

# Strengthening the UK's Approach to China

## Initial Thoughts for a New Government

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This short briefing sets out a suite of themes for consideration by the new UK Government with regards to developing a distinct, effective, and realistic policy towards China. In doing so, it also addresses several of the primary integration frameworks that will need to shape geopolitical planning and decisions about the prioritisation of British agency and resources, namely: domestic and international policy-making, economic and national security via technology, and the Euro-Atlantic and Indo-Pacific security theatres.

### **1. Integrate Economic and National Security**

The matter of the UK's future prosperity and resilience is an increasingly integrated question. There are meaningful dependencies and interactions between our economic, geostrategic, and national security choices. While most of our allies are also grappling with a similar landscape, the primacy of this integration effect is considerably more urgent in the UK context, because the nexus at which our economic and national security converge happens to be the central focus of our future economic structure – technology and innovation. This is also the area which the Chinese Communist Party has centred as the underpinning of its growth strategy, and will therefore be the focus of coordinated allied initiatives to support both our collective competitiveness and deterrence.

The UK will not be able to achieve its objectives in any of these areas unless it is able to possess a bird's eye view of the evolving interactions and trade-offs, and ensure that all decisions are made with these in plain sight. The success of key priorities such as the UK-China bilateral relationship, and AUKUS, are particularly dependent on these capabilities and structures. There would be a strong argument for a security architecture that better supported the practical application of the integration of our economic and national security, via joint committees, a dedicated DNSA, and a dedicated Minister in the Cabinet Office responsible for overseeing this integration and ensuring that relevant departments such as the Treasury, the Foreign Office, DSIT, DBT, and Defence, are equipped with the capabilities and opportunities to assess contingent decisions.

### **2. Distribute China Capabilities Widely Across Government**

As it stands, day-to-day decisions are not taken in many HMG departments with the appropriate degree of consultation commensurate with designating China as a 'systemic challenge'. There must be a minimum baseline of China capabilities across all leadership teams in all departments, even those which would not have fallen into the traditional conception of China-facing areas – for example, policy areas such as agriculture, energy, and health. This is the only way to shift from the deeply reactive approach that has characterised our China strategy to a more proactive position, which enables Government to anticipate decisions and safeguard our national interest from future ingress points of influence and coercion.

The UK has allowed its strategic arsenal and points of leverage to be depleted over generations, complacently selling off what became vital assets, services, and capabilities to Chinese and other foreign ownership. It is tempting but also hubristic to assume that we would never make such a grave mistake again. The only way that we can adequately protect ourselves is to outflank the approach taken by the CCP to our own instruments, which is to be crystal clear about what is valuable to us, and also to take into account what is currently or potentially important to our strategic rivals. This will necessitate HMG taking a much more expansive view of the scope of critical infrastructure, assets and knowledge, and embedding capabilities horizontally throughout Government in order to defend the national interest now and in the future.

### **3. Understand the Limitations and Intent of Engagement**

After a profound, necessary institutional reckoning regarding our relationship with China, and the period of alternating inertia and ‘chill’ that has followed, there is an understandable desire to pursue engagement with a view to driving the ‘cooperation’ pillar of our stated approach to China. It is crucial that we engage with China and forge dialogues which allow both sides to pursue transparency and understanding of each other’s intentions and outlook. However, it is only possible to constructively engage with China from a position of confidence; otherwise, experience shows that Beijing will simply exploit weaknesses and entrap Britain into unfavourable situations where concessions will need to be made to return to the status quo.

We know from the efforts of our allies that there is relatively little that can be achieved from outcomes-focused dialogue with China, with the exception of resolving some distinct bilateral disputes. These tend to be areas in which China has either responded to Western public diplomacy or accountability on China’s domestic or international behaviour, or the imposition of safeguards against China’s own distorted trade practises, harnessing trade instruments such as tariffs in a punitive capacity. These achievements may be ‘wins’ but they do not represent progress, as they are simply restoring an equilibrium which China’s behaviour had previously transgressed.

On other issues typically earmarked for cooperation, such as climate change, there is scant evidence that China has rewarded the considerable concessions made by Western partners with accelerated progress against its 2060 carbon neutrality objectives. It has certainly sought to shape its economic model around supremacy in advanced manufacturing in several key green technologies, notably electric vehicles, but this choice is motivated by its sovereign economic objectives and not international pressure. Similarly, representations challenging China’s tacit support for Russia in prosecuting its illegal war against Ukraine, across a wide range of domains, do not appear to have borne fruit. While it is true that China is heeding the warning to refrain from providing traditional hard power weaponry to Russia, at this stage, the degree to which this can be seen to directly reflect the arguments made by Western partners is limited. Moreover, China continues to support Russia’s economy, and to provide other vital materiel for its war effort, and has not demonstrated any caution in response to increasingly vocal representations regarding the potential threat of future sanctions.

All that said, there are several areas in which engagement has proven fruitful and in which the opportunities of dialogue are made clear. The first of these is around the promotion of consistent messages in coordination between allies. Namely, with the exception of Chancellor Scholz's disastrous trip to Beijing in April 2024, China has been forced to recognise that its support for Russia's war against Ukraine has fundamentally compromised European openness to ringfence trade and investment in transactional terms. This has not altered its choices in the short term, but may prove significant in the medium term.

The second area in which some achievements can be measured, is in terms of China's participation in existing and new forums; particularly the way in which the UK was able to secure Chinese attendance at the AI Summit in 2023. It is vital that China is not able to succeed in disrupting and delegitimising existing international forums and institutions – which it regards as reinforcing a Western hegemony – through the creation of alternative structures, and it is therefore a priority to have China participating in democratic-led initiatives around new frontiers of governance. It is possible that the creation of new formalised dialogues with China around technology, net-zero, and health advancements, will help to persuade Beijing of the common ground on such endeavours, and the utility of cleaving towards a common set of principles rather than a patchwork of regulatory models.

#### **4. Build an Approach to Accommodate Crises**

The pursuit of a 'balanced' approach to China necessarily anticipates points of tension and even conflict in the bilateral relationship. It is easy to view early successes and expressions of warmth after a change in government as reflective of a new era and a fundamentally changed relationship. When the inevitable downturn arrives, as China breaches expectations of acceptable behaviour and undermines conventions, it can be a shock to the system and risks returning British institutions to a reactive position.

This is why it is important to understand that the government of the day is simply the guardian of the bilateral relationship, and it's vital to foster long-term structural continuity amongst a set of core national objectives. Scenario-planning should be extended beyond the traditional scope of economic sanctions and kinetic warfare to encompass a range of smaller scale disputes, incidents, and tension points, so that Government can respond quickly, intentionally, and in line with the national interest. There should be a clear set of protocols to guide public statements, and private representations, as well as where lines should consistently be drawn around points of escalation.

#### **5. Recommit to the Integration of the Euro-Atlantic and Indo-Pacific Security Theatres**

It is important to give greater emphasis to the Euro-Atlantic region, as our home region, and to improve the UK's vital relationship with the European Union. The forging of a UK-EU security pact and greater integration of defence industrial production should be a priority, as should the continued strengthening of the UK's bilateral partnerships with key defence allies such as France, Germany, Italy and Poland. However, while it was forged in the aftermath of Brexit, the institutional analysis

that led to the galvanising force of the Indo-Pacific ‘tilt’ (now ‘posture’) was correct, and cannot simply be dismissed as a Brexit distortion of priorities.

The Indo-Pacific will be one of the most important regions for economic growth and the determination of global security dynamics over the coming decades. In part, because of the presence of China, which, under the Chinese Communist Party, presents a completely distinct challenge to the international landscape than any other authoritarian state. Other contemporary malign actors and strategic rivals can seek to disrupt and undermine the global free and open order, but only China could effectively dismantle and displace it. What is clear is that Beijing seeks to achieve its ambitions to replace the current order through both challenging norms of sovereignty, order, and openness in the Indo-Pacific, but also through supporting other states, notably Russia, in their efforts to destabilise, divide and diminish the Euro-Atlantic region.

The sanctity of the conventions that uphold stability and prosperity in one region will directly influence the actions of the disruptive and revisionist powers in the other, with the decisions taken by law-abiding states either deterring or emboldening rogue states contemplating their own incursions. A victory for Russia in Ukraine – which can only be achieved through the material support of China and other authoritarian states – will provoke an immediate deterioration of the Indo-Pacific security landscape, and a failure to uphold deterrence in the Indo-Pacific towards China regarding the future of Taiwan will also deleteriously alter the calculation of risk in the Euro-Atlantic. For these reasons, while we can be confident and clear that our first priority lies in the Euro-Atlantic, it is not credible to separate these two regions, and indeed, more attention should be given to the meaningful integration between them.

## **6. Avoid Inertia when Conducting Audits and Reviews**

There is an understandable desire to conduct a series of reviews around defence and security policy, and even without a change of government, the rapidly evolving strategic context would warrant a normalised process of regular re-evaluation and recalibration. There are also sound arguments to be made to integrate these processes, in order for them to be informed by the same perceptions of the strategic context and the hard choices required in the Exchequer to respond to and shape these realities.

However, the drive for a comprehensive bird’s eye picture must also be balanced against the need to maintain or accelerate momentum across several areas of policy. Geopolitical developments will continue to unfold, and diplomatic representations will be made, whether or not the Government feels that it stands in an optimised position. It is therefore vital that, prior to such reviews being undertaken, it is clearly determined which areas of policy can and must be advanced concomitantly. This will require an early acceptance of the fundamentals of the structural analysis which has been conducted by the British institutions led by Labour’s predecessors; namely, the Integrated Review and its Refresh. The process of designing the format and structure through which the promised China Audit will be undertaken is an opportunity to identify these areas as they pertain to the UK-China bilateral relationship.

## 7. Articulate the British Role in Strategic Competition

One of the most challenging but significant perception shifts necessitated by recognition of the expansive degree and pernicious nature of the risks posed by China to our national interest is the requirement to recognise that ‘strategic competition’ is not simply a US-China question to which we are bystanders, but rather a concept that we must engage with deeply and at a national level. Buying into ‘strategic competition’ with China does not mean simply copying the playbook of any other nation, even our closest allies, but articulating our distinct national interest in its outcomes, and the instruments we have to actively shape and influence its trajectory.

Operationalising strategic competition means that decisions about the shape and nature of the UK’s economic and industrial policy are taken with consideration to how best to enhance our capacity to compete with China and ensure that the international order which has so profoundly served our interests is able to be upheld. The choices made about the areas in which we prioritise growth, particularly in science, research, net-zero and innovation, are cognisant of China’s own interests in these fields and focused on how best to secure advantage. It will also require Britain to view our alliance structures through this prism, and actively seek opportunities to cooperate in ways that improve our collective competitiveness.

Certainly, America’s contest with China will compel Washington to take decisions in its national self-interest that may not always immediately align with our own objectives or values. However, the international order which reinforces its hegemony and which it is seeking to uphold is ultimately the best possible architecture we could hope to serve our own interests. We cannot be naïve to imagine that any new order forged in the disruption of rising authoritarian actors will in any way support our ambitions and way of life to a similar degree, let alone to exceed the benefits of what we currently have. America will not be able to win its strategic competition agenda with China without its allies, and equally we will not be able to thrive and prosper in the order that would supersede an American-led global system. There is no opportunity for us to opt-out from this paradigm, and those advanced democracies which seek to pursue their own path on this agenda will find their position increasingly unsustainable as authoritarian powers intensify their efforts to succeed in dismantling the status quo.

## **The Author**

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