



Select Committee on International Relations and Defence

Corrected oral evidence: The UK's security and trade relationship with China

Wednesday 21 April 2021

11 am

Watch the meeting

Members present: Baroness Anelay of St Johns (The Chair); Lord Alton of Liverpool; Lord Anderson of Swansea; Baroness Blackstone; Lord Boateng; Lord Campbell of Pittenweem; Baroness Fall; Lord Mendelsohn; Baroness Rawlings; Lord Stirrup; Baroness Sugg; Lord Teverson.

Evidence Session No. 7

Virtual Proceeding

Questions 67 - 72

Witnesses

[I](#): Professor Katherine Morton, Professor of Global Affairs, Schwarzman College, Tsinghua University, Associate at the University of Oxford China Centre; Professor Yongjin Zhang, Professor of International Relations, University of Bristol; Professor Shaun Breslin, Professor of Politics and International Studies, University of Warwick.

Examination of witnesses

Professor Katherine Morton, Professor Yongjin Zhang and Professor Shaun Breslin.

Q67 The Chair: I welcome to the second session of our inquiry into the UK's security and trade relationship with China three witnesses, who are going to share their expertise with us. I welcome Professor Yongjin Zhang, Professor of International Politics, University of Bristol; Professor Katherine Morton, Professor of Global Affairs, Tsinghua University, and Associate at the University of Oxford China Centre; and Professor Shaun Breslin, Professor of International Studies, University of Warwick. Thank you very much indeed for joining us today to share your expertise.

At this stage, I always remind members and witnesses that our session is on the record, transcribed and broadcast. I also remind members to declare any relevant interest before asking their questions. If there were to be any remaining time at the end of the formal run of questions, I would then invite my colleagues to ask supplementaries. Priority would be given to colleagues who had not asked questions by that stage. As ever, I will ask the first, rather general question, before turning to my colleagues who will ask more focused questions. How would you describe Chinese foreign and security policy under Xi Jinping? How coherent is it? Can we talk about a grand strategy?

Professor Yongjin Zhang: Thank you for the opportunity to speak to the committee on the China inquiry. Clearly, the dominant narratives outside China about Chinese foreign policy under Xi Jinping focus more on the assertive China in the South China Sea and the East China Sea, and more recently over the Taiwan Strait. There is also talk about China's 'wolf-warrior' diplomacy, allegations of China's economic coercion, American accusations of China's economic aggression, and so forth.

There is another phase of Chinese foreign policy under Xi Jinping, which we should emphasise, that is in contrast with Xi's predecessors, particularly Hu Jintao, Chinese foreign policy under Xi is much more proactive, less risk averse and much more outward looking. Regionally, for example, we have seen a successful launch of the AIIB,¹ in which, of course, the UK plays a very important role. We saw last year the signing of RCEP—the Regional Comprehensive Economic Partnership. China has now ratified that partnership.

Globally, we see a more active China in UN peacekeeping, for example. Then we can talk about the Belt and Road Initiative, and China hosting the G20 in Hangzhou in 2016. We could also look at China's very active role in global climate governance. Last year, China signed the Comprehensive Agreement on Investment with the EU. In addition to that, there is also some bold articulation of Chinese vision of a politically viable but also fair and just international order. I refer, for example, to what China now often calls the new type of international relations and Xi

¹ Asian Infrastructure Investment Bank

Jinping's speech at Davos in 2017, when he defended globalisation and free trade. He also referred to the idea of a global community of nations with a shared future of humanity.

Does China have a grand strategy? That is a very interesting question. My answer is no. One of the criticisms and complaints in the Chinese domestic debate is about why the Chinese government, even under Xi Jinping, do not really have a grand strategy. There is certainly no grand strategy such as to become a hegemon regionally and globally, and to replace the United States. Having said that, I should emphasise that China has a lot of grand strategic visions, so to speak. If you look back to China's opening and reform, Deng Xiaoping, at the time, articulated a very clear strategic vision of China realising four modernisations through opening and reform.

We can also look at the two centenary goals. Those are, again, examples of grand strategic visions articulated by the Chinese government. This is the interesting question: if you have a grand strategic vision without a grand strategy, that seems very odd, but I think that is exactly what the Chinese want. That retains strategic flexibility but also freedom and even strategic patience in their attempt to realise their grand strategic goals.

Professor Katherine Morton: Thank you very much for inviting me to participate in your inquiry. I will make a couple of points, first, about the foreign security policy, and what has and has not changed under Xi. What remains constant is, essentially, this mix of domestic and international drivers in relation to protecting regime security, national development, economic diplomacy, the importance of ensuring that China is rising, and protecting that rise more broadly. Under Xi, we have seen a hardening stance on national sovereignty and territorial integrity, with a much stronger emphasis on national security.

At the same time, China has moved in the direction of playing a stronger role globally and positioned itself more centrally on the global stage. That relates to a stronger emphasis on defending China's image as well as participating particularly in economic diplomacy. As Professor Zhang was talking about, there is a genuine shift now to play a stronger role in global governance and particularly to have more influence over rulemaking in emerging realms, where the rules are yet to be fully realised: cyber, polar, the deep sea, et cetera.

In terms of grand strategy, I have a slightly different interpretation. It seems to me that China does have a strategy in what it sees to be important for safeguarding its global rise. That is related to three different elements. The first is thinking about the intentions and capabilities of other major powers. The second is thinking about the international order and how that is changing. There is a very strong sense coming from the CCP leadership that history is on its side at the moment, moving towards a multipolar order. The third dimension is an understanding of what is happening with changing power and wealth distribution in the world.

In that sense, there has been quite a significant shift from what was initially a peaceful rise strategy, which was more of a vision, to something that is much more about strategically positioning China's place in the world.

Professor Shaun Breslin: I agree with that. Xi Jinping certainly thinks that he has engaged in serious strategic thinking. He has looked again at China's place in the world and the relative power and strength of others. He has tried to see where opportunities arise for China to "do some things", in the language that is often used, make some achievements and create a new type of international relations. The overarching goal is to create what we might call an autonomous developmental or governance space. The Chinese leadership is trying to be able to do what it wants in its own sovereign territory free of criticism, hindrance, complaint and insecurities from anybody else. That entails, if not building a Sino-centric alternative to global order, certainly undermining the ability of others to impose their norms and preferences on the global order in ways that might contain or constrain China's rights.

This question of grand strategy is really quite interesting. It has been debated quite a lot within China itself. Certainly up until fairly recently, Chinese scholars who were looking for a grand strategy said that there were too many diverse interests. China was an immature global actor with too many people going overseas, trying to do different things. The argument is that there is now more of a concentration of power in the hands of Xi Jinping and the people around him.

If I can use an example of foreign investment, it shows what the state can do and some of the constraints upon it. Although outward investment had started before then, China began to significantly liberalise its foreign investment regime only in the 2010s. This happened because the state wanted it to happen. It saw the advantages of letting more of its firms go overseas and invest in different places in different ways. Once they liberalised the regime, of course, they could not directly control what people were doing on a daily basis. Investors would seek opportunities where possible and take advantage of any incentives or initiatives, such as those connected to the Belt and Road, in order to go out and pursue their own commercial objectives overseas.

Looking at what these people were doing and where they were investing, I am sure they think they were investing from narrow commercial self-interests. It is not a state strategy, as in somebody playing a game of chess where somebody has their hand on all the pieces and moves them round. It is more like a football manager having an idea of what he wants to do, but being unable to control what the individual players do at any one time. Of course, the football manager can make changes. This is exactly what happened in 2016-17 when the state reimposed controls because it thought that these quasi-autonomous actors had gone too far.

Q68 **Lord Boateng:** Thank you, witnesses. How does China's leadership define national security in the context of its domestic, regional and international interests? How does it identify threats and responses? What

is the role of the Chinese military in this whole process?

Professor Yongjin Zhang: My short answer is that the understanding and definition of national security in China is very different from that of the UK and the United States. For example, the state National Security Commission, started a few years ago in Beijing, has a very broad remit to consider not only traditional national security issues but a lot of domestic security issues including, as Professor Morton referred to, the regime security issues and non-traditional security issues.

More recently, the 14th Five-Year Plan has talked about a holistic approach to national security, including food, energy and environmental security, as well as the security of China's financial system. We now have public health security during the pandemic. Let me take a step back and elaborate a little on two broad points I would like to bring to your attention in assessing China's sensitivity to its security environment.

The first point is really about geography. I should emphasise that China occupies an unenviable geopolitical position of all great powers. Not only is China surrounded by more than a dozen nations with which it shares common land borders, but it is surrounded by great powers. To the north, of course, we have Russia, which used to be the Soviet Union. To the west is India. To the east is Japan and the projection of American power to China's eastern seaboard. They are also nuclear powers, so this makes a huge difference. Japan is a nuclear-capable power. China is also surrounded by poor and unstable states such as North Korea, Myanmar and Afghanistan. The list goes on.

The second element is history. It is important to understand that China is both a post-imperial and a post-colonial nation state. This identity defines China's security concerns. I think everyone here knows that China became a republic in 1911. What is often less appreciated is that, when the Qing dynasty collapsed and was replaced by the Republic of China in 1911, the new nation state inherited all the territories and population claimed by imperial China. That is to say that imperial China is the only empire in world history whose territory did not fragment after it collapsed. What are the implications?

That means that modern China as a nation state was formed as a multi-ethnic one incorporating the territories inhabited by non-Han Chinese populations. This included, of course, Tibet, Xinjiang and Mongolia. Internal governance of China has always been a challenge because of its nature as a multi-ethnic nation. Keeping China together presents particular internal and external security challenges to China's nation building. I mentioned that China is a post-colonial state. China is also surrounded by post-colonial states. Again, this enhances China's sensitivity to its security.

Nation state building for China is still incomplete. We have seen, of course, the return of Hong Kong and Macau to the motherland, from the Chinese perspective. We can now also look at territorial disputes including those in the South China Sea and the East China Sea, as well as

the recent China-India border disputes. At least from the Chinese perspective, they are part of the nation state-building process. Most challenging is the question of unification of the mainland and Taiwan from China's perspective.

Finally, this post-colonial state identity also speaks to why China is so grudgingly guarding against any encroachment on or threat to its sovereignty and territorial integrity. If we look at China's red line, for example, all core national interests defined by China are related to sovereignty and territorial integrity. These need to be taken into consideration to understand the sensitivity of China to its security environment.

Lord Boateng: Chair, I should have declared my interest as Chancellor of the University of Greenwich and a board member of the Syngenta Foundation. I wonder whether the witnesses who are to come would specifically address the issue of the military and the projection of Chinese military power.

The Chair: Thank you and well done for remembering about the Register of Interests. That is always vital. I will give notice to my colleagues Baroness Sugg and Lord Mendelsohn that I will combine their questions, so that we ensure that we get through all six and hear from our witnesses on these matters.

Professor Katherine Morton: I will get straight to the issue of the military, in the interests of time. There is a black box when it comes to national security decision-making in China. A lot of the statements on national security tend to be vague, so it is a case of trying to learn to read the signals. In terms of the civil-military relationship, the party, traditionally, has always controlled the gun. It is fair to say that, under the Hu Jintao Administration, there was a degree of greater autonomy for the military. There has been a lot of internal debate about that, as well as about external events such as the anti-satellite missile test in 2007. There are questions about the centralisation of authority over that and command and control issues. This fragmentation can also be seen in the response, in the early days, to the South China Sea, in which up to 10 different departments were involved.

One of the great impetuses under Xi Jinping is for stronger unification of the national security system. My own interpretation is that there is still a very clear division of labour. That has been reinforced through the anti-corruption campaign, during which some major military figures fell. Strategic issues remain under the party, with more day-to-day operational activities undertaken by the military. The question, going ahead, is what that civil military relationship will look like in the event of a real crisis.

In the debates that are going on in China, it seems to me that there is a general consensus that the strongest threat facing China today is from the United States, given both what could take place in the Taiwan Strait and the fundamental belief that the US is interfering and intent on

undermining the party state system. That relates to earlier fears about colour revolutions in central Asia.

Professor Shaun Breslin: I have my eye on the clock, so I will be quick on this. A good starting point for thinking about the way in which China behaves in the global order is to recognise the sense of insecurity that inspires a lot of policy. There is a feeling that China is trying to rise in a global order that is not amenable to China's rise. This creates considerable vulnerabilities and insecurities that might not be there for other countries. The fact that you import oil is not, in itself, a source of insecurity unless you are concerned that somebody might do something to block the transport and supply of that oil. That is very much in Chinese thinking. The Five-Year Plan that has just been published is an exercise in rethinking economic security, or perhaps insecurity, in the Chinese concept, and thinking of ways to reduce that insecurity by, for example, doing more things at home.

I want to go back to the first thing that Professor Zhang said. This is the idea that national and regime security, the party, and the leadership are all moulded together into one thing. If you are being critical of a Chinese leader, this is being critical of the whole Chinese political system and nation. There is hypersensitivity, at times, to these things that are perceived as being critical and often framed as national security issues.

At the moment, one of the big campaigns in China is to promote the four self-confidences: in China's developmental path; the theories that guide it; China's political system; and Chinese culture. Criticisms of any of these four things are seen, in some way, as being an attack on Chinese security, national interests or something like that. That is why we have seen some of the responses that we have seen in recent years to what people outside China might think is fair criticism, but is very much seen as unfair criticism from within China.

The Chair: I now turn to two questions that relate, predominantly, to trade.

Q69 **Baroness Sugg:** I would like to hear from the witnesses what you feel the key features of China's economic policy are under Xi Jinping, particularly in terms of trade and investment.

Lord Mendelsohn: The National People's Congress recently adopted the 14th Five-Year Plan and, included in that, the long-term strategy 2035 document. These emphasised elements such as the move away from the growth-orientated development model towards higher-end domestic innovation and all that sort of stuff. From what we can glean from those most recent statements, what are the implications for security and trade? Which other outcomes from those sessions and documents should we be alert to that will have an impact on China's security and trade policies? What is worth highlighting?

Professor Yongjin Zhang: Thanks for the questions. I will try to be brief in my reply. In terms of particular features of economic policy, let

me refer to one recent discussion in China about the third opening of China. The second opening was in 1978 and the first in 1840. The third opening of China, counterintuitively, aims to deepen the opening and reform of China, but also its participation in global rulemaking. For example, *China Standards 2035* tried to set the global standards for emerging technologies such as 5G and AI.

I want to refer to one particular development in China. That is the opening of China's financial sector, which has been accelerating China's integration into the global financial market. This comes from regulatory reforms started in 2017 in opening China's financial market to foreign financial institutions. Particularly, a number of majority-owned and wholly owned foreign financial institutions are now operating in China. Most of them, perhaps not surprisingly, come from the United States. At the moment, the foreign financial institutions account for only 2% of China's banking assets and 6% of insurance assets. There are a lot of opportunities for foreign financial institutions over there. At the end of last year, China's financial sector had total assets of about \$48 trillion. It is growing fast.

On the question about the particular implication of the 14th Five-Year Plan regarding technology and innovation, there is a clear indication of how the Chinese leadership's thinking has been affected, at least, by the US sanctions on the Chinese technology sector and leaders. The 14th Five-Year Plan talks about achieving self-reliance, technological independence and autonomy, but also emphasises indigenous innovation. This is indeed a radical change from the previous Chinese policies, which talk more about how to integrate China's technology sector globally.

Professor Katherine Morton: I will add some points on what I also see as being quite important changes in economic policy, with this need to move away from foreign dependency, particularly given the importance that China attaches to resource and energy security, and the way in which it no longer wants to have to rely on anyone in terms of its technology. Those have been key driving factors and are relevant when it comes to energy security. That has also been picked up in the 14th Five-Year Plan.

In many ways, the 14th Five-Year Plan is quite underwhelming. It is very modest. There is no GDP target, for example. There has been disappointment in many sectors about the environmental targets. The carbon and energy efficiency intensive targets are more or less the same. There is not that much difference. There is a change in terms of renewable energy. The emphasis there is linked more to the expansion of the smart grid. Overall, this suggests a slowing down and a much more incremental approach. One of the key intersections with security will relate to energy and resource security moving forward.

Professor Shaun Breslin: Most of the answers have already been said. It is about reducing vulnerabilities, occupying more of the value chain, and doing more things at home; but not everything. We should take a little bit of a step back and remember that last year, in the midst of the

pandemic, foreign direct investment into China increased over the previous year. China became the No. 1 recipient of foreign direct investment last year. There is a lot of talk about greater independence and self-sufficiency, but this is not closing the doors by any stretch of the imagination. It is still an economy that relies quite heavily, in some geographic areas, on foreign investment going in to produce exports that are then resold off to other markets. There are some parts of the country where that is still quite an important part of the local economy.

In terms of Chinese overseas investment, phase 1 was large state enterprises going out and getting access to key resources. Phase 2 was more and more types of Chinese actors going out and trying to gain markets, technology, commercial advantages and so forth. We are having a little bit of a step back now. We are having, at a least, a breather. It might be more than just a breather. There was a lot of exuberant investment in the wake of the announcement of the Belt and Road. A lot of money went out of the country and did not do what it was supposed to do. It did not bring back the returns. Now we hear a lot of talk about the "quality" Belt and Road, rather than just the Belt and Road.

There has been a little bit of a pull back, rather than just allowing money to fly out the country. For example, there was a huge amount of investment in real estate, cinema and media in the United States. That was brought to a halt in the last two or three years. There is now a focus on refining and an emphasis on quality. In terms of the Five-Year Plan, I get really quite excited about fiscal reform. I know that probably makes me quite sad, but many of the domestic problems that China has faced in recent years, such as debt, property bubbles and so forth, are to do with the fact that local governments are not properly funded. They do not get the money they need to cover what they are expected to do. We are promised fiscal reform, but we have been promised it in the past. Whether that has any interest outside China, other than for local government nerds such as me, I am not so sure, but I still think it is important.

Q70 Lord Alton of Liverpool: I should declare that I am patron of Hong Kong Watch and Vice-Chair of the All-Party Groups on Hong Kong and the Uighurs.

Can I ask our witnesses to explore further the current state of relations between China and the United States and its allies, in what is misleadingly often described as a new Cold War? As Professor Morton and others have suggested, in the context of Taiwan, it seems increasingly hot. What is the perception of the Chinese government? In so far as you can assess this, to what extent are there, within China, different domestic voices and viewpoints on the issues of security, trade and foreign affairs?

Professor Shaun Breslin: I was reading an interesting piece produced by a Chinese academic yesterday that said we are now in for a period of long stalemate between China and the US. That is an interesting way of looking at it. In the Chinese literature that I read, the viewpoint is always that the United States is starting the Cold War, and China is simply

responding to this American policy, rather than it being the result of anything China is doing. China depicts this idea that it is being defensive, peaceful and reactive, and that it is the rest of the world that is being proactive and damaging China's interests.

This idea of a long stalemate might be more of an aspiration than a reflection of the real policy situation at the moment. If we come back to the Five-Year Plan and this idea about economic insecurity, where does that economic insecurity come from? It comes from an understanding of an international environment that China's leaders and policymakers see as the most difficult one they have had to face since, probably, the early 1990s. This creates a whole range of security problems, economic challenges and so forth.

There was an unrealistic hope in the early years of the previous American presidency that, once that finished, the problems would go away. There is now a much clearer understanding that these tensions are structural and longer lasting, and not to do with one individual, than there was in that earlier thinking. There is now an acceptance that China is a great power, but there are question marks over the degree of that greatness. How great a great power is China? There is a real acceptance that the United States remains the predominant power for the time being. How do you do what you want to do as a great power but not the greatest of great powers? How do you try to change the world from second place? How do you try to do what you can do?

There is a very clear concern about the consolidation of different actors, not just the US, into a common position on key issues. Over the years, Chinese foreign policy has been very keen on splitting what it sees as potential opposing alliances and blocs. There is a real concern when you see, for example, the United Kingdom, the European Union and the United States acting together as they did recently to issue sanctions. That then raises this vision of a bloc. Chinese policy has long been about trying to prevent blocs emerging.

Yes, there are different voices. It is obviously much easier for some voices to say things, be heard and be published than others. You can find people in China who think, for example, that China's power has been overstated, that China has been too assertive and aggressive, and that China is overstretching itself by creating too many enemies in different parts of the world. There are people, for example, who think that the 'wolf-warrior' diplomacy of some of the Chinese Foreign Ministry representatives does China's national interests no good whatsoever.

The problem is that, over the last few years, it has been harder for those people to be active and articulate safely what they think. Debates have tended to coalesce around viewpoints that Xi Jinping would tend to favour. You can find these voices, and all of us would say that we meet with people on a fairly regular basis who are not 100% behind 100% of Chinese policy 100% of the time.

Professor Katherine Morton: I would agree with so much of what Professor Breslin has said. This visceral fear of containment is central in the political mindset and, in many ways, is exacerbated with the current emphasis on alliances working together. China will perceive that very clearly as being anti-China. Stepping back a little on US-China relations, one of the issues has been about framing the relationship in strategic terms, bearing in mind that the normalisation of relations was based on a common strategic purpose, which was deterrence against Soviet aggression. Following that, on the US side, it was about peaceful evolution and political reform slowly over time. On the China side, it was much more about peaceful co-existence.

There have always been differing perceptions about what the strategic purpose should be. A lot of discussion, when it comes to debates going on in China at the moment, is about the extent to which it is possible to work on problem solving without having an established framework for the relationship. There are a lot of debates about what that should look like. I should make a couple of points about the way in which debates take place in China. My experience is that these are always quite rigorous and there is very often more nuance there than comes across in media and many of the reports that are readily available open source. That can miss the point sometimes that there is more influence going on behind the scenes than is often understood, in the centralisation of foreign policymaking that is taking place at the moment.

The sensitivity that both of my colleagues have discussed makes it really difficult for others to work with China, in the sense that, if you are carrying out human rights diplomacy, everything is seen as being against China and seeking to contain and undermine China. This makes it difficult to have the diplomatic space to work together on problem-solving issues and global challenges, the most important at the moment being climate change.

Professor Yongjin Zhang: Professor Breslin has got it right about how, from the Chinese perspective, this Cold War rhetoric was used mostly by the United States and, to some extent, the West. The Chinese academic debates probably use the expression "the new Cold War" but, if you look at the official rhetoric, there is no official adoption of Cold War terminology or rhetoric in China. In fact, China's officials often accuse their US counterparts of having the Cold War mentality in dealing with China. The Chinese government does not see themselves as involved in an ideological battle between liberal democracy vis-à-vis autocracy. Nor does the Chinese government see themselves as an autocracy. Basically, China does not use the "new Cold War" terminology and rhetoric in dealing with the United States.

In the Chinese government's rhetoric, the United States is trying to use whatever scientific, technological and financial leverage it has to slow down the rise of China. To put it differently, quoting an expression used in China, it is trying "to deny the Chinese people their rights to pursue happy and prosperous life".

Q71 **Baroness Rawlings:** Good morning and thank you all for coming. You have covered quite a few of the questions, but I would like to ask you about the place of the UK in China's foreign and economic policy under Xi Jinping, from Beijing's perspective. How has this changed since 2010 and Deng Xiaoping, with things being so different now, especially with the pressure of climate change on the agenda?

Professor Shaun Breslin: I do not think that, when representatives of the Chinese Foreign Ministry wake up in the morning, the United Kingdom is the first place that they think about, I am afraid. I wrote down something that was said in the previous session. Dr Mohan said that China sees countries through the prism of their relationship with the United States. That is an interesting way of thinking about this. There is a Chinese slogan that talks about China's strategic design: "Great powers are the focus, the neighbourhood is the primacy, and then developing countries"—or something like that. Unless the UK is considered to be a great power—and I do not think it is in Chinese thinking—it means we are not in the first two or three of those headings.

It depends. The UK is often viewed depending on where it sits in its relationship to the United States in particular at any time. It is fair to say that the UK has been most liked in China when it has most looked like it is an independent international actor and not simply following the line of the US and/or Brussels, for that matter. At the moment, that is one of the reasons why there is this focus on the UK, because it looks, in some respects, as if the UK is forming some sort of Anglosphere or democratic common position.

There are significant differences. Where UK relations with China are at the moment is quite a normal situation. All countries want to have the good things without the bad things. How do we get the good things and the benefits of China's rise without having the negative things? That is what everybody is looking for and it is not easy. This entails balance of criticism and questioning, seeing those areas where China is challenging and where it might be a co-operative partner.

The problem is that the UK looked rather different as a potential partner to China not that long ago. That shift from the emphasis during the attempt to create the 'golden age' to where we are today has created a perception and reality gap, in the way that the UK has been seen. It was seen to be moving in one direction and then did not move in that direction and went, perhaps, in a different one. That has created some tensions.

The environment is going to be very interesting. I really hope that the current state of relations does not affect participation at the COP.² I really hope that the Chinese aspiration to be seen as some sort of leader when it comes to the environment means that there will be full participation in Glasgow. I hope so, because it has to be one of those areas where the UK and China—everybody in China—have to seek some form of partnership,

² The 26th UN Climate Change Conference of the Parties (COP26).

co-operation or collaboration; call it what you will. It is fair to say that there are many global issues that are difficult to deal with if China is not involved. The global environment certainly comes out No. 1 of those global issues that are not going to be solved effectively if China is not part of the solution.

Professor Katherine Morton: It is fair to say that China perceives the UK as a commercial partner and having economic interests that are generally aligned. Brexit was significant and perceptions were quite strong that, in light of and since Brexit, the UK has really been driven much more by its domestic politics. I agree with what Professor Breslin was saying about how China is happiest when it sees the UK to be carrying out a more independent foreign policy.

There has been understanding that the UK has strengths diplomatically, as a normative and regulatory power in the world, and that there are lessons to be learned. That comes out quite strongly when you are involved in what the Chinese refer to as the people-to-people exchanges. That is an area where there is a lot more interest in making stronger connections at the societal level. We have a lot of discussions about education. Academic exchanges seem to be very important on the agenda on the China side.

The environment and climate change are moving us into the area of high-stakes diplomacy. I agree with what Professor Breslin was saying about the criticality of that. It is a real stress test of the relationships between the UK and China, the UK and the US, and globally. When we have those negotiations, this is where empathy has to come in, in realising just what it takes to move a country such as China to carbon neutrality by 2060. The task is absolutely enormous and we need to bear that in mind in the negotiations moving forward.

Professor Yongjin Zhang: Thank you for the question. When I looked at this question before this meeting, I went to search for the video of Cameron having a pint with Xi Jinping in the village pub near Chequers back in 2015. That seems to be a very distant memory. That also tells us how much the UK's relationship with China has shifted in the last six years or so. If you look at the most recent Integrated Review, although there is no specific reference to China as a hostile state, there is certainly reference to state threat, which is related to China. I read two days ago, in the *Financial Times* on Monday, when MI5's report specifically identified China as a hostile state that has engaged in online spying activities using LinkedIn. This changing perception that Professor Breslin mentioned is very important in terms of how the UK engages with China.

From the Chinese perspective, at least before the current change of relationship, China used to think that the United Kingdom had no direct strategic rivalry or conflict with China, and the UK had a lot to offer in terms of high-tech, financial services, education and tourism. This will be a perfect example of win-win co-operation, as the Chinese would call it. But at the moment, the relationship seems to be very difficult, not least because of the issues related to Hong Kong.

But also if you are sitting in Beijing and looking at what has changed in the UK's approach, for example, the UK seems to have followed the United States very closely in abandoning decades of engagement with China, in accepting Washington's framing of US-China strategic rivalry as a life and death struggle between democracy and autocracy, and also in increasingly treating China as not just a systemic competitor but an adversary, this will of course affect the UK's relationship with China.

Q72 Lord Campbell of Pittenweem: Professor Zhang, one of the earlier witnesses to this part of our inquiry, whom you may have heard, said that there was concern in India about China's expansion of its military, the use of the debt trap and its coercive economic policy. I had that answer in mind when you took us through the analysis of China as being a post-colonial state guarding against any challenges to its sovereignty. It seems to me that some of the things that concerned our witness about India are more reflective of a colonial state than a post-colonial state. Would you agree?

Professor Yongjin Zhang: I mentioned that China is surrounded by post-colonial states. Both China and India are very sensitive to any colonial experiences, because both have suffered from their colonial pasts. There is a question about whether China is expansionist, for example, in the Indian Ocean. There is quite a bit of talk about China's military and economic footprint in the Indian Ocean, but what is the purpose of that footprint? The footprint itself does not really matter. China is becoming a global power and will have a global footprint. What we need to worry about and understand better is what that footprint is about.

In terms of debt-trap diplomacy, that myth has been debunked by so many people now. I am surprised that those witnesses still use the debt trap as a term referring to the BRI project. The Hambantota port in Sri Lanka was the first example of debt-trap diplomacy used by an Indian scholar. I do not think that is widely accepted any more.

The Chair: Thank you very much indeed and a special thank you to all three of our witnesses for their important contribution to our work on our report, which we hope will be published in July. That is our plan at present. We will try to keep to that timetable. Thank you very much indeed for assisting us in the way that you have.