

**Senate Foreign Relations Committee  
Subcommittee on Europe and Regional Security Cooperation**

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**Written Testimony**

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Chairperson Shaheen, Ranking Member Ricketts, and distinguished members of the subcommittee, it is an honor to have the opportunity to testify before you today.

Over the last few years, Europe and the United States have engaged in the most significant overhaul of their policies towards the People’s Republic of China (PRC) since the opening of diplomatic relations. While the United States has moved further and faster in this process than Europe, the nature of the two sides’ economic, political and strategic concerns about the PRC, and the analysis of how best to respond, has been highly convergent.

This is reflected in the quality of transatlantic exchanges on China. Where it was once contentious even to address China-related concerns openly between Europe and the United States, collective efforts to do so are now embedded across all dimensions of the transatlantic relationship, from summits to working-level coordination, NATO to the EU-US Trade and Technology Council (TTC). The urgency gap that existed between the two sides is starting to close. The Russian invasion of Ukraine, and the PRC’s decision to extend significant political and economic backing to Moscow, has had a catalytic effect on European thinking. While Beijing has so far held back from providing lethal aid, the forms of support it already provides have positioned China as one of the chief enablers of the war. European leaders are now far clearer that while areas of cooperation with the PRC still exist, and effective political channels with Beijing need to be preserved, competition and rivalry are now the defining features of the relationship.

The Russian invasion also acted as an acute warning of the risks of excessive dependencies on powerful authoritarian states, and has forced European leaders to start taking the prospects of a conflict in Asia - particularly a cross-Strait contingency - more seriously. Coming on top of the supply chain vulnerabilities exposed during the COVID-19 pandemic, and the worsening climate for European business in China, it has transformed the notion of “de-risking” the economic relationship from a radical position in the European debate to a matter of political common sense.

While there are still differences over how expansively to define the concept, some of

the basic principles are generally agreed: strengthened technology controls in fields with potential military applications; diversification away from areas of near-exclusive reliance on China; more robust means to address outright economic coercion; and tight coordination with like-minded partners to put these measures into effect. European capitals are now converging on a new set of policy objectives with China for the first time since 2019, when the EU's framework of treating China as a "partner, competitor and systemic rival" was first laid out. European Commission President Von der Leyen's March 2023 speech on how Europe should deal with a China that is "more repressive at home and more assertive abroad" was an indication of the direction of flow. EU member states have again given the Commission space to be bolder and clearer than some of them are willing to be themselves.

### **China's pushback**

The PRC views these developments with concern. Beijing aims to restrict and complicate European involvement in a common front with the United States; maintain a high degree of European openness for Chinese commercial and technological access; and limit any European moves on issues of high sensitivity, especially human rights, Xinjiang, Hong Kong, and Taiwan. The PRC has long understood Europe's importance in a geo-strategic landscape where competition cuts across the economic, technological, information, and ideological domains rather than hard military power alone. Yet Europe's salience to Chinese interests is now even greater in a context where US restrictions on its means of acquiring technologies, tools, and know-how are tightening. In addition to the barrage of criticism of the United States to which European officials and leaders are now routinely subjected by their Chinese counterparts, there is a forensic focus on ensuring that Europe does not close down interactions with China in areas that will affect the development of its advanced capabilities. As a result, Europe is the subject of more intense diplomatic outreach from China than it has experienced in many years.

At the same time, Beijing has essentially decided to accept some level of collateral damage to its standing in Europe as the price for deepening and elevating its ties with Moscow at a time of war. In a previous phase of Chinese foreign policy, Xi would neither have agreed to the "no limits" joint statement with Putin in the crucial weeks before the Russian invasion nor embarked on a full-scale state visit to Moscow at such a contentious juncture a year later. But in the wider struggle that the PRC understands itself to be engaged in with the United States, Xi sees the partnership with Russia - even a weakened Russia - offering greater strategic benefits than any other relationship.

By contrast, Beijing is realistic about where it sees Europe landing. The Chinese Communist Party's internal documents have long referenced "western hegemony", "western values", and "western hostile forces" as the focus of its ideological animus. Chinese assessments have also long seen European strategic decision-making as necessarily conditioned by its alliance with the United States, and view Russia's

invasion of Ukraine as a factor considerably tightening that alliance, a dynamic that will outlast the war. Xi's public remarks at the March 2023 "Two Sessions" notably spoke of "western countries - led by the US", that have "implemented all-round containment, encirclement and suppression against us". The PRC is steeling itself more openly for a broader contest with the West, not the United States alone.

Nonetheless, the PRC certainly wants to limit the extent of the damage to its relationships in Europe. This is one of the principal reasons giving Beijing pause in responding to Moscow's requests for lethal aid, and its willingness at least to go through the diplomatic motions of a peace initiative for Ukraine. Europe's leaders have delivered a consistent message to Beijing in recent months that the provision of systemic military support to Russia would amount to a real rupture in the Sino-European relationship. The Chinese government has taken those warnings seriously.

## **Ukraine**

European messaging has been less consistent when it comes to China's diplomatic role on Ukraine. Some European policymakers see reason to try to incentivize a more constructive Chinese approach; some see value in pushing Beijing on specific aspects of its twelve-point position paper; some have attributed excessive significance to boiler-plate Chinese statements on nuclear weapons; and others have been wholly skeptical about Beijing playing an even marginally helpful role.

Xi's Moscow trip and the recent European visit from China's special representative for Eurasian affairs, Li Hui, certainly poured cold water on some of the more delusional hopes. The center of gravity at present is for Europeans to simulate belief in China's simulated efforts and at least give themselves the opportunity to call Beijing's bluff if nothing results. Europe is also looking to exert pressure on Chinese sanctions-busting, and considering measures to go after a list of Chinese entities engaged in dual-use transfers. But there is undoubtedly a constituency in Europe that sees the risk of an even darker trajectory for Xi's handling of the war - which could see significant military supplies to Russia - as good reason to tread carefully in dealings with the PRC.

## **Taiwan**

Where the Sino-Russian relationship and the de-risking question are at the top of Europe's China debates, the Taiwan question occupies a more delicate and complicated role. There is now clearer awareness of the risks and the stakes for Europe, with the economic shock alone of any cross-Strait conflict dwarfing that of Russia's invasion. The breadth of the sanctions imposed on Moscow has also turned Europe into a part-player in Taiwan-related deterrence efforts that it was not eighteen months ago. China is well aware that the sanctions-coalition is one that could be replicated for Taiwan contingencies, and saw Europe going far further with Russia than it had anticipated, with Chinese officials scrambling - for instance - to figure out the implications of the

central banking asset freeze.

Yet while there is now European willingness to warn China about the need for stability; to make clear that Europe also has a stake in cross-Strait security; and to find creative ways to expand relations with Taiwan - consistent with a One China policy - there is still caution about detailed transatlantic contingency planning for any sanctions measures. This is not just out of neuralgic anxiety about antagonizing Beijing: there is also a concern among European policymakers that any preemptively agreed lowest-common-denominator measures may do more to underwhelm than deter. For now, the PRC has to take into account Europe's demonstrated capacity to surprise on the upside with sanctions. And Beijing is well aware that while Europeans may be cautious about advance signaling, and may not be willing to act decisively for the sake of Taiwan alone, the US frontline position in any conflict scenario will ensure that Europe feels obliged to do so regardless.

### **The transatlantic action agenda - progress and prospects**

As the recent G7 summit in Hiroshima highlighted, United States and Europe, and their wider network of partners and allies in the Indo-Pacific, are now more closely aligned in substance. Where prior summits still saw differentiating language on China from European leaders, reflecting their concerns about "bloc politics" and "confrontation", this looked closest to a real consensus rather than a paper one. The issues at stake have high stakes for the future international security order and major economic interests at home, and will be subjected to fierce intra-European and transatlantic debate. But depicting this as "division" obviates the fact that agreements on consequential areas of policy continue to be reached nonetheless. It is not an analytical mistake that Beijing tends to make.

For now, the fastest-moving areas of cooperation have been on the defensive side. Europe's progress on agreeing an economic security strategy offers the prospect that it will move out of reactive mode on issues ranging from export controls to outbound investment screening. But even if the United States remains the pace-setter, there is now a suite of different areas in which the two sides are in synch, and can be expected to line up their approaches in the coming years. Despite this, it will remain important for the United States to be vigilant across areas of security where gaps and deficiencies are already appearing, such as the lagging of certain European countries on rollout of secure 5G networks, and the expansive openings for Chinese actors in other areas of Europe's digital infrastructure.

There is also much further to go on building mutual capacities among the allies. There are areas where the TTC has unquestionably made helpful progress, from global standard setting to information sharing on subsidies. But on some of the most important parts of the respective domestic economic agendas, such as green industrial policy or data flows, we are still mostly dealing with transatlantic deconfliction rather

than trying to build collective scale, and typically working to make advances on individual silos rather than ambitious joint packages to bolster allied competitiveness.

The offer to the rest of the world needs strengthening too. There is no effective diversification strategy from China that fails to lay out a compelling picture to partners across the developing world. While there have been areas of tentative progress under the auspices of the Partnership for Global Infrastructure and Investment, and initiatives with potential - such as the Critical Raw Materials Club - there is still a sense that the political momentum behind them has lagged behind the scale of the required task. With the Belt and Road Initiative facing the most difficult phase since its inception, as China fails to make adequate progress on addressing the major need for debt restructuring among distressed lenders, the opportunity for Europe and the United States is clear. But there are still fears across much of the developing world that the West is in “pulling up the ladder” mode rather than seeing the diversification drive translating into new opportunities for them in a less China-centric model of globalization.

### **Conclusion**

The United States and Europe have reached a far deeper level of coordination on China than looked plausible a few years earlier. Russia’s invasion of Ukraine might have been expected to consume the two sides’ political focus; it has instead led to an even greater awareness of how closely the Atlantic and Indo-Pacific theaters are now interconnected. The coalition that the United States needs to build to address the shared challenges posed by China spans multiple domains and geographies. Europe will remain a vital part of it in the years to come.