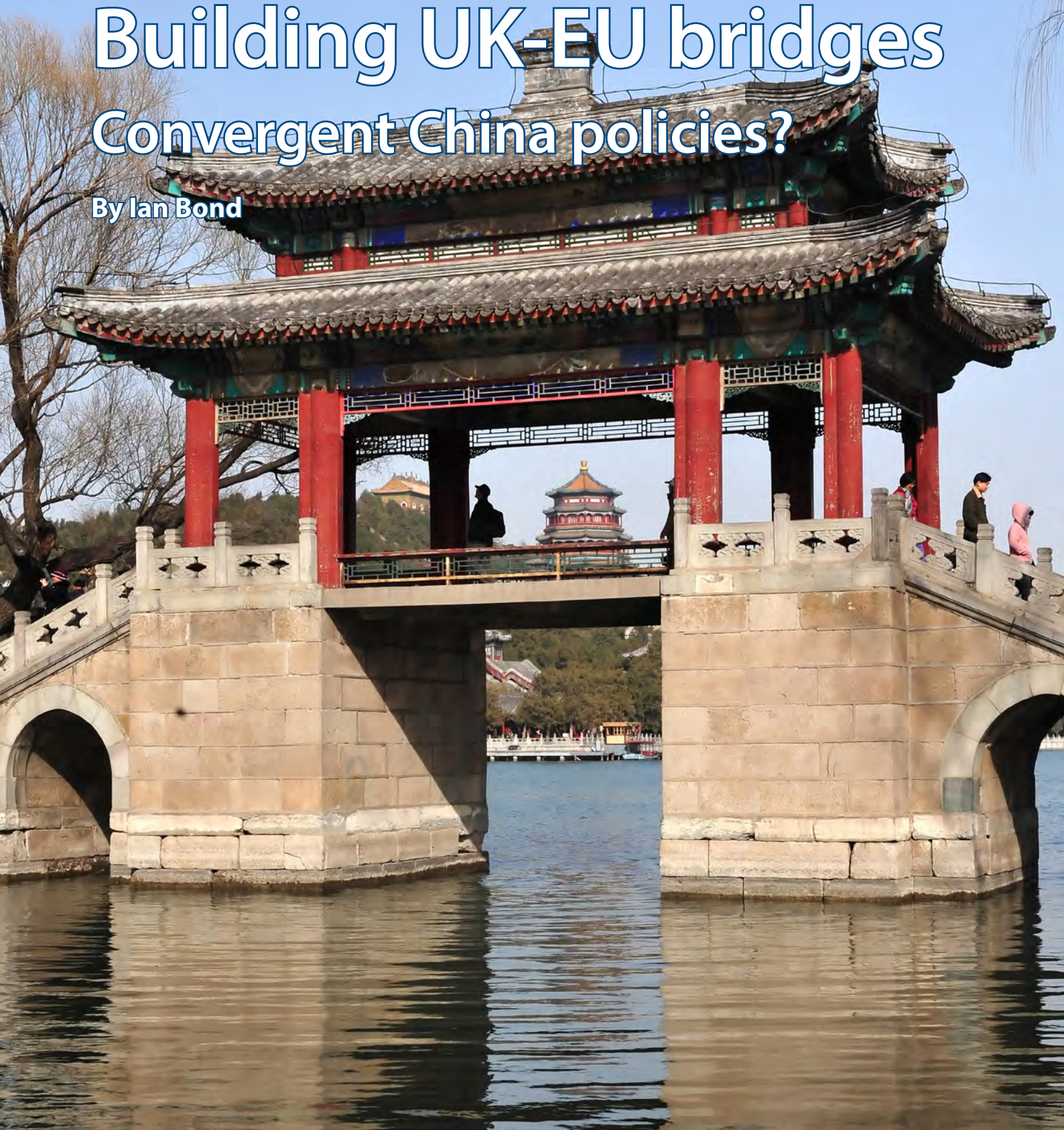


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Building UK-EU bridges Convergent China policies?

By Ian Bond



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This policy brief is the third of a three-paper CER/KAS project, 'Shared Values, Common Challenges – UK European Security Co-operation after the War in Ukraine.' The first brief focused on the European Political Community. The second dealt with co-operation in defence capabilities. This paper focuses on EU and UK policies towards China.

- ★ Both the EU and the UK are struggling to exploit the opportunities that China offers while managing the risks that it creates. Meanwhile, the US wants its European partners to join it in containing the challenge that China poses. The EU and the UK have many interests in common. But can they co-operate more closely in formulating and implementing policy towards China, and finding common ground with the US?
- ★ In Xi Jinping's first term as general secretary of the Chinese Communist Party and China's president, both the UK and the EU were optimistic that relations with China would get warmer – with the UK going so far as to talk of a 'golden era' in Sino-British relations.
- ★ Since then, the situation has deteriorated. Respect for human rights in China has worsened, particularly in Xinjiang. Concerns have grown over unfair trade practices and the potential security threats posed by Chinese involvement in some critical national infrastructure in Europe. And Western governments have grown increasingly concerned about China's geopolitical ambitions, its willingness to employ economic coercion when it feels its views are not being respected, and especially its partnership with Russia.
- ★ Both the EU and the UK have become more cautious in their dealings with China, but neither wishes to decouple from it. Instead, both want to find the right balance: trading with China and investing in it, but paying more attention than previously to national security and to avoiding excessive dependencies. There are internal divisions in the EU and in the UK over how tough to be. And both are under pressure from the US, which tends to see China mainly as a dangerous rival.
- ★ The EU is managing any differences with the US through a number of structured contacts from the ministerial to the expert level. The UK and US have agreed to set up a dialogue on some of the same issues of technology, standards and supply chains in the framework of the 'Action Plan for a Twenty-First Century US-UK Economic Partnership (ADAPT)'. There would be value in the EU and UK also having a dialogue on these issues.
- ★ There are many policy areas where the UK and EU have identical or very similar objectives. These include:
 - ★ Dissuading China from supplying Russia with weapons or other supplies to help its war effort.
 - ★ Providing alternatives to Chinese loans for developing countries that need help in building infrastructure.

- ★ Lobbying and where necessary imposing sanctions in response to Chinese human rights violations.
 - ★ Running common candidates for key positions in international organisations to prevent China gaining excessive influence.
 - ★ Controlling the export of military or dual-use technology to China.
 - ★ Restricting inward and outward investments that might damage European or Western security, to the benefit of China.
 - ★ Avoiding over-dependency on Chinese supplies of critical raw materials and technology.
 - ★ Countering Chinese influence operations.
 - ★ Countering CCP efforts to intimidate or suborn Chinese citizens or ethnic Chinese citizens of other countries.
- ★ Because the UK chose to exclude foreign policy from its post-Brexit Trade and Co-operation Agreement with the EU, it lacks the formal structures for dialogue that the US and others have with the EU. It already has informal contacts on China with the European External Action Service. The UK should build on these. And over time, it should establish a more structured relationship, covering trade and economic aspects of EU and UK relations with China, as well as foreign policy. The closer the EU-UK partnership, the more effectively both will be able to respond to unacceptable Chinese behaviour. They will also be better positioned to stand up to the US when they have to.

Before the UK left the EU, it was one of the most active member-states in shaping the Union's policy towards China. At a time of general European optimism about the trajectory of China's economic and political development, the UK was an enthusiastic supporter of closer ties with Beijing. Even as London and Brussels were wrestling with the nature of their post-Brexit relationship, however, relations between China and the West (including the EU) were becoming more difficult.

Now, the EU and the UK are both struggling to find sustainable approaches to China that allow them to exploit the opportunities it offers while managing the risks it creates. They also face pressure from the US, the guarantor of Europe's security, to align with US efforts to contain the challenge posed by China. On the face of it, the EU and the UK have many interests in common in their relations with China. The question is whether they can co-operate more closely on their policies towards it.

This policy brief assesses previous and current EU and UK policies towards China, and looks at the role that relations with the US might play in influencing London's

and Brussels' approaches in the future. The brief then identifies a wide range of areas of EU-UK convergence and potential topics for co-operation or even co-ordinated action, including efforts to limit Chinese support for Russia's war effort in Ukraine, to control the export of sensitive technology to China and to counter Chinese influence operations. It also considers whether the UK and EU have the right structures in place to facilitate co-operation, and concludes that over time they should move towards a more formal set of arrangements for co-ordinating their policies towards China, along similar lines to those that the EU and US already have.

The age of optimism

The General Secretary of the Chinese Communist Party, Xi Jinping, enjoyed something of a honeymoon in relations with the West during his first term in office, from 2012-2017. In 2015 the UK's then Chancellor of the Exchequer, George Osborne, spoke of a "golden era" in UK-China relations.¹ Xi used the same phrase during a high-profile

state visit he paid to the UK in October that year.² The UK's National Security Strategy (NSS) of November 2015 spoke of China and the UK's relationship with it in almost exclusively positive terms: "our aim is to build a deeper partnership with China ... We strongly support China's greater integration into more of the world's key

1: George Osborne, 'Let's create a golden decade for the UK-China relationship', speech to the Shanghai Stock Exchange, September 22nd 2015.

2: Ministry of Foreign Affairs of the People's Republic of China, 'Xi Jinping delivers important speech in City of London', October 22nd 2015.

3: HM Government, 'National security strategy and strategic defence and security review 2015: A secure and prosperous United Kingdom', November 2015.

institutions”³ The UK wanted to be (as George Osborne told the BBC) “China’s best partner in the West”⁴

The EU also saw China as an increasingly important partner – not one that shared the EU’s values of democracy and the rule of law, but one that was willing to work within the framework of the existing international order and was likely to follow other Asian countries, such as South Korea, in becoming more democratic as it became richer.

“Western politicians and civil society organisations have become concerned about growing repression in China.”

The European Commission and the High Representative of the Union for Foreign Affairs and Security Policy published a joint communication to the European Parliament and the Council on June 22nd 2016, one day before the Brexit referendum in the UK, setting out elements of a new EU strategy for China.⁵ The communication recommended that the EU should:

- ★ Seize new openings to strengthen its relations with China.
- ★ Engage China in its reform process in practical ways which result in mutual benefits for relations in economic, trade and investment, social, environmental and other areas.
- ★ Promote reciprocity, a level playing field and fair competition across all areas of co-operation.

★ Push for the timely completion of negotiations on a Comprehensive Agreement on Investment and an ambitious approach to opening up new market opportunities.

★ Drive forward infrastructure, trading, digital and people-to-people connectivity between Europe and China based on an open rules-based platform with benefits for all the countries along the proposed routes.

★ Promote global public goods, sustainable development and international security in line with EU and Chinese UN and G20 responsibilities.

The response of the Council of Ministers to these proposals was equally positive: it saw “major opportunities for co-operation with China, in particular contributing to creating jobs and growth in the European Union, engaging China in its reform process in a way which ensures openness, a level playing field, and genuine mutual benefits”⁶ The Council welcomed the prospect of productive Chinese investment in Europe, encouraged the strengthening of research and innovation co-operation with China, and even agreed that there was “further potential to extend EU security and defence co-operation with China”.

The UK and EU were not alone in promoting warmer relations with China at the time. In 2005, US Deputy Secretary of State Robert Zoellick had looked forward to China becoming a “responsible stakeholder”, helping to sustain the international system that had enabled its success.⁷ In a much-noticed *Foreign Policy* article in 2011, Secretary of State Hillary Clinton, while acknowledging “fears and misperceptions... on both sides of the Pacific” also wrote that “a thriving America is good for China and a thriving China is good for America”⁸

Relations with China: The current state of play

A lot has changed since Xi began his second term in 2017 – in relations between the EU and China, and in the UK’s relations with both Brussels and Beijing. A number of factors have led to the deterioration in relations between China and the West. In particular, problems of three kinds have begun to build up.

First, Western politicians and civil society organisations have become increasingly concerned about growing repression in China. The Chinese authorities began a crackdown on human rights lawyers in 2015. They steadily eroded civil rights in Hong Kong, in particular by imposing the National Security Law in 2020, which

allowed the Chinese authorities to detain and prosecute advocates of democracy in the territory. Above all, China brutally repressed the Muslim Uyghur people of Xinjiang, imprisoning many in ‘re-education’ camps, destroying mosques and historic buildings and using forced labour as a means of punishing and intimidating the population. Though the EU and UK have stopped short of describing these actions as genocide, unlike the US, they have both condemned human rights violations in Xinjiang and imposed sanctions on a number of Chinese officials and state bodies involved in the repression. In response, China has sanctioned British MPs and activists, MEPs and EU officials, and European non-governmental organisations.

4: ‘George Osborne on UK’s ‘golden era’ as China’s ‘best partner in the West’, BBC website, October 23rd 2015.

5: ‘Joint communication to the European Parliament and the Council: Elements for a new EU strategy on China’, June 22nd 2016.

6: ‘EU Strategy on China – Council conclusions’, July 18th 2016.

7: Robert Zoellick, ‘Whither China: From Membership to Responsibility?’, September 21st 2005.

8: Hillary Clinton, ‘America’s Pacific century’, *Foreign Policy*, October 11th 2011.

Second, concerns have grown about EU and UK trade and economic relations with China. Some have to do with Beijing's unfair trading practices, such as the exclusion of foreign firms from some parts of the Chinese economy, forced technology transfer from Western firms that invest in China to their Chinese partners, or subsidies for Chinese enterprises, often through the state-controlled financial system, that make it impossible for their European counterparts to compete with them. Others have to do with security concerns. The US has been particularly worried about the use of technology from the Chinese telecommunications giant Huawei in European 5G and fibre telecommunications systems, possibly making them vulnerable to espionage or disruption by China; it has put pressure on the UK and other European countries to strip Huawei equipment out of their networks. Chinese investment in critical infrastructure such as ports or power generation has also gone from being a welcome injection of capital to a perceived vulnerability: the British government bought out China's stake in the proposed Sizewell C nuclear plant, though China still has a minority share in the Hinkley Point C plant and owns a site for a further plant at Bradwell. And more recently, the EU and the UK have both become more worried about the extent of their dependency on China for critical raw materials, including for green technology, and high-tech components.

Third, Western governments have become increasingly worried about China's geopolitical ambitions. First came China's expansive claims on the South China Sea, and

its militarisation of the region; and then its efforts to isolate Taiwan internationally and put the island under increasing military pressure. But the biggest concern for Europeans is China's close relationship with Russia. Less than three weeks before Russia launched its war of aggression against Ukraine in February 2022, Vladimir Putin and Xi met in Beijing and issued a declaration that the friendship between Russia and China had no limits.⁹ Though China has not so far given Russia much practical support, for example by supplying weapons or ammunition, it has done much to rein Moscow in. China has also been seeking to expand its own influence internationally, both economically and militarily. Its Belt and Road Initiative has been the vehicle for considerable investments in transport and other infrastructure, particularly in Asia, the Middle East and Africa, giving it both political credit and (in some cases) access to ports and other critical infrastructure. Beijing has also leveraged its economic might to deter other countries from crossing its red lines – for example, shutting Lithuania out of the Chinese market in retaliation for the Lithuanian government allowing Taiwan to open a representation in Vilnius in its own name rather than as a 'Taipei representative office', as China demands. At the same time, China has been investing heavily in its military power: its military budget has roughly doubled in the last decade, and it now has both the largest army (by numbers of active-duty troops) and largest navy (by numbers of ships) in the world. Europe cannot afford to ignore this build-up: China has conducted naval exercises with Russia in the Mediterranean and the Baltic in recent years.

Current EU policy: China as partner, competitor and rival

As the analysis of China's intentions has changed, relations have cooled and Western policy statements have become less euphoric in their tone. Both the EU and the UK have re-appraised their ties with China and put a little more distance between themselves and the Beijing authorities, while still trying to maintain some balance.

“China is investing heavily in its military power: its military budget has roughly doubled in the last decade.”

In the EU's case, although the 2016 strategy is still described as “the cornerstone of EU engagement”, it has effectively been superseded by a ‘Strategic Outlook’ published by the Commission and the High Representative in March 2019.¹⁰ This points to “a growing appreciation in Europe that the balance of challenges and opportunities presented by China has shifted”. It goes on

⁹: Joint statement of the Russian Federation and the People's Republic of China on international relations entering a new era and global sustainable development', February 4th 2022.

to set out the different roles that China plays in various areas of its relationship with the EU:

“China is, simultaneously, in different policy areas, a co-operation partner with whom the EU has closely aligned objectives, a negotiating partner with whom the EU needs to find a balance of interests, an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance”.

The characterisation of China as partner, competitor and systemic rival has become something of a template for analysing Western countries' and institutions' relationships with Beijing – applicable not only to the EU but the UK and even the US. Within the EU institutions and among the member-states, the designation of China as a rival was initially controversial – though China's subsequent behaviour and approach to Russia's war of aggression have justified the term.

¹⁰: Joint communication to the European Parliament, the European Council and the Council, ‘EU-China – A strategic outlook’, March 12th 2019.

The EU's 2022 'Strategic Compass', while repeating the 2019 formula, went further in pointing to an effort to work with allies and partners to help ensure that China's rise did not come at the expense of European security.¹¹ It argued that in responding to China's development and integration into the international order, the EU would "need to ensure that this happens in a way that will contribute to uphold global security and not contradict the rules-based international order and our interests and values. This requires strong unity amongst us and working closely with other regional and global partners".

“China is seeking a systemic change in the world order, with itself at the centre, challenging Western values.”

Even now, however, the EU seems divided over how far to recalibrate its approach to China. European Commission President Ursula von der Leyen is at the more hawkish end of the spectrum. In a speech on March 30th 2023, she underlined the worries that the EU now has about China's global ambitions and its partnership with Russia.¹² She described "a very deliberate hardening of China's overall strategic posture" and "a ratcheting up of increasingly assertive actions". And she criticised Xi Jinping for maintaining his "no limits friendship" with Putin, despite the invasion of Ukraine. Von der Leyen drew three conclusions about China under Xi. First, she said that the era of reform and opening in China had been replaced by an era of security and control, in which China would seek to make itself less dependent on the rest of the world, while making the rest of the world more dependent on China. Second, she said that, in this China, the imperatives of security and control would trump those of free trade and open markets. Finally, she observed that China was seeking a systemic change in the world order, with itself at the centre, challenging Western values. But in terms of

EU policy, she did not signal a radical departure from the existing balanced approach: she described decoupling from China as "neither viable, nor in Europe's interest", and went on to promote instead "de-risking" – both diplomatic, through dialogue with China; and economic, by increasing the EU's resilience and decreasing its dependency on China for key raw materials, components and manufactured goods.

In ultimately signalling only the prospect of a modest reduction in Europe's economic dependencies on China, despite her harsh words on Beijing's behaviour, von der Leyen was reflecting the differing views of member-states. At one extreme are countries like the Baltic states, which have left China's '17+1' dialogue with Central and Eastern European countries (a dialogue which is now effectively moribund); at the other extreme are countries like Hungary, which continues to court Chinese investment and tries to ensure that the EU is not too critical of China. In the middle is Germany. It has far more at stake economically than any other member-state, because of the volume of its trade with China and the dependence of many of its major firms on the Chinese market. But some German leaders are nonetheless willing to deliver tough messages on human rights and geopolitics to their Chinese counterparts – including foreign minister Annalena Baerbock on her April 2023 visit to China. Germany has also reduced the investment guarantees it provides for German firms in China by about €5 billion since the end of 2021.¹³ The European Council's conclusions on China of June 29th 2023 tried to give something to everyone.¹⁴ They pointed to continued engagement on global challenges, and continued trade and economic partnership – though in the latter case also pledging that the EU would "reduce critical dependencies and vulnerabilities, including in its supply chains", and to "de-risk and diversify where necessary and appropriate". At the same time, the EU reassured China that it did "not intend to decouple or to turn inwards".

Current UK policy: From the golden era to an epoch-defining challenge

Like other European governments, the British government does not want to cut itself off from the Chinese market, but is also very conscious of the challenge that China represents to UK values and interests. A vocal group of China hawks within the Conservative parliamentary party, the China Research Group, pushes the government to take a tougher line on human rights, security issues and Chinese efforts to gain influence in the UK. The government has to balance the hostile views of many of its own MPs against the interests

of British business in good UK-China relations. The British government does not have a published China strategy, only a classified document – a point which the House of Commons Foreign Affairs Committee criticised in a report in March 2019 – but the Foreign and Commonwealth Office's (FCO) response to the committee summarised the elements of the strategy: "trading safely to ensure maximum economic benefit to the UK while protecting national security; China's global role and the rules based international system; countering security threats; Hong

11: 'A strategic compass for security and defence - For a European Union that protects its citizens, values and interests and contributes to international peace and security', March 21st 2022.

12: 'Speech by President von der Leyen on EU-China relations to the Mercator Institute for China Studies and the European Policy Centre', European Commission, March 30th 2023.

13: 'German vice chancellor cuts investment guarantees for China by \$5.5 billion, Der Spiegel reports', Reuters, June 22nd 2023.

14: 'European Council meeting (29 and 30 June 2023) – Conclusions', General Secretariat of the Council, June 30th 2023.

Kong; human rights; people to people links; and digital and technology".¹⁵ In other words, like the EU, it seeks to balance its various interests, and if possible not to alienate China.

Over the period of the inquiry, from FCO's first submission of evidence in January 2018 to its response to the inquiry's recommendations in June 2019 there was a notable evolution in tone. In 2018, FCO officials wrote to the committee: "the UK is committed to maintaining the Golden Era of our relationship with China". By 2019, however, when the FCO responded to the Committee's report, there was more emphasis on the efforts the UK was making to defend itself against malign Chinese activity or to take a firm stance on issues such as human rights in Xinjiang.

“The UK is no more willing than the EU to decouple from China entirely.”

This toughening of the UK's approach to China continued with the government's integrated review of security, defence, development and foreign policy, 'Global Britain in a competitive age', in 2021.¹⁶ The Integrated Review announced an 'Indo-Pacific tilt' – a rebalancing of British defence, diplomatic and trade effort away from Europe, in the wake of Brexit, and towards the Indo-Pacific region. The need to respond to the challenge of China was one of the drivers of this shift.

The Integrated Review's approach to China is quite similar to that of the EU's 2019 strategic outlook: China is described as posing a "systemic challenge" to the UK's security, prosperity and values, and those of its allies and partners. Despite this, however, the UK wanted to pursue "a positive trade and investment relationship with China, while ensuring our national security and values are protected" – on the latter point, describing China as "the biggest state-based threat to the UK's economic security". The UK would continue to seek co-operation with China in tackling global issues such as climate change. But the Integrated Review also highlighted China's military

modernisation and growing assertiveness as posing an increasing risk to UK interests.

As with the EU's China policy, the UK's approach continues to reflect growing concern about China's activities and intentions. In the foreword to the March 2023 'refresh' of the Integrated Review, Prime Minister Rishi Sunak wrote of "China's willingness to use all the levers of state power to achieve a dominant role in global affairs".¹⁷ He went on to describe China as "an epoch-defining challenge to the type of international order we want to see, both in terms of security and values". While the UK would still work with China on issues such as climate change, it would also push back against attempts by the CCP to coerce the UK or its partners or to create dependencies.

Yet it is clear from a speech given by Foreign Secretary James Cleverly in April 2023 that the UK is no more willing than the EU to decouple from China entirely (even if that were possible).¹⁸ Having refused to characterise China in one word as "threat or partner or adversary", Cleverly went on to argue that "no significant global problem – from climate change to pandemic prevention, from economic instability to nuclear proliferation – can be solved without China", and that dialogue was therefore essential.

He then identified three "pillars" of UK policy towards China: "First, we will strengthen our national security protections wherever Beijing's actions pose a threat to our people or our prosperity.... Second, the UK will deepen our co-operation and strengthen our alignment with our friends and partners in the Indo-Pacific and across the world.... And the third pillar of our policy is to engage directly with China, bilaterally and multilaterally, to preserve and create open, constructive and stable relations, reflecting China's global importance". Aside from the many verbal similarities between Cleverly's speech and von der Leyen's (he even named the same four world-transforming Chinese inventions – paper, printing, gunpowder and the compass – that von der Leyen had), the general policy line is also very similar to that of the EU. Both seek to co-operate with China in tackling common global challenges and benefit from the economic opportunities that China still offers, while avoiding the risks of excessive dependency.

The transatlantic angle: Bipartisan hostility to China

These 'European' approaches to China, which focus on adapting to China's rise, contrast with the tougher line taken by both the Trump and Biden administrations. Trump's 2017 National Security Strategy (NSS) treated

China entirely in negative terms, as a growing threat in every corner of the globe.¹⁹ Biden's 2022 version described China as "the only competitor with both the intent to reshape the international order and, increasingly,

15: House of Commons Foreign Affairs Committee, 'China and the rules-based international system', March 26th 2019; 'China and the rules-based international system: Government response to the committee's sixteenth report', June 21st 2019.

16: HM Government, 'Global Britain in a competitive age: The integrated review of security, defence, development and foreign policy', March 2021.

17: HM Government, 'Integrated review refresh 2023: Responding to a more contested and volatile world', March 2023.

18: 'Our position on China: Foreign Secretary's 2023 Mansion House speech', Foreign, Commonwealth and Development Office, April 25th 2023.

19: 'National security strategy of the United States of America', December 2017.

the economic, diplomatic, military, and technological power to advance that objective”²⁰

“The US is trying to ensure that its European allies focus on China as a systemic rival.”

The 2022 NSS acknowledges, however, that China and the US still have some common interests, in areas such as climate change, global health and economics. And it makes an effort to re-assure the rest of the world: “We also want to avoid a world in which competition escalates into a world of rigid blocs. We do not seek conflict or a new Cold War”. At the same time, the NSS seeks to enlist the EU and UK, by name, in its competition with China – in which its explicit goal is to “out-compete” China “in the technological, economic, political, military, intelligence, and global governance domains”. Whether through persuasion in NATO discussions or bilaterally, the US is trying to ensure that its European allies focus on China as a systemic rival rather than as a potential partner.

The question is how far the US wants to go in ‘out-competing’ China, and what this means for its European

allies. In a speech in May 2022, US Secretary of State Antony Blinken said: “We don’t seek to block China from its role as a major power, nor to stop China – or any other country, for that matter – from growing their economy or advancing the interests of their people”²¹ The US says that it is not trying to decouple from China – only to de-risk and diversify, as US National Security Advisor Jake Sullivan put it in a speech in April 2023.²² Yet US steps to deny China access to a limited number of advanced US technologies, shut some Chinese companies out of parts or all of the US market and to put pressure on its European allies to take a similar approach seem designed to ensure that China continues to lag the West in certain technologies. One example of this is the way that the US has pushed the Dutch government into expanding its export controls on chip-manufacturing technology built by the Dutch firm ASML, to stop China making the most advanced chips. One of the few things that Democratic and Republican politicians in the US seem able to agree on is that an increasingly powerful China is a threat to the US, and must be contained. Few Europeans would go so far: as long as China does not break the established rules too much, they will tolerate its increasing global influence, while pursuing their commercial and other interests there.

The EU and the UK: Finding common ground with each other – and with the US?

It is always uncomfortable for British ministers to be at odds with the US, especially on such a central issue for Washington as China. One of the downsides of Brexit is that the UK can no longer shelter in the EU pack when other European countries also disagree with the US. When it comes to policy towards China, the gaps between Europe and the US have narrowed – with Europeans becoming more wary of Beijing’s intentions, and Washington acknowledging that complete decoupling is unrealistic. But they have not completely closed. In these circumstances, there are advantages for the UK in sticking close to the EU on China policy. There are a range of China-related areas where the UK and EU have identical or similar objectives. These include:

- ★ Dissuading China from supplying Russia with weapons or other supplies to help its war effort. One factor which seems to have limited China’s willingness to supply sensitive technology to Russia is its fear of Western secondary sanctions. The EU is China’s most important trading partner. Existing, good co-operation between the EU and the UK on targeting Russian individuals and entities and enforcing sanctions could be extended to exchanging intelligence and co-ordinating diplomatic demarches in Beijing to ensure that Chinese firms are discouraged from helping Russia to get around EU and UK sanctions.

- ★ Providing alternatives to Chinese loans for developing countries that need help in building infrastructure. The EU’s ‘Global Gateway’ programme is intended to mobilise up to €300 billion of investments in digital, energy and transport connectivity by the end of 2027 (about half of which the EU hopes will come from the private sector, with EU investment guarantees). The UK aims to mobilise up to \$40 billion for sustainable infrastructure and economic development by the same deadline. Both pledges were made following a 2021 G7 agreement to invest more in global infrastructure. Co-operation in identifying priorities and avoiding duplication would help to ensure that both EU and UK funding achieves maximum impact.

- ★ Lobbying and where necessary imposing sanctions in response to Chinese human rights violations. Both the EU and the UK have laws in place allowing them to impose asset freezes and travel bans on individuals involved in serious human rights abuses; both have used these measures against the same group of Chinese officials involved in crimes against humanity in Xinjiang; and both have suffered Chinese retaliation in the form of sanctions against officials, elected politicians and others. The EU has not always been united in criticising China’s human rights record (in the past Greece and Hungary have blocked EU statements on the human rights situation in China), but

20: ‘National security strategy’, October 2022.

21: Antony Blinken, ‘The Administration’s approach to the People’s Republic of China’, May 26th 2022.

22: ‘Remarks by National Security Advisor Jake Sullivan on renewing American economic leadership at the Brookings Institution’, April 27th 2023.

Western statements and sanctions are more likely to get China's attention if they are backed by the largest possible number of like-minded states, including the UK.

★ Running common candidates for key positions in international organisations to prevent China gaining excessive influence. The West was slow to wake up to the way that China was getting its candidates (whether its own nationals, or others with a record of taking pro-Chinese positions) appointed to senior positions in international organisations. Some of these organisations, such as the International Telecommunication Union (where a co-ordinated Western effort resulted in the election in 2022 of an American as secretary-general, in succession to a Chinese official who previously held the post), are quite obscure, but important in setting global technology standards. Others give China an opportunity to use internationally-funded projects to support Chinese political interests – as an investigation by German public broadcasters into the activities of the UN Food and Agriculture Organisation (FAO) under its Chinese director-general, Qu Dongyu, showed.²³ Outside the EU, the UK is in a relatively weak position to bargain for EU support for British candidates, since it can only offer one vote for an EU candidate for another position, but it would still be worth trying to ensure that at least the UK and EU do not run candidates against each other and do not vote against each other's candidates – since Western divisions over which candidates to back have sometimes helped China to win, as in the case of the FAO director-general post in 2019.

“Brexit has made it harder for the UK to be integrated into EU supply chains.”

★ Controlling the export of military or dual-use technology to China. China's acquisition of Western technology may be perfectly legitimate; or it may involve 'forced technology transfer' from Western firms, as the price of being allowed to invest in China; or espionage. China may also exploit weak controls on the activities of Chinese students studying in Europe but affiliated with universities in China that are closely associated with the armed forces or the military industrial sector. UK universities have in the past been accused of having a number of such links.²⁴ An investigation this year suggested that EU Horizon 2020 or Horizon Europe research funding is paying for research with potential military applications involving European institutions partnered with leading Chinese universities with close

ties to the Chinese military.²⁵ The UK and the EU could both benefit from sharing information on partners to be avoided and areas of research that might be of particular interest to Chinese defence manufacturers.

★ Restricting inward and outward investments that might damage European or Western security, to the benefit of China. Both the UK and the EU have laws in place allowing scrutiny of inward investments to ensure that they do not pose threats to national security. Both are also considering screening outward investments to ensure that (for example) they would not involve technology transfer that might help a potential adversary to improve its military capabilities. None of these measures are explicitly aimed at China, but it is clear that China is one of the countries most likely to acquire Western technology and be capable of putting it to military use. The UK's existing investment screening regulations also cover investments by foreign parties into companies outside the UK that are critical to UK national security – perhaps reflecting problems that arose when the main telecommunications provider to the FCO went bankrupt in 2002 and part of its business was bought by a Chinese investor. There would be value in the UK and EU exchanging information on attempts to invest in sectors or companies where Chinese ownership might be problematic.

★ Avoiding over-dependency on Chinese supplies of critical raw materials and technology. To some extent, it is inevitable that the UK and the EU will compete in trying to reduce their dependencies on China and identify alternative suppliers of rare earths, electric vehicle batteries, wind turbines and other products crucial to Europe's efforts to reach its net zero target by 2050; but there may also be opportunities to co-operate. One example is the investment by a French company in a lithium mine in Cornwall, which should produce enough lithium each year for the batteries of 500,000 electric cars.²⁶ Though Brexit has made it harder for the UK to be integrated into EU supply chains, there may be scope to facilitate mutually beneficial co-operation as the post-Brexit relationship matures.

★ Countering Chinese influence operations. China tries to influence European political and public opinion in a number of ways. Some of its activities are overt and even clumsy: for example, so-called 'wolf warrior' diplomacy, involving public attacks on governments or institutions that are critical of China. Some Chinese ambassadors in European countries have become notorious for their intemperate language (in response to Swedish criticism of China's detention of a Swedish citizen of Chinese

23: Von Arne Meyer-Fünffinger, Alexander Nabert, Lucas Grothe, Andreas Rummel, Judith Brosel and Florian Barth, 'How China is instrumentalizing the FAO', *Tagesschau*, June 30th 2023.

24: Hannah Devlin and Ian Sample, 'UK academia's links to Chinese defence firms "harmful for national security"', *The Guardian*, November 25th 2019.

25: David Matthews and Richard Hudson, 'Despite risks, EU continues to fund research with Chinese military-linked universities', *Science | Business*, May 16th 2023.

26: Jasper Jolly, 'UK to gain first lithium mine in Cornwall in boost to electric car industry', *The Guardian*, June 29th 2023.

origin, the then ambassador in Stockholm told Swedish public radio in 2019 “We treat our friends to fine wine, but for our enemies we’ve got shotguns”). Others are more subtle: the UK’s Security Service issued a public warning about the activities of a prominent British Chinese lawyer who allegedly worked with the CCP’s United Front Work Department to channel donations to British MPs.²⁷ In the Netherlands, investigative journalists discovered that a supposedly independent research institute under the auspices of a leading university was in fact entirely funded by China, providing favourable coverage of China’s human rights policy in return.²⁸ The European Commission’s ‘Defence of Democracy’ package, currently under discussion, has as one of its aims to make foreign funding for political parties, think-tanks and NGOs more transparent. The UK and EU are adopting similar approaches to regulating technology firms and making them accountable for tackling disinformation on their platforms. Both the EU and the UK could benefit from sharing information on influence operations, and taking a more co-ordinated approach to the vectors of influence. These include Confucius Institutes, funded by the Chinese authorities, which combine a benign role as centres for teaching Chinese language and culture with a more problematic record of putting pressure on their hosts not to allow critical discussions of Chinese government policy on issues such as Tibet or Taiwan.²⁹

★ Countering CCP efforts to intimidate or suborn Chinese citizens or ethnic Chinese citizens of other countries. Chinese influence operations are not just directed at Europeans: they are also designed to keep Chinese citizens abroad from straying from the party line, encourage them to act in the interests of China and threaten or intimidate dissidents, including those who are citizens of other countries but still have relatives in China. A number of members of staff of the Chinese Consulate General in Manchester were withdrawn from the UK after they were filmed dragging a pro-democracy demonstrator from Hong Kong onto the mission’s territory and beating him in October 2022. China has also operated illegal ‘overseas police stations’ in a number of European countries, including the UK, Germany, Ireland and the Netherlands. One of the purposes of these bodies seems to be to persuade dissidents and others wanted for alleged crimes in China to return home ‘voluntarily’. A number have been closed down, but it is unclear whether others are still operating. In any case, the EU and UK share a desire to protect the rights of people on their soil against Chinese repression, and there would be value in continuing law enforcement co-operation between the UK and the EU to identify and prevent any more Chinese efforts to export domestic repression to Chinese communities in Europe.

Mechanisms for EU-UK co-operation

Some of the EU’s main partners have institutionalised arrangements for foreign policy co-operation with the Union. The EU and the US have created a number of forums for discussing different aspects of policy that are relevant to China. European External Action Service (EEAS) Secretary General Stefano Sannino has held five formal meetings on China with senior US counterparts, and four on the Indo-Pacific more generally. These regular meetings are underpinned by a number of expert working groups covering issues such as resilience, human rights and areas of co-operation with China. In addition, there is the EU-US Trade and Technology Council (TTC) – not explicitly aimed at China, but in practice intended to ensure that shared Western values are embedded in international standards for new technology such as artificial intelligence (AI), and that China’s ‘digital authoritarianism’ does not become the global norm. The TTC has held four ministerial meetings, the latest involving European Commission Executive Vice Presidents Valdis Dombrovskis and Margrethe Vestager and European Commissioner Thierry Breton, and on the US side Blinken, US Commerce Secretary Gina Raimondo and US Trade Representative Katherine Tai. The TTC and its many technical working groups are working on agreeing

standards for trustworthy AI, as well as dealing with semiconductor supply-chain issues, common standards for electrical vehicle charging infrastructure and the like.

While the UK’s partnership with the US on foreign, defence and security policy is extremely close, there is no precise equivalent of the TTC. The closest approximation is the regular dialogue between Downing Street and the White House agreed as part of the ‘Action Plan for a Twenty-First Century US-UK Economic Partnership (ADAPT)’, annexed to the ‘Atlantic Declaration’ agreed during Prime Minister Rishi Sunak’s June 2023 visit to Washington.³⁰ This will cover some of the same areas as the TTC, including export controls, ICT security, data governance and AI. The main difference is that there is more emphasis in the TTC on setting international standards, and more in the US-UK action plan on collaborative research and mobilising capital.

The UK chose to exclude foreign and security policy from its post-Brexit Trade and Co-operation Agreement with the EU (with minor exceptions, such as provisions for dialogues on counter-terrorism and on cyber security – though these have not yet started). Disputes over

27: Tom Cheshire, ‘Chinese spy Christine Lee operated out in the open, damaging trust and creating an atmosphere of paranoia’, Sky News, January 14th 2022.

28: Lukas Kotkamp, ‘Dutch university scandal taps into fears of Chinese influence peddling’, *Politico*, January 24th 2022.

29: House of Commons Foreign Affairs Committee, ‘A cautious embrace: defending democracy in an age of autocracies’, November 4th 2019.

30: ‘The Atlantic Declaration: A framework for a twenty-first century US-UK economic partnership’, June 8th 2023.

the Northern Ireland Protocol and threats from the UK to violate its Withdrawal Agreement with the EU then made it difficult for the two sides to establish mutual trust and look for opportunities to co-operate, even on an informal basis.

“It should be possible to establish a more permanent EU-UK dialogue on relations with China.”

The situation has improved since the two sides agreed in February 2023 on the Windsor Framework as a way to resolve differences over Northern Ireland. The EEAS seems relatively open to contacts with UK officials, including on China, and Sannino has had meetings with senior FCDO officials including the Permanent Under Secretary, Philip Barton. There are also frequent informal contacts at working level between the FCDO and the EEAS, and contacts between the British embassy in Beijing and the EU delegation there. The European Commission is reportedly more reticent about engaging with the UK. On the UK side, ministers still seem to be wary of incurring criticism from eurosceptic members of the Conservative Party if they embrace co-ordination with the EU too enthusiastically, but there are informal contacts.

One place where the UK and EU have been able to meet without causing any political controversy is in the framework of the G7. With the US, Canada and Japan also

involved, the G7 provides a venue for Western discussions of how to deal with China, but also a reason for the EU and the UK to co-ordinate, given the closeness of their positions on China.

Over time, it would make sense for the UK and EU to establish a more structured approach to forming and implementing convergent policies towards China – perhaps not as elaborate as the EU-US arrangements, but meeting at both expert and senior levels, and designed to sort out any points of disagreement or differences of analysis and keep the two parties as closely aligned as possible. Ideally, the UK might be included in some way in the EU-US TTC, given its significant technology sector, but there is no indication that Brussels would be willing to open up TTC discussions to the UK. One reason may be that the Commission does not welcome the UK’s proclaimed ‘pro-innovation’ approach to regulation, which differs from the EU’s approach, based on the precautionary principle. The UK may have to settle for separate dialogues with the EU and US on these topics, therefore – creating an EU-UK dialogue paralleling the US-UK dialogue. As bad feelings in the Commission over Brexit fade, and as the generation of politicians most involved in the UK’s withdrawal from the EU leave office, it should be possible to establish a more permanent EU-UK dialogue on all the aspects of their relations with China, including trade and economic issues as well as foreign policy, perhaps backed up with secondments of relevant experts to UK departments, the EEAS and the Commission.

Conclusion

Both British and EU officials say privately that their views on China are very similar, and that they have more differences with the US than with each other. That is not to say that either London or Brussels would position themselves as equidistant between Beijing and Washington in the event of a confrontation over Taiwan. But both the EU and the UK are more concerned about China’s behaviour than about its power as such, and both worry that US efforts to limit China’s access to Western technology will divide global markets and damage the world economy. The UK will never be able to have the same influence over the EU’s China policy that it had as an EU member, but both sides stand to gain from an effort to align their separate efforts to pursue their very similar goals. They would then be able to respond more

effectively to unacceptable Chinese behaviour; but they would also be better positioned to stand up to the US when they have to.

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