

A tactical pause in relations with the West: China plays on hopes for peace

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In November 2022, China's leader Xi Jinping embarked on a wide-ranging diplomatic campaign to prevent an uncontrolled breakdown of relations with the West, which should be considered a short-term success, at least in terms of reopening channels of communication with Western countries. This move has succeeded owing to Beijing's instrumental use of the West's hopes that it can secure China's opposition to Russia's possible use of weapons of mass destruction, and belief that China might be willing to mediate peace in Ukraine. The PRC's actions have also met the expectations of its Western partners as they look for ways to stabilise relations with Beijing in the face of a looming global economic crisis. At present, we can say that the escalation has been halted, although the negative trend in China's relations with the West – in particular with the United States – has not been reversed. Faced with economic and social challenges at home, the PRC will make further efforts to avoid economic confrontation with the West in the immediate future, by using more or less veiled suggestions of possible mediation in the Russian-Ukrainian conflict.

In the first half of 2022 the People's Republic of China (PRC) was in a kind of diplomatic isolation in its relations with the US and the EU, resulting from a confluence of several negative circumstances in its relationship with the West. From 2020 onwards, due to the pandemic,^[1] Xi Jinping did not leave China and reduced his personal contacts, keeping in touch mainly with the leaders of Russia and other friendly countries, as for example at the Samarkand summit last September. His domination in the PRC's political system meant that the efforts of Chinese diplomacy were not of themselves able to fill the gap that had opened up. The reduced communication with the West was compounded by criticism from Beijing's Western partners over its attitude to the Russian aggression against Ukraine, the deepening authoritarian tendencies in China, and the increasing concentration of power in the hands of Xi Jinping, as well as the ostentatious suspension of most channels of dialogue with Washington in response to the visit House of Representatives Speaker Nancy Pelosi paid to Taiwan.^[2] Also, after 24 February there was a noticeable intensification in discourse within the European Union on the need to reduce the bloc's economic dependence on the PRC. These factors thus threatened an uncontrolled breakdown of China's relationship with the West in a difficult domestic situation for the Chinese economy, caused both by the failure of the 'zero COVID' strategy and by the structural problems that had been growing for years, which themselves have been further exacerbated by the global economic downturn and the spectre of China decoupling from the West.

The origins of the Chinese Communist Party (CCP) leadership's decision last autumn to seek ways to stabilise relations with the West should be attributed to concerns about the

country's internal situation. It appears that Xi Jinping held off acting on the international stage until after the 20th CCP Congress,^[3] which sealed his dominance within the Chinese political system. Only after the Congress did the Chinese and German sides negotiate the visit to Beijing by Chancellor Olaf Scholz^[4] (which eventually took place on 4 November). Then Xi Jinping attended two major international events in which Western leaders participated: the G20 leaders' meeting in Indonesia (15–16 November) and the Asia-Pacific Economic Community summit (APEC; 18–19 November). He held more than 20 bilateral meetings during these events, including with President Joe Biden, Japanese prime minister Fumio Kishida and a number of European leaders. On 1 December, Beijing hosted the President of the European Council, Charles Michel. Visits by French President Emmanuel Macron and Italian Prime Minister Giorgia Meloni have also been scheduled for next year. In parallel, the PRC has been activating other channels of communication by holding numerous online meetings with Chinese and Western diplomats and experts.

Instrumentalisation of hopes for de-escalation in relations with the West

Crucial to the short-term success of the PRC's diplomatic offensive was the meeting between Xi Jinping and Biden on the sidelines of the G20 summit. The statements the two sides issued afterwards were quite different;^[5] however it can be argued that the meeting succeeded in halting the uncontrolled deterioration of relations, unblocking some of the channels of communication severed by Beijing after Pelosi's visit to Taiwan, and resuming dialogue on climate change in working groups. The summit also saw direct talks between US Treasury Secretary Janet Yellen and the Chinese central bank chief Yi Gang. Unspecified plans for a visit to Beijing by Secretary of State Antony Blinken were also revealed. Both sides pledged to "seek more frequent meetings" between officials at ministerial level. It is significant that Chinese diplomacy reiterated its own interpretation of Blinken's keynote speech in May on the US administration's approach to the PRC,^[6] which led the head of the Chinese foreign ministry Wang Yi to coin the term "Biden's five noes"^[7]. Beijing will now portray these as official US declarations and expect the US to follow through on them. Another important consideration for the Chinese authorities is Washington's desire to avoid a conflict over Taiwan in the near future, as the Americans now want to focus on increasing their deterrence capabilities in the Indo-Pacific and on weakening the PRC's technological & military capabilities. To this end, they have begun to put pressure on China by imposing sanctions on exports of semiconductor manufacturing technology and the products of this industry.^[8]

Beijing's gestures of goodwill will allow it to blame the US when mutual relations inevitably deteriorate, the illusory 'peace' achieved at the G20 summit is ruptured, and Biden's 'five 'noes'' (as Beijing understands them) are violated. In the short run, the PRC's leadership is focused on stabilising relations with the United States and halting the negative trends in EU policy towards China in the process. In the medium term, however, Beijing considers that it cannot hope for real concessions from Washington, such as the lifting of most sanctions (for example, in the high-tech area). Nor does it plan to abandon its own global and regional ambitions. Both sides are aware that the rivalry between them is structural and stems from the contradiction of their fundamental economic and strategic interests; however, it also has a growing ideological dimension, which is manifested in the conflict between the authoritarian and the liberal-democratic paradigms of socio-political and economic development, which is increasingly playing out in the Global South. Nevertheless, the

meeting between both countries' leaders on the sidelines of the G20 summit indicates that they are not interested in an uncontrolled disintegration of bilateral relations in the current difficult global situation.

In many countries, expectations that Beijing would cooperate were so low that Xi Jinping's mere expression that he was ready to pursue a more pragmatic foreign policy, accompanied by the toning down of anti-Western domestic propaganda, was enough to arouse enthusiasm in the Western media. In fact, some politicians (such as Germany's Chancellor Scholz) have already taken advantage of this. Beijing also wants to leverage the willingness of its Western partners into cooperation in the face of global challenges such as climate change or the food crisis. Along with the promise of *détente*, these calls may find fertile ground in some countries, above all Germany and France, where the concept of Europe's strategic autonomy – PRC diplomatic communication has explicitly presented as potentially weakening US dominance – lives on.^[9] Beijing has a keen interest in fuelling these ambitions, in particular through sending the message that cooperation with China will serve as a counterweight to cooperation with Washington. This helps maintain tension in the transatlantic relationship, and may make it potentially more difficult for Western partners to coordinate joint moves against the PRC. Sending conciliatory signals, providing an opportunity to blame Washington for aggravating relations, and bringing about an inevitable polarisation of the international arena also have political value for Beijing in its dealings with developing countries.

Bidding to oppose a nuclear war

The key to Chinese diplomacy's success at the G20 summit and during the bilateral meetings was its skilful handling of the issue of Russia's possible use of nuclear weapons in Ukraine. The White House readout included a statement that Biden and Xi Jinping "underscored their opposition to the use or threat of use of nuclear weapons in Ukraine"^[10], although this was not reflected in the Chinese statement. Nevertheless, after the meeting with Xi Jinping, the leaders of the US, Germany and France suggested that they had succeeded in getting China to express strong disapproval of Russian nuclear strike threats. It should be assumed here that Beijing is indeed convinced that any possible violation of the 'nuclear taboo' would create a strategic disadvantage for the PRC, as it would effectively spell the end of the current nuclear non-proliferation regime. This in turn would run the risk that such weapons could be acquired by China's regional rivals, such as Japan and South Korea, and quite possibly also by Taiwan. Because of its own interests in this area, it is likely that Beijing has informally sent Moscow a clear signal on this issue. In addition, China has publicly expressed firm (albeit vague) opposition to threats to use weapons of mass destruction, and has made several calls for peace in Ukraine. In the face of Western hopes that China's relationship with Moscow will help de-escalate the conflict, Beijing has decided to use this window of opportunity to achieve its own goals. Chinese experts and diplomats have begun to explicitly promote the narrative in the opinion-forming Western media that any assistance from China in this area must be linked to concessions from the West, including on the issue of lifting sanctions, for example on the exports of semiconductor manufacturing technology.

In practice, however, the PRC has so far failed to take any steps towards bringing peace in Ukraine, curtailing Russia's conventional attacks or de-escalating the Kremlin's energy war against the EU. Moreover, Beijing has indicated that it expects such efforts to come from 'all

sides', and is *de facto* seeking to freeze the conflict, which would work to Moscow's advantage. This was confirmed by Xi Jinping's words to Charles Michel during his visit to Beijing that "resolving the Ukrainian crisis through political means is in the best interests of Europe and the common interest of all countries in Eurasia"^[11].

At the same time, none of the statements by the Chairman of the PRC suggest that Beijing wants to take an active part in the mediation. It apparently sees the EU as playing this role, in the hope that its involvement will deepen divisions within the EU and in transatlantic relations. Beijing's anti-war calls, meanwhile, have been eagerly picked up by parts of the media and some EU politicians, including President Macron, who has expressed hope that the PRC can play an intermediary role in peace negotiations. The French leader has also stressed that there is "a space of convergence, including with the major economies of China and India, to push Russia to de-escalate"^[12]. This heralds a return to efforts by some EU countries and institutions to involve China in mediation between Russia and Ukraine.

Subtle but firm support for the Kremlin

Beijing's diplomacy towards the West has been conducted cautiously, and any action that could be perceived as criticism of Moscow has been accompanied by gestures designed to reassure the latter of the durability of the *de facto* Chinese-Russian alliance. Western media and some politicians have interpreted the vagueness of Beijing's statements on the threat of 'either side' using nuclear weapons as a public warning to Moscow. Russian propaganda, in turn, has presented them as lending credence to the claim that the Ukrainians have been preparing to use a dirty bomb. After a meeting between foreign ministers Wang Yi and Sergei Lavrov, the former noted with appreciation that "the Russian side reiterated its recently established position that nuclear war should not be waged and cannot be waged, which is a rational and responsible attitude"^[13] – something that could also be read as support for Moscow. Back in October, Wang Yi stressed that "China will strongly support Russia, under President Putin's leadership, to unite and lead the Russian people to overcome difficulties and eliminate anxieties, achieve strategic development goals and establish Russia's future status as a great power in the international arena"^[14].

The PRC's stance makes it clear that despite its attempts to play up the issue of de-escalating the conflict in Ukraine, Beijing is not abandoning its Russia-friendly neutrality towards the war Moscow is waging. While China reaffirms its commitment to the principles of the UN Charter on the inviolability of the territorial integrity and independence of states, it simultaneously promotes the concept of so-called 'indivisible security', which, in Beijing's and Moscow's shared interpretation, gives them the right to interfere in the security policies of other international actors. Moreover, the PRC not only continues to echo the Russian narrative that NATO is to blame for the conflict in Ukraine, but also supports Moscow's efforts to freeze the conflict and confirm its territorial gains. However, it has formally avoided recognising them for fear of a backlash from the countries of the global South which are opposed to any violations of the principle of border inviolability.

Outlook

The Biden-Xi summit in Bali showed that both sides have opted for a tactical pause, in order to stabilise bilateral relations and restore some channels of communication. It does not appear that Chinese-US relations will deteriorate rapidly in the immediate future, as neither Washington nor Beijing want this in the current global situation. However, there is no

prospect of overcoming the structural differences that separate the two countries, and each of them will continue the process of selective decoupling, including under China's quasi-autarkic 'dual circulation' agenda, and also as a consequence of US technological sanctions. At the same time, even a minor incident around Taiwan or an escalation of the trade war could undo the conciliatory gestures the opposing sides have made. They will use this period of relative stabilisation to better position themselves in the international arena and consolidate their own alliances, in anticipation of their rivalry heightening in the medium to long term. In the near future, both Beijing and Washington will focus on relations with countries that are key to the global economic confrontation, including above all EU members (such as Germany, France or the Netherlands, with its critical position in the semiconductor sector), as well as selected countries in the Indo-Pacific area.

It can be anticipated that Beijing will want to take advantage of Western public hopes of a quick end to the Russian-Ukrainian war. Therefore, it will dangle the possibility of undertaking mediation in the conflict, while it actually seeks to block efforts to make the EU economically independent of the PRC, moves which the Chinese leadership describes as hostile. China cannot be considered an impartial mediator between Russia and Ukraine, and its current calls for peace should be interpreted as support for Russian efforts to freeze the conflict in order to gain time to rearm and then resume it in the future. At the same time, the PRC's lack of concrete action will cause increasing frustration among those political circles in the West which are hoping for a sincere Chinese commitment to peace. Beijing will also tempt Western partners with access to its market, even though the PRC's 'dual-circulation' development agenda clearly points to a reduction in its role in the economic sectors it considers most attractive.

Beijing can also count on the EU's indecisiveness to hinder the coordination of Washington and Brussels' policies towards the PRC. In its relations with the EU, China will continue to exploit the animosities and rivalries both between its member states (particularly Germany and France) and between the bloc's bodies (such as the EU Council and the European Commission) or individual politicians (such as Charles Michel and Ursula von der Leyen). Traditionally, Beijing has used incentives for and pressure on European transnational corporations operating in the PRC, in particular those from Germany (Europe's largest investor in the PRC), as powerful instruments to influence EU policy. However, despite Beijing's efforts, a consensus seems to be building within the EU that it needs to become at least partially independent of the Chinese economy. At present, the possible disputes only concern the pace and costs of changes in relations with China, and no longer the course of action. Beijing sees this process as openly hostile and strongly inspired by the US.

China achieved a short-term diplomatic success in November, but none of the structural causes of its conflict with the West have been removed. In the medium term, this may generate new crises in the relationship, which Beijing will try to patch up diplomatically. The PRC's priority will be to maintain its *de facto* alliance with Russia, as this carries a real strategic advantage. Not only does it secure the north-eastern border, help preserve influence in Central Asia and ensure continued cooperation with the Global South, but it also represents an ideological alliance of two autocracies against the West and the concept of liberal democracy, which Beijing and Moscow see as an existential threat. This is likely to translate into Chinese-Russian cooperation growing ever closer and, as the internal situation in Russia deteriorates, it may also generate financial or material support for the Kremlin.

regime. Another seemingly inevitable development is a further escalation of the conflict in the Taiwan Strait, facilitated by changes of identity in Taiwan, the CCP's search for sources of legitimacy based on nationalism, and mounting calls in Washington for a more resolute Taiwan policy.

[1] See M. Bogusz, *'China: the consequences of the 'zero COVID' strategy'*, OSW Commentary, no. 463, 27 July 2022, osw.waw.pl.

[2] For more on these processes and developments see J. Jakóbowski, *'Chiński dylemat. Rosyjska inwazja na Ukrainę a sytuacja strategiczna Chin'*, Komentarze OSW, no. 435, 25 March 2022, osw.waw.pl; M. Bogusz, J. Jakóbowski, *The Chinese Communist Party and its state. Xi Jinping's conservative turn*, OSW, Warsaw 2020, osw.waw.pl; M. Bogusz, *'Chińsko-amerykańska próba sił wokół Tajwanu'*, OSW, 11 August 2022, osw.waw.pl.

[3] See M. Bogusz, *'China after the 20th CCP Congress: a new stage in Xi Jinping's revolution'*, OSW Commentary, no. 475, 7 November 2022, osw.waw.pl.

[4] See L. Gibadło, M. Bogusz, *'Cooperation in spite of everything. Scholz's visit to China'*, OSW, 7 November 2022, osw.waw.pl.

[5] See *'Readout of President Joe Biden's Meeting with President Xi Jinping of the People's Republic of China'*, The White House, 14 November 2022, [whitehouse.gov](https://www.whitehouse.gov); *'President Xi Jinping Meets with U.S. President Joe Biden in Bali'*, Ministry of Foreign Affairs of the People's Republic of China, 14 November 2022, fmprc.gov.cn/mfa_eng.

[6] Antony Blinken, *'The Administration's Approach to the People's Republic of China'*, U.S. Department of State, 26 May 2022, state.gov.

[7] The way Wang Yi expressed this indicates that it is more of a list of demands or preconditions by Beijing which completely ignores the expectations of the other side. According to the head of the Chinese Foreign Ministry, Blinken supposedly said that the United States 1) does not seek to change China's system; 2) does not seek a cold war with China; 3) does not seek to form alliances against China; 4) does not support 'Taiwan's independence', 'two Chinas' or 'one China, one Taiwan', and does not seek conflict with China; 5) does not intend to sever ties with China, hinder its economic development or contain it. See *'Wang Yi: The U.S. Side Should Translate the Important Consensus between the Two Heads of State into Concrete Policies and Actions'*, Ministry of Foreign Affairs of the People's Republic of China, 23 September 2022, fmprc.gov.cn/mfa_eng; A. Blinken, *'The Administration's Approach...'*, *op. cit.*

[8] J. Jakóbowski, *'Amerykański cios w chiński sektor produkcji procesorów'*, OSW, 19 October 2022, osw.waw.pl.

[9] US-European tensions over industrial and trade policy are also perceived in this way. See S. Płóciennik, *'The German dilemma: Berlin's response to the trade conflict with the USA'*, OSW, 5 December 2022, osw.waw.pl.

[10] See *'Readout of President Joe Biden's...'*, *op. cit.*

[11] *'China's Xi urges Ukraine talks in meeting with EU's Michel'*, AP, 1 December 2022, apnews.com.

[12] P. Wintour, *"China can play mediating role": Macron to visit Xi Jinping over war in Ukraine*, The Guardian, 16 November 2022, theguardian.com.

[13] '王毅会见俄罗斯外长拉夫罗夫', Ministry of Foreign Affairs of the People's Republic of China, 15 November 2022, fmprc.gov.cn.

[14] '王毅同俄罗斯外长拉夫罗夫通电话', Ministry of Foreign Affairs of the People's Republic of China, 27 October 2022, fmprc.gov.cn.