ANALYSES

China's New Strategic Opportunity in Europe

* Brantly Womack

14 March 2022

Tel: +974-44663454
jcforstudies@aljazeera.net
studies.aljazeera.net

مركـز الجزيـرة للدراسـات
ALJAZEERA CENTRE FOR STUDIES

China is confronted with an unpleasant choice between the belligerent parties to the Ukraine crisis. [Reuters]

President Vladimir Putin's historic blunder in Ukraine has created a crisis in Europe that is costly for China but at the same time opens for it an opportunity for a new role in global politics. The costs are real and will continue to grow as long as the Russian invasion and occupation of Ukraine continues. China's tactical opportunity to contribute to mediation creates a strategic opportunity to move beyond the strategy of peaceful rise in a given international environment to one of providing key coordination in a post-hegemonic world.

In 2002, then-President Jiang Zemin announced that China was facing a "strategic opportunity" brought about by multipolarisation and globalisation, an opportunity that would last for twenty years. (1) China made good use of said opportunity, more than doubling its share of the global economy. But the 20-year window to which Jiang pointed also proved prescient. Both multipolarisation and globalisation appeared to be fading fast, and Putin's invasion of Ukraine has closed that strategic opportunity. While China has vigorously criticised the "Cold War mentality" of the United States, Putin has returned Europe to familiar battle lines and battle cries.

The crisis will cost China dearly. More importantly, China has a vital interest in avoiding the slipping of Russia and Europe back into a Cold War configuration. However, China has reasons not to side with either party in the conflict. China cannot support Russia's military invasion of a sovereign state or the response of comprehensive sanctions. Thus, China is interested in mediation, and its ties to both sides encourage that role. Moreover, successful involvement in resolving the crisis could position China well for a new strategic opportunity in a post-crisis environment.

The costs of crisis for China

Whether or not President Xi Jinping was told about Russia's impending invasion when Putin came to the Olympics, he could not have been happy about it. The direct costs of the crisis, the disruption of China's overseas interests and the risks of follow-on effects are all substantial. While Xi appreciated the 48-hour gap between the conclusion of the Olympics and the beginning of the invasion, it has complicated an already fragile year. China's zero-Covid policy is increasingly out of step with global trends, China's domestic economy is shaken by a real estate crisis, and Xi's precedent-breaking attempt at a third term as China's core leader will occur in October. The growth target of 5.5 percent announced at the National People's Congress on 5 March is considered optimistic, and the announced domestic tasks are daunting. (2)

As the world's largest trading nation and the largest trading partner of the European Union, Russia and Ukraine as well as 57 others, the direct costs of the crisis will be substantial. It is said that when China sneezes, the global economy catches a cold; but the corollary is that if the global economy catches a cold, China sneezes the loudest. A good deal of China's high value and rapid shipment trade to Europe goes by rail, and the rail lines cross the battle zones. Last year, 15,000 trains travelled between China and Europe. Moreover, China is the major purchaser of Ukrainian corn and the world's largest importer of oil. (3) Soaring energy and commodity prices add unanticipated burdens to China's economy.

As the crisis continues, the disruptive effects on China's external economic interests will mount. Uniting Eurasia was a major ambition of China's Belt and Road Initiative. But a railroad that ends in Kazakhstan is less attractive than a railroad through Kazakhstan to Europe. More generally, if the two lean years caused by the global pandemic are followed by another downturn of indefinite duration, the debt financing of China's numerous infrastructural projects will cause tensions with erstwhile friends. Meanwhile, the tasks of managing overseas involvement will continue to grow. The Belt and Road Initiative is already well past its honeymoon period; and with additional difficulties, a divorce is possible. The always tense relationship between Beijing and Taipei is another area of possible difficulties that could be exacerbated by crisis as "it is likely to reinforce China's perspective on the seriousness with which [the US and Europe] would approach an infringement on Taiwan and in the unity that they've seen between [them]." (4)

The possibility of crisis escalation poses another dimension of risks for China. (5) If the intensity of destruction increases, NATO forces become directly involved or nuclear weapons are used, the current crisis could spiral into a realm of global disruption that exponentially increases its depth and length. China has had bitter experience with the long arm of sanctions against Iran, and outrage against Russia could encourage more efforts at economic decoupling. In any case, the crisis is already enhancing the vertical dimension of American alliances.

On the side-lines without a side

China is confronted with an unpleasant choice between the belligerent parties to the Ukraine crisis, and choosing one or the other would be as likely to exacerbate the crisis as to end it. China is on the side-lines without a flag, wishing the game were over.

Because of the Olympics photo-op of Xi and Putin and the statement that their friendship had "no limits" and "no forbidden areas of cooperation," the commitment of China to the Russian side is easily exaggerated. The same sentence in the Joint Statement continues, "the strengthening of bilateral strategic cooperation is neither aimed against third countries nor affected by the changing international environment and circumstantial changes in third countries." (6) Despite Putin's recent long discourse on Western subversion of Russian-Ukrainian relations, Ukraine is not mentioned in the Joint Statement. (7) While the official designation of the Sino-Russian partnership is impressive, namely a "comprehensive strategic partnership of coordination for a new era," it is one of 96 Chinese state partnerships, including Ukraine and most members of NATO, and perhaps not as impressive as that with Nepal, a "strategic partnership of cooperation featuring everlasting friendship for development and prosperity." (8) During the tumultuous times of the collapse of the Soviet Union and abandonment of communism, China was careful to avoid official condemnation although it clearly did not consider these good ideas and did not follow suit. China has stood for the peaceful coexistence of sovereign states since it first articulated its principles of foreign policy in the 1950s; and it has repeated this commitment with explicit reference to Ukraine as it has watched the Russian invasion. (9)

Much of the Joint Statement details the long train of abuses and usurpations suffered by China at the hands of the United States—sanctions, surreptitious involvement in domestic politics and so forth. Sanctions especially have been long condemned; and although China recently established its own Unreliable Entity List and Anti Foreign Sanctions Law in order to retaliate against the United States, its counter-sanctions have been reactive and mostly symbolic. (10) In any case, the general history of economic sanctions since their origins in the First World War reveals their low political efficacy and their targeting of the welfare of civilian populations. (11) Sixty years ago, the United Nations imposed its ultimately successful anti-apartheid sanctions on South Africa. But also, sixty years ago, the United States imposed its embargo on Cuba that continues today.

Thus, while China's non-condemnation of Russia is decried as support for the invasion, China in fact viscerally rejects the methods of both sides. It cannot condemn Russia nor support the invasion.

It cannot condone sanctions but can sympathise with Ukraine's suffering and Europe's outrage. The situation stirs Cold War emotions in Europe and America, but it is actually more dangerous. Ukraine is not a "small war" or a "proxy war," and Putin is not Gorbachev. Escalation is more likely than victory by either side; and in the meantime, there is a crisis.

Mediation and melioration

China does not have sufficient carrots and sticks at its disposal to tip the balance in the current crisis or force a resolution, but it has every reason to vigorously support mediation and reduce the negative consequences of the impasse. Most hopefully, the fact that China is Europe's and Ukraine's top trading partner and that it has not condemned the invasion gives it sufficient standing to be taken seriously by both sides. But first, a stalemate must be reached. Both sides must realise that their maximum goals cannot be achieved and that the crisis is costly to them.

If a stalemate is reached, it will still be difficult to begin negotiations; and China's discrete access to both sides could be useful. The most positive spin that could be put on the outcome would be to restore an autonomous and independent Ukraine as a secure bridge between Russia and the rest of Europe. Perhaps this could include simultaneous applications for some form of association with the EU and possibly with the Eurasian Economic Union (12) or the Shanghai Cooperation Organisation. In any case, the restoration of Ukraine's infrastructure would be a project well suited to China's talents.

In the meantime, China's strong connectivity to Russia, Ukraine and Europe gives it many levers, large and small, to ameliorate the privations associated with the crisis. The most pressing problems are those of civilians in Ukraine; and Chinese Foreign Minister Wang Yi's six proposals for humanitarian assistance are a good beginning. (13) The first batch of aid arrived in Ukraine on 11 March. (14) Beyond direct humanitarian aid, it would be good diplomacy for China to be as cooperative as possible, especially with Europe, in such a sudden and comprehensive disruption of the global system. Meanwhile, it continues to demonstrate that, while not supporting comprehensive sanctions, it will not underwrite the continuing invasion. (15)

If Putin remains intransigent and further escalation threatens, China should be explicit that it condemns Russia's invasion of Ukraine, that ending the crisis and restoring peace is China's primary objective, that it will not support policies that punish the people of Russia, and that it commits itself to the rebuilding of Ukraine. Indeed, all of these should have been enunciated on the first day of the invasion.

Beyond the Ukraine crisis

If we make the cautiously optimistic assumption that the crisis will end with mediated mutual concessions and a withdrawal of Russian troops, Russia will be even more isolated, and Europe will be in a more cohesive but still unsteady relationship with the United States. If either side recklessly pursues victory, then the global landscape will become too disfigured to be predictable. But even if the crisis ended next week, its consequences would persist.

Ironically, instead of introducing a new Cold War, Putin's invasion is the final nail in the coffin of the old Cold War as well as of its unipolar sequel. America's moment of unipolarity began to disintegrate with the 2008 Global Financial Crisis and continued to rumble through the antics of the Trump presidency. Putin saw the disquiet and disunity in Europe as an opportunity for a Cold War counterattack, but he was mistaken, perhaps fatally so. The global political economy had moved beyond hegemonic polarity, not merely American unipolarity. Putin was stymied by Ukraine itself, not NATO, although he was inhibited from proceeding more vigorously by the complex international environment. Even had his Blitzkrieg succeeded, he would have been stuck in the quagmire of hostile occupation. But the strength of Ukraine and the stickiness of the international web are both parts of a new multinodal configuration (16) of global relationships, one in which relative power matters but finds it difficult to be decisive.

To use a Chinese idiom, Putin "has lifted the rock to drop it on his own toes." At best, Russia will emerge from the crisis with a Ukraine more determined but more careful in its anti-Russian standpoint but perhaps still open to restoring its continental bridge function. However, concessions made by and for Ukraine will be resented and remembered. It is also possible that Russia could become isolated and defensive, like a large North Korea with oil.

The United States is invigorated by its current bipolar moment, but the moment is not likely to last. Europe's new cohesiveness is more than deference to NATO, and its differences of interest with regards to Russia will re-emerge after the crisis. Meanwhile, at home, the American congressional elections in November are likely to reduce Biden's power, making vivid the possibility of a return to populist politics of some sort. In any case, the Biden administration has continued Trump's nostalgic hegemonism and emphasis on military superiority, and it is unlikely that American diplomacy will move to the left of Biden in the foreseeable future.

China's new strategic opportunity

Regardless of the specific outcome of the Ukraine crisis, China's original strategic opportunity of concentrating on expanding its interests in a benign global environment has drawn to a close. In the first ten years of the opportunity's 20-year window, Hu Jintao exploited the advantages open to any developmental state in a market-based world economy. In the second decade, Xi Jinping was more ambitious. (17) He strove for glory with the Belt and Road Initiative and a "new type of great power relations.” (18) But it was the very success of China’s rise that worried the United States, Europe and China’s neighbours. The global environment changed from being benign to being concerned. The shock of Putin’s invasion makes everyone more aware of security risks; and many are unsure whether China is one of them.

Under hegemony, states are subject to the laws and whims of the hegemon; but the hegemon’s preferences can be known and the hegemonic order prevails. A post-hegemonic, multinodal situation is not necessarily chaotic, but it is one in which the predictability of a state’s relationships must underpin its marginal advantages in transactions. The basic challenge of a non-hegemonic “great power” is not how it deals with other great powers, but whether or not it credibly reassures the not-as-great. This is especially true for China because it is a newly-arrived great power and lives in a complex neighbourhood. If Pacific Asia hedged against China in the manner that Eastern Europe hedges against Russia, China could not sustain its great power status.

China’s new strategic opportunity is therefore considerably soberer but no less important than the old one. In the new strategic opportunity, the global framework that was assumed by the old opportunity must now be actively sustained. The liberal economic order must be defended from re-polarisation. China must cooperate in providing the global public good of orderly relationships among autonomous international actors. Reassurance is more important than win-win. Power still matters; but power that flaunts its superiority is not reassuring, even if it claims to be benevolent.

China is well positioned for the new challenge. Among its existing assets are its diplomatic approach of forming partnerships rather than alliances, its “no first use” doctrine regarding nuclear weapons, its support for the UN and other international organisations, and its respect for regional groups such as the Association of Southeast Asian Nations and the Shanghai Cooperation Organisation. Its membership in the Regional Comprehensive Economic Partnership (RCEP) and application to join the revised Transpacific Partnership (CPTPP) are important commitments to economic connectivity. The Asia Infrastructure Development Bank, with its collaborative structure and transparent processes, is another good example, as is China’s support for the UN’s sustainable development goals.

China has an opportunity in the current crisis to earn the respect of Europe by acting in an effective and responsible manner to help alleviate the disruption and uncertainties that Putin’s invasion has caused. Anything that China can do defuse escalation, encourage a settlement, or shorten the crisis will be of direct benefit to China. But more importantly, it would contribute to a role and image for itself that would be appropriate for a post-hegemonic era.

***Brantly Womack,** is a professor of foreign affairs at the University of Virginia..

References

1. “Full Text of Jiang Zemin's Report at 16th Party Congress,” 16th National Congress of the Communist Party of China, 2002, https://on.china.cn/3w4QMsP (accessed 9 March 2022).

2. Li Keqiang, “Report on the Work of the Government,” (participant distribution; official version forthcoming).

3. Tom Mitchell, Demetri Sevastopulo, Sun Yu and James Kynge, “The rising costs of China’s friendship with Russia,” Financial Times, 10 March 2022, https://on.ft.com/3in4b7T (accessed 10 March 2022).

4. Demetri Sevastopulo, “Ukraine war likely to influence China on Taiwan, US intelligence chiefs say,” Financial Times, 8 March 2022, https://on.ft.com/3MPniFm (accessed 9 March 2022).

5. Emma Ashford and Joshua Shifrinson, “How the War in Ukraine Could Get Much Worse,” Foreign Affairs, 8 March 2022, https://fam.ag/3MPsCIK (accessed 11 March 2022).

6. “Joint Statement of the Russian Federation and the People’s Republic of China on the International Relations Entering a New Era and the Global Sustainable Development,” President of Russia, 4 February 2022, http://en.kremlin.ru/supplement/5770 (accessed 10 March 2022).

7. Vladimir Putin, “On the Historical Unity of Russians and Ukrainians,” President of Russia, 12 July 2021, http://en.kremlin.ru/events/president/news/66181 (accessed 10 March 2022).

8. “The Leaders of China and Nepal announce a strategic partnership of cooperation featuring everlasting friendship for development and prosperity,” Xinhuanet, 10 December 2019, https://bit.ly/3w4xRP9 (accessed 10 March 2022).

9. “Premier Li Keqiang Meets the Press,” The State Council of the People’s Republic of China, 11 March 2022, https://bit.ly/3tUyyYt (accessed 11 March 2022).

10. Andrew Rennemo, “How China Joined the Sanctions Game,” The Diplomat, 8 February 2021, https://bit.ly/3CFxr2J (accessed 10 March 2022).

11. Kent Mulder, The Economic Weapon: The Rise of Sanctions as a Tool of Modern War (New Haven: Yale University Press, 2022).

12. Evgeny Troitskiy, “The Eurasian Economic Union at Five: Great Expectations and Hard Times,” Kennan Institute, 14 January 2020, https://bit.ly/35ZSOQm (accessed 10 March 2022).

13. Wang Yi, Press Conference at the National People’s Congress, 7 March 2022.

14. “First consignment of Chinese humanitarian aid arrives in Ukraine,” China Daily, 12 March 2022, https://bit.ly/3MQiTC0 (accessed 12 March 2022).

15. “Russia says China refuses to supply aircraft parts after sanctions,” Reuters, 10 March 2022, https://reut.rs/3t75xth (accessed 13 March 2022).

16. Brantly Womack, “Asymmetric Parity: U.S.-China Relations in a Multinodal World,” International Affairs, 92:6 (November 2016), pp. 1463-1480.

17. Yong Deng, China’s Strategic Opportunity: Change and Revisionism in China’s Foreign Policy (Cambridge: Cambridge University Press, forthcoming).

18. Cheng Li and Lucy Xu, “Chinese enthusiasm and American cynicism over ‘a new type of great power relations,” Brookings, 4 December 2014, https://brook.gs/3I9f6wh (accessed 11 March 2022).