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The Sino-Greek relations in the 21st century: challenges and the role of the BRI

Christos Tsigaros

Advisor: Professor Auxiliar Andrea Valente

Thesis to obtain the Master's degree in International Relations

Lisboa
2022

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The Sino-Greek relations in the 21st century: challenges and the role of BRI

As relações sino-gregas no século XXI: desafios e o papel do BRI

Nome do autor: Christos Tsigaros

Orientadora: Professora Auxiliar Andrea Valente

*Dissertação para obtenção de grau de Mestre
em Relações Internacionais*

Juri:

Presidente:

- Doutora Teresa Manuela Rebelo Fernandes de Almeida e Silva, Professora Catedrática do Instituto Superior de Ciências Sociais e Políticas da Universidade de Lisboa;

Vogais:

- Doutor Nuno Gonçalo de Carvalho Canas Mendes, Professor Associado do Instituto Superior de Ciências Sociais e Políticas da Universidade de Lisboa;
- Doutora Andrea Sofia da Cruz Valente, Professora Auxiliar do Instituto Superior de Ciências Sociais e Políticas da Universidade de Lisboa, na qualidade de Orientadora.

Acknowledgments

The decision to make my master's studies in ISCSP has defined my life. In Lisbon I have met my fiancé and we are waiting for our daughter. Additionally, in Lisbon I have built my professional and educational career.

Firstly, I want to thank my parents, Ariadni and Argiris and my sister, Iliada, for all the support during these years abroad. Without them, I would never be able to come to Lisbon and achieve my goals.

Secondly, I want to thank my fiancé Zuzana, for her love, support and her continuous motivation.

Thirdly, I want to thank all the professors that I met during my master. Each of them made me wiser and better person. Special thanks to my supervisor Andrea Valente for her kind guidance.

RESUMO

Esta dissertação analisa o progresso das relações Sino-Gregas durante o século XXI, procurando destacar o impacto da Iniciativa da Faixa e Rota (BRI) e das relações diplomáticas entre União Europeia e China. Desde meados dos anos 2000, houve uma melhoria significativa nas relações económicas, políticas e culturais sino-gregas. O símbolo emblemático da “amizade” sino-grega é, sem dúvida, o investimento da COSCO no Porto de Pireu em 2016 sob a BRI. No entanto, nos últimos anos denota-se uma atenuação nas relações Sino-Gregas. A deterioração das relações diplomáticas UE-China teve uma influência importante.

Neste quadro, e aplicando uma abordagem metodológica qualitativa, esta dissertação pretende: a) examinar a evolução das relações Sino-Gregas durante o século XXI, b) explicar o impacto da BRI, c) apresentar o impacto da actual UE-Relações com a China e d) discutir as perspectivas para as relações Sino-Gregas.

Esta dissertação busca atualizar a literatura atual das relações bilaterais Sino-Gregas. Através da nossa dissertação fizemos uma análise crítica das relações Sino-Gregas, à luz de duas variáveis que têm vindo a definir as relações entre a Grécia e a China, a BRI e as relações UE-China. Além disso, este estudo visa destacar o caso da Grécia como um laboratório útil para compreender o desenvolvimento futuro das relações de outros estados da UE com a China.

A dissertação conclui que, em primeiro lugar, a BRI teve um impacto significativo no desenvolvimento das relações Sino-Gregas durante o século XXI. Não obstante, a BRI não pode garantir o maior desenvolvimento dos laços Sino-Gregos. Em segundo lugar, a dissertação conclui que as relações diplomáticas UE-China deterioradas têm um impacto nos laços Sino-Gregos. Apesar disso, a Grécia quer encontrar um equilíbrio entre a China e os seus aliados ocidentais, mantendo o tom amistoso das relações Sino-Gregas e evitando comprometer suas relações com seus parceiros ocidentais.

Palavras-chave: Grécia, China, relações Sino-Gregas, Iniciativa do Cinturão e Rota, União Europeia, Porto de Piraeus

ABSTRACT

This dissertation analyses the progress of the Sino-Greek relations during the 21st century, seeking to highlight the impact of the Belt and Road Initiative and the European Union-China relations. Since the mid-2000s, there has been a significant improvement in the Sino-Greek economic, political and cultural relations. The flagship symbol of the Sino-Greek “friendship” is undoubtedly COSCO’s investment in the Piraeus Port in 2016 under the BRI. Nevertheless, over the last years there has been an attenuation in the Sino-Greek relations. The deterioration of the diplomatic EU-China relations has had an important influence.

In this framework, and applying a qualitative methodological approach, this dissertation intends to a) examine the evolution of the Sino-Greek relations during the 21st century, b) explain the impact of the BRI, c) present the impact of the current EU-China relations and d) discuss the perspectives for the Sino-Greek relations.

This dissertation seeks to enrich the current literature of the Sino-Greek bilateral relations. Through our dissertation we carried out a critical analysis of the Sino-Greek relations, in the light of two significant actual variables that have been defining the relations between Greece and China, the BRI and the EU-China relations. Furthermore, this study aims to highlight the case of Greece as a useful laboratory to comprehend the future relations of other EU’s states with China.

The dissertation concludes that firstly, the BRI had a significant impact on the development of the Sino-Greek relations during the 21st century. But the

BRI can't guarantee the further development of the Sino-Greek ties. Secondly the dissertation concludes that the deteriorated EU-China diplomatic relations have an impact on the Sino-Greek ties. But Greece wants to strike a balance between China and its Western allies, keeping the friendly tone of the Sino-Greek relations and avoiding to jeopardize its relations with its Western partners.

Keywords: Greece, China, Sino-Greek relations, Belt and Road Initiative, European Union, Piraeus Port.

Contents

1. Introduction.....	1
1.1.Presentation of the topic	1
1.2.Main question and research objectives	3
1.3.Literature review	5
1.4.Theoretical framework.....	8
1.5.Methodological framework	13
1.6.Structure of the Dissertation	19
2. The recent history of the Sino-Greek relations	20
3. The establishment of the BRI and its impact in the PPA	25
3.1.Understanding the emergence of the BRI.....	26
3.2.COSCO’s investment in the PPA in 2016	29
3.3.The 21 st Maritime Silk Road and “the Head of the Dragon”	31
3.4.The evolution of the PPA	34
3.5.The future plans for the PPA	38
3.6.The negative aspects of the BRI in the PPA.....	41
4. The progress of the bilateral Sino-Greek relations during the 21st century and the impact of the BRI.....	44
4.1.Political and diplomatic relations	44
4.2.Economic relations	45
4.3.Cultural relations	50
5. The drivers of the Sino-Greek approach	53
5.1.The financial crisis.....	53
5.2.COSCO’s initiatives and the Greek shipping industry	55
6. The challenges and the deterioration of the EU-China relations	58

6.1.The position of Greece within the EU-China relations.....	62
7. Conclusion	65
7.1.On the BRI as a “guarantee” for the further development of the Sino-Greek relations.....	66
7.2.On the impact of the deterioration of the diplomatic EU-China relations on the Sino-Greek relations	67
8. Bibliography	69
9. Appendices.....	90
9.1.Interview Responses	90

Table of Figures

Figure 1 - Map of the BRI	26
Figure 2 - Top 30 Container Ports by total sea cargo traffic in 2021	35
Figure 3 - Top 15 Container ports in the EU in 2021.....	36
Figure 4 - Net profit of the PPA from 2010 to 2021	37
Figure 5 - Net Chinese FDI in Greece in million euros (2002-2021)	49
Figure 6 – The PPA in the Mediterranean.....	32

List of Abbreviations

AUEB	Athens University of Economics and Business
AUTH	Aristotle University of Thessaloniki
BoG	Bank of Greece
BRF	Belt and Road Forum
BRI	Belt and Road Initiative
BCI	Business Confucius Institute
CEEC	China and Central and Eastern European Countries
CEPA	Centre for European Policy Analysis
CFR	Council on Foreign Relations
CIIE	CHINA International Import EXPO
CIRSD	Center for International Relations and Sustainable
COSCO	China COSCO Shipping (Group) Company
DWT	Deadweight Tonnage
EBRD	European Bank for Reconstruction and Development
EEAS	European External Action Service
EPRS	European Parliamentary Research Service
EU	European Union
FDI	Foreign Direct Investment
HRADF	Hellenic Republic Asset Development Fund

IMF	International Monetary Fund
IPE	International Political Economy
IPTO	Independent Power Transmission Operator
IR	International Relations
ISCSP	Instituto Superior de Ciências Sociais e Políticas
ISDP	Institute for Security & Development Policy
ITC	International Trade Centre
HK	Hong Kong
MIC 2025	Made in China 2025
MFA	Ministry of Foreign Affairs
ND	New Democracy/New Dimokratia
OBOR	One Belt One Road
ODI	Outward Direct Investment
PCT	Piraeus Container Terminal
PPA	Piraeus Port Authority
SPA	Share Purchase Agreement
TEU	Twenty Foot Equivalent Unit
USA/US	United States of America
UTh	University of Thessal

1. Introduction

1.1. Presentation of the topic

This dissertation was conducted in the framework of the Master's Program in International Relations at Instituto Superior de Ciências Sociais e Políticas (ISCSP) of the Universidade de Lisboa (University of Lisbon). The general objective of this dissertation is the study of the bilateral Sino-Greek relations during the 21st century, in the light of two significant actual variables that have been defining the relations between Greece and China, the BRI and the EU-China relations. Therefore, through this research, we intended to a) analyze the progress of the Sino-Greek relations during the 21st century, b) explain the impact of the BRI, c) present the current challenges and d) discuss the perspectives for the Sino-Greek relations. Moreover, this study aims to highlight the case of Greece as a useful laboratory to comprehend the future development of the relations of other EU's states with China. The choice of the topic relies on the noteworthy improvement of the Sino-Greek relations and the significant development of the PPA during the 21st century. The main motive for the choice of this topic was to study the Sino-Greek relations considering the crucial geostrategic role of the PPA in China's BRI, one of the most important initiatives of the 21st century, that has significantly impacted the Sino-Greek relations. Additionally, based on my Greek origin, I wanted to write my dissertation on a topic relevant to Greece's foreign policy matters.

The current year of 2022 marks the 50th anniversary of the establishment of diplomatic relations between Greece and China. During the 21st century, there has been a noteworthy development in the bilateral Sino-Greek ties. Since the mid-2000s, Greece and China have elevated their relations to an important "friendship". Their closer collaboration in the context of the 2008 Beijing Olympic games, the establishment of a comprehensive strategic partnership in 2006 and COSCO's involvement in the PPA in 2008 were the start line of a new era for the Sino-Greek relations. Additionally, Greece built stronger economic ties with China during the

financial crisis of 2008. Furthermore, a vital factor for the outstanding growth of the Sino-Greek relations is the BRI and the role of the PPA in the 21st Maritime Silk Road of the BRI. Through the establishment of the BRI in 2013 the two countries have seen a mutually beneficial strengthening of bilateral ties. Within the framework of the BRI, COSCO invested in the PPA in 2016, acquiring the major stake of the port. The PPA project is indisputably the flagship project of the 21st Maritime Silk Road of China's BRI in the Mediterranean and it is the trademark of the Sino-Greek bilateral cooperation. Additionally, the PPA has been transformed into one of the biggest ports in Europe and into one of the fastest-growing ports in the world. COSCO's success in Piraeus attracted many important Chinese investors to Greece. Consequently, several Chinese investments took place afterwards in the Greek domestic market. Chinese investments boosted the overdrawn Greek economy and it's still an important source of capital for Greece. In parallel, there was a significant improvement of the Sino-Greek relations in the fields of the diplomacy, trade, investment, culture and tourism. Greece officially joined the BRI in 2018. In November 2019, Chinese President Xi, during his visit to China COSCO Shipping in Piraeus, described the port as 'the Head of the dragon', referring to the importance of the PPA in Belt & Road Initiative (Carassava, 2019). According to the rhetoric by Greek and Chinese high-level politicians, Greece and China have as common goal the further development of their bilateral relations, as part of the Belt Road Initiative. Within this context, Greece and China aim to make Piraeus the biggest port in Europe, setting high expectations for the port.

Nevertheless, China's political and economic influence in Greece has clearly lost power over the last two or three years. This can be explained by the following two factors. Firstly, Greece has recently developed closer political and military ties with Western partners, such as the US and France, decreasing China's political leverage in the country (Head of Asia Unit at the IIER, personal communication, August 31, 2022). Secondly, China is no longer considered as the unique large prospective source of investment in the form of much-needed FDI (Tonchev, 2022). In parallel, over the past years, the bilateral relations between China and EU have deteriorated dramatically. The deterioration of the EU-China relations has obviously an impact on the Sino-Greek relations. Within this framework, Greece doesn't intend to put in risk its relations with

its Western partners. The current Greek government, New Democracy (ND), adjusting to the current EU-China relations, follows a different approach toward China. The Prime Minister Kyriakos Mitsotakis doesn't aim to proceed with high-profile goodwill gestures towards China. Today, the Greek government is absolutely aligned with EU's approach towards China. The center-right government under Kyriakos Mitsotakis is aware of the EU-China standoffs and realizes the need for reliable allies in order to handle its major regional foreign policy issues and China has little to contribute to regional security (Tonchev, 2022). But of course, Greece, considering its strong ties with China and the powerful role of Beijing, tries to keep a balance between EU and China, following EU's approach toward China but keeping a distance from statements on human rights in China or other sensitive political issues.

1.2. Main question and research objectives

The general objective of this dissertation is to study the bilateral Sino-Greek relations during the 21st century. To do so, we approached the Sino-Greek relations in light of two important variables with significant impact on the Sino-Greek relations during that period, the BRI and the EU-China relations. Therefore, taking into consideration the climax of the Sino-Greek relations during the 21st century, the establishment of the BRI and the fall of EU-China relations, we have established the following main research question that we aim to reply through this master's dissertation:

What is the progress of the Sino-Greek relations during the 21st century and which are the drivers and the challenges?

Our main question is divided into two sub questions:

- i) Can the BRI be considered as a “guarantee” for the further development of the Sino-Greek relations?**
- ii) What is the impact of the deterioration of the EU-China relations on the Sino-Greek relations?**

At this stage, it's important to explain the reasons for the selection of our research topic. For the purposes of our dissertation, we wanted to investigate in deep the development of the Sino-Greek relations during the 21st century, the relations of my country, Greece with a global power, China. Bilateral relations refer to relationships between two independent foreign states and are driven by political, economic, historical and cultural factors. Bilateral relations is a fundamental element of international relations (Ludwig, 2021). More analytically, we have chosen this particular topic based on the following factors:

- China witnessed a noteworthy development during the 21st century, becoming a global power. Today, People's Republic of China is the 2nd biggest economy (World Bank) and the largest trading nation in the world (UNCTAD, 2021). On the other hand, Greece is a small European country with very important geostrategic location. Today, Greece is still recovering from the sovereign financial crisis of 2008, returning gradually to the international capital market. Thanks to this geographical position and to its maritime tradition, Greece has always been a pole of attraction and interest from the powerful forces of history. China established impressively its presence in a Greece during the 21st century, building a strong friendship with the Hellenic Republic. Within this context, through this dissertation we aimed to study and to demonstrate the impact of China in a small European country over the last twenty years in parallel with its rise as a global power.
- In 2013, China launched the BRI, probably the most ambitious initiative and infrastructure project globally in the 21st century. The BRI is a strategy that seeks to connect Asia with Africa and Europe via land and maritime networks. Under the BRI, the PPA has been transformed into one of the biggest ports in Europe. Within this context, through this dissertation we aimed to study the BRI, demonstrate the important role of Greece and the PPA in this Chinese initiative and demonstrate the impact of the BRI on the Sino-Greek bilateral relations.
- China and Greece have a rich cultural heritage based on their brilliant ancient civilizations. Founded on this common cultural background, Greece and China have developed strong cultural ties the last years. This cultural connection between China and

Greece drew our attention and made me really interested in studying analytically their bilateral ties.

- Greece belongs to European Union. Subsequently, taking into consideration diplomatic tensions between EU and China over the years, it was interesting for us to investigate Greece's behavior within this framework.
- Lastly, having Greek origin, we wanted to proceed with research related to Greece matters. In this way, we would be able to enrich our knowledge for Greece's affairs and foreign policy matters.

Consequently, at the end of this research, we will be able to comprehend and present the following research objectives:

- a. To describe the evolution of the Sino-Greek relations during the 21st century and the drivers.
- b. To study the BRI and its impact on the Sino-Greek relations and on the PPA.
- c. To analyze the EU-China relations and the impact on the Sino-Greek relations.
- d. To present the perspectives for the future Sino-Greek relations.

1.3. Literature review

At this point, it is important to present the state of the art of the subject under analysis. The literature review is a very significant part of any study because it allows us to identify the actual "state of the art", i.e., the identification of contributions and gaps of a certain thematic (Marczyk et al., 2005). In parallel, the literature review is the "construction of the competing answers to your question, the theories that you consider yourself up against" (Hancké, 2010, p. 237). To develop our dissertation question, we have proceeded with deep research into the IR scholarship. The incorporation of scholarship into our research paper has been important for our

dissertation. Firstly, it demonstrates a decent knowledge of the discipline (Rosselle et al, 2020, p.45). Through the study of various sources, we were able to accumulate knowledge and establish our own research. Secondly, the study of the scholarly literature enabled us to form our research question and position our research in relation to broader theoretical traditions in IR scholarship (Rosselle et al, 2020, p.46). Consequently, to carry out our dissertation, we focused on the study of three categories of literature. Initially, we focused on the study of the bilateral relations between Greece and China. Afterwards, we focused on the study of the BRI and its role in the Sino-Greek collaboration. Lastly, we focused on the study of the EU-China relations and the impact on the Sino-Greek “friendship”.

Firstly, starting with the study of the Sino-Greek relations, Tonchev and Davarinou (2017), present a fully featured analysis of the Sino-Greek relations until 2017. More specifically, they briefly explain the background of the Sino-Greek relations and the objectives of the Chinese investments in Greece. Furthermore, they present an entire image of the Sino-Greek cooperation in key sectors such as tourism, real-estate, telecommunications and energy. In the end of their report, the authors evaluate the Chinese presence in Greece, and discuss the political implications of the Sino-Greek partnership. Godement et al (2011) makes us comprehend the incentives of China’s economic invasion to Europe and more specifically to Greece due Greece’s fiscal and economic predicament because of the financial crisis of 2008. The authors outline the need for cash for Greece being desperate for Chinese investment. One more resource that contributes to our research of the Sino-Greek relations is the report of Brattberg, Le Corre, Stronski and de Waal (2021). In this report, the authors write about the Chinese “invasion” and its impact on four European strategic regions (Greece, Georgia, Hungary and Romania). They present the argument that China exploits local vulnerabilities, such as fragile state institutions and weak civil society to exert its own economic, political, and soft power influence. The Sino-Greek collaboration is a clear example of this Chinese tactic. Another useful guide for the study of the Sino-Greek relations is Stroikos (2022). The author makes a very comprehensive analysis of the Sino-Greek relations explaining the drivers for their closer cooperation and presenting the evolution during the 21st century in several fields, like diplomacy, economy and culture.

Secondly, focusing now on the study of the BRI, there is a great amount of literature. Initially, we used initially the article of Peter Cai (2017), where he makes us understand the background and the objectives of the adoption of BRI. Through his analysis we comprehend the domestic challenges within the Chinese state that drove to the establishment of the BRI. His report highlights the geoeconomics drivers of the BRI, emphasizing its connection to changes in China's domestic industrial policy. Van der Putten and Meijnders (2015) explain the significance of the PPA in the Chinese maritime policy and analyse the key role of the port in the Mediterranean. The authors point out the crucial strategic location of the PPA and the significance to the BRI's Maritime Silk Road as a gateway for China to South-Eastern and central Europe. Additionally, Qianqian and Davarinou (2019) present the impact of COSCO's investment in the PPA on Sino-Greek cooperation within the context of the BRI. The authors claim that the investment in the PPA does have a positive impact on the Greek economy and confirm the contribution of the BRI's investment in Piraeus in enhancing the Sino-Greek economic cooperation. Lastly, Le Corre (2018) in his report writes briefly about the emergence of Sino-Greek cooperation and analyzes COSCO's investment in the PPA. The author explains the drivers of the Chinese investments in the PPA. He comments on China's growing interest in Europe as a market for its goods and services, using Greece as an entry for Chinese products.

Thirdly, regarding to the EU-China relations, Jochheim (2021) provides us with a useful report that analyzes in depth the history of the EU-China relations, recording the milestones between the two parts over the years since the establishment of their diplomatic relations in 1975. Another resource that helps us in the investigation of the EU-China relations is the report of the European Commission (European Commission, 2019). This report analyses the shift of EU policy on China towards a more realistic and assertive approach. Based on the fact that now China has been a leading global power and not a developing country anymore, the relations with this strategic partner have to be set on a fair, balanced and mutually beneficial course. On the same wavelength, Oertel (2020) writes about the transformation of EU-China relations accelerated by the coronavirus crisis. The article analyzes the concerns of EU due to the lack of reciprocity in the EU-China relations and the massive violations of

human rights from China. Lastly, the recent article by Li and He (2022) helped us to comprehend the shift in China–Europe Relations analyzing three factors: a) the US factor as structural factor, b) the power symmetries between Europe and China and c) adjustments to strategic cultures.

Although there are some researchers focused on analyzing the Sino-Greek bilateral relations, through our research we tried to conduct an innovative up-to-date analysis of the Sino-Greek relations. We attempted to contribute with an in-depth investigation and to deliver inventive research in the scientific community. Therefore, taking into account two significant variables of the 21st century: a) the role and the impact of the BRI and b) the EU-China relations, we applied a whole approach in the study of the Sino-Greek relations, presenting an end-to-end investigation for the progression of the Sino-Greek relations during the 21st century. More particularly, the literature regarding the Sino-Greek relations, in light of the current EU-China relations, is quite limited. Therefore, our contribution to the literature is significant. Within this context, we can use our research as a test to comprehend the progress of the future relations of other EU's states with China.

1.4. Theoretical framework

The main theories that we adopted to approach our dissertation and to explain the Sino-Greek relations are the theories of Liberalism and Neoliberalism. These theories can help us comprehend the development of the Sino-Greek relations during the 21st century, that was mainly driven by their economic and commercial cooperation. Therefore, we used Liberalism and Neoliberalism through the framework of the International Political Economy. To comprehend the political and diplomatic relations between Greece and China and the role of the BRI, we used the IR theory of Liberalism. Additionally, we used the theory of constructivism to understand the cultural relations between Greece and China. Lastly, the principles of Realism can help us explain the current status of the EU-China relations and the consequent impact on the Sino-Greek relations over the years.

Liberalism is considered historically the descendant of Idealism and the rival theory to the dominant theory of International Relations, the Realism. We could characterize Realism as the pessimistic natural party of the government and Liberalism as the optimistic leader of the opposition (Baylis & Smith, 2001, p.163). Liberalism is the tradition connected to the emergence of the modern liberal state and focuses on freedom, peace, progress, and cooperation. The basic liberal assumptions can be summed up on a) human progress b) human reason c) cooperation d) the process of the modernization through the development of the modern state (Jackson & Sorensen, 2013). The central idea of liberalism is the notion of harmony or balance amongst competing interests. Both, Liberals and Realists accept that world affairs are shaped by competition amongst states, implying that the international system is and perhaps must always remain decentralized. The difference is that liberals assume that competition within this system is conducted within a larger framework of harmony, making them believe in internationalism in comparison with the Realists that underestimate the scope for cooperation and integration within the decentralized state-system (Heywood, 2011, p.61-62).

International Political Economy (IPE) focuses on the relationship between politics and economics, between states and markets in world affairs (Jackson & Sorensen, 2013, p.160). Basically, International Political Economy is about wealth and poverty, about who gets what in the international economic and political system (Jackson & Sorensen, 2013, p.160). The liberal economic theory is based on the belief that individuals are the key economic actors (Heywood, p.87). Within the context of the liberal belief for balance or harmony amongst competing forces, the core idea of economic liberalism is “that an unregulated market economy tends towards long-run equilibrium” (Heywood, p.87). Based on the classical liberal political economy, this requires the implementation of the “laissez-faire” policy, where the state leaves the economy alone and the market is left to manage itself. Thus, through economic exchange, it's produced economic growth and benefits creating a mutual prosperity for everyone (Heywood, p.87).

The key liberal principle that can help us explain and comprehend the factors that influence Greece's and China's behaviours, and actions is the Interdependence Liberalism. Interdependence Liberalism is grounded in ideas about trade and economic relations. The foundations of the Interdependence Liberalism are found on the Commercial Liberalism and on the virtue of the Free Trade (Heywood, 2011, p.62). Commercial Liberalism is characterized by the economic and international benefits of the free trade that lead to a mutual prosperity and to peace amongst states. Benefits from trade drive State actions towards trade agreements. The 'Manchester liberals', Richard Cobden and John Bright stated that free trade would draw people of different races, creeds, and languages together in what Cobden described as “the bonds of eternal peace” (Heywood, 2011, p.62). Therefore, considering the principal values of Interdependence Liberalism as per above, we can easily comprehend the significant role of the trade and the economic cooperation under the BRI that boosted the Sino-Greek relations and built a “strong friendship” between Greece and China during the 21st century.

Carrying on, Neoliberalism (sometimes called neoclassical liberalism) is an updated version of classical liberalism and particularly classical political economy. Its central theme is the idea that the economy works best when left alone by government, reflecting a belief in free market economics and atomistic individualism (Heywood, 2011, p. 90). Core neoliberal policies are privatization low public spending, deregulation, tax cuts and reduced welfare provision (Heywood, 2011, p. 90). The essence of neoliberalism can be concluded on the benefits and the significance of the international cooperation between the states. For example, the privatization of the Greek publicly owned assets and state-run services, an austerity measure imposed to Greece in exchange of financial assistance during the financial crisis of 2008-2009, gave the opportunity to COSCO Shipping to acquire the majority stake of the PPA. This measure was inspired by the “Washington consensus”, a set of policies founded on the Neoliberal core principles¹.

¹ See more details for “Washington consensus” in the section 5.1 of this dissertation, p. 55.

Furthermore, we could claim that the BRI is aligned with the principles of Liberalism through its core ideas, the international cooperation and the interdependence. Liberalism comprehends China's BRI as result of social and economic factors within the Chinese state. Liberalists claim that states are key actors but that they act based on the domestic balance. Individuals, beliefs, commercial and institutional interests drive State behaviour. The BRI represents this statement as was established to address some important challenges within the Chinese state (Peter Cai, 2017, p.6). Furthermore, the rhetoric used by Chinese President Xi Jinping shows that the BRI is founded on the liberal values. It aims to enhance state cooperation and transport policy integration among the partners of the initiative. President XI has summarized the BRI objective as per his following words (Xi, 2017, pp.3): "the focus of the BRI is on the coordination of state policies for rail, road, air and sea networks, reduction of customs and trade barriers, financing of infrastructure and trade connectivity aimed at increased trade volumes and exchange of culture, science and people". Consequently, we can claim that the BRI is an initiative based on liberal core assumptions, like the cooperation and coordination between the participant states.

Additionally, Realism is the pessimistic natural party of government. According to Jackson and Sorensen (2013, p.66), the main realist ideas and assumptions are: a) a pessimistic view of human nature; b) a conviction that international relations are necessarily conflictual and that international conflicts are ultimately resolved by war; c) a high regard for the values of national security and state survival; d) a basic scepticism that there can be progress in international politics which is comparable to that in domestic political life. Through the realist ideas, we can comprehend the current EU's strategic positioning of China as a "systemic rival" (EEAS, 2022).

To explain better the significant development of the Sino-Greek relations and the status of the current EU-China relations, we should have a glance at the theory of the absolute and the relative gains. This theory reflects the main differences between liberalists and realists and can make us notice the liberal foundations on the strong friendship between Greece and China and the realist foundations on the currently deteriorated EU-China relations. "Gains are benefits that accrue to participants that

cooperate” (Jackson & Sorensen, 2013, p.121). In absolute gains there is a general increase in welfare for all parties involved – everyone benefits to some degree, though not necessarily equally. Liberalists accept that the free market and the international trade create gains for all participants even if the gains are not equally distributed. The theory of the absolute gains applies on the Sino-Greek relations, where both countries enjoy mutual gains from their economic cooperation under the BRI. Even though China is a huge country with one of the strongest economies in the world and Greece a small country that still tries to recover from the sovereign financial crisis of 2008, both states have common interests. For example, through their collaboration, China can export its products and services and Greece can receive funds to boost its economy. Moreover, both countries have as a main objective to develop further the PPA. Within this framework, Keohane presented a qualification concerning the conditions for cooperation between states. He claimed that if the states have common interests as Greece and China, they will not worry about relative gains. The single most important condition is the existence of common interests between states (Keohane et al., 1993, p. 277).

On the other hand, in Relative gains, that it’s the main problem for the realists, the states compare their increase in welfare with the other states and may step away from any agreement that makes the competitor to increase its state power. Realists accept that a State should not engage in trade if it is not the party receiving the largest benefits or if the trade leads the counterpart to increase its state power. States must worry that other states gain more from cooperation than they do themselves (Jackson & Sorensen, 2013, p.121). For instance, the theory of the relative gains explains the current status of the EU-China relations. The growing trade deficit between EU and China in favour of the latter has become a major cause of concern for the EU nations, that they start to become increasingly sceptical of Beijing’s intentions. Consequently, this has as a result that nowadays China is considered an economic competitor and a systemic rival for EU.

For conclusion, Constructivism is a distinctive approach to international relations that emphasises the social, or intersubjective, dimension of world politics (Griffiths et al, 2013, p.51). Core assumptions of constructivism are concepts as

“discourses,” “norms,” “identity,” and “socialization” that are frequently used in contemporary discussions over various issues of international concern including “globalization, international human rights, security policy, and more” (Behraves, 2011). For constructivists, state interaction must be understood as a pattern of action that shapes and is shaped by identities over time (Griffiths et al, 2013, p.51). The major concept of constructivism is that the international system is “socially constructed,” consisting of ways in which human beings think and interact with one another (Chernoff, 2007, p. 68). According to constructivism, states’ goals are generated by their social corporate identities, i.e. how they view themselves in relation to other actors in the international community. China’s as a global power, has carefully focused on the cultural Sino-Greek ties, aiming to promote itself as a loyal friend who generously assists Greece and win the hearts of Greeks. For example, China has established a strong cultural presence in Greece with the opening of Chinese institutions in order to promote the Chinese culture. Furthermore, based on their ancient historical and cultural heritage, it has been established a special cultural connection between Greece and China, reflected through their cooperation within the framework of the Olympic Games and the institution of twinning cities.

1.5. Methodological framework

The methodological framework is crucial part for the construction of a scientific research. The methodology assumptions can provide us with the necessary foundations to write our dissertation and to achieve the objectives we propose. To conduct our dissertation, we have used the principles of the qualitative research method. Qualitative method can be defined as “the diverse set of tools and resources that we can draw upon to collect and analyse data that comes in the form of the spoken or written language and is not formalized into numbers” (Lamont, 2015, p. 95). Furthermore, the main strategies that we used to collect our qualitative data were a) archival or document-based research, b) interviews and c) internet-based research. The stage that follows the

collection data is the data analysis. Consequently, the qualitative data analysis methods that we used to analyse the collected information are the discourse analysis and the content analysis. Lamont defines the discourse analysis as “a form of qualitative analysis that focuses on the interpretation of linguistic forms of communication”. It can be either spoken or written and can include both official and unofficial forms of communication. (Lamont, 2015, p. 110). On the other hand, content analysis is best defined as an activity in which "researchers examine artifacts of social communication". As such, it can include textual data, photographs, television programs, films and other forms of art. (Berg and Lune, 2012, p.53 as cited in Lamonte, 2015, p.108). The main objective of the content analysis is to look for patterns in communication (Lamont, 2015, p.110). Lastly, we followed a combining deductive and inductive approach for our research. Deductive reasoning is “the development of a hypothesis (or hypotheses) based on existing theory, and then designing a research strategy to test the hypothesis” (Wilson, 2010, p.7). Additionally, Snieder and Lerner state that “the deductive approach follows the path of logic most closely. The reasoning starts with a theory and leads to a new hypothesis. This hypothesis is put to the test by confronting it with observations that either lead to a confirmation or a rejection of the hypothesis” (2009, p.16). Consequently, for the purposes of our dissertation, based on the existing theories, we studied the bilateral relations between Greece and China and formulated our main hypothesis:

“What is the progress of the Sino-Greek relations during the 21st century and which are the drivers and the challenges?”.

Through the study of the Sino-Greek bilateral relations in general, we have set the two following hypotheses, aiming to comprehend the impact of two particular factors:

Can the BRI be considered as a “guarantee” for the further development of the Sino-Greek relations?

What is the impact of the deterioration of the EU-China relations on the Sino-Greek relations?

Consequently, we collected and analysed the data, and, at the end, we tested the hypotheses.

On the other hand, the inductive approach moves from specific observations to broad generalizations (Streefkerk, 2019). Inductive reasoning is the process of using a series of specific observations to support the probability of a more general conclusion (Shuttleworth & Wilson, 2008). The inductive reasoning helps us to achieve our objective that is to present the relations of Greece with China particularly as a possible precursor for the future relations of other EU's states with China in general.

The first method that we adopted to collect our data is the archival or document-based research. The document-based research includes two types of documents: a. primary source documents and b. secondary source documents. Primary source documents are original, first-hand accounts of a topic, authored by people with a direct connection with it. Primary sources can include texts of laws, newspapers reports, speeches, diaries, letters, and interview - what the people involved said or wrote, original research, photographs, video, or audio that capture an event (Healey Library, 2022). More specifically, for example we used speeches of the Chinese President Xi to outline the significance of the PPA for the Maritime Silk Road of the BRI and speeches of the Chinese State Councillor and Foreign Minister, Wang Yi, who talked about the development of the Sino-Greek cooperation during his European tour in October 2021 (Xinhuanet, 2018). Secondary source documents are those documents, which quote and analyse primary source documents (Lamont, 2015, p. 97). Secondary sources can include books, interpretation of data and articles about a topic, especially by people not directly involved. The documents that we used in our research are articles, books, official reports, policy statements, dissertations, texts of speeches, interviews and press releases.

The second method that we adopted for our collection data is the method of interviews. Interview data can provide a rich resource for qualitative analysis. The interviews can provide us with useful information about our objectives and can enrich our results. According to Christopher Lamont (2015, p. 100), “researchers conduct interviews to gain factual data about a particular phenomenon, event or object, to elicit the opinions or perspectives of an interview participant, or to learn more about

their behaviour”. For our dissertation, we used a semi-structured interview format, that it is the most common type of interviews applied for researchers in International Relations (Lamont, 2015, p. 101). The usage of semi-structured interviews is useful for researchers in IR because they contain "a degree of structure that allows for cross-referencing across interview participants, but there is also scope for more in-depth probing on issues of interest to the researcher" (Lamont, 2015, p. 102). Additionally, Lamont states that semi-structured interviews aim at elites and therefore are known as well as elite interviews (2015, p. 102). As an elite we can define people, that occupy a position of influence or importance within a particular organization or institution that is under research (Lamont, 2015, p. 102). Within this context, we proceeded with three interviews. The interview script was adjusted to each interviewee, meaning that we raised different questions to each interviewee. This was since each interviewee has a different role and his contribution to our dissertation was sole. This allowed us to have flexibility and adjust our necessities depending on the experience and the specialization of each interviewee. The questions raised were a combination of open-ended and closed-ended questions. According to Farrell (2016), open-ended questions are questions that allow someone to give a free-form answer and closed-ended questions can be answered with “Yes” or “No,” or they have a limited set of possible answers.

1. Our first interview was the Head of Asia Unit at the Athens-based Institute of International Economic Relations (IIER), founding member of the European Think-tank Network on China (ETNC) and a member of the EU Chapter of the Council for Security Cooperation in the Asia Pacific committee (EU CSCAP). He has specialized in Chinese studies since the late 1990s and has published extensively in the field. His research interests cover both China’s politics and economy and its standing on the international scene, the BRI and the EU-China relations. He is one of the most knowledgeable people in the IR scientific community about the Sino-Greek relations. His guidance and his comments added priceless value to our research.

The interview took place through email and the questions raised were the following:

- i. Is the BRI “guarantee” for the further development of the PPA?

- ii. During an interview in 2019, COSCO's CEO, XU Lirong, said that COSCO's goal is to make Piraeus the biggest port in Europe. Is the goal feasible and realistic in your opinion?
- iii. Does the deterioration of the diplomatic relations between the European Union and China have a negative effect on Sino-Greek relations? And if so, what is its size?
- iv. Can the Sino-Greek "friendship" be a tool for China to ease the tensions in its relations with the European Union?

We decided to interview this interviewee because he is an expert in the field of the Sino-Greek relations. The questions raised were made based on the needs and on the hypotheses of our dissertation project. Taking into account the knowledge and the experience of our interviewee, a master in the field of the Sino-Greek relations, his feedback significantly contributed to our research, orientating us towards to accurate and valid findings.

2. Our second interview was a Fellow in European Political Economy at the London School of Economics and Political Science. Her research interests lie at the intersection between European and/or international political economy, European integration and international relations. She is holding a visiting position at the London Asia-Pacific Centre for Social Science. Prior to joining the European Institute, she also held research and teaching positions at SOAS, New College of the Humanities, Universite Libre de Bruxelles, and Institute of Economic Affairs.

The interview took place through LinkedIn and the questions raised were the following:

- i. What's your opinion about the current status of EU-China relations?
- ii. Does the deterioration of EU-China relations impact on the relations of China with Greece, one friendly European country toward China?

We decided to interview this interviewee because she has an important experience with EU's matters. Also considering her origin and her academic background, she was an

ideal candidate to interview and enrich our dissertation. Her comments helped us comprehend better the current status of the EU-China relations and the root causes.

3. Our third interview was with the Head for the Sino-Greek relations of the A9 Directorate for Asia and Oceania of the MFA of Hellenic Republic.

The interview took place through phone call and the questions raised were the following:

- i. Is the BRI “guarantee” for the further development of the PPA?
- ii. Does the deterioration of diplomatic relations between the European Union and China have a negative effect on Sino-Greek relations? And if so, what is its size?
- iii. Is the construction of the container pier IV in the PPA priority for the Greek government?

This interview came up after contacting the Embassy of Greece in Beijing. They advised me to get in contact with the A9 Directorate in Athens. Within this framework, we communicated with the A9 Directorate, and they politely offered to help me. This interview with an executive of the MFA of Hellenic Republic, specialist on the Sino-Greek relations, has upgraded our dissertation. Through this interview we discussed with the interviewee, and he explained us his opinion about the Sino-Greek relations, considering the impact of the BRI and EU-China relations. His comments represent the official line of the Greek Foreign Ministry of Affairs toward the Sino-Greek relations. Obviously, his feedback is crucial and helped us to comprehend better the ties between Greece and China and to “confirm” the outcomes of our dissertation.

The third method that we used to collect data for our dissertation is the internet-based research. We have accessed scholar materials, such as journal articles and books. We have accessed official governmental pages such as the websites of the Greek and Chinese Foreign Ministries of Foreign Affairs. We have accessed digital libraries with academic books, journals, and primary sources such as JSTOR and B-on. In the end, we also accessed social networking sites, such as Research Gate and Academia.edu, where we managed to retrieve relevant academic dissertations.

1.6. Structure of the Dissertation

To give a comprehensive structure to our dissertation, we divided our research in the below chapters:

- In the first chapter, we introduced our research, we presented our main objectives, we analysed the literature review, we explained the theoretical and methodological framework and we described the structure of our research.
- In the second chapter, we analysed the recent history of the Sino-Greek relations, since 1972 until mid-2000s and we talked about the beginning of a new era for the Sino-Greek relations, defining as starting point the year 2006.
- In the third chapter, we presented the BRI and its influence on the Sino-Greek relations. More analytically, we divided our chapter into six subchapters. In the first subchapter, we explained the emergence of the BRI. In the second subchapter, we wrote about COSCO's investment in the PPA. In the third subchapter, we analysed the importance of PPA for the 21st Maritime Silk Road and in the fourth we described the evolution of the PPA. In the fifth subchapter, we presented the future plans for the PPA and in the sixth subchapter, we analysed the negatives aspects of the BRI in the PPA.
- In the fourth chapter, we analysed the progress of the Sino-Greek relations and the impact of BRI, focusing on the political-diplomatic relations, the economic relations and the cultural relations.
- In the fifth chapter, we explained the reasons for the Sino-Greek approach and the development of their bilateral ties.
- In the sixth chapter, we talked about the challenges for the Sino-Greek relations and the impact of the deteriorated EU-China relations on the Sino-Greek ties.
- Lastly, we finished our dissertation writing the conclusion. In this chapter, we explained our contribution to the literature, and presenting our outcomes for our research main question and our two sub questions.

2. The recent history of the Sino-Greek relations

This current year, 2022, marks the 50th anniversary of the establishment of diplomatic relations between the two countries. Greece and China established diplomatic relations in 1972 (MFA, Hellenic Republic, n.d). For three decades, the dynamics of the Sino-Greek bilateral relations was almost non-existent, and their value was low. The relations between Greece and China could be characterized as the typical relations of geographically distant countries, occasional visits, mutual respect of the two civilizations and cultures and various agreements without noteworthy outputs. In the beginning of the 21st century, the Chinese opening to the world started to slowly be visible in the Greek domestic market slowly with the establishment of Chinese stores. The well-known "Made in China" began to establish itself in the domestic market. Additionally, in the early 2000s, official state visits took place between Greece and China. In April 2000, the first ever visit to Greece by a Chinese head of state took place with the visit of the Chinese former President Jiang Zemin. On the other hand, the former Greek Prime Minister Costas Simitis visited China in June 2002 (MFA of the People's Republic of China., n.d.). In general, during the first years of the 21st century, the Chinese presence in Europe was insignificant and the value of the Chinese investments were very low (Ebbers & Zhang, 2010). This limited activity could be explained by Beijing's perception that China carried little strategic interests in Europe and the overall Chinese cautious approach towards ODI (Ebbers & Zhang, 2010).

The Sino-Greek relations have intensified noticeably since mid-2000s. The Olympic Games hosted in Beijing in 2008 following the Olympic Games in 2004 in Athens gave the opportunity for a closer cooperation between the two states. Greece was willing to provide all its experience on Olympic security to China and cooperated with the Chinese government during the Beijing 2008 Olympic games. Consequently, in 2005, both countries signed a memorandum of understanding for the establishment of a joint committee for Olympic related matters. Based on Greece's accumulated experience with the Olympics of 2004, the aim of the memorandum was the transfer of all the technical know-how to China for the organization of Beijing 2008 Olympic

Games, the most famous and important sport event in the world (Stoikos, 2022, p.4). Additionally, there was one more significant common feature that facilitated deeper connection between Greece and China: their long history and their two great ancient civilizations. The cooperation in the framework of the Beijing 2008 Olympic games gave the opportunity to increase cultural contacts and exchanges. In this context, the Sino-Greek relations continued to grow, and the two countries started to develop closer bilateral ties.

Since 2006, a new era started for the Sino-Greek relations, including deepened bilateral relations with solid political relations and productive cooperation in various fields. In January 2006, the Greek ex-Prime Minister Karamanlis, accompanied by the foreign Minister Petros Molyviatis, travelled to China and met with the Chinese President Hu and COSCO's President Wei Jiafu in the Great Hall of People. During this three-day visit, the People's Republic of China and the Republic of Greece agreed to upgrade their relationship establishing a “Comprehensive Strategic Partnership” on January 19, 2006 (USC US-China Institute, 2006). The partnership was focus on the following pillars:

1. Political Dialogue
2. Economic and Trade Cooperation
3. Tourism
4. Cooperation in the Olympic Games
5. Cooperation in Education
6. Culture
7. Local and Civil Exchanges
8. Bilateral Agreements

The establishment of the Comprehensive Strategic Partnership set the stage for closer economic and trade ties between Greece and China with a focus on maritime transportation (*Chinese President Hu Jintao Meets With Greek Prime Minister*

Karamanlis, n.d.). The next and decisive step for the development of the Sino-Greek relations was COSCO's investment in the PPA in 2008.

In the general framework of the “Going Global” strategy², an initiative started in 1999, whereas Chinese enterprises were encouraged to invest overseas, China's COSCO Shipping³, a Chinese state-owned shipping giant and one of the world's largest container-terminal operators, started to invest in the Port of Piraeus in 2008 (Qianqian & Davarinou, 2019). China, realizing the magnitude of the crisis and the long-term impacts on Greece, acutely perceived the emerging global and regional opportunities. This can be considered the starting point of the Chinese presence in Greece through foreign investment. Undoubtedly, COSCO's investment in Piraeus is China's flagship project in Greece. More specifically, on June 12, 2008, through bidding COSCO obtained a 35-year concession the franchise rights of pier II and pier III at Piraeus and took over the operation rights since October 1, 2009 (Chlomoudis, 2015). An international public tender for the concession of use and exploitation of piers II and III of the PPA's container terminal was published in January 2008 (EUR-Lex, 2015). After COSCO won the bid, the relevant contract was approved by the Audit Council and, consequently, was signed on 25 November 2008 in the presence of the President of China and the Prime Minister of Greece. In the end, it was ratified by the Greek Parliament in early March 2009 (Tonchev & Davarinou, 2017). The concession agreement was approved by the Greek Court of Audit and ratified by the Greek Parliament. The estimated value of the deal was 4.3 billion euros, that COSCO would pay the PPA based on projected revenues, in annual instalments, over the duration of the contract (Reuters, 2008). This was the first time for the COSCO to wholly own an infrastructure facility in Europe and the first time that a Chinese company has taken over the operation of a port overseas (Qianqian & Davarinou, 2019). Under the agreement, COSCO was required to realize substantial investments aimed at increasing the container capacity of the pier II and to proceed with the construction of the pier III (Skordilis, 2008). According to the former Prime Minister Kostas Karamanlis, "the

² See more details in the section 5.2. of this dissertation, p.55.

³ COSCO Pacific Ltd at the time, China COSCO Shipping was formally established in February 2016 through the merger of China Ocean Shipping (Group) and China Shipping (Group).

concession deal between the port of Piraeus and COSCO marks a new and significant chapter in our cooperation. Greece places particular importance on its partnership with China and is determined to deepen this relationship” (Ekathimerini, 2008). On the other hand, Hu Jintao said that “We are in Greece for the long term”. He added that China hopes to expand the scope of shared interests with Greece and push forward cooperation in various sectors in addition to the cooperation in the oceanic shipping industry. He suggested that the two sides should work on long-term economic cooperation and highlighted that the Chinese government supports competent Chinese enterprises to invest in Greece in several fields, like telecommunication, energy, environmental protection and tourism (Ekathimerini, 2008).

COSCO’s involvement in Piraeus confirmed the emergence of a new era and the deepening of the Sino-Greek relations, having as initial field of cooperation the fields of maritime transportation and shipping. The following years the close ties between the two countries continued, mainly the intergovernmental level. For example, the Greek President of the Republic Karolos Papoulias visited China in June 2008, and China’s President Hu Jintao visited Greece shortly afterwards, in November 2008 (Failadis, 2009). During this period, a highlight in the Sino-Greek relations was the support provided by Greek authorities to Chinese evacuees from Libya. More specifically, in 2011, the Greek government assisted the evacuation of Chinese nationals from Libya between February 22 and March 5. In February 2011, the increasing instability in Libya due to imminent war, led the Chinese government to coordinate one of the largest organized evacuation plans of Chinese nationals since 1949, requisitioning chartered planes and ships, and leasing more than 20 foreign cruise liners. Over 12 days, the Chinese government shuttled about 36,000 Chinese home and almost 40 % of them took a temporary relief on the island of Crete thanks to the Greek government's support (The Seattle Times, 2011). This was not the first time Greece gave a helping hand to an evacuation of Chinese nationals. In 1997 and 2006, Greece had dispatched naval vessels to help evacuate Chinese nationals from Albania and Lebanon as well (Jian, n.d.).

From an economic perspective, besides COSCO’s involvement in the PPA, the relations between Greece and China remained in a low level. The reason for

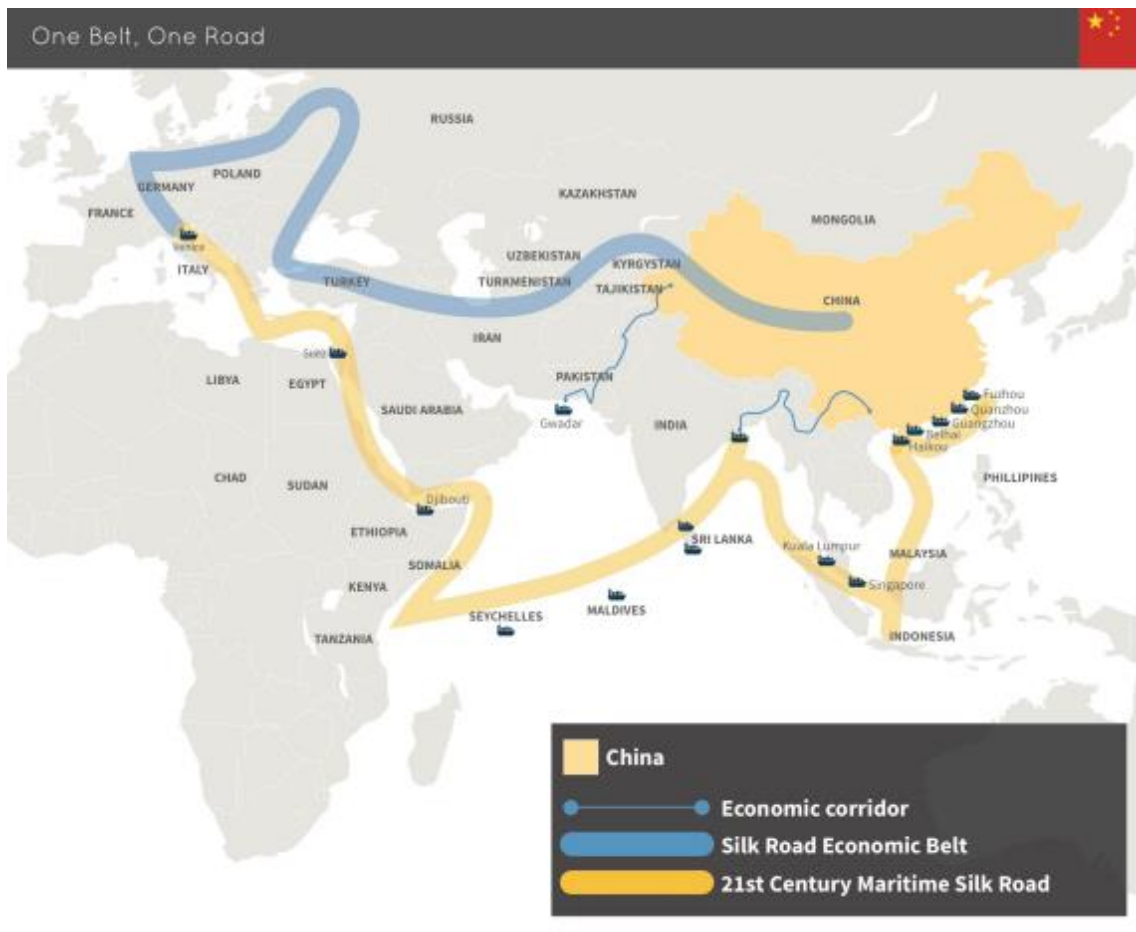
this low volume of activity, in terms of economic cooperation, was the widespread protectionist economic attitude towards China from the government officials in Southern Europe, including Athens (Pareja-Alcaraz, 2017). According to BoG data, until the end of 2015 China was not among the top ten foreign investors in the country (Enterprise Greece, n.d.). This clearly shows that the Sino-Greek economic relations were still in a premature level, where the countries were discovering each other's opportunities.

3. The establishment of the BRI and its impact in the PPA

On 7 September 2013, during a speech on China's Central Asia strategy at Nazarbayev University in Astana, Kazakhstan, the Chinese President Xi Jinping announced one of China's most ambitious foreign policy and economic initiatives (Jiao & Yunbi, 2013). He called for the building of a Silk Road Economic Belt and a 21st Century Maritime Silk Road, collectively referred to as One Belt, One Road (OBOR) but which has also come to be known as the Belt and Road Initiative (BRI). Since 2013 and the establishment of BRI by China's president Xi Jinping, Greece and China witnessed a development in the bilateral relations. China's BRI is a strategy that seeks to connect Asia with Africa and Europe via land and maritime networks (EBRD)⁴. The BRI consists of the Silk Road Economic Belt, six major land corridors across the Eurasian continent, and the 21st century Maritime Silk Road Initiative, a network of maritime trade routes connecting Asia with Africa and Europe (World Bank, 2018). The BRI is arguably the largest and most ambitious global connectivity initiative of the 21st century (Skala-Kuhmann, 2019) with the aim of infrastructure development, improving regional integration, increasing trade, and stimulating economic growth (EBRD).

⁴ The concept was inspired of the Silk Road established during the Han Dynasty 2,000 years ago – an ancient network of trade routes that connected China to the Mediterranean via Eurasia for centuries.

Figure 1 - Map of the BRI



Source: Lowy Institute

3.1. Understanding the emergence of the BRI

According to Peter Cai (2017), the BRI was established driven by domestic challenges within the Chinese state with the following key objectives:

- a) **Encouraging regional development in China through better integration with neighbouring economies:** the BRI was officially incorporated into China's national economic development strategy at the Central Economic Work Conference, in 2014, the annual agenda-setting economic summit for policymakers. Beijing announced three regional development plans, one of which was the BRI (Cai, 2017, p.6.). These regional

development plans were designed to solve the long-term problem of unequal development in China. There was a big inequality between prosperous eastern seaboard states and the inland western regions. The coastal mega-metropolis of Shanghai in 2015, for example, was five times wealthier than the inland province of Gansu, which is part of the old Silk Road (The Economist, 2016). Beijing tried to close the gap between these provinces, aiming to revitalize these provinces and the BRI was a key solution to address this issue. Therefore, the Chinese policymakers want to integrate them into regional economies, instead of providing these provinces with more central government funds. A great example of this strategy is the China–Pakistan Economic Corridor, which links Kashgar in Xinjiang with the Port of Gwadar. Xinjiang, located in the North-West China is one of the poorest provinces in China (UNICEF, n.d.). Furthermore, Xinjiang has a large Turkic-speaking Muslim population and was the main source of terrorism within China with high spread of radical Islamism as well. Consequently, the best way to address the root cause was to integrate Xinjiang with the neighbouring region. The China-Pakistan corridor and the construction of the port of Gwadar has been highly important for the landlocked Xinjiang, which is 4000 to 5000 kilometres away from China’s coastal ports, significantly reducing the transport costs for the province (Rifaat & Maini, 2016).

- b) Upgrading Chinese industry while exporting Chinese standards:** During the last decades, China had developed a noteworthy reputation as the "world's factory" with the well-known "Made in China" and the Chinese stores to spread all around the world. But in the recent years, China’s comparative advantages in manufacturing, such as low labour costs, had begun to disappear (Cai, 2017, p.8). Therefore, China had set as main domestic economic objective the upgrade of its industry. This was reflected in the so-called Made in China (MIC) 2025 initiative (ISDP, 2018). MIC 2025 strives to secure China's position a global powerhouse in high-tech industries. MIC 2025 is inspired by Germany’s “Industry 4.0” (I40) and is broadly aligned with the German and Japanese approaches regarding to economic development and innovation (ISDP, 2018, p.1). The objective is to reduce China’s reliance on foreign technology imports and invest mainly in its own innovations in order to create Chinese companies that can compete both domestically and internationally (ISDP, 2018, p.1). Through the BRI, China aims firstly

to facilitate the export of higher-end Chinese manufactured items and secondly to encourage the acceptance of Chinese standards. The focus of China on exporting its technological standards must be understood in the framework of China's broader ambition to become an innovation-based economy and a leader in the fields of research and development (Cai, 2017, p.9). The best example of this strategy is China's campaign to promote its high-speed railway technology through the so-called "high-speed railway diplomacy", ran by Premier Li Keqiang (Michelle Ker, 2017). The last years China has proceeded with several huge BRI railway projects in Asia and Africa, like the Addis Ababa–Djibouti Railway and the still under construction East Coast Railway in Malaysia. Additionally, China tries to promote Chinese standards through the BRI in more sectors such as energy and telecommunications. Telecommunications industry is central to MIC 2025 initiative (ISDP, 2018). Companies like Huawei and ZTE have been active actors in many international telecommunication industry bodies. Useful examples in this case are the investments of ZTE (China Daily, 2014) and China State Grid Corporation (Reuters, 2016) in Greece⁵.

- c) **Addressing the problem of excess capacity:** During the global financial crisis, the Chinese Government introduced the largest stimulus package in the world in 2008 to save China from the recession (Wong, 2011). But this led to a surge of products' prices. Although the fiscal stimulus program was effective, one of its negative consequences was the creation of massive excess capacity in many industrial sectors. In the steel industry, for example, China's annual steel production increased from 512 million tons in 2008 to 803 million tons in 2015. To realize this huge amount of production, the extra 300 million tons is larger than the total production of the United States and the European Union together (Cai, 2017, p.12). Consequently, the country's excess capacity became a top economic priority for the Chinese Government. The excess capacity could have negative impact making the country's financial system more vulnerable. Several state-owned firms in sectors with excess capacity borrowed heavily during the financial crisis. The slowing economy, the indolent international demands, and the supply surfeit decreased their revenues. Therefore, the Chinese Government proceeded with a series

⁵ For more details about these investments, see the section 4.2. of this dissertation, p.46-51.

of policy measures to handle the issue of the excess capacity. In this framework 1.8 million workers from the steel and coal mining industries were laid off (Cai, 2017, p.12). Furthermore, the BRI was an alternative solution for China to address the excess capacity problem. For many observers the BRI was considered as China's effort to export the excess industrial products to neighbouring countries. According to Financial Times, the vision for a new Silk Road started modestly in the bowels of China's commerce ministry as an export initiative (Hornby & Clover, 2015). Additionally, Beijing wanted to use the BRI to migrate whole production facilities as well. Moving factories with excess capacity to BRI countries could help China reduce the supply surfeit in its territory and in parallel assist less developed countries to construct their industrial bases. Through this strategy, the goal was to encourage companies to move their excess steel facilities to Southeast Asia, Africa, and West Asia (Cai, 2017, p.17). For example, Delong Holdings Ltd entered into a joint venture agreement with three Thai service centers for the installation of a 600,000-tons per year hot rolled flat steel mill in Thailand (Fastmarkets, 2022).

3.2. COSCO's investment in the PPA in 2016

COSCO's investment in the PPA is the flagship project of the BRI in Greece and a crucial pillar of the BRI in the Mediterranean and in Europe in general. After its initial involvement in 2008, in April 2016 China's COSCO Shipping signed an agreement with the Hellenic Republic Asset Development Fund (HRADF), the privatization program of Utilities and Assets of the Greek Democracy and acquired the 67% of the stake of the PPA for 368.5 million euros, becoming the operator of the port (HRADF, 2016, p.23). According to the concession agreement expiring in 2052, the deal included two stages. Initially COSCO acquired the 51% of the PPA for 280.5 million euros. After a period of five years and fulfilling certain conditions set out in the SPA, including the successful completion of the mandatory investments up to 300 million euros, COSCO could pay to HRADF an additional amount of 88 million euros and will increase its PPA stake by 16% reaching to 67% (HRADF, 2016, p.23). In an event held

to complete the second stage of the agreement, on October 25, 2021, COSCO acquired the additional 16% stake. In the framework of the second share acquisition of the PPA, the Chairman Xu Lirong announced the following: “COSCO aims to help the port of Piraeus strengthen its position as a major port in the Mediterranean and become an important bridge of civilization, economy and friendship between and China under the Belt and Road initiative” (Watanabe, 2021).

This agreement was part of the privatization program of Utilities and Assets of the Greek Democracy, and it can be considered as a milestone for the Sino-Greek relations and for the Greek economy in general. The total value of the agreement comes to 1.5 billion euros and includes among others the 368.5 million euros offer, the mandatory investments of 350 million euros over the next decade and the expected revenues from the Concession Agreement for the Hellenic Republic, amounting to 410 million euros. The total amount takes also into account the expected dividends and interest receivable by the HRADF as well as the estimated investments (apart from the mandatory) until the expiration of the concession, in 2052 (Shippers' Journal, 2016). This was the first time that a Chinese company has fully operated a port overseas (Qianqian & Davarinou, 2019). “The investment by COSCO in the port of Piraeus is an example of how an important Chinese company was bold enough to invest in an important Greek infrastructure project, at a time when Greece was considered “uninvestable” by many other countries”, Greek Prime Minister Kyriakos Mitsotakis told during a Greek Chinese business forum in 2019 (Yihuan, 2022).

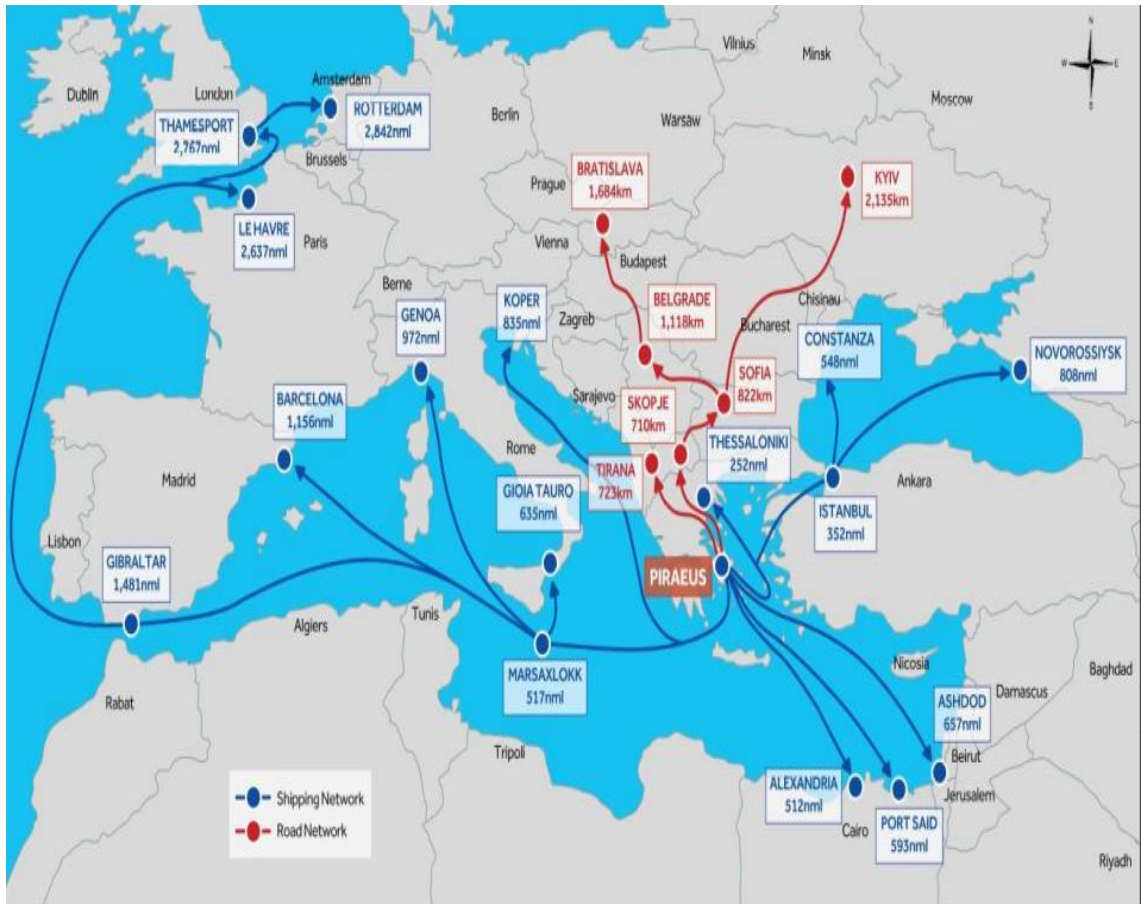
Within the framework of the BRI, China has proceeded with several infrastructure projects in Europe, mainly in railway and port infrastructure. COSCO’s involvement in the PPA is indisputably the most successful example of the BRI’s investments in Europe and the flagship project of the BRI in the Mediterranean. In 2016 the Chinese Ambassador Zou Xiaoli during his speech for the Seminar "The New Silk Road of China: One Belt, One Road (OBOR) and Greece" had underlined the crucial role of COSCO Piraeus project in the framework of the BRI. According to Zou Xiaoli, the COSCO Piraeus project reflects in the most representative way the five pillars of the BRI: a. policy coordination, b. facilities connectivity, c. unimpeded trade, d. financial

integration and e. people-to-people bonds (Ministry of Foreign Affairs of the People's Republic of China, 2016).

3.3. The 21st Maritime Silk Road and “the Head of the Dragon”

In November 2019, Chinese President Xi visited China COSCO Shipping in the PPA, which he named “the Head of the dragon”, referring to its role in the 21st Maritime Silk Road of China’s Belt & Road Initiative (COSCO Shipping, 2019). Chinese people use the expression “the head of the dragon” to refer to something that has a leading effect, a role of a protagonist. These words can describe the importance of the PPA in the Maritime Silk Road of the BRI. China’s high activity in the PPA is obviously related to its unique geostrategic position in the region. The PPA, located at the southern tip of the Balkan Peninsula and on the southwest coast of Athens, has a key geographical position for access to three continents. The PPA is located at the crossroads of Europe, Asia and Africa, being the natural port of Athens and Greece’s main gateway. It is also a gateway to Asia and Russia through the Black Sea. It is a central hub for access to Eastern Europe and has strategic proximity to Northern Africa and Middle Eastern trade channels.

Figure 2 – The PPA in the Mediterranean



Source: Master Plan PPA 2018

During the 21st century, China has set the construction of a strong maritime country as a national goal. The general Secretary of the Central Military Commission Hu Jintao, during his speech on the eighteenth National Congress of the Communist Party of China in the autumn of 2012 declared that: “We should enhance our capacity for exploiting marine resources, develop the marine economy, protect the marine ecological environment, resolutely safeguard China's maritime rights and interests, and build China into a maritime power” (China Daily, 2012). In March 2013, Xi Jinping was elected to succeed Hu as chairman of the Central Military Commission. He followed with dedication the commitment to building China into a maritime power.

Maritime ambitions are part of China's global ambition to play a central role on the international stage. In 2013, the establishment of the BRI with the 21st Maritime Silk Road reflects the ambition to build China as a strong maritime power. Additionally, since the establishment of the BRI in 2013, according to van der Putten, China started to increase its interest for the region of the Eastern Mediterranean (van der Putten, 2016). Through the 21st Maritime Silk Road of the BRI, China aims to construct a network of maritime trade routes connecting Asia with Africa and Europe. Consequently, the region of Eastern Mediterranean has a crucial significance for China's foreign policy. The Eastern Mediterranean region comprises parts of three continents, Asia, Africa and Europe. It has proximity to the Suez Canal, one of the main chokepoints in international shipping, where all shipping routes from Europe to Indian Ocean pass through. It's obvious that the Eastern Mediterranean, due to its crucial geographical location, has a great geostrategic value for China for the achievement of its geopolitical and economic objectives.

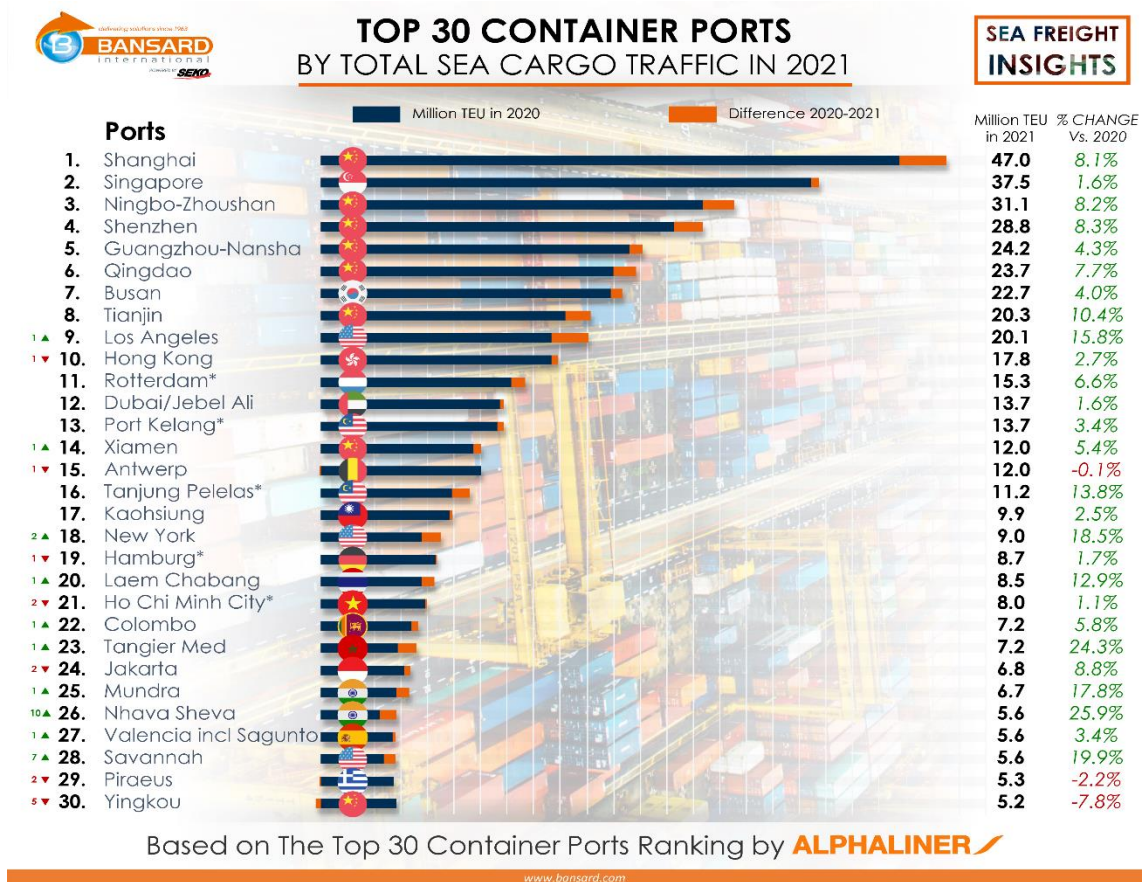
Considering all the factors above, it is thus no surprise that China took a strong interest in Greece, which hosts one of Mediterranean's best-located ports and the best located port in the Eastern Mediterranean. Since 2016 and COSCO's investment in the PPA, the PPA has become the most crucial pillar of the Maritime Silk Road in Europe. Through the investment in the PPA, China was able to achieve a crucial goal of its foreign trade policy: the construction of a cross-border transport corridor from the Mediterranean to Central Europe. This accomplishment allowed China to meet two more strategically significant objectives: 1. the reduction of the transportation cost and 2. the improved access to and increased presence in the European market, but also to the south of the Mediterranean (Tonchev & Davarinou, 2017, p.5). Consequently, the PPA has been transformed into a gateway for Chinese products entering Southeastern, Eastern and Central Europe (Qianqian & Davarinou, 2019, p.10). COSCO has been developing PPA as an entry point for Chinese-manufactured goods' transportation. The PPA's strategic advantage to container shipping in comparison with the ports of northern Europe as Rotterdam and Hamburg is that it saves traveling time and approximately 2 million dollars per trip (Psaropoulos, 2019). On June 20, 2014, during his visit to Greece, Premier Li Keqiang and his counterpart witnessed a train, loaded with Huawei and ZTE

products, setting off, which marked the official start of sea-railway transportation from the port of Piraeus to Central and Eastern Europe (BBC, 2014). Previously, cargo had to land at Hamburg or Rotterdam via the Suez Canal and arrived at Central and Eastern through sea-railway transportation. Today, the new logistics route allows goods to be loaded in the Piraeus Container Terminal of COSCO and arrive at Austria, Slovenia or Czech Republic via Macedonia, Serbia and Hungary. The traveling time is thus shortened to 7-11 days (Zou, 2018, p.274-275). This fact makes the PPA a crucial link in China's BRI - a series of hundreds of infrastructure projects aiming to lower the cost of Chinese exports to Europe and Africa.

3.4. The evolution of the PPA

COSCO's investment has transported the PPA into one of the biggest ports in Europe. COSCO has introduced the most advanced equipment and upgraded the facilities of the port (Qianqian & Davarinou, 2019). Since initial COSCO's involvement in the PPA in 2008, the PPA has been evolved into one of the biggest container ports in the Mediterranean and in Europe. More specifically, for 2019 and 2020, the PPA was the biggest container port in Mediterranean and the 4th biggest in Europe (Notteboom, 2021). In 2019, the PPA reached its highest container throughput with a total of 5,65 million twenty-foot equivalent units TEU (PPA, n.d.). In spite of its general upward trend and for first time since 2015, the PPA recorded a low throughput decline the following two years, due to coronavirus pandemic. The throughput dropped largely in pier II and pier III, which are run by COSCO Shipping Ports. Moreover, in 2020 the total throughput of the port was decreased to 5.437 thousand TEUs (Notteboom, 2021) and in 2021 to 5,317 thousand TEUs (World Shipping Council, n.d). Consequently, 2021 PPA lost its position in the ranking to Valencia, although the TEU gap remains small. According to Lloyd's list, one of the oldest shipping journals in the world, the PPA was the 28th biggest port on a worldwide basis by throughput in 2020 (Nightingale, n.d). In 2021, it was the 29th biggest port based on the ranking by Alphaliner (Bansard, 2022).

Figure 3 - Top 30 Container Ports by total sea cargo traffic in 2021



Source: Bansard

The PPA has a noteworthy rise in the world rankings comparing with its position in 2015, when it was 44th in 2015 and 93rd in 2010 (Xinhua, 2018). To sum up, the PPA managed to climb 65 positions in the table just within 11 years. Additionally, to better comprehend the massive growth of the PPA, we should simply see the outstanding rise of the container throughput volumes during the years. For example, the PPA’s container throughput in 2010 was just 880,000 TEUs (COSCO Shipping, 2021).

As per the graph below (Figure 4 - Top 15 Container ports in the EU in 2021), the PPA’s growth in terms of container throughput since 2007 reaches the %age of 287,3% (Notteboom, 2022). This made the PPA one of the fastest-growing ports in Europe and in the world during the last 15 years. Checking the graph below, we see that PPA has

the 3rd highest growth rate within the period 2007-2021 among the 15 largest container ports in Europe for 2021.

Figure 4 - Top 15 Container ports in the EU in 2021

Top 15 container ports in the EU in 2021

Rank 2021	Rank 2020	Rank 2007	Port	Container traffic 2021 in 1000 TEU	Growth 2020-2021	Growth 2019-2021	Growth 2007-2021
1	1	1	Rotterdam (NL)	15,300	7.8%	3.2%	41.8%
2	2	3	Antwerp (BE) (*)	12,020	-0.1%	1.4%	47.0%
3	3	2	Hamburg (DE)	8,715	2.2%	-5.9%	-11.9%
4	5	8	Valencia (ES)	5,614	3.4%	3.2%	84.5%
5	4	17	Piraeus (EL)	5,317	-2.2%	-5.9%	287.3%
6	7	4	Bremerhaven (DE)	5,019	5.2%	3.3%	2.6%
7	6	6	Algeciras (ES)	4,797	-6.1%	-6.4%	40.3%
8	9	10	Barcelona (ES)	3,531	19.4%	6.2%	353.3%
9	8	7	Gioia Tauro (IT)	3,147	-1.5%	24.7%	-8.7%
10	10	9	Le Havre/Rouen (FR) (+)	3,070	25.6%	10.2%	9.1%
11	11	12	Marsaxlokk (MT)	2,970	21.7%	9.2%	56.3%
12	12	14	Genoa (IT) @ PEMP - Notteboom	2,558	8.7%	-2.2%	37.9%
13	13	62	Gdansk (PL)	2,118	10.1%	2.2%	2085.8%
14	14	11	Zeebrugge (BE)	2,077	15.1%	23.9%	2.8%
15	15	-	Sines (PT)	1,824	13.2%	28.2%	1116.0%
TOP 15				78,077	5.0%	-1.2%	17.0%
TOP 3				36,035	3.2%	0.3%	24.9%

(*) Port of Antwerp will merge with Zeebrugge port authority to form Port of Antwerp-Bruges in late April 2022.

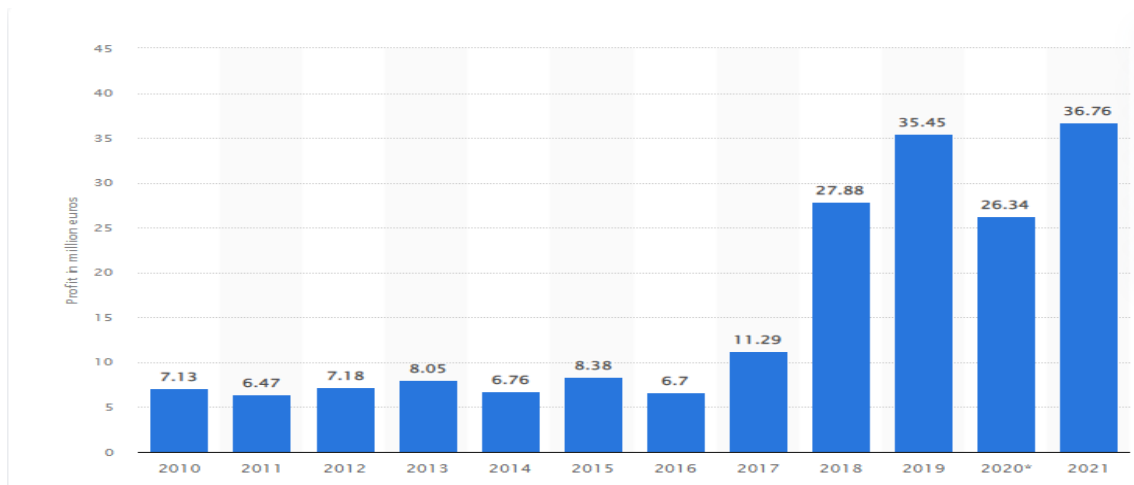
(+) Maritime container volumes of HAROPA (Le Havre/Rouen/Paris)

Note: ranking before 2020 includes UK ports (pre-BREXIT)

Source: PortEconomics

Furthermore, the net profit of the PPA has been constantly increasing since COSCO's involvement in 2016. The net profit in 2016 was 6.7 million euros and in 2021 36.76 million euros (Statista, 2022). The above amount is the highest level of profitability in the PPA history (PPA, 2022).

Figure 5 - Net profit of the PPA from 2010 to 2021



Source: Statista

So far, COSCO has built 55 routes with the PPA as a hub. These routes reach as far as the Mediterranean, the Black Sea, the Middle East, Northwest Europe, North America, and Asia Pacific (Sen, et al., 2019, p.111). Furthermore, COSCO Shipping Line recently added Piraeus to its service connecting US and Asian ports, with two weekly stops from ships capable of carrying 10,000 boxes each. The PPA is the only European one included in that service (Nightingale, L., n.d., p.60).

In parallel with the port's significant growth, COSCO's presence has contributed to the local Greek economy as well. By 2021, the company's investment in PPA had created more than 3,000 direct jobs and more than 10,000 indirect jobs in Greece, bringing a cumulative direct social contribution of more than 1.4 billion euros to the local area (Yixuan, 2022). A series of studies made by the Foundation for Economic and Industrial Research, a leading Greek thinktank, and other Greek and foreign experts claim that COSCO's development scheme for the port will boost long-term revenue from the port to the Greek economy by 5.1 billion euros a year and will create 125,000 jobs until the new concession agreement expires in 2052 (Yixuan, 2022).

The words of the former Chinese Ambassador Zou Xiaoli during a seminar with theme: "The New Silk Road of China: One Belt, One Road (OBOR) and

Greece" are very representative for the impact of COSCO on the PPA and on the Greek economy in general: "the real significance of the COSCO's project is highlighted by the opportunity it offers to Greece to return to the international capital market, which is vitally important for Greece to walk out of the crisis and realize revitalization" (MFA, People's Republic of China, 2016).

3.5. The future plans for the PPA

During a visit of Kyriakos Mitsotakis to the COSCO Shipping in Shanghai in November 2019 (COSCO Shipping, 2019), Mitsotakis and COSCO's chairman Xu Lirong outlined a bigger vision for the COSCO's Piraeus project. "We intend to make Piraeus the biggest port in Europe, and the master plan ensures that we will succeed," said Xu and he added: "We want to make Piraeus a global trans-shipment center on the Singapore model" (Psaropoulos, 2019). Furthermore, according to Reuters, during a visit to Athens in 2019, the Chinese President Xi said: "We want to strengthen Piraeus' transshipment role and further boost the throughput capacity of China's fast sea-land link with Europe" (Amaro, 2019). On the other hand, Kostas Fragogiannis, Greece's deputy minister for foreign affairs, during an interview in 2019 talking about the PPA added that: "The objective is to transform it into the biggest transit hub between Europe and Asia and, potentially, the biggest port in Europe" (Amaro, 2019). In October 2021, during his visit in Athens, Wang Yi, the Chinese State Councilor and Foreign Minister, said that "Greece is an important partner in building the BRI and China is willing to continue its effort with Greece to build a high-quality BRI". His Greek counterpart, Nikos Dendias, said that "that Greece will implement key cooperation projects under the BRI and looks forward to further expanding economy, trade, energy, maritime and shipbuilding cooperation with China" adding as well that Greece is full of confidence in the development of bilateral relations" (Xinhuanet, 2021). "We aim to reach a container throughput of 10 million TEUs so as to become the largest and most efficient logistic hub in Central and Eastern Europe," the PPA's chairman Yu Zenggang told Kathimerini in an interview (Bellos, 2021). This promising rhetoric by the high-

level Chinese and Greek politicians and executives have created high expectations about the further development of the Sino-Greek relations mainly founded on the PPA's project. The massive and fast growth of the PPA have shown that the future for PPA can seem really promising. Within this context, COSCO's plans are to build a pier IV, expanding the port's capacity to over 10 million TEUs and making it comparable to the biggest Northern European ports, like the ones of Rotterdam and Hamburg. Consequently, the PPA submitted an investment master plan in August 2019 (Bellos, 2019). The master plan was including the pier IV project, a new cruise ship terminal project and a new car terminal project. The pier IV is planned to be constructed with a capacity of 2.8 million TEUs, just east of the current pier (Bellos, 2019). The master plan submitted by the Chinese-controlled the PPA paved the way for the upgrade of the port with improvements valued at about 611.80 million euros (Greek City Times, 2019b). After the approval of the master plan, Yu Zenggang, the chairman of the PPA said that "After a long waiting period, we obtained the approval to proceed to the implementation of significant investments that will make Piraeus the most important port in the Mediterranean and will create even more new working positions" (The Maritime Executive, 2019).

Despite the big words from the Chinese politicians and executives for making Piraeus the biggest container port in Europe, this scheme seems very ambitious. The Rotterdam Port in the Netherlands, the Antwerp-Zeebrugge consortium in Belgium and the Hamburg Port in Germany will try their best to continue to be ahead of the game. Valencia Port in Spain has already overtaken Piraeus in the Mediterranean in terms of the number of containers they handle⁶. Additionally, Israel's Haifa Port will enter fast to the game following its takeover by the Indian group Adani (Press Trust of India, 2022). Even if the construction of the pier IV takes place in the future, which would increase the capacity of the port to 11 million TEUs per year, it will be still difficult for Piraeus to approach the annual TEU of the major ports of Europe (Head of Asia Unit at the IIER, personal communication, August 31, 2022).

⁶ For more details, see chapter 3.4 of this dissertation, p.36.

On the other hand, despite COSCO's plans, the construction of a pier IV was not finally included in the master plan of the PPA, that it was approved in October 2019 for the other projects. The reason was the opposition of local authorities and businesses. The construction of the pier IV was rejected by the Port Planning and Development Committee, a committee that is part of the Ministry of Maritime Affairs and Insular Policy, stating that “the conditions at this stage are not ripe for the implementation” (The Maritime Executive, 2019). The green light for the construction of the pier IV in the PPA would allow the further development of the port. Currently, the lack of space is an obstacle to the further development of the port as it has reached its limit on its container capacity. It’s possible that the non-expansion of the port through the pier IV will stop the growth of the port leading to its climbdown in the European ranking where it already lost its 4th position to Valencia port in 2021 (Tsamopoulos, 2020). Regarding the rejection of the fourth container terminal project, Yu Zenggang, through his statement asked for the review of the matter in the near future. “We hope that the competent authorities will soon review the expansion of the container terminal as it is one major investment that will establish the PPA as one of the top container terminals in Europe” (The Maritime Executive, 2019).

Another negative progress on COSCO’s investment in the PPA is the temporary pause of the construction of the Cruise Terminal Expansion Project (Ship Technology, 2022). On March 14, 2022, Greece’s supreme administrative court, the Council of State, ruled that the previous government’s approval on the expansion of the PPA was not legal because the authorities did not carry out an environmental assessment as per requirements by national and European Union regulations. The Greek Court blocked the expansion of the passenger terminal and the building of a new cruise terminal on its place, the expansion of the vehicle import terminal and the construction of new warehouses (Papatolios, 2022). During an interview to Athens-Macedonian News Agency (2022), Yu Zenggang talked about the advantages of the expansion of the Cruise Terminal. He stated that “the expansion of the Cruise Terminal has great significance for the Port of Piraeus, but also for the Greek tourism and the Greek economy overall. It aims at turning the Port of Piraeus into a Homeport destination on the map of international cruises, where large cruise ships can launch and end their

journey and not just use it as an intermediate stoppage. Being a home port is a significant income generator for the local and national economy, since ships spend more time in the country and increase the consumption of services and products by all involved actors including the cruise company, the vessel, the crew, the passengers”. Within the framework of the concession agreement for 35 years of the PPA signed in 2008⁷, COSCO aims to expand the passenger port of Piraeus southwards, to build another passenger terminal and four new hotel complexes, expand the vehicle import terminal, build a five-storey parking lot and construct eight hectares of new warehouses. But as we can comprehend, currently COSCO’s plans to develop the PPA and transform it into an industrial port zone are blocked. The immature conditions for the implementation of the pier IV project and the court decisions, finding the expansion projects illegal due to insufficient environmental assessment, have put obstacles in the Chinese initiatives.

Here, we should highlight that after the block of the Council of State for the expansion of the Cruise Terminal, a new revised investment plan for the expansion of the PPA, adjusted to all the necessary environmental requirements, was submitted in August 2022 by COSCO and it is awaiting approval from the Council of State. If the Council of State approves the updated investment plan, then the works for the expansion of the Cruise Terminal can start the following months (Bellos, 2022).

3.6. The negative aspects of the BRI in the PPA

At this stage we should highlight some negative aspects of the BRI in the PPA. More specifically, initially COSCO’s plans in the PPA are blocked by local authorities and groups due to significant impact on environmental degradation (Stamatoukou, 2022). For instance, during a Piraeus City Council special session, held on November 20, 2020, shipowner Vangelis Marinakis expressed his strong opposition to the extension plans of COSCO, stating that “Piraeus can expect no benefit from COSCO” (Papastathopoulou, 2020). He received support by many political parties,

⁷ See more details in section 2. of this dissertation, p.23.

along with environmental groups who have been against COSCO's scheme to construct a pier IV on the PPA. Moreover locals against COSCO's projects, launched a movement called "No Port in Piraeus", expressing their opposition to the Chinese investments (Stamatoukou, 2022). The environmental concerns related to the BRI projects, is a negative aspect of the initiative that has been widely raised and it has been a major source of concern for the case of Piraeus as well. Within this context, the Greek journalist Myrto Boutsis (2021), through her investigation for Reporters United, presented dangerous practices from COSCO with negative environmental impact for the Saronic Gulf. More specifically, COSCO has been dumping dangerous waste off the Athenian coastline with the permission from the Greek Environment Ministry. It's obvious that "the effects on public health were not being investigated, and the regulatory framework remained very weak", Boutsis said (2021). On June 11, 2020, the Council of State, halted the dredging activities but the damage on the waters of Saronic Gulf was already made. Consequently, we comprehend, that the Greek Ministries of Shipping and Environment attempted to hide the real environmental impact of COSCO's activities in order to allow COSCO to proceed with its investments, that would develop further the PPA. During his interview to Athens-Macedonian News Agency (2022), Yu Zenggang, spoke also about the PPA's commitment to minimize the impact of port's business operations on the environment and to align with the environmental regulations and standards. More particularly, he said that "We are embracing Europe's ambition to be the world's first net zero emission area by 2050 and take a strategic role in making the European Green Deal happen. We are committed to minimize the impact of our business operations on the environment, while we support vessels in their efforts towards decarbonization". More specifically, the PPA has set up a Decarbonization Roadmap until 2030 which involves diverse actions and initiatives towards emission reduction, investments in clean energy infrastructure and increased digitalization deployment, along with safeguarding and constantly monitoring the marine ecosystem and ensuring that all projects and port operations are in full alignment with environmental regulations and standards". The PPA, during the international shipping exhibition Posidonia 2022, received three ISO certifications for Quality, Environmental and Energy Management. "Such certifications are of great value and a reward to our constant efforts as we journey towards our vision of a Green PPA.

Facilitating the greening of the PPA is central to our strategy and a pre-requisite for a sustainable future” Yu said.

Lastly, we should highlight an accident at a container pier in the PPA that costed the life of a 45-year-old worker. The worker died while on duty. This had as a result a call for 24-hour strike by COSCO’s employees. The port workers and the opposition party, Syriza, have long complained about harsh working conditions that cause employees long-term fatigue and occupational diseases (Tsimitakis, 2021). Considering this accident, several controversies arose about the working conditions in the port and criticism has intensified for the Chinese presence in Piraeus. In an attempt to share more details about the poor working conditions in the port, EURACTIV Greece reported that the employees, depending on ships’ arrivals, remain on “stand by” and are called a few hours before the shift if necessary. This means that sometimes they must do double shifts with a break of only a few hours and then come back, tired to a challenging job. According to employees, this is the main reason of accidents (Tsimitakis, 2021). The opposition party, Syriza, accused the government that abolished the co-responsibility of the company and the contractors it chooses for the implementation of projects. This means that the responsibility for accidents belongs to the contracting companies.

4. The progress of the bilateral Sino-Greek relations during the 21st century and the impact of the BRI

4.1. Political and diplomatic relations

During the 21st century, there has been a significant development of the Sino-Greek relations. As a sequence, there has been important progress in political and diplomatic level. Within the framework of the strengthening of the Sino-Greek ties due to BRI and to COSCO's investment in PPA, official state visits started to occur in a more usual base. These frequent high-profile visits between the two countries are noteworthy and prove the significant development of their ties. The former Chinese Prime Minister Li Keqiang visited Greece in June 2014 (Tonchev & Davarinou, 2017, p.48). A month later, in July 2014, president Xi Jinping made a stopover in Rhodes to meet his counterpart Karolos Papoulias. In 2016 Alexis Tsipras visited China in July 2016 accompanied by a number of cabinet ministers, government officials and business representatives, in an effort to boost bilateral relations and attract investments (To Vima, 2016). In addition, Tsipras visited China in May 2017 to attend the Belt and Road Forum (BRF) for International Cooperation that took place in Beijing (Xinhuanet, 2017). Alexis Tsipras was one of the 29 heads of state and one of the few EU heads of state to participate in the first BRF. More recently, Xi Jinping visited Greece in November 2019 for a three-day state visit (Amaro, 2019). In parallel, at the very same month, Kyriakos Mitsotakis paid a visit to China, where he visited the COSCO Shipping facilities in Shanghai (COSCO Shipping, 2019). Two years later, Wang Yi, the Chinese State Councilor and Foreign Minister, visited Athens in October 2021 (Xunhuanet, 2021).

The deepening of the bilateral ties between Greece and China has been reflected through several signed agreements and memorandums. Greece joined formally the BRI in 2018. On August 27, 2018, Greek and Chinese foreign ministers Nikos Kotzias and Wang Yi signed a memorandum of understanding regarding cooperation within the framework of the "Belt and Road Initiative" during a meeting in Beijing

(OBOReurope, 2019). Therefore, Greece became the first EU member to join the BRI in 2018. In April 2019, Greece officially joined the "Cooperation between China and Central and Eastern European Countries" Group (CEEC), which had been known as "16+1". After Greece joined the group, becoming the seventeenth member, the group was renamed to "17+1". For conclusion, a very interesting aspect of the Sino-Greek relations is that Greece and China have significantly developed their diplomatic relations at the local level. As of April 2021, there were some 20 twinning and cooperation agreements between Greece and China at the level of districts and cities (Tonchev, 2022).

4.2. Economic relations

The Sino-Greek relations started to be stronger founded mainly in economic interests due to a) the Greek financial crisis, b) the COSCO's intentions, and c) the BRI. COSCO's investment in the PPA, initially in 2008, and in a second phase in 2016 under the BRI, is the flagship pillar of Sino-Greek cooperation during the 21st century. COSCO's success in Piraeus attracted some important Chinese investors to Greece, which have contributed to the strengthening of the Sino-Greek ties and the empowering of the Greek economy. Within the framework of the BRI, China proceeded with several investments in the fields of energy, telecommunications, and real estate. A noteworthy Chinese investment and the second biggest after COSCO's in the PPA, took place in the field of energy and it was included in the framework of the privatization program of Utilities and Assets of Greek Democracy like COSCO's investment in the PPA as well. In October 2016, the China State Grid Corporation, the biggest company of electricity transmission and distribution operator in the world (Minter, 2016), successfully acquired a 24% stake in the Independent Power Transmission Operator S.A. (IPTO or ADMIE) for 320 million euros (Reuters, 2016). Through this investment, China State Grid Corporation collaborates with the Greek authorities to provide better electrical interconnection between the Greek islands and the mainland. One more investment in the field of energy was the investment of China Energy Investment

Corporation. China Energy Investment Corporation, one of the world's largest power companies, signed a cooperation agreement with Greece's Copelouzos Group for renewable energy and conventional electricity (Jovanović, 2018).

Another important Chinese investment took place in the field of the Telecommunications. On March 19, 2014, ZTE and COSCO proceeded with an agreement on using Greece's Piraeus Container Terminal (PCT) as a European logistics center for ZTE to expand Southern European markets (China Daily, 2014). ZTE Corporation, Chinese leading global provider of telecommunications equipment and network solutions, is one of the major Chinese companies in Greece. Through this deal, Piraeus Container Terminal (PCT) became officially the Chinese company's logistics center for 13 Southeast European countries: Greece, Croatia, Czech Republic, Slovakia, Slovenia, Austria, Hungary, Bulgaria, Romania, Italy, Spain, Portugal and Cyprus (Ekathimerini, 2014). This agreement was the first phase of ZTE's plan for long-plan investment in Greece. The upcoming phases include the construction of a repair center for the region and the establishment of an assembly line. According to ZTE's Vice President Zhou Jian Feng, this investment was expected to create an estimated number of 600 jobs up to its completion over a three-year period (China Daily, 2014). In July 2016, ZTE signed a cooperation agreement with the Greek Telecom Operator Forthnet S.A., one of the biggest telecommunication companies in Greece in order to construct a high-speed broadband network in Greece (Reuters, 2016). In the end of June of 2016, Forthnet S.A. had 460,252 subscribers, providing them with packages of TV, telephone and internet services (DigitalTVInfo, 2016). The two parts sealed a deal to "to draw up a business plan for the joint funding and development of next generation networks" across Greece (CommsUpdate, 2016). The deal took place in Shanghai during a visit by the Greek Prime Minister Alexis Tsipras to ZTE's R&D center. Following this agreement, in 2017 ZTE and Forthnet signed a cooperation agreement with the Chinese companies Shanghai Gongbao Business Consulting and KaiXinRong Group for exploring a business partnership financing a fiber-optic network in Greece. The deal envisages a long-term investment of 500 million euros over the following seven years (Olazo, 2017). The agreement was signed on the 13th of May 2017 in the framework of the visit of Alexis Tsipras to Beijing for the "Belt and Road" Summit for International

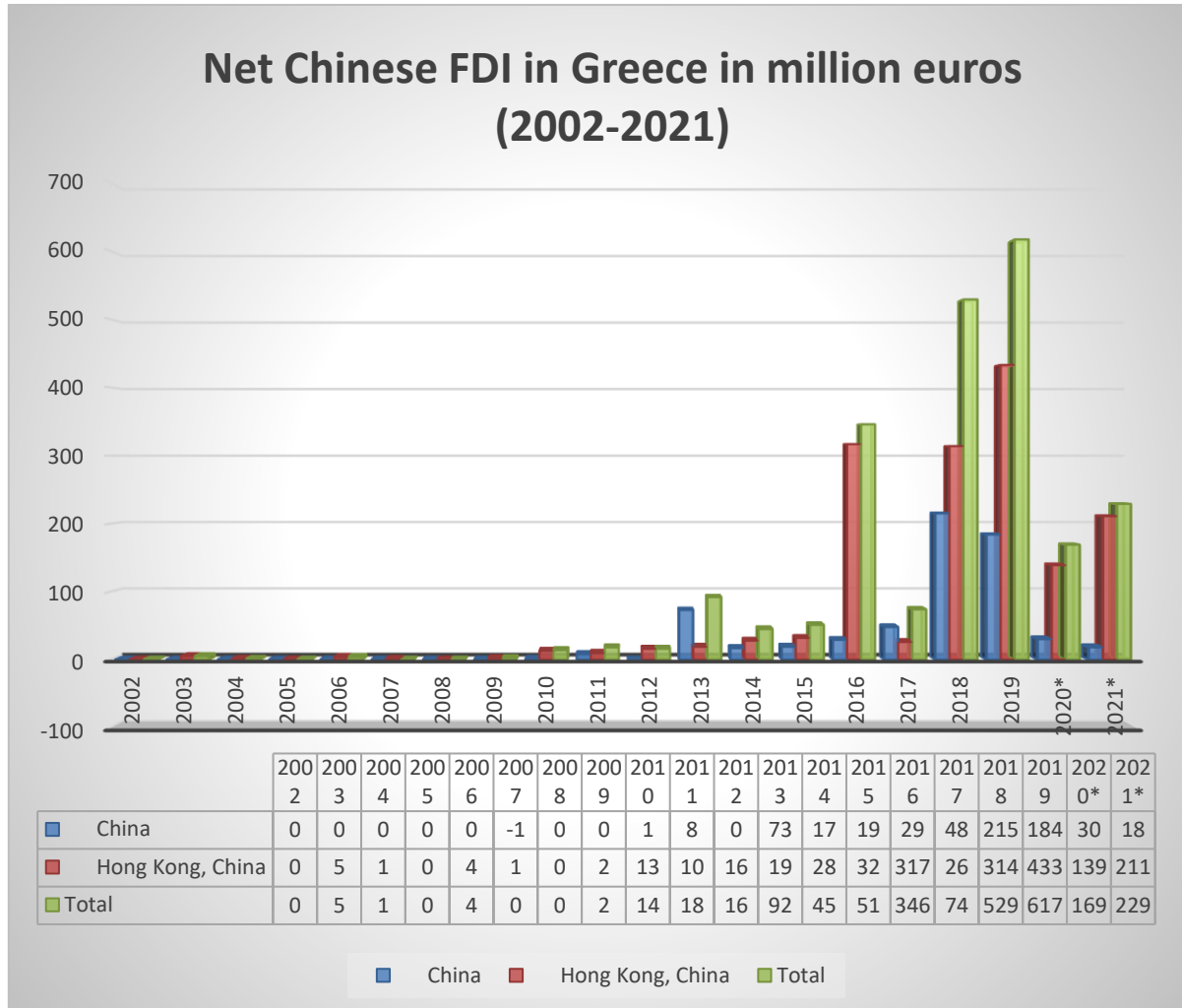
Cooperation. Real Estate is another field of the Sino-Greek relations with significant in that has become attractive enough for Chinese investors. Between 2013 and 2019, after the launch of the golden visa programme in Greece, 3400 Chinese have made use of it buying properties of a total purchase of 500 million euros (France24, 2019). The Greek golden visa programme grants a five-year residency visa for non-EU citizens in return for a minimum investment of 250.000 euros in Greek real estate (Golden Visas, n.d.). In 2019, the 60% of the investors in Greece that took advantage of the golden visa residency by the investment programme came from China (Golden Visa Greece, 2022).⁸

On November 2, 2017, within the framework of the economic bilateral Sino-Greek relations, Greek and Chinese state officials and representatives of major enterprises signed in Athens a series of memoranda of understanding under the 2017-2019 Greece-China Action Plan. The plan was sealed in May 2017, in Beijing during the visit of Greek Prime Minister Alexis Tsipras (China Daily, 2017). The Action Plan 2017-2019 aimed to promote economic cooperation between the two countries, and the effective combination of the BRI with Greece's Growth Strategy. In October 2019, a new Greece–China Action Plan was agreed in Beijing. Greece and China signed an updated economic cooperation framework for the 2020-2022 period (Naftemporiki, 2019).

Nowadays, China has been evolved into the third-largest trading partner for imports of Greece and its largest trading partner outside the European Union (ITC, n.d). On the other hand, there was a decrease accounting to 13.6% of Greek products exported to China for 2021 in comparison with 2020, making China the seventeenth major destination for Greek exports (Workman, n.d.). On the contrary, Greece has become China's fourth-largest trading partner among Central and Eastern European countries. The China-Greece trade volume has jumped from less than 100 million US dollars in the early 1990s to 12.15 billion US dollars in 2021 (Nan, 2022). Furthermore, during the last years, there is an important increase of China's imports from Greece, reaching almost 1 billion dollars in 2021, up nearly 244 % more than five

years ago. Olive oil, dairy product, wine, safflower are some high-quality products that increasingly gain popularity among Chinese consumers. In regards of investment, China has become Greece's sixth-largest source of foreign investment (Global Times, 2022). Until few years ago the Chinese FDI has been an important factor of the economic Sino-Greek relations. The BRI and COSCO's project in the PPA had created high expectations. But the last years, the Chinese FDI in Greece has been weakened. Despite the COSCO's success story and few more important Chinese investments from ZTE in 2014 and China State Grid Corporation in 2016, the Chinese investment hasn't met the initial expectations. To better understand the evolution of the Chinese FDI in Greece we created the below table based on data of the Bank of Greece's. Here we can see the progression of the Chinese FDI in Greece in million euros since 2002 until 2021. In the table we can notice the inconsiderable amount of the Chinese FDI until the establishment of the BRI. Since 2013, we can notice a low increase. In 2016, mainly with the investments of COSCO and China State Grid Cooperation, there was a significant increase while the highest rise was in 2018 and 2019. Lastly, we can notice the decrease of the Chinese FDI for the last two years, 2020 and 2021. The total amount invested by China since 2002-2021 amounts to 2,2 billion euros.

Figure 6 - Net Chinese FDI in Greece in million euros (2002-2021)



Source: Bank Of Greece

Furthermore, Plamen Tonchev (2022) on his report published by CEPA, says that several prospective Chinese investment projects have failed in the country or have been rejected by Greek authorities. Between 2011 and 2021, there were at least nine Chinese unsuccessful investment projects or lost out in public tenders. Kyriakos Mitsotakis, the Greek Prime Minister, in an interview to Ben Hall at the Global Boardroom digital conference in 2021, replying to a question about the role of Chinese investments in the Greek economy, stated that “Greece is not particularly dependent on Chinese investment [and] I do not expect much dependence on China in terms of

infrastructure investments in Greece” (Hall, 2021). The future perspectives of the Sino-Greek economic relations are expected to have low volume activity. Greece doesn’t expect more important Chinese investments. On the contrary, United States and states from Europe and Middle East have expressed high interest for investments in Greece (Head of Asia Unit at the IIER, personal communication, August 31, 2022).

4.3. Cultural relations

Another important aspect of the Sino-Greek relations are the growing institutionalised cultural ties between the two countries. Greece and China have developed strong cultural relations during the 21st century. The cultural Sino-Greek ties were a consequence of the broad improvement of the Sino-Greek relations. This development was reflected also through the establishment of Chinese institutions in the Greek state (Stroikos, 2022, p.7). More specifically, following the establishment of the Business Confucius Institute (BCI) in Athens 2009, at the Athens University of Economics and Business (AUBE), Confucius Institutes were established at the Aristotle University of Thessaloniki (AUTH) in 2018 and at the University of Thessaly in 2019 (UTh CI.). These institutes aim to deepen friendly relationships between Greece and China, strengthen educational and cultural exchange as well as cooperation between the two countries, and enhance the understanding of the Chinese language and culture (BCI Athens, n.d.). These educational entities typically offer classes in Chinese culture and language and host public events on Chinese political, social, and economic issues. Given China’s growing economic strength, Greek students choose to study in Confucius Institutes hoping that knowing Chinese will contribute to their career opportunities (Tonchev & Bentsis, 2021 as cited at Gugulashvili, 2022).

In addition, the China Cultural Center was inaugurated in Athens in 2016 (China Cultural Center, 2021). Moreover, there are few high-profile events taken place in Greece and where China was the honored country (Stroikos, 2022, p.7). More analytically, China was the honored country in the 2017 Thessaloniki International Fair,

Greece's most important business event. China was also the honoured country in the 2017 First Ministerial Conference of "Ancient Civilizations Forum" (ACF) in Athens, which was initiated by the then Greek Foreign Minister Nikos Kotzias and his Chinese counterpart, Wang Yi (Greek News Agenda, 2017)⁹. Moreover, an event launching the "Greece-China Year of Culture & Tourism" took place in Athens on September 16, 2021, where Statues of Confucius and Socrates were unveiled. The Greek Prime minister, Kyriakos Mitsotakis, was present at the event and he said that "culture and tourism define Greece-China relations. This initiative aims to further strengthen relations and increase tourist flows between the two countries" (Kokkinidis, 2021). Furthermore, besides their collaboration for the 2008 Beijing Olympic Games¹⁰, the two countries came closer in the framework of the Beijing 2022 Winter Games as well. On his report, Plamen Tonchen (2022) explains that ultimately, China, being aware of its weakening economic and political influence in Greece, uses cultural diplomacy as the most powerful of Chinese foreign policy toward Greece. In general terms, Beijing has followed a concerted approach to promote the notion of cultural kinship, with Greece being referred to as a fellow "old civilization". Considering Greeks' intelligible pride in their country's rich history and culture, China, through its cultural diplomacy, strongly promotes this narrative to win the hearts and minds of the general public (Tonchev & Bentis, 2021 as cited at Gugulashvili, 2022).

In parallel, the improvement of the Sino-Greek relations has also boosted the field of tourism. Tourism is an important pillar of the Sino-Greek relations. Initially, the establishment of direct flights Beijing-Athens by Air China, the largest carrier between China and Europe, has contributed to the increasement of the Chinese tourism to Greece. The introduction of direct flights is strong evidence for the closer cooperation between the two countries and aims to increase the number of visitors in

⁹ The ACF is comprised of nine countries that are regarded cradles of ancient of civilisations: Armenia, Bolivia, China, Egypt, Greece, Iraq, Iran, Italy and Peru. The Ancient Civilizations Forum was originally initiated by both China and Greece to play an active role in promoting mutual understanding and inclusiveness among different cultures, races and religions (Kaihao, 2019). The inaugural ministerial meeting of the forum took place in Athens in 2017, According to the forum's site, the aims of this cultural initiative are 'to transform culture into a source of soft power and a fundamental tool of a modern and multidimensional foreign policy' as well as 'to highlight the international cultural cooperation as a factor for economic development' (Ancient Civilizations Forum, n.d).

¹⁰ For more details see chapter 2. of this dissertation, p.20-21.

two-way tourism (Spiliopoulou, 2017). In 2018, the Chinese airline had also launched a third seasonal direct flight for the summer months. In October 2019, during a press event in Athens for the second anniversary since the establishment of the Athens-Beijing direct service, Ioanna Papadopoulou, Communications and Marketing Director of the Athens International Airport, mentioned the increase by 65 % of direct and indirect traffic between the two countries in 2018 compared to 2017 (Pantziou, 2019). There is a significant increase of the number of Chinese tourists visiting Greece over the years reaching 125,000 in 2018, compared to 12,203 in 2012, 28,328 in 2013 and approximately 37,196 in 2014 (Tzogopoulos, 2016). In November 2019 and during a three-day visit by the Greek Prime-Minister Kyriakos Mitsotakis in Shanghai, Chinese airliner Juneyao Air Co. and Greece agreed to add new routes connecting Shanghai to Athens. Konstantinos Loulis, Greece's secretary general for tourism commented on this deal: "Of the more than 140 million Chinese tourists who traveled abroad in 2018, only 125,000 visited Greece. Our goal is to quadruple this number immediately, that is to say, bring 500,000 Chinese tourists to visit Greece, which aims to attract at least 1 % of the Chinese who travel abroad", showing the Sino-Greek ambitions in the field of Tourism (Kokkinidis, 2019). Furthermore, in 2022, Greece and China agreed on Tourism Action Plan for the period 2022-2024 period. More specifically, on March 14, 2022, the Greek Minister of Tourism Vassilis Kikilias and China's Ambassador in Greece, Xiao Junzheng, signed a joint action plan for the 2022-2024 period. The action plan foresees among others, targeted promotional activities, the development of alternative forms of tourism and increasing tourist flows (GTP Headlines, 2022).

5. The drivers of the Sino-Greek approach

At this point, we should comprehend the drivers that contributed to a closer collaboration between the two states. There are few factors that can explain the drivers of the tightening Sino-Greek relations during the 21st century.

5.1. The financial crisis

In the aftermath of the global financial crisis of 2007–2008, the worst crisis in nearly eight decades (Singh, 2022), Greece faced a sovereign debt crisis. This financial crisis, began in the United States in 2007-2008 and was spread to Europe, turning into a global financial crisis. It was an epic financial and economic collapse that costed many ordinary people their jobs, their life savings, their homes. Since the beginning of the Greek financial crisis, in the late 2009, Greek governments have signed three memorandums of understanding with “Troika” in 2010, 2012 and 2015. Troika was a decision group including the following three international institutions:

- a. the European Commission
- b. the European Central Bank (ECB)
- c. the International Monetary Fund (IMF)

Troika’s mission was to monitor countries in severe economic trouble that were receiving financial loans provided by the EU and the IMF (Dijsselbloem, n.d). The financial assistance offered was combined with a commitment to implement a strict program of conditionality measures, including the privatization of several state-owned companies. Greece received three bailout loans from the EU and IMF between 2010 and 2015. The first rescue package, taking place in 2010, was 110 billion euros, the second rescue package followed two years later, in 2012, with a worth of 130 billion euros and

the third rescue package was agreed in 2015 with a worth of 86 billion euros (CFR, n.d). The privatization of Greek publicly owned assets and state-run services was included in these measures. Consequently, Greece was required to implement a wide-ranging privatization program to the value of 50 billion euros (Haitas, 2016). In this context, Tsipras' government was forced to implement the privatization policies, having as main areas the port industry and the sectors of water supply, power and energy. As we presented above, the two biggest Chinese investments in Greece took place under this framework. Firstly, the COSCO's acquisition of the majority stake of the PPA and secondly the China State Grid Corporation's acquisition of the 24 % stake of IPTO. The imposed measures were promoted by the IMF based on the "Washington consensus" policies, that have roots on the Neoliberal theory. Washington Consensus is a set of economic policies applied for the reconstruction of economies in the developing world through its programme conditionality (Heywood, 2011, p.92).

On the other hand, since 2008, there was a noteworthy increase of the Chinese presence in Europe, signaling Beijing's desire to play a constructive role in the maintenance of regional economic stability. According to Godement et al (2012, p.7), China's growing presence in Europe created four distinct European groups of countries in their attitudes towards China: a) the "European followers", b) the "accommodating mercantilists", c) the "ideological free traders" and the "assertive industrialists". Greece was belonging in the group of the "accommodating mercantilists". The accommodating mercantilists – "politically non-confrontational but with protectionist instincts" – were seeking for Chinese investment. For southern European countries such as Greece, Italy, Spain and Portugal, which were at the vanguard of Europe's textile disagreement with China, the necessity for cash had priority over their worry for their labor-intensive industries (Godement et al, 2011, p.7). This need of financial aid due to 2009 Greek financial crisis boosted the Chinese investments in Greece and significantly contributed to the intensification of Sino-Greek relations.

Greece's chronic fiscal mismanagement and resulting debt crisis had repeatedly threatened the stability of the eurozone and Greece's economic relationship with the rest of Europe had been a turbulent one (Antonopoulos & Papadimitriou, 2012).

In this economic and political framework, Greece was increasingly seeing China as a potential alternative partner to the EU. Consequently, the Greek financial crisis contributed decisively to the strengthening of political and economic ties between Athens and Beijing and allowed China to take the chance to set foot in Greece in order to achieve its goals. The deterioration of the Greek economy and the policies enforced by the EU and its partners opened a window of opportunity for China to strengthen its economic presence in the Mediterranean region (Iftikhar & Zhan, 2020, p.836). This is where Chinese investors stepped in and started to invest in Greece. Initially, with the concession agreement for the PPA by COSCO in 2008 and afterwards with COSCO's acquisition of the 67% stake of the PPA, agreed in 2016 and finalized in 2021. COSCO's involvement in the PPA is the most important pillar of the Sino-Greek relations, opening the door for more Chinese investments in Greece and for further collaboration between the two states.

5.2. COSCO's initiatives and the Greek shipping industry

A crucial factor that altered completely the role of China in the global market and led to COSCO's involvement in the PPA, was the "Going Global" (or "Going Out") strategy and the opening to the outside world. Based on the "Going Global" strategy, emerged in 1999, Chinese firms were urged to take advantage of the flourishing world trade and to invest in global markets, distancing from to the Mao-era mindset of self-reliance (China Policy, 2017, p.3). This strategy reflects China's ambitions to become global leader and champion of free trade (China Policy, 2017, p.3). In 2001, China joined the World Trade Organization (WTO), and its "Going Out" strategy had been formalized as a primary economic development goal, in the framework of the 10th Five-Year Plan of 2001-05 (Chen et al, 2017). Chinese companies were encouraged to strengthen their international competitiveness and to this extent, Beijing had committed itself to several major domestic market-opening concessions. Furthermore, Chinese embassies overseas were instructed to enlarge their commercial support to Chinese companies in navigating unfamiliar foreign investment and legal environments, and to

help them understand their own advantages and disadvantages abroad. Consequently, the outward FDI rose dramatically in the following years. China moved to the front ranks of large global investors, becoming a major exporter of capital from a major exporter of goods (Nash, 2012). As a result, during the first years of the 21st century, China started to have a growing presence in Europe and in general in the world. In this framework, COSCO's plans aimed to proceed with investment opportunities overseas, following China's "Going Global" strategy.

Secondly, COSCO had the goal of operating its own port located in Europe already by early 2005. Wei Jiafu, CEO and President of one of the world's leading Chinese shipping companies, was aware of the potential benefits that COSCO could gain from the operation of a European port. The geographic location and the commercial value of the PPA made it an ideal candidate for transforming it into a major transshipment hub in the Mediterranean, connecting the markets of three continents, Asia, Africa, and Europe (Stroikos, 2022, p.12). Therefore, and based on personal, commercial, and political interests pertaining to the PPA, Wei participated in several meetings and was highly involved in the entire process of improving China-Greece relations that led to the PPA's deal. Additionally, Wei Jiafu, given his background as a prominent member of the Chinese Communist Party (CCP) and his rank of 'vice-minister' was well positioned to secure support from the Chinese leadership to pursue COSCO's international agenda (Stroikos, 2022, p.12).

At the same time, the then Greek Prime Minister Konstantinos Karamanlis was seeking to extend Greece's "looking East" policy, including Russia, Turkey, Ukraine, the Black Sea, and China based on the already existing commercial and cultural Sino-Greek relations. The objective of the openness to China was set based on concerns that Greece could lose the most interesting Chinese opportunities due to Italy's proactiveness to explore possible benefits through its bilateral cooperation with China (Ma & Peverelli, 2019, p. 56). Within this framework, Evripidis Stylianidis, the then Vice-Minister of Foreign Affairs for Economic Cooperation and Development, made a great effort to "link the Chinese connections of Greek shipowners, who were already expanding their business activities with China, to the political agenda of the

Karamanlis government” (Stroikos, 2022, p.11). To run this plan, Mr. Stylianidis organized a work visit to China with several Greek ship-owners. During this visit, Mr. Stylianidis also met Wei Jiafu (Ma & Peverelli, 2019, p. 56). Through their study, Asteris Huliaras and Sotiris Petropoulos (2014) explained how the highly internationalized Greek shipping industry has heavily influenced Greek foreign policy towards China.

Within this context, it should be highlighted the dominant role of the shipping for the development of the Sino-Greek relations. Thanks to its maritime tradition, Greece has always been a pole of attraction and interest from the powerful forces of history. Up to May 2022, Greece remained the world’s top shipping nation. Greek shipowners own in total 5,514 ships. Today the Greek-owned merchant fleet represents a 21% of the world’s DWT and 59% of the EU’s fleet (Kokkinidis, 2022). During a visit to Greece in 2010, Premier Wen noted that “the merchant marine is an important sector of cooperation between the two countries because 60 % of crude oil imported, and 50% of Chinese merchandise transported is on Greek boats” (Kokkinidis, 2022). Consequently, we easily comprehend that Greece’s shipping power was a crucial factor for COSCO’s involvement in the PPA.

6. The challenges and the deterioration of the EU-China relations

The European Union (EU) and China are connected by a long-term relationship. The EU and China established diplomatic ties in 1975. The EU-China relations have a very significant role in today's global politics. The interactions between EU and China matter significantly for the world affairs as they are the two of the three largest entities in the world. The two blocs account for more than 30% of world GDP (Xuechen, 2021). They are two of the three largest economies and traders in the world. In 2021, China was the third largest partner for EU exports of goods (10,2 %) and the largest partner for EU imports of goods (22,4 %) (Eurostat, 2022). On the other hand, the EU was China's second largest trading partner (China Daily HK, 2022). Their total trade cooperation had an average value of 1.9 billion euros per day (EEAS, 2022). Furthermore, the EU and China are committed to a comprehensive strategic partnership, as expressed in the EU-China 2020 Strategic Agenda for Cooperation (EEAS, 2013). Between the 1970s and the early 2010s, the EU framed China as an important “partner”. Although twenty years ago, the attitudes of some European countries toward China were positive or neutral, the last years, the negative opinions of European political leaders and the public about China are increasing drastically (Brattberg et al, 2021). There is a massive fall in the relationships with China for many European countries. It's a fact that the political-diplomatic relations between China and European Union have witnessed a sharp deterioration with increasingly antagonistic and confrontational criticisms of each side (Li & He, 2022, p.440). Nowadays, the EU-China relations are currently characterized mostly by antagonism and less by cooperation (Head for the Sino-Greek relations of the A9 Directorate for Asia and Oceania of the MFA of Hellenic Republic, personal communication, September 20, 2022). China has been shifted from a “partner” to a “systemic rival”. According to the Joint Communication presented on 12 March, 2019, by the European Commission and the High Representative for Foreign Affairs, the EU currently “deals with China simultaneously as a partner for cooperation and negotiation, an economic competitor and a systemic rival” (EEAS, 2022). Li and He (2022) explain the shift in the EU-China relationship through three main factors: a) the

US factor as structural factor, b) the power symmetries between Europe and China and c) the adjustments to strategic cultures.

The first factor that can explain the shift in the EU-China relations is the US factor. After the end of the Cold War, the development of the EU-China relations was not completely independent from the American hegemony. Europe's China policy agenda took account of its transatlantic relations due to its fundamental relationship with US based on the security guarantee (Li & He, 2022, p.445). Following the Cold War, Europe followed US' strategy in utilizing China's cheap labor and huge market. However, in recent years the rise of China has led to a different "restraint" US' strategy toward China, creating the US-China competition. The ideological, political and economic ties of EU with US resulted in deep collaboration with US in dealing with China. Additionally, the COVID-19 pandemic has further increased the antagonism between US and China and intensified pressure from US for Europe to "take measures" to restrain China's rise (Li & He, 2022, p.446). For example, in the context of the EU-China antagonism, following the US-China rivalry, core EU members like Germany, France and Italy have modified their legal frameworks in order to secure and control more closely foreign investments, a measure targeting indirectly Chinese FDI (Schoening & Kirwitzke, 2021).

The second crucial factor that affects the EU-China relations is the factor of the power symmetries between China and Europe, that are founded on the symmetries between their material power and rivalry of norms (Li & He, 2022, p.447). Considering the massive growth of China during the last decade, China has an advantage in terms of material equipment and in terms of the rivalry of rules and norms. Firstly, regarding their rivalry of material power, the economic and trade relations has always been a predominant pillar of the EU-China cooperation. However, the significant rise of China has changed the balance between the two parties, leading to an undeniable competition. Chinese companies are becoming more and more competitive, something that is reflected through the ambitious Chinese initiative MIC 2025, which aims to "secure China's position a global powerhouse in high-tech industries" (ISDP, 2018,

p.1)¹¹. Thus, there is a growing appreciation in Europe that "China is overtaking its traditionally predominant high-tech industries and seizing the commanding heights of the future economy" (Li & He, 2022, p.447). Additionally, China's excess production capacity¹² could be a potential danger to relevant EU industries, making European domestic consumption dependent on the Chinese market (Kratz & Oertel, 2021). For example, the shortage of medicine and medical equipment inside EU, caused by the COVID-19 pandemic, made the European business communities to call for a reduction of their dependence on the Chinese market (European Parliament, 2021). According to the Joint Communication of the European Commission (2019), "the balance of challenges and opportunities presented by China has shifted" and "China can no longer be regarded as a developing country. It is a key global actor and leading technological power". Consequently, EU, taking account of the evolving nature of the Chinese economy, defined China as an economic competitor. Secondly, regarding their rivalry in norms, based on its value-based diplomacy, EU established in the past a constructive engagement strategy with China aiming to gain economic benefits and to incorporate China into the Western expectations (Pan, 2012, p.45-48). The failure of this scheme and the economic success of China under the governance of the Chinese Communist Party, was not accepted easily by many Europeans and led EU to re-assess its strategy of engagement with China (Li & He, 2022, p.447). This difference between the value systems of the EU and China created a rivalry in terms of norms. The rivalry was reflected for example through the EU reactions after China introduced the Law on Safeguarding National Security in the Hong Kong SAR in May 2020. Within this context, in July 2020, the EU imposed limitations on the export of technological equipment to Hong Kong SAR (Reuters, 2020). This issue is still under close monitoring by the EU and through a statement in July 2022, asked China to ratify the International Covenant on Civil and Political Rights (ICCPR) without any further delay (EEAS, 2022). Additionally, the rising rivalry between the EU and China was evident through the emergence of a diplomatic conflict in March 2021. In this framework, the EU imposed sanctions against China based on the human rights violations of the Uyghur

¹¹ For more details about the MIC 2025, see chapter 3.1. of this dissertation, p. 26.

¹² For more details about China's excess production capacity, see chapter 3.1. of this dissertation, p. 27-28.

Muslim minority in the Xinjiang region (Emmott, 2021). The target of the EU sanctions were four Chinese individuals and one entity connected to the reported mass detention and persecution of the Uyghur ethnic minority. In response, at the same day, the People's Republic of China (PRC) announced countersanctions on 10 individuals and 4 entities in the EU, including Members of the European Parliament and of the Council's Political and Security Committee (EPRS, 2021). For conclusion, we should highlight that according to a poll carried out by the ECFR, Europeans see China even more negatively than before the pandemic (Krastev & Leonard, 2022).

The third factor explaining the shift of the EU-China relations is the adjustment to strategic culture. Johnston (1995) defines the strategic culture as an “ideational milieu which limits behavioral choices”. He continues describing the strategic culture as “an integrated system of symbols which acts to establish pervasive and long-lasting strategic preferences by formulating concepts of the role and efficacy of military force in interstate political affairs, and by clothing these conceptions with such an aura of factuality that the strategic preferences seem uniquely realistic and efficacious”. Li & He used the strategic culture to highlight the shift on the global strategies of China and the EU. China’s current global strategy has shifted from keeping a low profile to striving for achievement (Yan, 2014). “Keeping a low profile” is mainly helpful for economic growth, while “striving for achievements” aims to political progress (Yan, 2014, as cited in Li & He, 2022). According to Chinese President Xi Jinping, the priority of China’s foreign policies is to realize the great revival or rejuvenation of China (CFR, n.d). On the other hand, the EU focuses on its strategic autonomy. The concept of “strategic sovereignty for Europe” has been spread among the EU member states, becoming the essential core of the EU’s global strategy adjustment (Li & He, 2022, p. 449). In November 2019, the new President of the European Commission Ursula von der Leyen focused on the EU’s foreign policy stating that “We must go our own European way with confidence” and adding that “Europe must also learn the language of power” (Carrel, 2019).

6.1. The position of Greece within the EU-China relations

Despite the current tensions between the EU and China and between US and China, Greece has been considered one of China's closest European allies (Gugulashvili, 2022). There is no doubt that Greece has been among the most China-friendly countries in Europe (Brattberg et al., 2021). The strong ties between Greece and China were evident through a series of Greece's decisions to support China inside the EU. A first example was Athens' support to Beijing in 2016, after the ruling of the International Arbitration Court on the dispute on the South China Sea (Tonchev, 2022). A second example of the strong bonds between Greece and China was the veto from Greece on EU's statement on China human rights at U.N in June 2017 (Emmott & Brunnstrom, 2017). Greece declined to approve an EU statement criticizing the crackdown on activists and dissidents under the Chinese president, Xi Jinping. Additionally, Greece joined officially the BRI in 2018 and joined Greece joined the "17+1" format in 2019. Talking about the position of Greece in the framework of the deteriorated EU-China relations, Spyros Lambridis, a Greek Ambassador and permanent representative to NATO, claimed that Greece tries to maintain its "friendly" relation with China, mainly relied on economic and commercial interests. He stated: "We strategically opt for the best possibilities for our own country, again always within our obligation with the main organizations, which is the EU and NATO. Thus, so far, we have joined the Belt and Road Initiative in a very concrete project and in a very concrete term, not looking at that as a strategic relationship with another partner, but certainly we are not going to abandon it, just because others do". Lambridis added: "If we analyze that there is a threat out of that relationship, we will reconsider. But at this point all that we are getting out of this is the benefits of a healthy and very legitimate commercial relationship" (Greek City Times, 2021).

Nevertheless, the shift of the EU's strategy toward China has gradually brought a new approach to the Sino-Greek relations by the current Greek government. The deterioration of the EU's diplomatic relations with China changed the political landscape in Greece towards China and marked the end of a period that was

characterized by unprecedented political cooperation between Greece and China, under the governance of Syriza. In July 2019, the conservative New Democracy party (ND) won the parliamentary elections and Kyriakos Mitsotakis, managed to bring the party back to power. Kyriakos Mitsotakis, realizing the change of the balance of power between the EU and China started to reconsider the Greek foreign policy strategy toward China. The Prime Minister does not aim to proceed with high-profile goodwill gestures towards China, in comparison with its predecessor, Alexis Tsipras, such as the Greek veto from former Syriza's government on EU's statement on China human rights at U.N in June 2017. Moreover, the different attitude of Greek current government was reflected when Greece for example didn't accept the Chinese proposal to host the 2022 summit of 17+1 in Athens (Head of Asia Unit at the IIER, personal communication, August 31, 2022). Although the Greek government justified the rejection, referring to the high cost for hosting the summit and to the unstable security conditions due to coronavirus pandemic, China's displeasure was obvious, and Beijing was not convinced with the justifications from the Greek side. Beijing believed that Greece received pressure from its Western partners to decline the organization of the summit (Tarkas, 2021).

Furthermore, the impact of the deteriorated EU-China (and US-China) relations appeared to have spillover effects on the Sino-Greek relations. For instance, it was evident on the telecommunications field, where Greece decided to join the US-led Clean Network in order to build its 5G network. The US-led Clean Network is an anti-China initiative which aims to “cleanse” Chinese telecommunications and network equipment of the internet, affecting European companies and their offerings in the US network (Center for China & Globalization, 2021, p. 16). The previous American government of Trump was pressuring countries to not use any Chinese companies, such as Huawei and ZTE, when building 5G infrastructure. This US-China technology rivalry has had a great effect on the EU's 5G-related agenda. Consequently, Greece didn't allow Huawei to be involved in the construction of 5G networks in Greece, clearly showing its stance in the economic antagonism between its Western allies and China. (Pyatt, 2020). These two facts in combination with the lack of progress in COSCO's plans for the construction of the pier IV in the PPA led the Chinese government to recall the

Chinese Ambassador, Zhang Qiyue to Beijing in March 2021 (Brattberg et al., 2021). During an interview to Washington Post, Kyriakos Mitsotakis expressed his mindset toward the Sino-Greek relations within the context of the current EU-China relations. When asked if he was worried that China's economic presence will turn into a political and military presence, he replied: "Absolutely not. Greece is a member of NATO and of the European Union. We want to have good relations with China, but they are also strategic competitors" (Weymouth, 2021).

7. Conclusion

This dissertation has studied the bilateral relations between Greece and China during the 21st century. Within this context, we focused on the impact of the BRI and the EU-China relations. We have achieved to meet our initial objectives and to describe in depth the impact of the two variables we used to investigate the Sino-Greek relations. Our dissertation gave us the opportunity to contribute to the enrichment of the literature for the Sino-Greek relations, presenting the impact of the BRI and the EU-China relations to a small European country with strong ties with China. Additionally, through this dissertation, we have demonstrated our study as a useful laboratory for the future relations of China with other EU's states, considering that the EU-China relations have been deteriorated the last years.

Furthermore, at this stage we should briefly describe the limitations that we faced to conduct our research. Initially, we didn't find many academic sources regarding the impact of the current EU-China relations on the Sino-Greek relations. Within this context, our study is an important contribution to the literature. Moreover, when studying the literature related to China and the Chinese policies written by Chinese researchers, we noticed that many references were coming from Chinese sources, without having the possibility to translate them in English. Thus, we were not able to use these sources to enrich our investigation. In addition, more limitations were found during our interview process. We tried to contact the authorities of the PPA to obtain more information about COSCO's involvement in the port, but it was not feasible to proceed with any interview due to the unavailability of the administrative staff at the time of our request.

Through this research, we can comprehend that Greece and China have developed strong ties during the 21st century in several fields, like diplomacy, economy, and culture. Although, there has been a lower volume of cooperation the last years, the two countries have strong foundations that maintain their connection in a satisfying bilateral level based mainly in the economic and cultural activity. Below, we have

proceeded with the test of our two sub-questions that we set for the purposes of our dissertation.

7.1. On the BRI as a “guarantee” for the further development of the Sino-Greek relations

Considering all the analysis presented above, we comprehend that the BRI did have an important impact in the development of the bilateral Sino-Greek relations during the 21st century. Since 2013, the BRI's impact boosted mainly the economic relations between Greece and China, through the investment of COSCO in the PPA and some more important Chinese investments. Obviously, the strong cooperation between Greece and China under the BRI and the PPA's project, during a fertile period between 2014 until 2019, had a positive effect on the improvement of the bilateral Sino-Greek relations in other fields as well, such as diplomacy, culture and tourism. Nevertheless, based on the status quo of the Sino-Greek relations, there is evidence to suggest that the BRI can't guarantee the further development of the Sino-Greek relations due to the following reasons:

1. The biggest and most important Chinese investment in Greece, COSCO's involvement in the PPA, started under the framework of the Sino-Greek bilateral relations in 2008, five years before the emergence of the BRI. Subsequently, we can claim that although it was reinforced with the BRI, COSCO's involvement in the PPA didn't take place under the BRI framework.
2. Despite the initial big plans of China in terms of under the BRI, there are only two important Chinese investments in Greece after the BRI's establishment in 2013: the acquisition of the major stake of the PPA in 2016 by COSCO and the acquisition of a stake of IPTO by China State Grid Corporation.

3. The Greek Prime Minister during an interview¹³, said that Greece doesn't depend specifically on Chinese investments anymore and that he doesn't expect Chinese investments in terms of infrastructure.
4. The environmental concerns for COSCO's activities and the reactions of the local authorities seem to face big obstacles. Currently the Chinese plans for the construction of the pier IV in the PPA are frozen.

7.2. On the impact of the deterioration of the diplomatic EU-China relations on the Sino-Greek relations

Considering the second variable we analyzed above, we can comprehend that the EU-China (in which the US-China relations play a role) tensions do have an impact on the Sino-Greek relations.

1. The current government of New Democracy follows a different approach toward China in comparison with the previous government. The shift of Greece's approach toward China is evident on actions, such as the decline to host the summit of 17+1 and on the rhetoric of the Greek Prime Minister. This means that Greece has aligned with the shift of EU's approach toward China. The current government is not willing to perform notable good-will gestures in favor of China.
2. Being aligned with EU's strategy toward China, does not prioritize the Chinese investments. The plan for the further development of the biggest BRI project in Mediterranean, the PPA's project, through the creation of a pier IV, is blocked.
3. There is evidence of the effects of Greece prioritizing its relationship with the EU (and the West). Greece chose the US-led Clean Network in order to build its 5G network, preventing Huawei to be involved. Through this fact, we can comprehend that Greece

¹³ See section 4.2 of this dissertation.

showed its positioning in terms of partners for strategic sectors and its intentions are being translated into national and foreign policy.

4. The most important BRI project in Greece, the PPA's project, faces many difficulties to grow and proceed with further development. The current EU-China relations (and the US-China relations) don't make the growth of the PPA a priority for the Greek government.

Although Greece has strong ties with China, the EU-China tensions make Greece to evaluate its priorities and “choose” the side that can give more advantages to Greece in order to achieve its strategic goals and interests. Recently, Greece has signed military agreements with France and the US, that can contribute to the regional security, where China has little to contribute (Head of Asia Unit at the IIER, personal communication, August 31, 2022). Nevertheless, the Greek government is taking account of Beijing's political and diplomatic clout very seriously. China's permanent seat on the UN Security Council makes Athens hope that China could potentially support Greece in a standoff with Turkey, the most important foreign policy issue of Greece (Head of Asia Unit at the IIER, personal communication, August 31, 2022). Therefore, Greece tries to keep a balance between the EU and China, being aligned with EU's approach toward China but keeping a distance from statements on human rights in China or other sensitive political issues. On the other hand, China aims to focus on the maintenance of its relations with Greece mainly through soft power projections (Tonchev, 2022). Greece is an important part of its grand strategy in the Southeast European region, in order to achieve its long and short-term strategic goals. Based on our analysis, the Sino-Greek relations will maintain their friendly tone and their cooperation will continue mainly through their existing economic and cultural relations.

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9. Appendices

9.1. Interview Responses

Interview made with the Head of IIER on 2022, August 29 (Translated from Greek):

i. Is BRI “guarantee” for the further development of the PPA?

No:

- Firstly, because the appearance of COSCO in Piraeus in 2008 was five years before the announcement of the BRI and was part of the framework of bilateral Sino-Greek relations.
- Secondly, because the Silk Road is - now proven - badly designed and in need of serious repair, if it is capable of repair. Typical problems: (A) with environmental pollution caused by many construction projects with Chinese participation, (B) faced by the Chinese policy banks themselves to collect their money in many countries in Asia, Africa and South America, even in the Western Balkans.
- Thirdly, because the BRI label that the Chinese stick everywhere with great ease does not necessarily guarantee either sustainable economic growth or the strengthening of diplomatic relations. A typical example is the decline of the much-hyped (mainly by the Chinese) 17+1 formation in Central/Eastern Europe.

ii. During an interview in 2019, COSCO’s CEO, XU Lirong, said that COSCO’s goal is to make Piraeus the biggest port in Europe. Is the goal feasible and realistic in your opinion?

No:

- Firstly, because the statements of Chinese officials usually follow the instructions of the political leadership of the country and this does not make them more reliable.

- Secondly, because the prospect of Piraeus becoming the biggest port in Europe - despite the big mouths of the Chinese and the naivety of the Greeks - was never realistic. Rotterdam in the Netherlands, the Antwerp-Zeebrugge consortium in Belgium and Hamburg in Germany will not surrender without a fight. Meanwhile, Tangier-Med in Morocco and Valencia in Spain have already overtaken Piraeus in the Mediterranean in terms of the number of containers they handle, and Israel's Haifa is on the rise following its takeover by the Indian group Adani.
 - COSCO's goal remains the construction of a pier IV in Piraeus, which would increase the capacity of the port to 11 million TEUs per year, but even in this case, Piraeus will hardly be able to approach the other major ports of Europe.
 - It is most likely that Piraeus will remain what it is now - the largest passenger port in the Mediterranean.
- iii. Does the deterioration of diplomatic relations between the European Union and China have a negative effect on Sino-Greek relations? And if so, what is its size?**
- Greece seeks to maintain good political relations with China, considering mainly the political weight of Beijing (as a permanent member of the UN Security Council) in view of the Greek-Turkish conflict.
 - The apparent deterioration of Euro-Chinese relations is clearly taken into account by Athens. Even more important is this: The number 1 issue in Greece's foreign policy is Turkey. In recent years, Athens has signed important defense agreements with the US and France, while China has nothing tangible to offer in the field of regional security.
- iv. Can the Sino-Greek "friendship" be a tool for China to ease the tensions in its relations with the European Union?**
- The current government is not expected to make the goodwill gestures towards China that the previous government made in 2016-2019 (supporting the South China Sea issue

in 2016, blocking the EU declaration on China's human rights in 2017, joining in BRI in 2018, joining 16+1 in 2019).

- Notably, the current government rejected the Chinese proposal for Athens to host the 17+1 summit in 2022 and did not allow Huawei to be involved in the construction of 5G networks in Greece.
- Greece is not expecting any bigger Chinese investments and no longer harbours the delusion that China will save the Greek economy. Besides, the USA, European companies, countries of the Middle East, etc. have shown a keen interest in investing in Greece.
- While the friendly tone in Sino-Greek relations is expected to be maintained, Greece will not risk its relations with its Western partners. While he avoids denouncing China to the UN for human rights violations, he aligns himself with the EU's stance towards Beijing.

Interview made with the fellow of European Political Economy on 2022, September 1:

i. What's your opinion about the current status of EU-China relations?

Regarding the first question, I think we can observe tensions between the EU and China. There are multiple reasons. For instance, the EU has to pick up a side: the US or China. Also the EU is competing with China (as well as the US) in the global tech race.

ii. Does the deterioration of EU-China relations impact on the relations of China with Greece, one friendly European country toward China?

In terms of the second question, sorry that I don't have too much knowledge of Sino-Greek relations. But generally, I believe China has put efforts to enhance relations with the EU as a whole and EU member states. The EU is more concerned with China's so-called 'divide and rule policy'. The EU's foreign direct investment is a telling example (although it is not merely designed to investigate investment from China). One more

thing: I think it is always helpful to talk with policy-makers. Based on my field work experience, policy makers sometime hold rather different opinions with scholars.

Interview made with the Head for the Sino-Greek relations of the A9 Directorate for Asia and Oceania of the MFA of Hellenic Republic on 2022, September 20:

i. Is BRI “guarantee” for the further development of the PPA?

The interviewee stated that Chinese use to present that in the framework of BRI, they proceeded with the COSCO’s investment in the PPA acquiring the major stake of the port in 2016. But actually, COSCO’s involvement in the PPA started in 2008 and basically, COSCO’s investment in the PPA hasn’t taken place under BRI framework. Furthermore, the interviewee said that Greece joined officially BRI in 2018 and participates in the corresponding processes. But BRI hasn’t opened the doors for the Chinese investments in Greece in a great extent. Indeed, China tried to invest also in other sectors, besides COSCO’s investment, taking profit of the privatizations’ plan in Greece due to financial crisis. But there was just one more important Chinese investment, when China State Grid Corporation, acquired a 24-% stake in IPTO in 2016. Additionally, China invested also in more sectors, like real estate and tourism. But the main and most significant Chinese investments in Greece are definitely the ones from COSCO and China State Grid Corporation.

ii. Does the deterioration of diplomatic relations between the European Union and China have a negative effect on Sino-Greek relations? And if so, what is its size?

The interviewee said that there has been a “deterioration” on the diplomatic relations between EU and China. This deterioration was confirmed through the sanctions imposed by EU in 2021 and the sanctions from the Chinese side in retribution. But the dialogue between EU and China is ongoing and in this context the EU-China summit took place on 1 April 2022. Through discussions and negotiations the two sides try to solve their issues and define the fields where they can cooperate. The interviewee highlighted the approach of EU toward China based on which EU sees China as “a partner for cooperation and negotiation, an economic competitor and a systemic rival”. And he added that today the EU-China relation are currently characterized mostly by

antagonism and less by cooperation. About the impact on the Sino-Greek relations, the interviewee commented that the relations between Greece and China continue in a bilateral level in regards to investments and interactions but obviously, Greece can't stay uninvolved in EU's positions toward China. But Greece tries to keep a balance between EU and China, participating on the EU-China dialogue and submitting proposals for the bridge-building between EU and China.

iii. Is the construction of the container pier IV in the PPA priority for the Greek government?

The interviewee said that COSCO has proceeded with some proposals about the extension of the PPA. An investment plan was submitted but it was rejected by Greece's highest administrative court, the Council of State, blocking the expansion of the port. Moreover, the interviewee stated that a new investment plan was recently submitted and it's awaiting approval. He added that they are waiting for the decision of the Council of State in order to proceed further with the plans for the PPA. It needs to be assessed the implementation plan, taking into consideration all the aspects like for example, the impact on the environment and on the local community. He concluded saying that the negotiations and the discussions are in progress, and this is the most important.