



## Israel between China and an emerging Asian NATO

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### **Abstract**

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China-Israel relations have been thriving over the past decade, galvanized by Prime Minister Netanyahu's push for an Asia-pivot trade policy to hedge against the Boycott, Divestment, and Sanctions (BDS) movement in the EU and U.S. However, with the return of Sino-U.S. rivalry and the emergence of a U.S.-backed Asian NATO, Israel may need to amend its current "Sino-centric" Asia policy to a more "Pan-Asian" policy in the Indo-Pacific region.

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## Analysis

Over the past decade, relations between China and Israel have been thriving, culminating in what Prime Minister Netanyahu described as a “marriage made in heaven” in 2017.<sup>1</sup> This was galvanized by Netanyahu when he came into office in 2009, who pushed an Asia-pivot trade policy to hedge against the Boycott, Divestment and Sanctions (BDS) movement from the U.S. and EU, as well as a perceived hostile Obama administration towards the Jewish state.

Since then, Israel has provided China with technological innovations in exchange for valuable capital, an endless market and relatively cheap bids to build large infrastructure projects, while conveniently overlooking areas of disagreement such as China’s close ties with Iran and U.S. veto on Israeli transfer of any security-related equipment or technology. Israel also signed up for Beijing’s Belt and Road Initiative (BRI) to take advantage of its geostrategic position.

Now, U.S. is meddling in that marriage, and pressuring a separation if not an outright divorce.<sup>2</sup>

While Israel naturally wants to maintain its foreign policy freedom of action and balance its interests between U.S. as a security ally and China as an economic partner, ultimately it may need to choose. Not necessarily between U.S. and China, but between China and an emerging Asian NATO.<sup>3</sup>

In the aftermath of the Covid-19 pandemic, escalating Sino-U.S. rivalry, and increasing tension between China and India, Taiwan, Vietnam and other claimants in the South China Sea, Netanyahu may need to assess whether to pursue a “Sino-centric” or a “pan-Asia” policy in the Indo-Pacific.

## Emerging Asian NATO

Despite China’s push for a “new type of great power relations” and a “community of common destiny” via the BRI, over the past year Beijing has had increasing tensions with its Asian neighbours—escalating military clash over its border with India, gunboat diplomacy across the Taiwan Straits, clash with other claimants in the South China Sea.<sup>4</sup> The Indo-Pacific is rapidly becoming a powder keg, and regional countries are now coalescing

<sup>1</sup> Shannon Tiezzi, “Israel and China a ‘Marriage Made in Heaven,’ Says Netanyahu”, *The Diplomat*, May 22, 2017, <https://thediplomat.com/2017/03/israel-and-china-a-marriage-made-in-heaven-says-netanyahu/>

<sup>2</sup> Herb Keinon, “U.S. meddling in ‘marriage made in heaven’- analysis”, *Jerusalem Post*, May 26, 2020, <https://www.jpost.com/israel-news/us-meddling-in-marriage-made-in-heaven-analysis-629361>

<sup>3</sup> Raphael Ahren, “Israel must always heed U.S. concerns, but its China ties can still thrive”, *Times of Israel*, May 20, 2020, <https://www.timesofisrael.com/expert-israel-must-always-heed-us-concerns-but-its-china-ties-can-still-thrive/>

<sup>4</sup> Cheng Li and Lucy Xu, “Chinese enthusiasm and American cynicism over the ‘new type of great power relations’”, *Brookings Institution*, December 4, 2014, <https://www.brookings.edu/opinions/chinese-enthusiasm-and-american-cynicism-over-the-new-type-of-great-power-relations/>; Liza Tobin, “Xi’s vision for Transforming Global Governance: A Strategic Challenge for Washington and Its Allies”, *Texas National Security Review*, Vol 2, Issue 1, October 2018, <https://tnsr.org/2018/11/xis-vision-for-transforming-global-governance-a-strategic-challenge-for-washington-and-its-allies/>; “Chinese president Xi Jinping asks PLA troops to prepare for war amid border row with India: Reports”, *Zee News*, October 14, 2020, <https://zeenews.india.com/world/chinese-president-xi-jinping-asks-pla-troops-to-prepare-for-war-amid-border-row-with-india-reports-2317351.html>; Gerry Shih, “China threatens invasion of Taiwan in new video showing military might”, *Washington Post*, October 12, 2020, [https://www.washingtonpost.com/world/asia\\_pacific/china-taiwan-invasion-military-exercise/2020/10/12/291f5d86-0c58-11eb-b404-8d1e675ec701\\_story.html](https://www.washingtonpost.com/world/asia_pacific/china-taiwan-invasion-military-exercise/2020/10/12/291f5d86-0c58-11eb-b404-8d1e675ec701_story.html); Joseph Ditzler, “Taiwan intercepts Chinese fighter jets in its airspace after U.S. plane flies over the island”, *Stars and Stripes*, June 11, 2020, <https://www.stripes.com/news/pacific/taiwan-intercepts-chinese-fighter-jets-in-its-airspace-after-us-plane-flies-over-the-island-1.633300>; Phuong Nguyen, Neil Jerome Morales, “Vietnam, Philippines denounce China military drills in disputed waters”, *Reuters*, July 2, 2020, <https://www.reuters.com/article/us-vietnam-china-southchinasea/vietnam-philippines-denounce-china-military-drills-in-disputed-waters-idUSKBN2431GG> ;



around the U.S. and EU idea of an Asian NATO to maintain regional stability.<sup>5</sup>

The idea of an Asian NATO is not new. In 1954 Washington created the Southeast Asia Treaty Organization (SEATO) to deter communism, but it was dissolved in 1977 when U.S. saw to play the “China card” against the Soviet Union.<sup>6</sup>

Now, the idea is being revived once more with the return of Sino-U.S. rivalry and great power competition, and on August 31 Deputy Secretary of State Steph Biegun floated the idea of the Quad (Quadrilateral Security Dialogue)—consisting of U.S., Japan, India and Australia—as the core of a larger multilateral alliance.

Japan and India are already onboard, given their longstanding hostility with China, and in September signed a defense logistics pact.<sup>7</sup> Earlier in June India also signed a similar deal with Australia, and according to Professor Pankaj Jah at the O.P Jindal Global University, it has other such agreements with countries supporting the Quad including France and Singapore.<sup>8</sup>

Additionally, India, Japan and Taiwan are pushing for an intelligence sharing alliance, with New Delhi aggressively upgrading its ties with Taipei, which has also emerged as the center piece of current U.S. defense policy towards China.<sup>9</sup>

### The Taiwan card

In the context of rapidly deteriorating relations between India and China, New Delhi is now posturing to play the Taiwan card.<sup>10</sup> China hawks have even called for India to change its position on the one-China policy, pushing for Taiwan’s admission to the World Health Organisation as an observer state, and in July India raised eyebrows by naming an ambassador-level diplomat as the head of the India-Taiwan Association, a semi-formal representative body in Taipei.<sup>11</sup>

Taiwan’s extensive knowledge of Chinese military deployments, including troop movements in the west of the country are of particular interest to India, as well as intensifying economic ties with Taipei to reduce India’s dependence on Chinese electronics and communication supplies.

<sup>5</sup> “U.S., European officials mulling to create ‘Asian NATO’ to contain China’s expansionist ambitions”, *Times of India*, October 1, 2020, <https://timesofindia.indiatimes.com/world/us/us-european-officials-mulling-to-create-asian-nato-to-contain-chinas-expansionist-ambitions/articleshow/78429090.cms>

<sup>6</sup> Ellen Bork, “The long history of the ‘NATO for Asia’ Idea”, *American Purpose*, October 8, 2020, <https://www.americanpurpose.com/articles/the-long-history-of-the-nato-for-asia-idea/>

<sup>7</sup> Michael Peck, “India and Japan Just Signed A Defense Logistics Pact—And China Won’t be Happy”, *Forbes*, September 10, 2020, <https://www.forbes.com/sites/michaelpeck/2020/09/10/india-and-japan-just-signed-a-defense-logistics-pact--and-china-wont-be-happy/#629bbcc75280>

<sup>8</sup> Kiran Sharma, “India and Japan sign military supply pact as China flexes muscle”, *Nikkei Asia*, September 10, 2020, <https://asia.nikkei.com/Politics/International-relations/India-and-Japan-sign-military-supply-pact-as-China-flexes-muscle>

<sup>9</sup> Samanvya Hooda and Vinayak Dalmia, “To check China’s hostility, India, Taiwan and Japan need an intelligence sharing alliance”, *The Print (India)*, June 26, 2020, <https://theprint.in/opinion/to-check-chinas-hostility-india-taiwan-and-japan-need-an-intelligence-sharing-alliance/449031/>; Elbridge Colby and Jim Mitre, “Why the Pentagon should focus on Taiwan”, *War on the Rocks*, October 7, 2020, <https://warontherocks.com/2020/10/why-the-pentagon-should-focus-on-taiwan/>

<sup>10</sup> Rajeswari Pillai Rajagopalan, “Call for India to Play the Taiwan Card Grow Louder”, *The Diplomat*, July 9, 2020, <https://thediplomat.com/2020/07/calls-for-india-to-play-the-taiwan-card-grow-louder/>

<sup>11</sup> Shweta Desai, “Who’s playing the Taiwan card in India-China tensions—Modi or the RSS?”, *South China Morning Post*, September 20, 2020, <https://www.msn.com/en-xl/news/other/who-s-playing-the-taiwan-card-in-india-china-tensions-modi-or-the-rss/ar-BB19dMnW>



After all Taiwan's TSMC is the world's leading manufacturer of semiconductors, which puts it in the middle of the U.S.-China tech rivalry. China has traditionally relied on computer chips made by TSMC for its high-tech products, especially Huawei, but that option has now been foreclosed by U.S. sanctions.

Indeed, under the Trump administration, Taiwan has enjoyed strong diplomatic and military backing, with weapons sales that were initially refused by the Obama Administration, and visits by high-level diplomats such as Secretary of Health and Human Services Alex Azar in a show of cabinet-level support. With U.S. leadership, India, Japan and other regional actors are also energised in coalescing around the Quad and drawing in Taiwan.

Now, as the Indo-Pacific region is slowly dividing between China and an emerging Asian NATO, Israel's relations and technology cooperation with Beijing will likely be increasingly scrutinized. Not only by the U.S., but also by India, Japan, Taiwan, and other Asian actors. As a corollary, Israel may eventually find itself having to choose between continuing a "Sino-centric" Asia policy, or amend its "marriage in heaven" and adopt a more "pan-Asian" Asia policy to account for other regional actors.

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**Remarks:** Opinions expressed in this contribution are those of the author. This article first appeared in *The Times of Israel* on October 16, 2020.

#### About the Author of this Issue

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Dr. Christina Lin is a California-based foreign policy analyst. She has extensive US government experience working on national security policy planning, including at DoD, State, and NSC, and was a research consultant at Jane's Information Group's Chemical, Biological, Radiological & Nuclear Assessments Intelligence Centre.



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