

China's challenges in the Indo-Pacific in the shadow of Russian aggression against Ukraine

Michał Bogusz

The PRC has been in a difficult international position since the Russian invasion of Ukraine. The war and the unprecedented sanctions imposed on Moscow are accelerating polarisation in the world. The US global alliance system has worked effectively and there has been not only a consolidation of NATO, but also the establishment of cooperation between US Pacific allies – such as Japan and Australia – and European partners. They have also delivered aid to Ukraine, which must raise concerns in Beijing that they could rely on NATO members for support in the event of an Indo-Pacific conflict. Chinese propaganda since the beginning of the war has reproduced the Russian narrative that the Alliance and Washington are responsible. The PRC is not abandoning its long-range strategic goals in the region, but the course of the aggression against Ukraine and the Western response require it to accept new realities. Above all, Beijing must recognise that the incorporation of Taiwan, which remains its priority, will not happen in the near term by means of a local 'special operation', but would escalate into a major international conflict for which the People's Liberation Army (PLA) will not be prepared in the near future. Recognition of this fact has already resulted in a relative reduction in the current number and intensity of incidents across the Taiwan Strait for the time being.

The invasion of Ukraine is the first major test of the global ambitions of the PRC and the Russian Federation articulated in the Beijing Joint Declaration of February 4 this year, where the parties not only recognised existing and emerging alliances in Europe and the Indo-Pacific as a symmetrical threat to each other's security, but also made thinly veiled claims to leadership in the world.¹ The document suggests that the PRC in the Indo-Pacific and the Russian Federation in Europe will seek to overhaul the security architecture. In both directions the idea is to: weaken existing regional alliances built after World War II by the US; push back US troops; leave Europe and the Indo-Pacific open to Russian and Chinese political and military pressure, respectively; prevent the possible emergence of a common camp of states in both regions of the world, which could in the future turn against the de facto

¹ See M. Bogusz, J. Jakóbowski, W. Rodkiewicz, *Koniec gry pozorów: demonstracyjna koordynacja między Pekinem i Moskwą*, 'OSW Commentaries', no. 428, 23.02.2022, osw.waw.pl.



alliance of Beijing and Moscow. The PRC, taking action in the Indo-Pacific, is at this stage employing measures different from Russia's, which makes it difficult to discern the convergence of objectives in two geographically disparate regions of the world. However, in addition to trying to resolve the Taiwan issue, Beijing is also continuing its efforts to undermine the US alliance system in the region and to build a foothold for a Pacific operation to be carried out by the ever-expanding PLA Navy.

Most Indo-Pacific states view the war in Ukraine with concern, as they worry that forceful border changes or vassalisation of a sovereign state could be used by the PRC in the future to remake the

international order in the region. This has resulted not only in several of them joining sanctions against the Russian Federation,² but also in an intensification of their contacts with Washington, which Beijing fears could result in new defence agreements. In response to the political developments in the region, China has stepped up its diplomacy, but its actions are largely defensive in nature and – apart from its moves towards certain South Pacific island states – it cannot be said to be expanding its influence. In many places, the PRC also faces suspicion from local political elites and increased activity from Washington and its allies.

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Japan and Taiwan – an unexpected challenge for China

The war in Ukraine has created a crisis in Japanese-Russian relations, but has also rekindled Sino-Japanese regional rivalry. Tokyo has sent humanitarian aid and nonlethal military equipment to Kyiv (unconfirmed press reports say it will soon hand over weapons as well), and has been quick to impose sanctions on Moscow, which has responded by breaking off talks on a formal peace treaty. Russian military helicopters have violated Japanese airspace, and manoeuvres have also been conducted in the Russian-administered Kuril Islands. However, changes in Japan's foreign and security policy had already begun before the invasion of Ukraine and stem from the conviction that the annexation of Taiwan would be only the first stage of PRC expansion, and that its territory would become a starting point for Beijing to attack the disputed Senkaku (Chinese *Diaoyu*) islands and the Ryukyu archipelago. Therefore, the preservation of Taiwan's de facto independence is a strategic priority for Tokyo.

Japan's draft budget, adopted last year, envisages a sharp increase in defence spending: it has far exceeded 1% of GDP – until now a psychological barrier for public opinion – and Tokyo has made no secret of the fact that the target is to reach 2% of GDP. The political elite there has begun to openly claim – through the mouths of retired politicians headed by former prime minister Shinzo Abe – that security and the status quo in the Taiwan Strait are in Japan's vital interest. There are also voices about the absolute need to adopt US nuclear weapons. Despite the denials from Washington and Tokyo, opinions about the need to join AUKUS (Australia, UK, US) or to cooperate more deeply with this format are still heard. Thus, the very first weeks of the Russian aggression against Ukraine set in motion surprising and far from favourable processes of strategic gravity for Beijing, involving China's strongest neighbour and rival, Japan.

The PRC's primary goal is to gain control of Taiwan, which would achieve a number of political, strategic and economic objectives. 'Reunification of Taiwan with the motherland' plays no less a role in the political mythology of the Communist Party of China (CCP) than 'collecting the Russian lands'

² As of 15 April 2022: Australia, Japan, South Korea, New Zealand, Singapore and Taiwan.

in the Kremlin's *imaginarium*. Recovering the territories lost in the 'age of humiliation'³ has been one of the CCP's main demands since its inception. Preparing for the armed takeover (if necessary) of these territories is also an element of mass mobilisation in the country and a source of internal party legitimacy. Apart from the political aspect, Taiwan is of crucial strategic importance to the PRC, whose maritime borders are closed by the so-called first island chain.⁴ Mastering it would allow the PLA Navy to go out into the open ocean. It is also an important centre in economic terms (22nd economy in the world in 2021) and for the development of modern technologies (the largest semiconductor industry in the world). The socio-political changes that have taken place on the island since the late 1980s have at the same time resulted in the emergence of a separate identity for the island's inhabitants, which has thwarted the prospect of peaceful reunification and pushed forward a war as a way to settlement of Taiwan's future.

The course of the Russian invasion of Ukraine to date and the failure of the plan to quickly overthrow the authorities there will force the

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leadership of the CCP to evaluate its strategy, but not to change its objectives towards Taiwan. Russian policymakers have ideologically misjudged the attitudes of Ukrainian society and its determination to defend their independence, which makes the PRC leadership rethink whether their assumptions towards the Taiwanese are equally misguided. Furthermore, the sanctions imposed on Russia – exceeding both its and Beijing's expectations – have certainly forced the CCP leadership to recognise that a forceful takeover of Taiwan would have a broad international context.

Washington's determination to defend the existing international order, including in the Pacific, was reflected in the formation of the AUKUS agreement in September 2021, which includes, among other things, cooperation in the creation of an Australian nuclear-powered submarine fleet. In addition, the Japanese authorities' activism towards Taiwan and President Biden's media statements that the US has an obligation to defend the island⁵ have shown that a possible conflict with Taipei is likely to quickly escalate into an open war with the US and its allies. Moreover, the purely military experience of the fighting in Ukraine provides a warning that Taiwan's army, which is modernised and rapidly adapting to the conduct of asymmetric conflict, is a serious adversary that will be able to rely on foreign support. In this situation, Beijing's priority is to dismantle or at least prevent the expansion of US defence initiatives in the region and, in anticipation of a naval conflict with the United States, to obtain bases in the western Pacific to effectively isolate Taiwan in the event of war.

Stop 'Indo-Pacific NATO'

The PRC believes that any defence alliance in the Indo-Pacific will be directed against it and used by the US to limit its growth. Since the Russian attack on Ukraine, Chinese diplomatic efforts have focused on preventing states and regional international organisations from engaging in sanctions against Moscow. This is because Beijing fears that Washington could use the outrage over the invasion to integrate and strengthen a network of smaller alliances into a single defence pact, dubbed 'Indo-Pacific NATO' in Chinese propaganda. PRC representatives reiterate at every turn that the sanctions are illegal and damaging to the global economy and the recovery from the COVID-19 pandemic.

³ The period between the outbreak of the First Opium War in 1839 and the proclamation of the PRC in 1949.

⁴ Today, in relation to the PRC, a line from the Korean Peninsula and the Korean Strait through the Japanese Islands, the Ryukyu Archipelago, Taiwan, the Philippines, Borneo, to the Strait of Malacca and Singapore.

⁵ 22 October 2021. Biden, in response to a twice-repeated question, confirmed that the US 'has a commitment' to defend Taiwan. In retrospect, this can be interpreted as a warning to Beijing not to use Washington's already anticipated Russian invasion of Ukraine to stage a demonstration of force against Taiwan.

While control of Taiwan remains central to Beijing's plans, the aspirations of the CCP leadership go further and include ousting the United States from East Asia and the Western Pacific and gaining economic or military dominance in these areas. The most important issue in this regard is control over the South China Sea, where China usurps far-reaching rights⁶. Although it has militarised the land areas it controls in the basin and is not backing down from its territorial claims over other littoral states, it is trying to continue dialogue in a bilateral format with ASEAN countries, though it still rejects the demand for a multilateral settlement of disputes. Since the Russian war against Ukraine began, Beijing has already hosted the foreign ministers of Thailand, the Philippines and Indonesia, which chairs the G20 this year (the PRC strongly opposes Russia's exclusion from this forum), as well as the head of Myanmar's Foreign Ministry. China has said it is ready to help the country resolve economic problems caused by Western sanctions after the coup. With regard to other long-standing partners in the region, diplomatic efforts are having limited or no effect. One example is Cambodia, which has condemned the Russian invasion due to concerns over territorial claims by Thailand and Vietnam. Beijing's diplomacy thus serves primarily to consolidate and defend existing influence.

The PRC is also making attempts to neutralise American influence. Of greatest concern is the prospect of the QUAD format – an informal political forum of India, the US,

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Australia and Japan – becoming a military alliance. After sanctions were imposed on Russia, there were reports that India would pay for gas and oil from that country in rupees. These would be exchanged in Chinese banks for yuan and then converted to euros or dollars. Beijing's possible consent to this mechanism would be dictated not only by the desire to support the Russian economy, but also by the assumption that such a measure would hamper New Delhi's relations with Washington. India also perceived negatively the pressure from the West to join the sanctions, which was interpreted as a sign of neo-colonialism. Beijing saw this discord as an opportunity and PRC Foreign Minister Wang Yi arrived in India on March 25. However, the visit did not produce tangible results and rapprochement between the two countries – despite growing economic exchanges – does not seem possible. Their border disputes are compounded by economic and political rivalry among developing countries, especially in East Africa and the Indian Ocean (Seychelles, Maldives, Sri Lanka, among others). Nor has Beijing so far put forward any concrete proposals to resolve the mutual contradictions.

Another target of Chinese diplomatic efforts is the Philippines, which since the early days of President Rodrigo Duterte's administration has tried to balance Washington – its traditional ally and security guarantor – with Beijing, where hopes for investment and an amicable resolution of territorial disputes in the South China Sea have been pinned. The PRC sees the country as an uncertain partner of the US, whose economy is vulnerable to the negative effects of Russia-targeted sanctions – primarily rising food and oil prices. As recently as April 8, when Xi Jinping said during a telephone conversation with Duterte that 'regional security and stability cannot be achieved through military alliances', the latter replied that his country would work with China to 'properly resolve the South China Sea issues'. A day later, however, Japan and the Philippines agreed to seek a treaty to facilitate joint exercises and reciprocal visits by armed forces, as 'China's increasingly assertive pursuit of sovereignty over regional waters has worried its neighbours'. The day of Xi Jinping and Duterte's talks also saw the end of the first US-Philippine manoeuvres since 2015, which was seen as a sign of Manila's rapprochement with Washington. It seems that the key for further relations in the PRC-US-Philippines triangle will be the Philippine presidential election on May 9.

⁶ See M. Bogusz, *Nine dashes. Beijing's territorial claims in the South China Sea*, OSW, Warsaw 2020, osw.waw.pl.

Another US partner, South Korea, is also of interest to China. Beijing is counting on being able to use North Korea and its nuclear programme, on the one hand, and the historical animosity between Seoul and Tokyo, on the other, to prevent the former from supporting American and Japanese aid plans for Taiwan. It should therefore come as no surprise that Xi Jinping, on his own initiative, made contact the day after the election – an exceptional event – with President-elect Yoon Suk-yeol (elected on March 9), even though the latter has a decidedly pro-American stance and has promised to take a tougher stance towards the PRC. The CCP general secretary reiterated that the two countries will remain neighbours and ‘inseparable partners’ economically and should promote the construction of a ‘fairer global governance system’. However, Yoon Suk-yeol said just days later that South Korea had a responsibility to become more involved in the ‘international pressure campaign against Russia’.

To gain bridgeheads

Against a backdrop of growing rivalry with the US and increasing international polarisation as a result of Russia’s aggression against Ukraine, Beijing’s plans to acquire a military base and become more active in the South Pacific have gained importance, leading to direct regional rivalry with Australia. A permanent military presence would allow the PLA Navy to not only block access to Taiwan from the area,⁷ but also cut communication routes between Australia and New Zealand⁸ from one side and the eastern Pacific and North America from other. On 19 April, it was revealed that the Solomon Islands had signed a framework agreement with the PRC to cooperate on security issues. According to a previously disclosed draft, the agreement is to allow it to deploy forces to the islands to ‘protect the security of Chinese personnel and major projects’. The document says the Solomon Islands can ‘request China to send police, armed police, military personnel and other law enforcement and armed forces’. It also states that Beijing is allowed to ‘send ships to replenish logistical supplies in the Solomon Islands, and make stopovers and transits’.

While the final text of the agreement has not been presented, the presence of the PLA Navy in any way in the Solomon Islands – less than 1,200 nautical miles from

” **A sustained military presence in the western Pacific would allow the PLA not only to block access to Taiwan, but also to cut communication routes between Australia and North America.**

Australia – raises significant concerns in Canberra. Australia has long been the security guarantor for the Solomon Islands and is keen to maintain the advantage that comes with that role. In early April it announced an accelerated programme to increase its arsenal of cruise and anti-ship missiles. This decision can hardly be unrelated to the need for a strike capability against Chinese bases or units, should they appear in the South Pacific. The announcement of the agreement also worried Washington, which held a meeting in Hawaii on April 18 with diplomats and military officials from Japan, Australia and New Zealand on the challenges growing in the Pacific Ocean region – ‘from maritime security and economic development to the climate crisis and COVID-19’. The problems are to be addressed jointly ‘in an increasingly close partnership with Pacific Island countries and [...] like-minded countries, in the region and beyond, including Europe’. Among other things, the partners’ concerns over the planned Solomon Islands-PRC agreement and the resulting ‘serious threat to a free and open’ Indo-Pacific were discussed.

⁷ An additional dimension to the rivalry in the South Pacific is added by the fact that some countries in the region still recognise the Republic of China on Taiwan – hence an increased economic or military presence could be seen by the PRC as a tool to pressure them to break off formal relations with Taipei.

⁸ Both countries are bound to the USA by the Agreement on Collective Security (ANZUS), concluded in 1951 between Australia and New Zealand and, in parallel, Australia and the United States, concerning cooperation in military matters in the Pacific region. They also belong – with the US, Canada and the UK – to the Five Eyes intelligence alliance.

Beijing is also encountering resistance in other areas of the Western Pacific, as American and allied activity has increased across the region since the Russian invasion of Ukraine. On March 19, a preliminary agreement to cooperate on security issues was signed by the UK and Fiji. Tokyo is stepping up efforts under Japan's Free and Open Indo-Pacific Strategy, adopted in 2016. In the second half of March, President Joe Biden appointed Joseph Yun to the post of negotiator for talks on extending and amending the Compact of Free Association (COFA), which establishes a special relationship between the US and the Marshall Islands, Micronesia and Palau, which has been vacant since the Donald Trump administration. COFA governs US economic aid to these countries, but provisions made in the early 1980s expire within the next two years. Dialogue about their renewal began during Trump's term in office, but since December 2020, there have been no significant talks on the issue. The situation has been exploited by Beijing, which has in the meantime approached Pacific Island countries, including the three COFA states, with economic proposals. The COFA, however, provides 'exclusive and unrestricted access to the land, waters and airspace' of these territories for the US military, which is crucial to the US Navy's dominance in the western Pacific and makes it strategic for Washington, especially with the prospect of the PLA Navy in the Solomon Islands. AUKUS is also evolving – in early April it was announced that cooperation under the agreement would be expanded to include hypersonic missiles and cyber warfare.

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Outlook

Russian aggression against Ukraine is still ongoing, and its outcome and consequences are difficult to predict. At this stage, developments – especially the conduct of most of the US allies in Europe and the Pacific – are raising concerns in the CCP leadership that the war could lead to a global alliance of democratic states. Beijing is trying to respond to this situation but needs more time to develop more effective tools. Nevertheless, it should already be drawing logical conclusions from the course of the 'operation' and the actions of the international community. It is putting the need for further modernisation of the army and expansion of the navy first, because the PRC leadership can no longer count on the assumption that if Taiwan is invaded, it will not fight back and the Americans will remain passive. This will translate into continued momentum in defence spending in the coming years. Economically, China remains dependent on imports of Western technology and access to markets there. This makes it no less vulnerable than the Russian Federation to economic sanctions, although it can expect that the West (and especially the EU) will not risk an economic war because of the risk of a global crisis. It is to be expected that Beijing will increase its drive for economic and technological self-sufficiency. This, in turn, will accelerate the *decoupling* process with the West, which the Chinese side will initiate. Consequently, it can be assumed that if the PRC intended to take over Taiwan in the near term⁹, this plan has been postponed.

Growing US involvement in the Indo-Pacific and the resulting changes in the regional political landscape are of concern to the PRC. The increased activity of Australia and Japan is also noticeable. Beijing's main challenge, however, remains the possibility of the US developing a common front with Europe and NATO on Ukraine or strengthening its alliances in the Indo-Pacific. Washington warns that China

⁹ Currently, the PLA is unable to carry out a landing operation in Taiwan. However, one can speculate whether the CCP leadership thought that Russia's rapid and successful 'special operation' in Ukraine, resulting in the establishment of a puppet government and control of the entire country with minimal resistance from defenders and helplessness from the world, would allow them to carry out a similar operation against Taiwan.

will 'suffer the consequences' if it provides Russia with assistance to the invasion or to evade sanctions. However, even if the US declarations stop the PRC from taking such steps, it will not mean a severance of Beijing's deep strategic ties with Moscow,¹⁰ and in the long run it will even deepen bilateral cooperation, as the aggression against Ukraine has only highlighted the structural interdependence between Russia's ability to rebuild influence in Europe and the PRC's potential for expansion in the Indo-Pacific. Therefore, the CCP leadership sees Western efforts to weaken the Kremlin or to overthrow Vladimir Putin as simultaneously aimed at stifling China's growth and influence.

In the meantime, Beijing is focusing on strengthening relations with existing partners. This is dictated not only by the resistance of the other countries in the region, but also by the consternation of the CCP. This in turn stems from the fact that both the course of the Russian-Ukrainian war so far and the reactions of the US and its allies are drastically different from what was assumed. According to the party's propaganda narrative, 'the West is in decline', and the foreign policy of the 'capitalist states' is based on the short-sighted interests of large corporations, so the strong and costly response of Western countries is no less surprising than the weakness of the Russian army. This state of affairs means that the PRC leadership, unable to go beyond the previous paradigm of thinking, has lost its self-confidence for some time. The lack of an idea for a way out of the difficult international situation is currently masked by diplomatic activity, but this has not brought tangible results, apart from the success of the agreement with the Solomon Islands. Attempts to weaken relations with the US by the Philippines or South Korea, and also by smaller countries in the region, are doomed to failure. This is due to the shock of Russia's invasion and its undermining of Ukraine's sovereignty and territorial integrity, which has set a dangerous precedent for these countries. However, the change in the situation will not lead to a revolution in Chinese objectives, but at most to a re-evaluation of means, capabilities and strategies. At present, due to the tense political period ahead of the CCP's 20th Congress scheduled for autumn, there is no space for such a debate within the party, as it would be overlaid by factional rivalry ahead of the most important personnel reshuffle in the PRC in the next five years.

¹⁰ See M. Bogusz, J. Jakóbowski, W. Rodkiewicz, *Beijing-Moscow axis. The foundations of an asymmetric alliance*, OSW, Warsaw 2021, osw.waw.pl.