Towards a UK strategy and policies for relations with China
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“China is almost unique in touching virtually every aspect of British life. Only the US is as universally relevant, but with the US we share values, many interests, a long-standing security alliance and several national characteristics – and so the relationship is well worn, comfortable and open.”
– Rising to the China challenge.¹

“The UK needs a single, detailed document defining a national strategy towards China, endorsed at Cabinet level. This will be an essential guide to all Government departments in shaping China policy, and will make sure that the Government is speaking with one voice. It will also send a clear public message to businesses, media, academia and civil society, to the UK’s allies, and to China itself.”
– House of Commons Foreign Affairs Committee, April 2019.²
The rise of China has presented liberal democracies with a challenge it has not faced before: how both to cooperate with and to resist an authoritarian power with great economic and rising technological power. We have been slow to recognise the need for new thinking and slower to implement new policies, because we find it hard to balance the benefits and disbenefits of working with China. How are we to maximise cooperation with the country, while minimising the threat to our values, interests and national security?

A new approach to China can no longer be delayed. Already it is late. What in the past stayed within the borders of China – the CCP’s different values, economic system, and political and social controls – are being pushed abroad: General Secretary of the Chinese Communist Party (CCP) Jiang Zemin declared his “going out” policy in 1999, and since 2013 his successor-but-one, Xi Jinping, has revamped and accelerated it through his Belt and Road Initiative. The Party’s need to control its own people is slowly extending to a need to remould global norms, with the aim, if not of controlling the rest of the world, at least of changing it.

Its behaviours domestically are unlikely to differ from its conduct abroad, a lesson clear from recent bullying diplomacy connected with Covid-19. Disagreement with the CCP is seen as hostile, not as an assertion of the right to conduct affairs differently.

Xi Jinping frequently talks of a struggle between Chinese socialism and western capitalism. In his first, scene-setting speech to the Politburo in January 2013 he talked of the need to gain the “dominant position”. This is a competition between values in its broadest sense, about how we wish the world to be, about the meaning of democracy and freedoms.

This necessary re-evaluation of the UK’s (and other countries’) strategy towards China can be summarised in four words:

• **Understand.** See clearly the CCP, both its domestic imperatives and behaviours, and its policies and practices abroad; the latter are the servants of the former.

• **Prepare.** Put in place the correct, all-of-government structures to ensure policies which are consistent between differing UK interests, and draw on limited expertise.

• **Resource.** Accept that, despite the exigencies in funding increased by Covid-19, expertise needs to be grown for the long term and structures need to be funded in the short term.

• **Unite.** Work with like-minded democracies, not just the US and “Five Eyes” allies, but EU nations, India, Japan, and other Asian countries, and provide a more positive model for developing countries.

This paper does not present a finished UK strategy for China. Rather it makes suggestions towards one. It does not include a long and detailed list of recommendations, which would only add to what already risks being too long. In many cases government and experts need to do more work before such recommendations can be drawn up. However within the paper bold text draws attention to the more important points and potential actions.
If the British government has a China strategy, it is not apparent to the Foreign Affairs Committee (FAC) or to others. The Foreign and Commonwealth Office’s (FCO) 2009 strategy paper, endorsed by then Prime Minister Gordon Brown, reflects outdated hopes and views on China. The Cameron/Osborne “Golden Era” of putting economic engagement above all else is discredited. A new strategy, with a new set of policies stemming from it, is needed – a fact evident well before the Covid-19 crisis, but highlighted by it.

Some officials have claimed that the speed of change makes a strategy out of date before the ink is dry, and that setting down policies can lead to a rigidity which might work against British interests. This has not stopped Scotland producing a strategy document every six years, the latest in 2018. The 2009 UK strategy does indeed read as though it is from a bygone age. But this merely emphasises the need for continual thought about China and regular updating of policy. If the government has been doing that in recent years, it needs to be more transparent.

The 2009 strategy was mostly dependent on an unrealistic view of the Chinese Communist Party (CCP) as susceptible to encouragement to be “more like us”. It reads as a list of aspirations. By contrast, this paper aims at a more down-to-earth, practical approach. It aims to stimulate debate around a clearer recognition of the nature of the CCP’s governance, the necessary preparation and structure for a UK response, and the practical measures of a strategy to cope with the challenge in the main areas. A paper of this length cannot encompass all aspects of strategy or lay out suggestions for policy in all fields. It concentrates on those where change has been most marked.

The paper refers throughout to the CCP rather than to “China” or to the “Chinese government”. That is deliberate. China’s governance is best described as a “consultative Leninism”, which oversees an authoritarian capitalism. It consults its people, but the distinction between Party and government has shrunk. The Party directs all. Xi Jinping himself said at the 19th Party Congress: “East, west, south, north, the Party is in charge of everything.” To talk about the “Party” and not China is important because the CCP trades on ambiguity: when outsiders criticise its actions, it claims that they are attacking the Chinese people and are thereby being racist.
A changing world
A decoupling of liberal democracies and authoritarian governments is in no one’s interests. “Divergence” is a better word, not least because it makes clearer the need to confine any distancing to what is necessary. But undoubtedly the gap between systems is growing and will continue. General Secretary Xi Jinping’s worldview reflects this. He sees a struggle between the Chinese and western systems, as he made clear in his very first speech to the Politburo in January 2013:

Most importantly, we must concentrate our efforts on ... building a socialism that is superior to capitalism, and laying the foundation for a future where we will win the initiative and have the dominant position [emphasis added].

China’s systems have moved further away from those of the west. Politically, the CCP has strengthened its control over government and society; any experimentation with wider elections at the grassroots level, or with greater intra-Party democracy has ceased. Economically, the CCP continues to push ahead with consolidating the state-owned sector, its autarkic industrial policy of “Made in China 2025”, and Party cells in all businesses; restrictions on market access, procurement, and investment remain in place.

On values, there is clearly a widening gap, as demonstrated by events in Xinjiang and Tibet, crackdowns on human rights lawyers and defenders, restrictions on free speech, a different model of internet governance, increased surveillance and control of society, and a push to change the UN discourse on human rights. The infamous “Document no. 9” issued by the CCP in April 2013 encapsulates the Party’s determination to distance itself from liberal democracies.

This divergence is being accelerated by the rapid emergence of new technologies. The threat to national security from 5G telecommunications is just the first instance of this. Increasingly sophisticated machine learning can melt down the vast amounts of data and metadata sent back to China and forge them into instruments to give advantage. In the past, transactions were paid in coin and once only; the technology revolution means that now a purchase is paid for continually, in data, as increasingly intelligent machines and computers relay back to the seller information and metadata, which can be used for purposes beyond the improvement of the original product. Meanwhile the borders between civil and military applications are eroding.

The pressure for divergence emerged well before Covid-19, although the economic and other disruption caused by the virus has emphasised the need to protect and diversify critical supply lines, and not just in pharmaceuticals.

But divergence must be carefully managed and minimised. China is not the Soviet Union. It is central to global economic health.
The UK may also need a revised formula for dealing with the US.\textsuperscript{16} It will certainly need to take the US into account in its future strategy for China. Assuming that the EU can achieve some unity in its dealings with China (the past fails to inspire optimism), the UK will also benefit from aligning with Europe. More consideration also needs to be given to alignment with other liberal democracies, particularly Japan, South Korea, Australasia and India.

**A changing China...**

In the 40 years since “reform and opening” China has changed beyond all recognition, physically, economically and socially. Yet since 2008 and before Xi Jinping became General Secretary reform or change has been heading in a totalitarian direction, whether in terms of politics, ideology, control (updated by modern technology) or even vocabulary.\textsuperscript{17} Xi has halted tentative experiments at introducing a small widening of choice in grassroot elections or in intra-Party democracy. Ideologically, he is eclectic, taking from history, Confucius and Mao elements which bolster the CCP’s “socialism with Chinese characteristics”. An already small difference between government and Party has been squeezed further by the establishment of many more centrally run Party commissions and leading small groups which direct policy decisions. Party committees are to be established in all economic bodies, state-owned, private or foreign. Increasingly in civil society, culture, intellectual life, the space for individualism must conform to Party guidance.

This trend may revert to a more liberal approach, but not while Xi is in power, which in formal terms looks likely to be until at least 2027. Informally, he may retain the final say for longer, just as Deng ruled from “behind the curtain”.

**...And changing foreign relations**

The idea that foreign relations are domestic policy carried out abroad has particular relevance in the case of the CCP.

In the past CCP politics and repression were largely matters for itself. No longer. Since Jiang Zemin’s “going out” policy of 1999, now revamped in Xi Jinping’s Belt and Road Initiative, the Party has embraced globalism and harnessed new technologies in support of its interests.

The CCP does not expect other countries to adopt its “socialism with Chinese characteristics”, but it does want them to adopt aspects of its “China model”, whether in internet governance, approaches to human rights, methods of social control and more. Above all, it wants the world to accept that China’s “core interests”\textsuperscript{18} are inviolable, its rise inevitable and irresistible\textsuperscript{19} and that the new superpower’s interests should be better accommodated within the structures of global governance.\textsuperscript{20}

Put simply, the CCP’s foreign policy is to use its economic heft to reinforce a stick-and-carrot approach in dealing with others. Align with its interests and other countries can share in China’s economic rise through enhanced trade and investment; go against them and be shut out. This more assertive, at times bullying, approach is reinforced by a much-strengthened external propaganda effort and by the “united
“front” strategy. This latter is an application abroad of what Mao called the “third magic weapon”, a programme either to bring on side, or to isolate and destroy, those who were neutral or opposed to the Party. In its modern and foreign form, the strategy, while set by the United Front Work Department, is to be carried out by all Chinese officials and departments involved in foreign affairs. It ranges from acceptable public diplomacy to unacceptable interference in other countries. Both are well resourced.
Preparing for a strategy

A deeper understanding of China

... Chinese domestic politics cannot be treated as if they were separate from foreign policy. The Government must recognise this reality and adjust to it.”
FAC report.22

Any strategy and policies must be underpinned by a deep knowledge of CCP aims, what it thinks, its leadership dynamics, institutional set-up, the nature of its power and more. To attain such understanding requires a cadre of officials who have studied China, speak the language and have spent time there. At the top levels of government responsible for work on China, particularly in the Cabinet Office, the Treasury and the Joint Intelligence Committee, few have such skills and experience.

Commendably, in recent years the FCO has devoted increased resources to Chinese language training and to reinforcing its network of posts in China. There are now some impressive sinologists in its middle ranks, although its Research Department has only the equivalent of two officers working on China.23 Other government departments have taken on staff with China experience. But they remain a rare commodity and have yet to rise to senior policymaking positions. Nor is it clear that career and promotion paths are aligned in ways which reward the hard work needed to obtain and maintain the necessary skills and experience.

All civil service departments should adopt a policy of recruiting staff with some level of China expertise; staff whose work touches on China should receive training and familiarisation courses.

The government calls on experts in think tanks, academia, business and journalism to supplement its knowledge on China, but in an ad hoc rather than systematic way.24 It should establish a body of China experts (on the SAGE model used for Covid-19 advice?) from whom government departments could seek advice as well as commission research and papers. Given the CCP’s efforts to influence and interfere with the narrative relied upon by foreign governments in drawing up their policies towards China, as well as business people whose inclination might be to look more to the interests of their own company or sector rather than the general good, care will be needed in the selection of such experts.

In the longer term the government should work with schools and universities to encourage the growth of China studies in the UK. Only then will sufficient numbers of British-born “China literate” graduates be available. The government should promote the learning of Mandarin in primary and secondary schools; Chinese civilisation should be an option for the A-level curriculum.
Setting up the right government structure for a China strategy

Ensuring correct UK policies on China requires what hitherto has been lacking: coordination across all of government; discipline to enable consistency between departments with different focuses and aims; and flexibility to allow adjustment, since no strategy or set of policies can remain static.

The FAC report envisages the FCO leading China strategy across government. But a higher authority is needed. Under Prime Minister Cameron, no one doubted that it was the Treasury and George Osborne who were behind the “Golden Era” policy. Under Prime Minister May, the debacle over the Huawei decision in April 2019, which led to the sacking of the Defence Minister, Gavin Williamson, showed conclusively the division between “security” and “economic” ministries and the need for a supra-ministry body to set strategy.

The government has set up the China National Strategy Implementation Group (NSIG), but it meets at too low a level to wield a uniting authority over ministries, whose interests differ.

In *Rising to the China challenge* this author and colleagues from the Policy Institute at King’s College London proposed the establishment of a UK equivalent of the CCP’s “leading small groups”:

The Prime Minister should chair the NSIG at quarterly meetings. Only then would it have the authority necessary to achieve conflict avoidance and ensure effective policy implementation. The former Australian Prime Minister Kevin Rudd set an instructive example in this respect. Attendance at the quarterly meetings should include a wide range of ministers, not only those with national security responsibilities ...

Preparatory meetings at Director General level should precede the quarterly Ministerial sessions. Monthly meetings at the current NSIG official level could prepare policy and monitor and drive implementation.

The enhanced NSIG would best be subordinated as it is now: to the National Security Council; and headed as it is now, by the Deputy National Security Adviser, who is the Senior Responsible Officer for China. It should have a small permanent staff including at least one Chinese speaker.

The role of the enhanced NSIG would include not just setting a strategy. It should also oversee its implementation; resolve potential conflicts of interest; maximise cooperation with China, commission and conduct research both from inside government and through working with academia and businesses; promote China expertise within government; and more.
Deciding what the UK wants from China

The UK’s 2009 strategy (or “Framework for Engagement) consisted of three pillars:

- Getting the best for the UK from China’s growth.
- Fostering China’s emergence as a responsible global player.
- Promoting sustainable development, modernisation and internal reform in China.

A decade on, the 14 aspirations under the first pillar remain relevant. The degree of achievement may be well below the hopes of 2009, but the UK should still strive to promote them. They cover trade and investment, a more equitable business environment in China and financial services; cooperation in health, climate change and sustainable development; scientific and education cooperation; promoting UK soft power; working together on migration and crime; and increasing knowledge of China and the Chinese language.

The second pillar reveals an over-optimistic reading of the CCP (it was not alone). The 15 aims are laudable in their hope of bringing the CCP to espouse positions in global governance which converge with those of liberal democracies, whether in defence and security, counter-terrorism or proliferation, development, climate change, finance and economics. Poignantly, given the Covid-19 virus, the last sub-paragraph called for ensuring that “China co-operates fully on global health issues with the World Health Organisation …” But this second pillar failed to take account of the solipsistic nature of the CCP, whose interests and survival in power are, in the words of ex-Prime Minister of Australia Kevin Rudd, “the no. 1 priority, the no. 2 priority and the no. 3 priority”.

The third pillar, whose 14 aims centre on changing China’s internal policies and practices, was also detached from the CCP reality. While those aims relating to human rights set out ideals for legal, media, and other freedoms, as well as emphasise meaningful autonomy for Tibet and Hong Kong, there is no suggestion of how to move forward in the face of inevitable CCP opposition. Parts were patronising. Objectives relating to improving China’s social welfare, energy efficiency, education, pollution, sustainable development had little hope of being advanced as a result of direct UK agency (to be fair, the 2009 strategy recognised this; furthermore, the current China is still considerably freer and fairer than it was in 1978, some of which is down to efforts by the liberal democracies).

The 2009 framework remains a fine statement of what the UK wants from the CCP. It should be read by all and at least retained as a set of ideal goals, even if under Xi they will be harder to achieve. The more important task now is for the government to understand accurately the nature of the Party and to draw up a set of concrete measures to match that clearer recognition. The final part of this paper aims to help that process.
What China looks to gain from the UK

Unsurprisingly, the CCP sees the UK through the lens of its own interests. Those interests centre on the CCP maintaining its legitimacy in the eyes of the people by ensuring economic prosperity and by a narrative which includes a return to China’s rightful place at the centre of the world; recovery of a maximalist historical definition of Chinese territory; a superior form of governance; and a set of distinctively Chinese values (such is the claim, even if in reality they serve as proxy for CCP ideology and interests). The CCP therefore seeks to harness UK relations to its economic growth, and to ensure that the UK does not act or speak in a way which contradicts the narrative which the CCP feeds to its people.

In the economic sphere, investment is increasingly being steered towards the acquisition of companies with useful technology, in particular to aid advances in the new industrial fields identified in the “Made in China 2025” strategy (this is supplemented by the commissioning of R&D projects from universities). Encouraged by the openness of the UK to foreign investment, coupled with its internationally acknowledged standards of regulation, the CCP also sees this country as a potential client for its emerging industries, such as nuclear power and high-speed rail. If the UK can be brought on board, this would set a powerful example for other major western countries. Working with the City of London helps Chinese financial entities in pushing forward CCP plans to develop Shanghai and Shenzhen as international financial centres. In the (very) long run it might also help with the internationalisation of the Chinese yuan, a major aim of the CCP, in order to mitigate the power which the dollar gives to the US in imposing its standards and extraterritoriality on others.32

While economic performance is the mainstay of legitimacy for the CCP’s monopoly of power, the other elements, which together embody “core interests” and “socialist core values”,33 are the focus of propaganda used to buttress support within China for the Party’s rule. They risk being undermined by alternative stances put forward by liberal democracies. The CCP therefore seeks to co-opt, neutralise or silence such alternatives, so that in a globalised world their “spiritual pollution”34 cannot flow back into China.

This means that major objectives for the CCP in its UK relations are to prevent criticism for its policies in Xinjiang, Tibet and Hong Kong; to ensure that UK government and civil society to do not raise the CCP’s human rights issues; to dissuade from adopting positions inimical to the CCP’s other “core interests” such as control of the South China Sea; and to seek UK acquiescence in a greater “discourse power” relating to global governance. A further aim, as the deterioration in relations with the US becomes more set, is to weaken UK support for its ally.

This, perhaps bleak, assessment underlines how outdated is the approach of the 2009 framework (it is arguable that even at the time the framework represented the triumph of hope over knowledge of the CCP and its foreign policy).
Resisting China’s leverage: five areas for basic research

The idea that countries such as the UK need China more than China needs them is wrong. It is a measure of the success of CCP propaganda and assertive, if not bullying, diplomacy, that it is so rarely questioned. The truth is that both sides need each other. The UK government need feel less apprehension and should give greater priority to its own national security, interests and values.

The CCP threatens countries with “serious consequences”, if they adopt policies it dislikes. These threats centre on restricting investment, exports, students, and tourism. Thus, in May 2019 and June 2020, the Chinese Chargé d’Affaires in London, Chen Wen, talked of substantial repercussions for Chinese investment if the UK decided to keep Huawei out of its 5G plans. In July 2019 the UK complained about “unacceptable” language used by the Chinese Ministry of Foreign Affairs in response to Foreign Secretary Jeremy Hunt’s call for China to respect the terms of the Joint Declaration on Hong Kong, an international treaty registered at the UN. Other countries have experienced threats of economic coercion, for example Australia over calls for an investigation into the origins of Covid-19.

The potency of such threats, particularly if the UK maintains solidarity of policy with like-minded democracies, should be questioned. Before drawing up a strategy, the government should assess the reality of CCP threats by commissioning unbiased research in five areas.

a. Investment. In a paper titled “Does the UK benefit from Chinese investment?”, Michael Pettis, a Beijing-based American scholar, looks at possible benefits and concludes that none apply. Intuitively that seems correct. Capital is cheap and does not have to come from China, which is far more interested in reviving its own “northern powerhouse” than the UK’s. Britain does not receive new technology or management skills from Chinese companies; on the contrary, the flow is in the other direction. It is difficult to think of a Chinese greenfield investment similar to Honda or Nissan which brings employment. It is too early to say for how long and to what degree Jingye will continue to maintain employment after its purchase of British Steel. Chinese companies are not charities: they invest to benefit their businesses. They will continue to invest where that remains the case. The government should assess the benefits gained from past Chinese investment, the degree to which recent falls in Chinese investment may continue, and expectations of future benefits. Those need to be set against the longer-term disbenefits of bowing to CCP pressure.

b. Exports. In the last decade the CCP has conducted loud campaigns against countries which have gone against its interests: the UK in 2012-14, because the prime minister met the Dalai Lama; Norway in 2010-16, for the awarding of the Nobel Prize to human rights defender Liu Xiaobo; and South Korea in 2016-17, over its deployment of the THAAD anti-ballistic missile system. More recently Sweden, Canada and Australia have drawn the ire of the CCP. Apart from cancelling ministerial and government visits, the Party has targeted individual industries or companies which meet certain criteria: some are emblematic (Norwegian salmon, Canada’s canola oil); others are not of strategic interest to China (Korean supermarkets and cosmetics companies); and others produce goods which can easily be sourced elsewhere. Some bans, while disruptive, are short-lived: the block on
Canadian pork and beef was soon raised, because China has a food deficit. Most interestingly, in all cases listed above, overall exports to China rose in every year in which countries were in the diplomatic doghouse, although individual companies or sectors did suffer. It is not even clear that there are losses from delays in signing trade agreements. Leaving aside the timeframe for negotiating a free trade agreement (FTA) – Australia took 10 years, and the EU’s bilateral investment agreement, now in its eighth year of negotiation, is a prelude to negotiating an FTA – China has a trade surplus with the UK and stands to gain more from freer trade. But, again, this is a matter for the government to reach a considered view based on proper research.

c. City of London. It is too readily assumed that the City is vulnerable to a Chinese boycott and that the CCP could direct business to go elsewhere. Given current political developments between the US and China, and the disruption in Hong Kong, China may need to rely more on the financial expertise of the City. No unbiased assessment of the reliance of China on the City is available (the City of London Corporation co-authors reports with the People’s Bank of China, but the latter is a CCP-controlled body). The government should commission an independent assessment of the extent to which the Party could direct business elsewhere.

d. Students. Over 120,000 Chinese students attend universities and schools in the UK. The CCP has threatened countries and universities with boycotts. How realistic are such threats? The Chinese middle classes want their children educated abroad, and overwhelmingly in an English-speaking country. That means one of the Five Eyes countries: the US, the UK, Australia, Canada or New Zealand. Xi Jinping is unlikely to risk upsetting the Chinese middle classes by banning overseas study. The government should also be encouraging universities to diversify their intakes, in order to reduce further the potency of such threats.

e. Tourism. Another threat wielded by the CCP is turning off the tourism tap. Among countries which have suffered measures are the Philippines, South Korea and Taiwan. Australia is the country most recently threatened. However, Asian countries may be different from the UK, since their proximity means that most Chinese tourists visit as part of cheap packages. The CCP has the power to ban package tours. Taiwan, for one, successfully replaced Chinese tourists with higher-spending Asians. The CCP has less control over individual, higher-end tourists, who make up over 88 per cent of tourists to the UK. As with studying, it is unlikely that the Party would dare to ban the middle classes from tourism.

Conducting relations with China

The “how” of conducting relations can be as important as the “what”. The first thing to get right is to understand that vocabulary matters. This thought has impeccable Chinese credentials:

“If names be not correct, language is not in accordance with the truth of things. If language be not in accordance with the truth of things, affairs cannot be carried on to success ...” Confucius, Analects, Book XIII, Chapter 3, verse 4.
The blind acceptance of CCP language reinforces its propaganda: it is the first step towards accepting the CCP narrative which lies behind the language. This is why the writing into UN human rights documents of the ubiquitous phrase “community of common destiny” is to be resisted.

To adopt any other policy but one in line with the CCP narrative is to go against the “shared future for mankind”. Similarly, although they are not CCP inventions, phrases such as the “Thucydides Trap” or the “Golden Era” have been embraced enthusiastically by the Party. The danger of the first is that it makes confrontation appear inevitable, while the second is used to put the UK on the psychological back foot: an action the CCP dislikes becomes one prejudicing the “Golden Era”.

“The Belt and Road Initiative” occludes the fact that Chinese globalisation ruthlessly serves the Party’s ends. **The UK is right not to sign up to the BRI, which Xi has called his main foreign policy. Countries should not sign up wholesale to the foreign policies of others; they should look for points of mutual benefit.**

The second imperative is to make clear to the CCP that the UK will not, as often in the past, avoid “megaphone diplomacy”, which the former decries as a threat to good relations. Quiet diplomacy should always be the first option, but the CCP should be left in no doubt that if that does not work (and there is little evidence historically that it is effective, and plenty that it is not), the UK government will speak out loudly. The Party hates this, because it risks undermining its own propaganda.

**Third, the UK government needs to conduct an in-depth study of CCP negotiating tactics and the way its officials conduct business.** A starting point would be the last major negotiation with China, the Sino-British Joint Declaration, and subsequent negotiations in the Hong Kong Joint Liaison Group. A monograph, unnecessarily classified confidential, was written after the handover. It would serve as a basis for understanding practices which in the author’s experience have changed little over the years. This could be added to by consulting officials both inside the UK government and also in major British companies with extensive experience in the field. The resulting study and seminars would be useful in training the increasing number of officials whose job entails negotiating with China.

**Fourth, the UK needs to do a better job of putting out consistent messaging to China about UK priorities and aims for the relationship.** A prerequisite for this is the enhanced NSIG called for above.

**Fifth, the UK needs to use existing mechanisms to greater effect.** At present regular top-level meetings take place between prime ministers, as well as an economic and financial dialogue, a “people-to-people” dialogue, and a regional leaders’ summit. Last year the cabinet secretary led a delegation of 12 permanent secretaries to China. These welcome contacts should ensure that they overcome a tendency on the part of the CCP to use them as opportunities for photographs and propaganda.
The elements of a strategy

Overall aims and assumptions
This paper considers elements of a strategy under the headings of global goods, interests, security, and values. These have considerable overlap with the description in the EU’s “Ten Point Action Plan” of China as a cooperation partner, negotiating partner, economic competitor and systemic rival.

It goes without saying that where there are points of common interest with China, maximising them is vital, given the inevitability of divergence in an increasing number of areas, as argued above. By starting with global goods, this paper aims to underline the desire for positive engagement wherever possible. This is important in offsetting inevitable tensions which will arise when the UK puts a proper emphasis on its own interests, national security and values (the last including a strong defence of democracy and international law).

The task is to find a new equilibrium, which necessarily will have to accept the costs of divergence, even as it seeks to minimise them. For that, it is necessary to recognise that there is a fundamental incompatibility between free-market economies and authoritarian capitalism, between “socialism with Chinese characteristics” and liberal democracy. Xi Jinping himself is clear on this, as his message to the Politburo in his first speech in 2013 and “Document no. 9” quoted near the start of this paper show.

This is not an agenda to change China. The message is that when the CCP acts against UK interests, security or values, it should expect a more rigorous defence of them than it met in the years of the 2009 strategy and the so-called “Golden Era”.

It is however an agenda to change CCP perceptions of the UK, from a country susceptible to being brow-beaten into a more balanced relationship. This requires a number of elements from the UK side:

• **Transparency.** Just as UK government departments, civil society, business and academia need to be clear on the strategy for China, so does the CCP. Some elements will have to be kept confidential, but the aim should be that as much as possible should be open.

• **Accepting short-term turbulence.** The CCP will not react gently to a change. It will need to be politely rebuffed before it realises that past pusillanimity is over and that threats no longer work. The line always to be deployed is that the change of policy is not anti-CCP, but pro-UK interests, security and values.

• **Reciprocity.** Strategy and actions should pursue this principle with imagination, but avoid an overly strict application where that jeopardises our values.

• **Unity within the UK.** The need for a coherent approach within government has been highlighted already: the CCP is adept at exposing the inevitable differences of interests and approach of different government departments. Another feature of CCP policy abroad has been to “go under the radar” of central government by cultivating local governments and cities to circumvent or undermine policies it considers inimical to its interests. The UK government should engage in a constant process of explanation and feedback in order to
ensure a consistent position in all areas of government, business, academia and civil society.

Unity with like-minded countries. Brexit and the vagaries of President Trump’s US make working with other countries more difficult. Nevertheless both the “Five Eyes” alliance and a broader spread of major liberal democracies in the EU and Asia, need to set up further mechanisms for consultation and cooperation on meeting the challenges presented by the CCP’s global rise. And the CCP should be left in no doubt that, where it is made to choose, the UK will stand by its allies.

Maximising cooperation and supporting global goods
If the Covid-19 crisis has shown one thing, it is that nothing in China can be divorced from the interests of the Party. Politicians in all countries look to their own interests, but the CCP is an outlier, particularly as it has strengthened its grip on power in the last decade. In maximising cooperation with China in global goods, success is likely to be in areas where UK and CCP objectives are aligned. In a world where divergence is increasing, the “outcomes” which the 2009 “Framework for Engagement” set for cooperation with China as a responsible global player will be fewer and harder to reach. There will be need of Gramsci’s “pessimism of the intellect, optimism of the will”.

We may also require some humility. It is easy to criticise, even in the sphere of global goods, but the central leadership does have genuine problems in imposing policy upon provincial and county level cadres (a good example is their prioritising of local thermal power stations and grids over renewables imported from other provinces). It is also easy to forget that in areas such as emissions China’s per capita contribution to problems is less than many in the west (for example Canada, Australia and the US). The west has also “exported” much of its pollution, given our high levels of consumption which are serviced by factories in China.

Maintaining global financial security. During the 2008 financial crisis cooperation between the major economic powers was crucial in resolving the crisis. At some stage in the future such cooperation may be needed again.

Climate change is an area too obvious to require much comment. Rising sea levels, increased aridity in the northern plains already beset by a water crisis, food security issues and more make this a vital concern for the CCP – and for the rest of the world, given ramifying effects. As with other governments, the CCP’s performance lags behind its rhetoric. It approaches the issue much more from the political need to counter pollution, because it threatens to cause anti-Party protests and instability. But dealing with pollution will help with climate change. So China’s bottom-up approach meets our top-down western approach in the middle. Joint work in recycling, carbon reduction and plastic pollution are among other important areas for minimising divergence.

Health, biosecurity, sustainable growth and pollution are fields where maximising cooperation in management, ideas and R&D (subject to protection of intellectual property rights) can offset potential divergence in other areas. Somehow the UK
needs to help reduce the tensions raised by the propaganda offensive and reaction to it over Covid-19. This will not be the last disease either to originate or develop in China (or affect it). As in 2020, the CCP’s likely reaction will be to prioritise its own political health over that of the people.

Far more worrying perhaps than Covid-19 is antimicrobial resistance (AMR), where the UK government has rightly been pushing for greater cooperation for some years. China uses around twice the amount of antibiotics per capita as the next country, and their overuse and misuse in animal husbandry is dangerous. Meanwhile in 2019-20 China has seen not just Covid-19, but also substantial and underreported outbreaks of African swine fever.

New Frontiers are areas where the UK should engage with China in both scientific research and governance. There are points of contention as well as mutual benefit. The CCP would like to exploit the Arctic and Antarctic for their mineral and other resources, as well as shortened transport links. In the longer term the Antarctic Treaty, which expires in 2048, must be renegotiated in order to preserve its non-military, nature reserve and scientific research status, and China will insist on being a signatory. Cooperation in space is clearly preferable to confrontation, while support for Chinese peacekeeping under the UN is mutually beneficial.

Development aid is an area which again contains ambiguity. Credit and cooperation should be given to China’s efforts, and the UK should continue to seek to work with China in third country development. But concrete progress may lag behind aspirations, not least because the CCP sees development in different terms. Much of it has been in the form of infrastructure projects, financed by loans. Leaving aside the question of how much Chinese companies benefit and the degree to which such development is used to push a geopolitical agenda or to embed Chinese technical standards to ensure commercial advantage, UK aid should put a greater focus on building up local institutions, so that they are able to manage more effectively Chinese investment, imparting expertise in financial, environmental and labour assessments. The CCP, and certainly Chinese companies, may not welcome this, but other countries might.

Police and intelligence cooperation, and counter-terrorism are difficult spheres for non-specialists to comment upon. Given that many human trafficking and synthetic opioid flows originate in China, maintaining good police relations is important. Similarly, global problems such as terrorism and arms proliferation suggest that the intelligence services should continue to liaise with their counterparts. But both police and intelligence services should carry out reviews, if they have not recently done so, of how beneficial relations have proved compared to the resources consumed. In the case of the intelligence services, in servicing a liaison relationship they may need to avoid exposing precious China expertise, which might better be deployed in operations defending against Chinese actions. Channels should remain open “against the day”, despite difficulties raised by the CCP’s definition of what constitutes terrorism, particularly in Xinjiang: even if Uyghur militancy and potential terrorism among the global jihadist community has risen as a result CCP policies in Xinjiang, they might have an impact on UK interests somewhere in the world.
Countering the united front strategy and CCP interference

Recently there has been much discussion of the CCP’s United Front Work Department (UFWD). United front thinking distinguishes between three groups: friends, those who are neutral, and enemies. Its essence is about building the broadest possible coalition of friends and of the previously neutral in order to isolate the principal enemy. This originally domestic strategy is now applied abroad. The principal enemy is the US.

For the UK the united front strategy aims to detach the country from the US and to make it, if not a friend, then at least neutral. All Chinese officials, whether from the UFWD itself, the Ministry of Foreign Affairs, security ministries or wherever, have united front objectives which feature in their annual assessments.

The CCP expends great efforts to achieve its united front goals. Creating economic dependency is one tool. Another is creating critical infrastructure and technological dependency (these are considered below under the heading of “Prioritising UK national security”). Where it can, the CCP tries to “capture” UK politicians. A more frequent tactic is to work through those who can influence government policy – former politicians (especially in the House of Lords), ex-civil servants, businessmen, high-profile academics, or scholars in think tanks.

By appointing such people to boards of Chinese companies, to visiting posts in Chinese universities, or by giving other opportunities and rewards, the CCP hopes to use them to influence the UK government, in effect encouraging the UK to be less rigorous in pursuit of its own security, interests and values where they conflict with those of the CCP.

Particularly insidious is the assault upon academic freedoms and freedom of speech, which goes well beyond ensuring that subjects such as Tibet, Tiananmen, Taiwan, Hong Kong and concentration camps in Xinjiang are not discussed in terms inimical to the CCP’s position. The self-censorship induced is deleterious to a general UK understanding of China, which in turn affects correct policymaking.

In a paper published by RUSI in February 2019, *China-UK Relations: Where to Draw the Border Between Influence and Interference*, the author set out the threat from CCP interference in the UK. The paper covered seven areas: academia/think tanks; interference in the western press and freedom in publishing; freedom of speech and rule of law; public policy and politics; espionage; threats to critical national infrastructure; and wider technological threats, including the spillover from surveillance and control technology/systems and internet governance.

The RUSI paper summarises defence against CCP interference in five words: knowledge (of the CCP), transparency, publicity, unity, and reciprocity. It included 35 recommendations for action in the seven areas. They remain relevant. This paper does not propose to cover the same ground, although it will elaborate certain connected recommendations in sections below. Nevertheless three measures stand out:

1. Parliament’s Intelligence and Security Committee should carry out an inquiry into CCP interference activities in the UK and provide suggestions for countering them. It should
make recommendations on how to counter self-censorship in academia and think
tanks, a battle the UK is currently losing. It should also investigate the greatly
increased espionage threat posed by the Chinese security services.

2. The government should study carefully measures to tackle interference taken by like-
minded states, particularly Taiwan, which is the frontline or “experimental zone” for CCP
interference. For example, since transparency is the best defence, the government
should consider a UK version of the US Foreign Agents Registration Act, which requires
disclosure of activities and finances by people and organisations under control of
a foreign government or by those working on their behalf. It need not be China
specific.

3. The UK government would be well advised to follow the Australian government’s example
and set up a National Counter Foreign Interference Coordinator 55. A crucial aspect of the
office of the NCFIC is that it controls the funding for dealing with interference.
This gives it clout.56 Not least among the duties of a UK version would be to decide
whether to add to the remit of the intelligence services, which are currently (if
inadequately) set up to deal with a traditional CCP espionage threat, or to put
other departments in charge of countering the aspects of a threat not previously
encountered. Either way, more resources will be needed and should be controlled
by a NCFIC equivalent.

Advancing UK interests – trade and investment
In the wake of Brexit, politicians and others spoke enthusiastically of signing an FTA
with China. Certainly there is room for expansion in trade: in 2018 China was only
the UK’s sixth-ranked destination for the export of goods and services (3.6 per cent),
behind the US (18.8 per cent), and four EU countries (the EU in total is around 43
per cent).57 History, geography and difficulties of doing business in China are factors
behind this low figure. Another has been China’s reluctance to open the service
sector, an area of British strength, to foreign competitors. This is slowly changing
as China realises the need for an economy of its size to have a more effective,
competitive service sector. A major UK objective should be to continue to put pressure on
China to open up in this area.

Signing an FTA and a bilateral investment agreement (BIA) would be welcome.
But this objective needs to be tempered by reality. The EU has spent over seven
years negotiating a BIA (so far unsuccessfully) as a prelude to an FTA. Australia’s
FTA took a decade, and in the view of some was signed as a political move, to the
country’s disadvantage. Signing such agreements should be predicated on there being
a far fewer barriers and inequitable practices, which currently hamper trade and
investment.

In the absence of an FTA British and Chinese companies will continue to trade and
invest. Political encouragement is useful for advancing that. But the government’s
role is to ensure a balance of opportunity. That means pressing China to cease claiming
the status and privileges of a developing country, which clearly it no longer is; to desist
from insisting on technology transfer; to protect better foreign intellectual property;
to reduce the list of industries and fields from which foreign companies are excluded;
to open its procurement procedures; to cease unfair subsidy and financing practices. Clearly this is not something which the UK government can work towards on its own. *Brexit notwithstanding, we shall need to work closely with European countries, as well as with Five Eyes allies and Asian democracies.*

At some stage in the future the UK government will need to decide whether the liberal democracies have been successful in changing the CCP’s trade, investment, and industrial policies, not just within China but in third countries, where the Chinese business and financial practices undermine fair competition.\(^{58}\)

Since the call for change requires the CCP to alter substantially its internal and external economic model, upon which its power and legitimacy are largely based, the chances of success are limited. Sadly, but necessarily, this would require a greater degree of divergence from China and a greater degree of cohesion among liberal democracies. It would also increase costs and diminish lifestyles. But the alternative is to bow the neck to the yoke of CCP economic, and thereby political, hegemony.

*The UK government should begin contingency planning for this immediately and, in the absence of a consistent and communautaire policy coming out of Washington, might act as a convener of the like-minded. The objective would be to set up a trading and investment body, a sort of expanded Trans-Pacific Partnership.* This risks diminishing the WTO, but it is arguable that the WTO process has failed to deliver and is manipulated to the CCP’s benefit. The establishment of such a global partnership might induce the CCP to modify its systems, if it decided that staying outside was disadvantageous. That would be a bonus, but not the main initial aim.

**Prioritising UK national security**

Security is a very broad concept, which includes non-traditional areas beyond defence, such as critical national infrastructure, data, scientific research, and even culture, education and the media. Length prevents this paper looking into all aspects.

Behind the need for greater vigilance and restriction is the novelty – not relevant in the Cold War – of working with an authoritarian country which is economically, scientifically and militarily powerful, and at a time when the distinction between civil and military uses of technology is eroding.

Furthermore the CCP’s actions and propaganda offensive during the Covid-19 crisis have shown that liberal democracies should re-examine any trust they had in the Party’s tirelessly trotted-out slogans of “win-win” and “destiny of common future for mankind”. The ruthless Covid-19 and other propaganda at the expense of liberal democracies underlines Xi Jinping’s declared intent of gaining the “dominant position” over the west.

While it is highly unlikely that in the foreseeable future the UK will be involved in armed conflict with China, the growth of the People’s Liberation Army and China’s increasing assertiveness do require preparation for future confrontation, which is most likely to be in the form of “hybrid” rather than convention warfare. “Five Eyes” and other allies may well feel the heat of Chinese hard power, and the UK needs to stand...
by its alliances. The “Integrated Security, Defence and Foreign Policy Review” is currently stalled, but it should make a major objective the study of China’s concept of hybrid warfare and working with allies on countermeasures. This should include close consultations with Taiwan, which is the frontline of China’s hybrid warfare.59

Non-military elements of national security should consider:

- **Limiting Chinese participation in critical national infrastructure (CNI).** Telecommunications and 5G have recently been to the fore. The decision on Huawei should be revisited. Other areas include grids, nuclear power, ports, transportation. In some spheres exclusion should be total; in others a 10-15 per cent limit might be appropriate. The worry is that even if risk can be managed now, maintaining that ability as technology and lines of code are continually updated over a long period of time may be difficult. Second, it is unwise to open up the possibility of being pressured in other areas of policymaking or national interest by giving the CCP the ability to threaten to interfere with CNI. Threats over Huawei underline how likely that might be.

- **Ensuring critical supply lines.** As with CNI, Covid-19 has sent a warning about over-reliance on China and trust in the CCP not to use pressure available to it. A report by the Henry Jackson Society60 concludes that the UK is dependent on China for 229 goods. That list may increase as the CCP seeks to dominate new industries. The UK needs to decide which goods are crucial and which can be sourced elsewhere. It will need to work with allies and the EU. A first step would be for the government to ensure that its knowledge of its dependency upon China for CNI and strategic materials is comprehensive and up to date.

- **Setting down parameters for R&D cooperation with China on science, technology, engineering and mathematics (STEM) subjects, both in universities and companies.** The UK benefits from cooperation with China in STEM research. At the same time some areas, while they have civilian uses, may aid China’s military development or its surveillance and repression apparatus. Huawei, for example, currently has commissioned British universities to conduct research into drones, cryptography, facial recognition and skeletal movement (useful for gait recognition61); at the same time, it has three joint laboratories with public security departments in Xinjiang. Many British universities are not aware of the links which certain Chinese opposite numbers and research institutions have with Chinese military or security departments. The sensitivity of STEM research is not black and white; rather it is 50 shades of grey. The government should set up a body to provide advice and monitoring on what is acceptable. It should have the power (if necessary, by financial sanction) to stop cooperation on certain subjects, or with certain individuals and organisations. This body should liaise closely with relevant authorities in like-minded countries.

- **Speeding up legislation on the National Security and Infrastructure Investment bill.** The UK government put out a green paper in 2017, followed by a white paper in July 2018, which announced that it had “amended the Act earlier this year to allow more interventions in certain key areas of the economy. Full reform, however, requires primary legislation to introduce a new regime”62. The bill was announced in the Queen’s Speech on 19 December 2019. No date is yet available for second
Covid-19 underlines the urgency of passing this new legislation: there is a risk that a China whose economy recovers first from the virus will seek to buy up cheap technology assets. Vigilance is required.

- **Limiting harmful data flows to China.** In a fascinating paper, the American scholar Samantha Hoffman shows how one Chinese company, owned by the CCP’s Central Propaganda Department, claims to ship back annually to China through its translation app/technology the equivalent of 1.5 trillion pages of information, which it uses to make “instruments” of use to the People’s Liberation Army and the security services. Data, allied to machine learning, is a powerful tool. The CCP’s pushing of the concept of “smart cities” with their Chinese technology and equipment helps in this collection of data. At the simplest level, countermeasures might include keeping “smart cities” at arm’s length, government servants being asked to avoid using apps such as WeChat, or government procurement avoiding such equipment as Hikvision cameras, whose default mode is to store information in China. This enormous subject, which goes far beyond these examples (TikTok and Alipay are in the news for this reason), requires the UK government to establish a task force with like-minded allies to research what can be done to limit data flows which can be used against our interests.

- **Ensuring that changes to international governance do not harm UK security.** Liberal democracies have always supported an open and global approach to questions such as telecommunications or internet governance. The UK must work with its allies to preserve and promote open systems such as those of the International Telecommunication Union, or the rules governing the internet.

### Promoting UK values

The role of values in the UK’s foreign policy waxes and wanes, both in rhetoric and reality. The fanfare of Tony Blair’s ethical foreign policy gave way to George Osborne’s “Golden Era”, which prioritised economic benefit (the Treasury did indeed set China policy). Recent CCP actions have ensured the resurgence of values in policy towards China.

The first jolt came in mid-2013 with the leak of “Document no. 9” (see endnote 14). Further jolts followed. The fourth plenum of the Central Committee in October 2014 emphasised that the Party controlled the law. In July 2015 a crackdown, still rigorously pursued, began against lawyers. Repression in Tibet was followed by the establishment of concentration camps for ethnic minorities in Xinjiang; meanwhile freedom of religion was under assault throughout China. Undermining the CCP’s own invention of “One Country, Two Systems” in Hong Kong and threats to “reunify” democratic Taiwan by force are cause for further concern.

The days when the issue of values could be confined to the margins of relations with China are over for three reasons. First, most people in the UK do care about the values embodied in the Universal Declaration of Human Rights (UDHR) and the various UN conventions; recent egregious abuse of fellow humans matters. Second, the Party’s insistence that it is above Chinese law has been extended to international law: two obvious examples are the disregarding of a binding ruling by the
independent arbitral tribunal established under the UN Convention on the Law of the Sea (UNCLOS) relating to the South China Sea, and a declaration that the UK had no right to monitor the Sino-British Joint Declaration on Hong Kong, an international treaty lodged at the UN. Subordinating international law to national advantage strikes at the heart of global order. Third, the CCP is intent on exporting its values, including rule by law as opposed to rule of law. This is pushed by technology, in particular Beijing’s export of its systems of surveillance; and by an effort to increase the CCP’s “discourse power” (ie alter underlying concepts) in such bodies as the UN Human Rights Council (UNHRC) or over such issues as internet governance.

The UK government should continue to put effort into maintaining the original goals of UN agencies in support of universal values. It should encourage more British people to seek roles in international bodies, work more closely with the like-minded and put greater effort into gaining the support of non-aligned countries.

**Human rights**

If the past assumption was that the CCP would eventually move closer to western thinking on human rights, that thought has been set aside. It should also be clear by now that a “softly, softly” approach has not succeeded. When UK ministers or officials run up against the CCP’s asseveration that “China is different”, that internal matters are not the business of outsiders and that economic rights are primary, they should stress:

- Acknowledgement of the achievement of the Chinese people in gaining enormous progress in prosperity and poverty reduction.

- The west is not seeking to impose its values. It calls for adherence by the CCP to the Chinese Constitution, which guarantees freedom of speech, religion, etc. These are the same values as set out in the International Covenant on Civil and Political Rights (ICCPR), which China has signed, but not yet ratified. Disregarding the ICCPR is a dangerous devaluing of agreed international standards and agreements.

- Chinese values relating to human rights are not different. Two of the main movers behind the International Declaration of Human Rights in 1948 were Chinese government officials. The change of government in 1949 did not betoken a change in Chinese culture; and the PRC is the successor to the previous government.

- Chinese societies such as Hong Kong and Taiwan have values which are substantially the same as those in western democracies. There is no unique Chinese set of values.

It should become an expectation on the CCP side that, in all relevant meetings, UK ministers and senior officials will raise the human rights, including specific cases (human rights defenders in China find this morale-boosting, even if it is difficult to claim that CCP behaviour towards an individual is changed). More publicity should be given to these exchanges, especially when the CCP reacts by shutting down or refusing meetings with ministers or officials. Holding the Human Rights Dialogue is not an

"It should also be clear by now that a ‘softly, softly’ approach has not succeeded."
end in itself. If the CCP renders it meaningless or delays it, the UK government should say so loudly.

The UK government should seek to persuade the US to return to the UNHRC. It should continue to oppose CCP attempts to subvert the values set out in the UDHR and the ICCPR. It should also seek, particularly with Muslim nations, to promote global opposition to the CCP’s campaign of cultural genocide and religious suppression in Xinjiang and Tibet. Domestically, parliament could hold debates in order to draw attention to the fate of Uyghurs and others, and the Foreign Affairs Committee should hold a short inquiry. Internationally, like-minded countries should convene to consider what can be done to counter CCP attempts to undermine universal values.

**Upholding the rule of international law**

The importance of international law in preventing relations between countries from lapsing into a competition of the strongest or most ruthless needs no elaboration. The CCP salutes the concept, but only as long as it does not cut across China’s “core interests”, which it defines in its own image. To acquiesce in this partial approach is to encourage others to behave the same way, which risks weakening the system from which all countries currently benefit. The UK should be uncompromising in its insistence on the CCP abiding by international law.

**The South China Sea** is the most salient example of the CCP’s selective approach. Its territorial claim to the area within the infamous “nine dash line” is legally unsupported, its behaviour unsupportable. China has signed and ratified the United Nations Convention on Law of the Sea (UNCLOS), which lays down that: “The coastal State shall not hamper the innocent passage of foreign ships through the territorial sea.” Yet it tries to prevent freedom of passage through the seas around disputed features. Infamously, in 2016 it also refused to accept the judgement of the arbitral tribunal constituted under UNCLOS in a case brought by the Philippines. The FAC report of April 2019 urged the continuation of Royal Navy voyages through the South China Sea:

> The Government should make a public statement about the purpose of its naval operations in support of freedom of navigation in the South China Sea in future, which identifies the legal basis on which they are conducted, and the specific claims or practices they are intended to challenge. (Paragraph 45.)

This suggestion should be taken up.

**Hong Kong’s future** was set down in the Sino-British Joint Declaration (JD), an international treaty, which remains in force until 2047. The UK has the right and the duty to ensure that its provisions are followed. It also has the right to take a dispute over the JD to the International Court of Justice in The Hague, since the JD was registered at the UN under Article 102 of the UN charter.

In 1996 Prime Minister John Major declared in a speech to chambers of commerce in Hong Kong:
“... it will not just be Britain which will be watching, which is watching now over the implementation of the Joint Declaration. We shall ensure that others are watching as well. Hong Kong will never have to walk alone.”

The CCP has tried to deny this obligation for the UK to monitor the JD. Rightly, the UK government must resist and insist, for if the CCP cannot be trusted to stand by international agreements in this case, the question arises about what happens in other cases.

The CCP has recently been undermining its own concept of “one country, two systems”, not least through the direct imposition of a law on national security and the future establishment of mainland security departments in Hong Kong. The six-monthly FCO report to parliament is insufficient. The recent announcement of the right of British nationals (overseas) to stay in the UK on a path to citizenship fulfils a moral responsibility, but it will do little to deter the CCP. Publicity is one of the few tools the UK has, and could be generated by:

• An annual, but short, inquiry by the FAC into observance of the JD;
• More frequent visits to Hong Kong by parliamentarians and ministers;
• More frequent parliamentary debates;
• Putting Hong Kong on the agenda for every ministerial meeting with Chinese opposite numbers, no matter which ministry is represented;
• Further efforts by government to get other countries to speak out over restrictions to Hong Kong’s freedoms and system;
• Putting Hong Kong on the agenda of G7, G20 and other international meetings.

In the event of an egregious breach of the provisions of the JD, the UK should take China to the International Court of Justice.

Supporting democracy and transparency; opposing corruption

The CCP is keen for the “China model” to be exported to other countries. This does not mean their adopting “socialism with Chinese characteristics”: the historical, cultural and political conditions which gave rise to the Chinese system are not present in other countries. But it does mean an intention that they should adopt aspects of authoritarianism which are antagonistic to democratic values. The UK, together with the like-minded, should be more active in countering this.

The UK government devotes too little of its resources to public diplomacy. They need to be deployed more effectively. A good example is WHO funding. The most recent finalised accounts, from December 2018, make clear that the UK’s contribution is well over four times that of China’s (whose voluntary contributions at around $6 million are a mere 3 per cent of the UK’s – and that excludes the $158 million
contribution of GAVI, the vaccination organisation, to which the UK is the biggest contributor). Few are aware of this.

Reinvigorating public diplomacy efforts centres on support of democracy as a better alternative to authoritarianism, demonstrating the need for transparency and opposing corruption. If this last seems an eccentric choice, consider that one of China’s exports has been the corruption which is endemic within its own business and political environment. Corruption not only makes the doing business abroad for UK companies more difficult, it also weakens governance in the countries where Chinese companies bribe. The benefits of good governance are obvious at both the national and global levels.

**Pressure should be put on the CCP to take action under the 2011 amendment to its criminal law, which made bribery abroad an offence.** So far it is impossible to point to a case prosecuted under the law. Ministers should raise the matter with their Chinese opposite numbers. The answer to requests for help over China’s internal corruption war and those who have absconded with their ill-gotten gains, should be contingent upon the CCP reining in bribery by its companies abroad. Meanwhile the UK government needs to ensure that its own house is in order, so that Chinese individuals or those bribed by Chinese companies cannot lodge their profits in Britain or its overseas territories.

**Policy towards Taiwan** is an important part of the values debate and one likely to require attention in coming years. A democracy of 23 million people cannot be left in the lurch. Beijing’s December 2018 “Policy Paper on EU Relations” shows a toughening of language on Taiwan:

> “... there should be no official contact or exchanges in any form. The EU should refrain from signing with Taiwan any agreement with sovereign implications or official in nature. No institutions of an official nature should be established. The EU should not endorse Taiwan’s membership in any international organization where statehood is required, not sell Taiwan any weapons or any equipment, materials or technologies that can be used for military purposes, and not carry out military exchanges or cooperation in any form.”

While not changing its policy of remaining uncommitted on the question of unification of the mainland and Taiwan, **the UK government should make it clear to the CCP that UK-Taiwan relations, including official contacts, will continue as they have been, including between officials and parliamentarians; that it strongly supports the inclusion of Taiwan in international organisations such as the WHO and International Civil Aviation Organisation; and that any attack on Taiwan would lead to a suspension of relations with Beijing.**
Both Brexit and Covid-19 have put back the urgent work of formulating a new UK strategy for relations with China. Yet its relevance to our long-term future means that delay acts increasingly to our disadvantage. Whether or not China becomes the, or even a, superpower by the middle of the century, it will be an important power, and one which affects the UK’s future.

Those outside government gain only glimpses of the rethinking which is going on. Perhaps the UK government has already considered many of the points covered in this paper, at least to some degree. Yet there is little evidence of in-depth and systematic consultation with experts in academia, business, civil society or with allies. There is even less evidence of transparency, if not relating to detailed deliberations within government, at least to some preliminary thinking. Ultimately, openness is essential, if implementation is to be coherent and the CCP is to understand better the UK approach.

This paper has tried to outline the main issues and to suggest how they should be approached. No doubt it has left out some of what should have been included and perhaps not reached acceptable conclusions on some which it has. It will have served its purpose if it has stirred up debate and provided some light on a way forward.

The UK is a close ally of the US and will remain so when a new, or renewed, administration arrives in Washington in January. Whatever the nature of US-China relations in future, the UK’s relations with both countries would benefit if, by the end of the first quarter of 2021, our government had a clear strategy for China. That would enable us to play a leading role in maximising good relations with China, while minimising the inevitable divergence between liberal democracies and authoritarian regimes.

At the risk of strategy and policy overload, the UK also needs to consider how to work more closely with Asian allies and big trading partners, such as Japan, South Korea and India.

Finally, and at the risk of repetition, whatever the tensions of the Brexit negotiations and the new arrangements with Europe, neither the UK nor the EU should lose sight of the importance of close cooperation in our China strategies. As the CCP likes to remind us all: “China is a big country”. Through its assertive diplomacy it also likes to remind us that we are smaller. But we are not small – as long as we stand together.

2. See paragraph 127 of “China and the Rules-Based International System”, Foreign Affairs Committee of the House of Commons report, 4 April 2019. [https://publications.parliament.uk/pa/cm201719/cmselect/cmfaff/612/61210.htm](https://publications.parliament.uk/pa/cm201719/cmselect/cmfaff/612/61210.htm) The author did not draft the FAC paper, but he was special adviser to the Committee and provided input and comment for the final paper.


7. This is a line which has been put to the author by several government officials.


9. The phrase was coined by Professor Steve Tsang of SOAS. It is however important to note that the governance system of China is very different from that of Russia, both past or present. Leninism comes with “Chinese characteristics” – or more accurately, CCP characteristics.


12. Released in 2015, “Made in China 2025” is an industrial plan which aims to ensure that by 2020 40 per cent, and by 2025 70 per cent, of inputs into 10 high-tech industries are domestic in origin. Industries include new energy vehicles, next-generation information technology and telecommunications, advanced robotics and artificial intelligence, agricultural technology, aerospace engineering, new synthetic materials, advanced electrical equipment, emerging biomedicine, high-end rail infrastructure; and high-tech maritime engineering. [https://www.cfr.org/backgrounder/made-china-2025-threat-global-trade](https://www.cfr.org/backgrounder/made-china-2025-threat-global-trade)


14. Authorised by the Central Committee on 22 April 2013 and thus an early manifesto of Xi Jinping’s views, the “Communiqué on the Current State of the Ideological Sphere” lists seven “don’t speaks”, declaring war on western values such as constitutional democracy, universal values, an independent civil society, neoliberal economics, freedom of the media, denying the Party’s history, and questioning the political system. For a succinct summary of Document no. 9 see: [https://en.wikipedia.org/wiki/Document_Number_Nine](https://en.wikipedia.org/wiki/Document_Number_Nine) For a translation see: [https://www.chinadfile.com/document-9-chinadfile-translation](https://www.chinadfile.com/document-9-chinadfile-translation)

Towards a UK strategy and policies for relations with China


A good example is the “Fengqiao experience”, a term used by Mao, to which Xi Jinping and CCP documents now frequently refer. In essence this calls for the revival of mutual surveillance by neighbourhood committees, which report on activities in their locality and endeavour to sort out issues at the grassroots level before they become social and political problems for the authorities.

According to a Chinese white paper, “China’s Peaceful Development 2011”, China’s core interests include: 1) state sovereignty; 2) national security; 3) territorial integrity; 4) national reunification; 5) China’s political system established by the Constitution and overall social stability; 6) basic safeguards for ensuring sustainable economic and social development. https://www.chinausfocus.com/foreign-policy/what-are-chinas-core-interests-2

The term is often used to refer under 3) Hong Kong, Macao, Taiwan, Tibet and increasingly the South China Sea.

“It is likewise inevitable that the superiority of our socialist system will be increasingly apparent.” Xi Jinping speech to Politburo, January 2013, “Uphold and Develop Socialism with Chinese Characteristics”. https://palladiummag.com/2019/05/31/xi-jinping-in-translation-chinas-guiding-ideology/

Often referred to as “discourse power” (“hua yu quan’) or in more digestible English “China’s voice”. See Fu Ying (2020) “Shape global narratives for telling China’s stories”, 21 April: https://global.chinadaily.com.cn/a/202004/21/WS5e9e313ba3105d50a3d178ab.html


The author’s own experience provides a stark example of this. On one occasion a government department was looking at the EU’s policy towards China. The author is one of two (then) British officials to have served in the EU Delegation in Beijing. He was only invited to the meeting after another invitee had asked him to help because the topic was outside her experience.

Professor Kerry Brown puts the number at 300. See The Future of UK China Relations, p. 6. His book is a valuable contribution to highlighting the lack of China studies in the UK and the dangers of a resulting inadequate understanding of China.

See paragraph 34, FAC report.


See pages 15-16 of the 2009 framework.

Paragraph 16, FAC report.

P. 18-19, 2009 strategy paper.

It is unlikely that this will occur any time soon. The CCP is most unlikely to open the capital account, a necessary step, for fear that existing capital flight would become a flood. Freedom to move money abroad would lead many Chinese to withdraw money from the housing market, the main vehicle for savings, with severe, if not disastrous, consequences for the construction industry and other industries. The impact on already strained local government revenues, which are heavily reliant on land sales, would also be severe.

There are 12 “core socialist values”, divided into 3 levels: national values (prosperity, democracy, civility and harmony); social values (freedom, equality, justice and the rule of law); and
individual values (patriotism, dedication, integrity and friendship). These are plastered on posters throughout China’s streets.

34. This phrase has a long history. Eg the “anti-spiritual pollution” of 1983 opposed western influences.

35. Some of the language used by Chinese diplomats has been highly offensive. For example, the ambassador to Israel compared the travel bans against Chinese citizens with the turning away of Jewish refugees during the Holocaust. SBS News, 3 February 2020: https://www.sbs.com.au/news/china-s-envoy-to-israel-compar…holocaust


39. See Parton “China has a strategy and Britain doesn’t”, Standpoint, 1 April. https://standpointmag.co.uk/issues/april-2020/china-has-a-strategy-and-britain-doesn’t/


41. Maybe it should look at this more carefully, given China’s lead in areas such as fin-tech, but subject to considerations of data security noted in the section “Prioritising UK National Security”.


44. The Philippines in 2012 https://www.bbc.co.uk/news/world-asia-18015538; South Korea in 2017 https://www.ft.com/content/1067ceb6-aaa0-11e8-94bd-cba20d67390c; Taiwan in 2019 https://www.ft.com/content/6ba14934-b35e-11e9-8cb2-799a3a8cf37b.


46. According to the latest statistics (for 2018) 344,642 out of 391,380 visitors were independent travellers, ie 88 per cent. https://www.visitbritain.org/markets/china?package=1

47. Xinhua celebrated the first occasion of the phrase being written into UN documents in March 2017. http://www.xinhuanet.com/english/2017-03/20/c_136142216.htm

48. The CCP’s recent hostage taking, such as of the Canadians Michael Kovrig and Michael Spavor, or the kidnapping and incarceration of the Swedish citizen Gui Minhai, have not been resolved by the low-profile diplomacy adopted by Canada or Sweden.


50. A good example of this comes from Australia, where the federal government’s decision not to sign up to the BRI has been undermined by the State of Victoria, which has signed a separate memorandum. https://www.aspistrategist.org.au/victorias-belt-and-road-initiative-deal-undermines-cohesive-national-china-policy/


52. This term was borrowed from David Kelly, research director of China Policy.

53. For a recent paper on the UFWD, see Alex Joske: The party speaks for you: Foreign interference and the
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58. Books on the BRI are aplenty. Suffice it to say here that: the UK government should not “sign up” to the BRI, because we do not sign up to other countries’ foreign policies, but should seek to participate in specific projects; should continue to act as in the case of the AIIB and make institutions more global than Chinese; should continue to press for wider participation and transparency in BRI projects.

59. NATO secretary-general Jens Stoltenburg spoke on this theme on 8 June 2020, saying that “threats posed by Beijing demanded a more global approach”. https://www.ft.com/content/e05f45fb-49a8-4798-bcfc-1052080e43cd


61. Gait recognition is particularly useful in identifying individuals wearing masks or heavy winter clothing, as well as in polluted conditions where visibility is low. See: “Revealed: the worrying links between Huawei, our universities and China’ 28 May 2020. https://www.telegraph.co.uk/news/2020/05/29/revealed-worrying-links-betweenhuawei-ouruniversitiesand-china/


63. https://commonslibrary.parliament.uk/research-briefings/cbp-8784/


66. A number of HR defenders have made this point to the author during his time in Beijing with the EU delegation.


68. For example on 3 June 2020, the MFA spokesmen declared: “You cannot find a single word or article in the Joint Declaration that confers on the UK any Hong Kong-related responsibility after the handover ... The UK has no sovereignty, no jurisdiction and no right to supervise Hong Kong.” http://www.xinhuanet.com/english/2020-06/03/c_139111810.htm There is a deliberate mistranslation behind the Chinese denial. The JD gives the UK the right of monitoring; the CCP translates this word as “supervising”.

69. FAC report: paragraph 97.


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