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Matthews Asia Perspective

Russia, Ukraine and China's Western Ties

Andy Rothman, Matthews Asia Investment Strategist, and Dr. Bobo Lo, independent analyst and non-resident Fellow with the Lowy Institute, discuss how the Russian invasion of Ukraine may affect China's relationship with the U.S. and Europe. The comments are based on a webcast discussion from March 3, 2022.

Andy Rothman: There's been speculation that when Vladimir Putin met Xi Jinping in Beijing for the opening of the Winter Olympics, Putin told Xi that he planned to invade Ukraine. What kind of backing might Russia have received from China before going into the conflict?

Dr. Bobo Lo: I think Putin would have told Xi that Russia planned to take military action but that it was going to be like "shock and awe"—that it would be resolved quickly, that Ukraine was weak and divided, and that the West was talking a big game but wouldn't put up when it really mattered. And maybe Xi thought that if an invasion was over and done with very quickly, it wouldn't challenge China's relationship with Russia or the West. Beijing's confused response as the conflict has unfolded suggests that it was surprised by the scope and ferocity of Putin's assault.

If Xi was informed of Russia's basic intentions why didn't he advise Putin against the move?

The short answer is it wouldn't have had any effect. There's no point asking for something if you're not going to achieve a result or even any kind of compromise. The longer answer is this—just as Taiwan is a core interest of Beijing, Ukraine is very much a core interest of Moscow. In the same way that Putin is not going to tell Xi how to address the challenge of Taiwan, Xi isn't about to lecture Putin on what to do about Ukraine. It not only wouldn't have any positive effect but it would actually be counterproductive for their relationship.

How do you think Xi views Putin's strategy?

So far, this has been the worst possible outcome for Xi in terms of the way the conflict has developed. It is clearly going to be a long-term war and it really puts China on the spot in trying to juggle its priorities. Xi will think Putin has badly misjudged the situation—completely underestimated the degree of Ukrainian resistance, the unity of the West and the power of sanctions.

Did Putin not care about the potential negative impact on Russia's economy by invading Ukraine?

For Putin, ultimately, the economy is a secondary concern. Russia is a sort of "securocracy." It has people to make sure that they have more or less sound economic management but does it bother Putin that the Russian economy is not



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growing by leaps and bounds and instead has been stagnating for over a decade now? No. There is regime stability and that is good enough. It's a very, very different mentality to that in China, in many other Asian countries, and in the West for that matter.

How do you think Putin sees the endgame?

He is going to press on because he cannot afford to lose or be seen to lose. It doesn't matter how tough the Ukrainian resistance is; it doesn't matter how united the West seems; it doesn't matter how many civilian casualties there are. There is only one permissible outcome from Putin's perspective—and that is a decisive victory.

How do you see China influencing the endgame in this conflict?

China and Russia don't have an alliance. Their relationship is very practical, based on shared interests rather than shaped by a common ideology. Beijing has been gradually inching away from Moscow but not nearly enough. While I don't expect China to join in the condemnation of Putin, I would be surprised if Xi helped him to evade U.S. and EU sanctions.

Could China take a more overt stance and either move to pressure Putin to back down or strengthen its support for Russia?

I think Xi will try to preserve some kind of balance—he won't pressure Putin too much. He might offer Chinese mediation but he's not going to tell Putin, "Look, this is an intolerable situation. You must fix it or else." He will temporize and aim to preserve some degree of strategic flexibility.

Will Xi try to use the Ukraine conflict to reset relations with the U.S.?

I think Xi will seek a more positive relationship with the U.S. and the West because the major deterioration in U.S. - China relations in recent years has harmed Chinese interests. The Ukraine conflict has only aggravated matters.

If we can agree that Xi does not want the U.S.-China relationship to collapse it seems like he is at an incredible inflection point where he's going to have to make a choice between East and West?

The fiasco of Putin's invasion of Ukraine has highlighted the downsides of a directly

confrontational approach towards the West.

The conflict has shown that the West, which Beijing had dismissed as being in decline and divided, is actually capable of getting its act together and still represents a formidable force. Despite its pro-Moscow rhetoric, Beijing is not ready to fully back one side over the other in the Ukraine conflict. Xi clearly wants to reserve his options.

Xi has made efforts in recent years to improve ties with Europe and has treated this as a counterbalance to relations with the U.S. How do you see this playing out?

It's quite interesting to look at the West pre-Ukraine crisis and now. Pre-Ukraine crisis, you had an increasingly fragmented Europe. You had a slight improvement in transatlantic ties but these were still rocky. And the West had this image of being not just divided and fractious but weak. What the Ukraine conflict has done is show a different face of the West, that it is still formidable and can act effectively in a time of great crisis. Today the West looks far more united than two or three months ago.

There's speculation the Ukraine conflict is going to embolden China to use force against Taiwan. What's your view?

What Putin has done in Ukraine is show why the military option is such a poor instrument for promoting a country's strategic interests. Besides, China is a multi-dimensional global player—it has many means of projecting power and influence around the world whereas Russia has very few instruments at its disposal. It has energy but the value of that as a geopolitical weapon is diminishing sharply. I think Xi realizes that using military force would only strengthen Taiwanese resistance, encourage much of the world to line up against China, and harm its interests.

This horrific conflict is still unfolding but what do you think other powerful countries, including China, have learned from it?

The Ukraine war has shown that there are norms and values and principles that are really worth hanging on to. The West has come together in defense of them because it realizes that it can no longer afford to take them for granted. A final point: both the West and authoritarian states like China recognize that Russia's delinquent, hooligan behavior is disastrous for any kind of international order.

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