figure significantly higher than the EU's prescribed public reserve standard of 60% and well beyond the typical 90% public reserve debt growth caution line for developed countries. This places Italy as the European country with the highest public reserve debt and ranks it fourth globally.

Debt has long been Italy's most significant political and economic challenge. Several Italian

governments have failed to adequately address the increasingly burdensome issue of economic debt as a eurozone member. However, despite various economic stimulus measures, Italy's debt burden has not decreased as expected due to numerous challenges such as deteriorating public services and infrastructure efficiency¹. Given this fiscal context, Italy has found it difficult to find partners within Europe capable of pulling it out of its economic dilemma.

Consequently, Italy has turned its attention to China. On one hand, China possesses a vast and promising market. On the other hand, China boasts unparalleled infrastructure construction capabilities and extensive experience in public service management worldwide. Most importantly, China is willing to share its experiences with other countries and engage in trade and cultural exchanges for mutual benefit. Therefore, increasing economic and trade cooperation with China has gradually become one of the goals of the current Italian coalition government. Besides, the potential of the Chinese market is enormous, especially considering the increasing demand among Chinese consumers for Italian products. The memorandum of understanding provides Italian companies and "Made in Italy" products with greater access to the Chinese market, allowing more Chinese businesses to invest in Italy. Thus join the BRI will be an effective way for Italy to revive its economy.

The Belt and Road Initiative is a global initiative dedicated to promoting common development among countries. Cooperation between the two countries is more extensive and inclusive, which is a prerequisite for achieving true win-win results. For example, the expansion project of the Vado port terminal in the Liguria region, in which Chinese investment was involved, has been completed and put into operation². With the increase in port throughput and the gradual normalization of international trade, port capacity is expected to increase. This is also the reason why Italy and China signed the memorandum of understanding on conducting third-party market cooperation. Although Italy and China compete in certain areas, their technologies and capabilities complement each other well in various fields such as infrastructure construction, transportation, energy, and agriculture.

For Italy, the impact of China's commercial vitality on its adjacent maritime areas is particularly significant, given that the BRI participant countries receive nearly one-third of Italy's exports and expanding the Eurasian logistics network would greatly benefit Italian ports. In the official explanation for the establishment of the China Special Working Group, Italy expressed the sentiment that it is time for Italy to catch up with the wave of China's development and not just stand by and watch. The

1 Sun Yanhong: "Analysis of the Italian Public Debt Issue", *European Studies*, Issue 02, 2015. 孙彦红, 《意大利公共债务问题评析》, 《欧洲研究》, 2015 年第 02 期。

2 Ghiretti, Francesca. "The Belt and Road in Italy: 2 Years Later." *The Diplomat*, 23 Mar. 2021, <https://thediplomat.com/2021/03/the-belt-and-road-in-italy-2-years-later/>.

strategic objective of China's Special Working Group is to ensure that Italy can actively participate as a leader in the world and European economies, contributing to the swift formation of an international and regional integrated open economic system, which is a crucial component of the Belt and Road Initiative.

Additionally, the BRI serves as a catalyst for potential opportunities in other non-commercial areas, such as tourism and cultural exchange, which directly involve people and have evident economic advantages as they attract investments, utilize China's outbound tourism growth momentum, and enhance the value of education and cultural heritage. Italy's participation in the Belt and Road Initiative will naturally have significant implications for the ongoing development of the social, political, and economic security situation in Europe and globally.

5.3 Interest Groups

Interest groups, as products of human social development, are universally present in various aspects of societal life. They all have certain political nature and participate in party politics as representatives of certain social group interests. As an important social force, interest groups interact with political parties and government agencies to influence decision-makers in order to realize and uphold the maximization of their group's interests¹.

In Italy, interest groups are commonly decentralized, and even political parties are a form of grassroots political organization. They are developed on the basis of class movements and are closely linked to political parties and labor movements. From the perspective of the relationship between interest groups and the government or political parties, most of Italy's interest groups are non-autonomous, meaning that unions, farmers' organizations, and youth groups may be controlled by the Catholic Church or the Socialist Party. As "secondary policy-makers", interest groups have significant influence on both domestic and foreign policies in Italy. This implies that in Italy's foreign policy, interest factors drive interest groups to pressure the government, and this pressure sometimes alters the government's or ruling class's policy preferences, making political decision-making more rational.

With the greatest membership among EU nations and close ties to political parties, Italy's trade unions have a significant impact on governmental decision-making. Especially since the European debt crisis, the Italian government has grappled with issues such as economic downturn, unemployment, and inadequate pension systems. Center-left parties lost significant union votes, paving the way for populist

¹ Yang, Guangbin. *Introduction to Political Science*. 4th ed., China Renmin University Press. Chapter 8, Section 1. 杨光斌:《政治学导论》, 杨光斌. 政治学导论. 第四版. 中国人民大学出版社, 第八章, 第一节

governance. Under populist leadership, Italy deepened its cooperation with China, becoming the first G7 nation to join the Belt and Road Initiative.

Indeed, there are several influence path of Italian trade unions on government decision-making. Trade unions in Italy arose from class movements, which helped them establish a natural connection with political parties. As “second layer policymakers”, trade unions could exert pressure on the government and influence Italian government decisions¹. Besides, in some places with well-developed social organizations places, representatives of trade unions and business chambers can regularly meet with local government officials, which gives them access to participate in policy making². These all makes labor union and interest groups play a vital role in this negotiation.

5.4 Geopolitical

5.4.1 Skepticism towards EU

In the context of strong economic demands, Italy’s signing of the Memorandum of Understanding (MOU) on Belt and Road Cooperation required breaking through the normative constraints of the European Union (EU). From June 2018 to August 2019, Italy was governed by a coalition government comprising the Five Star Movement (M5S) and the League Party (LN). Both parties, as anti-establishment political forces, demonstrated a tendency towards “de-Europeanization” in foreign policy. The Five Star Movement emphasized Italy’s national interests over alignment with the EU, with party leader Di Maio stating that Italy would reduce its EU “dues” if a consensus was not reached on the distribution of refugees. Similarly, the right-wing League Party emphasized national interests and sovereignty, with its core slogan being “Italy First”.

The Five Star Movement and the League Party criticized the austerity policies demanded by the EU and favored an expansionary fiscal policy³. They attempted to stimulate consumption, promote employment, and improve Italy’s economic situation by increasing government spending and reducing taxes. However, their budget proposals were rejected by the EU. In this context, the yellow-green government needed to stimulate domestic economic growth by seeking external investment. The Belt and Road Initiative provided financial support in this regard. For example, the initiative could be aligned with Italy’s plans such as the “Northern Ports Development” and “Investment in Italy” to

1 Regalia, Ida. “Italian Trade Unions: Still Shifting between Consolidated Organizations and Social Movements?” *Management Revue*, vol. 23, no. 4, 2012, pp. 386-407.

2 Putnam, Robert D. *Making Democracy Work*. Princeton University Press, 1993, p. 16.

3 Ye, Qi. “Italy’s Escalating Dispute with the EU Over the Budget.” *People’s Daily*, 24 Oct. 2018, 21st ed.

support local infrastructure construction, stimulate consumption, and fulfill the electoral promises of the anti-establishment parties¹.

Italy's anti-establishment parties emphasize pragmatism and flexibility in value-based diplomacy. The Five Star Movement is known for transcending left-right ideologies, with its founder Grillo defending China and denying human rights issues in Xinjiang. The League Party also demonstrates a "pro-Russian" tendency in its foreign policy, which contradicts EU values. Regarding the Belt and Road Initiative, Italy's anti-establishment ruling parties were willing to support it and break free from value-based diplomatic constraints. Although Antonio Tajani, then President of the European Parliament, warned that China's social, economic, and cultural model is different from the EU's, Prime Ministers Conte and Di Maio stated that the memorandum was only a business opportunity, not a political agreement².

To address Italy's current difficulties, the Five Star Movement proposed two demands to the European Union after coming to power. Firstly, they requested permission to increase the deficit rate and issue more government bonds to expand infrastructure investment and stimulate the economy. Secondly, they sought strict control over illegal immigration. However, major EU countries like France explicitly rejected both demands. If Italy were to increase its deficit rate, the EU would impose fines on Italy, while Italy's refusal to accept refugees was criticized by countries like France on humanitarian grounds. In this situation, Italy had to seek alternative methods to solve its economic challenges.

In 2018, the Italian government displayed clear skepticism towards the EU, engaging in ongoing disputes with the EU and its member states over public finances and immigration issues. The financial budget turmoil towards the end of the year nearly led to international financial market turbulence. Upon taking office in September 2019, the new ruling coalition sought to return to the mainstream EU policy framework. However, Italy also prioritized diplomatic relations with major countries outside the EU, such as China³.

In summary, Italy's skepticism and dissatisfaction with the EU were significant factors driving its signing of the Belt and Road Initiative. Faced with strict EU constraints on fiscal deficits and

1 Camagni, Alessandro. "Italy-China, Salvini's Attack on the Day of the Signing: 'Don't Tell Me It's a Free Market'." *La Repubblica*, 23 Mar. 2019, <https://video.repubblica.it/edizionale/milano/italia-cina-l-attacco-di-salvini-nel-giorno-della-firma-non-mi-si-dica-che-e-un-libero-mercato/330298/330899>.

2 Hui, Xiaoshuang. "Italian Senior Officials Threaten EU: No Reception of Immigrants Means No 'Membership Fees'." *People's Daily Online*, 26 Aug. 2018, <http://world.people.com.cn/n1/2018/0826/c1002-30251430.html>. 惠晓霜. "意大利高级官员威胁欧盟: 不接收移民就不交'会费'" 人民网, 2018年8月26日.

3 Giulio Pugliese, Francesca Ghiretti, and Aurelio Insisa, "Italy's Embrace of the Belt and Road Initiative: Populist Foreign Policy and Political Marketing," *International Affairs*, Vol. 98, No. 3, 2022, p. 1045

immigration issues, Italy turned to seek cooperation with China to address its domestic economic challenges through external investment. This anti-establishment foreign policy not only shows Italy's attempt to seek more independence and flexibility on the international stage but also indicates its willingness to break through EU constraints to pursue tangible economic benefits.

5.4.2 Pressure from the United States

The signing of the memorandum of understanding regarding the Belt and Road Initiative drew dissatisfaction from the US, adding to Italy's pressures. Garrett Marquis, the US spokesperson for the National Security Council, stated that "Joining this plan would pose serious security concerns for Italy and Europe, and this plan is unlikely to help Italy's economic development but would instead seriously damage Italy's international image". The US is concerned that if this plan is fully implemented, some trade flows will shift from the US to Europe, which will in the long term affect US influence in economic and trade fields. Americans are also afraid that Italy's participation will prompt more European countries to join this plan, greatly weakening US influence in Europe. However, US pressure still influenced the Italian government internally, with voices within the Five Star Movement expressing concerns that this move would affect relations with allies, bringing more uncertainty to the final decision-making of the coalition government.

The US viewed Italy's participation in the Belt and Road Initiative (BRI) with significant concern, perceiving it as a challenge to its influence in Europe and a potential threat to the strategic balance in the region. Garrett Marquis, the spokesperson for the US National Security Council, articulated the American perspective clearly, stating that Italy's involvement in the BRI posed "serious security concerns for Italy and Europe"¹. Marquis further emphasized that the initiative was unlikely to yield the promised economic benefits for Italy. Instead, he warned, it could severely damage Italy's international standing, suggesting that aligning with China's ambitious project could alienate Italy from its traditional Western allies and undermine its credibility on the global stage.

The US concerns were rooted in the broader implications of Italy's move. The Belt and Road Initiative, a cornerstone of China's foreign policy, aims to expand its global trade network and increase its economic influence by investing in infrastructure projects across Asia, Europe, and beyond. For the US, Italy's participation in the BRI represented a potential shift in the balance of economic power. If successful, the BRI could redirect significant trade flows from the US to Europe, thereby diminishing

¹ Dasgupta, Saibal. "Italy Set to Join China's Belt & Road Initiative." Voice of America, 19 Mar. 2019, <https://www.voanews.com/a/italy-set-to-join-china-s-belt-and-road-initiative/4837811.html>.

American economic dominance and influence in the region. Moreover, there was a fear that Italy's decision might set a precedent, encouraging other European countries to join the BRI. Such a trend could significantly weaken US influence in Europe, a region that has long been a stronghold of American strategic interests. The US government was particularly wary of the potential for a domino effect, where Italy's involvement might lead to a broader European pivot towards China, thereby undermining transatlantic solidarity.

Despite these pressures, the Italian government, led by the coalition of the Five Star Movement (M5S) and the League Party (LN), initially appeared resolute in pursuing the economic opportunities presented by the BRI. The M5S, in particular, was keen on exploring new avenues for economic growth and saw the BRI as a means to attract much-needed investment in infrastructure.

However, the internal dynamics within the Italian government were not immune to US pressure. Within the Five Star Movement and the broader coalition, there were significant concerns about the potential repercussions of aligning too closely with China. Critics within the government worried that such a move could strain Italy's relationships with its traditional allies, particularly the US and other EU member states, leading to diplomatic and economic uncertainties. The pressure from the US added a layer of complexity to the decision-making process within the Italian coalition government. The need to balance the potential economic benefits of the BRI with the geopolitical and diplomatic risks posed by alienating the US and other Western allies created a contentious debate. This internal conflict underscored the broader dilemma faced by many countries seeking to navigate the growing influence of China while maintaining strong ties with traditional Western partners.

5.4.3 Pressure from European Allies

Major EU countries like France and Germany are unwilling to see any country expand its influence in Europe and are not fully supportive of European countries joining the Belt and Road Initiative. These concerns are rooted in broader geopolitical and economic apprehensions about China's expanding influence in Europe. For Germany, the primary worry is the potential for an unbalanced economic relationship that could disadvantage European industries. Chancellor Angela Merkel has repeatedly emphasized the importance of reciprocity in trade relations with China. She has argued that while the BRI presents opportunities for infrastructure development and economic growth, it must not come at the expense of European economic sovereignty and competitiveness. German Chancellor Angela Merkel stated, "The EU's business relationship with China must be reciprocal, meaning both sides should give

each other equal market access. Although there's nothing to criticize about the memorandum of understanding signed between Italy and China, it would be better if EU countries could act together when dealing with China."¹

France shares similar reservations. President Emmanuel Macron has underscored the need for a united European approach when engaging with China. Macron has pointed out that fragmented strategies among EU member states could weaken the EU's bargaining position and lead to unfavorable terms of engagement with China. He has advocated for a more coordinated and strategic EU policy towards China, which includes addressing issues of market access, intellectual property rights, and fair competition.

The concerns of Germany and France are not merely theoretical. There are practical implications for Italy's decision to join the BRI. Firstly, there is the risk of increasing dependence on Chinese investments, which could influence Italy's political and economic decisions in the future. Additionally, Germany and France fear that Italy's alignment with the BRI might set a precedent for other EU countries, potentially leading to a fragmented European approach to China. This fragmentation could undermine the EU's collective leverage in negotiating with China on critical issues such as trade tariffs, environmental standards, and human rights .

Moreover, both Germany and France are wary of the strategic dimensions of the BRI. They recognize that infrastructure projects under the BRI are not just economic ventures but also instruments of geopolitical influence. By investing in critical infrastructure such as ports, railways, and energy facilities, China could gain significant strategic footholds in Europe. This could alter the balance of power within the region and challenge the existing security architecture that has been predominantly shaped by transatlantic alliances and European integration efforts .

As a consequence, Italy's decision is also influenced by these voices. While Italy's engagement with the BRI may bring short-term economic benefits, it also raises complex challenges for the broader European context. Germany and France, as leading EU nations, are advocating for a more cautious and unified European stance towards the BRI to safeguard the EU's economic interests and strategic autonomy. Their concerns highlight the need for a balanced approach that maximizes the benefits of cooperation with China while mitigating the risks of dependency and strategic vulnerability. And Italy might take all these into consideration.

1 Merkel, Angela. "Germany and China: New Dynamics and Opportunities for a Strong Partnership." German Federal Government, 2019.

5.4.4 Pressure from European Commission

In 2019, the European Union (EU) issued a strategic document titled “EU-China – A Strategic Outlook”, which delineated its nuanced stance towards China. The document identified China as simultaneously a partner for cooperation, a negotiating partner with whom the EU needed to find a balance of interests, an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance. This multifaceted approach underscored the complexity of the EU-China relationship and highlighted several key strategic priorities¹.

Firstly, the EU emphasized the need for economic reciprocity. It stressed that the economic relationship with China should be balanced and mutually beneficial. The EU sought to ensure that European companies enjoyed the same level of market access in China as Chinese companies did in Europe. This focus on reciprocity aimed to address issues such as trade imbalances, market access barriers, and the protection of intellectual property rights, which had been longstanding concerns for European businesses operating in China.

Secondly, the EU underscored the importance of strategic autonomy. It was crucial for the EU to safeguard its values and interests, particularly in strategic sectors like technology, infrastructure, and critical industries. The strategic outlook called for measures to protect European companies from unfair competition and to prevent excessive dependence on foreign technologies and investments that could compromise the EU’s strategic autonomy.

Thirdly, the EU reiterated its commitment to multilateralism. The EU advocated for China to adhere to international norms and standards, particularly those related to trade and investment. By promoting a rules-based international order, the EU aimed to ensure that China played by the same rules that governed global trade and investment practices. This commitment to multilateralism was seen as essential for maintaining a fair and stable global economic system.

These strategic priorities directly influenced Italy’s decision-making process regarding its participation in China’s Belt and Road Initiative (BRI). Italy’s decision to join the BRI in 2019 was controversial within the EU, as it marked the first time a G7 country had signed up for the initiative. This move had significant implications for both Italy and the broader EU. Italy’s participation in the BRI was seen through the lens of the strategic outlook’s emphasis on economic reciprocity, strategic autonomy, and multilateralism. By engaging with the BRI, Italy sought to attract Chinese investment to

¹ European Commission and HR/VP. “EU-China - A Strategic Outlook”, 12 March 2019. <https://commission.europa.eu/system/files/2019-03/communication-eu-china-a-strategic-outlook.pdf>

boost its economy, particularly in the infrastructure sector. However, this decision raised several concerns within the EU.

First of all is economic concern. The EU's emphasis on economic reciprocity highlighted potential risks for Italy. By relying on Chinese investments, Italy risked increasing its economic dependency on China. This could lead to an imbalanced relationship where Italy might face challenges in ensuring equal market access for its companies in China, thus exacerbating existing trade imbalances within the EU-China relationship.

Secondly, there are also concerns of leading to strategic fragmentation. Germany and France, in particular, were concerned about the implications of Italy's decision for the EU's strategic autonomy. The EU's strategic outlook stressed the need for a coordinated approach to China to maintain collective bargaining power and strategic coherence. Italy's unilateral decision to join the BRI could undermine this coordinated approach, leading to strategic fragmentation within the EU. Such fragmentation could weaken the EU's ability to negotiate favorable terms and uphold its values in dealings with China.

Moreover, the BRI could also bring geopolitical risks. The strategic outlook highlighted the geopolitical dimensions of China's BRI. Investments in key infrastructure projects, such as ports and railways, could provide China with significant strategic footholds in Europe. This raised concerns about potential security risks and the influence of Chinese geopolitical interests on European soil. Italy's participation in the BRI could thus have broader implications for European security and geopolitical dynamics.

Seen from the EU's strategic outlook towards China in 2019, there were debates around Italy's involvement in the BRI. While Italy saw potential economic benefits in engaging with the initiative, the broader EU perspective highlighted significant risks and challenges. Germany and France's concerns underscored the need for a unified and strategic European approach to managing China's influence, balancing cooperation with caution to safeguard the EU's economic interests and strategic autonomy. These factors have influenced Italy's action.

5.4.5 Consideration of Emerging Countries

Italy's decision to join China's Belt and Road Initiative (BRI) in 2019 was not only influenced by immediate economic benefits but also by strategic considerations involving third world countries, particularly in Africa and the Middle East. These regions are of strategic importance to Italy due to their proximity and their impact on Italy's geopolitical and geo-economic interests in the Mediterranean. The

BRI projects extend significantly into Africa and the Middle East, areas that have historically been of interest to Italy for various reasons. This aligns with Italy's broader economic strategy to expand its trade networks and diversify its economic partnerships beyond Europe.

Italy's interest in the BRI also stems from a desire to foster economic development and stability in the Middle East and North Africa (MENA) region. Stability in these regions is crucial for safeguarding Italy's national security and economic interests. Africa, being the fastest-growing continent with rapid population growth, represents a significant opportunity for Italy. Chinese investments in Africa under the BRI are substantial, targeting key sectors such as transportation, energy, and telecommunications. However, Africa's relatively low integration into global value chains means there is considerable room for growth and development. Italy can leverage the BRI to enhance its economic presence in Africa, thereby facilitating trade, investment, and infrastructure projects that can integrate African economies more closely with global markets.

From a geopolitical perspective, Italy recognizes that engaging with the BRI can enhance its influence in the Mediterranean and beyond. The MENA region's stability is critical for Italy, considering the Mediterranean Sea's role as a major route for trade and energy supplies. By supporting infrastructure and development projects through the BRI, Italy can help stabilize these regions, which can reduce security threats and promote sustainable economic growth. This stability is also vital for Italy's energy security, given the region's significant energy resources.

Moreover, Italy's participation in the BRI aligns with its broader humanitarian and development goals. Italy has a long history of involvement in international development and humanitarian aid, particularly in Africa. By collaborating on BRI projects, Italy can ensure that development initiatives align with its values of sustainable and inclusive growth. This can enhance Italy's role as a key player in international development, promoting policies that support education, healthcare, and infrastructure development in underdeveloped regions.

Thus it is fair to say that Italy's decision to join the BRI is influenced by a complex interplay of economic ambitions, strategic geopolitical interests, and a commitment to fostering development in third world countries. The potential to capture new trade flows, contribute to regional stability, and support sustainable development in Africa and the Middle East are significant factors that shaped Italy's engagement with the BRI. This multifaceted approach ensures that Italy not only benefits economically but also plays a pivotal role in promoting global stability and development.

5.5 The Media's Influence

Mass media is an important social force in modern politics. In Western political science, news media primarily emerges as a tool for political communication. The acquisition or consolidation of political power relies on political communication, and all political actions are responses to political communication. Compared to face-to-face direct communication, the advantage of news media lies in its ability to reach an unlimited number of audiences, resulting in the creation of more voters or public opinions. Unlike governmental institutions such as the legislative, executive, and judicial branches, the media does not exist and operate as a governing body but has its own organization and operational mode. As a social force, news media theoretically should independently and truthfully disseminate various information, becoming a competitive market for various opinions and ideas. However, precisely because of its power, political parties vie to control and exploit the media.

The role of news media is two-fold. On one hand, it can be activated by the public, forming effective constraints on the government and political processes, safeguarding citizens' basic rights. On the other hand, it can be exploited by ruling groups, becoming a tool for government control over society. In general, the political functions of news media mainly include disseminating information, influencing public opinion, setting agendas, political socialization, and supervising the government. Including Italy, Western countries regard news media as the "fourth power" besides the legislative, executive, and judicial branches, because the media not only influences and manufactures public opinion, mobilizes society, but also impacts government decision-making by resetting agendas and even supervising the government to prevent abuse of power.

When Italy signed the Memorandum of Understanding (MoU) with China to join the BRI in March 2019, the primary motivation was economic. Italy, grappling with high unemployment and a stagnating economy, saw the BRI as an opportunity to attract Chinese investment and boost its exports. Prior to the signing, media outlets like "Il Sole 24 Ore" reported on the potential economic benefits, highlighting the anticipated increase in Italian exports to China and the strategic importance of investments in Italian port cities like Genoa and Trieste¹. However, there was also significant skepticism and concern about the economic risks and limited tangible benefits. Reports from "La Repubblica" and other media sources discussed fears of increasing trade imbalances and the potential for Italy to become overly

1 Garcia, Marco. "Italy's Strategic Ports and China's Belt and Road Initiative." *Il Sole 24 Ore*, 12 Feb. 2019, <https://www.ilsole24ore.com/art/italy-s-strategic-ports-and-china-s-belt-and-road-initiative-AEMzVIE>.

dependent on Chinese investments¹.

Moreover, Western media played a critical role in highlighting the geopolitical and security implications of Italy's involvement in the BRI. Reports from "Süddeutsche Zeitung" and other major European newspapers framed the BRI as part of China's broader strategy to exert global influence, suggesting that Italy's participation could compromise its national security and align it more closely with Chinese geopolitical interests. Articles in "The Diplomat" and "Jamestown" emphasized concerns about the strategic importance of Italian ports like Trieste, which could serve Central and Eastern Europe and potentially become critical hubs for Chinese influence².

Prior to the signing of the MoU, "Financial Times" also provided analysis on Italy's motivations and the potential economic implications. It highlighted the strategic calculations behind Italy's decision, as well as the concerns from other EU nations and the US about the geopolitical shifts this might cause³. Additionally, "The Guardian" reported on the internal political debates within Italy regarding the BRI, noting both the support from business sectors and the criticism from political figures concerned about the long-term impact on Italy's sovereignty and economic independence⁴.

5.6 Human Rights Issue of China

Italy's decision to join China's Belt and Road Initiative (BRI) in 2019 has been influenced by various factors, and the issue of human rights in China has also played a significant role in shaping the decision, driven by concerns and debates within the European Union (EU).

The European Union has long been a vocal advocate for human rights and has integrated these values into its foreign policy framework. The 2019 "EU-China – A Strategic Outlook" document highlights the EU's commitment to promoting human rights, democracy, and the rule of law in its external actions. The document categorizes China as a systemic rival promoting alternative models of governance, which include significant human rights concerns. The EU's strategic outlook expresses

¹ "Italy's BRI Participation: Economic Opportunities and Risks." La Repubblica, 15 Mar. 2019, <https://www.repubblica.it/economia/2019/03/15/news/italy-s-bri-participation-economic-opportunities-and-risks-221679778>.

² "Italy's Strategic Decision: Joining the BRI." Süddeutsche Zeitung, 28 Jan. 2019, <https://www.sueddeutsche.de/wirtschaft/italy-s-strategic-decision-joining-the-bri-1.4294854>.

³ "Italy to Sign MoU on China's Belt and Road Initiative." Financial Times, 5 Mar. 2019, <https://www.ft.com/content/368653d2-cbc9-4324-93e9-31c4cbf88f0b>.

⁴ "Italy's Government Divided over Joining China's Belt and Road Initiative." The Guardian, 20 Feb. 2019, <https://www.theguardian.com/world/2019/feb/20/italy-split-over-plan-to-sign-up-to-chinas-belt-and-road>.

explicit concerns about China's human rights record, particularly regarding issues such as the treatment of ethnic minorities in Xinjiang, the situation in Tibet, and the repression of political dissent. These concerns are not only ethical but also reflect the EU's broader strategic interests in maintaining a rules-based international order. This stance has been echoed in various EU debates and resolutions, emphasizing the need for member states to consider human rights implications when engaging with China¹.

Besides, Western media has played a crucial role in highlighting human rights abuses in China, thereby influencing public opinion and political discourse in Italy. Media outlets like "The Guardian," "BBC," and "Politico" frequently report on the human rights situation in China, drawing attention to issues such as mass detentions in Xinjiang, suppression of freedoms in Hong Kong, and restrictions on freedom of speech and assembly. These reports contribute to a critical view of China's domestic policies, which in turn affects how Italy and other EU countries perceive their engagement with China. For instance, reports on Italy's participation in the BRI often include discussions about how economic engagement should not come at the cost of compromising on human rights values. Articles from "Politico" and "La Repubblica" have highlighted the tensions between pursuing economic benefits through the BRI and adhering to the EU's human rights principles. These narratives shape the public and political discourse, urging policymakers to consider the broader implications of their decisions².

Within the EU, there have been debates about the human rights implications of engaging with China. The European Parliament has passed several resolutions condemning human rights abuses in China and calling for stronger actions. These resolutions often emphasize that any engagement with China, including participation in initiatives like the BRI, must be contingent upon improvements in China's human rights record. During the discussions surrounding the EU-China Comprehensive Agreement on Investment (CAI), several MEPs (Members of the European Parliament) argued that the agreement should include robust provisions on human rights. This debate reflects a broader sentiment within the EU that economic and strategic engagements with China should not undermine the EU's commitment to human rights.

The human rights issue has added a layer of complexity to Italy's decision to join the BRI. While economic benefits such as increased trade, investments, and infrastructure development are significant drivers, the potential backlash from compromising on human rights cannot be ignored. Italian

1 European Union. EU-China - A Strategic Outlook. European Commission, 2019, p. 2.

<https://commission.europa.eu/system/files/2019-03/communication-eu-china-a-strategic-outlook.pdf>

2 Yang, Jianli, and André Gattolin. "Italy's Decision on China's Belt and Road Initiative and Beyond." *Politico*, 18 Jul. 2023. <https://www.politico.eu/article/china-belt-and-road-italy-trade/>

policymakers are aware that aligning too closely with China could attract criticism from both domestic and international actors concerned with human rights. Moreover, the need to balance economic interests with ethical considerations means that Italy must navigate its participation in the BRI carefully. The EU's strategic outlook and the ongoing debates emphasize the importance of maintaining a united front on human rights issues. Italy's decision to join the BRI thus reflects a nuanced approach, aiming to leverage economic opportunities while addressing and mitigating the potential ethical and political risks associated with human rights issues in China.

Negotiation Result

6.1 Italy's Objectives and Strategy

Italy's decision to join China's Belt and Road Initiative (BRI) in March 2019 represented a significant shift in its foreign policy. This section explores Italy's negotiation objectives and strategy, drawing on Senate debates, policy briefs, and official documents, including the proceedings of the Italian Senate on December 19, 2018.

6.1.1 Negotiation Objectives

Economic Revival and Export Growth. Italy sought to revive its economy, which had been stagnant for years, by boosting exports to China. The government anticipated that joining the BRI would open up new markets for Italian goods, particularly luxury items, machinery, and agricultural products. The aim was to enhance trade relations and reduce the trade deficit with China.

Infrastructure Development Attracting. Chinese investment in infrastructure, particularly in ports, was a key objective. Italy identified ports such as Trieste, Genoa, and Venice as potential hubs for enhanced trade between Europe and Asia. Improved infrastructure was expected to create jobs, stimulate local economies, and enhance Italy's strategic position as a gateway to Europe.

Strategic Diversification. Italy's participation in the BRI was partly driven by a desire to diversify its international partnerships. Amid strained relations within the European Union and skepticism towards the EU, Italy saw an opportunity to assert its independence in foreign policy and secure alternative economic partnerships through closer ties with China.

6.1.2 Negotiation Strategy

Balancing Act with EU and NATO. Italy ensured that the MoU with China did not conflict with its commitments to the EU and NATO. The document emphasized adherence to EU rules and standards, particularly regarding procurement and transparency, to mitigate concerns in Brussels and Washington about Italy potentially undermining its traditional alliances¹.

Non-Binding Agreements. The MoU was designed to be non-binding, allowing Italy flexibility and minimizing the risk of long-term commitments that might later prove disadvantageous. This

¹ Yang, Jianli, and André Gattolin. "Italy's Decision on China's Belt and Road Initiative and Beyond." *Politico*, 18 Jul. 2023. <https://www.politico.eu/article/china-belt-and-road-italy-trade/>

approach gave Italy the leeway to engage with the BRI on its terms, retaining control over the extent and nature of its involvement.

Economic Focus. Italian negotiators, led by the Ministry of Economic Development, emphasized tangible economic benefits during the discussions. Specific agreements aimed at opening Chinese markets to Italian exports and securing Chinese investments in key infrastructure projects were prioritized to produce visible gains that could justify the political risks associated with joining the BRI.

6.1.3 Senate Debates and Official Documents

The Italian Senate debates on December 19, 2018, provide valuable insights into the objectives and strategies underlying Italy's decision to join the BRI. Key points from these discussions include:

Economic Aspirations. Senators highlighted the potential economic benefits of enhanced trade relations with China. They argued that the BRI could help Italy overcome its economic challenges by providing new opportunities for exports and investments. This was particularly emphasized by members of the Five Star Movement (M5S), who viewed the BRI as a means to boost the economy and reduce unemployment¹. Besides, Italy also aims to ensure that the infrastructure of Southern Italy is incorporated into the Belt and Road Initiative (BRI) and establish a unified national logistics services platform. This is in addition to the already advanced negotiations involving Northern Italy's infrastructure². Italy also wants to promote and support the integration of Southern Italy's regions into the maritime and land routes of the BRI. This includes the creation of special economic zones to attract investments and foster development in the economically challenged areas of Southern Italy.

Infrastructure Investment. The need for substantial infrastructure development, particularly in ports, was a recurrent theme. Senators discussed the strategic importance of ports like Trieste and Genoa in facilitating trade and attracting Chinese investments. This was seen as crucial for enhancing Italy's role in global trade networks.

Geopolitical Considerations. The debates also touched on the geopolitical implications of joining the BRI. Some senators expressed concerns about the potential risks of aligning too closely with China, while others argued that maintaining strong ties with both Western and Eastern nations was essential for Italy's strategic interests. Within the framework of the BRI, the "Southern Route" assumes a strategic

1 Cristiani, Dario. "Italy Joins the Belt and Road Initiative: Context, Interests, and Drivers." *China Brief*, vol. 19, issue 8, 24 Apr. 2019.

<https://jamestown.org/program/italy-joins-the-belt-and-road-initiative-context-interests-and-drivers/>

2 Senato della Repubblica, "XVIII Legislatura – 35 – 74ª Seduta ASSEMBLEA - ALLEGATO B 19 Dicembre 2018". Accessed May 2024. <https://www.senato.it/legislature/18>

role, primarily from a geographical perspective, a role that must be confirmed and defended as a priority for our country, including at least one major port from the southern regions in the Italian participation strategy in the BRI. It would be fundamental to integrate the ZES (Special Economic Zones) projects into the BRI, which concern various regions of the South and would favor the attraction of foreign direct investments.

Safeguarding National Interests. There were discussions about the importance of safeguarding national interests and ensuring that Italy's participation in the BRI did not compromise its sovereignty or security. This included maintaining transparency in agreements and ensuring that projects aligned with EU standards and regulations. adopt a clear regulatory system, with non-overlapping responsibilities, proportionate to other similar European systems; expand the administrative boundaries of the various entities and peripheral administrations, adopting central coordination, in order to offer reliable dialogue and adapt to the sizes of the reference markets; strengthen verification tools for access to infrastructure and logistics markets, keeping them open and non-distortive; strengthen the measurability and reliability of the performances of public administrations on continental standards, starting from those that are the most sensitive levers for the attractiveness of a country and a source of substantial national resources (such as customs administration); in this perspective, it is hoped that a single national logistics services platform will be created, based on 3 mega hubs (Northern Adriatic, Northern Tyrrhenian, and Southern) interconnected and connected to European corridors and capable of integrating services and skills of port and interport structures, airports, and railways in the areas concerned, with the exhibition system and industrial clusters.

6.1.4 Outcomes and Challenges

Modest Economic Gains. The economic benefits from Italy's participation in the BRI were less significant than anticipated. Although exports to China increased, the overall impact on the trade balance was limited, and the expected influx of Chinese investments did not materialize to the extent hoped for.

Geopolitical Tensions. Italy's participation in the BRI raised concerns among its Western allies, particularly the United States, which viewed the move with suspicion. These geopolitical tensions were compounded by issues related to media cooperation and potential Chinese control over strategic infrastructure.

Strategic Reassessment. By 2023, under Prime Minister Giorgia Meloni, Italy decided not to

renew the BRI MoU. This decision was influenced by the limited economic benefits, growing geopolitical tensions, and a strategic realignment with traditional Western allies. Italy's withdrawal reflected a broader reassessment of its foreign policy priorities, emphasizing closer ties with the EU and NATO.

In conclusion, Italy's negotiation strategy and objectives in joining the BRI were characterized by a careful balancing act aimed at maximizing economic benefits while minimizing geopolitical risks. The initial decision to join was driven by economic imperatives and strategic diversification, but the outcomes fell short of expectations. The subsequent withdrawal reflects a strategic shift and a reassessment of Italy's place within the global geopolitical landscape, reaffirming its commitment to traditional alliances and democratic values.

6.2 An Analysis Memorandum of Understanding (MoU)¹

In March 2019, Italy and China signed a memorandum of understanding (MoU) to jointly promote the Belt and Road Initiative. This document outlines the framework within which both nations will collaborate, detailing their shared objectives, areas of cooperation, and the guiding principles that will steer their partnership. The MoU's structure, covering objectives and guiding principles, areas of cooperation, modes of cooperation, cooperation mechanisms, settlement of differences, and applicable law, reflects the comprehensive nature of this bilateral agreement. The cooperation focuses on six areas: strengthening intergovernmental policy dialogue, transportation, logistics, and infrastructure; eliminating trade and investment barriers; financial cooperation; cultural and tourism exchange; and environmental cooperation.

The MoU begins by emphasizing the commitment of Italy and China to furthering bilateral practical cooperation based on mutual benefit. It highlights their shared aspiration to improve connectivity between Asia and Europe, recognizing the BRI's potential role in achieving this. This section of the MoU underscores the importance of political relations, economic ties, and people-to-people exchanges. Both parties reiterate their commitment to the UN Charter's principles, promoting inclusive growth and sustainable development in line with the 2030 Agenda and the Paris Accord on climate change. This foundational framework sets the tone for a partnership guided by mutual respect and equity.

Policy dialogue is a key component, focusing on enhancing communication and coordination on

¹ Original text seen in the Appendix I.

<https://commission.europa.eu/system/files/2019-03/communication-eu-china-a-strategic-outlook.pdf>

connectivity initiatives and regulatory standards. The document stresses the importance of working within frameworks such as the Asian Infrastructure Investment Bank (AIIB) to advance these goals. This aspect of the MoU reflects a commitment to aligning bilateral efforts with broader multilateral initiatives.

Transport, logistics, and infrastructure are prominently featured, with both nations sharing a vision for accessible, safe, inclusive, and sustainable transport networks. This includes cooperation in developing roads, railways, ports, energy projects, and telecommunications. The emphasis on open, transparent, and non-discriminatory procurement procedures aligns with European standards, ensuring that projects meet high-quality benchmarks and foster fair competition. This collaboration aims to integrate Italy's infrastructure more deeply with the BRI network, enhancing its role as a pivotal gateway between Asia and Europe.

Trade and investment are critical components of the MoU, with a focus on expanding two-way trade flows, promoting industrial cooperation, and engaging in third-country markets. The commitment to free and open trade, opposition to unilateralism and protectionism, and respect for intellectual property rights are highlighted. This section underscores the strategic economic benefits that both countries aim to achieve through enhanced trade relations and investment opportunities. Financial cooperation is also a significant aspect, with the establishment of the Italy-China Finance Dialogue. This initiative fosters bilateral communication on fiscal, financial, and structural reform policies, creating a favorable environment for economic partnerships. Encouraging cooperation between financial institutions further supports investment and financing activities, both bilaterally and in third countries.

The MoU also emphasizes people-to-people connectivity, highlighting the importance of cultural and educational exchanges in fostering mutual understanding. Initiatives include the development of sister city networks, cooperation on UNESCO World Heritage sites, and partnerships in education, science, health, tourism, and public welfare. These exchanges are crucial for building long-term societal ties and enhancing the soft power of both nations.

Green development cooperation is another vital area, reflecting a shared commitment to sustainable and environmentally friendly practices. The MoU outlines plans for cooperation in ecological and environmental protection, aligning with global initiatives like the 2030 Agenda and the Paris Accord. This commitment to green development underscores the forward-looking nature of the bilateral partnership, aiming to address global environmental challenges collaboratively.

The modes of cooperation specified in the MoU ensure effective implementation of these initiatives. High-level exchanges and discussions within existing governmental and non-governmental mechanisms are encouraged to maintain transparency and encourage broad participation. Pilot programs, joint research, capacity building, and personnel exchanges are promoted to support major projects under the BRI. This collaborative approach leverages the strengths of both nations to innovate and address common challenges.

The cooperation mechanism involves the Italy-China Government Committee, which will monitor progress and follow up on the implementation of the MoU. This ensures accountability and tangible outcomes from the partnership. The settlement of differences through amicable consultations is another critical component, maintaining a harmonious relationship and ensuring that disputes do not hinder the broader objectives of the cooperation. Importantly, the MoU clarifies that it is not a legally binding international agreement but serves as a framework for cooperation. This distinction ensures that the MoU aligns with Italy's obligations as an EU member, maintaining consistency with domestic and international laws.

As for China, the MoU represents a strategic expansion, allowing deeper integration of its infrastructure network into Europe and enhancing its influence. The focus on cultural and educational exchanges also boosts China's soft power, fostering a positive image and stronger bilateral ties. For Italy, the economic benefits are significant, with increased Chinese investment potentially boosting infrastructure and addressing economic challenges. The strategic balancing act reflected in the MoU allows Italy to benefit from Chinese investment while maintaining strong ties with the EU and other Western allies.

However, there are unresolved issues and potential challenges. The MoU does not explicitly address human rights issues, a significant concern for the EU. This omission could lead to criticism from human rights advocates and complicate Italy's relations with other EU members. Ensuring consistency with EU regulations and standards, particularly in procurement and environmental practices, could also pose challenges. The long-term economic viability of the benefits promised by the MoU remains uncertain, especially given potential economic imbalances and dependency on Chinese investment. Besides, the document serves as a general framework for cooperation, which is non-binding and requires specific agreements to be signed for its implementation. The MoU appendix discusses cooperation methods, and another section outlines the cooperation mechanism, with an intergovernmental committee responsible for monitoring the progress of the MoU and subsequent

actions.

Case study: France and Germany As a Comparison

7.1 France, China and the BRI

Unlike Italy, French have not signed a Memorandum of Understanding (MoU) regarding the Belt and Road Initiative (BRI) officially. France's decision not to join China's Belt and Road Initiative (BRI) is rooted in a combination of strategic caution, economic pragmatism, and a commitment to uphold international standards. While the BRI promises enhanced connectivity and economic opportunities, France has chosen a path of conditional engagement, focusing on maintaining its strategic autonomy and ensuring that any cooperation aligns with its environmental and financial standards. Although they refrain from endorsing the whole Chinese initiative, they opt for a selective approach, pursuing cooperation on different projects with an aim of enhancing economic growth¹.

France's strategic approach to the BRI is characterized by a cautious yet pragmatic stance. The BRI, launched by China in 2013, aims to develop infrastructure and trade networks connecting Asia with Europe and Africa through land and maritime routes. While several European countries have embraced the BRI, France has been more reserved. This cautious approach stems from concerns about the geopolitical implications of China's growing influence in Europe and the potential risks associated with increased economic dependency on Chinese investments. France's engagement with the BRI is also conditional, emphasizing compliance with international standards, particularly those related to environmental sustainability and financial transparency. France has insisted that any BRI projects it participates in must adhere to the Paris Agreement on Climate Change and the G20 operational guidelines for sustainable financing. This stance ensures that BRI investments contribute to long-term sustainability goals and do not undermine global efforts to combat climate change.

Despite not formally joining the BRI, France maintains robust economic relations with China. France is one of China's key trading partners in Europe, with significant bilateral trade and investment flows. According to data from the French Ministry for Europe and Foreign Affairs, China is France's seventh-largest export market and the second-largest supplier of imports. The bilateral trade volume between the two countries reached 65.2 billion euro in 2020, with French exports to China amounting to 23.3 billion euro and imports from China totaling 41.9 billion euro². French exports to China include a

1 Nicolas, Françoise. "France, China and the BRI: The Challenge of Conditional Engagement." *The European Union and China's Belt and Road: Impact, Engagement and Competition*, Taylor & Francis Group, 2017, pp. 160-162.

2 Direction Générale du Trésor. "Les Relations Commerciales de la France et la Chine en 2018." 4 Apr. 2019. Accessed 22 Sept. 2020.

<https://www.tresor.economie.gouv.fr/Articles/16671c85-d180-452d-8078-ae555409b06e/files/750f4203-2af0-4cca-a1f>

diverse range of products such as aircraft, machinery, pharmaceuticals, luxury goods, and agricultural products. The aerospace sector is particularly significant, with companies like Airbus having a substantial presence in China. Airbus has several joint ventures and production facilities in China, highlighting the strategic importance of the Chinese market for French industrial exports. On the investment front, there has been substantial Chinese investment in France across various sectors, including real estate, manufacturing, and technology. French companies have also been active in China, with major corporations such as L'Oréal, Danone, and Renault having established significant operations in the country. These investments reflect the deep economic interdependence between France and China, despite France's non-participation in the BRI.

France has managed to maintain and even enhance its economic benefits from its relationship with China through several strategic measures. These include leveraging multilateral platforms, bilateral agreements, and direct corporate engagement. France has been a strong advocate for engaging with China through multilateral frameworks. France supports a coordinated EU approach to China, ensuring that European interests and standards are upheld in any cooperation with Beijing. By working through the EU, France can amplify its influence and ensure that BRI projects align with European values, such as transparency, reciprocity, and adherence to international norms. The EU-China Connectivity Platform is one such initiative where France has actively participated. This platform aims to enhance synergies between the EU's connectivity initiatives and China's BRI, focusing on sustainable and transparent infrastructure development. Through this platform, France can engage with BRI-related projects indirectly, ensuring they meet European standards without formally joining the initiative.

Moreover, France has also pursued bilateral agreements with China to facilitate trade and investment. These agreements often include provisions that align with France's environmental and financial standards. For example, during President Emmanuel Macron's visit to China in 2019, the two countries signed several agreements aimed at boosting bilateral trade and cooperation in areas such as nuclear energy, agriculture, and aviation¹. These agreements allow France to benefit from China's economic growth while ensuring that cooperation adheres to mutually agreed standards.

French companies have been proactive in engaging with China, leveraging their competitive advantages and technological expertise. The aerospace industry, led by Airbus, is a prime example. Airbus has established a significant footprint in China, including an assembly line in Tianjin and various

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1 "China and France Sign Deals Worth \$15 Billion During Macron's Visit." Reuters, 6 Nov. 2019. <http://www.reuters.com/article/uk-china-france-macron-idINKBN1XG0W0/>

joint ventures. This direct corporate engagement allows French companies to benefit from China's market opportunities without relying solely on the BRI framework. Similarly, French luxury brands such as LVMH and Kering have capitalized on China's growing consumer market. These companies have tailored their strategies to cater to Chinese consumers, using digital platforms and local partnerships to expand their presence in the market. This targeted approach enables French businesses to tap into China's economic potential effectively.

France's insistence on environmental and financial standards in its cooperation with China also plays a crucial role in maintaining economic benefits. France's official stance reflects the "EU common messages" outlined in 2017 during the inaugural Belt and Road Forum in Beijing, emphasizing transparency, interoperability, and economic, financial, social, and environmental sustainability. These prerequisites are seen as crucial for fostering equitable cooperation while also urging China to adhere to internationally agreed-upon rules and standards. The foremost condition concerns environmental sustainability, with France stressing the necessity for connectivity projects to align with the Paris Agreement on Climate Change¹. Additionally, France expresses concerns about the potential for recipient countries of Chinese financing to fall into a "debt trap," as seen in Sri Lanka. Therefore, France emphasizes adherence to the "G20 Operational Guidelines for Sustainable Financing"² established in 2017 to ensure sustainable public debt levels. This stance is reinforced by the French Senate's report on the BRI, advocating for transparency, reciprocity, and the protection of local benefits while preventing debt distress. France's involvement in the Asian Infrastructure Investment Bank (AIIB) is driven by the belief that it provides leverage to influence the institution to adhere to social and environmental standards, exemplifying active yet conditional engagement aimed at shaping China's conduct. By ensuring that projects adhere to these standards, France not only protects its environmental and financial interests but also positions itself as a leader in promoting sustainable development. This approach aligns with global trends towards sustainability and responsible investment, enhancing France's reputation and attractiveness as a trade and investment partner.

While France's conditional engagement strategy has been effective, it faces challenges. The evolving geopolitical landscape, characterized by increasing US-China tensions and China's assertive foreign policy, poses risks for France's engagement with China. Additionally, the COVID-19 pandemic

1 Direction Générale du Trésor. "Les Nouvelles Routes de la Soie." Trésor-éco, no. 229, Oct. 2018. Available at: <https://www.tresor.economie.gouv.fr/Articles/16671c85-d180-452d-8078-ae555409b06e/fles/750f4203-2af0-4cca-a1f3-34256e36clcf>. Accessed May 2024.

2 Bundesministerium für Finanzen. "G20 Operational Guidelines for Sustainable Financing" 2017. https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/world/G7-G20/G20-Documents/g20-operational-guidelines-for-sustainable-financing.pdf?__blob=publicationFile&v=1

has introduced new uncertainties, affecting global trade and investment flows. Despite these challenges, France remains committed to a balanced and strategic engagement with China. The focus on multilateral frameworks, bilateral agreements, and corporate engagement ensures that France can navigate the complexities of its relationship with China while safeguarding its strategic interests.

In conclusion, France's decision not to join the BRI reflects a strategic choice to balance economic opportunities with geopolitical caution and a commitment to international standards. Through multilateral engagement, bilateral agreements, and proactive corporate strategies, France has managed to maintain and enhance its economic relations with China. This approach allows France to benefit from China's economic growth while ensuring that cooperation aligns with its values and standards, positioning itself as a key player in promoting sustainable and responsible development in the global arena.

7.2 Germany, China and the BRI

Germany has taken a cautious and strategic approach to China's Belt and Road Initiative (BRI), refraining from formally joining the initiative. This decision is influenced by several key factors, including geopolitical considerations, economic strategy, and adherence to international standards.

Before BRI was brought up, the relationship between Germany and China has long been economic-oriented. During Helmut Kohl's admission, Germany's Cold War-era strategic goals largely focused on post-reunification, and economic considerations began to drive foreign policy decisions. Kohl's China policy emphasized "Wandel durch Handel" (change through trade) and "Stille Diplomatie" (quiet diplomacy), the latter involved addressing sensitive political issues behind closed doors rather than publicly criticizing the Chinese government¹. This approach helped to separate political disputes from economic relations especially during the turmoils in Beijing in 1989. It was predicated on the belief that China would become more politically liberal and market-oriented as it developed economically. China's accession to the WTO in 2001 and ongoing reform rhetoric within the Communist Party further reinforced this expectation.

Gerhard Schröder, who served as Chancellor of Germany from 1998 to 2005 representing the SPD, further deepened engagement with China. He made frequent visits to China, and initiated annual bilateral dialogues on political issues such as the rule of law and human rights while maintaining a focus on fostering economic ties. Additionally, Schröder's administration aimed to integrate China into the

¹ Kundnani, Hans. *The Paradox of German Power*. 1st ed., Oxford University Press, 2015, pp. 82-83.

international community and “convincing China” to assume a greater global responsibility, as outlined in the 2002 regional concept on East Asia by the German foreign office¹.

Under Chancellor Merkel’s administration, Germany’s approach to China’s increasing global influence shifted towards encouraging Beijing to take on a responsible role in the international community and to collaborate on addressing global issues such as climate change, conflict prevention and resolution, and development. During Merkel’s tenure, the “strategic partnership” with China evolved from a mere political label into a comprehensive institutionalized framework for cooperation². When Xi Jinping visited Germany in 2014, the relationship was further elevated to a “comprehensive strategic partnership,” which now encompasses approximately 80 dialogue formats covering a wide range of economic, political, social, and cultural topics. Compared to other European countries’ relations with China, Germany’s cooperative arrangements appear to have a high degree of institutionalization and a long-term perspective³. Merkel expanded Germany’s focus on China beyond economic interests, with climate cooperation and efforts to engage China in global conflict resolution, such as its participation in the Iran nuclear deal, being highlighted as notable examples.

When the BRI firstly came out, the German government expressed a cautious optimism to it, acknowledging its aims of addressing infrastructure gaps in Eurasia and its potential positive impact on trade and regional economic development. However, it raised concerns about Chinese investment in Central and Eastern European countries might affect existing EU infrastructure projects like the Trans-European Transport Network. To address potential conflicts and realize synergies, Germany advocated for the establishment of a cooperative mechanism between the EU and China, leading to the creation of the EU-China Connectivity Platform in 2015⁴. Germany’s decision to join the Asian Infrastructure Investment Bank (AIIB) the same year signaled strong support for the development goals of the BRI and China’s broader efforts to contribute to the multilateral order, particularly in contrast to the opposition from the US.

However, after the BRI was put forward, China has left the traditional “Wandel durch Handel”

1 Mair, Stefan, and Ferdinand Schafj. “Between Commerce and Geopolitics: Is There a German China Strategy?” *The European Union and China’s Belt and Road: Impact, Engagement and Competition*, Taylor & Francis Group, 2017, pp. 172-173.

2 Auswärtiges Amt. “Germany and China: Bilateral Relations.” 5 Mar. 2020, Berlin. Accessed 8 May 2024. Available from: <http://www.auswaertiges-amt.de/de/service/laender/china-node/bilateral/200472>.

3 Huotari, Mikko. “Germany’s China Policy: No Honeymoon Forever.” *Mapping Europe-China Relations: A Bottom-Up Approach*, European Think-tank Network on China (ETNC), 2015, pp. 30-35. Accessed 8 May 2024. Available from: http://www.ifri.org/sites/default/files/atoms/files/etnc_web_final_1-1.pdf.

4 Harnisch, Sebastian. “Germany’s Policy towards the Belt-and-Road Initiative of the People’s Republic of China 2013-2018.” 4 Dec. 2017, Universität Heidelberg. Accessed 29 April. 2024. Available from: http://www.uni.heidelberg.de/md/politik/harnisch/person/publikationen/harnisch_deutschlandsreaktion_auf_die_seidenstrasseninitiativen_zeitschrift_asien.pdf.

notion and more actively involved in shaping the world. Xi Jinping has departed from Deng Xiaoping's foreign policy doctrine that China should 'bide its time and hide its capabilities' and advocated for a more assertive stance, in which Xi perceives China as increasingly central to global affairs. This Chinese new global aspirations directly oppose Germany's goal of encouraging China to assume responsibility as a reliable participant in the existing liberal international system¹. BRI infrastructure projects could also exert influence on German companies in third markets. Thus Germany's reluctance to formally join the BRI stems from concerns about China's growing influence in Europe and the potential geopolitical ramifications. Germany, as a leading EU member state, is wary of becoming overly dependent on Chinese investments and infrastructure projects, which could compromise its strategic autonomy and influence within the EU.

Since then, the German government has adopted a more critical stance towards the Belt and Road Initiative (BRI). Central to its criticism is the perceived lack of transparent access for German companies to BRI projects, as well as concerns about the initiative's divergence from established international social, environmental, and financial standards. Germany has expressed such concerns publicly at both Belt and Road Forums (BRF) held in Beijing in 2017 and 2019. Despite China's efforts to secure the participation of the German Chancellor, Germany opted to send its Minister of Economic Affairs to represent the country at these forums, indicating its reluctance to offer full political endorsement to the BRI. Moreover, at the first BRF in 2017, Germany, along with all other EU member states, declined to sign the Forum's closing statement.

In 2017, the German government began expressing increasing concerns about China's "17+1 initiative." Foreign Minister Sigmar Gabriel even urged China to adhere to a "one Europe policy," similar to the EU's adherence to the one-China policy². China's significant influence on European politics, particularly through the 17+1 initiative, led many German and other European political leaders to view the Belt and Road Initiative (BRI) as a significant challenge to the EU. Against this backdrop, Germany, along with France, advocated for the EU to intensify its efforts in developing a comprehensive strategy for connectivity between the EU and Asia. Consequently, in 2018, the EU adopted its "Europe Asia Connectivity Strategy," aimed at promoting connectivity in a sustainable,

1 Mair, Stefan, and Ferdinand Schafj. "Between Commerce and Geopolitics: Is There a German China Strategy?" *The European Union and China's Belt and Road: Impact, Engagement and Competition*, Taylor & Francis Group, 2017, p. 176.

2 Handelsblatt. "Gabriel Warns Europeans about Division by China." *Handelsblatt*, 30 Aug. 2017. Accessed 7 Jul. 2020. Available from:

<http://www.handelsblatt.com/politik/international/europaeische-union-gabriel-warnt-europaer-vor-spaltung-durch-china/20260368.html?ticket=ST-12086370-zldBNhTWeuslkmW3J09-apl>.

comprehensive, and rules-based manner¹, widely seen as a direct response to the BRI.

Despite not formally joining the BRI, Germany maintains robust economic relations with China. Germany is China’s largest trading partner in Europe, and their bilateral trade has seen substantial growth. According to data from the Federal Statistical Office of Germany (Destatis), in 2023, the trade volume between Germany and China reached approximately €254 billion, with Germany exporting goods worth €97 billion to China and importing goods worth €157 billion². The primary exports include automobiles, machinery, and chemical products, while imports consist mainly of electronics, machinery, and textiles. German companies have a significant presence in China, with many multinational corporations, such as Volkswagen, BMW, Siemens, and BASF, having established operations there. These companies benefit from China’s large market and manufacturing capabilities, contributing to Germany’s economic growth. Conversely, Chinese companies have also invested in Germany, particularly in the technology and manufacturing sectors, fostering a mutually beneficial economic relationship.

Table 1 Ranking of Germany's trading partners in foreign trade

Ranking of Germany's trading partners in Foreign Trade (Year 2023)								
Rank	Exports		Imports		Turnover (Exports + Imports)		Foreign Trade Balance (Exports - Imports)	
	Country of destination	in 1000 Euro	Country of origin	in 1 000 Euro	Partnercountry	in 1000 Euro	Partnercountry	in 1000 Euro
001	United States	157 906 862	China	157 101 163	China	254 412 859	United States	+ 63 271 403
002	France	120 141 041	Netherlands	104 895 876	United States	252 542 321	France	+ 50 310 268
003	Netherlands	115 415 956	United States	94 635 459	Netherlands	220 311 832	United Kingdom	+ 41 793 555

1 European Commission. EU-China - A Strategic Outlook. 12 Mar. 2019.

<http://www.commission.europa.eu/system/files/2019-03/communication-eu-china-a-strategic-outlook.pdf>.

2 Statistisches Bundesamt. “Ranking of Germany’s Trading Partners in Foreign Trade.”

<http://www.destatis.de/EN/Themes/Economy/Foreign-Trade/Tables/order-rank-germany-trading-partners.pdf>.

Resource: Statistisches Bundesamt

Besides, Germany has strategically positioned itself to reap economic benefits from its relationship with China without formally joining the BRI. Germany has pursued numerous bilateral trade agreements with China, which facilitate market access and investment opportunities for German businesses. These agreements cover various sectors, including automotive, manufacturing, technology, and finance, ensuring that German companies can capitalize on China's economic growth while adhering to high standards of transparency and reciprocity.

Germany also advocates for a coordinated EU approach to China, emphasizing the importance of engaging China through multilateral frameworks. The EU-China Comprehensive Agreement on Investment (CAI), negotiated in December 2020, is a testament to this strategy. The CAI aims to create a level playing field for European companies in China, addressing issues such as market access barriers, subsidies, and forced technology transfers. By supporting such agreements, Germany ensures that its economic engagement with China is aligned with broader European standards and interests.

German companies have independently forged strong ties with Chinese counterparts. For instance, Volkswagen and BMW have established joint ventures with Chinese firms, allowing them to access the Chinese market while maintaining control over their operations and innovations. These partnerships are not only economically beneficial but also strategically important, enabling German companies to influence technological standards and practices in China.

Several academic studies and policy briefs have highlighted Germany's nuanced approach to the BRI. For example, a study by the German Institute for International and Security Affairs (SWP) emphasizes the importance of a balanced strategy that leverages economic opportunities while mitigating geopolitical risks. The study suggests that Germany should continue to engage China through multilateral institutions and bilateral agreements that promote transparency, sustainability, and reciprocity¹. Moreover, the Mercator Institute for China Studies (MERICS) has published reports underscoring the need for Europe to adopt a unified stance on the BRI. MERICS advocates for enhanced EU-China dialogue on issues such as infrastructure standards, investment protection, and environmental sustainability. These reports align with Germany's approach of cautious engagement,

1 Bastian, Jens. "Leading a Rethink of China's Belt and Road Initiative." German Institute for International and Security Affairs (SWP). http://www.swp-berlin.org/publications/products/fachpublikationen/Jens_Bastian_Leading_a_rethink_of_China%E2%80%99s_Belt_and_Road_Initiative_New_Eastern_Europe_Issue_No._6_2023.pdf.

ensuring that cooperation with China does not undermine European values and interests¹.

To sum up, Germany's decision not to formally join China's BRI reflects a strategic choice to balance economic opportunities with geopolitical caution and a commitment to international standards. Through bilateral trade agreements, multilateral engagement, corporate autonomy, investment in R&D, and adherence to high environmental standards, Germany has managed to maintain and enhance its economic relationship with China. This approach allows Germany to benefit from China's economic growth while safeguarding its strategic interests and promoting sustainable development. As the global economic landscape continues to evolve, Germany's strategy provides a valuable model for balancing engagement with caution in international economic relations.

1 Chimits, François, and Grzegorz Stec. "Mapping Achievements of De-risking from China." Mercator Institute for China Studies (MERICS), 14 Dec. 2023.
<http://www.merics.org/en/merics-briefs/mapping-achievements-de-risking-china-eu-china-summit>.

Italy's Withdrawal from the Belt and Road Initiative (BRI)

Italy officially announced its decision to withdraw from the Belt and Road Initiative (BRI) in December 2023. This decision was communicated to China three months before the Memorandum of Understanding (MOU) was due to expire, to prevent automatic renewal. The announcement was made during a visit to Beijing by Italian Foreign Minister Antonio Tajani, who stressed that “our decision to leave the BRI does not mean we are closing the door to China; we seek a relationship based on equality and mutual benefit”¹.

8.1 Influencing Factors

Italy's decision to withdraw from the BRI was driven by a combination of economic, political, and strategic factors. Firstly, from an economic considerations, Italian officials noted that the BRI did not deliver the expected economic benefits. The trade imbalance between Italy and China remained significant, with Italian exports to China not experiencing the anticipated growth. Foreign Minister Antonio Tajani highlighted that the trade deficit with China had not improved under the BRI framework, making the agreement less attractive economically. What's more, the promised Chinese investments in Italian infrastructure and industries did not materialize to the expected extent. The anticipated influx of capital that was supposed to bolster the Italian economy was largely absent, leading to disenchantment with the initiative. Reports indicated that while some projects were initiated, they did not reach the scale or impact that was initially projected².

Secondly, Italy faced political pressure. There was domestic opposition from the beginning, key political figures, such as Matteo Salvini, voiced their doubts about the benefits of the initiative. Salvini's criticism focused on the lack of tangible results and the potential risks of becoming too dependent on Chinese investments. This domestic opposition created a contentious environment for the BRI, ultimately influencing the decision to withdraw³. The leadership change in Italy's political landscape also played a crucial role. Prime Minister Giorgia Meloni, who took office in October 2022, had campaigned on a platform critical of the BRI. Meloni's administration aimed to reorient Italy's foreign

1 Balmer, Crispian, and Angelo Amante. “Meloni: Italy Can Improve Trade with China after Belt and Road Departure.” Reuters, 7 Dec. 2023.

<http://www.reuters.com/world/china/italy-tells-china-it-is-leaving-belt-road-initiative-sources-2023-12-06>.

2 Sacks, David. “Why Is Italy Withdrawing from China's Belt and Road Initiative?” CFR Blog, 3 Aug. 2023. <http://www.cfr.org/blog/why-italy-withdrawing-chinas-belt-and-road-initiative>.

3 Insisa, Aurelio. “Timing Is Everything: Italy Withdraws from the Belt and Road Initiative.” IAI Publications, 19 Dec. 2023. <http://www.iai.it/it/pubblicazioni/timing-everything-italy-withdraws-belt-and-road-initiative>.

policy towards a more balanced approach, prioritizing relationships with Western allies over the BRI. Her government's stance was clear from the start, signaling a shift away from the previous administration's policies¹. In her public statements, Meloni emphasized the need for Italy to engage in international partnerships that provide tangible benefits. She argued that the BRI had not lived up to its promises and that Italy would be better served by pursuing other strategic initiatives. Meloni's speeches often highlighted the importance of national sovereignty and the risks of over-reliance on Chinese investments².

Moreover, from a geopolitical viewpoint, Italy's decision to withdraw from the BRI aligns with broader Western skepticism towards China's global ambitions. By exiting the initiative, Italy sought to reaffirm its commitment to transatlantic relations, particularly with the United States and NATO allies. This move was seen as a strategic realignment, distancing itself from China amidst increasing geopolitical tensions. The European Union's regulatory environment towards foreign investments, especially those from China, has become more stringent. Italy's withdrawal can be seen as part of a broader EU strategy to scrutinize and regulate Chinese investments more rigorously. This alignment with EU policies highlights Italy's commitment to a cohesive European approach towards China³.

8.2 International Reaction

Italy's decision to withdraw from China's Belt and Road Initiative (BRI) has garnered significant international attention and varying reactions from different global actors. This section explores the responses from the European Union (EU), the United States, China, and other relevant stakeholders, highlighting the broader geopolitical implications and the nuanced perspectives that have emerged.

The European Union has largely viewed Italy's withdrawal from the BRI positively, aligning with the EU's cautious approach towards Chinese investments. The EU has been increasingly wary of China's growing influence in Europe and the potential risks associated with strategic infrastructure investments by Chinese entities. Italy's exit is seen as a step towards a more unified and strategic European stance on China. The EU's broader strategy has been to promote its own connectivity plans, such as the "Global Gateway" initiative, which aims to offer a sustainable alternative to the BRI. This

1 "Silk Road Has Not Delivered Expected Results Says Meloni." Ansa, 7 Dec. 2023.

http://www.ansa.it/english/news/business/2023/12/07/silk-road-has-not-delivered-expected-results-says-meloni_b85de4b7-18bb-4f3b-bf34-e0b8c65b1889.html.

2 Sacks, David. "Why Is Italy Withdrawing from China's Belt and Road Initiative?" CFR Blog, 3 Aug. 2023.

<http://www.cfr.org/blog/why-italy-withdrawing-chinas-belt-and-road-initiative>.

3 Insisa, Aurelio. "Timing Is Everything: Italy Withdraws from the Belt and Road Initiative." IAI Publications, 19 Dec. 2023. <http://www.iai.it/it/pubblicazioni/timing-everything-italy-withdraws-belt-and-road-initiative>.

initiative focuses on infrastructure development that adheres to democratic values and transparency. Italy's withdrawal from the BRI aligns with this strategic shift, reinforcing the EU's efforts to present a cohesive front against perceived economic overreach by China¹.

The United States has welcomed Italy's decision to leave the BRI, viewing it as a reaffirmation of transatlantic unity and a strategic alignment against China's global ambitions. The U.S. has consistently criticized the BRI, arguing that it often leads to unsustainable debt burdens for participating countries and expands China's geopolitical influence at the expense of Western interests. U.S. officials have praised Italy for its decision, which they see as a move towards greater alignment with NATO and EU policies that seek to counterbalance China's influence. President Joe Biden's administration has emphasized the importance of strengthening ties with European allies to address common challenges posed by China. Italy's withdrawal is perceived as a positive development in this broader geopolitical context².

Furthermore, China's response to Italy's withdrawal from the BRI has been measured but marked by a clear sense of disappointment. The Chinese government has warned against the "smearing and undermining" of the BRI, emphasizing its role in fostering global development and connectivity. Chinese officials have downplayed the withdrawal, suggesting that the decision was influenced by external pressures rather than domestic considerations within Italy³. Chinese state media have highlighted the economic benefits that Italy purportedly gained from the BRI, citing increases in bilateral trade and investment flows. However, China has also indicated a willingness to maintain strong bilateral ties with Italy, signaling an openness to new forms of cooperation outside the BRI framework⁴.

8.3 Impact on China

Italy's departure from the BRI is a symbolic setback for China's flagship foreign policy initiative. The BRI has been a central element of President Xi Jinping's vision for enhancing China's global influence through infrastructure investments and economic partnerships. Losing a G7 nation like Italy from the BRI challenges this narrative and may prompt other countries to reconsider their participation. China's strategic goals under the BRI include expanding its economic footprint and creating dependencies

1 De Filippis, Alberto. "Italy Abandons the 'Belt and Road' Initiative." Euronews, 12 May 2023. <http://www.euronews.com/2023/05/12/italy-abandons-the-belt-and-road-initiative>.

2 Mazzocco, Ilaria, and Andrea Leonard Palazzi. "Italy Withdraws from China's Belt and Road Initiative." CSIS Analysis, 14 Dec. 2023. <http://www.csis.org/analysis/italy-withdraws-chinas-belt-and-road-initiative>.

3 "China Warns against 'Undermining' Belt and Road Plan after Italy Withdraws." Al Jazeera, 7 Dec. 2023. <http://www.aljazeera.com/news/2023/12/7/china-warns-against-undermining-belt-and-road-after-italy-withdraws>.

4 Ali, Usman Zulfikar. "Italy's Pivot: Unravelling China's Belt and Road?" The Diplomat, 8 Aug. 2023. <http://www.thediplomat.com/2023/08/italys-pivot-unravelling-chinas-belt-and-road/>.

through infrastructure investments. The withdrawal of a major European economy like Italy can be seen as undermining these goals. It highlights the challenges China faces in sustaining the BRI amidst increasing global scrutiny and criticism regarding debt sustainability and economic exploitation¹. China may need to reassess its BRI strategy to retain existing partners and attract new ones. This could involve offering more tangible benefits, ensuring greater transparency, and addressing concerns about debt sustainability. China's response to Italy's withdrawal will be closely watched as an indicator of its broader approach to managing the BRI's global perception and participation.

8.4 Impact on Italy

For Italy, exiting the BRI provides an opportunity to redefine its economic and strategic engagements with China. The decision reflects a broader strategic pivot towards strengthening ties with traditional Western allies and ensuring that international partnerships align with Italy's national interests.

Economically, Italy aims to mitigate any negative fallout from the withdrawal by pursuing new bilateral agreements with China that are not under the BRI framework. This approach seeks to maintain beneficial economic ties while avoiding the political and strategic complications associated with the BRI. Politically, the withdrawal strengthens Italy's position within the EU and NATO, reinforcing its commitment to collective security and economic policies that counterbalance China's influence. It also aligns Italy more closely with U.S. strategic interests, particularly regarding issues like the Taiwan Strait and Russia's invasion of Ukraine. Prime Minister Giorgia Meloni's handling of the withdrawal has been aimed at balancing these complex factors. By announcing the decision in a multilateral setting and signaling continued cooperation with China, Meloni has sought to navigate the exit without provoking significant economic retaliation. This strategic approach is likely to serve as a model for other countries considering similar moves².

Italy's withdrawal from the BRI is a significant geopolitical event with wide-ranging implications. It does not signify a complete disengagement from China. Instead, Italy is pivoting towards a more flexible bilateral strategic initiative, focusing on mutual benefits without the overarching framework of the BRI. This approach aims to ensure continued economic cooperation while aligning more closely with EU and U.S. policies. The international reactions highlight the complex interplay of economic

1 "Italy, China: Rome Formally Exits China's Belt and Road Initiative." Real Instituto Elcano Commentaries, 6 Dec. 2023.

<http://www.realinstitutoelcano.org/en/commentaries/italy-shows-the-world-how-to-exit-the-belt-and-road-initiative/>.

2 "Can Italy Leave the Belt and Road Initiative Without a Backlash?" Bruegel.

<http://www.bruegel.org/first-glance/can-italy-leave-belt-and-road-initiative-without-backlash>.

interests, political alignments, and strategic considerations that shape global diplomacy today.

Conclusion

From the analysis above, the question raised at the beginning could be answered: the BRI is not a defining factor of Italy's relations with China, and the economic and political considerations are what lying behind this bilateral relationship. This thesis has analyzed Italy's motivations for both joining and subsequently withdrawing from China's Belt and Road Initiative (BRI), alongside assessing the impacts of these decisions on both national and international levels. Through a detailed examination of political, economic, and geopolitical factors, this research has illuminated the complex dynamics that drive state behaviors in global infrastructure projects like the BRI.

Italy's decision to join the BRI marked a significant shift in its foreign policy, which was traditionally aligned more closely with European Union standards and the broader Western bloc. The analysis revealed that this decision was driven largely by a combination of economic stagnation and political opportunism, where Italy sought to rejuvenate its economy through enhanced trade and investment opportunities offered by China's expansive global project. The BRI promised substantial infrastructure investments which were appealing to Italy's then struggling economy, burdened by high public debt and limited growth prospects.

However, the partnership with China under the BRI was not devoid of controversy or challenge. The thesis has shown that while economic incentives were a major motivator, the political ramifications were considerable. Italy faced internal political pressures from both pro and anti-BRI factions, which influenced the government's stance on continued participation. Furthermore, external pressures from the European Union and the United States, who viewed the BRI with skepticism and concern over China's expanding influence in strategic sectors, played a critical role in shaping Italy's engagement with the initiative.

The thesis also provided insights into the broader geopolitical implications of the BRI. It discussed how Italy's engagement with the BRI positioned it uniquely within the EU, providing both opportunities for leadership in Sino-European relations and challenges in balancing these relations with its traditional alliances. Italy's initial participation in the BRI can be seen as a strategic attempt to leverage its geographic and political position to gain from both Chinese investments and maintain its traditional economic ties with the EU and the US.

Similarly, despite these potential benefits, Italy chose to exit from the BRI five years after joining, and Italy's withdrawal indicates the complex and often conflicting nature of international partnerships in the modern geopolitical landscape. This decision was influenced by a confluence of factors including

changing political leadership within Italy, evolving EU-China relations, and growing concerns over the terms of engagement with Chinese enterprises. The analysis of Italy's withdrawal underscores the challenges faced by countries in managing foreign policy that aligns national interests with global strategic shifts.

This thesis has several limitations that suggest the need for further research. First, this thesis failed to dig into the detailed negotiation process due to a lack of materials. As more documents being released in the future, scholars might be able to unveil the strategies and bargaining process of both sides. Secondly, while the thesis provides a detailed examination of Italy's motivations and decisions regarding the BRI, it could benefit from a more granular analysis of the economic impacts at the regional level within Italy. Future studies could explore the regional impacts of BRI projects initiated during Italy's participation period, providing a clearer picture of whether these projects have met their intended economic objectives. Moreover, as global economic conditions continue to evolve, particularly in the aftermath of the COVID-19 pandemic, further research could assess how shifts in global trade patterns affect the strategic decisions of countries regarding participation in mega-projects like the BRI. Such studies could provide deeper insights into the intersection of global health crises, economic policies, and international cooperation.

In a nutshell, Italy's engagement with the BRI reflects the considerations between national interests and global strategic imperatives, where countries must continuously assess and reassess their positions within a dynamic international system. The findings of this thesis shows Italy's decision is well-considered and rooted in its economic momentum, political cycles, EU scenarios, and so on. In a sense, Italy's decision to leave the BRI under US pressure does not represent a regression in the country strategic autonomy, for Italy can still maintain its economic relationship with China beyond the BRI, just as what Germany and France did. Although Italy's join and exit might be unexpected to the world, the logic behind it is clear and consistent. Italy and China will be able to step further on their path of future cooperation.

Appendix I

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE ITALIAN REPUBLIC
AND THE GOVERNMENT OF THE PEOPLE'S
REPUBLIC OF CHINA
ON COOPERATION WITHIN THE FRAMEWORK
OF THE SILK ROAD ECONOMIC BELT AND THE 21ST
CENTURY MARITIME SILK ROAD INITIATIVE

The Government of the Italian Republic and the Government of the People's Republic of China (hereinafter referred to as "the Parties") based on the aspiration of furthering bilateral practical cooperation;

Welcoming the hosting of the Belt and Road Forum for International Cooperation in Beijing in May 2017;

Recognizing the importance and benefits of improving connectivity between Asia and Europe and the role that the Belt and Road Initiative can play in this respect;

Recalling the Joint Communiqué of the Leaders Roundtable of the Belt and Road Forum for International Cooperation;

Recalling the Plan of Action for the Strengthening of Economic, Commercial and Cultural-scientific Cooperation between Italy and China 2017-2020 agreed in Beijing in May 2017;

Recalling the Joint Communiqué of the 9th Italy-China Inter-Governmental Committee, held in Rome on January 25th, 2019 and the commitment expressed therein to promote the bilateral partnership in a spirit of mutual respect, equity and justice and in a mutually beneficial manner, in the perspective of a strengthened global solidarity;

Conscious of the historical common heritage developed through the land and sea routes linking Asia and Europe and of Italy's traditional role as terminal of the maritime Silk Road;

Reiterating their commitment to honor the purposes and principles of the UN Charter and to promote inclusive growth and sustainable development, in line with the 2030 Agenda for sustainable development and the Paris Accord on climate change;

Recalling also the objectives set by the EU-China 2020 Strategic Agenda for Cooperation and the principles driving the EU Strategy for Connecting Europe and Asia adopted in October 2018;

Have reached the following understanding:

Paragraph I Objectives and Guiding Principles of Cooperation

1. The Parties will work together within the Belt and Road Initiative (BRI) to translate mutual complementary strengths into advantages for practical cooperation and sustainable growth, supporting synergies between the Belt and Road Initiative and priorities identified in the Investment Plan for Europe and the Trans-European Networks, bearing in mind discussions in the EU China Connectivity Platform. This will also enable the Parties to enhance their political relations, economic ties, and people-to-people exchanges. The Parties will strengthen cooperation and promote regional connectivity within an open, inclusive and balanced framework beneficial to all, so as to promote regional peace, security, stability and sustainable development.

2. The Parties will promote bilateral cooperation based on the following principles:

(i) Guided by the purposes and principles of the UN Charter the Parties will work for common development and prosperity, deepened mutual trust and beneficial cooperation;

(ii) In accordance with their respective domestic laws and regulations, consistent with their respective international obligations, the Parties will strive to promote the smooth progress of their cooperation projects;

(iii) The Parties will explore synergies and ensure consistency and complementarity with existing bilateral and multilateral cooperation mechanisms and regional cooperation platforms.

Paragraph II Areas of Cooperation

The Parties will cooperate in the following areas:

1. Policy dialogue. The Parties will promote synergies and strengthen communication and coordination. They will enhance policy dialogue on connectivity initiatives and technical and regulatory standards.

The Parties will work together within the Asian Infrastructure Investment Bank (AIIB) to promote connectivity in accordance with the purpose and functions of the Bank.

2. Transport, logistics and infrastructure. Both Parties share a common vision about the improvement of accessible, safe, inclusive and sustainable transport. The Parties will cooperate in the development of infrastructure connectivity, including financing, interoperability and logistics, in areas of mutual interest (such as roads, railways, bridges, civil aviation, ports, energy– including renewables and natural gas- and telecommunications).

The Parties express their interest in developing synergies between the Belt and Road Initiative, the Italian system of transport and infrastructure, such as -inter alia- roads, railways, bridges, civil aviation and ports and the EU Trans-European Transport Network (TEN-T).

The Parties welcome the discussions in the framework of the EU-China Connectivity Platform to improve the efficiency of the connectivity between Europe and China.

The Parties will cooperate in facilitating customs clearance, strengthening co-operation in sustainable, safe and digital transport solutions as well as in their investments and financing. The Parties highlight the importance of open, transparent, and non-discriminatory procurement procedures.

3. Unimpeded trade and investment. The Parties will work towards expanding two-way investment and trade flow, industrial cooperation as well as cooperation in third country markets, exploring ways to promote substantive mutually beneficial cooperation. The Parties reaffirm their shared commitment to free and open trade and investment, to counter excessive macroeconomic imbalances and to oppose unilateralism and protectionism. In the framework of the Belt and Road Initiative, they will promote transparent, non-discriminatory, free and open trade and industrial cooperation, an open procurement, level playing field and respect for intellectual property rights. They will explore closer and mutually beneficial collaboration and partnerships, which include advancing North-South, South-South and triangular cooperation.

4. Financial cooperation. The Parties will strengthen the bilateral communication and coordination on fiscal, financial and structural reform policies in order to create a favorable environment for economic and financial cooperation, also through the establishment of the Italy-China Finance Dialogue between the Ministry of Economy and Finance of the Italian Republic and the Ministry of Finance of the People's Republic of China.

The Parties will encourage the partnerships between the respective financial institutions to jointly support investment and financing cooperation, at bilateral and multilateral level and towards the third Countries, under the framework of Belt and Road Initiative.

5. People-to-people connectivity. The Parties will endeavor to expand people-to-people exchanges, to develop their sister cities network, to fully utilize the platform of Italy-China Culture Cooperation Mechanism to cooperate for the finalization of the twinning among Italian and Chinese UNESCO world heritage sites, to promote cooperation arrangements on education, culture, science, innovation, health, tourism and public welfare among their respective Administrations. The Parties will promote exchanges and cooperation between their local authorities, media, think tanks, universities and the youth.

6. Green development cooperation. Both Parties are fully supportive of the objective to develop connectivity following a sustainable, environmentally friendly approach, actively promoting the global

process towards green, low carbon and circular development. In this spirit, the Parties will cooperate in the field of ecological and environmental protection, climate change and other areas of mutual interest.

The Parties will share ideas about green development and actively promote the implementation of the 2030 Agenda for Sustainable Development and the Paris Accord on Climate Change. The Ministry for the Environment, Land and Sea of the Italian Republic will actively participate the International Coalition

for Green Development on the Belt and Road initiated by the Ministry of Ecology and Environment of the People' s Republic of China and the United Nations Environment Programme (UNEP).

Paragraph III Modes of Cooperation

1. Modes of cooperation may include - but are not limited to:

(i) The exchange of high-level visits and discussions within existing governmental and non-governmental exchange mechanisms. The Parties will expand information-sharing in diverse fields and with multiple channels, to increase transparency and encourage the participation of people from all sectors of society.

(ii) Exploring the development of pilot programs in key areas, economic exchanges and cooperation, joint research, capacity building, personnel exchanges and training.

2. The Parties will explore mutually beneficial models of cooperation to support the implementation of major programs, under the Belt and Road Initiative. The Parties will follow market principles, promote cooperation between public and private capital, encourage investment and financing support through diversified models. Both Parties reiterate their engagement towards investments which are socially and environmentally sustainable and economically viable.

3. The Parties will jointly explore opportunities of cooperation in Italy and in China and discuss cooperation in third Countries. The Parties are committed to modes of cooperation that are advantageous to all participants and to projects that benefit third Countries by supporting their priorities in terms of development and the needs of their people, in a fiscally, socially, economically and environmentally sound and sustainable manner.

4. The relevant Authorities of the Parties may conclude arrangements for collaboration in specific sectorial fields and for the creation of specific cooperation frameworks.

Paragraph IV Cooperation Mechanism

The Parties will make full use of existing bilateral mechanisms to develop cooperation in the framework of the Belt and Road Initiative.

The Italy-China Government Committee will be used to monitor progress and follow up.

Paragraph V Settlement of Differences

The Parties will settle amicably differences in the interpretation of this Memorandum of Understanding through direct consultations.

Paragraph VI Applicable Law

This Memorandum of Understanding does not constitute an international agreement which may lead to rights and obligations under international law. No provision of this Memorandum is to be understood and performed as a legal or financial obligation or commitment of the Parties. This Memorandum of Understanding will be interpreted in accordance with the legislations of the Parties and as well as applicable international law and, as for the Italian Party, with the obligations arising from its membership of the European Union.

This Memorandum of Understanding takes effect on the date of signature.

This Memorandum of Understanding will remain valid for a period of five years and will be automatically extended for subsequent five-year periods and so forth unless terminated by either Party by giving the other Party a written notice at least three months in advance.




























Signed in Rome on March, 2019, in two originals, each in the Italian, English and Chinese languages, all texts being equally authentic. In case of divergence of interpretation, the text in English will prevail.

For the Government of the
Italian Republic

For the Government of the People's
Republic of China




Appendix II






















EU imports of goods from China, 2023

	€ million	% of China in extra EU imports
Netherlands	116,942	25.7 
Germany	94,525	20.0 
Italy	47,589	18.7 
France	42,023	16.3 
Spain	36,677	18.9 
Poland	31,684	28.5 
Belgium	30,826	16.1 
Czechia	25,401	43.7 
Hungary	11,043	25.0 
Slovenia	9,867	29.1 
Sweden	9,580	16.5 
Ireland	8,591	10.4 
Denmark	7,413	17.6 
Austria	7,107	13.9 
Greece	6,901	17.0 
Romania	6,754	20.8 
Portugal	5,221	19.5 
Slovakia	4,311	20.0 
Finland	3,140	14.0 
Bulgaria	2,663	13.4 
Lithuania	1,710	12.8 
Croatia	1,298	13.4 
Estonia	948	30.2 
Latvia	869	18.1 
Cyprus	758	13.2 
Malta	356	12.4 
Luxembourg	213	9.1 

Source: Eurostat (online data code: DS-018995)

EU exports of goods to China, 2023

	€ million	% of China in extra EU exports
Germany	97,303	13.6 
France	25,017	9.3 
Netherlands	22,299	8.5 
Italy	19,172	6.3 

Ireland	8,875	7.9	
Belgium	8,259	4.8	
Spain	7,579	5.3	
Sweden	6,697	8.1	
Denmark	5,337	10.0	
Austria	5,060	8.0	
Finland	3,554	10.8	
Poland	3,078	3.4	
Slovakia	2,874	11.7	
Czechia	2,438	5.6	
Hungary	1,543	4.9	
Bulgaria	1,017	6.3	
Romania	856	3.4	
Portugal	769	3.3	
Slovenia	394	1.4	
Greece	385	1.8	
Estonia	253	5.3	
Luxembourg	228	7.0	
Latvia	185	2.5	
Lithuania	146	0.9	
Croatia	79	1.0	
Malta	37	2.5	
Cyprus	26	0.8	

Source: Eurostat (online data code: DS-018995)

EU trade balance of goods with China, 2023

(€ million)

	€ million
Germany	2,778
Finland	414
Ireland	284
Luxembourg	14
Malta	-319
Latvia	-683
Estonia	-695
Cyprus	-733
Croatia	-1,219
Slovakia	-1,437
Lithuania	-1,564
Bulgaria	-1,646
Austria	-2,047
Denmark	-2,076

Sweden	-2,883
Portugal	-4,452
Romania	-5,898
Greece	-6,516
Slovenia	-9,472
Hungary	-9,500
France	-17,006
Belgium	-22,567
Czechia	-22,963
Italy	-28,417
Poland	-28,606
Spain	-29,098
Netherlands	-94,644

Source: Eurostat (online data code: DS-018995)

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the resources and support needed to pursue my studies in Italy. Their unwavering support has enabled me to focus on my academic endeavors and achieve my goals. Words cannot fully express my gratitude for their enduring love and encouragement.

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I would also like to express my gratitude to LUISS for providing an enriching and supportive learning environment. The university's commitment to academic excellence and its diverse and inclusive community have greatly contributed to my personal and intellectual growth. The resources, facilities, and opportunities provided by LUISS have been instrumental in facilitating my research and academic pursuits. The library resources, access to academic journals, and opportunities for attending seminars and conferences have significantly enhanced my learning experience. LUISS's emphasis on interdisciplinary learning and research has allowed me to explore various aspects of international relations and develop a holistic understanding of the subject.

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As I reflect on my academic journey, I am reminded of the importance of community and support in achieving one's goals. This thesis is not just a culmination of my efforts but also a testament to the collective support and encouragement I have received from those around me. I am profoundly grateful for the opportunities and experiences that have shaped my academic and personal growth, and I look forward to contributing to the field of international relations in the future.

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