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China's Rise as a Global Security Actor: Implications for NATO

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Introduction

'We recognise that China's growing influence and international policies present both opportunities and challenges that we need to address together as an Alliance.'¹ With these words in the December 2019 London Declaration, NATO leaders made clear that China has become a new strategic point of focus for the Alliance.

Despite the careful language, this shift reflects growing concern among NATO members over China's geopolitical rise and its growing power-projection capabilities, as well as the impact that these may have on the global balance of power. Today, China is not only taking a central role in Indo-Pacific security affairs, but is also becoming an increasingly visible security actor in Europe's periphery. As NATO Secretary-General Jens Stoltenberg noted, 'this is not about moving NATO into the South China Sea, but it is about taking into account that China is coming closer to us'.²

China poses a wide range of challenges to NATO. Beijing sees the Alliance as a United States-centric outfit that may be used by Washington to contain China, and has therefore tried to influence individual NATO members' decisions in order to weaken the Alliance's unity and, in particular, transatlantic ties. Close ties between China and Russia, especially in the security and military spheres, have also been a source of concern for NATO allies. Chinese naval forces have conducted joint exercises with the Russian Navy in the Baltic and Mediterranean seas, and there is the potential for the two sides to further coordinate – or at least align their behaviour – on issues of relevance to the Alliance, including hybrid warfare and cyber espionage, arms-control issues, and their approach to Arctic governance, among others.

China's defence spending and military-modernisation process, along with the growing strength of its defence industry, have also led to the proliferation of more advanced military platforms. China exports heavy

and armed uninhabited aerial vehicles (UAVs) to the Middle East, Central Asia and Africa – without accompanying terms and conditions defining or limiting their use. Beijing is also expanding its stockpile of missiles, some of which have the range to reach NATO countries. Accordingly, NATO allies will increasingly have to factor in these changes to their operational environments. Furthermore, China's growing military power has edged towards Europe as the People's Liberation Army (PLA) has expanded its international presence over the last few years. The PLA has opened a new military base in Djibouti, is a more active participant in United Nations peacekeeping operations and has even conducted joint exercises with Russia.

2020 has been a year of reflection for NATO. In June, Secretary-General Stoltenberg launched the NATO 2030 reflection process to think about the future of the Alliance.³ His priorities are to keep NATO strong militarily, make it more united politically and have it take a more global approach. China, of course, is an important part of this. As part of this process, a paper containing the analysis and recommendations of the reflection group appointed by Stoltenberg was published on 3 December 2020. The report recognised the acute challenges that China poses to the Alliance and its members, and issued several recommendations meant to ensure that by 2030 NATO is able to 'provide a position of security and strength to contribute to Allies' relations with China and guard against any attempts by Beijing to employ coercion against them'.⁴ These include enhancing the Alliance's understanding of China's capabilities and intentions; monitoring and assessing how Russia–China cooperation impacts Euro-Atlantic security; helping allies maintain their technological edge; and defending the rules-based international order. At the same time, the report also noted that NATO should

remain open to dialogue and cooperation with Beijing where this serves its interests.

This paper explores some of the main challenges that China poses for the Alliance, and proposes some courses of action that NATO may follow to address

them. The allies have agreed that facing their ‘China challenge’ through NATO is an imperative, but how quickly they can reach consensus on how to do so will be the real test.

A tool of the United States: China's view of NATO

China's relationship with NATO has always been tense at best and adversarial at worst. Beijing views NATO as a potential threat to its interests of building a global network of bilateral relationships centred around Beijing and to its goal of becoming a global power by 2049, the 100th anniversary of the foundation of the People's Republic of China.

The Chinese leadership sees NATO as a US-centric alliance and thus as a tool that Washington may use to maintain its global dominance and prevent China's return to its rightful place as a global power, a position it lost during the 'century of humiliation' (1839–1949) when it was partly colonised by foreign powers. Chinese media regularly emphasises this point, noting that the US needs NATO to support its 'global hegemony'.⁵ NATO is therefore viewed by Beijing as another piece in its broader geopolitical competition with the United States. As relations between the US and China have worsened over the last few years, Chinese observers have repeatedly expressed concerns that Washington may push the Alliance to recognise China as a new adversary, in line with the United States' current confrontational approach to relations with Beijing. Fundamentally, the Chinese leadership views NATO as what it calls a 'remnant of the Cold War', which lost legitimacy after the collapse of the Soviet Union and is therefore looking for a new enemy to justify its existence.

Memories of the 1999 US-led NATO bombing of the Chinese Embassy in Belgrade also colour the Chinese public's and leadership's perceptions of the Alliance. Although then-president Bill Clinton apologised for the accidental strike against the embassy, blaming it on old maps, many in the Chinese leadership believed that the attack, which killed three Chinese journalists, had been deliberate.⁶ This incident has marred NATO–China relations since.

China is also deeply concerned about NATO's potential involvement in the Asia-Pacific. Although

the Alliance's area of operations does not include Asia, Beijing has long been afraid that Washington may push NATO to expand its presence in the region as a way to contain China.⁷ President Barack Obama's administration's announcement of the US 'pivot to Asia', along with NATO's establishment of 'global partnerships'⁸ with several countries in the Asia-Pacific (Mongolia, New Zealand and South Korea in 2012, Australia in 2013 and Japan in 2014), only served to solidify these fears. Finally, Beijing's approach to NATO is also influenced by its relationship with Moscow. Expanding Sino-Russian cooperation, along with Russia's status as the main strategic focus of the Alliance, has made any cooperation with NATO politically difficult for Beijing. Concerned about NATO's potential expansion towards the Asia-Pacific region, the Chinese leadership has also adopted Russia's complaints against NATO enlargement and the Alliance's perceived 'Cold War mentality'.⁹

Despite this foundation of mistrust and China's view of the Alliance as a tool of the United States, NATO has so far remained a low-priority target for Beijing. Many in China were reassured by what they perceived as largely insurmountable obstacles to NATO being able to shift its focus towards Asia. These included the Alliance's inefficiencies and lack of strategic direction, its primary focus on Russia and the resulting limited capabilities to be deployed elsewhere, and the wide divide between the US and other NATO members on their approach to China.¹⁰

The December 2019 NATO Leaders Meeting, however, changed things. The London Declaration realised China's fears. Despite the cautious wording, this was a clear recognition by the Alliance's leaders that China presented challenges that needed to be addressed by the Alliance as a whole, and it signalled the emergence of a consensus on the issue that had so far proved elusive. This consensus

was born out of a growing convergence of positions across the Atlantic, caused by China's increasingly assertive behaviour in the international arena over the last few years and the realisation that Beijing's ambitions of becoming a global power and reforming the global order will challenge European and American interests and security.

The United States identified China as a strategic competitor in its last National Security Strategy, issued in December 2017, and former secretary of defense Mark Esper considered it the pacing threat.¹¹ And while Europe still sees China as a potential partner in some non-traditional security areas, such as climate change or the protection of the Iran nuclear deal, the European Union and many of its member states are beginning to rethink their strategic relations with Beijing. The European Commission's 'EU-China – A Strategic Outlook', published in March 2019, simultaneously identified China as a partner, an economic competitor and a systemic rival.¹²

China's official response to this shift in NATO's position has been quite restrained. Beijing has stated that it appreciates not being branded as a threat or adversary, and that it welcomes NATO's readiness to deepen their mutual relationship and discuss opportunities for cooperation.¹³ Despite this, Beijing is surely concerned. Chinese experts seem to believe that the US will now try to introduce a more anti-China military and security agenda to the Alliance, and that the only thing that could prevent this is the breakdown of the new-found consensus on the threats posed by China.

In order to prevent the emergence of an anti-China united front inside NATO, Beijing is therefore likely to try to exploit the existing divisions within the Alliance in order to weaken transatlantic ties. The Chinese leadership is fully cognisant of the gap on China policy between the US under President Donald Trump and the EU. Substantial divisions also remain within the EU: relationships between China and the different NATO members, after all, vary widely, and are distinguished by different levels of competition and cooperation. Although this may change under the incoming Joe Biden administration, it is very likely that Beijing will still try to engage with and influence European members of NATO in order to counteract the United States' influence inside the Alliance. This will pose clear challenges to NATO unity.

China uses a number of different tools to influence the position and decisions of individual NATO allies, partner countries and the Alliance itself, including cyber warfare, disinformation, elite capture, economic pressure and legal warfare. Using financial donations and economic leverage for political influence is not only a tool used by Beijing with less-developed economies along the Belt and Road Initiative (BRI). Similarly, Chinese investments in NATO allies' media landscapes also seek to influence public perceptions of China at a time when it faces increasing pushback and negative reputational consequences from issues such as the South China Sea dispute, the BRI or its behaviour during the COVID-19 pandemic. Beijing is further expected to expand economic and trade relations with Europe, in hopes that this may lead to a more conciliatory approach by European members of the Alliance wishing to avoid Chinese economic retaliation. Countries in Central and Eastern Europe that are members of the 17+1 initiative (which promotes investment links between China and 17 states in the region) and those that signed on to the BRI are likely to be China's focus, although they are by no means the only ones that Beijing will approach to prevent the coalescence of a transatlantic anti-China bloc. Beijing's goal is to present China as a responsible power and an alternative to a sabre-rattling United States, to help create a counterweight to the US inside NATO.

Opportunities for NATO–China cooperation still exist on individual issues, such as non-traditional security matters or counter-piracy operations in the Gulf of Aden. Cooperation is likely to continue in areas of common interest, albeit with greater wariness on NATO's side not to upskill the PLA even further. However, Beijing's attempts to weaken NATO unity, and transatlantic ties in particular, present existential challenges to the Alliance that must be addressed. It is of fundamental importance for the Alliance to begin by building a deeper consensus on the values that NATO represents around the world and on threat perceptions regarding Beijing. Allies should also focus on fixing some of the chinks that have emerged in transatlantic relations under the Trump administration and on improving cooperation and inter-operability between NATO allies and its partners around the globe, especially in the Asia-Pacific. Adopting a common position on new domains of warfare, especially cyberspace and outer space, would also contribute to deterring China's behaviour.

Old foes, new challengers: the Sino-Russian relationship

Many have called the relationship between Beijing and Moscow a ‘marriage of convenience’, born out of both sides considering the United States their main adversary and a need to alleviate the pressure applied by the US and other likeminded states. Their relationship, however, has developed into something much more solid over the years. Built on a foundation of common interests on issues ranging from security and global governance to the economy and human rights, the China–Russia relationship is becoming ever closer.

Given Russia’s position as NATO’s main strategic focus, Sino-Russian cooperation has become one of the Alliance’s primary concerns in relation to China’s rise. Although Russia is officially still a NATO partner through the Alliance’s Partnership for Peace mechanism, NATO–Russia relations have been strained and practical cooperation all but suspended since the annexation of Crimea in 2014. Russia’s actions in Ukraine also led Europe and the US to impose economic sanctions on Russia, taking a more hardline approach towards Moscow.

Isolated from the international community and with few other options, Russia has since turned to China as its preferred global partner. Both Russia and China have shared security interests when it comes to maintaining stability in Central Asia and the Arctic, and to opposing the US and NATO, which is seen as a US-led Alliance designed to keep China and Russia down. As such, they have gone to great lengths in recent years to show the strength of their military cooperation with joint exercises and drills, which have taken place in the European neighbourhood as well as in Russia.

They also have partly complementary economies, with Russia exporting mostly raw materials to China and importing machinery, equipment and technology from Beijing.¹⁴ Russia also remains China’s top arms supplier, since Beijing’s access to other global markets

is limited owing to arms-trade restrictions and the arms embargo imposed by the EU and US after the 1989 Tiananmen Square incident. Finally, shared political values have also driven the two countries closer. Beijing and Moscow largely agree on issues such as the role and sovereignty of the state, their approach to global governance and human rights, and the principle of non-interference, among others.

The Sino-Russian relationship is not a full alliance as there are clear limits to what each party will do for the other, as demonstrated by China’s refusal to publicly support Russia’s annexation of Crimea, or Moscow’s decision so far not to become involved in the South China Sea or China–India border disputes. Despite this, the extensive common ground between the two countries, particularly when it comes to their relationship with the West in general and the US and NATO in particular, has led to a certain degree of alignment in their behaviour that could create serious implications for the Alliance.

Firstly, Russia and China are amplifying each other’s messages and pushing similar global-governance ideas that threaten liberal democracies and the rules-based international order. This trend is particularly visible within the UN system, where Beijing and Moscow often vote together in order to help prop up friendly illiberal regimes or to create new cyber norms and standards that would enshrine the principle of ‘cyber sovereignty’.

Secondly, China has been able to acquire Russian weapons and military capabilities that have helped the PLA fill some of its equipment gaps. This, boosted by China’s economic growth and the growing strength of its own defence industry, has allowed the Chinese military to rapidly progress along its path of military modernisation – which must be completed by 2035, according to President Xi Jinping. This is seen as an intermediate goal on the PLA’s way to becoming a

global top-tier military that can fight and win wars by 2049. China, for example, continues to import Russian military-propulsion systems, such as engines, transmissions and rotors, for use by the PLA's aircraft, as it has not yet mastered their production at home.¹⁵ Beijing has also purchased Russia's S-400 *Triumf* surface-to-air missile system to improve its long-range air defences and help deter the US in the Indo-Pacific.¹⁶

Finally, defence cooperation between China and Russia helps each side strengthen the other's challenges to NATO and its members in the Indo-Pacific and European theatres. Russian military capabilities are allowing Beijing to increasingly challenge the US and other NATO partners in the Indo-Pacific region. China has had less of a military presence in the European theatre so far, not least owing to geographical distance. But China's investments in European ports, digital networks and other critical infrastructure, together with its political-influence efforts, could allow Beijing to slow down a potential NATO response to Russian aggression or even to dissuade individual NATO allies from taking action against Russian hybrid attacks or interference efforts. Furthermore, Beijing and Moscow may further coordinate their behaviour in domains and regions of strategic interest to the Alliance, such as hybrid warfare or the Arctic.

These challenges posed to NATO and its individual members have increased as the relationship between the two powers has grown closer. This relationship, however, is at the same time becoming increasingly asymmetrical in favour of China, as the balance of power between the two countries shifts. The Chinese economy continues to grow, and Beijing is becoming a more relevant global actor on a range of issues. Russia, on the other hand, suffers from a stagnant economy and deep inefficiencies that are likely to turn Moscow into the junior partner in the relationship in the future, which could hurt Russia's strategic autonomy.

Concerns about this have already started to emerge. Russian experts are already questioning the wisdom of exporting advanced weapons systems to China, out of fear that Beijing will simply reverse engineer and replicate them, making the Russian connection redundant (as happened with the Su-27 *Flanker* combat aircraft). With the growing strength of the Chinese defence industry, China is less and less dependent on Russian arms imports – one of Moscow's main points of leverage in the relationship – and it has already joined Russia as one of the world's main arms exporters. Many in Moscow are also concerned about China's expanding presence in Russia's traditional sphere of influence – the Arctic and Central Asia – which has partly been achieved by leveraging Russia's long-standing presence and activity in those regions, and by the possibility that Beijing may displace Moscow as the main actor in those territories.

These issues are likely to cause tensions, and may lead to a potential deterioration of the relationship in the long term. For now, however, the relationship between China and Russia continues to grow closer in the face of perceived challenges to both regimes from NATO and its partners, creating issues that the Alliance must consider. At this stage, this cooperation cannot be reversed, and driving a wedge between Beijing and Moscow by enticing Russia to turn away from Beijing remains a largely unrealistic option, given the degree of convergence in interests between the two sides and Moscow's lack of alternatives in the international arena.

NATO and its individual member states should instead work to convince Moscow that some cooperation with the West is possible – and that it would be preferable to becoming China's junior partner, with all the dangers that entails. The Alliance should therefore focus on individual issues where it may be able to mitigate Russia's willingness to cooperate with China by offering opportunities for cooperation.

Protecting NATO's defence-industrial edge

As a result of China's ambition to be a high-technology and digital superpower by 2030, digital technologies have become central to geopolitical competition during the Trump administration, and this competition has taken centre stage within NATO debates on China. The Biden administration is likely to continue this trend. Despite the 'dual circulation' strategy unveiled by Xi in May 2020 – meant to cut China's dependence on overseas markets and technology – foreign innovation will remain important to China's development of indigenous technologies.¹⁷ The toolbox by which Beijing can access foreign technology is varied, and measures to protect NATO strengths in technological innovation will need to accurately address existing weaknesses at the state level among allies.¹⁸

The current integration of Chinese technology into NATO allies' national critical telecommunications infrastructure, the investment by Chinese companies into high-tech-focused industry and start-ups in NATO member states, and the export of dual-use technology to China have been of particular concern to the United States. Moreover, academic cooperation with Chinese institutions, and talent-recruitment programmes in China that target sensitive new technologies that might be central to future war-fighting capabilities, have also become heavily debated within NATO states. With his proposal for NATO 2030 in mind, Stoltenberg stated that he intends 'to put further proposals on the table to maintain [NATO's] technological edge, to develop common principles and standards for new technologies, and to enhance cooperation between allies in areas like joint research and development'.¹⁹

Xi's ambitious goal for China to become a global leader in high-tech innovation has heightened concern that normal trade or cooperation in technology with China could end up assisting the PLA in its

modernisation efforts. Chinese entrepreneurs must address their innovation gap with the West and move away from being copiers of technology. The Made in China 2025 plan sets out that China should dominate high-tech manufacturing by 2025.²⁰ By 2030, the New Generation Artificial Intelligence Development Plan stipulates that it should have become a global leader in artificial intelligence.²¹ And China Standards 2035 dictates that Chinese standards should become global standards, in areas such as information-technology infrastructure and other next-generation technologies.²² The debate around Huawei's global roll-out of its fifth-generation telecommunications network (5G) technology sparked the tinderbox of geopolitical competition in technology, in part due to Huawei's reported government subsidisation and links.

However, China's National Intelligence Law, passed in 2017, has shifted the problem from one of unfair competition and industrial policy to one of information security and intelligence gathering. Some have argued that the legal obligation of Chinese citizens, companies and agencies to comply with demands for information from the Chinese government calls into question the independence of any Chinese actor.²³ Beijing's military–civil fusion policy increases the possibility that any transfer of technology could serve military as well as civilian uses in China. NATO must therefore consider four areas of intra-Alliance coordination in order to secure its technological edge and future innovation strengths.

Firstly, investment into NATO economies must be better understood. Here, NATO has looked to another multilateral actor, the EU, for expertise on inherently political concerns that fall outside of the Alliance's traditional area of expertise. In response to a wave of takeovers by Chinese companies of strategically important European firms, the EU has required its member states

to implement foreign-direct-investment (FDI) screening mechanisms.²⁴ Prior to the passage of the EU's FDI Screening Regulation, over half its member states lacked investment-screening mechanisms altogether. This is unsurprising – FDI remained a member-state competence at the national, rather than union, level. Those member states who did have mechanisms in place to assess FDI into their economies had varying trigger thresholds and applied their mechanisms to different sectors of investment. Most member states made progress towards meeting the deadline for establishing an investment-screening mechanism by 11 October 2020. However, by that date six (Bulgaria, Croatia, Cyprus, Greece, Luxembourg and Slovakia) had not made any headway at all. While some are still deciding what their mechanisms will look like, others with existing mechanisms have strengthened their scope of application following fears of predatory takeovers in economies weakened by COVID-19. The EU investment-screening landscape still lacks standardisation and uniformity.

NATO will not be immune to the difficulties that the EU has faced in standardising investment-screening processes at the national level. Indeed, eight NATO allies – Albania, Bulgaria, Croatia, Greece, Iceland, Luxembourg, Slovakia and Turkey – do not have any investment-screening mechanisms in place, nor have they made any attempt to move towards establishing them so far. The risk therefore remains that NATO will be unable to ensure the resilience against foreign investors 'snapping up critical infrastructure, companies and technologies' identified by Stoltenberg as an ambition moving forward.²⁵ NATO should also be cognisant of the challenges posed by screening venture capital into start-ups in its member states, where cutting-edge innovation – particularly in areas of emerging technology – is taking place.

Secondly, Stoltenberg has stated that NATO allies 'should agree to common principles and whether to export technology that [they] rely on for [NATO's] security'.²⁶ Here, too, NATO faces similar challenges to the EU. The export of military goods falls under Article 346 of the Treaty on the Functioning of the European Union, and as such the decision to grant export licences is taken by individual member states.²⁷ The EU's Code of Conduct on Arms Exports and its regime of export

controls on dual-use technologies serve as a standardising framework across EU member states and international export controls.²⁸ To bring the latter up to date, in 2020 the EU provisionally agreed a revised regulation that sets out its regime for the control of exports, brokering, transit and transfer of, and technical assistance with, dual-use goods.

However, the application of these regulations and their impact on the export of dual-use goods to China has been limited to the degree by which member states choose to adhere to them. Since the Tiananmen Square incident, EU member states have continued to play a minimal but not negligible role in the transfer of weapons, platforms and dual-use technology to China. France, Germany and Italy in particular have exported various diesel engines for PLA Navy vessels, anti-submarine-warfare (ASW) sonars, and ASW and transport helicopters.²⁹ Currently, observers lack a complete understanding of how significant member-state dual-use exports have been to the PLA's modernisation. Member states only report denials of licences, and without understanding the total number of licences granted it is difficult to say how successful existing export controls on dual-use technologies are.

While the EU is locked in a complex network of union- and national-level legislation, NATO could build on previous attempts to harmonise export-control lists of military and civil technologies among its member countries, such as those by NATO's Conference of National Armaments Directors through Transatlantic Defence Technological and Industrial Cooperation.³⁰

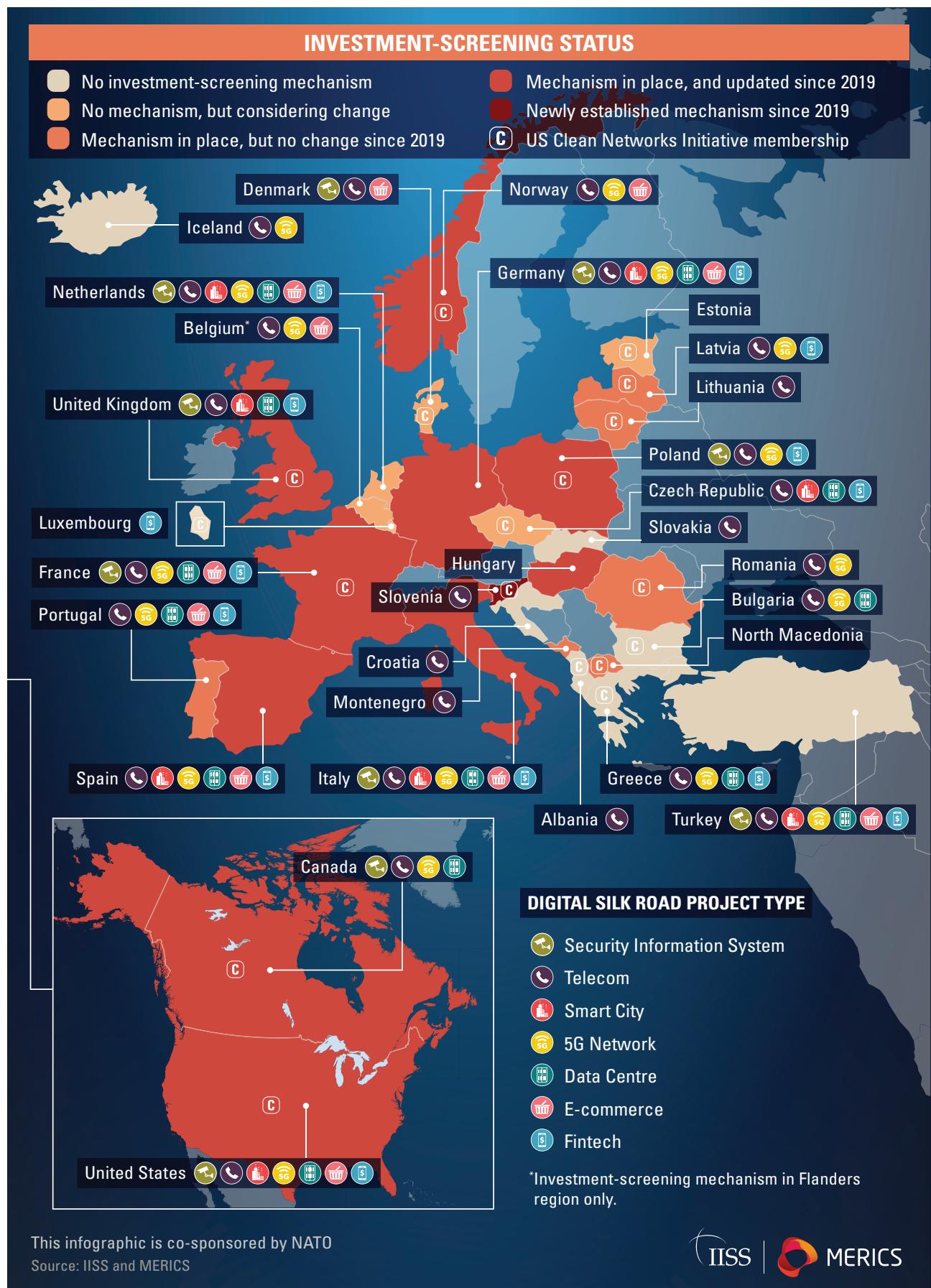
Thirdly, in addition to controlling the investment that comes into its member countries and the technology that is exported out of them, the Alliance will also have to 'develop common principles and standards for new technologies, and ... enhance cooperation between allies in areas like joint research and development'.³¹ NATO's Science and Technology Organization (STO) 'supports the defence and security posture of the Alliance and its partners through scientific and technological research'.³² The STO network spans across more than 6,000 scientists and 200,000 experts in allied and partner nations who work together in a wide range of fields, such as autonomous systems, hypersonic vehicles, quantum radar and ASW, to name a few. The STO

supports decisions taken at the national and NATO levels by national leadership and the North Atlantic Council. But technological innovation will take place within allied states themselves, not within NATO, and such innovation in the civilian realm will not fall within the Alliance's remit. China's strategy of bringing talent from overseas to conduct R&D with their Chinese counterparts could therefore continue – or even increase, in light of the post-COVID-19 economic malaise across NATO-allied economies. As governments become strapped for cash, combining resources to retain science-and-technology talent at home may be the best means of insuring future innovation capacity. The EU has put forward such a plan already,

aiming to revamp the European Research Area by calling on member states to boost national R&D spending and earmark 5% of public R&D funding for joint programmes and partnerships with other member states.³³ NATO could consider cooperating with the EU on this effort, or spin off a similar strategy from the EU's example.

Lastly, NATO allies must form a consensus on the potential import of Chinese weapons. Turkey's purchase of the Russian S-400 system proved case in point that military-systems integration within the Alliance may be at stake when allies look to defence industries in countries outside of the Alliance for future weapons purchases.

Map 1: The varied landscape of Chinese investment and investment-screening mechanisms across NATO as of December 2020



Going global?

The recognition that the rise of China is ‘fundamentally shifting the global balance of power’ does not mean that NATO is heading east. As Stoltenberg said, facing the challenge from China is not about NATO going to the South China Sea, but more about China coming closer to NATO: ‘from the Arctic to cyber space, NATO needs a more global approach’.³⁴

But does NATO’s founding charter support a globalised Alliance? This question has been posed before, in the mid-2000s, when NATO’s global partnerships expanded through the Partnerships for Peace programme, the Mediterranean Dialogue and the Istanbul Cooperation Initiative. NATO’s response to the global security environment following the 11 September 2001 attacks on the United States was the first time that the Alliance invoked the collective-defence clause, Article V, of the Washington Treaty. The United States has made it clear in the past that it expects the invocation of Article V to expand further geographically, and that it believes NATO’s mission scope and partners should similarly become more global.

Washington believes that NATO must be able to ‘act wherever [the United States’] interests are threatened’, as stated in the 2002 National Security Strategy.³⁵ That same strategy called for an expanded partnership-and-membership network of democratic nations willing and able to share the United States’ burden of defending and advancing common interests, and extending the scope of the Alliance’s mission beyond the defence and military sectors. In the past this expanded scope envisioned peacebuilding and peacemaking.³⁶ The most recent US National Security Strategy, published in 2017, called for greater burden sharing by allies, and for cooperation with partners to contest China’s unfair trade and economic practices and restrict its acquisition of sensitive technologies.³⁷

What exactly NATO’s future role will look like is yet to be determined. But Stoltenberg has already stated that ‘there’s no way that NATO will move into the South China Sea’, which the 2030 reflection group’s report does not address.³⁸ NATO 2030 is thus more about a global *approach* than a global presence. The reflection report acknowledges that NATO partnership activities are already underfunded and that the Alliance will need to show more creativity in funding these in the future. But the challenge also lies in how to leverage allies’ limited capabilities to potentially address the rising assertiveness of the PLA in the Indo-Pacific. This approach is not surprising. China’s rapid military modernisation has resulted in the world’s largest navy according to the US Department of Defense’s 2020 report to Congress on China’s military strength.³⁹ As per the IISS’s Military Balance+ database, in 2020 this included 80 principal surface combatants in the PLA Navy. According to the Department of Defense report, by comparison the US Navy has a battle force of approximately four-fifths the size of China’s as of 2020.⁴⁰ European navies are even smaller. The United Kingdom’s Royal Navy has just 21 principal surface combatants, while France has 22, Germany ten, the Netherlands six and Spain 11. Similarly, submarine capabilities are also stretched, as shown in Table 1. It is highly unlikely that all these resources would or could be redirected to the Indo-Pacific theatre on a regular basis, given there remain prominent threats closer to NATO’s traditional area of operation.

Greater burden sharing should be expected within NATO. Some allies – namely the US, but also France, the Netherlands and the UK – have indicated that they plan to deploy their navies more frequently in the Indo-Pacific region. This is in part a response to

the perceived challenges posed by China to the rules-based international order. The US already began this process in 2020, drawing down troops in Germany in order to gain greater flexibility to address emerging global threats.⁴¹

If NATO is looking to expand its global approach, particularly if it aims to do so increasingly towards the east, a good starting point may be to further develop a regional strategy. Here, NATO need only turn towards the EU for inspiration on how to achieve consensus on a common approach to China. Three EU member states (France, Germany and the Netherlands) have in the past two years already published China or Indo-Pacific strategies of their own (or, in the case of the Netherlands, both).⁴² France considers itself an Indo-Pacific country and, in combination with the US, NATO's geographical area of operation technically already expands beyond its traditional European and Eurasian arena. Some EU member states and NATO allies will be more competitive in their approach to China, while others such as Germany have shown that shifts towards a more strategic relationship with China will not be pursued at the cost of their bilateral trade relationship.

What these Indo-Pacific strategy documents do highlight is the need to work with more partners in the region. Germany's strategy calls for NATO to expand ties with Japan and South Korea, while the Netherlands' specifically advocates for deeper ties with Southeast Asian countries. And though France's Indo-Pacific strategy does not mention NATO outside the European context, it highlights that Paris is working to

develop a network of strategic partners in the region, including Australia, India, Japan, New Zealand and some Southeast Asian countries.

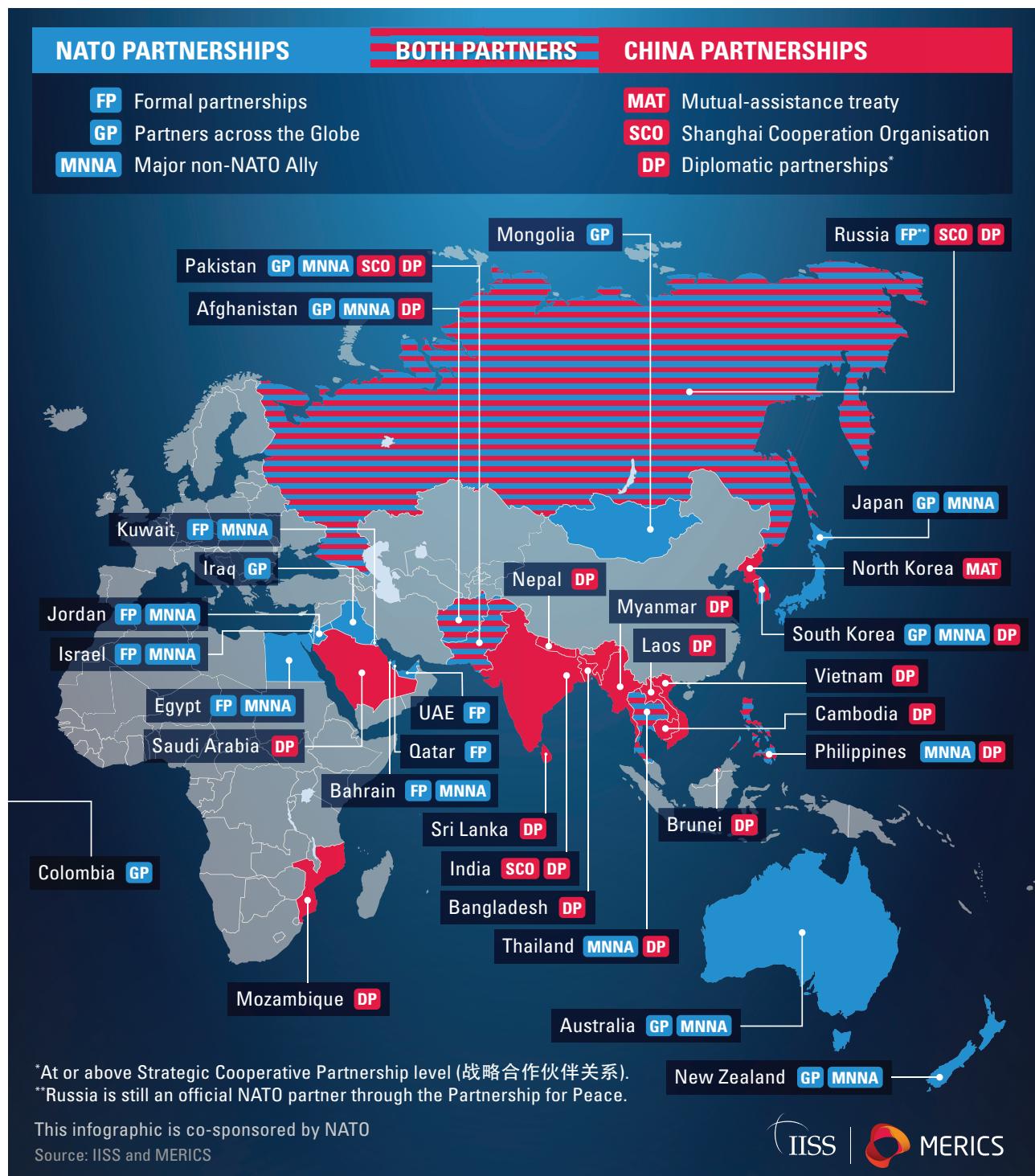
NATO's existing network of partners across the globe already expands to Australia, Japan, New Zealand and South Korea, as well as to Pakistan, the Philippines and Thailand. Informal and ad hoc cooperation currently exists with other countries in the region, such as India. So there is plenty of scope to continue expanding NATO's formal Partners across the Globe programme. The NATO 2030 reflection report specifically cites the possibility of creating a NATO-Pacific Partnership Council, formalising the partnership with India and establishing regularised dialogue with Indo-Pacific partners along thematic lines, such as technological cooperation and pooling of R&D in select fields.⁴³ However, cooperation with these partners could potentially focus on how to integrate NATO engagements in the region into existing regional security frameworks, instead of creating entirely new ones. Doing so may risk overcrowding and overcomplication in a region that is already host to a number of security frameworks. The 2030 reflection report acknowledges as much, putting forward the possibility of deepening Indo-Pacific partnerships through NATO engagement with the Quadrilateral Security Dialogue.⁴⁴ This is currently a challenge individual NATO allies such as the UK will be considering, and NATO could draw on their expertise to think of practical areas in which it could add value to existing regional security frameworks.⁴⁵

Table 1: Personnel and capabilities of Chinese, US and select European navies, 2020

Country	Active navy personnel	Principal surface combatants	Submarines:				
			Attack	Ballistic-missile	Nuclear-powered ballistic-missile	Nuclear-powered attack	Nuclear-powered guided-missile
China	260,000	80	46	1	6	6	-
US	346,500	124	-	-	14	3	51
UK	33,050	21	-	-	4	7	-
France	34,700	22	-	-	4	4	-
Germany	16,600	10	3	-	-	-	-
Netherlands	7,350 (incl. marines)	6	4	-	-	-	-
Spain	20,350 (incl. naval aviation and marines)	11	2	-	-	-	-

Source: IISS Military Balance+ database

Map 2: NATO's and China's partners in the Indo-Pacific as of November 2020



Conclusion

While NATO allies may have agreed that China poses several challenges to the Alliance's security, they have yet to achieve consensus on how to address them. In the past NATO has both cooperated with China and closely watched the PLA's modernisation efforts. In the meantime China has come to NATO, and necessitated its inclusion in the Alliance's discussions. Beijing's suspicion of NATO might not have changed since the bombing of the Chinese Embassy in Belgrade in 1999, but NATO's concern with China has now caught up.

Beijing's view that the Alliance is pushed from within to consider China as a challenge is not entirely incorrect. The Trump administration, and others preceding it, have been adamant that NATO's geographical area of operation, the scope of its mission and its global partnerships must expand. But it would be a mistake to assume that this is a position forced upon all NATO allies. In the past two years alone, the EU has asserted that China is a systemic rival in its 'EU-China – A Strategic Outlook', and three EU and NATO member states have published their individual Indo-Pacific strategies. EU member states are also increasingly aware of licit and illicit technology transfers from their economies to China, which sometimes end up in the hands of the PLA. And the PLA has made a point of signalling that its navy is working hard to become a blue-water force, able to operate in NATO's backyard as easily as it can off China's own shores. Whether Beijing likes it or not, most NATO allies' eyes have turned east.

The challenges that China poses to NATO are varied, and NATO allies will need to prioritise how, when and where to use their combined resources to address them. How to do so as a cohesive alliance will be more

important than ever. As the NATO 2030 reflection report argues, a 'drift toward NATO disunity, should it occur, must be seen as a strategic rather than merely tactical or optical problem'.⁴⁶ While China is the long-term issue, Russia remains an immediate challenge that cannot be overlooked. The Sino-Russian relationship adds an unwelcome complicating factor. The Alliance will need to consider whether it would be possible to drive a wedge between China and Russia through cooperation with the latter, or whether this is unrealistic, as concluded in this paper. When it comes to maintaining NATO's technological edge, allies should take stock of current strengths and weaknesses in priority areas of high technologies, undertake Alliance-wide efforts to support these, and protect allied innovation by standardising legislation on inward investment from China and export controls. Considering the politico-economic nature of this challenge, coordinating with the EU and leveraging its own experience in this field will be important. Lastly, while NATO's resources continue to be stretched geographically and by mission scope, allies must carefully coordinate priority theatres and burden sharing. While all allies agree on the challenges posed by China, it does not make sense for all those with the capacity to do so to maintain a global or at least Indo-Pacific presence. As acknowledged in the 2030 reflection report, NATO's global ambition would be best achieved by expanding the Alliance's network of global partners and integrating NATO into existing regional security arrangements. NATO 2030 is an ambitious goal that may prove successful in addressing specific challenges posed by China to NATO. Unfortunately, the Alliance does not have the luxury of taking ten years to get there.

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