



By: *Harvey Morris*

# UK's China "reset" seen as no substitute for a long-term strategy



The UK's bid to put its relationship with China on a more positive track has opened the government to the charge that it is putting potential short-term benefits ahead of its long-term strategic interests.

A visit to Beijing at the end of August by the Foreign Secretary James Cleverly, the first in 5 years by a senior British minister, was aimed at a reset of bilateral relations after a period of strain.

China's increasingly aggressive stance over Taiwan, the security threat posed by its technology sector, and Beijing's perceived one-sided "neutrality" in the Ukraine war, have contributed to international tensions.

Reprising the government's post-Brexit mantra, Cleverly said Britain wanted to show China it was "open for business", while bearing in mind security concerns.

By a quirk of timing, Cleverly's visit coincided with publication of a report by the House of Commons Foreign Affairs Committee that condemned the government's opaque China policy that it said kept even some ministers in the dark.

UK business representatives told the committee they were frustrated by the government's lack of a consistent policy on China, which had created uncertainty for the business community.

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Former party leader Ian Duncan Smith said the UK stance "smells terribly of appeasement". He said: "It's like we want more business, therefore we don't want to upset the Chinese too much".

Cleverly countered that the UK government was "clear-eyed" about areas of fundamental disagreement with China but sought to establish a pragmatic working relationship.

Critics fear his government's vision has been clouded by a desire to exploit the potential opportunities as China emerges from its post-Covid economic doldrums.

The Chinese side appears to share a remarkably similar view of Britain's motivation. China's Global Times, which can be read as a mouthpiece of the Beijing leadership, noted that the UK had pressing political and economic needs.

"The decline in its international influence and poor economic performance has become a fait accompli since Brexit. To lift the UK economy from its current predicament amid a global slowdown, engagement and cooperation with the Chinese market seem inevitable", it commented in an editorial to coincide with the Cleverly visit.

Germany, France and Australia have already dispatched their foreign ministers to Beijing since the turn of the year.

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Their US counterpart Anthony Blinken was there in June, agreeing with President Xi Jinping on the importance of having a more stable relationship as a safeguard against future conflict. Blinken insisted there was no question of the US “decoupling” from the world’s second largest economy.

However, in a recent follow-up visit by US Commerce Secretary Gina Raimondo, she warned that US businesses might stop investing in China unless it dealt with what amounted to harassment of their operations there.

Italy’s foreign minister, Antonio Tajani, was the latest Western official to fly in this week after Rome questioned the economic benefits of its existing strategy on economic ties with Beijing.

The government of Giorgia Meloni has challenged its predecessor’s controversial decision to sign up to China’s Belt and Road Initiative. Hinting that the agreement may not be renewed next year, Tajani said Italy’s participation had failed to deliver the positive results it had expected.

In the wider European Union, caution has been the watchword in relation to future ties with a more assertive China. Opting for a strategy of “de-risking”, the bloc seeks to shield its most sensitive economic sectors and to limit their dependence on the Chinese.

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The UK government meanwhile stands accused of not even having a coherent strategy. In a withering report published in July Parliament’s Intelligence and Security Committee said policy continued to be characterised by short-termism.

It found successive governments had consistently failed to think long term, unlike China, and China had historically been able to take advantage of this. The cross-party committee said there was no evidence government departments had the resources, expertise or knowledge to assess the potential threat China posed to UK assets, including emerging technology.

Some elements of the present UK-China relationship are a legacy of the now defunct “golden era” that was trumpeted by the David Cameron government at the time of a state visit by Xi in 2015.

As allies in Washington and elsewhere expressed their misgivings, the then chancellor, George Osborne, declared that no other economy in the west was as open to Chinese investment.

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As relations subsequently cooled, the UK somewhat reluctantly announced it would ban equipment from the Chinese company Huawei from its 5G network, although it subsequently

extended the deadline to 2027.

It also scaled back a nuclear energy deal signed in 2015, although China continues to be heavily invested in the UK sector. As the then energy minister Grant Shapps said in July, the UK remained open to Chinese investment in national infrastructure as long as it was not a security risk.

This seemingly conciliatory statement, coming as it did from someone previously considered as something of a China hawk, can only have added to the confusion of those looking for a consistent UK strategy.

There is a risk of the UK government appearing too needy in its latest approach to China, while overlooking the warning of its own domestic critics that China's long-term priority is to gain strategic advantage over its global rivals.

As Parliament's intelligence committee reported, China is planning ahead to the mid-century when it will mark 100 years of Communist rule. The UK, it said, needs to be thinking in the same way.