



**Statement before the House Foreign Affairs Subcommittee  
on Asia, the Pacific, Central Asia, and Nonproliferation**

***“Implications of the Ukraine Crisis for  
U.S. Policy in the Indo Pacific.”***

A Testimony by:

**Bonny Lin**

Director of the China Power Project and  
Senior Fellow for Asian Security, CSIS

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**2172 Rayburn House Office Building**

Chairman Bera, Ranking Member Chabot, and distinguished Members of the Subcommittee, I am honored to have this opportunity to discuss the implications of the Ukraine crisis for U.S. policy. I commend the Subcommittee for convening this timely hearing. My testimony today will focus on China's position on Ukraine, lessons learned, and implications for U.S. policy.

I want to caveat my remarks by noting that what I will discuss are assessments of early People's Republic of China (PRC) lessons learned. China's positions and views may change based on evolving dynamics in Ukraine as well as broader PRC assessments of its overall security environment and U.S.-China relations.

### **China's Shifting Position on Ukraine**

Prior to, and in the early days, of the Russian invasion, Beijing largely echoed Moscow's talking points. China defended Russia's "legitimate security interests" and blamed NATO, the United States, and even Ukraine for provoking the crisis. Chinese commentators refused to call Russian aggression an invasion, portraying it as a "special military operation." On February 24, China's Ministry of Foreign Affairs (MOFA) spokesperson Hua Chunying reiterated Russian propaganda that Russia "will not conduct any missile or artillery strikes on any Ukrainian city."<sup>1</sup> Many Chinese outlets assessed that Russia intended to engage in a limited military operation in Donbas. Much of the early PRC commentaries on what Russia would do in Ukraine were proven false by actual Russian aggression in the days that followed. It is possible that Chinese analysts, as well as the Chinese government, did not know the full extent of Russian ambitions for Ukraine and did not expect Russia military operations to expand beyond eastern Ukraine.

China has gradually shifted its position on the Ukraine conflict to be less fully pro-Russia and to balance the other interests Beijing has in addition to its desire for strong ties with Moscow.<sup>2</sup> PRC experts point out that China has engaged in diplomacy with key sides of the Ukraine conflict, though President Xi Jinping has yet to speak to Ukrainian leader Volodymyr Zelensky. They note that Xi, for example, talked with Vladimir Putin the second day of the conflict and urged Russia to negotiate with Ukraine. Russia "responded positively" and engaged in peace talks.<sup>3</sup> On March 7, Chinese Foreign Minister Wang Yi proposed a six-point initiative to prevent a massive humanitarian crisis in Ukraine and announced that China will provide humanitarian aid to Ukraine. In contrast to early statements that focused on Russian concerns, Wang advocated for the "legitimate security concerns of all the parties involved."<sup>4</sup> The day after, and in a call with France and Germany, Xi expressed that he is "deeply grieved by the outbreak of war again on the European continent," implying that China recognizes what is happening in Ukraine is much more than a limited military operation.<sup>5</sup> In mid-March, China's ambassador to Ukraine, Fan Xianrong, voiced support for the path chosen by Ukraine and praised "the great unity of the Ukrainian people."<sup>6</sup>

PRC's position on Ukraine, however, is far from neutral. China has not been willing to condemn Russia or explicitly call its aggression an invasion. To date, there is no evidence that China has sought to proactively pressure Russia in any way or form. Beijing appears to be using dialogue to nudge Russia to change course. Although China has abstained from several UN votes related to Russia's invasion of Ukraine since late February, China did veto the March UN International Court of Justice order that Russia suspend its military operations in Ukraine and also supported a Russian "humanitarian" resolution on Ukraine.<sup>7</sup> In addition, PRC amplification of Russian disinformation, that the United States is financing biological weapons labs in Ukraine, helps Russia justify its invasion and could create the pretext for Russia to use chemical or

biological weapons in Ukraine.<sup>8</sup> China has further engaged a concerted, global diplomatic effort to push back against Western sanctions on Russia.<sup>9</sup>

China stands by its February 4 joint statement with Russia and remains committed to deepening its “rock solid” relations with its neighbor.<sup>10</sup> Beijing characterizes China-Russia relations as “mature, tenacious and stable with strong endogenous power and independent value.”<sup>11</sup> Given this overall political direction and within the context of Ukraine, Beijing has re-identified some limits to its relationship with Moscow. On February 24, PRC MOFA spokesperson Hua noted China will not fuel tensions in Ukraine by providing arms to Russia and “Russia doesn’t need China or other countries to provide weapons to it.” She described the China-Russia relationship as “based on the foundation of non-alliance, non-confrontation, and non-targeting of any third country.”<sup>12</sup> During his call with President Biden on March 18, Xi used some of the strongest language yet, stating that China “opposes war” and will make conclusions on Ukraine “independently based on the merits.”<sup>13</sup> China has not provided direct military support to Russia to date, but remains unwilling to guarantee that it will continue to refrain from providing arms to Russia in the future.

On the economic and financial side, Beijing has not joined G-7-led sanctions against Russia and has criticized unilateral Western sanctions on Russia. However, China does not want to become a target of secondary sanctions by helping Russia evade international sanctions. To date, Beijing has not engaged in systematic efforts to help Russia evade sanctions. China has temporarily withheld the sale of aircraft spare parts to Russia and suspended sales of drones following reports they were used by Russia in combat. Some key Chinese banks and financial companies have also postponed new operations or temporarily curtailed most of its operations in Russia.<sup>14</sup>

At the same time, China still seeks to maintain normal economic relations with Russia. Many Chinese companies – including large Chinese state-owned enterprises – are engaging in business as usual and even increasing operations in Russia.<sup>15</sup> In late March, China’s Ambassador to Russia Zhang Hanhui viewed the market situation in Russia as an opportunity, encouraged Chinese businesses to “fill the void”, and noted the role that “private, small, and medium-sized enterprises could play.”<sup>16</sup> Beijing’s actions will need to be closely scrutinized.

### **China’s Lessons Learned from Ukraine**

I will focus on three larger PRC lessons learned:

***1) The Ukraine war has reinforced China’s view that it is facing a more dangerous external environment and U.S. military activities and expansion could provoke conflict in the Indo-Pacific.*** During the March 2022 Biden-Xi virtual meeting, Xi noted that “the prevailing trend of peace and development is facing serious challenges,” and “the world is neither tranquil nor stable.”<sup>17</sup> Chinese interlocutors have voiced concern that the United States and NATO are fighting Russia today but might fight China in the future. Several factors drive this assessment.

First, China views NATO expansion and the West’s quest for “absolute security” as one of the key causes of the conflict. Beijing sees parallels between NATO activities in Europe and U.S. efforts in the Indo-Pacific and some believe NATO may expand to Asia.<sup>18</sup> Chinese analysts are aware that the United States

has identified China as its main competitor and challenger, and they believe that the United States is set on expanding U.S. military ties and presence and forming military blocs to counter China. Beijing is worried that increasing U.S. and allied support for Taiwan and other regional partners elevates the risk of U.S.-China military confrontation and that China may find itself in the same situation as Russia. Some believe that the sanctions the United States and West took against Russia were originally designed for China if China invaded Taiwan.<sup>19</sup>

Second, there is a wide gap between Chinese assessments of Russia's responsibility for the conflict in Ukraine and how Western analysts view the situation. Chinese experts view Western inability to sympathize with Russia's security concerns (which mirror China's) as demonstrating that the United States cannot and will never take into account China's security concerns.

Third, the Ukraine crisis strengthens the PRC view that the United States is set on its anti-China position. Beijing views the United States as blaming China for the conflict in Ukraine even though China is not militarily involved. They point out that there has been little change in negative U.S. media coverage of China and no recognition that Beijing's position on Ukraine has shifted. In Track II discussions, some Chinese scholars have asked what incentives or reassurances the United States could offer China – particularly on Taiwan – if Beijing were to align more with the West against Russia. When U.S. experts emphasize that it is in China's interest to stop the war in Ukraine given China's desire to portray itself as a responsible global power, its relationship with Europe, and China's belief in the sovereignty and territorial integrity of all countries, Chinese experts view such responses as meaning that the United States will continue its anti-China policies, and cooperating with the United States will not provide China any benefit. This deep suspicion led a PRC news anchor to describe U.S. requests to China on Ukraine as: “Can you help me fight your friend (Russia) so that I can concentrate on fighting you later?”<sup>20</sup>

This pessimistic assessment of its strategic environment is why Beijing will stand by Russia as a close strategic partner even though there are dissenting PRC voices that argue otherwise.<sup>21</sup> The fear that China may be next and the recognition that Russia is still China's strongest and closest partner will deter major changes in PRC policy. Even though China is not currently directly supporting Russian military efforts in Ukraine, China may be willing to bear international pushback to ensure that Putin remains in power and sanctions do not cause the collapse of the Russian economy or Russia.<sup>22</sup> China is also wary of U.S. and Western efforts to divide it from Russia – the worst-case geopolitical nightmare for Beijing is if China must confront both the United States and Russia. Longer-term, Beijing could be interested in developing more close strategic partners beyond Moscow so that it does not have to depend too much on Russia.

**2) *The Ukraine crisis strengthened China's desire to be more self-reliant and to increase other countries' economic dependency on China.*** The unprecedented Western sanctions of Russia reinforce China's view that future conflict will involve much more than military operations – it will be a contest between each side's comprehensive national power. China should defend against increased non-military threats.<sup>23</sup>

This is likely to drive China to further reduce its dependency on the West. Self-reliance was a top priority at the March 2022 annual top Chinese leadership meeting. Beijing reaffirmed the importance of the security of food, energy, raw materials, and key parts. Beijing also emphasized self-reliance in manufacturing and technology and more resilient industrial and supply chains.<sup>24</sup> China is pushing for chip production self-

sufficiency and more investment in key strategic sectors such as artificial intelligence, semiconductors, biotechnology, new materials, aviation/aerospace, and energy.

Early Chinese assessments of how the West used government authorities and private sector actors to target Russia have also reinforced PRC goals to increase China's role and impact in major multilateral organizations and to develop as appropriate parallel organizations and platforms. Among other areas, this includes:<sup>25</sup>

- *Credit card payment system:* Visa, Mastercard, and American Express's suspension of operations in Russia have caused Russia to depend on China's UnionPay credit cards.<sup>26</sup> This has reinforced PRC views that having a widely used Chinese state-owned card payment system is critical to national security.<sup>27</sup>
- *Financial and currency system:* China has long been concerned with its high dependence on the Society for Worldwide Interbank Financial Telecommunication (SWIFT) and Clearing House Interbank Payment System (CHIPS) for large-value cross-border payments. China launched its Cross-Border Interbank Payment System (CIPS) that allows renminbi-denominated transactions.<sup>28</sup> The ban on Russia from SWIFT has caused Chinese experts to suggest that CIPS could work with the Russian messaging system, the System for Transfer of Financial Messages (SPFS). Either or both alternative systems could grow over time "into an important regional or even global infrastructure with considerable influence."<sup>29</sup> Leading Chinese financial experts have also encouraged China to further develop its central bank backed digital currency to ensure national security and raised the possibility of cross-border use of its digital yuan, e-CNY, for retail.<sup>30</sup>
- *Satellite navigation system:* Prior to the Russian invasion, China and Russia had already agreed to enhanced cooperation between their respective satellite navigation systems, Beidou and GLONASS, as an alternative to the U.S. owned GPS system.<sup>31</sup> The conflict in Ukraine has underscored the importance of information dominance and secure precision-strike capabilities, and a satellite navigation system controlled by China will be critical for military operations.
- *IT and internet system:* Chinese analysts watched Russia's cyber-attacks against Ukraine. They believe that the West has significantly ramped up political warfare and disinformation to undermine Russian military progress in Ukraine and Western technology companies contributed to the spread of pro-Ukrainian information and censorship of pro-Russian content. Chinese commentators also see the United States and the West behind anonymous hackers and their cyberattacks against Russia.<sup>32</sup> These worries have reinforced PRC determination to further build up its "soft" infrastructure, such as a resilient internet and to "speed up its establishment of a comprehensive internet governance system and build a solid national cyber security barrier."<sup>33</sup>

China is stressing self-sufficiency, which is not the same as autarky. China will seek to involve more international partners in many of its alternative systems. At the same time, Chinese commentators have also noted that European countries all have their own red lines with respect to more sanctions on Russia and, so far, there is a common desire to avoid sanctioning Russian oil because of European dependency on Russian energy.<sup>34</sup> China is likely to further cultivate U.S., western, and global economic dependencies on China such that any significant potential sanctions on China "will be difficult to sustain" and will "make the West feel real pain."<sup>35</sup> Beijing might assess that strengthened geopolitical ties, higher economic dependency, and increased PRC power could constrain countries from signing on to efforts to economically coerce or contain China.

**3) *China is learning from Russian military operations in Ukraine, but so far there is no indication that the People's Liberation Army (PLA) needs to fundamentally rethink its modernization, investments, or goals.*** Western and Chinese observers have noted many Russian military weaknesses and failures in Ukraine: its soldiers' lack of training and proficiency in combined arms operations, the lack of and underperformance of its precision munitions, its logistics and maintenance issues, and its questionable cyber and information warfare campaign. Many of these weaknesses likely only reinforced China's belief that the PLA needed the massive military restructuring it began in 2015-2016, which sought to enable joint operations and improve the PLA's command and control. Among other changes, the reforms led to the creation of the PLA Strategic Support Force to focus on space, cyber, and electronic warfare and the PLA Joint Logistics Support Force to unify logistics and support China's new joint theater commands. Xi Jinping's annual mobilization orders emphasize that the PLA should incorporate new technology and improve its training to be ready to fight and win wars.<sup>36</sup> The Ukraine conflict and how Japan, Germany, and other countries are responding are likely to encourage China to invest more in its defense.<sup>37</sup>

Because China's plans for a rapid amphibious invasion of Taiwan differs significantly from how Russia invaded Ukraine, the PLA is unlikely to view Russian failures as directly applicable to Chinese operations for Taiwan. So far, there is no public evidence that the Russian invasion of Ukraine has changed China's willingness to use force against Taiwan if Taipei crosses Beijing's redlines. It is too early to tell if the PLA will significantly reassess how to use force against Taiwan, though there are reports that Chinese academics have been tasked to evaluate the possibility of unification with Taiwan by force.<sup>38</sup> It is possible that accurate U.S. intelligence on Russian military intentions could make the PLA question if the United States has similar insights on its operations, but Chinese experts are also likely aware that the U.S. intelligence community underestimated the difficulties the Russian military would face in Ukraine. One area that PLA analysts have pointed out is that Russia did not couple kinetic operations with effective political and information warfare to the undermine the Ukrainian people's morale and will to fight. This is an area that the PLA will pay more attention to in potential Taiwan contingencies.<sup>39</sup>

China has witnessed the capacity of a highly motivated, although modestly equipped, Ukraine population to exploit weaknesses in Russia's military and thwart Putin's plans for a rapid invasion. Beijing is aware that Taipei is also following the conflict closely and adapting its defenses. The conflict should signal to Beijing that it is more costly and difficult to successfully use significant military force against Taiwan. Yet, Beijing may be willing to bear these risks and could ask the PLA to adjust its military plans to further overwhelm the island's defenses: the PLA could try to move faster and inflict more damage.<sup>40</sup>

Another discussion that is occurring in China relates to the utility of nuclear weapons. China observed that Russia put its nuclear and strategic missile forces on high alert on February 27, and China is assessing whether that enabled Russian conventional operations and deterred NATO from sending conventional forces to Ukraine. Would the United States be deterred from intervention in Taiwan if China threatened nuclear escalation? Could nuclear signaling create some space for China to engage in conventional military operations? Some are arguing that China needs to significantly expand its nuclear capabilities, as Russia's nuclear signaling deterred the United States and NATO.<sup>41</sup> Indeed, China is already augmenting its nuclear capabilities at a fast pace.<sup>42</sup> Others worry that Taiwan is not Ukraine and U.S. reluctance to escalate against Russia may not apply to China. Any change in China's no first use nuclear policy could encourage non-

nuclear weapon countries to acquire nuclear weapons and this could further damage China's interests.<sup>43</sup> This is a key discussion worth close monitoring.

### Implications for the United States

The above early assessments of China's views offer several takeaways for the United States:

- **Preserve the full range of U.S. military and deterrence options for the Indo-Pacific.** Given calls for PRC reassessment of the utility of nuclear weapons, the United States should be wary of making major shifts in its own nuclear policies or posture. A near-term U.S. nuclear policy change to “no first use” or “sole purpose” is likely to send the wrong message to Beijing and to key U.S. allies and partners. At the same time, the United States should continue to seek nuclear strategic stability talks with Beijing and publicly share information regarding China's rapid nuclear modernization.
- **Shore up U.S. relations with partners beyond the Indo-Pacific and Europe.** As China seeks to shield itself from potential future sanctions, China will look globally. Currently, Beijing is arguing that the G7-led sanctions is disproportionately impacting developing countries and the United States is neglecting the economic pain these countries will suffer as a result of the sanctions. China is observing how countries in South Asia, Africa, the Middle East, and Central Asia have been slow or reluctant to take a position on Russia's invasion and Beijing could accelerate its efforts to build on and consolidate Chinese (or Russian) influence in these regions.
- **Take advantage of global focus on Ukraine to strengthen Taiwan's self-defense capacity and resilience, and international standing.** Ukraine's successes have energized public discussion in Taiwan about its own defense: lack of ready reserves, arms purchases from the United States that are weighted to expensive platforms, expanded military conscription and service requirements, and vulnerable core infrastructure. The United States should expand efforts to strengthen Taiwan's resilience—such as expert advice on civil defense planning, network security, energy, and transportation resilience—to alter Beijing's risk/benefit analysis without eroding U.S. strategic ambiguity.
- **Hold China accountable for any attempts to mediate and be vigilant of Chinese proposals that favor Moscow.** The United States and international community should hold China accountable for any mediating role Beijing may seek for the Ukraine conflict. The United States should establish objective standards to evaluate the effectiveness of PRC mediation. Chinese diplomacy could be assessed based on the progress it makes in terms of concrete changes on the ground in Ukraine (and not based on the number of meetings China convenes), including whether Chinese diplomacy reduces Russian military aggression and saves Ukrainian civilians. The United States should message that all talk and no progress means that China is buying Russia time to kill more innocent Ukrainians.

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#### Endnotes

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<sup>2</sup> Jude Blanchette and Bonny Lin, “China's Ukraine Crisis: What Xi Gains – and Loses – from Backing Putin,” *Foreign Affairs*, February 21, 2022, <https://www.foreignaffairs.com/articles/china/2022-02-21/chinas-ukraine-crisis>.

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<sup>13</sup> “President Xi Jinping Has a Video Call with US President Joe Biden.” Ministry of Foreign Affairs of the People’s Republic of China, March 19, 2022, [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/202203/t20220319\\_10653207.html](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202203/t20220319_10653207.html)

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<sup>16</sup> “Beijing Tells Chinese in Russia to Help Fill Economic Void,” *Bloomberg News*, March 23, 2022, [www.bloomberg.com/news/articles/2022-03-22/beijing-tells-chinese-firms-in-russia-to-help-fill-economic-void](http://www.bloomberg.com/news/articles/2022-03-22/beijing-tells-chinese-firms-in-russia-to-help-fill-economic-void)

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<sup>35</sup> Le Yucheng, 2022.

<sup>36</sup> For the 2022 order, see “Xi signs mobilization order for military training,” *Xinhua*, January 14, 2022, <http://www.xinhuanet.com/english/20220104/0393e0b827af4fe8ad8e03d9cb8e6886/c.html>.

<sup>37</sup> Some Chinese netizens believe that Russia did not invest enough money on defense and question if China should further increase its defense spending. See Lin Ke Tan Keji, “俄乌战争给中国提个醒，最新国防预算总额出炉，够应对西方围剿吗” [The Russia-Ukraine war reminds China, is the new defense budget enough to handle Western suppression], 163.com, March 12, 2022, <https://www.163.com/dy/article/H2988TCE0552ZOB7.html>.

<sup>38</sup> Chen Yu-fu and Kayleigh Madjar, “Official says Chinese academics told to study unifying with Taiwan by force,” *Taipei Times*, March 22, 2022, <https://taipeitimes.com/News/front/archives/2022/03/22/2003775228>

<sup>39</sup> Bonny Lin and John Culver, “China’s Taiwan Invasion Plans May Get Faster and Deadlier,” *Foreign Policy*, April 19, 2022, <https://foreignpolicy.com/2022/04/19/china-invasion-ukraine-taiwan/>

<sup>40</sup> Ibid.

<sup>41</sup> Liang Ke, “俄乌战争对华有 2 大启示，胡锡进呼吁中国增强核力量，什么情况？” [The Russia-Ukraine war brings two major revelations to China, Hu Xijin is calling on China to increase its nuclear capacity, what is going on?], 163.com, March 22, 2022, [https://www.163.com/dy/article/H33BKSO60534R9RA.html?f=post2020\\_dy\\_recommends](https://www.163.com/dy/article/H33BKSO60534R9RA.html?f=post2020_dy_recommends); Liu Ying, “专家评俄乌冲突：俄罗斯达成四个目标，中国地位可贵，应主持和谈” [Experts comment on the Russia-Ukraine conflict: Russia has achieved four goals, China is in an important position and should host peace talks], Baidu, March 16, 2022, <https://baijiahao.baidu.com/s?id=1727432682461903630&wfr=spider&for=pc>.

<sup>42</sup> “Annual Report to Congress: Military and Security Development Involving the People’s Republic of China,” Office of the Secretary of Defense, 2021, <https://media.defense.gov/2021/Nov/03/2002885874/-1/-1/0/2021-CMPR-FINAL.PDF>.

<sup>43</sup> Zhou Bo, “Why China is refusing to choose between Russia and Ukraine,” *South China Morning Post*, March 16, 2022, <https://www.scmp.com/comment/opinion/article/3170390/why-china-refusing-choose-between-russia-and-ukraine>