

GLOBAL AND REGIONAL ORDER

NOT AGAINST CHINA, BUT FOR DEMOCRACY

A Transatlantic Approach

Nils Schmid
July 2021



China's development is intensifying the great power competition with the United States and driving the polarization of the international system. Now is the time for a sovereign Europe that speaks with a unified voice on the international stage.



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In July, the political party with the world's largest membership will celebrate its 100th birthday. While the pandemic will still have many regions of the world firmly in its grip, no one need fear that the Chinese Communist Party's (CCP) centennial celebration, with its nearly 92 million members, will be a super-spreader event – because China has Coronavirus largely under control. And to make sure that the success story of containing the pandemic is not in doubt, the well-oiled Chinese propaganda machine will be running at full speed over the coming weeks. Due to the alleged success of its fight against Coronavirus, the CCP enjoys great support among the domestic population. At the center of the party and at the zenith of his power is Xi Jinping, the president of the world's most populous country, and one that fundamentally challenges our Western system of government, economy, and society.

THE END OF THE ILLUSION

This July, it should also be remembered that half a century ago U.S. President Richard Nixon surprised the world with the announcement of his visit to China, with which he laid the groundwork for the United States' subsequent opening policy. His visit also served the purpose of playing off the two communist adversaries, China and the Soviet Union, against each other. As the Cold War was coming to a end, the West's China policy was bound up with the hope that China's greater integration into the world economy as well as economic liberalization of the country would lead to more political and economic freedoms.

For now, however, the convergence theory of "change through trade" appears to have been refuted since a realistic look at China shows an increasingly perfected surveillance state that asserts its interests toward the outside world ever more aggressively. China's development is intensifying the great power competition with the United States and driving the bipolarization of the international system. In order to defend Western values and interests and to avoid one-sided dependencies in the context of these geopolitical realities, what is needed is a sovereign Europe that speaks with a unified voice on the international stage. Unfortunately, this is often prevented by the obstructionism of individual EU member states, such as when Hungary opposed a joint declaration on Hong Kong's electoral reform. Therefore, the EU must become more capable of acting in foreign policy, for which it must implement qualified majority voting.

It is also clear that Germany's strong moorings in the transatlantic community rooted in common security interests and values is the basis for a political dialog with Beijing on equal terms. With Joe Biden in power, there is a renewed possibility to jointly counter the influence of authoritarian states such as China and to help liberal democracy to regain its appeal in the post-COVID world.

In a keynote speech, U.S. Secretary of State Blinken rightly described China as the „biggest geopolitical test of the 21st century.“ He offered the following formula for dealing with

China: „Our relationship with China will be competitive when it should be, collaborative when it can be, and adversarial when it must be. The common denominator is the need to engage China from a position of strength.“

With this, the current U.S. administration is moving closer to the position of the European Union, according to which China is not only a partner and economic competitor, but also a "systemic rival." Unfortunately, however, over the past few years one got the impression that the view of the Chancellor's Office of the Far East was essentially shaped by economic interests, and, therefore, the Chinese challenge was not understood in all of its dimensions.

CORONAVIRUS – A CATALYST FOR SYSTEMIC COMPETITION

The pandemic is humankind's great challenge that can only be overcome together with China, and not against it. From Wuhan to the world, the rapid spread of COVID-19 has shown how closely our fates are intertwined. Because of this mutual interdependence, all countries should have an interest in greater cooperation in their response to the pandemic. Indeed, dangerous mutations spreading from viral hotspots across the globe show that no one is safe as long as the virus rages on in other parts of the world.

Images of the West's pandemic policy that made their way around the world last year fueled the debate about advantages and disadvantages of the model of a democratic rule-of-law state with a free market economy versus the Chinese one-party dictatorship with a centrally managed economy. As it celebrates its 100th birthday, the CCP will pull out all the stops to parade the success of the Chinese development model. At the center of this narrative are the approximately 700 to 800 million people that in the span of decades China has lifted out of poverty, the country's inevitable rise to being the world's strongest economic power, the containment of the pandemic, and its purportedly selfless vaccine diplomacy. This narrative must be countered by evidence-based information, and the serious shortcoming of the Chinese system must be pointed out. Above all, Germany, along with the United States and other democracies, must deliver the better political answer. The competition in the international system will be decided on the basis of the quality of our democracy at home, our ability to innovate, and the social cohesion of our open society. Instead of vaccine nationalism, we must focus on vaccine multilateralism, since it is the only way to ensure rapid and equitable worldwide vaccine distribution. Only when this is achieved can we mount a credible critique of China's vaccine diplomacy, one that is driven by national interests rather than humanitarian principles. Therefore, the existing support for the global vaccine-sharing program COVAX should be further expanded.

At the beginning of the pandemic, it became clear how vulnerable Germany and Europe are due to their lopsided dependency on vital medical supplies. In fact, calls for a de-

coupling from China – as well as Washington – have become louder and louder in recent months. However, a complete decoupling from the economic and technological spheres of the two biggest economies would have dire consequences, and not only for our German export-driven economy. Instead, the goal should be to promote a kind of interdependence in which mutual dependences give rise to common interests. In addition, asymmetrical dependencies in critical areas must be terminate, for example by diversifying our foreign relations, as envisioned in the Indo-Pacific Guidelines.

MORE INTERNATIONAL COOPERATION AND SOLIDARITY AMONG DEMOCRACIES

A close cooperation with other democracies, including with ones outside the transatlantic family, becomes even more important in times of systemic rivalry. It is therefore a welcome development that guests from South Korea, South Africa, and Australia were present at the G7 meeting in Cornwall, with India participating virtually. Overall, Biden's visit to Europe sent a strong message of the West's unity to the world, and it advanced important future project such as a global infrastructure initiative as a democratic alternative to Beijing's "New Silk Road."

The transatlantic community and its democratic partners are well positioned to succeed in the systemic competition, thanks to their enormous economic, military, and diplomatic capabilities. International solidarity in human rights and democracy as well as a credible commitment to international law are other trump cards in their hands.

When it comes to human rights, the better Germany, Europe, and the USA does, the more credible the critique of China's record in this area. And much remains to be done on this score, as demonstrated by the existence of structural racism in Western countries. Given the serious human rights violations in Xinjiang – the internment of over one million Uyghurs – the EU's imposition of sanctions on those responsible in China was the right move. It was also important that the EU did not sanction China alone, but that it was joined by Canada, the US, and the United Kingdom. The backlash on the part of the Chinese was immediate, targeting elected officials and independent researchers with the goal of silencing critical voices. Due to this reaction, the EU will not, for the time being, ratify the Comprehensive Agreement on Investment.

The universal nature of human rights obliges us to denounce their violations wherever they may take place, and to take action against such violations. Hence, it was the right course of action that, within the framework of the EU human rights regime, punitive measures were imposed not only on Chinese officials, but also on individuals from, for example, North Korea and Russia. When a commission of inquiry is established to investigate the situation in Xinjiang, it must be constituted under the auspices of the United Nations.

Germany's approach not to impose a ban on Huawei in the development of 5G infrastructure was also correct. Instead of an outright ban, Germany introduced a political trustworthiness test which allows providers from other countries to also be excluded. Together with the United States and other partners, the task is now to support companies from democratic states so that they can develop the communications networks of the future and do so securely and cost-effectively.

What is imperative is the force of law, not the law of the strongest. China, too, is bound by international rules and must face robust reactions if it breaks maritime law in the South China Sea. It must be made clear to the Chinese leadership that the West will accept neither future encroachments on Hong Kong's autonomy nor military threats against Taiwan. It is also clear, however, that relations with China must not be viewed solely through the lens of systemic rivalry. It ought to be clearly communicated that the West's policy is not directed against China and its people *per se*, but against political decisions which require concrete answers. In fact, Western states are taking an unequivocal stand against anti-Chinese hate, which is unfortunately also spreading in Germany. And the hand of cooperation must remain extended, as in the fight against the climate crisis, which can only be defeated together.

THE DEFENSE OF DEMOCRACY BEGINS AT HOME

President Biden's proposal to organize a global democracy summit deserves support. After all, the strongest weapons against authoritarianism are our own successes and their persuasive power – an effective democratic and socially-oriented rule-of-law state, economic prosperity, and social solidarity. The global defense of democracy therefore begins at home. Under Trump, the democratic luster of the United States diminished greatly, and it was all but extinguished during the dark hours of the assault on the Capitol. The Biden administration, on the other hand, set out to reverse that trend from day one. In particular, Joe Biden's billion-dollar investment and job creation program could help to at least partially offset the massive social upheavals caused by Coronavirus, to strengthen internal social cohesion, and to make the United States a "beacon of democracy" again.

An alliance of democracies against disinformation and cyberattacks is needed to counter the outside influence of autocratic states seeking to exacerbate the polarization that exists within Western societies. Thus, those societies must be better protected, for example by promoting digital literacy. Additionally, the deeper causes of democratic backsliding such as the growing gap between the rich and the poor must be addressed as a whole-of-society effort. Government aid during the pandemic and essential investments in digitization and the socio-ecological transformation of the economy, however, are putting a strain on state finances. For this reason, increased cooperation in the fight against corruption and tax havens belongs at the top of the

transatlantic agenda – both for its intrinsic value and, more importantly, for our commitment to greater fairness. Consequently, an important flagship project of transatlantic cooperation is the global minimum tax for companies agreed to at the G7 summit, the implementation of which must be carried out swiftly.

ABOUT THE AUTHOR

Nils Schmid has been a Member of the German Bundestag since September 2017. He is a full member of the Foreign Affairs Committee and has been foreign policy spokesperson for the SPD parliamentary caucus since 2018. He is also a deputy member of the Committee on Transport and Digital Infrastructure. In addition, he is a member of the Franco-German Parliamentary Assembly.

In 1997, Nils Schmid became a member of the state assembly of Baden-Württemberg. After his reelection in 2001, he became fiscal policy spokesperson for the SPD's state assembly caucus. In 2006, his caucus elected him as deputy chairman. In 2009, the state party elected him chairman of the Baden-Württemberg SPD. He held that office until 2016. From 2011 to 2016, he was Minister of Finance and Economic Affairs of the state of Baden-Württemberg as well as Deputy Minister-President.

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