Economic Weapons of the West

A review of asymmetrical import dependency — and what the West could (and couldn't) withhold from China.

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1 Background

The post–Cold War dream of a harmonized, rules-based order has failed. Russia, China, and their proxies have turned globalization's interdependencies into instruments of coercion — Iran squeezing the Strait of Hormuz, Russia weaponizing energy against Europe.

China is the sharpest threat. It coerces through strategic ambiguity rather than overt pressure — and absent a coordinated Western response, it remains positioned to impose considerable economic harm.

2 The Problem: Asymmetry

The dependency runs one way. The West leaned into Chinese imports; China quietly weaned itself off Western goods.

73% → 35%

Share of Chinese trade dependencies held by the U.S., EU & Japan — **2001 vs. 2022**.

AND CHINA ISN'T SHY ABOUT USING IT

Lithuania, 2021
Named an embassy "Taiwan" instead of "Taipei" → China slashed Lithuanian exports by **80%**.

Australia, 2021
Asked where COVID-19 came from → sweeping Chinese trade restrictions.

Both times, the pain was one-sided — and the transatlantic response, at best, limited.

3 The Big Question

> *If China can unilaterally impose economic hardship, what could the West withhold to inflict comparable pain?*

5,000	183M	'07–'24
HS-6 product codes	trade records	CEPII BACI data

FOUR FILTERS, APPLIED IN SEQUENCE

I **Demonstrated reliance** — imports beat exports 4:1 for 5 straight years, or China pays a >50% import-price premium. **1,691 goods survive.**

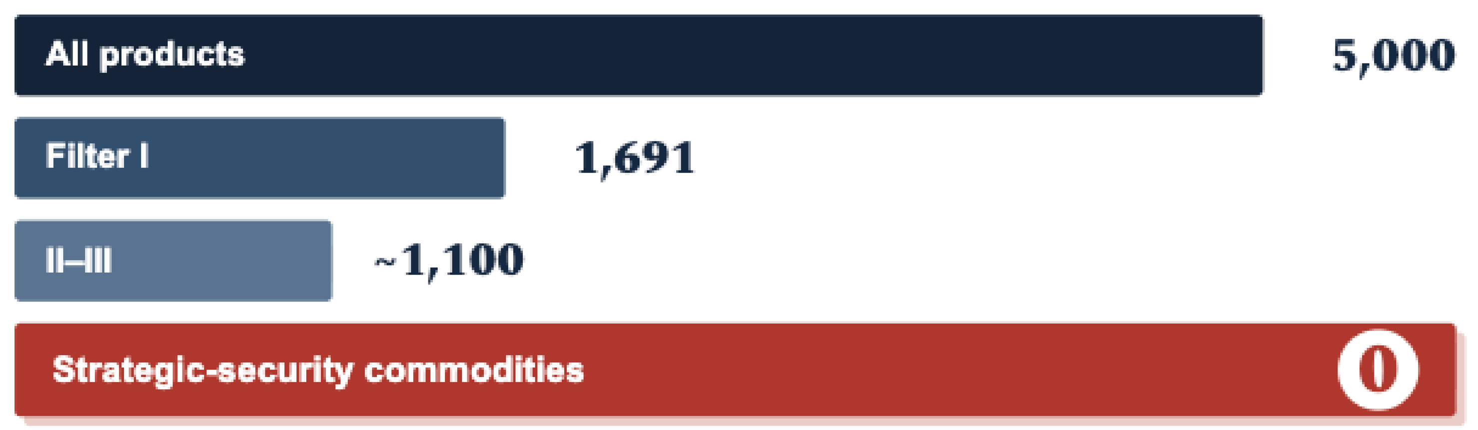
II **Concentration** — supplier HHI > 0.20, both within China's own sourcing *and* across global supply.

III **End use** — finished goods Chinese households actually consume, not inputs to its export machine (~1,100 reviewed by hand).

IV **Allied supply** — sourced from NATO members or U.S. Pacific treaty allies the West could actually mobilize.

5,000 goods walk into a funnel...

Products surviving each screen



Methodology note: analysis code was developed with LLM assistance (Claude Fable 5); all computations ran programmatically against BACI data, thresholds and filter logic owned — and hand-audited — by the author.

4 Findings: The Cupboard Is Bare

At the commodity level, the West holds **no decisive leverage** over materials critical to Chinese national security. The result is robust — widening the net to NATO plus four Indo-Pacific allies added nothing.

- × **No rare earths**
- × **No energy**
- × **No dual-use electronics**
- × **No defense articles**

The single most "strategic" commodity the West could withhold, by economic value? **A tropical fruit.** That absence is the paper's central result.

5 Policy Implications

No leverage alone means the answer is **numbers**. Not deglobalization — **selective regionalization**: deepening interdependence among aligned nations, just as the Soviet Army once forced European collaboration. Unilateral tools (the Foreign Direct Product Rule, the EU's 2023 anti-coercion act) have proven insufficient; going it alone forfeits collective leverage.

THE CONCRETE RECOMMENDATION

Reinstate the NATO Economic Committee (disbanded 2010)

A standing advisory body for economic-deterrence doctrine under Article 2 — bridging NATO with the G7 Coordination Platform on Economic Coercion and U.S. allies in the Pacific.

> *Global interdependency now serves as a conduit not for mutual prosperity, but for unacceptable vulnerability — a more secure future depends on collaboration among nations with aligned values.*