

# Meiji Institute for Global Affairs

## *MIGA COLUMN GLOBAL DIAGNOSIS*

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### Short Curriculum Vitae – Li Yongshu

Born in Shandong Province, People's Republic of China, Dr. Li Yongshu graduated from the Ocean University of China with a bachelor's degree in English literature in 2007. Immediately after graduation, he entered the East Asian Studies Program in the Centre for East Asian Studies at the University of Bristol. Upon receiving his master's degree in 2009, he entered the Political Science Program in the Meiji University Graduate School of Political Science and Economics, and pursued studies mainly on the theme of arms trade between the European Union (EU) and China. He received his doctoral degree in Political Science in 2013, and has since performed research in areas including EU policy on high-tech export, lobbying activities in the EU, military cooperation between Ukraine and China, and Brexit. He assumed his current position in 2015 after serving as Research Associate and Lecturer in the Meiji University School of Political Science and Economics.

### **Probing the relationship between Crimean Crisis and the balance of military power in East Asia**

#### **Foreword**

At present, the Crimean Crisis has subsided, and the diplomatic dynamism among the concerned countries is apparently in a temporary lull. Although there have been many studies on the nature of the influence exerted by the Crimean Crisis on Western countries, few of them describe the influence on Asian countries.

Like Russia, Ukraine is a country with a high level of arms export to China. The

origins of this export go back to the collapse of the Soviet Union in the early 1990s. Based on the history of relations between China and Ukraine, this paper examines how Ukraine has assisted the rise of Chinese military might, and sheds light on the connection between the Crimean Crisis and the balance of military power in Asia.

Unlike the situation in Crimea, where there has been a lull in diplomatic initiatives, in the Asian region, the rise of Chinese military might has been further destabilizing relations among countries there owing to the recent islands reclamation in the South China Sea. Over the last ten years, China deepened its confidence in its power of influence in Asia. Prevailing issues may be exemplified by the territorial disputes with members of the Association of Southeast Asian Nations (ASEAN), friction with Japan over the Diaoyu/Senkaku Islands, and enactment of the Anti-Secession Law aimed at Taiwan. China is involved in problems in regional sea areas, and is duelling with the concerned countries on equal or even superior footing. At the source of China's confidence is not only its increasing economic and political power but also its naval power. Examination reveals that, alongside Russia, Ukraine has been an important partner behind the growth of China's naval power.

### **The end of the Cold War and relations between Ukraine and China**

As may be gathered from the table below, which shows that Ukraine arms export to China began in 1992, the military cooperation between the two countries presumably stemmed from the collapse of the Soviet Union. The Soviet Union's collapse dealt a great blow to the arms industry in its satellite countries. All of the former Soviet Bloc countries experienced the restructuring of employment of engineers and researchers, and the bankruptcy of plants as well as research and development institutes involved in the arms industry. Against this background, then-Prime Minister Li Peng focused on the human resources in Eastern Europe and formulated a draft plan for the input of both personnel and technology into China titled the "Shuang-Yin" (Double-Introduction) Project. This was because he estimated that, through this project, the China of that day could get the personnel and technology which it could not develop domestically even

over a period of ten years<sup>1</sup>.

China's State Council instituted the Friendship Prize and presented it to individuals hired from former Soviet Bloc countries and had made a contribution to the advancement of Chinese science and technology through service in Chinese research institutes. Over the roughly ten-year period from 1991 to 2002, more than 10,000 experts were invited to China under the Shuang-Yin Project, which succeeded in introducing more than 2,000 projects.<sup>2</sup> According to Li Chanlu, Secretary of the Chinese embassy in Ukraine, experts brought by China from the Ukraine numbered about 2,000 in 2006 alone and completed about 150 projects<sup>3</sup>.

Country	1988	1989	1990	1991	1992	Total
France	38	80	59	68	46	290
Germany	12	12	12	12	12	60
Israel			28	28	28	83
Italy	9	9	5	5		28
Japan		15	30			45
Russia					1150	1150
United Kingdom	10	10				20
Ukraine					18	18
United States of America	14					14
Former Soviet Union			81	133		214
Total	83	126	215	245	1253	1922

*Table 1: Arms export to China over the years 1988 - 1992<sup>4</sup>*

### **Why China made Ukraine into a partner in military cooperation**

Immediately after the end of the Cold War, Ukraine and China promoted cooperation with each other in military technology. Their relationship has remained stable right up to the present. One of the reasons is that China alone continued to increase its military spending when other countries around the world were cutting theirs back after the Cold War ended. Ukraine consequently tried to gain enormous profit from China as a

<sup>1</sup>"The Facts of China's Introduction of Ukrainian Military Technology"  
<http://military.china.com/history4/62/20140109/18275437.html> (December 8, 2016)

<sup>2</sup>"Export of Ukrainian Strengths in Military Technology to China"  
[http://news.ifeng.com/mil/2/detail\\_2012\\_06/27/15594564\\_2.shtml](http://news.ifeng.com/mil/2/detail_2012_06/27/15594564_2.shtml) (December 8, 2016)

<sup>3</sup> Ibid.

<sup>4</sup>Unit: millions of US dollars. SIPRI database  
<http://www.sipri.org/databases/armstransfers/armstransfers> (December 7, 2016)

customer for its arms industry. Arms industries in countries cutting their military spending cannot survive on the strength of the domestic demand alone. For this reason, they must obtain income by supplying military technology or exporting arms to other countries. Ukraine then faced the question of how to convert the military technology carried over from the Soviet Union into national income.

Country	1992	2005	2006	2007	2008	2009	2010	2013
France	68753	65123	65470	65691	65037	69426	66251	62272
Germany	64498	57985	54075	53187	52147	50255	50415	51444
Russia	62300	54400	51400	33800	32000	34900	20800	23100
Switzerland	7877	6994	6931	7013	6636	6396	6381	5905
United Kingdom	55578	53042	51583	48380	48092	46578	46835	46775
Ukraine	N/A	461	2030	2181	2102	2605	2106	1940
China	25317	71496	83928	96782	106640	128734	136239	171381

*Table 2: Military budgets of China and countries exporting arms to China<sup>5</sup>*

Ukrainian technology was not positioned on the leading edge in the context of all arms-exporting countries. As noted below, nevertheless, the international situation after the end of the Cold War provided circumstances that were advantageous for the construction of ties of military cooperation with China by Ukraine. Ukraine was not one of the countries participating in the ban on arms export to China and, at the same time, did not have any conflict of strategic interests with China.

Before 1989, China, the European Community (EC), and the United States adopted a stance of containing the Soviet Union. The latter two also engaged in arms export and technology provision to China. At the time, Ukraine was on the side of confrontation with China. However, the stance taken by the United States and EC toward China changed as a result of the 1989 the Tiananmen Incident. Specifically, the United States and EC instituted a ban on arms export to China and focused on human rights problems there. According to documents recently disclosed in the West, the EC member-countries and US government were not keenly interested in the human rights problems in China and were looking for a swift lifting of the arms export ban. However, the collapse of the Soviet Union shortly afterward redefined the strategic significance of the ban.

<sup>5</sup>Unit: millions of US dollars. SIPRI database <http://milexdata.sipri.org/> (December 7, 2016)

As a result, after the Soviet collapse, the United States began to view China as a threat to its hegemony, and tried to tighten the ban on exporting arms to it. Following the US policy lead, the European Union (EU) and Switzerland likewise banned arms export to China. Russia exported arms to China, but became wary of it due to factors associated with strategic interests. Israel, Australia, and Canada felt US pressure to refrain from arms export to China. Ukraine alone did not ban arms export to China and had no conflict of strategic interests with it. As shown in the table below, the volume of arms export to China by EU member-countries remained unchanged from year to year, because it is limited to certain items. In contrast, the volume of arms export by Ukraine and Russia changes with the year, along with changes in the substance of military cooperation.

Country	2007	2008	2009	2010	2011	2012	2013	Total
France	192	221	175	199	219	215	153	1785
Germany	6	3	3	3	3	3	3	44
Russia	1336	1609	1142	636	692	677	1040	12664
Switzerland	65	65	65	65	65	65	65	585
Ukraine	54	54	28			632	64	1030
United Kingdom	40	40	40	40	40	40	40	390
Total	1693	1992	1453	943	1019	1632	1365	16498

Table 3: Arms export to China over the years 2005 - 2013<sup>6</sup>

A check of the items of Ukrainian arms export to China found that the military cooperation between the two countries consisted mainly of fighter aircraft and naval technology.

Order quantity	Arms name	Arms description	Order year	Order delivery	Delivery quantity	Note
1	Fedko	Tanker	1992	1996	1	naval tanker/supply ship
4	Zubr/Pomornik	ACV/landing craft	2009	2013	1	\$315-319 m deal; incl 2 produced in China; Project-958 Bizon version; delivery probably by 2015

<sup>6</sup>Unit: millions of US dollars. SIPRI database

<http://www.sipri.org/databases/armstransfers/armstransfers> (December 7, 2016)

(250)	R-27/AA-10 Alamo	BVRAAM	(1991)	1992-1994	(250)	For Su-27SK combat aircraft
4	DT-59	Gas turbine	(1992)	1996-1999	4	For 1 Type-052 (Luhu) and 1 Type-051B (Luhai)
(2000)	R-27/AA-10 Alamo	BVRAAM	(1995)	2000-2009	(2000)	For Su-27SK and Su-30MKK combat aircraft
58	AI-25	Turbofan	1997	1997-2004	(58)	For JL-8 (K-8) trainer aircraft
1	Kuznetsov	Aircraft carrier	1998	2012	1	Second-hand (production stopped 1992 with end of Soviet Union and unfinished ship sold 1998 in \$20-30 m)
3	2S9 120mm	Self-propelled gun	(1999)	2000	3	Probably Second-hand
(24)	R-73/AA-11 Archer	SRAAM	(1999)	2000	(24)	Possibly Second-hand
4	Kolchuga	Air search system	(2000)	2002	(4)	
(8)	DT-59	Gas turbine	(2001)	2004-2005	8	For 4 Luyang (Type-052B/C) destroyers produced in China; DA-80 version
(42)	AI-25	Turbofan	(2004)	2005-2009	(42)	For JL-8 (K-8) trainer aircraft produced in China
50	6TD	Diesel engine	2011	2013	(25)	Probably for tank produced in China
250	AI-222	Turbofan	2011			\$380m deal; for L-15 trainer/combat aircraft produced in China; AI-222-25F version

Table 4: Items of Ukrainian export of military technology to China<sup>7</sup>

As noted above, the provision of arms technology by Ukraine to China matches China's strategy for modernization of its navy. Ukraine has supplied China with an aircraft carrier, landing craft, and aircraft for training pilots for carrier-based fighters. There is even a report that it is training Chinese pilots itself<sup>8</sup>.

<sup>7</sup>SIPRI database <http://www.sipri.org/databases/armstransfers> (December 8, 2016)

<sup>8</sup>「Ukraine preparing to rent out NITKA naval pilot training site to China, India」  
[http://www.ukrinform.ua/eng/news/ukraine\\_preparing\\_to\\_rent\\_out\\_nitka\\_naval\\_pilot\\_training\\_site\\_to\\_china\\_india\\_312515](http://www.ukrinform.ua/eng/news/ukraine_preparing_to_rent_out_nitka_naval_pilot_training_site_to_china_india_312515) (December 8, 2016)

## **Perspective from Ukraine**

When the crisis between Ukraine and Russia erupted, Ukraine felt uneasiness about its relations with China. In the first place, China wondered whether or not its agreements for cooperation etc. concluded before the Crimean Crisis would still be effective. It was naturally worried about agreements for agricultural and economic cooperation, but particularly concerned about cooperation with the arms industry in Crimea. The Chinese side was wondering whether, from then on, the agreements would be with the Ukrainian government or the Russian government. In response, the Ukrainian government clearly stated that it would explicitly pledge to thoroughly execute the terms of the current agreements and to raise mutual ties with China to an even higher level.<sup>9</sup>

In an interview, Dr. Oleksandr Bogdanov, Professor of the National Academy of the Security Service of Ukraine, asserted that, as viewed from the perspective of Ukraine, China is an undemocratic country and therefore would tend not to support Ukrainian foreign policy, for example.<sup>10</sup> In the Crimean Crisis in particular, China's pronouncements have become increasingly pro-Russian. Ukraine wants China to participate in the sanctions imposed on Russia, but that would be practically impossible. Nevertheless, while he was distrustful of China, Dr. Bogdanov was also aware of the benefit of Ukraine relations with it. This benefit lies in the ability to pursue military cooperation with China without being pressured by either the United States or Russia, as long as it is not subject to economic sanctions.

## **Conclusion: the domino effect of the Crimean Crisis**

It could be said that the Crimean Crisis has already begun to exert an influence on the balance of military power in East Asia. Before the Crimean Crisis arose, China concluded an agreement for production related to the Zubr-class hovercraft with the Feodosiya shipyard in Ukraine. In accordance with this agreement, Ukraine is to transfer two completely built up Zubr-class craft to China and deliver another two in the

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<sup>9</sup> 「Ukraine Seeks Stronger China Ties」  
<http://thediplomat.com/2014/06/ukraine-seeks-stronger-china-ties/> (December 8, 2016)

<sup>10</sup> Oleksandr Bogdanov, in an interview conducted by e-mail (July 30, 2015)

form of transfer of production technology to China. Upon the outbreak of the Crimean Crisis, however, this agreement was suspended mid-way through its execution. The Ukrainian side had already transferred the finished craft to China, but had not yet transferred the production technology. At the same time, the Chinese side still has to pay the Ukraine side 1.4 billion U.S. dollars. To obtain the related production technology, China is negotiating with both Ukraine and Russia while using this 1.4 billion dollars as bargaining chips.<sup>11</sup>

As described above, China and Ukraine have been in a relationship of close military cooperation since the end of the Cold War. The Ukrainian arms industry has depended on the Chinese market, and China, on Ukrainian naval technology. Meanwhile, the sanctions imposed on Russia due to the Crimean Crisis are placing a heavy burden on the Russian economy. Considering the longstanding ties between China and Russia, the crisis between Ukraine and Russia could occasion a redefinition of the strategic relations among China, Ukraine, and Russia. In the context of this triangle ties, if Ukraine and Russia were to seek the support of China, China would be in a position to use the situation to bolster its military might. As a result, the Crimean Crisis could possibly add further impetus to the rise of China's military power.

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<sup>11</sup> 「Money dispute with Kiev Threatens future Chinese arms buys」  
<http://www.washingtontimes.com/news/2014/dec/4/china-is-colluding-with-russia-to-avoid-paying-14/>  
(December 8, 2016)