

The Future of the Transatlantic Partnership in an Era of Great Power Competition

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KEY TAKEAWAYS

We in the West are facing the challenge of a return to great power competition for the first time since the end of the Cold War.

From the Arctic to the Baltics, the Black Sea, the South Caucasus, and the Mediterranean Sea, Russia continues to foment instability in Europe.

Likewise, Chinese ascendancy by way of debt traps for smaller countries threatens to upend democratic institutions worldwide.

It is a great privilege for me to be speaking tonight to The Confederation of Swedish Conservative and Liberal Students. As a former head of a conservative student organization, it feels like coming home, and I thank you for your hospitality.

The world is changing: We have entered once again an era of great power competition. Russia is resurgent, revanchist, and ready to expend its dwindling resources to meddle in our democracies, rather than bettering the lives of its own people. Speaking in Bratislava a few weeks ago, U.S. Secretary of State Pompeo warned, “Vladimir Putin is intent on undermining democracies throughout the world.”¹

Russian Aggressions

The U.S. is no stranger to Russia meddling in American elections or inflaming divisions within society.

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Here, Russia is opportunistic, gladly utilizing groups and themes from both the far right as well as the far left. As you in Sweden know, Russia has utilized propaganda, fake news stories, and soft power to inflame internal tensions over the migrant crisis and to influence Swedish public opinion, especially in regard to potential NATO membership.

A 2017 study from the Swedish Institute of International Affairs details Russia's use of active measures to influence Sweden.² In part, the report described two important aims in Russian active measures in Sweden, "to sow doubt about the integrity of Sweden's political system," and also to further Russia's "strategic goal to minimize or remove NATO's presence in the country's 'near abroad.'"³ Russia has expanded its physical reach, invading Ukraine in 2014, installing itself as kingmaker in Syria, and even growing its presence in the Western Hemisphere.

Russia, I believe, remains the most immediate and acute threat to peace in Europe. In 2014, we crossed a symbolic threshold as the borders of a European country were changed by force. In the past five years, Russia has poured capabilities into annexed Crimea, utilizing their consolidated position on the peninsula as a platform for naval and aviation operations in the Black Sea and Eastern Mediterranean. In eastern Ukraine, Russia continues to support and sustain a separatist movement with Russian equipment, financing, and troops. Russian and Russian-backed separatist forces continue to violate the Minsk II Agreement on a daily basis. From the Arctic to the Baltics, the Black Sea, and South Caucasus, and increasingly the Mediterranean Sea, Russia continues to foment instability in Europe.

Russia uses its energy position in Europe along with espionage, cyber-attacks, and information warfare to exploit vulnerabilities and seeks to drive wedges into the transatlantic alliance and undermine people's faith in government and societal institutions.

Chinese Ambitions

China has also emerged as a formidable diplomatic, economic, military, and political power. It daily tests the resolve of the West to defend our principles and protect our companies from state-sponsored intellectual corporate espionage. China seeks to accumulate control over rare resources in some of the world's poorest nations and grow its reach in wealthy nations' critical infrastructure, be they ports or 5G networks.

China sees itself as a power in ascendancy; an editorial in the Chinese Communist Parties *Global Times* boasted: "[K]ey parts of the Western value system are collapsing. Democracy which has been explored and practiced

by Western societies for hundreds of years is ulcerating[;] the country must seize the day, seize the hour.”⁴

China is patient and measures its competition with the West in long horizons. Chinese investments are in part meant to build a reservoir of influence to be drawn upon on a later date—and which, in the interim, may erode the democratic political systems of susceptible nations. Chinese loans threaten to trap countries in a cycle of never-ending debt, which, at times, as in the case of Sri Lanka, ends in Chinese control over strategic infrastructure.

In Europe, Chinese investments have targeted the most vulnerable and fragile nations, importantly in the Western Balkans. Chinese companies, with Chinese labor, build infrastructure projects funded by Chinese loans, without the same regard for workers’ rights and transparency as American and European investments. Europe is only now beginning to address the risks inherent in Chinese companies taking part in key technology projects. Both the U.S. and Europe continue to grapple with China’s drive to obtain sensitive technologies via company acquisitions and to lap the West on future technologies such as Artificial Intelligence.

Chinese military modernization continues apace, and Chinese provocative behavior threatens Western allies in the Asia–Pacific such as Japan, a country which has proven a bastion of stability for the West since the end of World War II.

Russian–Chinese Cooperation

Most concerning for the West, Russia and China are working together to dilute the military power of the U.S., undermine the combined geopolitical power of the West, and, in the long run, replace Western systems and structures with those more amenable to their interests.

Russia and China present challenges not only to peace and stability, but also to the very values upon which our societies are built: individual freedom, political accountability, and respect for the rule of law. The time horizons of China and Russia differ: Russia seeks to immediately upend the liberal world order, whereas China continues to benefit overall, preferring to work within the existing system for the time being. Both nations, however, seek to restore the global order to one in which the large, the strong, and the aggressive contend with one another for resources and spheres of influence, to the detriment of smaller nations and their citizens.

We in the West are facing the challenge of a return to great power competition, for the first time since the end of the Cold War. For the U.S. and Europe, facing these challenges will prove far more successful if we do not face them [Russia and China] in consort, with strong economies, robust militaries, and resilient democratic institutions.

U.S.–European Alliances

It is a point worth reiterating that Europe is important to the United States; some of America's oldest and closest allies reside there. Our relations with Sweden, for example, have existed since the beginning of the American republic. On April 3, 1783, Benjamin Franklin and Gustav Philip Comte de Creutz, then-Swedish Ambassador to the court of Louis XVI, signed the Swedish–American Treaty of Amity and Commerce. Consular relations began immediately, with full diplomatic relations established in 1818.

Americans and Europeans share a strong commitment to the rule of law, human rights, free markets, and democracy. During the 20th century, millions of Americans fought alongside European allies in defense of these shared ideals—the foundations on which America itself was built. Our economic ties are likewise important. The U.S. and Europe are each other's principal trading partners, and collectively we account for approximately *half* of the global economy.

I believe that a strong, vibrant transatlantic partnership is essential for ensuring peace, prosperity, and geopolitical stability in the 21st century. America cannot and must not hide behind the false protective cover of two oceans, but rather must engage in the world, coordinating with our closest allies for maximum effect. As President Ronald Reagan summarized in 1984, for the U.S. “[i]t is better to be here ready to protect the peace, than to take blind shelter across the sea, rushing to respond only after freedom is lost. We’ve learned that isolationism never was and never will be an acceptable response to tyrannical governments with an expansionist intent.”⁵

More recently, former U.S. Secretary of Defense Mattis succinctly stated, “our greatest strength in the world is our network of alliances.”⁶ In an era of great power competition, it would be foolish to squander this advantage. Yet I foresee turbulence ahead. A report from the recent Munich Security Conference contained some disturbing survey data regarding the state of transatlantic public opinion. The polling showed that more French and German citizens regard American power and influence as a major threat to their nation than that of China or Russia.⁷

Similarly, Pew's 2018 Spring Global Attitudes Survey found that only 30 percent of Germans, 34 percent of Dutch, 38 percent of French, 42 percent of Italians, and 44 percent of Swedes hold a favorable view of the United States.⁸ What was obvious for generations of Americans and Swedes—that we must stick together—may not be as evident anymore. The rhetoric on both sides of the Atlantic in recent years is often inflammatory, derogatory, and shortsighted.

U.S. Challenges

The U.S. faces its fair share of challenges, not least of which are an extremely divided political system and legislative gridlock in Congress. However, for American foreign policy, I see many optimistic signs. Recent polling shows despite occasional rhetoric from the executive haranguing NATO, a majority of Americans remain favorable towards the alliance. Additionally, three-quarters of Americans now believe the U.S. has a special responsibility to lead in world affairs, up from two-thirds in 2010.

In recent years, the U.S. has dropped the Obama Administration's policy of leading from behind and begun showcasing up-front leadership, whether in the Europe, Venezuela, or in confronting Iranian aggression. We have seen U.S. policy positions shift from multilateralism for the sake of multilateralism toward an assessment of whether or not multilateral agreements or institutions serve U.S. interests and/or whether they unfairly constrain the U.S. to the benefit of other powers. Key examples of this shift are the U.S. decision to withdraw from the U.N. Human Rights Council, U.S. withdrawal from the INF [Intermediate-Range Nuclear Forces] Treaty, and the Paris Climate Accords.

While these decisions have caused consternation in many European capitals, I believe they are symbolic of America's renewed intent to defend its interests and hold both rogue regimes (in the case of Iran) and fellow great powers (in the case of Chinese emissions) to account for their actions.

The 2017 National Security Strategy clearly states that the return to great power competition means that the U.S. must “rethink the policies of the past two decades—policies based on the assumption that engagement with rivals and their inclusion in international institutions and global commerce would turn them into benign actors and trustworthy partners. For the most part, this premise turned out to be false.”⁹

European Challenges

While I believe that the U.S. is on the right path for addressing the challenges of great power competition, I believe the greatest danger in our ability to, hand-in-hand, confront the challenges of this era stems from a crisis in Europe. This crisis takes the form of an economic malaise, which breeds anemic growth, shortsighted migration policies, and the inability of many European nations to reestablish the political willingness to engage in robust defense spending and planning.

On its current trajectory, I foresee Europe's power and influence on the world's stage continuing to wane, which will in turn hamper the West's ability to compete effectively. The decline of Europe's influence can be traced to related challenges, anemic economic growth, and an unyielding drive towards greater political integration.

Over time, Europe has shrunk as a percentage of the world economy and now accounts for only a shade under 22 percent of global GDP [Gross Domestic Product]. The EU Commission forecasts the eurozone's growth in 2019 at a measly 1.3 percent of GDP. Economic growth in the U.S., China, and India is leaving Europe behind. The low-growth model of the eurozone presents problems. Most fundamentally, the decline in Europe's economic heft likely means an eventual decline in Europe's influence.

Low economic growth has a host of other unfortunate follow-on consequences: endemic high unemployment, lower birth rates, and brain drain in many eastern and southern European nations. Furthermore, there is less money in national budgets, which in turn sets up a fight between continued social spending and other priorities—most importantly for great power competition military spending. The inability of some nations in Europe to defend themselves and the political unwillingness of many nations to devote the resources necessary to rebuild their militaries stresses the transatlantic bond and only invites aggression.

While the U.S. remains committed to NATO as the bedrock of transatlantic security, low defense in many corners of Europe, along with readiness deficiencies and unwillingness to deploy national troops into combat situations, threaten to grow cleavages within the alliance. To be effective, NATO must avoid devolving into a tiered alliance, with countries serious about defense willing to make the political decision to invest in capabilities and deploy men and women into harm's way—and those who are not.

Recent calls by some in NATO for a change in national budget spending rules, most recently suggested by Italy's Defense Minister Elisabetta Trenta, are mistaken. Such changes would count things like infrastructure and cybersecurity into countries' defense spending figures. This would in turn accelerate the movement of national defense budgets from procuring capabilities to domestic infrastructure projects that are politically expedient to national politicians.

The tyranny of Europe's low-growth model owes as much to decisions by American policymakers as it does European ones. American policy decisions for much of the 20th century aimed at promoting sustained robust economic growth in Europe (including the Marshall Plan), support for the GATT, the IMF, and, yes, the European Union, in order to preserve social

cohesion and rehabilitate the democratic political systems of Europe. However, in the past few decades, U.S. policy has shifted to support for preserving the dominant political order in Europe: in a word, deeper and deeper political integration at the expense of economic growth and with the consequence of undermining political stability.

The European Union is today fundamentally a political project. In Europe, as well as many coastal cities in the U.S., support for this project—despite its shortcomings—has become a dogma. On the question of the future of Europe, what is considered an acceptable political viewpoint has constricted such that *any* criticism of the project and its political aims is deemed radical, populist, and dangerous. As debate within the mainstream of European politics continues to be stifled, voters are increasingly turning to political forces and parties outside the mainstream. These political forces sometimes advance policies that further hamper economic growth, undermine security, and cause even greater political fragmentation.

Recommendations

As for the past 70 years, it has remained in America's interest to have a secure, strong, and vibrant Europe to stand together in defense of Western values in the 20th century. To thrive in the new era, Europeans need to have an honest debate about what sort of future you want for yourselves. My belief is that Europe needs to focus on economic growth and a renewed commitment to defense, rather than continuing to sacrifice both for political ends. (I would argue, for instance, the euro is an example of a currency that is viewed as a political instrument rather than an economic one.)

As importantly, the political leaders in European nations must respond to the legitimate concerns voiced by voters that have been ignored for not fitting into the dominant political narrative—be those concerns about unrestricted mass migration, a lack of assimilation and respect for a host nation's laws and customs, or be they frustrations at the abject failure of the eurozone.

Finally, I also believe that there must be a place for national sovereignty within modern Europe: I urge you not to react reflexively to nationalism as an inherent evil. As one author warned, "Both in Europe and in America, we are watching the growth of a generation of young people that, for the first time in four hundred years, does not recognize the nation state as the foundation for our freedoms."¹⁰

Over centuries, healthy competition between sovereign nation-states in Europe led to economic prosperity, stronger political institutions, and greater freedom. Respect for one's own customs, history, laws, and political system is the inheritance of the men and women who have come before us and safely entrusted to us—and which you and I are entrusted to leave for future generations.

You, as the youth of Europe, have an opportunity to shape what the future political order looks like in Sweden, as well as in the broader EU.

Conclusion

I do not believe the challenges faced by Europe, nor by the U.S., are insurmountable. Our ability to correctly identify our shortcomings, our willingness to address these challenges, and our success in doing so will in large part determine our ability to thrive in a world of renewed great power competition.

While China and Russia present a formidable threat to security and to the values we share, their partnership is neither interminable, nor is it without cleavages. The transatlantic community has advantages that I believe will allow us to triumph in this new era of great power competition *if* we are able to stand shoulder to shoulder in tackling its challenges.

In 1984, with the Cold War hurtling towards its end, President Reagan told the people of Europe words that tonight I hope continue to remain true as the transatlantic community transitions to the era of great power competition: “We were with you then; we are with you now. Your hopes are our hopes, and your destiny is our destiny.”¹¹

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