

Written evidence submitted by Dr Tim Summers (INR0068)

Key points

- This evidence discusses how the UK should approach relations with China in the context of a broader foreign policy strategy based on a realistic assessment of the shifts in global power, the importance of climate change and other non-state risks, and challenges to the existing international order.
- The UK's approach to China needs to reflect the complexity of the PRC today, to take account of the breadth of British interests, and to engage in the many areas where the UK is strong and Sino-British interests coincide.

Foreign policy strategy

This evidence discusses how the UK should approach relations with China in the context of a broader foreign policy strategy.¹ The UK's optimal approach to China should be determined not just by how China is seen in the UK, but by a broader assessment of the British national interest and the risks and opportunities facing the UK, and how the UK seeks to position itself in a post-Brexit and post-Covid world.

Key global trends and challenges facing the UK include:

- Diffusion of **relative economic power and influence** from traditional developed economies, in particular to Asia. The scale of China's economy and its well-developed manufacturing ecosystem are likely to give it a key position in this for some time to come.
- Growth in **non-traditional and non-state risks**, including technological disruption and of course pandemics. Climate change poses the greatest challenge, and international action to address this should be at the heart of the UK's foreign policy.
- Other **challenges to the dominant Western world order** since the end of the Cold War, in particular the active rejection of liberal internationalism by the Trump administration, its unwillingness to engage in multilateral cooperation, and its attempts to retain American primacy at all costs. This is partly a feature of this administration's approach, but it also reflects deeper ideas in US foreign policy.

The challenges for the UK's foreign policy strategy and global positioning after Brexit are therefore likely to be substantial. While the pull of the Anglosphere and relations with the US appear strong in parts of British politics today, it is likely to remain the case – as it has

¹ It identifies issues and strategic themes, rather than the mechanics of the new Foreign, Commonwealth and Development Department's contribution to foreign policy strategy.

since the early 2000s at least – that the rest of Europe (rather than the US) will be most important in terms not only of the UK's economic interests, but also of its wider world view. Although the terms of reference for this inquiry raise the question of the UK's approach to its 'allies', a strategy should unpack the different meanings of this term depending on the context: military threats to NATO summon up different notions of allies from the existential threat posed by climate change, for example. The challenge is to build a range of partnerships to deal with the complex issues that need addressing today.

This broader global context has been underplayed in the recent discussions of China policy in the UK, which have seen a significant pendulum swing from the so-called 'golden era' policy of engagement which reached its height in 2015, to a much more critical tone. This tone developed in the UK's policy debate around 2018,² but it has strengthened this year following the Covid-19 crisis.

Dealing with China

The rest of this evidence addresses the question of whether the UK needs a China strategy, and if so, what it should comprise.³ Current advocates of a rethink of the UK's approach to China often argue that a strategy is needed to deal with a China that is fundamentally different from the UK, and which wants to dominate the UK in the future. They argue that ideology is what matters, that China is 'authoritarian' while the UK is democratic, and that there are particular risks to the UK from Chinese investment in critical national infrastructure, over-dependence on trade and investment with China, and vulnerabilities from the actual and potential scale of Chinese students and tourists in the UK (though these latter points may be affected by the impact of Covid-19).⁴

These issues are clearly already on the government's agenda. But the **UK's current interests in relations with China are complex**, and often contradictory. Working out a clear and simple strategic path to take is probably not going to be possible given the contested nature of the national interest when it comes to China. While Covid-19 has brought to the fore voices which are critical of China and which want to see some degree of disengagement in the UK's policy approach, there remain substantial interests in the UK – educational, cultural, economic and political (in dealing with global challenges) – which see greater engagement with China as necessary to enable the UK to manage the risks it faces and take advantage of the opportunities which it needs to capitalise on. It therefore makes more sense to base an approach to China on the UK's interests, rather than a view of China.

² Tim Summers, 'Imagining Brexit: the UK's China policy after the referendum' (forthcoming). See https://www.researchgate.net/publication/339251923_Imagining_Brexit_The_UK's_China_policy_after_the_referendum for a slightly earlier version of this paper.

³ I have written at greater length on this in a paper entitled 'Why the UK needs to work with China'; see https://www.researchgate.net/publication/341732404_Why_the_UK_needs_to_work_with_China_policy_working_paper/stats.

⁴ For example, this position is set out by Charles Parton, 'China has a strategy and Britain doesn't', *Standpoint*, 25 March 2020, at <https://standpointmag.co.uk/issues/april-2020/china-has-a-strategy-and-britain-doesnt/>.

A more **nuanced and realistic debate** on China is also needed, starting with assessments of China itself. Terms such as ‘authoritarianism’ or ‘dictatorship’ are often bandied around in public debate about China, but the country is much more complicated than these tags imply (and there is no agreement among scholars on how to characterise the Chinese state). The ideas underpinning its approach are nation building and development, and the PRC’s development over the last forty years has been a story of greater engagement with and integration into the global economy. Major Chinese enterprises behave much like their counterparts elsewhere, concentrating capital, human resources and technology in a bid for market share or (if the state allows it) monopoly status. The influence of companies such as Tencent or Alibaba, and the regular emergence of start-up competitors, are testimony to that. Competition is a central feature of China’s economy today, and its affluent consumers enjoy much of the lifestyle of their Western counterparts.

Meanwhile, although the value added by **Chinese companies** in global production networks has increased over the last decade, in most sectors the ‘commanding heights’ of the global economy remain in the hands of Western corporations; 5G appears to be an exception, hence the concern in the West. Total stocks of American and European investment in China (and each other’s markets) remain substantially greater than Chinese investment in the other direction. China is not about to become globally dominant in economic areas. Neither is the UK economically dependent (let alone over-dependent) on China.

Likewise, in **education and culture**, the impact of ‘the West’ on China is much greater than the other way around. There is much more study of European thought in China than of Chinese thinking in the UK. Many affluent Chinese want their children to be educated in English-speaking countries and the Chinese government is unlikely to prevent them from doing so in numbers – though Covid-19 may. Welcoming Chinese students to study in the UK is therefore an opportunity to be grasped. Whether we are talking about economics or ‘soft power’, the UK remains in a pretty good position as far as China is concerned.⁵

What about the idea that Beijing wants to dominate the UK (and more)? First, there is no evidence that this is actually a Chinese policy goal (remarks sometimes cited about the need to ‘struggle’ with the West do not imply a desire to dominate, but reflect more of a response to US approaches to China). Second, dealing with Chinese policy makers suggests that they are realistic and pragmatic enough to know that it would be nigh on impossible to ‘dominate’ the UK, even if it were somehow desirable. They do, however, want to set their own path and development goals in China, while taking account of the global context.

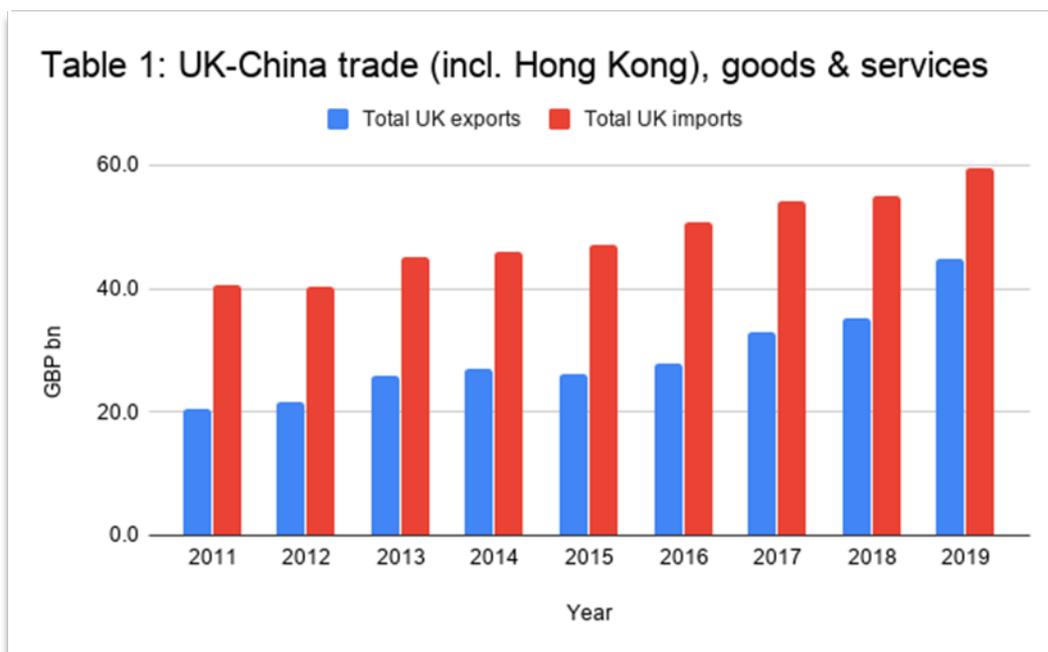
In fact, most evidence suggests that Beijing wants to work collaboratively with the UK and others in the West, and its policy makers state this frequently. In-depth research into China’s policy towards the UK suggests that **China’s main objectives** include working with the UK as an open destination for investment, developing financial services through the City

⁵ A recent British Council survey found that the UK scores much better than China in terms of ‘soft power’: <https://www.britishcouncil.org/research-policy-insight/insight-articles/UK-most-attractive-country-G20>

of London, and deepening partnerships in technology and academia.⁶ These are about furthering China's economic and social development but do not come at the expense of the UK (the global economy is not a zero-sum game). In other words, China's approach is one from which the stronger parts of the British economy are set to benefit.

To be sure, there will be challenges ahead for the UK, not least in dealing with the scale and pace of **change in China**. Chinese companies, individuals, educational institutions, and the PRC Party-state itself will become relatively more powerful over the coming decade. China's economy will probably grow faster than the global average, and is already the largest globally in terms of purchasing power parity. It will probably soon overtake the US as the largest spender on research and development, and its strong capabilities in these areas are particularly reflected in corporate innovation. There are now some 9 million young people graduating from universities each year.

Over recent years, the UK has done a reasonable job of engaging with these changes to benefit British interests. The UK's **exports** to China grew faster in 2019 than those to any other global region, and total trade with China (including Hong Kong) topped GBP100 billion.⁷ The UK's trade deficit has declined in absolute terms, and shrunk more noticeably when measured as a proportion of total trade (see Table 1).⁸



Politically, however, some aspects of the Chinese government's approach will continue to attract criticism in the UK, and this should be reflected in policy. Over the last couple of years, reports about the situation in Xinjiang and some other **human rights issues** have attracted a lot of attention. The FCO has been quite consistent in raising these and other

⁶ Kerry Brown, *The Future of UK-China Relations* (Agenda Publishing, 2019).

⁷ <https://www.gov.uk/government/news/new-trade-commissioners-to-lead-uk-trade-and-investment-overseas>

⁸ Data collated from www.ons.gov.uk by the author (15 June 2020).

human rights concerns publicly, and has been among the more active European governments in doing so. It has so far been able to do this at the same time as engaging with China on a range of issues. The idea that countries can only do business with China if their governments do and say what Beijing wants is something of a straw man, and the UK experience over recent years suggests that it is possible to develop cooperation at the same time as reflecting concerns. Meanwhile, the FCO has productively broadened the values agenda into engagement with China on issues from the illegal wildlife trade to modern slavery.⁹

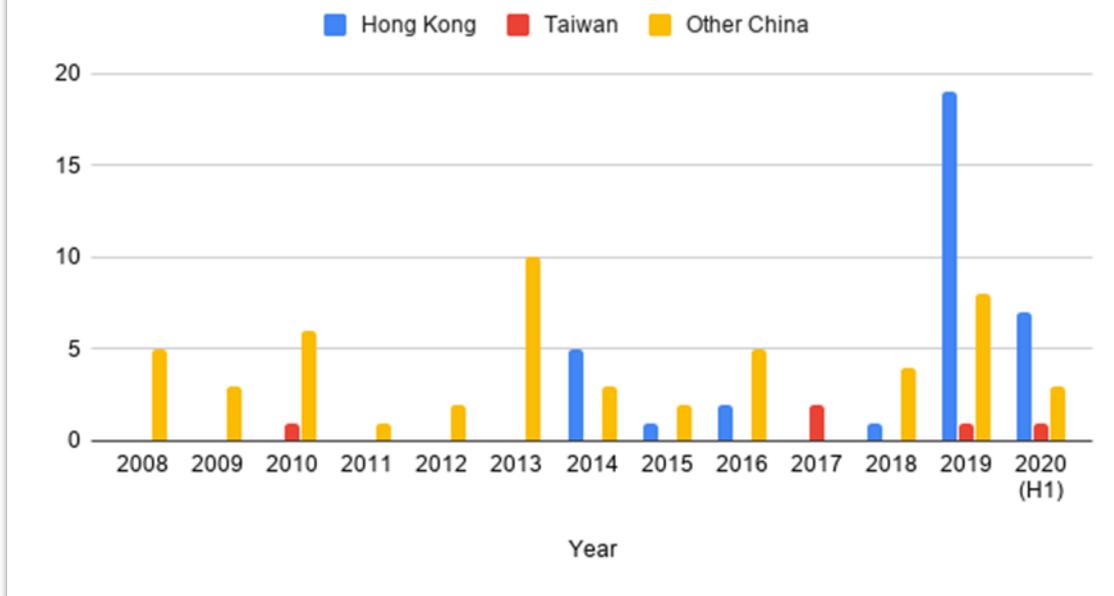
Recent developments in **Hong Kong** have attracted even more attention than those relating to the wider bilateral relationship, including in Parliament (see Table 2).¹⁰ This reflects the UK's historical position. Since June 2019, the FCO has generally been sympathetic to the protest movement in Hong Kong, and following the announcement by Beijing that it would introduce national security legislation for Hong Kong (using a process set out in Article 18 of the Basic Law), the FCO has stated that it believes this goes against the Sino-British Joint Declaration of 1984. Whether or not this is the best policy approach for either the UK or Hong Kong is debatable, but the Hong Kong issue highlights several features of British policy making which could be relevant to a wider consideration of strategy.

First, there is a question about the role that evaluating **British interests** plays in foreign policy making. In the case of Hong Kong, there has been at best minimal public discussion of British interests over the last year, from corporate and economic to cultural and educational interests, and relatively little elaboration on them by either parliamentarians or ministers in the many parliamentary debates that have taken place. The FCO's strategy needs to ensure that a strategic and broad-based assessment of interests is part of the policy making process. The result in the case of Hong Kong policy has been instead to assert 'values', through criticism of the police in Hong Kong, but with at best minimal direct criticism of violent protest actions. Another policy outcome has been a major decision on immigration, through the establishment of a 'path to citizenship' for around three million Hong Kong residents who hold British National (Overseas) passports. This demonstrated the power of effective lobbying in Westminster, and is clearly welcome for those who wish to benefit from the scheme. But it has major domestic implications in the UK which do not seem to have been much considered in the policy making process. Given that there are many other populations around the world who are facing genuine humanitarian crises (unlike in Hong Kong), this policy sets precedents which need considering in a much more strategic way.

⁹ Tim Summers, 'Broadening the values agenda' in European Think-tank Network on China, *Political values in Europe-China relations* (2018).

¹⁰ Data collated from Hansard by the author, 26 June 2020.

Table 2: Westminster parliamentary debates on China



Conclusion

This evidence has only really scratched the surface of issues relating to China which need considering in devising a foreign policy strategy. Given the wide scope of this inquiry (and the number of other inquiries being conducted by the FAC), it is not to be expected that the committee's report will be able to deal thoroughly with questions relating to China. But the complexity of contemporary China and its global impact is indicative of a wider global environment for the UK which is becoming much more complicated, and in which the sources of power and influence are increasingly diffused. In this context, the historical ability the UK has had to play a central role in international affairs is likely to be somewhat reduced. Given that, and to return to the China theme of this evidence, the areas of British strength that remain most apparent – from language and education to innovation and finance – are ones where the Chinese government, companies, individuals and other institutions seek engagement with the UK. Pursuing that actively, whilst measuring and mitigating risks, would be a good pillar of a British foreign policy strategy for the 2020s.

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