

British Council – Written evidence (TRC0021)

The UK's security and trade relationship with China

General

1. How is the work of different Government departments on China co-ordinated? How effective is this co-ordination?

The UK's relationship with China is complex and multifaceted yet there is a profound imbalance in bilateral understandings and perceptions. There is an urgent need to increase the UK's understanding of China, its language, history, values and culture.¹ Strategic coordination between Government departments is needed to ensure a consistent and comprehensive approach to UK-China relations.

There is also a role for independent stakeholders and arm's length bodies, particularly when it comes to UK cultural and educational institutions and the British Council. These institutions are knowledgeable and well-networked within China and there is scope for getting more out of these networks and the opportunities for engagement they offer.

2. In what ways has UK policy to China changed between the premierships of David Cameron, Theresa May and Boris Johnson? What were the drivers of these shifts (for example domestic opinion, the UK's relationships with international partners, or developments in China)?

China as a trading partner: Since 2016 there have been no major shifts in UK public opinion towards the attractiveness of China as an economic partner. British Council international soft power perceptions research undertaken in 2020 found that 25% of survey respondents² in the UK consider China an attractive place to do business or trade, meaning China is second only to the USA (48%) in terms of perceived attractiveness. This ranking is unchanged since 2016.³

However, UK recognition of economic strength and opportunities in China is accompanied by high levels of mistrust. The proportion of 2020 respondents who said they trust China's people (31%) and government (16%) is very low and has declined since 2016, when 39% respondents trusted Chinese people and 20% the Chinese government.⁴

Trade

¹ A recent BFGP report concluded that 'The UK is still under-equipped conceptually to understand the importance of China in the wider world.' British Foreign Policy Group (2020) *After the Golden Age: Resetting UK-China Engagement*. Accessible: <https://bfgp.co.uk/wp-content/uploads/2020/07/BFGP-Report-July-2020-FINAL-4.pdf>. See also Insight article with CD China Matt Burney and Rana Mitter about increasing and improving China literacy in the UK so it isn't just BFGP referenced: <https://www.britishcouncil.org/research-policy-insight/insight-articles/soft-power-uk-china>

² Ipsos MORI surveyed educated adults aged 18-34

³ British Council and Ipsos MORI (2016 - 2020) Soft power perceptions research. Accessible: <https://www.britishcouncil.org/research-policy-insight/policy-reports/2020-British-Council-soft-power-perceptions-research>

⁴ British Council and Ipsos MORI (2016 - 2020) <https://www.ipsos.com/ipsos-mori/en-uk/how-others-see-us-perceptions-uk-abroad>

3. How important is China as a current and future trade partner for the UK? Which sectors are of most significance (such as financial services, higher education et cetera)? How does UK trade with China compare to that of other comparable countries (such as France and Germany).

7% of UK participants said they have done business or trade with China, a figure which has remained stable since 2016. Asked about future interaction, the same proportion (7%) had plans to do business or trade with China.

However, the proportion of Chinese respondents reporting both actual and intended trade with the UK has been in steady decline over the past four years, indicating that the UK is becoming a less attractive market. In 2016, 20% Chinese respondents said they intended to do business or trade with the UK, falling to 12% in 2020. Reports of past trade fell from 13% to 9% over the same period.⁵

The higher education sector forms a key part of the UK's trading relationship with China. The numbers of Chinese students studying in the UK have grown rapidly in the past five years⁶ and Chinese students are currently worth at least £1.7billion to UK Universities.⁷ In 2020, the UK overtook the USA as the preferred destination for Chinese students.⁸

There are some signs that a slowdown may be on the horizon. While the UK has benefitted in rising US-China tensions and slowed growth in the number of Chinese students choosing to study in the US since 2017, a deterioration of UK-China relations could impact the numbers of Chinese students studying with UK universities.⁹ There has also been a rise in students' eagerness to study in Japan and Singapore, which offer high-value diplomas and benefit from their geographical proximity.¹⁰ Our perceptions research showed the proportion of young people in China who said they intended to study in the UK in future has steadily declined from 26% in 2016 to 17% in 2020.

4. What are the implications of China's pursuit of major international strategic initiatives (such as the Belt and Road Initiative) for the UK's foreign, development and security interests? Are these in conflict with, or compatible with, the UK's interests?

Confucius Institutes: China has been dramatically expanding its global network of Confucius Institutes as part of a full spectrum strategy to increase its international influence. The network of the Confucius Institute (CI) is now three times larger than that of the British Council with a total of 641 Confucius Institutes and Confucius Classrooms across the world, including all the countries and territories the Chinese government has invested in through the Belt and Road Initiative.¹¹ This rapid expansion has been enabled by the CIs' model of

⁵ *Ibid*

⁶ The number of Chinese students in the UK has grown rapidly, from 89,540 in 2014 to 120,385 in 2020. Source: BBC, Accessible: <https://www.bbc.co.uk/news/education-51149445>

⁷ Times Higher Education (2020), UK universities 'increasingly reliant' on Chinese fee income. Accessible: <https://www.timeshighereducation.com/news/uk-universities-increasingly-reliant-chinese-fee-income>

⁸ Vision Overseas Consulting (2020) *Annual Report on Chinese Students' Overseas Study*.

⁹ Economist Intelligence Unit (2020) *How will the coronavirus affect outbound Chinese students?* Accessible: <https://www.eiu.com/n/how-will-the-coronavirus-affect-outbound-chinese-students/>

¹⁰ Vision Overseas Consulting (2020) *Annual Report on Chinese Students' Overseas Study*.

partnership with local universities. The success of this approach means that China's cultural institute has the largest geographical reach of all the major soft power investing nations.¹²

The expansion has been driven by a desire to tell China's story internationally, increase its influence, grow its economy and assert itself on the world stage. The Institutes are often cited by Chinese leaders as an indicator of China's growing soft power. As such there is a domestic, as well as a foreign, audience for its activities.

In July 2020, in response to criticism the Institutes have attracted in the West as being 'propaganda tools' for the CCP,¹³ the Chinese government transferred the management of the Confucius Institutes from the Hanban, a department of the Ministry of Education to a newly created non-governmental organisation called the Chinese International Education Foundation. The foundation is a consortium of companies and universities, many of which are themselves under the umbrella of the Ministry of Education. In parallel to this move they have established the 'Centre for Language Education and Cooperation' (CLEC) which is a unit directly within the Ministry of Education, giving the Ministry greater oversight of Chinese language teaching programmes that are run internationally.

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¹¹ British Council and International Cultural Relations (2020) *Soft power and cultural relations in a time of crisis*. Accessible: https://www.britishcouncil.org/sites/default/files/soft_power_and_cultural_relations_in_a_time_of_crisis.pdf

¹² *Ibid*

¹³ See: <https://www.bbc.co.uk/news/world-asia-china-49511231>