

Book Reviews

Jonathan Holslag. *The Silk Road Trap: How China's Trade Ambitions Challenge Europe*. Cambridge: Polity Press. 2019. 190pp. Pb.: £14.99. E-book: £13.99. ISBN 978-1-5095-3468-5.

Controversy struck in the summer of 2016 after the State Grid Corporation of China made a bid in the value of 830 million Euro to acquire a 14 per cent stake in the reorganization of Eandis, the Belgian gas and electricity network of distributors.¹ Taking centre stage in the debate that ensued was Jonathan Holslag,² professor of international politics at the Free University Brussels and an avid writer and commentator on China's foreign policy in Asia and the world. While the deal itself crumbled under Walloon opposition against the requirement to transform Eandis Assets into a Flemish-only distribution network, and the resistance from Imea (one of the seven

¹ Eandis – with the Flemish cities and municipalities as shareholders – required €400 million to renew its distribution network and to cushion the exit of Electrabel, which formerly held a 30 per cent stake. See Frank Segers, 'Wat is het probleem met Eandis en State Grid?' [What is the Problem with Eandis and State Grid?], *VRT NWS*, 27 Sept. 2016),

<https://www.vrt.be/vrtnws/nl/2016/09/27/wat-is-het-probleemmeteandisenstategrid-1-2779241/> (Last accessed on 7 June 2019.)

² Responsible for 80 per cent of the Flemish distribution network and a crucial player for the transition towards renewable energy, the most pressing questions concerning the merger with the Chinese State Grid were its state-owned nature and the lack of an even playing field in the commercial dealings between Chinese and European firms. See Jonathan Holslag, John Vandaele and Dirk Van de Poel, 'Eandis is van jou en mij (en niet van de Chinezen)' [Eandis is Yours and Mine (And not the Chinese)], *De Morgen*, 1 Sept. 2016,

<https://www.demorgen.be/meningen/eandis-is-van-jou-en-mij-en-niet-van-de-chinezen~bf07c232/> (Last accessed on 10 Dec 2019); and Jonathan Holslag,

'Opportunisme regeert in Eandis-dossier' [Opportunism Reigns Supreme in Eandis File], *De Morgen*, 16 Sept. 2016,

<https://www.demorgen.be/meningen/opportunisme-regeert-in-eandis-dossier~bdae915d/> (Last accessed on 10 Dec.)

companies that make up Eandis) to the unification of tariffs, the scene was set.³

Undoubtedly based on the lessons learned during this saga, Holslag's 2019 book takes a closer look at the economic imperatives behind the Belt and Road Initiative (BRI), China's flagship project aimed at connecting East and West through a dense artery of infrastructure programmes.⁴ Indeed, many Chinese mergers and acquisitions now straddle the European landscape and deserve to be considered within this framework of the revived Silk Road.

As suggested by the title, this work joins the family of publications that portray Chinese BRI policies as traps. These include, for example, analyses of Chinese 'debt trap diplomacy' towards smaller states, such as Sri Lanka, where loans are guaranteed against significant national assets, such as an existing port.⁵ On a more general level, proponents of the Thucydides trap envision an inevitable conflict between the United States and China, whose leaders supposedly find themselves on a collision course much like the one that led to the Peloponnesian Wars between Sparta and Athens.⁶ The 'Silk Road trap' then, as the cover image of the book suggests, is a beartrap that Europe ought to be wary of, if it is to avoid 'more of its existing wealth being drained and become more dependent on external debt'. Europe risks 'being held back from forging onwards towards a better economy as long as European society is addicted to

³ David Adriaen, 'Waalse gemeente en Antwerpen kelderen Chinese deal Eandis' [Walloon Municipality and Antwerp Sink Chinese Deal with Eandis], *De Tijd*, 4 Oct. 2016, <https://www.tijd.be/ondernemen/milieu-energie/waalse-gemeente-en-antwerpen-kelderen-chinese-deal-eandis/9815687.html> (Last accessed on 10 Dec. 2019).

⁴ Michael Peel and Lucy Hornby, 'China Pledges Open Belt and Road but West is Split on Project', *Financial Times*, 26 April 2019, <https://www.ft.com/content/b10359ce-669f-11e9-9adc-98bf1d35a056> (Last accessed on 10 Dec. 2019.)

⁵ Umesh Moramudali, 'Is Sri Lanka Really a Victim of China's "Debt Trap"?', *The Diplomat*, 14 May 2019, <https://thediplomat.com/2019/05/is-sri-lanka-really-a-victim-of-chinas-debt-trap/> (Last accessed on 10 Dec. 2019.)

⁶ Graham Allison, *Destined for War: Can America and China Escape Thucydides' Trap?* (New York: Houghton Mifflin Harcourt, 2017).

cheap, resource-guzzling imports instead of spending its wealth on positive entrepreneurship' (p. 20).

Holslag distance his work from the almost naive view that China's ascendancy on the international stage presents the West with enormous economic opportunities (p. 28), because China will need to transform itself along a western model of state development. It has now become clear that the rise of China instead creates myriad challenges, and the West's expectations of normative reform within the country remain unrealized. Instead, China has been able to grow and strengthen its position because of this 'failed engagement' by Europe (pp. 21-52). Yet at the same time, the author offers an interesting corrective to hawkish policies,⁷ when he argues that economic realism 'is less a matter of putting the blame on the other and more a matter of trying to resolve your own weakness' (p. 8). This book puts forward an excellent and decidedly European take on a matter that tends to be dominated by analyses of US-China competition.

Economic realism, Holslag argues, 'prescribes societies to maximize their economic power, for the possession and distribution of power is what fundamentally shapes their ability to defend themselves, to influence external relations, to preserve internal cohesion, and to shape their own future' (p. 13). From this perspective, China is 'not necessarily more malevolent, but certainly not more benign' (p. 11). It is thus understandable that the country aspires to get rich, as economic security (p. 67) forms the backbone of national stability. An interesting observation points to the absence of progressive thinking in Europe: 'Countries like China, through hard work and sacrifice, are slowly climbing up. Some of its cities are catching up fast. But instead of pushing to the next level of development, Europe stands idle, enjoying the comfortable position that it carved out for itself in the past. Europe seems to be held back' (p. 14). Indeed, while Xi Jinping's 'China Dream' envisions a positive

⁷ In a 2011 work and its subsequent documentary series, the top trade adviser to the White House Peter Navarro leaves little to the imagination, with a Chinese dagger stabbing at the heart of America. See Peter Navarro and Greg Autry, *Death by China: Confronting the Dragon: A Global Call for Action* (London: Pearson Education, 2011).

direction towards the great rejuvenation of the Chinese people by 2049, Europe seems to be living in a warped understanding of the end of history—an ideal state has seemingly been reached and needs no further improvements. Meanwhile, President Xi Jinping clearly outlined the goals of achieving a moderately prosperous society by 2021 and Great Power status under modernized socialism by 2049 during his speech to the Nineteenth Party Congress in 2017.⁸ Holslag argues that Europe also ought to keep striving for improved ‘wellbeing, happiness, pride and dignity’ (p. 14). Without an ‘economy of dignity’ (p. 15) as a common goal, the author notes, Europe will remain fragmented and weak, even if it has material prosperity (p. 14).

The book acts as a useful guide to China’s economic engagement with Europe. But more interesting are Holslag’s argument that there needs to be a change in mentality at a European level when engaging with China. As the book is more focused on reviving economic realism within Europe, the concept of a ‘Silk Road trap’ obscures, to a degree, the larger story. Europe is faced with the challenge of ‘facilitating human progress, cohesion and social resilience’ (pp. 16–20; 146–158), just as much as China.

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⁸ See Xi Jinping, ‘Full Text of Xi Jinping’s Report to the Nineteenth Party Congress’, *Duowei News*, 18 Oct. 2017, http://news.dwnews.com/china/news/2017-10-18/60018047_all.html (Last accessed on 10 Dec. 2019.)