

Club of Three/CIISS Webinar 28 April 2022

Europe, China and Ukraine: Implications for our relations

Meeting summary

In April, the Club of Three organised a webinar on Europe-China relations in the context of the war in Ukraine in collaboration with the China International Institute of Strategic Studies (CIISS).

The discussion, jointly chaired by Club of Three Chairman Michael Maclay and Professor Lanxin Xiang, Director of the Institute of Security Policy at the China National Institute for SCO International Exchange and Judicial Cooperation (CNISCO), involved some 60 senior figures from business, politics, diplomacy and academia in France, Germany, the UK and China.

The keynote speakers were **Norbert Röttgen**, German MP (CDU), former Minister and Chairman of the Bundestag's foreign affairs committee until 2021; **Lieutenant General (Ret.) Chen Xiaogong**, former Deputy Director, CCP Politburo Foreign Affairs Office, and Deputy Commander of the PLA Air Force; **Sylvie Bermann**, Chair of the supervisory board, French Institute of Advanced Studies in National Defence (IHEDN), and former French Ambassador to China and Russia; and **Yi Xiaozhun**, former Deputy Minister, Chinese Ministry of Commerce, and Ambassador to the World Trade Organization (WTO) and Deputy Director General, WTO.

Russia's military intervention in Ukraine had created a new geopolitical reality that put defence and security at the top of the European policy agenda, if not the global agenda. Europe's strong response to the continuing conflict on its eastern border indicated that a red line had been crossed by the Kremlin and that there would not be a return to a normal state of affairs with Russia any time soon. China on the other hand, while stating that it respected the sovereignty and territorial integrity of all countries, had taken a more sympathetic approach towards Russia, pinning some of the blame for the present situation on NATO's expansion.

How were Europe and China's respective positions likely to affect their already complicated relations going forward? Could this be an opportunity to find new common ground in order to provide longer-term stability to the region? How might China and/or Europe help more immediately in supporting peace talks. Were there any prospects of China rethinking its 'no limits' partnership with Russia in light of Europe's dramatic policy shift following the events in Ukraine?

In addition to addressing these geopolitical and security issues, the meeting also aimed to explore prospects for Europe-China cooperation on globalisation and multilateral trade governance.

It was made clear from the start by representatives of both sides that seeking a consensus between them on the situation in Ukraine would be premature, if not impossible, at this stage. Europe and China's respective perspectives on the conflict and its causes were simply too different.

On the European side, participants pointed out that Vladimir Putin's invasion of Ukraine and the huge suffering it had brought had touched the hearts and minds of the European population across the continent. This war represented a serious violation of the UN Charter and the Budapest Memorandum of 1994 that guaranteed the sovereign integrity and territorial security of Ukraine, raising profound questions about the future of the international rules-based order. Trust in the Russian President and his regime was gone. After insisting that Ukraine would not be invaded, Russia had launched a brutal attack on this country, declaring it an illegitimate state. These actions were going to remain in the European consciousness for generations.

During the discussion, Chinese participants stressed that the Ukraine conflict was seen in China primarily as a failure of Europe to manage its own security. This conflict was the result of a clash between the Helsinki principle of security indivisibility and NATO's concept of collective security. From a Chinese point of view, NATO's eastward expansion after the end of the Cold War showed that the Helsinki spirit had not taken root sufficiently in Europe. Russia and NATO needed to develop a new, more balanced, regional security architecture that would reconcile these two approaches.

A parallel was drawn between NATO's build-up in eastern Europe and what the US was trying to achieve in the Indo-Pacific. Because the US was thought to be pursuing the same strategy of containment in China's neighbourhood, the Chinese understood Russia's position and the security concerns it was expressing vis-à-vis NATO. For one participant, the Ukraine crisis and failure to uphold the security architecture drawn up in Helsinki in the 1970s meant that Europe and the US were no longer credible as leaders in managing global affairs, or in their attempts to establish a new security system in the Indo-Pacific.

The 'West' as a concept or reality in world affairs was questioned by Chinese participants who described this notion as outdated. The countries that claimed to be part of the so-called 'West' were a minority within the UN assembly and represented a small proportion of the world population today, they argued.

There was agreement among the Europeans that the security architecture based on Helsinki principles had failed. One French participant however noted that the Europeans had worked hard to find a diplomatic solution to the conflict, France and Germany in particular through the Normandy format. President Macron had gone to Moscow in February in an effort to revive the Minsk process, and although talks to find a resolution to the conflict in Eastern Ukraine had not delivered results, there was no justification for launching a war of aggression against the whole of Ukraine.

This war was a major game changer for the Europeans. For the first time in decades, Europe was starting to rearm. Germany in particular had adopted a very significant

defence policy shift with a huge increase in military spending and revamp of its armed forces. And two previously neutral nations, Finland and Sweden, were about to join NATO. Europe was also in the process of ending its decades-old dependence on Russian oil and gas.

A number of participants expressed hope that China would take a more active and visible role in attempts to find a solution to the conflict. Its abstention at the UN Security Council vote was seen as a positive sign but it was felt that China leaned too much toward Russia, despite one Chinese participant citing government statements and spokesmen stressing support for Ukraine's sovereignty and territorial integrity. To the European eye, there was a contradiction in the Chinese position. It could not be a friend of the aggressor and the victim at the same time. A helpful step might be for President Xi Jinping to use his special relationship with Mr Putin to raise awareness of what was happening on the ground, given all the reports of war crimes in several locations.

Beyond security concerns, the trade and economic implications of this conflict were particularly severe. One of the Chinese participants highlighted the risk of another global recession if the Russia-Ukraine conflict lingered or escalated. Rising interest rates, large debts, supply chain disruptions and high energy costs already made world economies vulnerable. Perhaps more worrying was the current weakness of Bretton Woods institutions and global governance mechanisms which were normally the last line of defence against economic shocks. Intensifying tensions between the US and China and the resurgence of bipolar politics on the world stage made it increasingly difficult to bring together leaders of major economies for crucial meetings. Under these circumstances, a new pandemic or financial crisis was much more likely to lead to the type of catastrophic consequences experienced in the 1930s, which the world had managed to avoid until now. Despite their differences on several major issues including Ukraine, the Chinese view was that Europe and China had a responsibility to work together to preserve and strengthen multilateralism.

European participants stressed that Europe remained a strong advocate of global trade liberalisation and multilateralism but the pandemic and war in Ukraine had revealed dependencies that restricted its ability to respond to crises appropriately. This needed to change. In addition to defence and security, Germany was undergoing a major rethink of its economic model which was primarily based on affordable and abundant energy from Russia and growth markets in China - regardless of the geopolitical implications. Germany and the rest of the EU were prepared to take radical action vis-à-vis Russian oil and gas. Europe's trade links with China were however much deeper and more wide-ranging. One of the participants made clear that decoupling from China was not the objective. The strategy pursued, in Germany at least, was to strengthen economic resilience in order to have a good basis for cooperation with countries like China.

Regarding the risk of an escalation of the conflict in Ukraine, one of the Chinese participants expressed concern over a possible spill-over to a European member of NATO and the likelihood of a nuclear strike. This worst-case scenario needed to be

avoided at all costs. The military support provided by European countries to Ukraine was perceived in China as an aggravating factor.

The reply from the European side was that escalation indeed had to be avoided. At the same time, the West could not look away for the sake of appeasement in such an obvious case of aggression towards an independent country. Its position was clear: Europe was not at war with Russia. It was merely helping a sovereign country to exercise its right to self-defence against a much bigger and more powerful adversary. This position differed from the US policy outlined by Secretary of Defence Lloyd Austin, which was to significantly weaken Russia militarily. Chinese participants recognised and welcomed this.

However, a red line for both Europe and the US would be a Russian attack on a NATO country, which would inevitably trigger Article 5 and result in a serious and perhaps irreversible escalation of the conflict.

Some Europeans acknowledged that they would ultimately have to be engaged with Russia but right now the time was not ripe for talks. On the one hand, Russia had still not gained enough from the conflict and on the other, there was no trust left in Europe. This breach of trust, and the shock caused by the invasion of Ukraine, was going to have a long-term impact on relations with Russia.

As far as Europe-China relations were concerned, there was agreement on both sides that there needed to be a continued dialogue. There was common interest on a number of global issues that could form the basis of further discussions.