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“China is National Security Threat No. 1” to the United States – and to Israel?

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The United States Director of National Intelligence recently cast China as the number one threat to the US, described Beijing’s modus operandi, and called on Washington’s allies to wake up to the challenge and respond appropriately. For its part, Israel should enhance its intelligence resources dedicated to China and develop an independent and well-founded estimate of the challenges it presents to Israel, drawing on lessons learned around the world; identify gaps in Israel’s current response; strengthen the risk management elements in Israel’s opportunity-biased policy; and lend high sensitivity to voices coming out of Washington and to the mood there on this issue. At the end of the day, China is not the number one threat to Israel, but a unique challenge to its national security wrapped in an important economic opportunity.

On December 3, 2020, John Ratcliffe, the US Director of National Intelligence (DNI), published an [article](#) under the headline “China is National Security Threat No. 1,” in which he defined Beijing as the “greatest threat to America today, and the greatest threat to democracy and freedom world-wide since World War II.” Ratcliffe compared resistance to the Chinese threat to the defeat of fascism and the fall of the Iron Curtain. According to the DNI, intelligence shows that China seeks “to dominate the US and the rest of the planet economically, militarily and technologically.” Many of China’s major public initiatives and prominent companies, he wrote, “offer only a layer of camouflage to the activities of the Chinese Communist Party.”

According to Ratcliffe, China uses its economic espionage to rob American companies of their intellectual property, replicate their technologies, and replace them in the global marketplace, thus causing severe harm to the value of these companies and to employment. China has a program to reward senior foreign scientists for stealing information on its behalf, and the FBI frequently arrests Chinese citizens for stealing research and development secrets. The US administration estimates that Chinese theft of intellectual property costs the United States as much as \$500 billion annually. China steals defense technologies in order to become a leading military power, and its intelligence services use technology companies such as Huawei and others to serve their

purposes. US allies have been warned that using Chinese technologies will limit Washington's ability to share intelligence with them.

Ratliffe's op-ed describes an additional Chinese effort focused on [influencing politicians](#), among them members of Congress and their aides. It sketches a typical scenario: a Chinese-owned factory in the US employs thousands of American workers. Representatives of the Chinese firm approach the plant's union leader and explain that a local Congresswoman is taking a hard line on legislation that runs counter to Beijing's interests. The union leader is told that he must urge the Congresswoman to change her position or the plant and its jobs will not survive. The union leader contacts the Congresswoman and indicates that the union won't support her re-election without a change in her positions – and thus they both, unwittingly or not, operate under Chinese influence.

The Director of National Intelligence noted that the intelligence community has shifted resources and focus in order to provide decision makers with credible insights on China's intentions and actions. If during the Cold War the Soviet Union and Russia were the focus of intelligence efforts, and since 2001 the fight against terrorism has been the dominant element, from this point on China must be the focus of America's scrutiny.

Ratliffe called on other countries to understand that the same applies to them. He argued that the world faces a choice between two incompatible ideologies, while China tries to drag the world back into darkness and stop the spread of liberty, and prepares for an open-ended confrontation with the US. The article ends with a call for Washington to bridge partisan gaps, understand the threat, speak about it openly, and act against it, and concludes by calling the effort the greatest challenge of our age.

What is the relevance of this article to Israel? The concerns raised by the piece are not new, and have previously been [outlined](#) at length in the U.S. and around the world. Should Israel see China as a primary threat to its national security? It is important for Israel to read the text in depth as well as between the lines, and to identify the main challenges it faces from China, noting the similarities and differences from the challenges to the US.

Israel is not the United States and is not in the Great Powers league. China is not threatening to push it aside from its global standing nor is it high on China's strategic priorities. Israel is far away from East Asia and from the Western Pacific, the main theaters of military competition between the Great Powers. The Chinese military is not a threat to Israel, although Israel is affected by Chinese arms exports to the region. Ideological considerations rarely play a central role in Israeli foreign policy, which is

pragmatic in its essence. More general, this is not the first issue in which the interests of Israel and its great ally don't fully overlap. That's the way it is with friends.

On the eve of Biden's entry into the White House, the temptation is to brush off the words of the conservative Republican Congressman from Texas, who was appointed by President Trump as Director of National Intelligence just six months ago, as motivated by political considerations of the outgoing administration or of Ratcliffe personally. The opposite, however, is true: in the polarized United States, there is an exceptional bi-partisan consensus in the public at large regarding China, and all the more so among the security and intelligence establishment that sees China as the main challenge facing the US. The rivalry with China will without a doubt continue during and well beyond the Biden presidency, while at the same time the US will continue its extensive economic ties with China.

Jerusalem cannot remain indifferent to the question of America's decline and certainly not to the intentional weakening of the US, whose power and support constitute a cornerstone of Israel's national security. Israel conducts itself vis-à-vis China within the boundaries drawn by the United States, and from the early 2000s its defense exports to China were halted, at the request of Washington. When the US perception of national security changes and China is defined as the number one threat, the boundaries of what is permissible for Israel in its relations with China also change, and "business as usual" cannot be expected.

Israel sees China as an important trading partner, and rightly so. China's capital, its markets, its manufacturing capacity, and its infrastructure building capabilities are a significant contribution to the Israeli economy, and these Chinese assets are expected to grow. Over the past decade Israel has successfully identified this potential as an opportunity and has acted to maximize it, but Israel tends to identify the risk element of its relations with China mostly with the US response to these relations. There is not enough emphasis on risk management in the [government's resolutions](#) on the issue, and even the belated and moderate decision to improve [foreign investments oversight](#) in Israel was advanced under pressure from Washington.

The warning of damage to intelligence sharing was apparently not directed at Israel, where 5G infrastructures will in any event be based on Western manufacturers, not equipment from China. Yet Ratcliffe listed various typical Chinese efforts and modus operandi that damaged the US, and thus sketches possible challenges facing Israel as well.

The hi-tech industry is Israel's main growth engine, and the China-Israel Comprehensive Innovative Partnership, formed in 2017, was designed to maximize the compatibility between Israel's technological innovation and the Chinese demand. The Israeli government strives to avoid burdensome regulation of the hi-tech industry, and in general leaves the private sector a wide margin of maneuver, with the exception of defense exports. In this perspective, industrial and economic espionage is a problem for companies to deal with, but the damage caused by the Chinese threat in the United States proves that the odds between a world power and private companies can impose heavy costs on the entire economy. Israel is familiar with the risks of industrial espionage in the defense industry, where commercial and military secrets to competitors and enemies might be divulged. Less has been published in Israel about the leakage of technology or its inadvertent transfer from companies or through research channels, academic collaboration, or head-hunting programs.

Reports of efforts by China to influence elected American officials are worrying, even though unlike other countries, Israel does not have a community of Chinese immigrants with the right to vote or run for office. From the example of the union leader and the member of Congress, a challenging pattern emerges: the Chinese Communist Party, via Chinese business elements, applies economic leverage on an organized group of American citizens with political influence, in order to promote Chinese interests in the US. In Israel as well, elected and appointed officials hold positions of influence vis-à-vis Chinese interests: in legislation, regulation, policy, government tenders, and government decisions. Can Israel rule out a similar operation, with the involvement of business elements, labor unions, political party members, elected officials, and government actors?

The shift of the American intelligence community's focus and resources to China came after decades in which it was focused on other rivals. Naturally, Israel's intelligence community is focused on security threats against Israel, most of which are in the Middle East, chief among them Iran. The large geographical distance and the linguistic and cultural differences with China complicate the challenge of what are already limited resources allocated to this topic.

China is not the number one threat to Israel, and it is essential that it does not become so. It is also important to continue to benefit from the growing economic advantages of the relations, but responsible risk management is required. The lessons drawn in the US are a warning light for the unique challenges and risks inherent in relations with China, to which Israel too is exposed, and they must not be ignored. In view of the differences between them, Israel should not draw directly from the experiences and policies of the US, but should rather formulate its own independent policies in line with its own singular characteristics and needs. As a first step, it must formulate a relevant estimate of

reference of the Chinese challenge to Israel, based on the diverse and rich experience of other relevant countries around the world that share similar characteristics with it, and then design a balanced and prudent response. China need not be at the top of Israel's intelligence priorities, but Israel must increase intelligence resources devoted to China and deepen the professional proficiency of government and academia in regard to the challenges it presents.

Finally, it is likewise important to listen to the voices coming out of Washington. When the US identifies China as its number one threat, and describes the challenges it poses in terms of the greatest challenge of the generation and akin to the war against the Nazis, Israel's maneuvering space in its relations with China can be expected to narrow, while American sensitivity to these relations will skyrocket. Israel must not only steer clear of any harm to the vital interests of its strategic ally, but it should pay great attention to the mood in Washington, as befits relations with a close and loyal friend in a sensitive period.