**Where Next on UK-China Engagement?**

The UK’s Evolving Priorities, Geopolitical Developments
and China’s New Strategic Framework

A major new report from the British Foreign Policy Group warns the UK still has a long way to go before it can effectively and constructively engage with China, and secure the nation against the challenges China poses now and into the future.

The report recognises the UK Government has made important progress in implementing new safeguards and in building a more robust strategy on human rights and global norms. But it argues the UK’s ‘reset’ on China remains a work in progress, and there is still much to be done to strengthen the UK’s position so we can pursue China engagement from a more confident position. Significant, structural change to policy-making processes will be required to effectively balance security and openness, as pursuing a ‘balanced’ relationship will involve regular points of tension. We must build systems capable of accommodating these in a principled and consistent fashion.

Recognising the ongoing scrutiny that will be required towards different points of engagement, the report proposes a “triad” model for making decisions about actions towards China – categorising choices around the nature, sphere and stakes of such decisions, to ensure the Government can consider their implications in the round. Other key recommendations include:

1. **The UK must deepen and enhance institutional knowledge about China.**

Britain remains under-powered on China expertise, which continually places us at a strategic disadvantage. The UK Government needs to deepen its understanding of China in political, economic, social and historical terms. Businesses, citizens and civil servants need to be equipped with the language skills and strategic capacity to better anticipate and interpret China’s historical, contemporary and future behaviour.

1. **Economic engagement continues to present opportunities, but we must be realistic about the nature of our negotiating position.**

The UK’s status as a major international actor in fields such as financial and legal services provides opportunities for British businesses to expand into growing markets in China, and there is much about the UK’s capabilities and production of genuine interest and admiration for China. But the UK’s assessments of future opportunities must be based on a measured understanding of China’s size and standing, and the implications for our individual interests.

1. **China’s attendance at COP is a key measure of success for the UK, but we must accept it realises its scope of leverage on climate action.**

China will not respond well to efforts to demand its participation in global commitments, and the UK’s diplomacy should rather focus on making a positive case for both nations’ capabilities at the frontier of green technology, and our common interest in transforming our economies to be more sustainable. The CCP’s compact with its citizens demands growth and hence forging a ‘green economy’ will provide political dividends beyond the moral arguments for climate action.

1. **We must pursue a robust line on human rights with China, and ensure we uphold these standards at home and in our other partnerships.**
The increasing attention we pay to China as an ideological challenge should also inspire us to reaffirm the values we identify as fundamentally distinct to those promoted under its authoritarian regime – ensuring consistency in their domestic application and in our other partnerships. China’s leaders derive great satisfaction in highlighting areas in which our legitimacy in upholding our values can be called into question.
2. **Even when the UK experiences geopolitical disputes or areas of tension with China, they must not be conflated with the Chinese people.**Our concerns about China’s behaviour as an international actor and disagreements with the ruling party’s approach to governance do not constitute an attack on the Chinese people. Allowing xenophobia and fear about the intentions of the Chinese community to germinate will not reflect positively on Britain and would indeed erode some of the inherent strengths the UK holds through its embedded liberal values.
3. **The UK Government must ensure that the decision to temporarily reduce our foreign aid spending does not create a vacuum that reduces our ability to influence development partners or identify appropriate areas of cooperation with China.**

While it is understandable the economic situation precipitated by the coronavirus pandemic has compelled difficult choices around HMG spending, it is impossible to ignore the opening this will present to China, which is actively seeking opportunities to leverage aid and investment to support its strategic interests. Recognising the strategic value of ODA spending, the UK should more boldly pursue an approach of ‘burden-sharing’ in the development sphere with our allies.

1. **We must strengthen the process of securing our critical national infrastructure, and future-proof our definition of what will become valuable to us.**
Many key sectors vulnerable to influence or acquisition, but outside the traditional framework of our critical national infrastructure (e.g. higher education, research commercialisation, health technology, agriculture), have not been sufficiently protected. We must also anticipate new areas of emerging value to Britain and interest to China, such as those involving intellectual property capture or technological path dependency. Individual companies, products or industries may not on their own appear to represent a national security risk, but we must recognise the role they may play in wider supply chains, in our resource sovereignty, and in maintaining Western technological strength and resilience.
2. **Britain must lean into its special capabilities in designing the governance frameworks of the future, which will address many areas of growing importance to China.**The UK holds particular expertise in designing and establishing international governance frameworks around liberal principles, and we should seek to play an integral role in the new frontier of global regulations and standards – particularly addressing the issues of ethics in Artificial Intelligence, the open and global internet, and space regulation. Our role in these will be the most significant, tangible application of our ‘force for good’ agenda.
3. **While the UK-China bilateral relationship will remain unique, we must also build and maintain the foundations of a collective approach to China amongst liberal allies.**Britain’s relationship with China will, in some respects, remain distinct from that of even our closest allies. But we must also ensure there is a collective baseline of both judgements and favoured responses to areas of common interest with China. This will also involve investment in relationships outside the core Western alliance, and could bring in new partners in the Indo-Pacific who share our interest in open economies and societies.
4. **China provides a striking example of the urgent need to integrate our domestic and international resilience agendas.**The breadth and nature of risks posed by a state such as China, which is deeply entangled in the global economy, and which practices integration on all levels of its proactive and defensive activities, demands a whole-of-society approach to our national security. Civilians, businesses, universities, the media and our democratic institutions are all potential points of influence and interference, and need to be sufficiently safeguarded. Our engagement with China is an ongoing process without any definitive ‘end point’ and which will require ongoing vigilance and a clear common purpose about our sovereignty.