
PROTECTING EUROPE FROM CHINA WILL STRENGTHEN THE FUTURE OF NATO

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Competition with China is mostly economic, but NATO members need to pay attention. American and European interests align when it comes to the growing strategic competition between the Western alliance and China, writes Douglas Lute.

Douglas Lute was the U.S. ambassador to NATO from 2013 to 2017. He is a senior fellow at the Belfer Center at Harvard University, and president of Cambridge Global Advisors.

NATO, the worlds oldest and most successful alliance, recently turned 70 years old. As a report from Harvards Belfer Center explains, the Alliance faces a daunting array of challenges, including some that are familiar like defence spending and Russian aggression.

Other challenges are only now emerging and will become increasingly important in coming years. Especially pressing is the growing strategic competition between the Western alliance and China, which will likely dominate the world scene for the next several decades.

Today the competition with China is mostly economic, not military, but NATO members need to pay attention. Chinese economic investments today can lead to political influence tomorrow, and also have security implications. Chinas annual foreign direct investment in Europe grew to \$420 billion in 2017, a fifty-fold increase over a decade.

As part of the Belt and Road Initiative, China focuses investments on transportation and communications infrastructure, vital connections to Europes huge market with 500 million consumers and one-fourth of global GDP.

With these huge investments, China will gain political influence within European Union governments, as we have already seen in several cases. As political divisions widen within both NATO and the EU, cohesion erodes and these key institutions will struggle to attain consensus on how to address this challenge.

The competition with China includes emerging digital technologies that have significant security implications. Artificial intelligence, quantum computing, robotics and biotechnology may revolutionise warfare, perhaps on the scale of the changes brought on with the development of nuclear weapons in the early years of NATO.

Most attention today centres on the competition for 5G communications networks. While Chinese-made 5G infrastructure tends to be less expensive, it introduces new vulnerabilities because of the potential for the Chinese government to gain access to the networks and the data that travels

across them.

Neither economic nor security concerns are likely to completely dominate in the European market as individual Member States weigh costs, benefits and risks. As it stands, the European 5G market is poised to contain a significant amount of Chinese infrastructure.

Economic factors can be balanced with security concerns. European governments can leverage contractual, regulatory and technological tools to mitigate security risks. For example, mandating interoperability between 5G technological components would ensure that one manufacturer, such as China's Huawei, does not dominate the market.

Without careful coordination among allies to agree on reasonable security measures, 5G competition threatens to divide NATO and the EU politically, lead to barriers to integration, and reduce the overall benefit of 5G to European consumers.

While 5G is the current hot topic, it is just the beginning of competition with China in emerging technologies. In the coming decades, even more sophisticated data-based technologies will mean that both America and the European Union face a long term, geo-strategic competition with China.

Some of these technologies will have even more direct implications for national and Alliance security than 5G, changing fundamentally how NATO deters and, if necessary, fights wars.

Now is the time for NATO – and its most important partner, the EU – to wake up to the challenge from China, while it is still primarily economic and not yet military. Together, the US and NATO allies comprise about 50% of global GDP.

The trans-Atlantic alliance is a strategic advantage for both America and Europe that China cannot match – if we act together. As the competition with China is mainly economic and political, it should be a priority topic for US-EU and NATO-EU consultations.

For example, the US should welcome recent EU initiatives to implement measures to control foreign investment, similar to the Committee on Foreign Investment in the United States (CFIUS). The competition for 5G in Europe is only the opening round in the strategic competition with China.

America and Europe, joined together in NATO, are stronger together.

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