



In the 21st century, how can NATO and its member states develop a coherent strategy towards the People's Republic of China?

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In the 21st century, how can NATO and its member states develop a coherent strategy towards the People's Republic of China?

At the dawn of the 21st century, only few would have seen China as a major threat to Western economic and security interests. After all, it was only a decade earlier when some had already proclaimed the *end of history* – a world in which the Western ideas of democracy, human rights, and free-markets were unanimously accepted and in which it would only be a matter of time until the last challengers to those ideas would be defeated. It was at that time, that *normalizing* economic relations with China seemed the only possible right thing to do – finalizing the construction of that great Sino-Western bridge of realism that foreign policy architects of the past century, such as Henry Kissinger and Zbigniew Brzezinski, had started to build. Only few realized that Western leaders had a drastically different idea of what *normal* relations with China would look like, then the government in Beijing.

In 1991, Chinese imports accounted for only 1% of all imports into the United States – the largest economy within NATO. A quarter of a century later, that share has ten folded. China was changing from the “world’s factory” to a global economic player with its own highly-competitive firms and a growing middle class. Now, it dawned on people that China viewed its *normal* role in the global economy as being *the* economic superpower – surpassing the United States like they have passed the United Kingdom or Germany a century earlier. The security implications of China’s emergence as a global economic player were, however, ignored by most leaders in NATO countries. And yet, even today – in times of a populist, isolationist President in the White House – there seems to be a wall of separation between economic and security policy. Defense spending is largely untouched by economic developments and economists rarely think about pressing issues around national security. Professors with glasses and suits seem to belong in classrooms and uniformed Generals ought to think about the national defense. In the 21st century, with China as a rising global power, this will be a fatal mistake. It is important – from both an economic and a security standpoint – to consider who owns critical infrastructure, technology, and data. It is not a mere matter of competition within a free-market who develops the standards for Artificial Intelligence, 5G, data protection, Internet of Things, and whatever follows – it is a global fight for military supremacy. As it turns out, 1989 was not the *end of history*, just the end of the chapter – followed by a new one.

What will that chapter entail? What will a coherent NATO strategy towards China look like? Those are the questions that are asked more and more in the Alliance's capitals. What does China want? How should we counteract its ambitions? There have been many impressive proposals by, for instance, Ian Brzezinski, son of one of the aforementioned foreign policy architects, who suggests the establishment of a NATO-China Council, deepened engagement with the Alliance's Pacific partners, and the establishment of a small military headquarters element in the Indo-Pacific region. Interesting ideas, whose merit and practicality are a great subject for a podium discussion on NATO's strategy in the coming years. It cannot and will not, however, be a comprehensive strategy for the entire 21st century.

To assess what a comprehensive and long-term NATO strategy towards China might look like, there needs to be a reckoning of what NATO really is. What is its purpose – its *raison d'être*? Looking at the preamble of the Alliance's foundational document, the *North Atlantic Treaty*, one reads:

The Parties to this Treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments. They are determined to safeguard the freedom, common heritage and civilisation of their peoples, founded on the principles of democracy, individual liberty and the rule of law. They seek to promote stability and well-being in the North Atlantic area. They are resolved to unite their efforts for collective defence and for the preservation of peace and security.

If NATO wants to address the threats to the freedom, common heritage, rule of law, stability, and well-being of its member states, it has to stop thinking of itself as a mere *military* alliance. That does not mean, that a comprehensive military strategy is not needed, it is. The challenges to the common goals, laid out in the preamble are, however, more complex. There are three fields where this becomes abundantly clear: the threats to the Alliance's social fabric, its technological supremacy, and its infrastructure.

The first might seem like the least obvious security challenge. And yet, it is one of the most consequential developments that could threaten NATO to its core. Common values, mutual trust, and the belief in a shared destiny form a country's social fabric. It is what holds societies together and makes them strong. The ground-breaking work of economists David H. Autor, David Dorn, and Gordon H. Hanson, shows – perhaps for the first time – how the emergence of China as a major exporter to the West has changed much more than just the *Made in America* label on certain products. It started to erode the country's social fabric. In their series of papers discussing the 'China shock', they find that, in the United

States, some local labor markets were hit much harder than others by growing Chinese import competition. What is remarkable, when looking at the map of those communities most hard-hit, is that it makes a pretty good match with another map: the electoral districts that Donald Trump carried in his 2016 election. The disruption of the stability and well-being of those communities, henceforth, disrupted the stability and well-being of the United States at large by promoting an isolationist, anti-multilateralist to the highest office in the land. All of a sudden, what seemed to be a mere economic matter has called into question the very strength of the North Atlantic Alliance and therefore posed a challenge to the security of NATO member states. Today, trade conflicts have started to drive a wedge between the Alliance's members.

Another threat to the social fabric of NATO member states is China's growing threat to, what the preamble summarizes as *the principles of democracy, individual liberty, and the rule of law*. Recent reports that China is intensifying the repression of its Uighur minority should be a clear indication that a clash of an authoritarian superpower with NATO will also be a challenge to liberal democracies across the world. Beijing has used its economic power, and the growing dependency of many Western firms on the Chinese market, to also increase its political agenda. Increasingly, the government threatened companies with boycotts, leveraged its debt policies against poor nations and bought up critical infrastructure – the last point, I will address later on. An authoritarian government that spreads false information or suppresses critics attacks the very core of what NATO committed to protect – its democratic institutions. It does so, however, not by hacking the vote machines but by hacking its people's minds. Combined with the economic changes described earlier, this might sow division between the states that make up the Alliance. Tech giants are already making deals, trading censorship for market access. *Deep fake* videos, virtual reality, and an increasingly connected world will require governments to think more about how they plan to control the narrative whilst protecting freedom of speech. Only then, will the Alliance be able to pursue and defend its strategic interests.

The second key challenge China poses to NATO is its threat to the Alliance's technological supremacy. And yet again, this threat is too often defined in too narrow terms. It is not only the technologies of new weapon systems that are of concern but rather the developments in 5G and Artificial Intelligence. In both of those cases, there is a tremendous *first-mover advantage* – that is, the country that will develop the technology first, will, subsequently, also have an advantage in all the various applications that follow. The *first-mover* will not just influence

how fast a machine can make decisions but also set standards for what decisions they do make. This gives a country a great strategic advantage over others that lag behind. For NATO member states, this cannot be an issue that is resolved only at the national stage. There needs to be extensive coordination within NATO to counter that strategic threat.

The third field in which NATO's strategic interests are challenged is in the Chinese approach to build and buy up critical infrastructure in NATO's hemisphere, through, for instance, the *Belt and Road Initiative* including its *Digital Silk Road* which includes the laying of undersea internet cables and the delivery of advanced IT infrastructure, including broadband networks, smart cities, and e-commerce hubs. And again, the threat is not a mere military threat. If you want to hurt a country's readiness, why would you bomb its port if you could just buy it? After all, those who destroy a port are met with anger and fear from the local population, buying the port just makes one a witty investor. This might be a pointing – or even cynical – description, there is, however, a real threat of such a scenario. In fact, it has already started to happen. It will greatly affect a country's defense readiness if its major cities are *smart cities* run on Chinese software and infrastructure. Disintegrating (or *decoupling*) those networks and supply chains is a much harder task than setting them up. NATO must, therefore, see it as a realistic threat to its security interest – even if it is supposed private companies, rather than governments, setting it up.

But what are the implications of all of this for NATO's strategy for the 21st century? I believe, that there needs to be a reckoning to expand NATO's current role. That means, there needs to be a *deepening* and *expansion*. A *deepening* of the cooperation from a mere military alliance towards a broader organization that facilitates cooperation also in matters concerning the regulation of trade, foreign investments, and markets. For this, there must be an *Economic Security Planning Group*, where key issues are discussed and strategic agreements are to be reached. Common standards for Chinese companies that want to enter into markets of NATO countries and for domestic companies that want to do business in China. Moreover, there needs to be common standards and efforts in the development and application of technology such as Artificial Intelligence and 5G. It is, hence, crucial that NATO builds up and coordinates capacities in the field of *economic diplomacy* – not as a substitute to the diplomatic corps, but rather an addition to them. This must be accompanied by further *expansion* of NATO into the Indo-Pacific region by increasing co-operation with its countries on all levels. When NATO was set up, the strategic interests of its member states were mainly

threatened in Europe. In the future, this line of conflict might shift to the Indo-Pacific region. In this case, defending North Atlantic interests must include a strong alliance with Indo-Pacific states.

“The lion cannot protect himself from traps, and the fox cannot defend himself from wolves,” Niccolò Machiavelli writes in *The Prince*, “One must, therefore, be a fox to recognize traps, and a lion to frighten wolves.” That, in conclusion, must be the goal of every coherent NATO strategy which calls for a strong military alliance that extensively cooperates on the economic, social, and technological front – so the lion won’t walk into a trap.



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