

# The Impact of Covid-19 Pandemic Towards Belt Road Initiative of China in Europe Region: Development Studies Approach

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**Abstract**—The previous study of the Belt Road Initiative of China (BRI) in Europe tends to be a minor discussion among scholars. The Eastern European Countries which are partners of China in BRI deemed it is a non-strategic choice for China to start engaging in this region. The major countries in Europe also feel less attracted toward BRI since they already had it all, especially in infrastructure programs which makes another several roads, highways, and railways seem wasteful. At this point, there's a recommendation for China to shift its orientation to other regions. Then, The Covid-19 became a significant threat toward actors around the world. It also brought a huge damage to various sectors, including transportation of logistics globally. Many cooperation has been suspended or even being canceled since the uncertainty of the future condition. This will also affects the implementation of BRI projects. This research seeks the impact of pandemic toward BRI in Europe Region. A qualitative method has been chosen as the research method with secondary data collection type, such as official government documents, journals, papers, and databases. By using Paulo's concept of international cooperation from a development studies perspective, this research result shows that Covid-19 has become a strategic opportunity for China to provide crucial public goods for Europe and the rest of the world. This opportunity is then utilized massively by the China's government to approach not only small countries, but also major countries in Europe within the BRI scheme. Within a few months of the pandemic, some European Countries have a certain degree of dependency toward China with its vaccine and other public health supported products. China becomes the closest supplier for them. The high rates of Covid-19 cases nowadays, not only maintains the alertness among these countries, however also there's another potential chance of BRI maneuvering in different sectors besides health which could help China get closer to its goal.

**Keywords**—BRI, China, Europe, Covid-19, Public Goods

## I. INTRODUCTION

### A. BRI Background, Evolution and Critics

Connectivity between nations is an important element in global trade. This has been clearly illustrated since the golden age for China during the Han dynasty, which was marked by the presence of the Silk Road. This route that stretches 4 thousand miles made trade between the China region and the Central Asia region to the South Asian region such as India and Pakistan possible during that time. The existence of trading posts and markets that function as storages, transport and exchange goods posts along the road facilitates the process of exchanging services and trading various products from various regions [1]. During that time, not only economic interactions took place, but also cultural and religious exchanges took place through the silk route. The advances of the Mongols and the events of the crusade caused trade to cease, and the silk route became insignificant, at present the Central Asia region including the Central China region has become isolated from world trade and is left behind.

China's economy experienced rapid development in the 1980s to 2000s. This was indicated by the sharp increase in investment and development during that period. However, The Great Recession in 2008 slowed China's economic growth in the following decades. China's Gross Domestic Product (GDP) has experienced a downward trend from 2010 to 2012. The China's government tried to solve this problem by stimulating domestic economic growth through the expansion of urbanization by construction of several domestic infrastructures, however what happened was the opposite, a number of infrastructures ended up being unused due to a lack of demand and domestic economic movements [2]. Continuous decline in the domestic economy growth has urged various businessmen to expand their markets outside of China.

Beijing experiences a surplus of unproductive capital while countries around the world experience infrastructure gaps and need capital for development.

According to Asian Development Bank in 2017 [3] it estimated that the Asia region alone requires 26 trillion USD for infrastructure investment until 2030. Seeing these conditions, strategically President Xi Jinping announced in 2013 a mega project to build connectivity and an unified market between Asia Pacific, Africa, Central Europe and East Europe. The project consists of two main components, the land-based "Silk Road Economic Belt", sea-based "Maritime Silk Road" and overall be called The Belt and Road Initiatives (BRI). This project is inspired by the original silk route of the Han Dynasty.

The BRI project focuses on promoting policy coordination between countries, facilitating connectivity through investment and strategic infrastructure development, maximizing the global trade process, establishing financial integration, and bringing the global community closer together [4]. China envisions the opening of new integrated economic zones which in turn encourage cooperation and stimulation of economic growth in several countries. To achieve those ambitious goals The China's Government prepared capital posts in the form of banks and institutions such as the Asian Infrastructure Investment Bank (AIIB), the Asian Development Bank (ADB) and the Silk Road Fund to provide investment and finance strategic infrastructure projects such as airports, railways, roads, ports, telecommunication networks and power plants in Eurasia. Over the past 7 years China has spent approximately 4 trillion dollars on initiation and completion of BRI projects [5]. As of February 2021, 140 countries and 31 international organizations have joined the BRI project by signing the MoU, with a total of 201 cooperation documents signed by China's Government [6].

BRI carries out various projects in several countries which have an impact on the average 5.2% annual economic growth of these countries [7]. However, despite promoting a number of advantages such as economic growth and regional integration, there are many negative perceptions regarding BRI. First, BRI is considered an extension of China's economic and foreign policy which seeks to form a trade network centered solely on China. This skepticism is based on the fact that BRI projects implementation prioritizes cooperation with China entrepreneurs and companies. An example is the plan to develop a digital silk road to enhance development and integration of information technology. A mega project executed by planting submarine 5G cables and other network infrastructure. It subtly shows a digital domination where these projects are being monopolized by Chinese companies such as Huawei. According to Sacks [8], Huawei alone gained a 40% increase in exports since BRI took place and is involved in 70% of 4G projects in Africa and also secured a 5G establishment deal within South Africa. This also applies to the labor sector where a number of BRI agreements prioritizes on hiring labor from China

rather than hiring local labor. It has become detrimental to local communities, raises objections and anti-Beijing settlements in a number of countries including Laos and Turkmenistan. In conditions where local laborer are employed, they faced dire working situations which fueled demonstrations in Vietnam and Sri Lanka [9].

Another criticism is that the BRI has caused a number of countries to fall into financial dependence on China's investment. Under these conditions, China has gained both political and economic leverage over these countries. An example is the dependence of The African countries on China which enables China to gain allegiance from African and Pacific countries into not recognizing and supporting Taiwan [10]. Furthermore, countries that fall too far into dependency can end up being unable to pay their debt. This phenomenon is said to be China's strategy to trap other countries into progressive debts until they are unable to pay their debts, also called the debt trap diplomacy. The case of Montenegro for example, has provided the EU an insight of the risk in falling into China's debt diplomacy trap.

Last fundamental criticism is, these large scale infrastructure projects are usually linked to high possibility of corruption, rising public debts and posing a high risk of environmental damage [11]. These projects might develop the whole region, however it will be at the cost of huge biodiversity loss. The China's Government answered these problems in 2015 by promoting environmental value within BRI [12]. Regarding high risk of corruption within the projects, transparency and public participation should be a vital element. Unfortunately, the AIIB and China's Government, which are the largest stakeholders, operated within a political context without a proper check and balances mechanism, thus a lack of transparency occurring within BRI projects [13].

#### *B. Covid-19 Condition and Impact in China*

At the end of January 2020, Covid-19 which first manifested in Wuhan Province then quickly spread into other regions and became a national scale pandemic for China. Government first policy response was imposing a lockdown on the epicenter of the pandemic, namely Wuhan City, restricting the activities of 11 million people in it for 76 days [14]. In addition, the government also limits international arrivals and advises the Chinese diaspora not to return home during the pandemic.

China's draconian lockdown policies require that people be at home, factories closed and have no public activities at all, with this the economy was clearly affected. Economic growth recorded a decline of 6.8% in the first quarter of 2020, deemed as the worst decline for the first time in the last decade. This is due to the decline in public consumption which is indicated by the sluggish retail sector with a decline of 19%, meanwhile, exports also plunged for more than 13% and fixed assets investment declined for 16%. In the second

quarter, China saw its first economic recovery with growth of 3.2% [15]. This is driven by productivity in the high-tech sector and recovery in overall investment. Even so, the retail industry is still in a slump because the government is having a hard time convincing people to go outside and increasing public spending.

China's economic recovery continues to be consistent, marked by economic growth in the third quarter of 4.9%. Industrial production grew by 0.9, the service sector by 4.3% and the industrial production sector leading with 5.8%. Strong recovery stimulated by exports increases with 9.9% and imports growing with 13.2% compared to September last year [16]. At the national level, the existence of Golden Week then stimulates domestic travels and public consumption, thus creating new employment chances. Subsequent developments continue to show a consistent and rapid economic recovery with 6.5% in the 4th quarter. This is supported by a resilient export sector and the rising manufacturing sector by 8% [17]. China continues to break their record with growth of 18.3% in the first quarter of 2021 and was the only major economy that experienced a gradual economic recovery throughout the year during the pandemic [18].

Pandemic has changed demand on the global market, from individuals to states demand, overall, the global community is currently focusing on anti-pandemic products. Before the Pandemic, China was a supplier of 50% of the global demand for masks, this then continued to increase sharply with the increase in the export rate for masks and medicines by 30% and the increase in exports of medical technology by 40% during the pandemic [19]. BRI, which is the foreign policy and geopolitical paramount of China, then adapts to these conditions since global needs have changed.

Previously, in 2015 China had launched a development program called "Digital Silk Road." Namely various support and development of information and communication technology improvements along the BRI pathway. This program then became the prima donna during the pandemic as global activities moved into the digital world. Another road was named the "Health Silk Road" (HSR), conceived to provide a grand framework of health investment along the pathway of BRI. Along with the Covid-19 crisis, HSR has become a prominent idea to revitalize. China sees the importance of the availability of medical goods and the smooth supply of these goods. The program serves as a counter to the bad narrative related to the emergence of Covid-19 caused by China. These narratives have led to antipathy and even racism against China's government and the Chinese diaspora [20]. Strategically, China then made the HSR the main spearhead of its health diplomacy, trying to attain the global impression that they are playing an active role in shaping global resilience from Covid-19 [21].

There is a disparity in power between developing and developed countries in dealing with the pandemic.

There are still many countries that do not have optimum health infrastructure and unable to ensure the availability of medical instruments and medicines. On addressing this situation since March 2020 China has been actively sending aid to various countries. Initially, because the epicenter of the pandemic was in Europe, China first sent millions of masks, personal protective equipments (PPEs) and their health experts to various European countries in need such as Serbia, Italy, Spain, Belgium and France [22]. According to China's General Administration of Customs (GAC) [23] between March 2020 to December 2020 China has exported more than 224.2 billion masks, 773 millions of PPEs, 2.92 billions of surgical gloves and 1.08 billions of testing kits globally to aid in Covid-19 prevention. As of April 2021, more than 100 countries have received China's foreign aid in medical terms. China's "Mask diplomacy" is a form of dual-track diplomacy which engages conglomerate firms such as Alibaba and China's economic figures such as Jack Ma as sponsors.

In June 2020, a Joint Statement regarding BRI was issued which stated that China and the countries concerned would commit to maintaining the availability, accessibility, affordability, and quality of anti-pandemic products such as vaccines, medicines and medical supplies. China's position as one of the top global producers and distributors of these products is further strengthened by this. China will then divert BRI's budget to invest in public health products for countries that are in need, especially countries along the BRI route [24]. Broadly speaking, China fulfills the needs and gap of power between developed and developing countries through the HSR framework. With a vision to ensure and expand their role in health investment and the sustainability of the global supply chain of medical needs.

Not only through "Mask diplomacy" but also through "Vaccine Diplomacy". Currently, vaccines are a vital commodity for building community resilience. China has started producing vaccines with a number of state companies such as Sinovac and Sinopharm. In May 2020 President Xi Jinping [25] announced that China's vaccines will be a global public goods (GPGs). Despite widespread skepticism regarding this, China has always emphasized that this is an effort of their goodwill.

China's domestic pandemic contingency which has proven much more effective than other countries and their manufacturing capacities comes as an advantageous value for their vaccine sales. In October 2020, Beijing agreed to take a part within the COVAX facility, a global initiative led by WHO to ensure vaccines equitable access across the globe. Through the COVAX facility, China has pledged to donate 10 million vaccine doses abroad [26]. China's vaccine diplomacy through COVAX facility came into fruition in May and June 2021, when WHO gave approval of

Sinopharm and Sinovac respectively to be used as emergency vaccines in COVAX projects [27].

Bilaterally, China also donated hundreds of thousands of doses, this in turn encouraged countries to purchase in the form of millions. The profits can be hundreds of times, for example, in May 2021, China only donated 1 million doses of vaccine for the Latin American region but received a purchasing agreement of 281 million. In the beginning, Beijing conducted a number of trials in several countries, then when the trials were successful, China gave production authority to countries that became their major deal of purchasers such as Indonesia with 140 million, Brazil with 100 million and Chile with 60 million [28].

According to Zhao [29] as of April 2021, there have been at least more than 80 countries that have approved China's vaccine and became its shipping destination. In detail, 27 middle-income countries agreed to purchase while 53 others only received donations or subsequently followed by other purchase agreements. Further data from Beijing-based Bridge Consulting shows China wins the global race on vaccines by shipping 256 million doses and donating over 22 million doses globally in May 2021 [30]. It can be concluded that at first Covid-19 had an impact on the sharp decline in China's economy in the first quarter but slowly experienced an economic recovery, one of which was based on the implementation of BRI initiatives through the Health Silk Road (HSR) and trade in the medical sector.

## II. CONCEPTUAL FRAMEWORK AND RESEARCH METHODOLOGY

### A. *Development Studies*

Development Studies becomes one of the studies which concern in improving the well-being of people from the capability of providing its public good. It's also takes a lot deep discourses related to deprived poverty and minimize the wealthy gap both in a national and global level. Bruce Currier-Alder gives a modest explanation toward this study from the historical perspective and suggest a broader understanding of putting multidisciplinary studies, methods, and approaches to enrich it [31].

The transformation of development studies grows from filling the gap between the rich and the poor in education, public health, social policy, public finance and administration to the extend involving the role of foreign-aid which related to international relations. Its still go broader with the certain problems also comes from the developed countries. With the massive of social changes nowadays, development studies yet still face the same field of challenges but with more complex situation and the need of multilevel actors in a harmony collaboration. The certain degrees of interdependencies in global scope is an unavoidable impact which also becomes a part of this study.

Alder then proposed the need to build dialogues amongst the development studies scholars, practitioners, activists, despite their specialty in certain disciplines. The cross dialogue between the public health's scientist, the business school's practitioner, the environmentalist, and the public governance's scholar for example. could help enlarge the development studies to be connected more precise.

### B. *International Cooperation*

International cooperation among states and non-state actors is getting complex nowadays. As Sebastian Paulo stated, the core of achieving similar goals makes these actors compromise their way with each other. And it happened either in harmony or in conflict situations [32]. From Paulo's perspective, the need to provide domestic public goods (DPGs) and global public goods (GPGs) trigger the dynamic pattern of interdependence amongst the actors. The first one is states cooperating to provide GPGs to solve the impact of globalization and the interdependence itself. We could see it in the climate change issues, which need global actions. The second one is, a responsive cooperation toward indirect impact of international development. The issues related to the inequality of the intellectual copyrights law of certain products around the world, such medicine products. The third pattern is the cooperation which builds to ensure the accessibility of GPG for the poor countries. Digital accessibility in third world countries is one of global issues that need to be concerned by the global actors. The last pattern identified by Paulo is the cooperation which comes from the potential provide of GPGs from the obstacle of domestic or national development in certain countries.

All those patterns bring certain consequences. The contribution in the cooperation process could be financial support at the best-shot, transfer knowledge support at the weakest-link, or rule and standard framework of assistance in summation. The involvement of governance mechanisms could be in a form of intergovernmental cooperation and trans-governmental network at summation, transnational private governance at the best-shot, or even transnational public-private partnership at the weakest-link. These governance mechanisms also influence the institutional complexity among the actors. There are various types of regimes developed such as integrated regimes or nested regimes at summation. Both of those types of positive growth could lead to regime complexes. However if the situation is not going well, a regime fragmentation will exist. At the critical stages of the process, the international cooperation could be around the problem definition or agenda setting and negotiation leads to decision-making of certain agreements. At the best shot of course the active implementation becomes the best achievement for both

sides. Meanwhile at the weakest-link, compliance monitoring or evaluation becomes the routine agenda.

### C. Methodology

This research was conducted through a qualitative method. The phenomena meets “a naturalistic setting to investigate the everyday an/or exceptional lives of individuals, groups, societies, and organizations” from Miles, Huberman, Saldana explanation toward qualitative methods. The data collected from empirical materials which are mostly in word formats. The analysis of these data involves the researcher's personal perspectives which comes from his/her experience, value, beliefs, and attitude. The interpretation resulting from the analysis process is fairly accepted and not absolutely objective. However, this is an avoidable measurement which in a certain degree brings the strength of this method. It is because the ‘real life’ is captured and analyzed in a flow of data’s condensation, then displayed, and the most important is verified in a conclusion form [33].

China’s BRI and its impact through the Europe region was a realistic phenomenon which influenced the people, the governments, the private actors, directly and indirectly. The data collected from China’s government official websites, EU’s official website, other related documents, various sources of databases, journals, and other supported documents. The analysis of course meet subjective portion from the researcher, but still, the objective referenced above becomes a component to meet objective explanation.

## III. BRI TOWARDS EUROPE

### A. BRI Partnership and Forecast within Europe Region Before the Pandemic.

The relationship between China and the European region can be described as very dynamic since distrust and cooperation go hand in hand. European states perception of BRI in Europe is very, very fragmented at its best. There are major powers like Russia which are not a member of European Union (EU) but are loyal supporters of BRI, however there are also EU member states which are skeptical, neutral, and even supportive of BRI. Although the EU and China have the same vision regarding regional interconnectivity which is reflected in the EU-China connectivity platform [34], the EU’s response to BRI remains ambivalent.

The complexity of this relationship can be illustrated by the history of BRI in Europe. At first China tried to approach Western European countries but saw that Central and East Europe, namely Central and Eastern European Countries (CEECs) were more welcome to investment initiatives. Thus in 2012 with CEECs, formed a 16+1 cooperation which later expanded to 17+1 with Greece participation [35]. This platform involves 5 Western Balkan countries, and the EU also took part as observer summits. Through the 16+1 cooperation platform, China is expanding its BRI

initiative of financial integration by providing loans to Southern and Southeastern Europe. In 2013, the 16+1 carried through a mega railroad project from Belgrade (Serbia) to Budapest (Hungary) which intended to connect with the Piraeus port (Greece) and became a part of China's land-sea route blueprint in order to provide efficiency in the supply chain across the continent. Distrust can be seen as the EU drew criticism and warnings against the project in 2014, as it was deemed lack of transparency and trapping the governments into progressive debt [36].

Nonetheless, China continues its vision of gradually building influence in Europe through a bilateral approach. Based on geographical location, China divides Eastern, South and Central European countries into 2 economic corridors within the BRI Framework, namely the China - Central West Asia corridor and China - Mongolia - Russian Federation. Infrastructure investments were also made bilaterally to Belarus and Poland for the purpose of building a railway called the "New Eurasia Land Bridge." which stretches from China through Kazakhstan, Russia, Belarus and Poland [11-12,37].

While for EU’s developed countries, infrastructure projects are less attractive, China has another strategy to approach them, namely through investment in technology and energy. According to the OECD [25-29, 34, 37], the European Union is listed as the largest recipient of China's accumulated FDI during 2005-2018 in the high-technology corporate investment with a focus on investment in the energy sector. One example is in 2017, CK Consortium acquired a German energy company, Ista Energy Solutions.

China's activities in Europe related to BRI also come in the maneuver of the acquisition of a number of strategic ports in Europe such as Belgium, the Netherlands, Spain, Italy and Greece [38]. The chain of ports is a pillar in the silk route that China is building but is seen as a threat to the EU. The EU’s skepticism towards BRI is based on several factors. *First*, since BRI projects are not complying with environmental principles that EU upholds. *Second*, because China's initiation projects are lacking in local employment and local companies' involvement, China prioritizes its local workers and companies. With this ambiguous relationship, China continues to make Europe one of its primary FDI destinations in various sectors ranging from financial services, health, energy, automotive and many others, however in 2018, EU member states tightened FDI screening which is one of the factors for 40% decline of China's FDI in Europe [39].

The main perspective of the EU regarding BRI does not mean a firm rejection since they also share the same vision of building Eurasian interconnectivity, however what they want is bargaining power, an equal stances and a fair game. Politically this has been foreshadowed in 2018 by French president Macron's statement [40] during his visit to China that the initiation of BRI cannot

be only one-way but must involve two-way cooperation with the EU taking part as well. This point is re-emphasized when a protest movement of 27 ambassadors of European countries held in China by signing reports criticizing China's BRI. Especially back to the Beorade-Budapest project which is considered not transparent and violates EU regulations [41]. In February 2018 the EU parliament passed legislation related to tightening the screening of foreign investment in strategic sectors such as infrastructures in energy, transport, communication, data and finance in Europe. This can be seen as the EU's multilateral move in the form of EU direct economic protectionism against China's BRI moves in Europe [42].

Indications of a fragmented response continue to be seen when Italy actually abstained from voting the legislation to tighten FDI screening and later in March 2019 signed the decision to join BRI [43]. Although Italy is not the first EU member state to join BRI but Italy is a member of the G-7 with major economic power. This certainly causes the EU to increase its vigilance to accelerate the multilateral movement in order to pressure China. As for China, the European Union is considered as one of the trading blocs in BRI, thus political trust from the European Union is crucial to facilitate investment activities, planning and implementation of BRI projects.

#### *B. Economic Activities of BRI within Europe during Covid-19 Pandemic*

Main highlights of BRI activities within Europe amidst the pandemic can be highlighted into a few points. *First*, the rise of supply chain activity between China and Europe for the past year is a sign of increase in trades. Year of 2020 is a game changer for China, Covid-19 and BRI past works have come into fruition with China breaking their record of freight trains trip to Europe by 12,400 trips and transporting over 1.14 million twenty-foot equivalent goods across the continent, a 50% increase from previous year [44]. Freight trains carried over 317,000 containers, a 79% increase from last year, made possible with the BRI transcontinental railway route. China overtakes US position as EU's top partner in trade with exports and imports worth 709 billions of dollars [45].

Several goods delivered between continents are for the purpose of overcoming the pandemic, therefore the *second* point is to see China's active role in health diplomacy in Europe. In trade throughout 2020, China benefited from increasing demand by European countries for public goods such as medicines, medical devices and personal protection equipment (PPE). These goods are then used by China as political commodities and elements of soft diplomacy. The emergence of Covid-19 in Wuhan caused the popularity of anti-Chinese sentiment in European society and to counter this China uses its health diplomacy.

In March 2020 a number of European countries such as Italy, France and Spain became the epicenter of COVID-19 in the region and affected a number of other countries [46]. This has led to a shortage of a number of medical products such as masks and much-needed protective equipment. China stepped in as the first one to give aid to Italy by sending 9 medical staff and 30 tons of medical supplies [47]. China's government and large companies continue to make 70 donations in 27 European countries in March - April 2020 of Covid-19 surges in Europe [48]. Among the donations made are 1 million masks and gloves to France, 2.5 millions of PPEs to the UK, 8 million masks to Germany, 500 thousands of masks to Spain and many other donations sent to various countries within Europe [49-52]. Albeit the aid arouses skepticism over China's political motives but certainly helps the countries in need and in turn gives them reason to cooperate for the time being. For example, Germany has seen relationship improvement with Cina amidst pandemic despite disagreement over human rights violations at the Hongkong protest.

China's mask diplomacy is also winning positive reviews in Eastern Europe as Hungary, Czech Republic and Serbia repeatedly show praises over China's Covid-19 aid [53]. In June 2020, BRI declared a joint statement of solidarity to combat Covid-19. Among the states present from Europe are Greece, Hungary, Belarus, Serbia and Russia [54]. This is a sign of the supportive act of China's BRI global measures. In accordance with the Joint Statement, China also played its "vaccine diplomacy" card by pledging to send vaccine aid to developing and low-income countries. Based on the AP [55] report, several European countries that received vaccine donations were Belarus, Montenegro, Serbia and Hungary. Vaccine diplomacy did not only serve as China's goodwill but also a marketing tool, by having approval from a number of countries will promote China's vaccine globally. The showcase of China's providing vaccines across the globe in a large and rapid scale demonstrates China's production and distribution capacity. This then caught the attention of the EU, since further consideration was made in May 2021 regarding the approval of Sinovac Vaccine within the EU [56].

In the infrastructure sector, BRI in Europe is clearly very affected by the pandemic, some of BRI infrastructure development projects experienced a slowdown due to stagnant iron production and closed ports. Later in the year, along with the ease of restrictions within Europe, a number of projects were running again. An example is the Senj wind farm (Croatia) project and Peljesac bridge (Croatia) which had been stagnant for months but are running again and 50% completed, expected to be functional next year. Another project, Mozura wind farm (Montenegro) also has started to function [57].

According to a 2020 report by the International Institute of Green Finance [58], The decline in BRI investment in Europe was the smallest of any other region at only 36% with increased BRI investment in Serbia, Bulgaria and Poland in particular. The data, along with China's position as the EU's number one trading partner, shows that the economic relationship between China and the EU did not experience significant obstacles and even made significant progress through BRI amidst Covid-19 pandemic.

Politically, the end of 2020 was marked by China and the EU reaching agreement on negotiations regarding principle on investment [59]. These signals rise new hope in a more open, inclusive and sustainable economic relationship between China and the EU as the agreement will serve as a leverage in trade partnership between the stakeholders. Diplomacy and trust building carried out through health diplomacy and political negotiations will certainly add value to support and trust in future BRI initiatives in Europe.

### *C. The impact of Covid-19 to nowadays European Economic and Global Trade.*

In general, Covid-19 affected the European economy for the first 6 months with sluggish trade with trading partners such as the US, UK, Switzerland and Russia. But China was the only trading partner that showed a recovery in trade relations with increased imports from China in April 2020 [60]. The increase in import demand is marked by the rise of Covid-19 in Europe, a number of import requests are based on the demand for textiles for the production of masks and protective equipment as well as medicines and medical equipment such as Covid-19 test kits. According to Eurostat, China is leading as EU number one trade partner for Covid-19 related products and PPEs become the most imported Covid-19 products [61].

This became possible when in March 2020 Europe experienced its first Covid-19 crisis with rising cases in several countries [62]. The extreme conditions encourage public goods transactions to be faster and ready, bypassing a number of bureaucratic processes and other obstacles. This happens mainly through the mechanism of foreign aid, the transfer of health GPGs to Europe becomes faster, easier and can occur in large numbers. For example, China's health GPGs were able to be sent across the continent in the time of the crisis of March 2020 as a form of foreign aid [48-52].

Another main example is the process of procurement and distribution of vaccines in the European Union must go through a one-door scientific inspection mechanism and approval from the European Medicines Agency (EMA) [63]. The EU has pledged to distribute vaccines in the region and aid the Balkan states, but the length of the process has caused countries such as Hungary to bypass this mechanism and secure its own Sinopharm vaccines and Sputnik V vaccines without considering legitimate approval from EMA [64]. In May 2021, considering the needs of the EU and

to strengthen the distribution pipelines of vaccines, the EMA then began to consider the approval of Sinovac vaccines in Europe [65].

Covid-19 has greatly impacted the European economy by causing a decline of GDP by 6.8% in the euro area of the first quarter of 2020. Economic recovery appears in the third quarter with 12.4% growth after a number of lockdown policies were lifted. However, the end of 2020 closed by the resurgence of Covid-19 with Germany and France decided to lockdown again [66]. In International trade, China us EU largest imports trade partner while South Korea is EU top exports trade partner [67].

### IV. THE IMPACT OF BRI WITHIN EUROPE REGION

China as the closest and the biggest distribution of this public health of GPGs succeeded in reshaping the pattern of interdependence toward Europe region through BRI. With its "Health Silk Road", China strengthens the cooperation through bilateral and multilateral scheme toward EU and non-EU state members. The pandemic situation has accelerated one of interdependence pattern of cooperation among state and non-state actors. The need to solve the global pandemic its part of globalization situation which takes in an emergency degree as Europe is the nearest region which got the first impact of Covid-19 spread.

From this global threat, China got a premium time to take the chance of vaccine distribution with its loyal partners of BRI in Balkans. Serbia for example has receive more than 2 million of vaccine doses for its citizen, including migrants, until April 2021. China could intercept the difficulties of manufacturing, barriers of administration regulation in Europe countries, especially EU States, with its bilateral diplomacy. Before EU complete its rule, mechanism and regulation of the massive production and proportional distribution of vaccine, Hungary already makes a deal with China related to the vaccine [68]. Other Europe states such as Ukraine, Turkey from Paulo perspectives, got China contribution in a best-shot even though not financial support *per se* [69]. China approach to Hungary and Ukraine governments also could be explained as the form of intergovernmental cooperation from the governance mechanism. And since there's still a reluctance from the European Medicine Agency, the President of the European Council-Charles Michel-, and Poland's health minister, the sign of this vaccine regime fragmentation still takes a long road to arise.

As Paulo said that GPGs became one of the motives of international cooperation, Brown and Susskind also strengthened it in the context of public health, especially vaccine production. They argue that international cooperation is still the only effective way to provide and distribute it across the countries [70].

Through the BRI Scheme, China could enter Europe in a variety of patterns of GPGs providers. Through the international cooperation framework, from the summation of GPGs, China anticipates the capability of Europe to provide vaccines by offering not only the vaccine itself but also the other supporting public health equipment. The dependence of Europe toward China personal protective equipment (PPE) is already at the highest percentage amongst other states around the world. China has to export 50% of its total PPE only to EU countries till 2018. Then the US was in second place with 48% and the rest of the world got 43%. The PPE includes face shields, protective garments, mouth-nose-protection equipment, gloves, goggles and visors. As per February 2020, the export declined, but still, less than 17%. As Brown and Susskind said, "it's part of countering certain countries free riding on others...", yet the following phrases "...and to ensure that any financial burdens are efficiently shared" still need to be checked between EU and China.

From the best-shot GPGs, China tries to manage the *ex-ante* effort to ensure the GPG are well coordinated. In European Think-tank network on China (ETNC) Special Report, April 29, 2020, despite hard responses, flourish of debate, and high tension of relationship between EU States and China, China still could persuade them through its public diplomacy, commercial approach, or even treat it as business as usual. Bulgaria, France, Germany, Greece, Hungary, Italy, Poland, Portugal, Spain, are few of EU member states which developed their relationship with China variously during the Covid-19 period.

And from the weakest-link GPGs, China builds cooperation with the EU and bilaterally with numerous states in Europe to support those who still face difficulties to provide their public health in this pandemic period and for those who still give a small contribution to counter this global threat. This persuasive effort is not without reason. China knows very well how the spillover effect of this pandemic to other countries not only could bring a negative impact but also at a certain degree, could be a positive potential opportunity of China presence, participation, involvement, and influence in the future. And for China, that opportunity is also part of its plan in reconnecting the BRI route from various possibilities in any situation and condition, in a peace situation or in a crisis, or even in a conflict tension.

As China could transform its DPGs into GPGs, it could adjust Europe rules, law, and standards of public goods in a certain way. Yet China itself loosened its regulation toward its own DPGs (vaccine) into GPG which could produce in a private hand and support them to expand broadly. In this level, China has technically erased the geographic, border obstacle which in some point became one states last defense to protect its public goods.

## V. CONCLUSION

China is not wasting its time to get closer in achieving its goal to establish Europe block through BRI. China could transform its traditional of BRI scheme into certain adjustment into "Health Silk Road" cooperation package to enter Europe region through this pandemic circumstances. This bamboo country succeeded to maintain the export value in Europe through its PPEs supply and its persistence diplomacy with the image of partner in problem solving of countering Covid-19. However, it seems still need a long road to heal the wound since The European politicians, The Expertise, did aware of China's fault in the past as the source of this catastrophe.

It's just a matter of time China could become a considered player in the Europe region, since the number of Covid cases still high in there. If EU or Europe states themselves still stuck with the production, regulation, trade barriers of this GPGs-vaccine-, soon or later, in a short time, accepting Sinovac or Sinopharm would be the unavoidable policy. At that time, the degree of Europe dependency toward China maybe higher and every China's future maneuver will bring certain consequence to Europe. This potential social change will be followed with behavioral changes which considered as another strategic part of development studies.

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