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China's Military Rise

and the Implications for European Security

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Chapter Six

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The Consequences and Implications for European Security and Policy

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China's emergence as a great power has had profound, and increasingly pressing, consequences for the security of European states, even though the focus of China's military rise on its near seas makes it seem a remote problem. The consequences include those that are direct, such as the risk of Sino-US conflict in China's near seas, to those that are indirect, such as growing Chinese economic influence over states that house European naval bases.

The final chapter in this report outlines the key security implications of China's military rise. These range from the risks associated with kinetic conflict, to increasingly frequent hybrid operations, to a future PLA ability to project power in the far seas, to China's world-leading industrial resources and to China's expanding influence over third states. Based on these implications, the final chapter also provides recommendations for European policymakers that are designed to mitigate the security consequences of China's military rise. Unlike during the Cold War, in our time, the world is characterized by a return of hard competition between great powers in a constellation of economic interdependence through globalized supply chains, technological networks and international communication methods. The policy implications, hence, go beyond merely the realm of defense.

The near seas, especially the areas close to China's coast, is the only area in the world where China is likely able to win a war against the United States.

6.1 The outbreak of Sino-US conflict in the near seas

It is increasingly possible that we will see an outbreak of a local war under informatized conditions between China and the United States in the near seas. In fact, the majority of interstate wars have been fought either between great powers or between a great power and a lesser power. The risk of a military conflict between China and the United States is highest in the near seas because this is where the PLAN, PLARF, and PLAAF's modernization achieved its greatest successes, including improved situational awareness. The near seas, especially the areas close to China's coast, is the only area in the world where China is likely to be able to win a war against the United States and its allies. Some of China's military capabilities – such as its world-leading conventional ground-launched missile arsenal – are focused on defeating US CSGs. The militarization of artificial islands in the South China Sea provides Beijing with several fortified points that expand its ability to deny access over the near seas that cannot be bypassed and that cannot be dislodged without a full-on attack. The deployment of Ground-Launched Cruise Missiles (GLCMs) and Surface-to-Air Missiles on its man-made islands in the South China Sea further contribute to, and most likely expand, China's A2/AD. Hence, if Beijing were to risk a confrontation with the United States, it would most likely be in this region.

There are several scenarios in which Chinese and US assets could collide on terms favorable to China with devastating consequences. PLA attempts to take over Taiwan or a maritime confrontation with Southeast Asian US allies in the South China Sea could draw US and perhaps Australian and British naval assets into a confrontation in the Taiwan Strait or further out. The risk of an inadvertent escalation due to misperceptions is also a real possibility. What happens if a faulty computer system indicates on a monitor that the PLARF has launched an IRBM to strike Guam when it has not? This is not without historical precedent. In 1983 during the Cold War, USSR early warning systems indicated multiple US missile launches. On-duty officer Stanislav Petrov may have saved the world, as he refused to report the alarm to his

superiors.¹ In the case of war already having started, the PLA could attempt to lure AUKUS forces into its near seas to make use of its local military advantage – overwhelming its challengers' naval assets. In the heat of battle, informatized warfare in China's near seas goes hand in hand with the risk of both inadvertent and advertent nuclear escalation between China and the United States.

A deliberate Chinese-initiated near seas confrontation likely would be preceded by an attack in the space domain, as this could take out US and European “strategic enablers”. China has a robust anti-satellite capability, which may disrupt European (and US) space-based C4ISR “strategic enablers.”² Before the onset of a conflict with the United States in the near seas, the PLA may use its the SC-19, China's anti-satellite (ASAT) weapon, to disrupt US and European Intelligence, Reconnaissance and Surveillance (ISR) satellites. The US Navy “overwhelmingly relies” on space-based ISR, which may be in range of the PLA's SC-19.³ European forces are also “increasingly dependent on earth observation...telecommunications...and PNT capacities to perform their duties”. In fact, the “destruction of EU space infrastructure could disable terrestrial defenses.”⁴

Consequences for Europe of Sino-US conflict in the near seas

The first consequence for Europe of the outbreak of Sino-US conflict in the near seas is a strategic dilemma: it could either side with the US and balance against China, with all of the complications that such a decision would entail, or it could elect to remain uninvolved in the conflict and, in doing so, let down an important ally on which it relies for its own security (see Figure 12).

From the US perspective, the possibility that the PLAN could increase its control of the maritime commons within the First Island Chain up to the Strait of Malacca requires additional capabilities to balance against Chinese advances. In peacetime, the Biden Administration could request European navies to contribute to a maritime presence in the Western Pacific, for instance through participation in regular Freedom of Navigation Operations (FONOP). In the event of conflict, Washington could request support from European states as well as from the AUKUS security pact to participate in the war effort,⁵ for instance, calling on US allies to blockade the Malacca Strait, on which China depends for trade and energy.

This would force Europe to choose between alignment with the United States, the guarantor of Europe's security, or staying out of the Sino-US confrontation. The decisions Europe makes would determine its position in the EU-China-US geopolitical triangle for decades to come, with consequences beyond the defense realm and the Western-Pacific. Heeding a US request for military support in a conflict risks antagonizing China. This would include the potential for confrontation beyond the near seas, as Beijing would likely see European support for US intervention as an act of war. European support for a US intervention against

1 Pavel Aksenov, “Stanislav Petrov: The Man Who May Have Saved the World,” *BBC News*, September 26, 2013, sec. Europe, <https://www.bbc.com/news/world-europe-24280831>.

2 Policy Department for External Relations - Directorate General for External Policies of the Union, “The European Space Sector as an Enabler of EU Strategic Autonomy,” 34.

3 Larry R. Moore, “China's Antisatellite Program: Blocking the Assassin's Mace,” *Asian Perspective* 38, no. 1 (2014): 163, <https://doi.org/10.1353/apr.2014.0006>.

4 Policy Department for External Relations - Directorate General for External Policies of the Union, “The European Space Sector as an Enabler of EU Strategic Autonomy,” 34.

5 The MS Evertsen, a Dutch Frigate, is conducting a maritime mission as part of a UK CSG crossing the SCS en route to Japan. The UK CSG is now part of the Aukus defense pact. “Aukus: UK, US and Australia Launch Pact to Counter China,” *BBC News*, September 16, 2021, sec. World, <https://www.bbc.com/news/world-58564837>.

A US-China confrontation would force Europe to choose between alignment with the United States, the guarantor of European security, or staying out of confrontation.

China could very well lead to a military spillover effect to other regions, in which European military capabilities, as well as other assets, could be preemptively attacked by China. American, French and Italian military bases and naval assets in Djibouti are less than 30 kilometers away from China's first overseas base and naval assets.⁶ Chinese military assets, especially frigates, destroyers and cruisers, will increasingly be in combat range of European naval assets and bases in the near future. Chinese military deployments aimed at engaging in low-intensity combat missions (e.g. anti-piracy and peacekeeping) or humanitarian missions in the far seas (e.g. Djibouti, Gulf of Aden, Strait of Hormuz, Persian Gulf and in Africa) are likely to increase, as the importance for the PLA to acclimate its new vessels and personnel to the seas grows. In cyberspace, where geography does not limit the PLA's offensive capabilities, PLA retribution may focus on vulnerable (civilian) critical infrastructure, like the Port of Rotterdam or European gas and oil supply.⁷ European intervention in a Chinese-US conflict could well be followed by large scale cyberattacks against European resources on which its economy and perhaps also its military depends. Finally, Beijing will likely raise an economic embargo against Europe, including the supply of critical raw materials, and retaliate against European companies, citizens and representations operating in China.

Alternatively, choosing to ignore a US call for support in China's near seas would risk leaving a gaping hole in Europe's deterrence posture. Most notably, European refusal to support the US in a confrontation in the near seas would risk weakening US commitment to European security. This commitment is formalized under Article 5 of the NATO treaty, though according to the terms of the treaty European states are not obliged to provide support to the US in East Asia. Without the US security guarantee, Europe would face significant gaps in its security architecture, especially when it comes to deterring Russia. A US balancing effort against China in the near seas would reduce the focus and resources the United States is willing and able to commit to Europe, the Atlantic commons, and adjacent waters. At the same time, US elite and public opinion would shift against Europe, putting more pressure on the US government to prioritize the Pacific over the Atlantic. The result would be a gap in the deterrence of Russia in Europe, both on land and at sea, leaving Europe vulnerable to Russia creating *fait accomplis* on the ground, as it did with the Crimea annexation in 2014.

European refusal to support the US in a confrontation in the near seas would risk weakening US commitment to European security.

6 Abdi Latif Dahir, "How a Tiny African Country Became the World's Key Military Base," Quartz, August 18, 2017, <https://qz.com/africa/1056257/how-a-tiny-african-country-became-the-worlds-key-military-base/>.

7 The U.S. Department of Defense warns that Chinese cyberattacks can disrupt the use of a natural gas pipeline "for days to weeks." Office of the Secretary of Defense, "Military and Security Developments Involving the People's Republic of China 2020," 83.

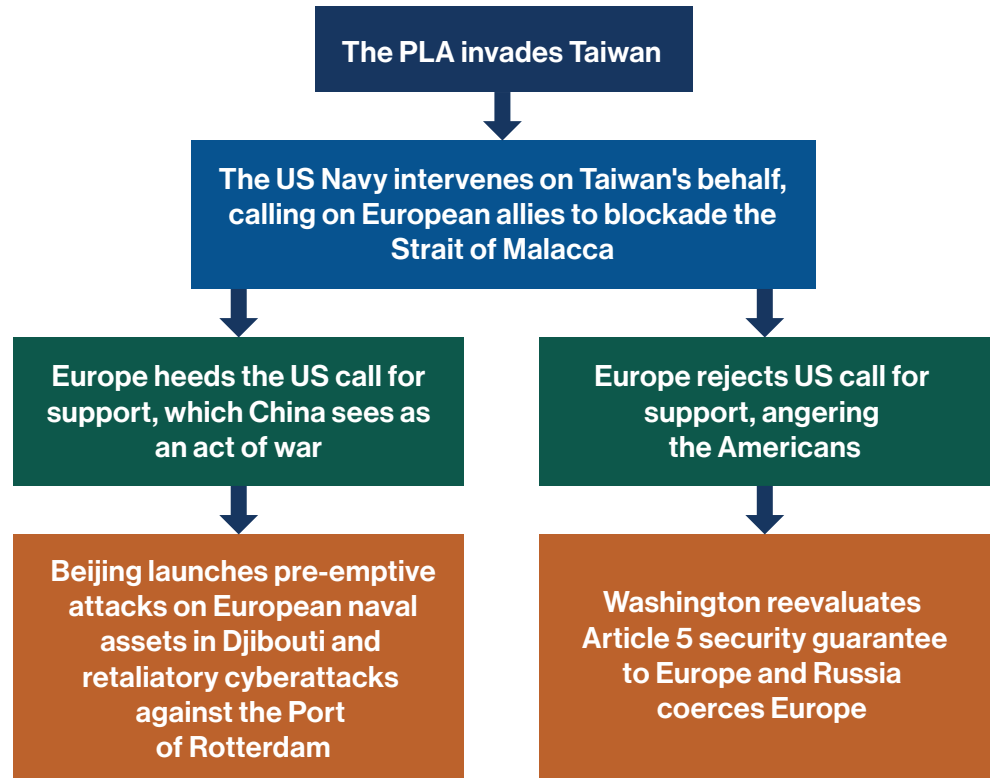


Figure 12 Chain reaction: an American-Chinese confrontation in the near seas presents Europe with a diabolical dilemma

1 Policy implications for Europe of Sino-US conflict in the near seas

→ Minimize the risk of wars fought close to China's shore and of nuclear escalation.

- It is recommended to initiate confidence-building measures, focusing on great power dialogue and the assessment of the possibility for new forms of détente between the US and China in which the EU could take a mediatory role. This should go hand in hand with US efforts to deter China from invading Taiwan.
- European states should continue to promote strengthening the commitment to the Defense Telephone Link between the US and Chinese militaries in meetings between the EU and the US and the EU and China in order to prevent first the outbreak of conventional war and then a nuclear escalation.
- European states should support expert dialogues with China on its dual-use MRBMs and IRBMs to limit the risks of nuclear escalation. Specifically, in order to ensure that a Chinese conventional missile launch is not mistaken for a missile carrying a nuclear warhead, European states should implore upon China the importance of disentangling its conventional and nuclear missile arsenal.

→ Develop national policy positions in European states long before US requests for military support in East Asia. Then, coordinate these positions on a European level.

- It is recommended to develop a policy position on US requests for military support in East Asia. In arriving at that position, high level political and public discussions need to address Europe's place in the world. Are European countries willing to project power in the Indian Ocean? What about the Pacific Ocean? Or are European capabilities better suited to strengthening defenses in Europe and guaranteeing freedom of navigation in the Atlantic, thereby freeing up US resources to focus on East-Asia? These are

fundamental questions to consider because the answers will shape Europe's geopolitical course for decades to come. These are questions that cannot be decided in the middle of a fast-moving crisis.

- The Netherlands is recommended to initiate a discussion, behind closed doors, with the leaders of France and Germany to coordinate a response to any US request for military support. The goal is to prevent another case of European disunity like the one that occurred after the 2003 Iraq War. In addition, a scenario of conflict between the US and China can be placed on the agenda of a summit of the European Council in which the views of states in Central and Eastern Europe that directly depend on the US security guarantee to Europe are particularly appreciated.
- Public broadcasters could initiate round table discussions featuring experts with divergent views on whether or not to military intervene if a conflict between China and the United States breaks out. Preferably this would feature a range of European, American and other experts posing a wide range of views. The discussion *War with China: Are we closer than we think?* on 60 Minutes Australia provides an example of how such a discussion can effectively be had.⁸

→ **Strengthen European defense capabilities.**

- European states should develop additional capabilities and strategic enablers necessary for their own defense, which are mostly still provided by the US military in Europe. This would necessitate spending more structurally and more intelligently on defense. To the extent possible, it would make sense for European states to do this in cooperation with Washington so as to avoid temporary deterrence gaps in Europe and to facilitate an orderly transfer of US resources to the Indo-Pacific. European governments, at the same time, should convey at the top-level to the US that expanding European military capabilities is not “anti-NATO” or “anti-American” in order to ensure an orderly transition.
- Specifically, the investment of European states should focus on expanding conventional deterrence, including increasing military preparedness of battalions, expanding and accelerating initiatives to increase unit mobility, the procurement of long-range artillery to counter Russian A2/AD bubbles and bolstering European command and coordination mechanisms in order to execute missions also without American involvement.

→ **Prepare for preemptive and retaliatory kinetic and cyberattacks against military and civilian targets.**

- It is recommended to prepare contingency plans to deal with the possibility of informatized and kinetic warfare, especially where European forces are deployed in close proximity to Chinese capabilities, but also over longer distances where cyber warfare can still be utilized. In a scenario of conflict breaking out in the near seas, European civilian vessels may equally be at risk of being targeted by units of the PLAN around the world. Timely decisions will need to be taken by European policymakers if they fear that Chinese assets may preemptively engage European assets. For example, this is the case in Djibouti, where China, France, Italy, and the United States have military bases and deploy naval assets within 30 kilometers of one another. In addition, critical infrastructure remains vulnerable to cyberattacks executed by non-state actors.

European states should develop additional capabilities and strategic enablers necessary for their own defense, which are mostly still provided by the US military in Europe.

⁸ *War with China: Are We Closer than We Think?* | *Under Investigation* (60 Minutes Australia, 2021), <https://www.youtube.com/watch?v=kA2KaEKs1LA>.

- European governments could produce a classified overview of places around the world where its military assets are in combat range of PLAN vessels and additional PLA troop deployments. In periods of high tension between China and the US, European ministries of foreign affairs can add warnings on their websites as part of their travel advice for destinations around the world, indicating what areas are in range of deployed PLA military assets.
- European governments should require private companies and local or regional governments that are responsible for critical infrastructure to maintain minimal cyber security standards. Specifically, European government should establish a government-initiated “certification process” for a “clear set of cybersecurity and counterespionage standards” that companies dealing in high technologies must comply with. Including requirements for high levels of cyber security standards in government procurement processes allows for the exclusion of those parties that fail to prove their cyber defenses are at sufficient levels.⁹

→ **Assess which dependencies China could exploit in a scenario of conflict and which dependencies Europe can (threaten to) exploit to prevent coercion.**

- As European support for US military efforts in the near seas risks a Chinese economic and technological embargo, the Dutch and other European governments should assess which areas of dependence on China can be exploited in a scenario of conflict (e.g. 5G and energy grids) and mitigate these – and which areas of dependence are innocuous (e.g. pants, hats and sofas) today and in the future. Considerations of price and individual choice of corporations and universities will increasingly have to play second fiddle to considerations of national security, especially in areas of critical infrastructure. The European Commission, as well as ministries of economic affairs working together with ministries of defense and foreign affairs, are recommended to further develop legislative policies regulating non-EU states involvement in critical infrastructure in Europe.
- Concretely, this means adapting and broadening “lists of sensitive technologies” as well as formulating principles that define what exactly constitutes a “sensitive technology”;
- updating and expanding the mandate of the Nationaal Coördinator Terrorismebestrijding en Veiligheid (NCTV's) and the Ministry of Economic Affairs and Climate's (EZK's) “to mirror the US Committee on Foreign Investment's (CFIUS) Final Regulations Revising Declaration Requirement for Certain Critical Technology Transactions (CCTT)” and formulate guidelines on how to enforce their mandate;
- advocating the introduction and expansion of mandates and knowledge-building efforts within the North-Atlantic Treaty Organization (NATO) to also focus on the challenges that the return of great power competition poses to economic security, for instance in the field of critical infrastructure;
- and accelerating and expanding the work of the EU-US Trade and Technology Council (TTC) on technology and economic security, including Canada, South Korea and Japan in this process where possible.¹⁰
- European governments should assess the areas in which China is strategically dependent on Europe (e.g., in lithography and the semi-conductor supply chain) and share such overviews on a European level. In the event of (economic) coercion as a result of Sino-American and Sino-European conflict, European leaders would have a well-prepared tool of their own they can (threaten to) use to limit further coercion by China.

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⁹ Manen et al., “Taming Techno-Nationalism,” 72, 73.

¹⁰ Manen et al., 71–75.

- In addition, European governments and the EU should engage with Indo-Pacific partners to diversify trade and economic relations, focusing on supply chain resilience, in line with the EU Indo-Pacific Strategy, to prevent intentional and unintentional supply chain shocks.¹¹ One approach to diversify supply chains away from places like China's far-western Xinjiang would be enacting additional good governance supply chain due diligence standards in which the burden of proof rests on the European company to show its supply chain does not depend on forced labor. A growing number of auditing companies will no longer inspect supply chains in Xinjiang due to the severe restrictions enacted by the Chinese government on their work there.¹²

→ **Consider the crucial role that space assets play in modern warfare and mitigate their weaknesses.**

- Policymakers should explore ways to improve the defenses of space-based ISR assets, focusing on countering “cheap, easy-to-deploy” offensive measures such as “earth-based jamming devices, cyberattacks, [or] satellite-mounted lasers” that can disable the sensors of satellites.¹³ Non-space-based (back-up) ISR capabilities may be one way to reduce European and US vulnerabilities. If a moment of détente in US-China competition presents itself, European states – together with the United States – should initiate arms control negotiations with China, aiming to ban anti-satellite weapons.
- At the same time, when it comes to space assets, the EU should consider lowering its dependence on third countries, including the United States. Escalation between the US and China in the near seas could lead EU and US interests to diverge, an outcome that would require European states to maintain autonomy over the ISR of its military assets.¹⁴
- At the European policy-level, space should be included in the “Strategic Compass”. European Union member-states can co-develop space capabilities as well as founding a European Space Security Center “to boost space situational awareness (SSA)”.¹⁵

→ **Put arms control on the agenda of high-level EU-China meetings.**

- European Union engagement, considered more neutral than American engagement, can help put thinking about arms control on the agenda of China's top leadership.

→ **Initiate an EU-mediated track-two dialogue on the role of new technologies in arms control between all major military powers if a moment of détente occurs.**

- Russia and the United States have extensive experience in arms control negotiations. The EU, still considered by Beijing as a less partial actor than the US, could bring academics and think-tankers from China and the US together to discuss arms control.

When it comes to space assets, the EU should consider lowering its dependence on third countries, including the United States. Escalation between the US and China in the near seas could lead EU and US interests to diverge.

6.2 China's industrial resources in a

11 European Commission, “The EU Strategy for Cooperation in the Indo-Pacific,” September 16, 2021, https://ec.europa.eu/info/sites/default/files/jointcommunication_indo_pacific_en.pdf.

12 Eva Xiao, “WSJ News Exclusive | Auditors to Stop Inspecting Factories in China's Xinjiang Despite Forced-Labor Concerns,” *Wall Street Journal*, September 21, 2020, sec. World, <https://www.wsj.com/articles/auditors-say-they-no-longer-will-inspect-labor-conditions-at-xinjiang-factories-11600697706>.

13 Hugo van Manen, Tim Sweijs, and Patrick Bolder, “Strategic Alert: Towards a Space Security Strategy,” *HCSS* March 31, 2021, 30, <https://hcss.nl/report/strategic-alert-towards-a-space-security-strategy/>.

14 Policy Department for External Relations - Directorate General for External Policies of the Union, “The European Space Sector as an Enabler of EU Strategic Autonomy,” 39.

15 van Manen, Sweijs, and Bolder, “Strategic Alert,” 1.

In a protracted conflict, China will be able to rapidly and efficiently expand and repair its military capabilities thanks to its world-leading shipbuilding resources.

protracted conflict

The prolongation of any conflict, either against the US or against both the US and European allies, risks giving the PLA a major advantage. In fact, in a protracted conflict, China will be able to rapidly and efficiently expand and repair its military capabilities thanks to its world-leading shipbuilding resources. European states and the US do not have the same repair and shipbuilding capabilities and are unlikely to match Chinese efficiency. In addition, Chinese Military-Civil Fusion programs and their economies of scale are likely to further improve the quality of its capabilities, increasing the confidence of the PLA in its capabilities.

Consequences for Europe of China's industrial resources giving it an advantage in a protracted conflict

Fighting a protracted war against China would come at great cost in human lives and treasure. Losing a protracted conflict against China, and hence facing the destruction of European (and US) maritime capabilities, leads to a military balance of power in the Western-Pacific and the Indian Ocean unfavorable to Europe.¹⁶ At the same time, a protracted conflict goes hand-in-hand with a constant risk of nuclear escalation, even after months or years of fighting.

2 Policy implications for Europe of China's industrial resources giving it an advantage in a protracted conflict

→ Improve access to shipbuilding and repair capacities.

- To deter China from starting a protracted, conventional conflict and to be prepared in the event of hostilities, European governments need to consider investing in shipbuilding capabilities, prioritizing domestic industries for civilian and military shipbuilding tenders. Arrangements with Japan and South Korea, US allies in the Pacific, provide a second-best option, as these states are the only two states outside of China that currently have large shipbuilding capacity. Indeed, in the case of the outbreak of conflict, European and US navies would significantly benefit in the short-term from having access to Japanese and South Korean ship repair capabilities.

→ National security may trump economic considerations when developing strategic assets such as vessels.

- The development of vessels and other strategic assets is better not left to Chinese shipyards but instead to Dutch or European partners, or if need be by likeminded countries such as South-Korea and Japan. Especially if this development concerns new technologies, such as LNG propulsion or the construction of large vessels, that may also produce synergies with the military sector.¹⁷

→ Expand cooperation initiatives and create synergies between defense R&D and the private sector.

- Expand military research and development and meet the European Defense Agency's (EDA) two percent norm. Participation in military procurement initiatives, namely the "Permanent Structured Cooperation (PESCO), the European Defense Industrial Development Program (EDPIP), the Preparatory Action on Defense Research (PADR) or NATO's Defense Planning Process", is also encouraged.¹⁸

¹⁶ Paul Van Hooff, "Don't Knock Yourself Out: How America Can Turn the Tables on China by Giving up the Fight for Command of the Seas," *War on the Rocks*, February 23, 2021.

¹⁷ Funaiole, Bermudez Jr., and Hart, "China's Opaque Shipyards Should Raise Red Flags for Foreign Companies."

¹⁸ Manen et al., "Taming Techno-Nationalism," XIV.

6.3 China's hybrid actions in its near seas erode international norms

It is probable that China will continue to engage in or even expand hybrid measures designed to further bolster its position in the near seas, using salami tactics, improving its position through incremental steps that stay below a threshold that invites a robust response. These actions all occur under the threshold of war and are difficult to deter as a result. In recent years, these tactics have included a wide range of following activities. The PLAAF regularly engages in operations around Taiwan, including frequent incursions into its air defense identification zone – outside its airspace but close enough that Taiwan scrambles its own aircraft – designed to exhaust the Taiwanese military.¹⁹ The People's Armed Forces Maritime Militia (PAFMM) is used to intimidate small and middle powers. For example, the PAFMM has conducted operations involving large number of ships – more than 200 – which China claims are civilian vessels in Whitsun Reef's lagoon, starting in March 2021, close to the Philippine shores and in its Exclusive Economic Zone.²⁰ This comes on top of China's creation of artificial islands, and the deployment of sensors in the SCS extend China's military advantage in the near seas. The deployment of Ground-Launched Cruise Missiles and Surface-to-Air Missiles on its man-made islands in the SCS likely expand China's A2/AD capabilities. Improvements in Chinese C4ISR, including the deployment of a network of fixed and floating sensors in the South China Sea, are likely to further expand the range at which these weapons can be used accurately. These activities are bolstering China's position in the region and undermining international norms.

Consequences for Europe of China's hybrid actions in its near seas eroding international norms

States that are closer to the European continent may be emboldened by China's actions and begin to behave similarly in the Atlantic Ocean or even closer to the European continent. China's salami-tactics risk eroding the United Nations Convention on the Law of the Seas (UNCLOS) and international norms more broadly. The use of salami tactics contributes to gradually expanding China's control of its direct environment, which may further embolden the PLA to act against US and European assets in the Western-Pacific.

3 Policy implications for Europe of China's hybrid actions in its near seas eroding international norms

→ **Continue to bolster respect for international law and freedom of navigation with like-minded countries.**

- European states should continue to strengthen respect for international law and freedom of navigation through multilateral, regional fora. European governments can

19 Yimou Lee, David Lague, and Ben Blanchard, "China Launches 'Gray-Zone' Warfare to Subdue Taiwan," *Reuters*, December 10, 2020, <https://www.reuters.com/investigates/special-report/hongkong-taiwan-military/>.

20 Andrew S. Erickson, "China's Secretive Maritime Militia May Be Gathering at Whitsun Reef," *Foreign Policy*, March 22, 2021, <https://foreignpolicy.com/2021/03/22/china-philippines-militia-whitsun/>.

take on this role by training lawyers in UNCLOS, participating in fora like the South China Sea International Conference held annually in Vietnam and engage in other activities that help internationalize and multilateralize security in the Indo-Pacific.

- European states should continue to impress on China – as the foremost beneficiary of global maritime trade – the interest Beijing has in maintaining Freedom of Navigation.²¹
- European states should also press the United States to ratify UNCLOS, as its unwillingness to do so weakens the UNCLOS regime and strengthens the “perception that [the United States] abides by international norms only when they align with its national interests.”²²
- European states and the European Union should especially focus on (individual member-states of) ASEAN in order to together express broad support among small and mid-sized (e.g. Indonesia) powers for UNCLOS.
- European states, China and the United States could attempt to build trust in dealing with maritime issues by starting to find common ground in the non-traditional security sphere also including ASEAN. In fact, tackling lower-level issues such as human trafficking, drug trafficking, piracy, and other forms of trans-national crime can help build trust between all the parties involved.

6.4 China's expanding ability to project power in the far seas

Around 2030 China should be able to mount missions to intimidate and coerce small and medium-sized states through offshore threatening and protect supply chains in the Indian Ocean, Middle East, and Africa, certainly if not prevented by a peer competitor. Beijing conceives its external environment to be increasingly hostile to its interests. It, therefore, seeks to complete its military modernization by 2035 in order to deter the US, Australia, Japan as well as European states from taking actions against China's interests such as its use of SLOCs, its investments in the region and the security of its diaspora. At the same time, China delivers the largest troop contribution out of the Permanent Five members of the UNSC to UN peacekeeping missions. Over 80% of them are deployed in Africa. European states are likely to continue to come into contact with – and perhaps even execute missions with – a Chinese peacekeeping contingent, in spite of tensions between the great powers leading to an increasingly ineffective United Nations Security Council (UNSC).

To achieve its far seas power projection ambitions, China will have to overcome its specific military weaknesses and capitalize on current strengths whilst expanding its infrastructure around the Indian Ocean and its adjacent waters to sustain its forces. First, it has to overcome substantial qualitative (i.e. technological) capability gaps, such as its inability to manufacture top-level jet engines, that greatly impede its ability to project power extra-regionally. It is likely that the Chinese government, state owned-enterprises, and PLA will intensify their efforts to overcome key military-technological gaps in their military capabilities, including by leveraging foreign civilian and military technologies in line with proposed policies such as Made in China 2025, China's 14th Five-Year Plan and Dual Circulation as Beijing's threat perceptions increase. Second, efforts to improve the precision of China's world-leading long-range strike arsenal over the next fourteen years will increase the likelihood that the PLARF can strike moving

21 Vuković and Alfieri, “Halting and Reversing Escalation in the South China Sea.”

22 Vuković and Alfieri, 605.

objects in the Indian Ocean and adjacent waters by 2035. Third, China will likely expand its support structure with overseas and overland bases, as well as port investments and an additional number of supply ships. Indeed, China may establish a second and third base overseas close to India, which would allow for land connections to China's Mainland with resupply purposes, for instance, in Gwadar, Pakistan or Kyaupu, Myanmar.

Consequences for Europe of China's expanding ability to project power in the far seas

China will likely continue to target European businesses and universities that do research on, develop, or own dual-use high technologies, to overcome the most persistent, pressing and fundamental gaps that impede its goal of military modernization by 2035, which are of a technological and qualitative nature. All great powers are further incentivized to engage in technology theft as hard competition between them intensifies.

If the PLA successfully concludes its modernization by 2035 and has access to bases in the Western part of the Indian Ocean, the consequences for European security in the Indian Ocean and its adjacent waters are greater. China's significant build-up of conventional blue water and long-range strike capabilities may then provide it with a "sea denial" ability, or the ability to "[threaten] the operation of an opposing naval force in a given swath of the ocean."²³ This would give China the ability to exert sea denial over (parts of) the Indian Ocean and its adjacent water leading to a situation in which nobody is able to enact sea control. European states increasingly depend on trade, commercial maritime traffic to other regions and the supply of natural resources such as crude oil on this area. An increased PLAN presence in the Indian Ocean may also inflame tensions between China and India, threatening regional stability.

Finally, China may come to execute military missions also on land in Africa and the Middle East between 2030 and 2035 in order to protect its overseas diaspora and its overseas investments, two of the PLA's reasons to pursue its current far seas capability modernization. If such missions occur, they will likely take place in states also harboring European bases. China has gained experience in light intensity overseas on land missions through its peacekeeping operations. These missions will continue to bring Dutch and European personnel, both civilian and military, in closer and more regular contact with China's military peacekeeping contingent.

China will likely continue to target European businesses and universities that do research on, develop, or own dual-use high technologies, to overcome the most persistent, pressing and fundamental gaps that impede its goal of military modernization by 2035, which are of a technological and qualitative nature.

4 Policy implications for Europe of China's expanding ability to project power in the far seas

→ **Block the transfer of (especially dual-use) critical Dutch and European technologies to China.**

- Considerations of national security will more often have to receive priority over the interests of individual corporations and universities that develop dual-use technologies, outlawing the sale of these goods or R&D processes to Chinese counterparts.
- First, European governments should map which European companies and universities develop or sell the specific technologies that could be leveraged to help the PLA overcome the key capability gaps that impede its ability to project power in the far seas. These gaps are primarily in the realms of aerospace, avionics, and anti-submarine warfare. Additionally, European governments should prevent that the PLAN obtains

²³ Caverley and Dombrowski, "Cruising for a Bruising," 676.

technology that further expands the precision of its world-leading missile arsenal, which would put European naval assets in range of China's IRBMs (see Table 29 and Chapter 3).

- Second, European governments must assess which specific fields of the current technological revolution are likely to be relevant in future war and limit China's access to leading research within these fields conducted in European universities and companies. This includes big data, photonics, robotics and autonomous systems (RAS), semi-conductors and artificial intelligence.²⁴
- Third, targeted investment screening and export control measures should be expanded within member-states focusing on these key technologies and then coordinated and harmonized within the European Union. Unfortunately, at present, the "EU screening framework represents only the lowest common denominator, wielding little to no central power."²⁵ At the same time, the Dutch government should intensify visa-screening for students from "unfree countries",²⁶ especially at the PhD-level in these aforementioned fields. Funding for a PhD position provided by the Chinese state creates a level of dependence of the PhD student on the state that may be followed by a demand to apply learned skills in favor of the state. Universities, supported by the intelligence services, other governmental agencies, and knowledge centers for security in academic cooperation, should conduct due-diligence research before engaging in cooperation in these sensitive fields.²⁷
- Fourth, it is recommended to coordinate these efforts with the United States, the United Kingdom, and Canada in order to ensure that these technologies are not "leaked" from other states. As aforementioned, it is encouraged to expand and accelerate the work of the EU-US Trade and Technology Council (TTC) on technology and economic security, involving Canada, South-Korea and Japan in this process where possible. A possible outcome of these discussion may be the installment of a new multilateral export control regime similar to the Coordinating Committee for Multilateral Export Controls (COCOM) regime. 17 countries enacted COCOM at the beginning of the Cold War to ensure the USSR did not continue its military modernization by using Western technology.

→ **Expand maritime capabilities suitable to perform freedom of navigation operations in the Indo-Pacific.**

- The Dutch and European navies should invest in self-defence measures against missile attacks and in ASW, given the PLA(N)s ongoing investments in these capability categories. European states should maintain their relative advantage vis-à-vis China of having access to overseas bases in the Indian Ocean.

→ **Distribute development funding in Indo-Pacific in line with strategic interests.**

24 Manen et al., "Taming Techno-Nationalism," VII.

25 Manen et al., XIII.

26 Rathenau Instituut, "Kenniseveiligheid in Hoger Onderwijs En Wetenschap - Een Gedeelde Verantwoordelijkheid," January 11, 2021, 5, <https://www.rathenau.nl/nl/berichten-aan-het-parlement/kenniseveiligheid-hoger-onderwijs-en-wetenschap>.

27 The Rathenau Institute advocates the founding of a "review committee" for the security risks of knowledge cooperation – and encourages the founding of a "knowledge and expertise center for knowledge security" in order to make information on cooperation with "unfree countries" more accessible. Rathenau Instituut, 6. In a hearing in the Dutch parliament representatives of universities also expressed interest in access to knowledge of the intelligence services when considering research cooperation with "unfree countries". Committee for Education Tweede Kamer Culture and Science, *Wetenschappelijke Samenwerking Met Onvrije Landen | Debat Gemist* (Tweede Kamer, Den Haag, 2021), <https://debatgemist.tweedekamer.nl/debatten/wetenschappelijke-samenwerking-met-onvrije-landen>.

- The Netherlands and other European states should consider competing with the Chinese Belt and Road Initiative (BRI) by deepening their ties to the region, for instance, through investment in strategic infrastructure such as ports. However, in the first place these funds should focus on projects closer to home in NATO's treaty area, for example in Montenegro, and in the second place on projects in the areas bordering Europe, for instance in reconstructing the Port of Beirut. In this way, European states can prevent China from laying the commercial foundations upon which military bases may be established in the future. The EU's Global Gateway initiative provides a good starting point to expand development initiatives as well as achieving strategic objectives.
- In addition, as states will transition away from the use of fossil fuel energy sources in the next three decades, the EU can use its European Green Deal to help third countries in their transition, which is one of the goals of the European Green Deal.²⁸ It could help developing countries develop clean energy infrastructure.
- Contributing to sustainable development is also one of the goals outlined in the EU's Indo-Pacific strategy. It is further encouraged to pursue the partnership and trade proposals outlined in the EU Indo-Pacific strategy, such as "concluding [of] Partnership and Cooperation Agreements (PCA) with Malaysia and Thailand [...]; bringing the EU's upcoming Partnership Agreement with the African, Caribbean, and Pacific (ACP) to full fruition; completing EU trade negotiations with Australia, Indonesia and New Zealand [...]; and stepping up the implementation of the Connectivity Partnerships with Japan and India."²⁹

→ **Assess on a case-by-case basis whether future Chinese overseas military missions pose a threat to European deployments and commercial activities.**

- Chinese missions in the Middle East and Africa, if executed around 2030, will likely take place at a time of sustained American-Chinese and perhaps also European-Chinese tensions. Such an operation again puts China's military might in the vicinity of European activities, potentially threatening them if tensions spill-over elsewhere.

→ **Expand ability to cooperate effectively with a Chinese UN peacekeeping contingent.**

- European governments can prepare their military and civilian staff to work with Chinese personnel through language training, providing information about China's political system and by consistently monitoring tensions between China, Europe and the United States in order to ensure the safety and avoid tensions between the European and Chinese peacekeeping contingents.

6.5 China's command of critical resources

China holds a quasi-monopoly on critical raw materials, including those essential to the manufacturing of defense technologies. In 2016, the EU was almost entirely dependent on non-EU

28 European Commission, "Delivering the European Green Deal," European Commission - European Commission, accessed September 15, 2021, https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en.

29 European Commission, "EU Strategy for Cooperation in the Indo-Pacific," Text (European Union, September 16, 2021), 2, https://ec.europa.eu/commission/presscorner/detail/en/QANDA_21_4709.

states for imports of 19 out of 39 categories of raw materials that are deemed important for the defense industry. China is the major producer of “one-third of the raw materials identified in defense applications.”³⁰ At the same time, China produced roughly “85 percent of the world’s rare earth oxide and approximately 90 percent of rare earth metals, alloys and permanent magnets”.³¹

Consequences for Europe of China’s command of critical resources

China could try to leverage its quasi-monopoly on CRM and monopoly on rare earth metals to deny the building blocks that Europe (and its US-ally) need to manufacture military capabilities.

5 Policy implications for Europe of China’s command of critical resources

→ **Expand access to critical raw materials and rare earth metals that are essential for military power projection.**

- European states should consider reopening mines at home to improve access to critical raw materials and rare earth metals.
- European states should intensify their efforts to obtain these materials in third countries.³² The European Commission may want to consider including access to raw materials in all trade agreements with third parties that own such resources.
- Implement additional actions outlined in the European Commission’s 2020 strategy *Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability* such as mapping “the potential supply of secondary critical raw materials from EU stocks and wastes.”³³ Taking both geopolitical and sustainability aims into account, the recycling of critical raw materials in appliances is an avenue worth exploring in the immediate future.

6.6 China’s expanding economic & digital influence in the Indo-Pacific region

30 Claudiu Pavel and Evangelos Tzimas, “Raw Materials in the European Defence Industry.” (LU: European Commission; Joint Research Centre (JRC); Publications Office, 2016), 3, <https://data.europa.eu/doi/10.2790/509931>.

31 China Power Team, “Does China Pose a Threat to Global Rare Earth Supply Chains?,” *ChinaPower Project* (blog), July 17, 2020, <https://chinapower.csis.org/china-rare-earths/>.

32 Patrahau et al., “Securing Critical Materials for Critical Sectors - Policy Options for the Netherlands and the European Union.”

33 European Commission, “Critical Raw Materials Resilience: Charting a Path towards Greater Security and Sustainability” (Brussels: European Commission, September 3, 2020), 11, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0474&from=EN>.

China's economic rise, which has preceded its current military rise, has expanded its influence over third countries in which European states also have interests, in particular the 30 states around the Indian Ocean and its adjacent waters. Beijing's current deep economic ties to the region, including its non-interference policy and omission of good governance and human rights concerns in its trade relations with autocratic leaders, could be fertile soil for the establishment of an eventual China-led alliance network. China's growing trade in both absolute and relative terms vis-à-vis Europe and the United States increases the dependence of third states on China.

As in the case of oil-producing states in the Persian Gulf states, at a time when the US forfeited most of its oil imports from the Middle East, China is likely to wield more leverage over oil producing-states, not only in the Middle East, but also in Africa, South America and North and Central Asia. Given the increased availability of crude oil due to the technological revolution in means to produce oil,³⁸³ producers of this resource are prone to sell it in a market in which China would continue to be the protagonist and main buyer during this decade. The European Union, meanwhile, still depends for 61% of its energy needs on net imports; with 16.7 percent of its oil imports coming from Saudi Arabia and Iraq.³⁴

Finally, the Digital Silk Road, including HuaWei's efforts to set up 5G networks in African, Middle Eastern, South Asian and Southeast Asian states, may come to set standards for the digitalization of the developing world, in spite of the fact that "eight of the world's ten largest economies, countries representing over 60% of the world's cellular equipment market, had either banned or restricted HuaWei from their 5G networks."³⁵ China, likely to continue large-scale (cyber) espionage and procurement of European dual-use technologies, may target third countries that bought European military equipment.

Consequences for Europe of China's expanding economic & digital influence in the Indo-Pacific region

China's deepening commercial ties to the region could incentivize states to act against European interests, for instance, by refusing to host European bases. Trade without good governance and human rights conditions at the very least does not incentivize autocracies to respect human rights nor abide by democratic norms and good governance and may also propel the trend of global de-democratization and decline in freedom, which has characterized the world already for fifteen consecutive years.³⁶

The security implications resulting from digitalization trends should not be underestimated either. The Digital Silk Road facilitates the spread of tools of digital authoritarianism such as smart cameras and face-recognition technology, and high-tech online surveillance technology to enable autocracies to achieve greater non-democratic control over societies. This pushes out European and American competitors through the creation of path dependencies and by contributing to China-led standard-setting practices while enabling greater PLA access to information in third countries.³⁷ Chinese-led digitalization hence risks putting European states in an information deficit and in their dealings with the thirty countries around

34 Eurostat, "Shedding Light on Energy on the EU: From Where Do We Import Energy?," Shedding light on energy on the EU, 2020, <https://ec.europa.eu/eurostat/cache/infographs/energy/bloc-2c.html>.

35 Hal Brands, "Huawei's Decline Shows Why China Will Struggle to Dominate," *Bloomberg.Com*, September 19, 2021, <https://www.bloomberg.com/opinion/articles/2021-09-19/huawei-s-decline-shows-why-china-will-struggle-to-dominate>.

36 Sarah Repucci and Amy Slipowitz, "Democracy under Siege," Freedom House, 2021, <https://freedomhouse.org/report/freedom-world/2021/democracy-under-siege>.

37 Brigitte Dekker and Maaik Okano-Heijmans, "Unpacking China's Digital Silk Road," Clingendael, July 27, 2020, 14–16, <https://www.clingendael.org/publication/unpacking-chinas-digital-silk-road>.

China's economic rise, which has preceded its current military rise, has expanded its influence over third countries in which European states also have interests, in particular the 30 states around the Indian Ocean and its adjacent waters.

the Indian Ocean and its adjacent waters vis-à-vis China. Information asymmetry would be highly problematic; hence European states should boost their efforts to try and attract Indo-Pacific countries to the Western part of the “splinternet”.

States with close military relations to Western states and growing economic ties to China could be the go-between through which China might get hold of European and American military technology. China's deepening ties with the Gulf Kingdoms, the region's foremost purchasers of American, British and French arms, may specifically grant China access to advanced weaponry in the future. The US sale of the hyper-modern F-35 fighter jet to the UAE is, partially as a result of these concerns, on hold.³⁸ The PLAN, PLARF, and PLAFAF would indeed benefit from receiving insights on European dual-use technologies in order for China to overcome its key capability and technological gaps.

States with close military relations to Western states and growing economic ties to China could be the go-between through which China might get hold of European and American military technology.

6 Policy implications for Europe of China's expanding economic & digital influence in the Indo-Pacific region

→ Compete with China's digitalization initiatives in states around the Indian Ocean.

- EU connectivity partnerships, signed with Japan (2019) and India (2021), are intended to link the “digital infrastructures of the signatories, seeking synergies for projects in third countries”, and should be expanded.³⁹ In addition, it is encouraged to expand digital partnerships with countries in the Indo-Pacific region as also the EU Indo-Pacific strategy has advocated.⁴⁰

→ Assess whether arms can still be exported to states with growing ties to China.

- Ensure that states in the Indo-Pacific region are not the “go-between” through which China acquires European defense technologies that will help it overcome key capability gaps in their far sees military capabilities, such as ASW and jet fighter technology.
- European Defense ministries should, on a country-by-country basis, assess China's economic and military relations with – and influence over – the thirty countries around the Indian Ocean and its adjacent waters and how these are likely to develop in the short and mid-term future. Pakistan, which has an *All-Weather Strategic Partnership* with China and Egypt, which has a *Comprehensive Strategic Partnership* with China both purchased advanced *Radar and C3 Systems* from the Netherlands. Decisions on the benefits of delivering such systems to states with close relations to China should be carefully assessed, weighed against the risks of the PLA expanding its capabilities and assessed in light of an importing-country's ability to obtain the same technology elsewhere.⁴¹
- Assess the cyber-security systems of third parties that import European military equipment for the PLA to overcome key gaps in its military capabilities via the cyber-domain.

→ Safeguard European oil imports by offsetting China's influence over oil producers when necessary.

38 Youssef, “WSJ News Exclusive | F-35 Sale to U.A.E. Imperiled Over U.S. Concerns About Ties to China.”

39 Samuel Pleeck and Mikaela Gavas, “A New Global Connectivity Strategy: The EU's Response to the BRI,” Center For Global Development, August 4, 2021, <https://www.cgdev.org/blog/new-global-connectivity-strategy-eus-response-bri>.

40 European Commission, “The EU Strategy for Cooperation in the Indo-Pacific,” 2.

41 Ministry of Foreign Affairs, “Het Nederlandse Exportcontrolebeleid in 2020” (Ministry of Foreign Affairs of the Netherlands, September 9, 2021), 21, <https://www.rijksoverheid.nl/binaries/rijksoverheid/documenten/rapporten/2021/09/09/het-nederlandse-exportcontrolebeleid-in-2020/het-nederlandse-exportcontrolebeleid-2020.pdf>.

- The Netherlands and other European states should safeguard their energy supplies from the Persian Gulf. China is the dominant oil importer in the world, giving it influence over oil-producing countries. Working with alternative oil importers can offset this influence when necessary. Enhance cooperation with oil importers such as India, which also imports vast and growing volumes of oil from the Persian Gulf, as well as traditional large crude oil importers like South Korea and Japan, as a counterweight to China's increasing influence.

6.7 China's expanding arms exports

China's arms exports, including the sale of relatively inexpensive Unmanned Aerial Vehicles (UAVs), to countries like Pakistan with ties to Islamist and militant groups, which are often listed as terrorist organizations in the European Union, may have greater implications for Dutch and European security.⁴² China, since 2019 the largest exporter of Unmanned Aerial Vehicles (UAVs), is not a member of the Missile Technology Control Regime (MTCR), an arms control treaty that strongly inhibits the sale of UAVs. During the years following the end of the Cold War, various arms control initiatives were relatively successful in curtailing the production and proliferation of various weapon systems. China's sophisticated defense industry now provides an alternative supplier for states shunned by European, American and Russian alternatives. This may lead European, American and Russian exporters to reconsider their unwillingness to supply arms to a particular party. For instance, whereas the United States in 2019 still prevented armed drone sales to the United Arab Emirates and Saudi Arabia, China did export drones such as the Wing Loong I and Wing Loong II to the Gulf – leading the US government to reconsider its export ban.⁴³

Consequences for Europe of China's expanding arms exports

China's arms transfers risk upending European-initiated arms control efforts, and Chinese military equipment may end up in the hands of state and non-state actors that are hostile to Europe.

China must be invited to join non-proliferation bodies and regimes such as the MTCR but European states should ensure that these are not politicized.

7 Policy implications for Europe of China's expanding arms exports

- **Foster international talks and confidence building measures on export regimes with China.** Dutch and European policymakers could do this in order to encourage Beijing's adherence to such agreements, limiting the proliferation of Chinese weapons while reinforcing arms control measures. China must be invited to join non-proliferation bodies and regimes such as the MTCR but European states should ensure that these are not politicized.

42 Rajeswari Pillai Rajagopalan, "The China-Pakistan Partnership Continues to Deepen," ORF, July 10, 2020, 1, <https://www.orfonline.org/research/the-china-pakistan-partnership-continues-to-deepen/>.

43 Natasha Turak, "Pentagon Is Scrambling as China 'sells the Hell out of' Armed Drones to US Allies," CNBC, February 21, 2019, <https://www.cnbc.com/2019/02/21/pentagon-is-scrambling-as-china-sells-the-hell-out-of-armed-drones-to-americas-allies.html>.

1. The outbreak of Sino-US conflict in the near seas	<p>1.1 Minimize the risk of wars fought close to China's shore and of nuclear escalation.</p> <p>1.2 Develop national policy positions in European states long before US requests for military support in East Asia. Then, coordinate these positions on a European level.</p> <p>1.3 Strengthen European defense capabilities</p> <p>1.4 Prepare for preemptive and retaliatory kinetic and cyberattacks against military and civilian targets.</p> <p>1.5 Assess which dependencies China could exploit in a scenario of conflict and which dependencies Europe can (threaten to) exploit to prevent coercion.</p> <p>1.6 Consider the crucial role that space assets play in modern warfare and mitigate their weaknesses.</p> <p>1.7 Put arms control on the agenda of high-level EU-China meetings.</p> <p>1.8 Initiate a EU-mediated track-two dialogue on the role of new technologies in arms control between all major military powers, if a moment of détente occurs.</p>
2. China's industrial resources could provide an advantage in a protracted conflict	<p>2.1 Improve access to shipbuilding and repair capacities.</p> <p>2.2 National security may trump economic considerations when developing strategic assets such as vessels.</p> <p>2.3 Expand cooperation initiatives and create synergies between defense R&D and the private sector.</p>
3. China's hybrid actions in its near seas erode international norms	<p>3.1 Continue to bolster respect for international law and freedom of navigation with like-minded countries.</p>
4. China's expanding ability to project power in the far seas	<p>4.1 Block the transfer of (especially dual-use) Dutch and European critical technologies to China.</p> <p>4.2 Expand maritime capabilities suitable to perform freedom of navigation operations in the Indo-Pacific.</p> <p>4.3 Distribute development funding in Indo-Pacific in line with strategic interests.</p> <p>4.4 Assess on a case-by-case basis whether future Chinese overseas military missions pose a threat to European deployments and commercial activities.</p> <p>4.5 Expand ability to cooperate effectively with a Chinese UN peacekeeping contingent.</p>
5. China's command of critical resources	<p>5.1 Expand access to critical raw materials and rare earth metals that are essential for military power projection.</p>
6. China's expanding economic & digital influence in the Indo-Pacific region	<p>6.1 Compete with China's digitalization initiatives in states around the Indian Ocean.</p> <p>6.2 Assess whether arms can still be exported to states with growing ties to China.</p> <p>6.3 Safeguard European oil imports by offsetting China's influence over oil producers when necessary.</p>
7. China's expanding arms exports	<p>7.1 Foster international talks and confidence building measures on export regimes with China.</p>

Table 37: Overview of policy recommendations.

Final thoughts

This report has assessed the development of China's intentions, capabilities and activities that together make up its military rise as a great power. The main finding of the report is that China exhibits almost all of the factors that characteristically drive great power expansion outside of the region. It is following a typical rising great power trajectory in almost all respects and is implementing a long-term strategy to be able to project power extra-regionally. The final chapter of the report argues that China's military rise has had profound and increasingly pressing consequences for the security of European states – including matters that are not directly related to defense. Unlike the Cold War, the current international system is characterized by geopolitical competition between a number of great powers, albeit within the context of considerable economic interdependence, including globalized supply chains, technological networks, and international communication methods.

This multipolar, interconnected landscape necessitates an approach that limits the ability of Europe's rivals to take advantage of the openness of our economies and political systems – especially when it comes to the private sector and research institutions – to bolster their own capabilities. Meanwhile, competition for influence in other regions is likely to intensify. European states should therefore develop more sophisticated strategies in the Middle East, Africa, and Central and South Asia that promote European interests and values.

NATO, the EU, and individual member states have started to recognize the profound implications of China's emergence as a great power but have thus far not developed comprehensive policies to deal with its military rise. In 2019, the European Union published "a Strategic Outlook on China", which described China as "a cooperation partner with whom the EU has closely aligned objectives, a negotiating partner with whom the EU needs to find a balance of interests, an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance".⁴⁴ More recently, the June 2021 NATO Brussels Summit Communiqué stated that "China's stated ambitions and assertive behavior present systemic challenges to the rules-based order and to areas relevant to Alliance security" and called upon China to "uphold its international commitments and to act responsibly in the international system, including in the space, cyber, and maritime domain".⁴⁵ The policy implications and recommendations listed in Chapter 6 could serve as a complement to the existing policy frameworks of NATO, the EU, and individual member states, which identify China as an ascending great power but generally fall short on policy measures that specifically address the consequences of China's military rise for Europe.

It would be prudent for the Netherlands and other European states to begin preparing for the consequences of China's military rise, both those that are already discernable and those that will become increasingly apparent after 2026. Chinese President Xi Jinping is open about the central role he seeks for China in the world and what this means for US, Europe, and the global order: he declares that "the East is rising and the West is declining" and foresees profound changes to the international system "unseen in 100-years". Noting that relations between states can deteriorate rapidly and with relatively little warning, it is in the interest of the Netherlands and other European states to take Xi's pronouncements at face value and to start preparing accordingly.

44 European Commission, "EU-China Strategic Outlook," 1.

45 Heads of State and Government participating in the meeting of the North Atlantic Council, "Brussels Summit Communiqué Issued by the Heads of State and Government Participating in the Meeting of the North Atlantic Council in Brussels 14 June 2021," NATO, June 14, 2021, 55, http://www.nato.int/cps/en/natohq/news_185000.htm.

President Xi declares that "the East is rising and the West declining". It is in the interest of the Netherlands and other European states to take Xi's pronouncements at face value and prepare accordingly.



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