

Think

new things

Make

new connections

China and the world: the impact of Russia's war with Ukraine

A Ditchley Foundation conference, in coordination with American Ditchley

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Terms of Reference

Whatever President Putin briefed President Xi Jinping to expect from Russia's forces on the borders of Ukraine in late February, it was not the over-ambitious, badly executed and vicious invasion that was eventually pushed back to the East by a combination of western unity, weaponry and Ukrainian bravery. But, at this writing in June 2022, Russia's revised plan B approach of grinding out a long-range artillery war in the East and South is looking more promising, with Russian forces edging towards gains that might bear the weight of claims of victory. Russia's underlying aim – to destroy Ukraine as a sovereign and independent state with a viable economy – remains within reach, although at the cost of complete isolation from the West and severe damage to the Russian economy.

Whether the incremental Russian advance succeeds, or is pushed back, Russia is going to end the war poorer and more dependent on China. What is not clear is how the West will be viewed by China and others when the war is over: will the West be seen as newly unified and resolute, far from a spent power? Or will it have become obvious that there are hard political limits both to our unity and to our determination and capability to resist the use of military force?

What will be the impact of the coming global economic crisis that the war has accelerated and deepened on both China and the West and how will this change relations between them? How will the global South react to the conflict and the calls for allegiance from the West on the one hand and economic engagement by China on the other? And what of our joint ability to make progress on urgent global challenges such as climate change and the risk of further pandemics?

Bringing together political, diplomatic, military and business leaders and experts from many countries, this Ditchley conference will address the impact of the war in Ukraine on the relationship between China and the West and on how the West might alternately engage and oppose China to maintain strategic stability, to heal the global economy, and to address global challenges.

Questions arising for China from the Ukraine conflict

China is, for now, continuing its policy of wait and see, disappointing Russian hopes of firm support perhaps, but also resistant to any calls by the West to pressure President Putin to bring the war to a close, or to back off on his use of economic and military tools to drive global energy and food crises.

China's fundamental problem is that Russia's brutal invasion of Ukraine hardly offers a vision of enlightened and technologically enabled authoritarianism. Russia does not look like a winner in the global game even if it is able, at a cost of deadly destruction, to make territorial gains. The democratic world (including parts of the Indo-Pacific) remains unusually united in opposition, at least for now, and military spending and deterrence have been made an imperative. The Russian invasion is arguably bad for authoritarian business and definitely bad for the global economy on which China's stability still depends. Getting caught up in

western sanctions against Russia would bring further economic costs. Where does Chinese pragmatic self-interest take it in the longer term?

On the other hand, China does not want to see Russia humiliated and defeated in Ukraine. The crisis offers an opportunity to increase Russian reliance on China, with long term access to cheap energy and important raw materials. At the end of the day, if Russia achieves its aim of undermining Ukraine as a viable state, then power will be shown to have shifted, albeit messily and bloodily, to the East.

What does China's current assertion of its stance as 'neutral' mean for participation in multi-lateral institutions? Will we now see a reformulation of the international system based on a number of new alliances, bilateral agreements and international clubs? Or will we see instead a strengthening of a new isolationism, especially in the US?

Both European and Indo-Pacific countries have responded with calls to fundamentally re-evaluate relations with China. A toughening of European attitudes toward China, apparent in the last couple of years, may now intensify. China's recent Pacific region trade and security deal has been shelved for the moment, after several countries declined to sign. On the other hand, what views might evolve from those countries receiving investment from China? The lack of support for sanctions from 'non-aligned countries' has been taken by China as an expression against US hegemony.

Economically, what does China's push for self-reliance look like in reality? It has participated in more regional trade partnerships connecting with East and South East Asia but economic relationships with western economies are still predominant. Is global economic restructuring now a reality in the longer-term, or still rhetoric on both sides? Is China's innovation and economic vitality growing or slowing?

China's zero-COVID policy is, by all accounts, having serious economic consequences domestically. What other effects are the extended lockdowns having on Chinese society? What do we know about attitudes of younger Chinese and their interpretation of the future challenges China faces? Has the trend for Chinese students studying in the West now peaked and is it beginning to decline? Will separation be further accelerated?

Questions for the West

The response to the war in Ukraine arguably poses more challenges for the West and its image in the world, than to China. Backing up unexpected Ukrainian resistance to the Russian invasion, the West has made clear that its goal is to prevent Russia achieving its war aims. China, however, is positioning itself to live with a 'victory' either by Russia or by Ukraine. To what extent is the prestige and deterrence power of the West tied to victory in Ukraine? Does the road to a stable relationship with China in the Indo-Pacific now run through Europe, or is Europe still fundamentally a rehearsal for the strategic game in the East?

The West's handling of China will also be influenced and constrained by domestic factors. How long will public support and western unity hold as the cost of living crisis bites across the world? Will the cracks in support for a continued tough approach to the war, already being seen in Europe, extend to the US after the mid-term elections? How can policy towards China either ameliorate or make worse the domestic challenges?

To what extent should the lessons of the war in Ukraine accelerate western efforts to reduce reliance on Chinese supply chains? How can the West increase economic resilience, for example by “re-shoring” and “friend-shoring”, without undermining the vitality of western economies? What does the West need to do to out-innovate China on key technologies?

What can the West do to win back ground in the global South? How can global challenges like climate action and global emergencies, such as the coming crisis on food, or another pandemic, be handled in the context of a strained relationship with China?

For the middle part of the discussion we will split into three working groups:

Group A: Geopolitics and future security

Will consider the current geopolitical rupture and its consequences, including for Taiwan and the Indo-Pacific region. Where does the crisis leave our thinking on the security structures necessary for deterrence and geopolitical stability? How should the role of NATO vis-à-vis China evolve as the alliance expands? Should NATO, especially in its enlarged form in Europe, remain focused on the threat from Russia in Europe? Will we see the “NATOisation” of the Indo-Pacific? Will the countries of the region accept this? How should the Quad and AUKUS evolve? How will China respond to shifting Indo-Pacific security arrangements? How will India see its role?

Group B: China’s position and regional perceptions

Will look at the implications of China’s current position of ‘pragmatism and rational self-interest’ for its future engagement in the region and the world. What will China’s future relationship with Russia look like? Is there an emerging agenda from China on how the conflict might end? What views are emerging from countries in receipt of significant Chinese investment? How can the western approach to the war be better explained and justified in the global South?

Group C: Economics, fragmentation, energy and climate change

Will consider the consequences of the war on the economic relationship between the West and China. To what extent will fragmentation be increased? What will be the impact on supply lines? How will global energy markets evolve in the aftermath of the Ukraine war? What are the consequences for shared objectives on climate change, clean energy technology and the need for rare earth resources? What will be the impact of China’s lead on solar power and other renewable technologies?