



THE UNIVERSITY OF  
**SYDNEY**

—  
China Studies  
Centre

# Understanding China Briefs

## Ukraine and China: Russian Invasion and After

Vivienne Bath, Rowan Callick, Bing Ling, Raffaello Pantucci, Jingdong Yuan

March 2022

On 24 February 2022, Russia started a large-scale military invasion of Ukraine. There is no doubt that the crisis is going to be considerably elongated with equally extended consequences for China and its international policy and environment.

This *Understanding China Brief* results from a [roundtable](#) discussion organized by the China Studies Centre and the Centre for Asia and Pacific Law of Sydney University on 10 March 2022 to examine the legal, political, economic, and international relations issues surrounding China arising from Russia's invasion of Ukraine.

The discussion was moderated by Associate Professor [Jie \(Jeanne\) Huang](#) from the University of Sydney and the speakers included Professor [Vivienne Bath](#), Professor [Bing Ling](#) and Associate Professor [Jingdong Yuan](#) from the University of Sydney, Mr. [Rowan Callick](#) from Griffith University, and Mr. [Raffaello Pantucci](#) from the S. Rajaratnam School of International Studies (RSIS) at the Nanyang Technological University in Singapore. We are grateful for the wonderful support from Xinghan Li, an LLB student at the Sydney Law School, to finish this brief.

### **Authors (listed in the surname alphabetical order)**

**Professor Vivienne Bath:** Professor of Chinese and International Business Law at the Sydney Law School. Professor Bath's teaching and research interests are in international business and economic law, private international law, and Chinese law. She has extensive professional experience in Sydney, New York, and Hong Kong, specialising in international commercial law, with a focus on foreign investment and commercial transactions in China and the Asian region.

**Mr. Rowan Callick:** Industry fellow at Griffith University's Asia Institute. He is a double Walkley Award winner and a Graham Perkin Australian Journalist of the Year. He joined The Australian at the start of 2006, as China Correspondent. After three years in Beijing, he became The Australian's Asia-Pacific Editor and then returned to Beijing as China Correspondent, from March 2016 to April 2018. He remains a columnist for The Australian. He was appointed in 2013 as a fellow of the Australian Institute of International Affairs.

**Professor Bing Ling:** Professor of Chinese Law at the Sydney Law School. Before coming to Australia, he was a professor and founding member of the Faculty of Law of the Chinese University of Hong Kong. He has also taught at Peking University Law School, University of Michigan Law School, and City University of Hong Kong Law School. He is the author of books and articles on Chinese civil and commercial law and international law.

**Mr. Raffaello Pantucci:** Senior Fellow at the S. Rajaratnam School of International Studies (RSIS) at the Nanyang Technological University. Author of [Sinostan: China's Inadvertent Empire](#), a contemporary history of China's relations with Central Asia to be published by Oxford University Press April 2022.

**Associate Professor Jingdong Yuan:** a leading expert in Asia-Pacific security, Chinese defense and foreign policy, and global and regional arms control and non-proliferation issues. He is the co-author of *China and India: Cooperation or Conflict?* (Boulder and London: Lynne Rienner Publishers, 2003) and is currently working on a book manuscript on post-Cold War Chinese security policy.

## **The nature of Sino-Russian relations and the sources of the crisis in Ukraine (Associate Profssor Jingdong Yuan)**

The Sino-Russian relationship has a very long formal title, namely the 'Comprehensive Strategic Partnership of Coordination for a New Era'. It is argued that the relationship is not a 'quasi-alliance', despite some people describing it as such. And those who describe the relationship as a 'marriage of convenience' probably have not paid enough attention to it.

Firstly, the most important aspect of the relationship is security and military cooperation. There were significant Russian arms sales to China in the 1990s and growing military technology cooperation in recent years between the two countries. There have been many joint military exercises both under the Shanghai Cooperation Organisation framework and also increasingly bilateral contacts regarding security and defence matters. The two countries recently held a joint military exercise in the South China Sea, for example, which is a particularly sensitive area.

The second is the diplomatic, political and normative dimension. Both countries strongly oppose the US hegemony in the international system. They promote a new international order based on "multipolarity." They are also strongly opposed to the US supporting the spread of democracy and critiquing other countries' human rights records. China and Russia strongly opposed the so-called colour revolution that the West staged in Kyrgyzstan in 2005 and other places within the Shanghai Cooperation Organization framework. China and Russia are both very adamant as far as geopolitical considerations are concerned. For Russia, the NATO expansion over the past 20 years has obviously been seen as a threat. For China, it is more about the 'Pivot to Asia' under the first Obama administration, the revival of the Quad in recent years and most recently the AUKUS formed by Australia, the UK, and the US. Furthermore, the two countries have aligned their relationship through their joint membership in several multilateral organizations, such as the Shanghai Cooperation Organization, the BRICS, and the trilateral dialogue between China, Russia and India. The two countries coordinate their policies and form common positions through all of these forums.

The third aspect is the economic dimension. This is primarily in the form of arms sales by Russia to China. There is also energy cooperation where China and Russia signed very long-term contracts for the supply of energy to China from Russia. That may have some implications in terms of sanctions on Russia.

The final dimension is a personal one. President Putin and President Xi have met nearly 40 times. There is no comparable pair of world leaders with such

frequency in meetings with each other. More fundamentally, the two presidents share their grievances against the US, seeing it as a major threat to both of them. They also cannot afford to become enemies, because the two countries share a long border of around 4000 kilometres. They wish to maintain a stable and cordial relationship, which on occasions may become very cooperative.

As a result, at this moment, it is not likely that China will switch sides in respect of the Ukraine crisis. Even though China and Russia's tactics and approaches on specific issues may differ and sometimes their interests may conflict, such conflicts are only secondary to the competition between them and the West.

### **The crisis in Ukraine and how it fits into the history of the Sino-Russian relationship (Mr. Raffaello Pantucci)**

The events in Ukraine today reflect how close the Sino-Russian relationship has become. An interesting way of looking at this issue is to compare the events in 2008 in Georgia, 2014 in Ukraine and what we see today. Those events are similar in that they all involved an aggressive Russia extending its own territory, claiming Russian nationals in these countries as their own, and even annexing parts of neighbouring countries.

Russia did that to Georgia in 2008 on the eve of the famous Beijing Olympics. That was received very badly in Beijing. In fact, in the Shanghai Cooperation Organization summit later that year, the then Russian President Medvedev's efforts to lobby countries to endorse its behaviour and recognize the breakaway states of South Ossetia and Abkhazia were pushed back by Beijing. The Chinese Ministry of Foreign Affairs even put out a statement saying that it was concerned about the Russian behaviours, even at a time when the institution rarely made any comment on anything with any sort of great vigour. However, China did not do anything substantial about the Russian behaviour in Georgia, and has, in fact, started to engage with the government of the breakaway states in the years since.

In 2014, when Russia invaded Crimea and instigated troubles in the Donbass region, China was quiet, not condemning the Russian behaviours but also not actively commenting on them. It was at a time when China was getting close to Russia and the Sino-Western relationship was becoming tense, so there was no real interest in either actually condemning Russia or supporting what it was doing.

As of now, China has been very careful about not openly endorsing and supporting the Russian invasion of Ukraine. Nevertheless, it has taken the

Russian line much more strongly. In fact, most of its commentary has focussed on condemning the US and blaming the crisis on the US and on NATO expansion, essentially parroting the Kremlin's narrative.

It can be seen from this trajectory from 2008 that what has really changed is China's condemnation of the US, as opposed to the relationship with Russia. China looks at the problem very much through the lens of international geopolitics. It sees itself as being locked in a major struggle with the US and the West, which, despite being temporarily put on hold by the crisis in Ukraine, will come back to life soon. China is aware that in this context of global confrontation, it needs Russia on its side. Thus, most of those narratives about China coming in as an honest broker and condemning what Russia is doing and pushing it back is frankly a fantasy. In fact, the narrative that the US should not engage too much in the crisis in Ukraine and should instead focus more on confronting China persists in Washington.

There are three other international geopolitical elements that will resonate around this issue. The first is the strengthening of the Western alliance and, in particular, the marked increase in Europe's willingness to step up to the military play here.

Secondly, it is interesting to look at how India has reacted to the events by continuing by its silence to stay on Russia's side. In the Indo-Pacific region, India is often seen as a tight ally of the West, but in this European conflict that is not the case. This shows that the West's partnership with India in the Indo-Pacific context may be more shaky than generally expected.

Thirdly, Central Asia will suffer massively from the conflict in Ukraine. Central Asian countries are dependent on remittances from migrant labour going to Russia for almost 30% of their GDP. That is going to plummet. That, together with the crash of the price of Rubles and the constriction on the Russian economy is going to resonate in Central Asia, which will likely create instability on China's border.

### **How would the crisis in Ukraine impact on China's domestic politics?** **(Mr. Rowan Callick)**

Putin's failure to force Ukraine to surrender by a blitzkrieg is troubling for the CCP but not yet distressing. Some might claim that a bowed down and desperate Putin could be a better bet for the CCP. But while Beijing might thus secure better deals from Moscow for oil and gas and gain greater leverage over Central Asia in return for its continuing support, these are hardly core priority goals for the CCP.

The problem caused by the crisis in Ukraine is that it may undermine the CCP's, and especially its General Secretary Xi Jinping's, main aim for 2022 - to preside over a stable nation on continued course for moderate prosperity in a world made safe for the party by respect for China's rejuvenation and its leadership. That would provide the appropriate setting for the 20<sup>th</sup> National Congress of the CCP in November, where Xi aims to be reappointed General Secretary for a further five-year term. All other goals must be subordinated to achieve this end in this year. War, even if halfway across the world, is not good for such desired stability. The surprising extent of Western coordination in imposing sanctions on Russia is not helpful either, nor is the inevitable impact of sanctions on inflation.

Despite this, Xi and his party will persist in their 'no limits' partnership with Putin's Russia. Xi will not broker peace in order to free China from so-called 'guilt by association' with Putin. Only Xi holds the needed leverage over Putin, but he will not pull Putin into line any more than he did with Kim Jong-un when Kim was facing widespread condemnation over nuclearizing. Xi's three core personal focuses are entrenching correct history, elevating ideology, especially of his own New Era thoughts, and ensuring that the entire education system from pre-school to postgrads prioritize that history and that ideology. Xi and his party reviewed painstakingly what led to the downfall of the Soviet Communist Party and concluded that to completely repudiate the history of the party, and to repudiate Lenin and Stalin, "was to wreak chaos." Putin's attempt to re-channel Lenin is thus perceived by the CCP as welcome – although a core difference remains that Putin's United Russia party means little without him, while the Chinese Communist Party will retain power after Xi. Xi and Putin seek to recreate the glory days and the territory of their countries' dynastic empires at their most expansive. Xi, while being a risk-taker and so far a supremely successfully and lucky one, tends to move only when he is very confident that all the odds are in his favour. But Putin, surrounded by sycophants, has taken on his substantial Ukrainian target too blindly.

The two regimes are ideologically aligned, intriguingly, through mutual admiration for the thoughts of Carl Schmitt, the prominent figure in the development of the ideology of the German Nazi party. Carl Schmitt is a theologian of the state, prioritizing the state over all other forms of human organization, and also a champion of the idea of Eurasia being the world's central island, the control of which holds the key to global supremacy, while the maritime powers, which he denigrated as inevitably liberal, are doomed to decline. Putin's own ideologist, Alexander Duggan, has written an essay on Carl Schmitt's Five Lessons for Russia - while in China, Schmitt is perhaps the philosopher most prominently studied beyond the Marxist coterie at universities, and is often cited with approval. The 5000 word Sino-Russian

joint statement on 4 February vaunting the redistribution of power in the world, which marked probably the warmest moments during the Winter Olympics, will not be repudiated by Beijing. This document, drafted chiefly by China, cemented a strong personal tie between Xi and Putin, with the former describing the latter as 'my best, most intimate friend'.

This document, this intimacy between Xi and Putin, the curation of social media, and the unequivocal tone of the mass media, underline the PRC's firm, continuing support for Russia and its blaming the US for "setting the fire" for the war. China's foreign minister Wang Yi said recently on the sidelines of the 'Two Sessions' that "the Sino-Russian relationship is grounded in a clear logic of history and driven by strong internal dynamics: it is rock solid." But Russia's invasion has set back the CCP's goals. And as the Australian Labour Party's Foreign Affairs spokeswoman Penny Wong said, China's position is contrary to its own longstanding foreign policy of respecting other nations' sovereignty.

China's economy is 10 times of that of Russia and far more internationally engaged. Xi wants to make the Chinese economy more self-reliant, in order to reduce the CCP's exposure to risk. But in the Covid-era, with the CCP opting for a Zero-Covid policy, exports have become almost the sole sector driving growth. The CCP is not ready to cope with severe sanctions itself. It must remain engaged with the Western markets. Some international restraint is still required.

The Ukraine war is not spurring the CCP to take the huge existential risk of rolling the dice to seize Taiwan. The PLA is closely watching the struggles of the Russian military to seize Ukraine, comparatively an easier target. The earlier Chinese view that Ukrainians appeared to be essentially "Russian" is now turning back on itself. If Ukrainians viscerally demonstrate that they are not really "Russian", how "Chinese" are Taiwanese who have only been ruled by China for 4 out of the last 127 years?

Beijing will only move on Taiwan when it believes that it holds all the cards in its hands. So what has happened so far is perceived as a setback, albeit a containable one, for that long-term aim of assimilating Taiwan.

### **China's dilemmas from an international legal perspective (Professor Bing Ling)**

It is commonly observed that China now finds itself in an awkward position. China has historically been a strong adherent to the classical Westphalian legal dogma of sovereignty, non-aggression, independence, territorial integrity, non-intervention and so on. But, on the other hand, China is not condemning Russia now. It even avoids the use of the word 'invasion'.



Firstly, on the use of force, international lawyers almost universally condemn Russia's military operation as violating the international law on use of force. It should be understood that the prohibition on use of force has historically been violated by states all around the world quite regularly. One year earlier, President Biden ordered a bombing of Syria in retaliation for alleged terrorist attacks on American interests. That was widely condemned by international lawyers as an illegal use of force which contravened international law. No Western government at that time condemned the US's use of force. In fact, those major Western powers at the forefront of condemning Russia, namely the US, Australia, the UK, France and so on, have all arguably been involved in the illegal use of force in the past 10 to 20 years. In that regard, China is in fact doing quite well among the major powers. The last time China was involved in the use of force internationally was the unsuccessful 1979 border war with Vietnam. Since then, China has not been involved in any significant use of force. Russia's invasion is a blatant case of illegal use of force, but in reality, many states will continue to violate the international law prohibition on use of force because of security concerns. So this dilemma faced by China is really a dilemma for many other states.

Secondly, China has been saying that Russia has a legitimate security interest in Ukraine. The idea is that NATO expansion, especially the possible inclusion of Ukraine, is a threat to Russian interests. Implicit in that is the idea of "spheres of interests." Somehow, Ukraine is in the sphere of interest of Russia and cannot really be taken into the NATO. The idea of "sphere of interest" has been very much discredited since the Cold War. Most international lawyers do agree that the idea is contrary to the international law principles of sovereign equality, non-intervention, and so on. China has historically been against the idea. But even after the end of the Cold World, this idea is still quite alive, and in fact China often considers itself the victim of the expanding spheres of interests by the US. Thus, China has a dilemma here. On the one hand, China resists the idea, but on the other, China can empathize with Russia in seeing its security interests as being under threat.

Thirdly, on the question of sanctions, China has historically been opposed to international sanctions as a way of resolving disputes. China sees unilateral sanctions as not only coercive but also unproductive. Today, China resists international sanctions against Russia. But on the other hand, China is worried that its companies might be subject to secondary sanctions from the US because of their business relationships with Russia. China in fact enacted its own Anti Foreign Sanctions Law last year to address the problem of US sanctions. China has, however, actually been practicing unilateral sanctions on its own. In recent years, China has been imposing its own economic sanctions on Lithuania and Australia. Here, with regard to having international sanctions as a means of foreign policy, China has a dilemma.

## **How would the crisis in Ukraine impact on China's One-Belt-One-Road/win-win initiative? (Professor Vivienne Bath)**

The relationship between Ukraine and China is noteworthy because Ukraine is actually a large state which is strategically important in terms of the opportunities that it offers for China's Belt and Road, through the rail trans-shipment and Ukraine's geographical position which allows it to serve as a bridge to Europe for China and Chinese goods. Ukraine has a large and highly skilled population. It sells various complex and technologically advanced equipment to China and is also one of the breadbaskets of the world that has been increasingly sending substantial amounts of agricultural goods to China. Trade between Ukraine and China has been expanding rapidly in recent years. Chinese companies have been searching after opportunities in Ukraine, getting contracts for infrastructure construction. Huawei, for example, was recently awarded a substantial contract in the field of connectivity, which is valuable given that it is becoming increasingly difficult for Huawei to obtain that type of contracts now.

Looking back at the Sino-Ukrainian relationship, China was one of the first countries to start signing agreements with Ukraine back when it became independent. It was the third state to sign an investment promotion agreement with Ukraine in 1992, which is in fact still in force. In 2011, it signed a strategic partnership agreement with Ukraine. In 2017, Ukraine signed up for the Belt and Road and to cooperation agreements in agriculture, energy, culture and education. The Ukrainians hoped that they would attract substantial amounts of Chinese investment, particularly to assist in the modernization of Ukrainian transport infrastructure. In 2021, rather controversially, Ukraine withdrew its agreement to a statement criticizing China's activities in Xinjiang in the 47<sup>th</sup> session of the UNHCR. This was followed, perhaps not coincidentally, by an agreement between China and Ukraine to strengthen infrastructure cooperation.

Up until recently, the Chinese and Ukrainian government were aiming to expand their cooperation in areas of trade and investment. As noted above, Ukraine undoubtedly offers a lot of opportunities to China, not just as an exporter of agricultural products, but because of its location and free trade agreement with Europe, which makes itself a very good leaping off point for Chinese goods coming across Russia to be trans-shipped through Ukraine, particularly after Belarus, being one of the traditional trans-ship locations, was sanctioned. Arguably, by refusing to stand up for Ukraine now, China is throwing those opportunities away. It is difficult to imagine the Ukrainians feeling particularly friendly with China in the future after this.

Moreover, Chinese companies do not necessarily have a happy history of investing in Ukraine. There is a massive investor state arbitration case, which was instituted by Chinese companies for their failure in the takeover of Motor Sich. Motor Sich is one of the world's largest manufacturers of missile helicopter jet engine and has extremely advanced technology. Chinese companies saw an opportunity to acquire it in 2014, when this company lost most of its Russian customers for obvious reasons. In around 2017 and 2018, the US started pressuring Ukraine on the basis that it would be very dangerous to allow a company with such advanced technology to be acquired by Chinese companies. In the end, the Ukrainian government decided to take over the company and turn it into a state-owned enterprise on national security grounds. These difficulties that Chinese companies had represent the tensions between the EU, China, Russia and the US all of which are battling over Ukraine. It is difficult to see a way forward for the Sino-Ukrainian relationship, unless China wishes to come in on its humanitarian basis in order to rebuild the country.

In summary, the lesson for China's partners along the Belt and Road is that China will prioritize its own political and strategic aims through its relationship with Russia over its traditional support for state sovereignty, its emphasis on win-win bilateral relations and the economic interests of its outbound investors.

# Contact

**China Studies Centre**  
**Faculty of Arts and Social Science**

Level 7 Jane Foss Russell Building (G02)  
156 City Road The University of Sydney  
Darlington NSW 2006

+61 2 91140837  
Chinastudies.centre@sydney.edu.au

<https://www.sydney.edu.au/china-studies-centre/>

CRICOS 00026A