EU Attempts to Lift Arms Embargo on China and security balance in East Asia: implications for East Asian integration process

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Introduction

Embargo issue: history & present situation

China’s current trends

1. China’s military budget & Military capabilities
2. R&D Expenditures, Research Centres
3. Technology Transfer

Conclusions

Selected References
INTRODUCTION

- **KEY QUESTION:** DOES LIFTING ARMS EMBARGO ON CHINA “AFFECT THE REGIONAL BALANCE OF POWER IN EAST ASIA” (OR IT IS A REMNANT OF THE PAST)?

- **WHY?** Stable and cooperative Sino-Japanese relations is the key element for an integration in East Asia.

- **THEORY:** Realism

- **CONTRIBUTION:** China embargo has not been seen from this perspective, a case-study to test possibility of integration.

- **DATA:** Interviews (EU, Japan, China), primary & secondary sources
1989: EU imposed embargo on arms exports to China after Tiananmen Square incident

2003: European Council gave mandate to the European Commission “to re-examine the question of the embargo on the sale of arms to China.” (Fr&Ger)

2004: - European Council “invite[d] the Council to continue its consideration of the arms embargo in the context of the EU’s overall relations with China.”
  - US, Japan severe critics: East Asia security balance would be undermined
  - China stance: embargo is a political discrimination against China
  - EU Council: “…arms exports should not be an increase of arms exports… neither in quantitative nor qualitative terms”

2005: - launch of EU, Japan, US, China strategic security dialogue on East Asia
  - EU Council: importance of EU-China dialogue on human rights
  - European Parliament: “.. arms embargo to remain intact until greater progress… made on human rights and on cross-Straits relations between China and Taiwan, … until the EU makes its code of conduct on arms sales legally binding.”

Nowadays: EU follows code of conduct, not on the agenda
“…Europe is starting to fear the reborn state in which it infused substantial investments, aid, political efforts, and patience… Albeit that Europe is widely appreciated as an alternative to the USA, distrust remains present.” (Hoslang)
CHINA’S CURRENT TRENDS

1) Military budget of China (foreign weapons, military-related R&D)
- Official figures’2008: $59 bn (17.6% increase), 1.7% of GDP, $45 per capita
- US estimates: $139 bn, up to 4% of GDP, No. 2 in the world

China’s Military capabilities

**Air Force:**
- AWACS (Airborne warning&control system)
- Chinese Fourth-generation Aircraft>
- Japanese SDF:
  - SU-27: more than 150
  - SU-30: anti-ship&anti-ground capability
  - SU-33?: carrier-based fighters

**Naval Force:**
- *Kilo*-class submarines: little noise
- *Sovremenny II*: anti-ship capability
2) R&D expenditures & Research centres


- “by 2020, the progress of science and technology will contribute at least 60 percent to the country’s development. Meanwhile, the country’s reliance on foreign technology will decline to 30 percent and below.”
- MEANS: enterprises to spend more on research and development while state financial investment will be used to mainly develop basic research.
- 11 priority areas: energy, waters resources,…national defence.
- National defence: “China will reform the current scientific and technological management system and combine and coordinate the military and civilian research organizations.” (joint civilian-defence projects)

Research centres: economic resources, favourable tax regime, human resources (no shortage in HR)
Major areas: nuclear energy, space industry, high energy physics, biology, computer science, electric communications (advanced level).
3) Technology Transfer:

- Galileo Navigation Satellite System (EU GPS) – development of satellite guided navigation technology by domestic industry (military superiority in space is a key element to achieving operational objectives (PLA)

- Areva & Airbus (corporate parent: European Aeronautic Defense and Space): $30 bn

160 passenger planes - about $14.8 billion, Areva - $11.9 billion to build nuclear reactors

Airbus: to award at least 5% of the supply contracts for its next-generation widebody jet, the A350-XWB to China and the share “may be enlarged based on the future business plan.”

Areva (nuclear industry): 2 reactors+technology&uranium to decrease coal dependency. China would buy 35% of the production of Areva’s uranium-mining subsidiary, UraMin, which plans to obtain the nuclear fuel from its three mines in Africa.

- TT: China introduced 18 363 technologies from the EU with a contract value of USD79.4 billion (Sep’03).

Dual—use goods: The sole embargo that is in force concerns the ban on arms deliveries that was imposed following the Tiananmen incident. The real impact however is limited, given the fact that Europe turns a blind eye towards the substantial exports of dual-use goods which are applied in advanced systems such as submarines and fighter planes. (I. Anthony)
Embargo is intact along with:

- China’s non-transparent military budget
- China’s advanced military capabilities
- Promotion of R&D activities
- Technology Transfer to China from Europe

← The security balance in East Asia is being changed

WHAT is China Embargo?: Remnant of the past? Matter of perceptions?
SELECTED REFERENCES

THANK YOU