



**Statement before the House Foreign Affairs Subcommittees
on Asia, The Pacific, Central Asia, and Nonproliferation,
and Europe, Energy, the Environment and Cyber**

***“U.S.-European Cooperation on China
and the Broader Indo-Pacific”***

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Thank you, Chairmen Bera and Keating, Ranking Members Chabot and Fitzpatrick, and distinguished members of the Subcommittees, for this opportunity to speak on what will be the defining strategic and security issue for the U.S. and its European and Asian allies in the years ahead.

The Department of Defense has labelled China a “pacing challenge” for the U.S. military.¹ As we focus all our national efforts to address this challenge, it is essential we use all of our strategic advantages. Of course, our “greatest strategic asset”, which our competitors do not possess, is our global network of allies and partners.² But in order for our greatest asset to be successfully deployed to assist the United States in its efforts vis-à-vis China, it is essential that the United States more deeply invest diplomatically, economically, and militarily with its European allies and partners. Unless we are willing to fully implement a consistent (unaffected by shifts between Republican and Democratic administrations), credible, and whole-of-society allied policy toward China, the United States will not succeed. That is the strategic premise for U.S. investment in our allies. But let us be equally clear-eyed about the magnitude of the task: broadly speaking, our European allies do not view China as a pacing challenge; they view China as vital to their future economic vitality. Therefore, as we significantly reinvest in strengthening our alliances, we must be realistic in what we can expect from our European allies in the near term.

A Clear-Eyed Allied Assessment

Any clear-eyed assessment begins with the difference in priorities regarding global threat perception. For many NATO allies, Russia remains the primary security threat, which is underscored daily by Moscow’s aggressive behavior in Ukraine and the Black Sea, in cyberspace, in the Arctic, and in Africa. For other NATO members, their primary security challenges emanate from the south in the form of migration and terrorism. For many allies, China is not only not a security challenge, it is an economic opportunity and alternative free from Western conditionality.

But allied attitudes have begun to shift due to U.S. leadership. At the 2019 NATO Summit in London, allies for the first time recognized that China poses challenges for the Euro-Atlantic community.³ However, the language was carefully crafted, also referring to opportunities to work with China.⁴ The 2021 Summit Communiqué was more decisive, claiming that, “China’s stated ambitions and assertive behavior present systemic challenges to the rules-based international order and to areas relevant to Alliance security.”⁵ Allies urged China to uphold its international commitments and increase transparency on its growing nuclear arsenal, its military cooperation with Moscow (including its participation in Russian exercises in the Euro-Atlantic area), and its use of disinformation abroad.

¹ Carla Babb, “Pentagon Launches Effort to Better Address China Challenge”, VOA News, June 9, 2021, <https://www.voanews.com/usa/pentagon-launches-effort-better-address-china-challenge>.

² The White House, *Interim National Security Strategic Guidance*, (March 2021), <https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>.

³ “NATO recognizes China ‘challenges’ for the first time”, DW, December 3, 2019, <https://www.dw.com/en/nato-recognizes-china-challenges-for-the-first-time/a-51519351>.

⁴ NATO, *London Declaration*, (December 2019), https://www.nato.int/cps/en/natohq/official_texts_171584.htm.

⁵ NATO, *Brussels Summit Communiqué*, (June 2021), https://www.nato.int/cps/en/natohq/news_185000.htm.

What the document does not do, however, is describe China explicitly as a “threat”, nor clarify what NATO is willing to do militarily to counter China, whether in Europe or in the Indo-Pacific. This omission was not accidental: there are many allies, such as France, who do not wish NATO to play a leading role in countering China.⁶

Putting aside differences related to threat prioritization, our allies and partners are not aligned themselves on the nature and degree of the China challenge. The EU (of which 22 countries are also NATO members) considers China to be simultaneously a cooperation partner, a negotiating partner, an economic competitor, and a systemic rival.⁷ It is hard to imagine how the EU and its 27 member states can effectively reconcile these disparate objectives into a cohesive policy. Failure to do so would represent a Chinese success in using its economic and diplomatic tools to divide the EU. The saga of the EU-China Comprehensive Agreement on Investment (CAI) perfectly illustrates the EU’s struggles to unify policy. Late last year, the CAI was quickly forced through, over U.S. objections, with a particular effort from Berlin. Five months later, the European Parliament froze the ratification process after China retaliated against European human rights sanctions by imposing sanctions on members of the European Parliament, think-tank officials, and others.⁸ The agreement is unlikely to be ratified—in large part due to Chinese tactics, not American leadership.⁹

A third challenge that neither the U.S. nor its allies have fully begun to factor into a broader strategic framework is greater Sino-Russian military and political alignment. This alignment has the potential to impose enormous strain on and challenges to transatlantic security, especially as it increases the likelihood of simultaneous pressures in both the Euro-Atlantic and Indo-Pacific. It must be better understood, and its strategic implications explored more fully by NATO members.

The China Challenge and Transatlantic Security

With this in mind, what can we expect from our European allies in the Indo-Pacific? Again, to be clear-eyed, from a military perspective, the answer is not much, and not anytime soon.

It is unlikely that European allies will be able to significantly support the U.S. military posture in the Indo-Pacific in the short- to medium-term. Recent CSIS research analyzing European military capabilities to the year 2030—and their ability to use those capabilities to complete military missions—has revealed some sobering truths.

Even though European defense spending is increasing, and the picture is steadily improving, European militaries will lack the capabilities required to initiate, much less sustain, operations in the Indo-Pacific—including for ballistic missile defense, air precision strike, suppression of enemy

⁶ David M. Herszenhorn and Rym Momtaz, “NATO leaders see rising threats from China, but not eye to eye with each other”, Politico, June 14, 2021, <https://www.politico.eu/article/nato-leaders-see-rising-threats-from-china-but-not-eye-to-eye-with-each-other/>.

⁷ European Commission, *EU-China – A Strategic Outlook*, (March 12, 2019), <https://ec.europa.eu/info/sites/default/files/communication-eu-china-a-strategic-outlook.pdf>.

⁸ “EU parliament freezes China deal ratification until Beijing lifts sanctions”, CNBC, May 20, 2021, <https://www.cnbc.com/2021/05/20/eu-parliament-freezes-china-deal-ratification-until-beijing-lifts-sanctions.html>.

⁹ Yen Nee Lee, “EU-China investment deal is still possible — but not before 2023, analyst says”, CNBC, June 15, 2021, <https://www.cnbc.com/2021/06/15/eu-china-investment-deal-still-possible-but-not-before-2023-analyst.html>.

air defense, and key enablers like strategic airlift, aerial refueling, command and control, and intelligence, surveillance, and reconnaissance (ISR). This is true even for those countries, like France and the United Kingdom, who do have strategic interests in the Indo-Pacific and have some security presence in the region.¹⁰

But there is potential for greater European support to U.S. force posture and presence in the region. France and the United Kingdom *are* able to project limited power in the Indo-Pacific. Due to its overseas territories, France has 8,000 soldiers and dozens of ships pre-positioned in its Indo-Pacific bases.¹¹ France also has strategic partnerships with important countries in the region—including Australia, India, Japan, South Korea, Indonesia, New Zealand, and Singapore—and these interests help propel EU regional policy to be more proactive.¹² However, France is avowedly against NATO taking the lead role on countering China, which will hinder formation of stronger NATO policy regarding China. The United Kingdom also has a network of partnerships and bases and has shown an increased willingness to conduct exercises and deploy maritime assets as part of its “tilt” to the region—including a naval task force led by the aircraft carrier *HMS Queen Elizabeth* that will make its way to the Indo-Pacific in the coming months.¹³ The air and maritime forces of other allies—such as Canada, Denmark, and Italy—have also operated alongside the UK carrier strike group at points during its deployment.

Yet some NATO allies will painfully split the difference of being seen to be more security focused in the Indo-Pacific while doing everything in their power not to anger Beijing. The deployment of the German frigate *Bayern* illustrates this very well: given the timing of its upcoming voyage, the *Bayern* could have joined up with the *HMS Queen Elizabeth* task force to conduct joint exercises and make a show of coordinated European strength. However, the German defense ministry ultimately decided to modify the frigate’s route so that it will not only *not* sail with other European vessels, it will also make a port visit to Shanghai before entering the South China Sea.¹⁴ This is in addition to a prior public declaration that the frigate would not go within 12 nautical miles of any territory claimed by China.

¹⁰ Government of the United Kingdom, *Global Britain in a competitive age: The Integrated Review of Security, Defence, Development, and Foreign Policy*, (March 2021), [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/975077/Global Britain in a Competitive Age-the Integrated Review of Security Defence Development and Foreign Policy.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/975077/Global_Britain_in_a_Competitive_Age-the_Integrated_Review_of_Security_Defence_Development_and_Foreign_Policy.pdf); Government of France, *Defence and National Security Strategic Review*, (2017), <https://www.defense.gouv.fr/layout/set/popup/content/download/520198/8733095/version/2/file/DEFENCE+AND+NATIONAL+SECURITY+STRATEGIC+REVIEW+2017.pdf>, 53; Murielle Delaporte, “France in the Indo-Pacific: A Mediating Power?”, *Breaking Defense*, March 11, 2021, <https://breakingdefense.com/2021/03/france-in-the-indo-pacific-a-mediating-power/>.

¹¹ Ministère des Armées, “Carte des opérations et missions militaires,” February 10, 2021, https://www.defense.gouv.fr/operations/rubriques_complementaires/carte-des-operations-et-missions-militaires.

¹² Pierre Morcos, “France: A Bridge between Europe and the Indo-Pacific?”, April 1, 2021, <https://www.csis.org/analysis/france-bridge-between-europe-and-indo-pacific>.

¹³ Royal Navy of the United Kingdom, *HMS Queen Elizabeth trains with two US Navy task groups*, (July 2021), <https://www.royalnavy.mod.uk/news-and-latest-activity/news/2021/july/13/210713-hms-qlz-and-us-task-groups>.

¹⁴ Hans Kundnani and Michito Tsuruoka, “Germany’s Indo-Pacific frigate may send unclear message”, Chatham House, May 4, 2021, <https://www.chathamhouse.org/2021/05/germanys-indo-pacific-frigate-may-send-unclear-message>.

In recent years, European defense investments have focused on high-readiness, land combat forces and associated enabling capabilities. Several countries, including France, the United Kingdom, Germany, and Italy, are working to rebuild their heavy brigades for high-intensity warfare, modernize strategic platforms, and reduce reliance on American enablers. Improvements are likewise being made in crucial areas such as ground-based air defense, anti-submarine warfare, principal naval surface combatants, and at-sea missile defense. Our allies are capable of conducting almost the entire spectrum of military missions, in most cases independently, in Europe. The primary exception is high-intensity combat against a near peer-competitor, which is too demanding for Europe (or even the United States) to conduct alone. This is also broadly the case in the Middle East and Africa as well, albeit with more missions requiring moderate U.S. assistance. In other words, it is only in the Indo-Pacific where European allies would be heavily dependent on American power in almost all cases.

Because we do not have great expectations for our European allies and partners as active military participants in the Indo-Pacific (with the exception of France and the UK) and their deployment in the Indo-Pacific region may in fact strain U.S. capabilities in the region, it bears considering whether pushing for a greater European military role in the Indo-Pacific would simply serve to weaken Europe's ability to deter and defend against Russia or China in the Euro-Atlantic region.

The new UK Integrated Review—with its simultaneous intention to “tilt” toward the Indo-Pacific and increase UK responsibility in the Euro-Atlantic—could provide a template whereby the U.S. should prioritize stronger European focus on security and collective defense in the Euro-Atlantic area (with strong U.S. participation) with some *targeted* increases in European military presence in the Indo-Pacific.¹⁵ At the same time, NATO should increasingly expand and deepen its partnership activities with Japan and Australia, as well as entertain a dialogue with India. The U.S. should continue to strongly encourage our European allies and partners to follow this model of assuming a greater burden for their own defense while also beginning to consider how they might contribute, even if only in some small way, to missions in the Indo-Pacific.

As Washington looks toward the development of NATO's forthcoming, updated Strategic Concept, this is the approach it should take as it outlines the alliance's priorities with respect to China. Ideally, the Concept would articulate the many diverse ways in which China presents a challenge for the Euro-Atlantic community, beginning with China's activities *in* Europe. This should include the full range of challenges below the threshold of armed conflict such as cyber-attacks, espionage, influence campaigns, supply chain vulnerabilities, and the potential dangers of Chinese investment in NATO allies. A troubling example of the latter can be seen in Montenegro, where, in a European example of China's global tactic of debt-trap diplomacy, the government is in imminent danger of failing to repay a \$1 billion loan from a Chinese state bank to construct a stretch of highway; under the terms of the loan, the bank would then have the right to seize Montenegrin land, provided that

¹⁵ Government of the United Kingdom, *Global Britain in a competitive age: The Integrated Review of Security, Defence, Development, and Foreign Policy*, (March 2021), https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/975077/Global_Britain_in_a_Competitive_Age-the_Integrated_Review_of_Security_Defence_Development_and_Foreign_Policy.pdf.

it does not belong to the military or is not used for diplomatic purposes.¹⁶ The leverage that these terms give to Beijing over Montenegro, a recent NATO ally and EU aspirant, should be clear (although it should be noted that the new Montenegrin government is currently in negotiations with European and U.S. banks to either swap or refinance the loan.)¹⁷ The possible implications for allied military mobility stemming from Chinese investment in strategic locations like ports should also be a priority, although some allies may resist the inclusion of language to that effect.¹⁸ The updated Strategic Concept should also—and likely will—focus on the military risks of China surpassing the alliance on emerging and disruptive technologies like artificial intelligence, big-data processing, and quantum computing, and should focus on Beijing’s growing military capabilities and increasing military ties with Russia.

The 22 countries in both NATO and the EU should pursue similar language formulation in the sections of the EU’s forthcoming ‘Strategic Compass’ that are related to China. Unfortunately, the EU will have great difficulty developing a strong and unified foreign and security policy. This is because it is conducted on the basis of unanimity and some member-states—such as Hungary, whose government has developed close ties with Beijing¹⁹—²⁰ Behavior like this is what will hinder the development of a strong EU Indo-Pacific strategy.

Europe’s Future Economic Competitiveness is a Vital U.S. National Security Interest

Although my fellow panelists will offer their reflections regarding the challenge that Beijing presents related to Europe’s future economic competitiveness, I wanted to offer just a few additional thoughts as part of an overarching framework of U.S. strategic competition with Russia and China. We need a new paradigm for cooperation with the European Union if we are to achieve U.S. objectives, but it cannot be solely based on anti-Chinese sentiment; it must be built on Western strength. This new paradigm will require compromise on both sides of the Atlantic in what my colleague, James Lewis, and I describe as a “Digital Atlantic” compact based on values and strong technological competitiveness.²² The U.S. and the EU no longer have the luxury of continuing their “business as usual” trade competition as the risk that their technological paths will diverge continues to grow. Rather than Europe seeking “technological sovereignty” or “strategic

¹⁶ Rob Schmitz, “How a Chinese-Built Highway Drove Montenegro Deep into Debt”, NPR, June 29, 2021, <https://www.npr.org/2021/06/28/1010832606/road-deal-with-china-is-blamed-for-catapulting-montenegro-into-historic-debt>.

¹⁷ Guy Faulconbridge, “EXCLUSIVE-Montenegro close to deal on lifting Chinese debt burden”, Nasdaq, July 7, 2021, <https://www.nasdaq.com/articles/exclusive-montenegro-close-to-deal-on-lifting-chinese-debt-burden-minister-2021-07-07>.

¹⁸ Sebastian Sprenger, “NATO grapples with grasping China’s transportation clout in Europe”, Defense News, March 4, 2021, <https://www.defensenews.com/global/europe/2021/03/04/nato-grapples-with-grasping-chinas-transportation-clout-in-europe/>.

¹⁹ Reid Standish and Balint Szalai, “‘The Underhanded Sale Of Our Sovereignty’: How China Became An Election Issue In Hungary”, Radio Free Europe, June 13, 2021, <https://www.rferl.org/a/hungary-china-orban-fudan-elections/31304764.html>.

²⁰ James Marson, “Biden to Press NATO Over China Threat”, Wall Street Journal, June 11, 2021, <https://www.wsj.com/articles/biden-to-press-nato-over-china-threat-11623419446>.

²¹ Robin Emmott and Angeliki Koutantou, “Greece blocks EU statement on China human rights at U.N.”, Reuters, June 18, 2017, <https://www.reuters.com/article/us-eu-un-rights/greece-blocks-eu-statement-on-china-human-rights-at-u-n-idUSKBN1990FP>.

²² Heather A. Conley and James Andrew Lewis, “Charting a New ‘Digital Atlantic’”, CSIS, June 9, 2021, <https://www.csis.org/analysis/charting-new-digital-atlantic>.

autonomy,” our transatlantic aim should be to build upon our economic strengths, expand growth and gain the economic benefits of digital technologies and innovation. We can best achieve this by working together.

Conclusion

We find ourselves at a strategic crossroads: the U.S. is crafting a national security strategy and conducting a global posture review; NATO is preparing an updated Strategic Concept; and the EU is working on its ‘Strategic Compass.’ These strategies could converge to reinforce and amplify the challenge that China poses and how the values-based community will respond. With a shared sense of strategic clarity, a clear-eyed sense of what is militarily feasible from our European partners in the Indo-Pacific, and a new strategic framing of our technological partnership with Europe, the United States and its European allies will be well placed to engage in the long-term pacing challenge that China presents.