

NATO'S CHINA PROBLEM

The North Atlantic Treaty Organization's strategic minds are increasingly occupied with how to handle the People's Republic of China's rise as a maritime power in Asia, but this focus is misguided. China is already a maritime power in the North Atlantic, and its influence is rapidly growing. This influence does not represent a crisis for the Alliance but does require addition of China to the Alliance's strategic considerations within its area of responsibility. Additionally, the Alliance must account for extra-regional competition between the U.S. and the PRC which could draw in alliance commitments in the event of escalation between the two powers.

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NATO is turning its focus upon an increasingly powerful People's Republic of China (PRC).¹ Much of the public debate surrounding this late-discovered dilemma swirls around whether the Alliance should be talking about China at all, but an awakening appears to have taken place within the Alliance since China's first appearance in a 2019 NATO document.² The answer is far more nuanced than a simple binary solution. Ranging from the issue of alliance entanglement to domestic maritime infrastructure, the China question will likely, rightly, occupy a large, but still minority, share of NATO's attention for the foreseeable future. To be effective, that attention must be appropriately directed in order to guide purposeful dialogue and action. China's impact on NATO is broad and will continue to grow across the spectrum of defense as well as geoeconomics and political machinations, but in terms of areas where the Alliance could focus its immediate attention, the maritime domain is among the most important.

Why and Where Does China Matter for NATO?

China is the fastest growing maritime power on earth. It maintains the world's largest shipping fleet, most of the world's most important ports, and a world-class navy. Its fishing fleet far surpasses the size and production of any other. Entering what some have referred to as "a maritime century," China is well-positioned to increase its share of global trade and spread its influence across the seas.³ Its growing ability to project force abroad is telegraphed by its rapidly modernizing navy, especially its investments in amphibious landing ships and sophisticated aircraft carriers. NATO does not necessarily need to directly address China's increasing role as a maritime power in the Asia-Pacific region, because China's role is increasing as a maritime power in the North Atlantic region. The organization must have a clear and focused view of China, not because of its increasing power in the Asia-Pacific but because NATO will increasingly face Chinese maritime power in its own backyard.

How To Deal with a Systemic Challenger?

At present, NATO faces a serious challenge even in elucidating its position on China. In the 2021 Brussels Summit Communiqué, NATO leaders referred to "China's stated ambitions and assertive behavior" as "system challenges" to both the rules-based international order and to more nebulous "areas relevant to Alliance security." References to China's expanding nuclear arsenal, military modernization, and

¹Erlanger, Steven and Michael D. Shear, "Shifting Focus, NATO Views China as a Global Security Challenge," *The New York Times*, 14 June 202, <https://www.nytimes.com/2021/06/14/world/europe/biden-nato-china-russia.html>

²Ryan Heath, "NATO's pivot to China," *Politico Global Translations*, 7 June 2021, <https://www.politico.com/newsletters/global-translations/2021/06/07/natos-pivot-to-china-493144>

³Magnus Nordenman, "The Naval Alliance: Preparing NATO for a Maritime Century," *Atlantic Council*, June 2015, https://www.files.ethz.ch/isn/193011/NATOMaritime_finalPDF.pdf

cooperation with Russia follow, but it is not clear how NATO is expected to grapple with all of these challenges, several of which are more political than military. Further, it is unclear how NATO's partners should interpret this statement, or what actions they might expect from NATO in the future. NATO will likely be unable to wrangle 30 members into coherent action, or even shared threat perception, in the short term. The members of the European Union identify China as a "systemic rival" but also as a partner and a competitor. It is unclear whether NATO's perception is informing Europe's positions and policies, but without reconciling the two there is scant likelihood of the Alliance mustering meaningful action beyond talking points.

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Maritime Economy and the Contest for Control of Eurasia

Critics of NATO's newly directed attention toward China sarcastically point to the Alliance's name. Asia, goes the waggish retort, is a long way off from the North Atlantic. An increasingly bellicose Russia on Europe's doorstep, some might argue, should be the Alliance's focus. However, NATO Secretary General Jens Stoltenberg recently noted that "We [NATO] see China coming closer to us from the Arctic to cyber space." Some reporting interpreted those comments as indications that China's capabilities are approaching parity with NATO's, but it seems equally plausible that the remarks referred to China's physical proximity.⁴ China's influence and military presence are increasingly global, and even if NATO remains myopically focused on its own backyard it will increasingly find that China is there. The old maxim of "trade follows the flag" has been usurped by flags following trade. China's vast investments across Europe as well as its far-flung citizenry will draw forward its military forces to ensure the continued success and safety of both. Take for instance the Chinese non-combatant evacuation operation (NEO) in Libya in 2011. Beijing was able to marshal one of the most capable ships in the PLAN and transport aircraft of the People's Liberation Army Air Force (PLAAF), as well as state-owned enterprises like China Ocean Shipping Company (COSCO), to extract thousands of Chinese citizens from Libya roughly in the space of one week. A decade prior

⁴ BBC Editorial Staff, "NATO Warns of Military Challenge Posed by China," *BBC News*, 15 June 2021, <https://www.bbc.com/news/world-europe-57466210>

to that operation, such a thing would have been impossible.⁵ A decade past that operation, China's capabilities and financial interests have only grown. From its clearly-broadcast plans to become an Arctic power to its Belt and Road Initiative,⁶ China's interests and investments about the interests and borders of NATO members in North America and Europe.⁷

Of particular concern to NATO must be increasing Chinese control over critical maritime infrastructure. Seapower, after all, is not only generated by navies. In fact, navies are almost a supporting act in a much larger production composed of container shipping, oil tankers, fishing fleets, and shipbuilding infrastructure. Concentrated investment over the past decade bought Chinese state-owned enterprises controlling interest in ports across Europe. In fact, China now holds approximately 10 percent of combined European port capacity as well as a global monopoly on constructing the harbor container cranes that are vital to global commerce.⁸ In his 2020 book, *To Rule Eurasia's Waves*, Geoffrey Gresh details the flood of Chinese investment in these non-naval elements of seapower over the past decade, pointing out the close relations between the SOEs doing the investing and the PLA.⁹ While Chinese control of the Greek port in Piraeus has generated headlines, Chinese maritime infrastructure investment among NATO members has spread to Turkey, Spain, and Italy, and those investments are already bearing fruit both commercially and in keeping NATO members quiet on matters of Chinese interest such as Taiwan.¹⁰ While it is likely counterproductive to label all Chinese investment in Europe as pernicious, NATO members must also carefully review Chinese investment in strategic sectors.

The reason for a measured approach to Chinese maritime investment is that the real-world impact of this investment is yet unknown. While it is likely to produce conditions or behaviors conducive to Chinese interests in some respects, it is difficult to estimate with any degree of exactitude how China's economic interests could translate into military advantage, or if that is even within the realm of possibility in the near future.

⁵ Gabe Collins and Andrew S. Erickson, "Implications of China's Military Evacuation of Citizens from Libya," *Jamestown Foundation China Brief*, 11 March 2011, <https://jamestown.org/program/implications-of-chinas-military-evacuation-of-citizens-from-libya/>

⁶ Rush Doshi, Alexis Dale-Huang, and Gaoqi Zhang, "Northern Expedition: China's Arctic Activities and Ambitions," *Brookings*, April 2021, <https://www.brookings.edu/research/northern-expedition-chinas-arctic-activities-and-ambitions/>

⁷ Andrew Chatzky and James McBride, "China's Massive Belt and Road Initiative," *Council on Foreign Relations*, Last updated 28 January 2020. <https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative>

⁸ Geoffrey F. Gresh, "To Rule Eurasia's Waves The New Great Power Competition at Sea. New Haven & London," *Yale University Press*, 2020, p. 85.

⁹ Gresh, p. 45.

¹⁰ Gresh, pp. 62-69.

China's Navy in Europe

Combatant vessels of the People's Liberation Army Navy (PLAN) have participated in live-fire exercises alongside the Russian Navy in the Mediterranean and Baltic Seas in recent years. Beijing has maintained a persistent presence in the Gulf of Aden for 13 years and maintains its only overseas base in Djibouti. The same deployed ships conducted port visits from Europe's arctic states to the Black Sea, and a host of others in between. These exercises and encounters will only become more common as China's navy strengthens its blue water capabilities and global logistics network. The navies of NATO will see PLAN ships in European waters more frequently. The vessels of the People's Liberation Army Navy (PLAN) will become an increasingly common sight in European waters as Chinese economic interests in the region continue to grow. In places like the Gulf of Aden, cooperation between NATO and China has been limited, but relations remain cordial. However, if relations worsen, the PLAN presence may become less benign and will require careful attention.

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Emerging Russia – China Cooperation

Increasing cooperation between Russia and China presents another important facet of China's maritime power worth the Alliance's attention.¹¹ Bilateral naval exercises between the two span the globe and are increasingly complex, warfighting-oriented drills.¹² It would be wildly presumptuous to say that Russia-China relations are progressing toward real operational cooperation or, as some have claimed, an alliance; however, their deepening ties present the pair with a useful mechanism for geopolitical signaling that will likely see increased use as their opposition to the existing order continues. While opposition to the U.S. and NATO might bring Russia and China together on select issues and at identified times, their own bilateral mistrust, uneasy border, and troubled history will likely limit the operational potential for the relationship.¹³ All the same, NATO cannot afford to dismiss or ignore this dyad as it

¹¹ Reuters, “Russia, China extend friendship and cooperation treaty –Kremlin,” 28 June 2021. <https://www.reuters.com/world/china/russia-china-extend-friendship-cooperation-treaty-kremlin-2021-06-28/>

¹² Michael Paul, “Partnership on the High Seas.” German Institute for International and Security Affairs: *SWP*, 26 June 2019, https://www.swp-berlin.org/publications/products/comments/2019C26_pau.pdf

¹³ Eugene Rumer and Richard Sokolsky, “Chinese-Russian Defense Cooperation Is More Flash Than Bang,” *Carnegie Endowment for International Peace*, 17 June 2021, <https://carnegieendowment.org/2021/06/17/chinese-russian-defense-cooperation-is-more-flash-than-bang-pub-84787>

looks to the future. As the far stronger partner, China “sees Russia as a key strategic partner in advancing China’s vision of a future international order.”¹⁴

Article Five Considerations

As rancor increasingly dominates U.S.-China relations and the two states’ militaries come into more and more frequent contact in the Asia-Pacific, potential for miscalculation, accidents, and conflict increase. China’s resistance to good-faith participation in conflict avoidance mechanisms and confidence building measures only magnifies the risk. Thus, even if NATO wished to avoid addressing China’s increasing role as a maritime power, it must acknowledge the risk of alliance entanglement in a potential conflict between the U.S. and China that would trigger NATO’s Article 5 commitment. As other NATO member states send ships into the Asia-Pacific, that risk grows. Some have gone so far as to postulate that the U.S. might establish linkages between NATO choices on China and the degree of its contributions to the Alliance, withdrawing support for continental concerns with Russia should its own goals vis-à-vis China not garner NATO backing.¹⁵

Coercion Against Extra-regional NATO Partners

Of critical importance will be NATO’s ability to support its partners against Chinese pressure and depredation. In recent years, China’s fishing fleets increasingly target African nations with which NATO maintains security cooperation and assistance relationships. The scourge of illegal fishing also threatens the economies and social stability of littoral states on the African continent, which has follow-on effects for European navies that will inevitably deal with the resultant illegal human migration, human trafficking, and smuggling that stem from these efforts to degrade good order at sea. Many NATO member states are reliant on Chinese seafood exports, and some export large quantities of maritime products to the Chinese market. If Chinese products are harvested illegally, or by companies employing slave labor, that creates a moral dilemma for their consumers and is detrimental to alliance members.

Responding without Overcorrecting

The answer to this broad maritime challenge is not to expand NATO’s operational remit to the Asia-Pacific. Many NATO members would be unlikely to support such a shift, nor would most be able to support it operationally if they did agree. Thus, most operational commitment would fall upon the handful of member states that maintain

¹⁴ Geoffrey F. Gresh, “To Rule Eurasia’s Waves The New Great Power Competition at Sea. New Haven & London,” *Yale University Press*, 2020, p. 85.

¹⁵ Sarah Raine, “NATO, China and International Security,” *Asia-Pacific Regional Security Assessment 2021*, London, *International Institute for Strategic Studies*, 2021, p. 136.

sufficient naval force projection capability to operate independently in the Pacific, such as France, the United Kingdom, the United States, and Canada. On this subject, those that emphasize the “North Atlantic” aspect of NATO are correct. NATO’s operational focus should remain on its own region, while maintaining awareness of developments outside it.

Clarify

First on NATO’s list should be clarification of its own policies, both internally and externally. The key question being; what does ‘systemic challenger’ mean and how will our actions address that reality? Until the Alliance can reach internal consensus and credibly communicate this message to the world, credible action will remain out of reach. Non-allied partners will hesitate to buy-in on any NATO initiative potentially-directed toward Beijing without a clear understanding of the Alliance’s intentions.

Create Corporate Knowledge and Share It

Internally, NATO must strive to create institutional knowledge of the People’s Liberation Army and its joint components. Much like the way it built its encyclopedic understanding of the Russian military, the Alliance must foster development of a skilled corps of dedicated China analysts. And it is insufficient to simply create intelligence products for use at NATO headquarters. As emphasized in the *NATO 2030* report generated last year, alliance members need to share relevant information across relevant agencies as well as borders.¹⁶ Just as the challenge from China is not limited to military domains, information sharing must be ingrained in key sectors to ensure alliance members remain free of coercion or subversion.

There is some indication that this is happening at some levels of the Alliance, though perhaps more organically than by an intentional process. The NATO Defense College’s research division has published a number of works since 2018 focusing on various aspects of the Alliance’s dealings with China, ranging from NATO’s Indo-Pacific interests¹⁷ and COVID-19¹⁸, to the Russia-China axis.¹⁹

¹⁶ NATO, “NATO 2030: United for a New Era,” 1 July 2021, https://www.nato.int/nato_static_fl2014/assets/pdf/2020/12/pdf/201201-Reflection-Group-Final-Report-Uni.pdf

¹⁷ Jean-Loup Samaan, *NDC Policy Brief No. 21*, <https://www.ndc.nato.int/download/downloads.php?icode=611>

¹⁸ Bates Gill, “China in the COVID world: continued challenges for a rising power,” *NDC Policy Brief No. 20*, November 2020, <https://www.ndc.nato.int/download/downloads.php?icode=664>

¹⁹ Marc Ozawa, “Russia and China: “axis of convenience” or “stable strategic partnership?,” *NDC Policy Brief No. 19*, July 2019, <https://www.ndc.nato.int/download/downloads.php?icode=603>

Maximize Alliance Partnerships

The Alliance could, and should, leverage its existing relationships in the Asia-Pacific to consult and coordinate on the issue of China's burgeoning maritime might. The Alliance has several partners in the Asia Pacific with whom it could increase information sharing and consultative mechanisms but has yet to put a concept in place. While NATO maintains several other defined regional initiatives such as the Mediterranean Dialogue, Istanbul Cooperation Initiative (ICI), and Euro-Atlantic Partnership Council (EAPC) partners like Australia, Japan, New Zealand, and the Republic of Korea fall within NATO's catch-all "Global Partners" designation.²⁰ Formalizing a structure for its maritime partners in the region could be an attractive option, though proposals for NATO to align exercises and other activities with such a structure would be best avoided to prevent overtaxing alliance capabilities.²¹

Conduct and Support Alliance Members' Independent Deployments to Asia

This is not to say, of course, that NATO member states have no reason to deploy their maritime forces into the Asia-Pacific. On the contrary, the Indian and Pacific Ocean territorial possessions and economic interests of states like the United Kingdom, France, and the United States demand that their navies maintain some degree of presence in the region. Other deployments, such as that announced by the German navy, as well as Dutch participation in the Royal Navy's Carrier Strike Group 21 should also be welcomed and encouraged.

Beginning in 2018, several NATO member state's navies have participated as observers in U.S.-led maritime exercises designed to improve maritime security in the Asia-Pacific. One of the more visible examples being the Southeast Asia Cooperation and Training (SEACAT) exercise.²² Given the global reliance upon the maritime commons, NATO members should be seen cooperating to ensure a free sea and upholding the freedom of navigation outside formal alliance operations. And these deployments can still benefit the Alliance in terms of lessons learned as well as intelligence sharing.

Facing the Future Together

None of these actions will go unnoticed by Beijing. Even the limited public statements released have drawn a vicious riposte in Chinese media and from representatives of

²⁰ NATO, "Organization: Partnerships." Last updated 27 March 2020. <https://www.nato.int/cps/en/natohq/51288.htm>

²¹ Mirna Galic, "Opportunity Knocks for NATO and its Partners in the Asia-Pacific," *Atlantic Council*, 26 March 2021, <https://www.atlanticcouncil.org/blogs/new-atlanticist/opportunity-knocks-for-nato-and-its-partners-in-the-asia-pacific/>

²² Gregory Johnson, "SEACAT 2020 Puts Regional Cooperation First on Agenda," *Commander, U.S. 7th Fleet*, 23 July 2020, <https://www.c7f.navy.mil/Media/News/Display/Article/2286570/seacat-2020-puts-regional-cooperation-first-on-agenda/>

China's Ministry of Foreign Affairs. China's mission to the European Union was quick to fire back at NATO's June 2021 communiqué, claiming that it "slander[ed] China's peaceful development"²³ and denying the charge that China poses a "systemic challenge" but vowing to respond to perceived systemic challenges to its own goals.²⁴ It should be expected that Beijing will wield its influence and coercive power to exacerbate existing dividing lines within the Alliance in order to prevent NATO's ability to coalesce around a meaningful position where China's interests are concerned.²⁵ This will require concerted effort from Brussels to ensure that member states are reinforced against those coercive activities and that potential cleavages are addressed proactively.

There is no need for panic or breathless overreaction within NATO, but the Alliance will need to find new ways to work together and operate as China's maritime strength grows in its backyard. While Russia remains its rightful focus, practicality must also inform NATO's prioritization decisions. Russia remains a country with economic and demographic limitations on its ability to wage a conventional war against NATO. China, on the other hand, is amidst an attempt to seize the commanding heights of the world economy and is rapidly building military and naval strength. Combined with the opacity surrounding China's decision-making and political goals, this creates a situation that the Alliance must focus upon and prepare for. These preparations will not be received well by China, and the resulting backlash should be faced by a unified front within the Alliance. Whatever challenge may come, however, it will be best dealt with in the spirit of NATO's long-standing motto, "*Animus in consulendo liber*," or "A mind unfettered in deliberation." Honest and constructive consultation among allies will prepare the Alliance to meet this new maritime challenge.

²³ Mission of China to the EU (@ChinaEUMission), "The spokesperson of our Mission speaks on a question concerning the NATO Summit's Communiqué," *Twitter*, 15 June 2021, <https://twitter.com/ChinaEUMission/status/1404565606892986375>

²⁴ Op-ed., "China fires back at NATO's claims, says it won't sit back in face of systemic challenges." *Global Times*, 15 June 2021, <https://www.globaltimes.cn/page/202106/1226163.shtml>

²⁵ Meia Nouwens, "What next for NATO and China?," *International Institute for Strategic Studies (IISS) Blog*, 18 June 2021, <https://www.iiiss.org/blogs/analysis/2021/06/nato-china>