


Chapter 4

Can the European Union's Global Gateway Challenge China's Belt and Road Initiative?

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ABSTRACT

This chapter examines China's technological advance and its relevance to European strategic sovereignty. The following sections deal with the shifting paradigms and how they reshape a key concept in this context: interdependence. The chapter then turns its attention towards China's innovation capacity, explaining how it has become an innovation powerhouse from an unlikely candidate for digital innovation and why its future success is still being determined. The next section explores how China's technological advance translates into a global power and how the EU's Global Gateway can become a rival to the Belt and Road Initiative. The chapter concludes with a broad research agenda to understand the EU's and China's future technological trajectories. This will be a prerequisite for developing adequate and effective European policies so that the Union retains its freedom of action in world affairs.

INTRODUCTION

The world is currently witnessing a moment of geopolitical transition of global hegemony with a shift of its axis from the West to the East, an unprecedented event in the history of the capitalist international system. This explained not only the dynamics of the trade wars between the United States and the People's Republic of China and the struggles for global dominance, but until Russia invaded Ukraine, the softening of the Atlantic alliance of North Americans and Europeans, their respective internal challenges, the resurgence of neo-fascist and ultra-conservative forces within, and the aggravation of regional political conflict in the areas of influence of first and second order powers in full ascendancy. There is, however, no direct causality between the re-emergence of East Asia and the beginning of the decline of American

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hegemony. Rather, this response to a global crisis of capitalism has become known as the “great turbulence” encouraging a conservative search for a resolution in the West (Arrighi, 2003).

The re-emergence of China minimises the space for projections of unipolarity in all its forms, and that is where windows of possibility open up on the periphery of the world. The old order born from Bretton Woods no longer exists with the same impact and has lost power compared to previous years. However, the Bretton Woods institutions still function as tools for exercising the post-war order, even if they cannot contain new emerging and revisionist poles of power. They attempt to deepen the alignment to some of the versions of unipolarity through several financial measures, such as the application of commercial and financial sanctions for rogue states (Specia, 2019).

In the 1970s, when the crisis of great global turbulence that affected the West began to be felt, China required a turnaround that would allow it to increase both its productive capacity and its technological capacity and, at the same time, include a good portion of its urban population that had increased significantly since the late 1940s. Thus, the Deng Xiaoping government advanced a series of significant reforms: opening up the economy to a market economy (i.e., non-centralised pricing), openness to foreign investment with clear state control over the destination of these investments, modifications in the use of land by the peasantry (which allowed the increase in the scale of production without causing a setback towards forms of latifundia), among other weighty aspects (Wang & Wang, 2021).

Ten years ago China unveiled a remarkable One Belt One Road Project to improve trans-continental transport networks and infrastructure. Over time this was renamed the Belt and Road Initiative (BRI). The project had a strategic and geopolitical dimension related to developments in Chinese domestic policy. Given the less than ideal relations with Southeast Asia which had not improved since Xi Jinping's ascendance to power, the first objective fitted into a strategy of periphery stabilisation, or damage control. For China, it became a question of relaunching a new strategy of influence based on the attractiveness of the Chinese economy, which needed new markets. Towards Central and South Asia, stabilising the periphery became part of initiatives that developed since the mid-1990s around the Shanghai Cooperation Organization (SCO) (Yigit, 2012). It also constituted an extension of the control policy of the Autonomous Region of Xinjiang, which experienced endemic tensions since the end of the 1980s, with the Chinese fearing tendencies to recall the short-lived independent state it had become in the 1940s (Dabphet, 2020).

Hence, China flexed its economic muscles and wanted to create an enormous zone of attraction and authority utilising its excess foreign currency reserves. It desired to translate its technological and economic prowess into a tangible political sphere of influence. Viewing such an imperative, one must reiterate that technical knowledge has been a power source for all states throughout history. The competition for technological leadership is closely linked to the rivalry for power (Yigit, 2023b). Indeed, power, defined as the ability to force or persuade others to follow a course of action that they would not have chosen otherwise, depends on national resources and capacities. However, technological progress can strengthen economic power, military capabilities or political influence. This does not mean, however, that technological advance automatically confers power. The driving variables are multiple and range from political strategy to organisational structure, including market power and the particular skills of individual leaders (Yiğit, 2023a). However, to the extent that the research and development of new technologies - and their application - create real economic benefits and increase military capabilities, innovation is correlated with the state's power.

This is all the truer today as digital transformation penetrates all political, military, economic and societal spheres (Yigit, 2022). Societal transformation is driven by a new industrial revolution incorporating connectivity and digital technologies. Technological progress is not limited to competition in

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