
The UK and China: Next Steps

SEPTEMBER 2021

About the China Research Group

The China Research Group was set up by a group of MPs in the UK to promote debate and fresh thinking about how Britain should respond to the rise of China.

The group was founded in April 2020 by Tom Tugendhat MP and Neil O'Brien MP. It is chaired by Tom Tugendhat, who leads a committee of Anthony Browne MP, Laura Trott MP, Kevin Hollinrake MP, Alicia Kearns MP, Andrew Bowie MP, Dehenna Davison MP and Damian Green MP.

This paper was authored by Julia Pamilih and Chris Cash.

Endorsements

Former Foreign Secretary Jeremy Hunt MP: “It has become accepted wisdom that we need to move to strategic competition with China rather than a new cold war...but what does that mean?”

Finding a way to live with China's growing power and influence in a way that is consistent with our security and values sits alongside climate change as one of the two big issues to be resolved this century, so this detailed research is very important.”

Former Foreign Secretary Lord Hague: “This report gives a helpful overview of recent developments in our relationship with China and demonstrates just how damaging Beijing’s “wolf warrior” diplomacy has been to the country’s reputation on the world stage.

“By uniting the world in condemnation of its human rights violations, the Chinese Communist Party has created an opportunity for the UK to work closer with our friends and allies across the globe in responding to Beijing’s increasingly combative approach.

“From reducing strategic dependence on China to strengthening democratic alliances, this report sets out a number of proposals worthy of consideration both here in the UK and across the West.”

Introduction

18 months on from the creation of the China Research Group, this paper takes stock of three key questions:

1. What has changed in the past 18 months?
2. What issues are likely to define our future relationship with China?
3. What should the UK do now?

The past 18 months have seen many democratic countries become alarmed by the behaviour of Xi's China - even as China's ruling elites became more convinced of the superiority of their system.

The world watched the brutal stifling of "one country, two systems" in Hong Kong, while concerns about human rights violations entered the wider consciousness in the UK and across developed countries.

A growing number of businesses, universities and other institutions found themselves caught in the middle as US-China technology competition heated up, and Beijing became more sensitive to human rights criticism.

UK politics has started to properly engage with the questions raised by changes in China, and the UK's own strategy has started to shift.

And while many countries felt effective pressure from Beijing, a change of US President and the effects of the pandemic has opened up new opportunities for cooperation among allies.

18 months of the China Research Group

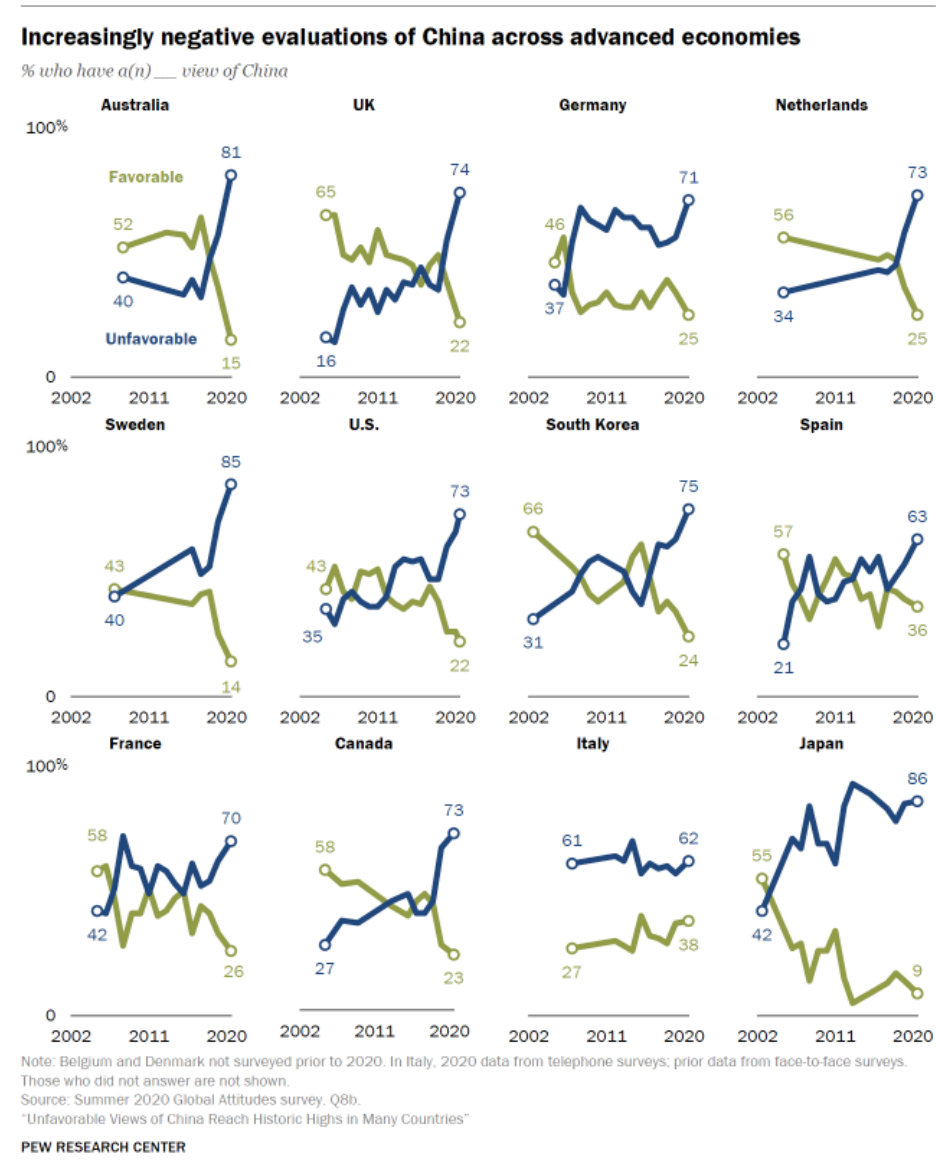
Since the creation of the China Research Group in April 2020, we have engaged with more than 100 MPs, published [four](#) policy papers, seen key policy recommendations legislated and hosted [18 events](#) with speakers including Japan's then defence minister Kono Taro, Taiwan's foreign minister Joseph Wu, and some of the world's leading China experts.

What has changed in the past 18 months?

- 1) Many democracies became more critical of Xi's China - just as CCP leaders were strengthened in their belief that their system is superior

In July last year, former MI6 chief John Sawers commented: "The last six months have revealed more about China under President Xi Jinping than the previous six years."

Shifting public attitudes towards China



Source: Pew Research Centre, 5 October 2020

Over the past 18 months, the democratic world has become markedly more critical of Xi's China. Diplomatic fallouts with Sweden and Canada, trade disputes with Australia and human rights concerns have all pushed sentiment in a more sceptical direction. Public confidence in Xi Jinping to "do the right thing" regarding world affairs has dropped to historic lows.¹

In the UK, the tone towards China has broadly mirrored this global trend, culminating in the decision to sanction Chinese officials for the first time over human rights abuses. In a marked escalation, China imposed counter sanctions on five MPs, an academic and a barristers' chambers.

While China's leadership blames a more hostile West for the deterioration in relations, Beijing has adopted an increasingly aggressive approach to its domestic and foreign affairs. This became particularly clear with the rise of wolf warrior diplomacy, where we have seen Chinese diplomats openly threaten Western countries.²

Events over the past 18 months have given Chinese Communist Party (CCP) leaders a new-found confidence that its authoritarian, highly centralised political system is superior to those of liberal democracies. Struggling responses to the Covid-19 pandemic in Europe and North America and China's rapid economic recovery have reinforced this belief, while the storming of Congress and Donald Trump's attempt to undermine the US election result were seized on by the CCP as a perfect illustration of the chaos and weakness of democracy.

CCP rhetoric has shifted away from an acknowledgement that the West and China had simply embraced different paths to prosperity and that neither system could be regarded as superior. As the only G20 nation to post positive economic growth in 2020, China's Politburo declared "we have achieved an extremely extraordinary glory in this extremely unusual year." In October 2020, Xi Jinping told cadres at the Fifth Plenum that "time and momentum are on our side."

This shift in rhetoric has helped to change the way Xi's China is seen in the democratic world. While initially many projected their hopes for reform onto Xi, this tone has reframed the way Xi's earlier record is seen. At the dawn of his first term in office, Xi made a speech - the full text was not published until March 2019 - about "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."³

It also provides important context for speeches Xi made in 2020. In two economic speeches Xi said that, "We must give full play to the significant advantages of our country's socialist system that concentrate power on large undertakings, and successfully fight tough battles for the key core technologies."⁴ In another speech that: "We must sustain and enhance our superiority across the entire production chain ... and we must tighten international production chains' dependence on China, forming a powerful countermeasure and deterrent capability against foreigners who would artificially cut off supply [to China]."⁵

In 2021 - the year of the CCP's centenary - Xi has doubled down on this emboldened ideologically-driven approach. There has been little deviation from wolf warrior diplomacy: in a provocative speech to mark the 100th anniversary of the CCP, Xi warned that China will not be "oppressed", cautioning foreign powers that they will "get their heads bashed" if they attempt to bully or influence the country.⁶

And domestically, there are signs that Xi is leading China into a new era of deeper state control.⁷ From derailing Ant and Didi IPOs to wiping out the £80bn private tutoring industry, the sweeping crackdowns across Chinese economy and society have seen the party take a more prominent role in the private sector and civil society.

2) *Increasing repression, the end of 'one country, two systems' in Hong Kong and growing awareness of human rights violations in Xinjiang, Tibet and Inner Mongolia*

Over the past 18 months, more and more credible evidence has emerged of mass internment, forced labour, and forced sterilisation resulting in a steep drop in birth rates, rape and extensive surveillance of Uyghurs and other ethnic minorities in Xinjiang. The UK and other democratic governments have repeatedly called out China's leaders over "industrial scale human rights abuses" in Xinjiang.⁸ But last September, Xi called China's policies in Xinjiang "completely correct", and criticism appears to have hardened the CCP's resolve.

Beijing has demonstrated similar intransigence in Hong Kong, having implemented a wide-ranging crack down on the territory's autonomy. Despite widespread condemnation, it has overseen the suppression of political and press freedom, leading to the imprisonment of leading Hong Kong pro-democracy activists and a "patriots-only" legislature (see Appendix for a timeline of key events).

In Inner Mongolia, local authorities forced through new policies to expand Mandarin teaching in schools as part of a nationwide reversal of policies on minority language rights. These policies bear the hallmarks of attempts to homogenise the ethnic minority population. The longstanding persecution of Tibetans continues. As part of the CCP's orchestrated campaign for the "sinicisation" of religion, Chinese authorities have overseen the destruction of churches and harassment, detention and sentencing of religious leaders.

This should be seen through the lens of the increased level of control over society and repression of any potential opposition to the CCP which have characterised Xi's rule. The crackdown on critical expression and high levels of spending on state security suggests that the human rights crackdown is unlikely to subside.

- 3) *A growing number of businesses, universities and other institutions found themselves caught in the middle as US-China competition heated up, and Beijing became more sensitive to human rights criticism*

The fallout from a new era of geopolitical competition has spread beyond politics, and tensions have affected a broad group of firms and institutions.

Competition over technology is most visible through the worldwide chip shortage, which has accelerated the race to secure access to supplies. The US, Italy, South Korea, and now the UK have all recently blocked or placed takeovers of domestic semiconductor producers by Chinese companies under review.

At the same time, China's leaders confirmed their commitment to pursuing self-reliance in its 14th Five-Year Plan, which sought to cut reliance on foreign technology and build systemic resilience.⁹

In the UK, the Government's decision to ban Huawei from 5G offered a glimpse into the costly ramifications of further technology decoupling: GCHQ's National Cyber Security Centre (NCSC) "significantly changed their security assessment" of Huawei's products after new US sanctions forced Huawei to source alternative microchips.¹⁰

Beijing's sensitivity to human rights criticism has increased, and there are signs that it is willing to harness rising nationalism to pressure foreign companies to accept the Party line on values. Companies like H&M suffered from a wave of Chinese consumer boycotts after the Communist Youth League resurfaced a months-old H&M statement expressing concern about Xinjiang cotton. Both the US and UK announced new legislation to prevent complicity in forced labour, indicating a degree of decoupling in supply chains could extend beyond technology.

The BBC has faced a barrage of attacks by state media in China over its coverage of Hong Kong and Xinjiang and was symbolically banned in retaliation to Ofcom's ruling against CGTN. The BBC's Beijing correspondent decided to move to Taiwan following intimidation and threats from Chinese authorities.¹¹

Universities have also found themselves facing the impact of geopolitical tensions. Applications from Chinese students to UK universities were up 20% in 2021, partly attributed to a less friendly environment for Chinese students in the US and Australia. With roughly one-fifth of fee income coming from Chinese students, this has raised questions of financial over-reliance.¹² As the China Research Group has found, state-backed Chinese companies continue to fund professorships and research centres in Britain, with concerns over the risk of influence and lack of transparency.¹³

4) *A new debate in Britain and moves to a new strategy*

There is an increasing consensus in Britain that the rise of China poses serious challenges and that national security considerations, values and trade have become harder to detach.

The Integrated Review (IR) published in March 2021 labelled China's rise as likely 'the most significant geopolitical factor of the 2020s' and set out plans for the UK's tilt to the Indo-Pacific. The UK has begun to implement this strategy by consolidating and forging new regional alliances, notably through the new AUKUS pact, joining ASEAN as a dialogue partner and by applying to join the CPTPP.

While the IR's characterisation of China as a 'systemic competitor' was ambiguous, it subtly highlighted some of the UK positions that have emerged in the past year on supply chain security, critical national infrastructure, disinformation, cyberspace and foreign investment screening - all reflecting an acceptance that the UK must strengthen itself against the risks posed by 'the biggest state-based threat to the UK's economic security'.

PPE shortages in the immediate aftermath of the pandemic led to Project Defend, which enshrined a commitment to diversifying supply chains. In the space of twelve months, the UK went from producing 1% of its domestic supply of PPE to 70%.¹⁴ Other industries in which the UK has historically relied on the free market, such as critical minerals and pharmaceuticals, are under review. The UK's strategy for 5G diversification includes a commitment to back diversification of suppliers through Open RAN (ORAN), alongside a commitment to smaller players supplying 25% of the 5G network.

Integrated Review

What we learned from the Integrated Review:

- The UK will invest in enhanced China-facing capabilities and seek to pursue a constructive trade and investment relationship with China
- The UK aligns itself with the current US/EU 'compete, collaborate, confront' framework
- We are treating China (a 'systemic competitor') and Russia (an 'acute and direct threat') differently, recognising the necessity for new forms of cooperation and confrontation
- The UK will pay attention to and develop resilience in the "grey zone" to counter exploitation of the increasingly blurred lines between war and peace by China, including information operations
- We will join our allies in countering Beijing's increasingly aggressive behaviour in areas like the South China Sea and will establish new Indo-Pacific partnerships
- We must find and strengthen supply chains outside of China as well as build more production capacity in the UK

And what we didn't learn:

- How we effectively bridge the disconnect between our stated commitment to uphold international rules and norms and cooperate with a power like China that consistently violates them
- How the Government will deal with Chinese state-backed threats to British Critical National Infrastructure
- Whether the Government still actively seeks to attract Chinese investment and in which industries it will tolerate deeper strategic dependence

Views towards Chinese involvement in critical infrastructure have hardened. *British Foreign Policy Group* (BFPG) polling in February this year showed that only 13% of British citizens support Chinese involvement in infrastructure in the UK.¹⁵

The *Telecoms (Security) Bill* was introduced to enable the Government to guide British telecommunications companies in their relationships with ‘high risk vendors’. By July 2021, it was revealed that the Government was exploring ways to fully remove Chinese state-owned company CGN from the consortium planning to build the Sizewell C nuclear power station, a decision that would also impact its proposals to build its own reactor at Bradwell.¹⁶

The *National Security and Investment Act* will see the UK adopt new powers to block foreign takeovers in sensitive industries. After China Research Group MPs raised the issue of the Chinese takeover of Newport Wafer Fab in Parliament, the Government ordered a review on national security grounds. The UK is also set to invest £800m in the *Advanced Research and Invention Agency* (Aria), with the aim of funding high-risk, high-reward innovation. Both represent a step-change in approach to protecting and fostering domestic R&D.

There have been a series of reports documenting extensive research partnerships and cooperation between British universities and PLA-linked universities in China, which have led to serious questions about the role which the UK plays in facilitating China’s military rise.¹⁷ The UK’s research collaboration with China is deep and concentrated in strategically critical areas such as telecommunications and life science. But some academics have benefitted from British government funding while working for Chinese universities linked with the military, and companies sponsoring UK-based research centres include China’s weapons manufacturers.¹⁸

19

The View from Beijing

In spite of fraught bilateral relations over the past 18 months, the UK still has much to offer China. Our commitment to economic openness, our strength in science and innovation, our cutting-edge design and world-class universities will continue to interest a country that views friendly relations as supporting its international and domestic ambitions.

Geopolitically, the UK is viewed as both a potential counterbalance to the US and important node in a European security framework that is increasingly China-wary. There is cautious optimism that the UK-China relationship could be a potential ‘model’ for China’s interactions with other Western nations.

There also remains optimism in Beijing that a nadir has been reached regarding British national security anxieties vis-à-vis China and that economic interconnectivity will remain robust. The technical expertise that the UK possesses in critical sectors, including Artificial Intelligence, green technologies and finance, and health sciences, remains key to Beijing in bolstering its economic competitiveness and achieving its strategic goals.

A new Chinese Ambassador, Zheng Zeguang, arrived in June and sought to solidify business and cultural links through engaging with business leaders and key British institutions. Ambassador Zheng has been keen to express his confidence in the “great resilience and enormous potential” of business ties in particular. However, Zheng’s early speeches suggest that the Wolf Warrior approach will continue.

5) *More countries felt the weight of a new more aggressive China, but Biden's election and new alliances created new possibilities for cooperation between democracies*

Internationally, many democratic governments are facing similar challenges with China. The EU, India and Japan have all become more vocal towards China and objections have coalesced into a complex combination of human rights and values, great power competition, and protection of critical infrastructure. Shortages of PPE, ventilators, vaccines and more during the pandemic heightened thinking about both self-reliance and deeper cooperation across democratic countries. A number moved to tighten controls over takeovers, while some like Japan created financial incentives to reshore production of critical supplies.

The CCP has also displayed a propensity to weaponise trade in diplomatic disputes. The cost of Chinese tariffs on Australian imports is estimated to be \$1bn; Chinese coal imports from Australia dropped 98.6%; Australian wine sales to mainland China fell by 45%.²⁰ Lithuania also became a particular focus of Beijing's ire after the Baltic nation renamed its Taipei Representative Office in August. In tactics that mirrored those deployed in the dispute its Canberra, Beijing suspended rail freight to Lithuania, and reportedly halted export permits for the country's producers, including from the agriculture, animal husbandry, and timber industries.²¹ China's leaders have sent a message to other countries that there will be consequences if the CCP's red lines are crossed.

President Biden's administration has adopted a similar tone towards China but adjusted by forging a broadly more cooperative approach with allies. Kurt Campbell, Biden's Indo-Pacific coordinator, said the US has made clear to China that relations will not improve while Australia is still "being subjected to a form of economic coercion." At the same time, competition with China has become a key organising principle in the US across political, military, and scientific spheres.

The biggest steps have been made in coordination in the Indo-Pacific. The announcement of the AUKUS pact and creation of Quad working groups are headline agreements, but countries from the Netherlands to Japan have stepped up a naval presence in the region; the UK Carrier Strike Group completed its passage through the South China Sea, receiving predictable backlash from Beijing. The US and Japan released a joint statement mentioning Taiwan for the first time since 1969.

This reflects a collective acceptance of the worsening security environment in the Indo-Pacific. Chinese jets made a record 380 incursions into Taiwanese airspace in 2020 and China continues to reject the UNCLOS ruling against its claims over the South China Sea. When a group of more than 200 Chinese fishing boats was spotted near the Whitsun Islands earlier this year, Rodrigo Duterte said he was prepared to send in military ships to the South China Sea to protect oil and mineral resources.

At the G7 summit in Cornwall, leaders published a joint communique underscoring the importance of peace and stability across the Taiwan Strait.²² It also called on China to

“respect human rights and fundamental freedoms, especially in relation to Xinjiang and those rights, freedoms and high degree of autonomy for Hong Kong enshrined in the Sino-British Joint Declaration and the Basic Law”. This was the first time that the grouping presented a united front against Beijing’s stated ambitions and increasingly assertive behaviour. The message was reinforced by a NATO statement the following week that identified China as a ‘systemic challenge’ and warned of China’s military modernisation and cooperation with Russia.

However, while there is some consensus on a “compete, collaborate, confront” approach to China in the G7, there is far from agreement across nations on the appropriate balance to strike between those three.

The EU, Canada, US and UK coordinated to issue sanctions against Chinese officials complicit in human rights abuses in Xinjiang, but others are reluctant to take an isolated stand. New Zealand signed an expanded trade deal with China in January and opted out of a joint Five Eyes statement which condemned the arrest of democracy activists in Hong Kong. The EU-China Comprehensive Agreement on Investment (CAI) reflected EU leaders’ desire for strategic autonomy in the face of US-China rivalry, although pressure over sanctions against European parliamentarians has tilted the balance against ratification any time in the near future.

Finally, much of Asia and the developing world still seems hesitant to place their trust in the US as a reliable partner following the unpredictable Trump era and have chosen to hedge their bets between the US and China. China has engaged in widespread and seemingly successful vaccine diplomacy in the developing world, and its Belt and Road Initiative is pivoting from infrastructure towards more sustainable investment in digital and health. By comparison, the G7’s proposed alternative to China’s Belt and Road Initiative remains vague and lacking in cohesiveness.

What challenges lie ahead?

We now live in the era of Global China. China's domestic issues have become the world's issues whilst, concurrently, China has assumed a position of intolerance on interference in what it deems to be its own affairs. UK politicians - and increasingly the public - are now aware that the rise of China is one of the most significant geopolitical issues of the 21st century.

The UK's response to China, however, has been far from clear. We have so far been uneasy in dealing with a superpower that brings a set of values that we do not fully understand. By extension, we do not have a clear idea of what we might want, or at least accept, our relationship with China to look like in the future, meaning that we have been haphazardly pushing back against CCP assertiveness with little idea of an endgame.

Rectifying this will require a deeper understanding of what China wants, will tolerate, and fears moving into a post-Covid world - and how successful Beijing will be in achieving its ambitions. Despite its insistence otherwise, the interests of the people of China are not the same as those of the Party (and may become at odds with one another should China's international relations worsen). There are moderate thinkers who want to see China rekindle relations with partners abroad and see more aggressive posturing as harmful to these ambitions. China is far from achieving self-reliance or dominance in technically complex industries like semiconductors.

A deeper understanding of China's domestic dynamics and the direction of global attitudes towards China are essential for a UK-specific strategy.

A pivotal year for the CCP

In 2022, the 20th Party Congress will almost certainly see Xi Jinping voted in for a third term as General Secretary. A third term for Xi would be an unprecedented consolidation of power in China's reform era and may further shift the tone of domestic politics. Some analysts have speculated that Xi may seek to make bolder moves to cement his legacy as 'president for life', with particular concerns about actions towards Taiwan.

Yet the CCP's 14th Four Year Plan and the new push for 'common prosperity' reflects a country that still faces significant structural challenges including rural-urban inequality, high levels of debt, food security and environmental problems. The easing of China's two-child policy and a tightening on private education are testament to its concerning demographic outlook.

The UK's response

The UK is still yet to set out a detailed strategy for key parts of our relationship with China, including the plan for managing investment in sensitive sectors which may pose a national

security risk, reducing strategic dependency in critical minerals and technology, and foreign agent registration laws.

There is still considerable uncertainty over the number of BNO arrivals from Hong Kong. Between April and June, over 65,000 Hong Kongers applied for BNO visas, highlighting the support that will be needed to facilitate successful integration into British society.

Human rights

The UK is one of several parliaments which have made declarations that China is committing genocide in Xinjiang. While China is in negotiations with the UN to accept observers in Xinjiang, it has also doubled down on its propaganda campaigns and policies in Xinjiang. Immediate action on human rights abuses looks unlikely. In 2022, China will also host the Winter Olympics in Beijing, with potential for a coordinated diplomatic response – and retaliation.

Another crucial challenge is how the UK will manage its dependence on Chinese public security technology, which has been developed in China for surveillance and social control.

Tests for multilateral cooperation

The COP26 summit in November will be a key test of the commitment to cooperation with China on global challenges. A strong focus will be placed on ‘greening’ development, and the UK and its allies await details on China’s pledge to stop financing overseas coal projects. Limiting a global rise in temperatures will be impossible without China’s cooperation, but China has showed little sign of movement on hard reduction targets by 2030.

The 12th Ministerial Council meeting at the WTO later this year could also set the scene for further pressure, while it remains to be seen whether China will commit to the necessary economic reforms that would facilitate its accession to CPTPP.

Shifting alliances

Key partners, including Canada, Germany, Japan and France, have held or will hold elections from September 2021, which may lead to new opportunities for cooperation. However, as demonstrated by the diplomatic fall-out over AUKUS, forging new alliances creates a new set of risks. Any further fragmentation between traditional allies will undermine attempts to promote a united front of shared interests and values.

The US is increasingly focused on the growing role of technology in strategic competition and has sought to centre technology in new alliances such as the Quad and AUKUS. The first meeting of the EU-US Trade and Technology Council later could begin a new era of technology cooperation between democracies.

Given China's push for technological self-reliance, a more confrontational relationship – or further decoupling – between Washington and Beijing makes the balancing act that the UK has been trying to play since the Golden Era even more difficult to pull off.

How should we approach China?

How can the UK retain benefits from a relationship with China and preserve peaceful relations, while still protecting its national security? The long-term answer to this question is still open and requires a whole-of-government China strategy, underpinned by honest evaluation of where we stand, not just with allies and potential partners, but in the eyes of China, as well as a forward-thinking analysis of how the UK-China relationship is likely to develop and where it is at risk.

In the short term, three things are clear. Firstly, the UK and other countries are currently strategically dependent on China in areas such as rare earths and higher education. Secondly, it is likely that the UK is going to face a sustained period of tension over what Beijing perceives as 'interference' in China's 'core interests', particularly Hong Kong and Xinjiang. Loud criticism of China's human rights record crosses Beijing's red lines and may well lead to further retaliation. Finally, China's economic rise means that it will only become more prominent and less avoidable as an issue for the UK government.

We have identified six broad directions in which we believe that the UK should seek to develop stronger domestic policies and international alliances:

- 1) Develop and publish a UK-China strategy which sets out a clear framework for engagement, and adapt existing government structures to reflect China's status as the 'most significant geopolitical factor' of the coming decade
- 2) Invest in improving the UK's understanding of China - its people, culture, language, and history to build a better foundation for a sustainable long-term relationship
- 3) Improve oversight mechanisms for foreign interference in government, critical national infrastructure, and higher education
- 4) Take steps to reconcile our domestic and international resilience strategies and re-evaluate supply chain dependence and Chinese involvement in critical and digital infrastructure
- 5) Emphasise our commitment to human rights and the people of Hong Kong enshrined in the Joint Declaration
- 6) Work with allies to coordinate action and policies, strengthen democratic alliances and reduce strategic dependence

Full recommendations:

- 1) *Develop and publish a UK-China strategy which sets out a clear framework for engagement, and adapt existing government structures to reflect China's status as the 'most significant geopolitical factor' of the coming decade*
 - A UK-China strategy should identify UK values and national interests and where these intersect with China. The strategy should clearly set out areas for cooperation and where lines must be drawn.
 - Significant contact with Chinese government officials and Chinese companies takes place at the regional and devolved administrations. While the civil service is developing increasing China capabilities, the government should set up a central China strategy council that serves as a wider contact point and source of information, particularly for devolved governments and city councils directly approached by Chinese partners.
 - The council could include individual working groups, such as a group which tackles CCP interference. It must encourage cross-departmental collaboration, given the coordination of the Chinese state.
- 2) *Invest in improving the UK's understanding of the Chinese nation - its people, culture, language, and history*
 - Conscious of the shortage of Mandarin teachers, the UK should conduct a review to examine the role of Confucius Institutes and whether they have tried to influence university activity in a manner that undermines our educational values.
 - The UK should consider how to further incentivise study of China and China civilisation subjects at secondary school level, as well as exploring expansion of the Department of Education's Mandarin Excellence Programme.
 - The Government could formalise links with existing independent China centres at UK universities and guarantee sustained funding for new centres that will develop the UK's collective China knowledge. It should consider setting up an extra-governmental body to harness the considerable expertise of the UK's Sinologists.
- 3) *Strengthen oversight and transparency in the UK's partnerships with China in government, critical national infrastructure, and higher education*

Higher education

- In higher education, the UK should review current research partnerships and funding arrangements with China and Chinese firms. All sponsorship by China-linked firms and academic partnerships with Chinese institutions should have to be

reported, at least internally, to DFE to create what former HE minister Jo Johnson calls a “Domesday Book” of UK-China collaborations.

- The government should ensure that its new Research Collaboration Advice Team is a well-resourced body to act as a trusted source of advice for academic institutions about what kinds of partnerships may raise human rights, or economic-security concerns. The body should have strong local networks into HE institutions. DFE should also consider mandatory publication of partnerships and contracts with autocratic regimes, as part of a clearer framework to guide universities’ analysis of the political and diplomatic implications of collaboration.
- Alongside this, the government must work with the tertiary education sector to create diversified revenue models which reduce financial dependence on overseas students. It should explore creating a fund - working with other democracies - to fill in areas of excessive technological dependence on China.

Foreign investment

- To protect the UK’s openness to investment, the new Investment Security Unit must be given the same resourcing and input from the security services that CFIUS enjoys in the US – and we need to be prepared to use the new powers. The new ISU should build strong links to CFIUS and other international equivalents. The ISU could also become a hub for advice for corporates doing business and joint ventures in China, providing help to avoid losing IP or losing control of subsidiaries.

Counter-interference

- In recognition of the risk of United Front interference in the UK, the government should consider leveraging expertise from across government departments in a specific counter-interference group, perhaps modelled on Australia’s National Counter Foreign Interference Coordinator’s Office. In particular, the UK should also look to expand transparency on lobbying through client disclosure lists and strengthen ACOBA’s powers.

4) Take steps to reconcile our domestic and international resilience strategies and re-evaluate supply chain dependence and Chinese involvement in critical and digital infrastructure

- To strengthen support for UK business against hostile state cyber attacks, the government should mandate the National Cyber Security Centre to expand the scope of its guidance and create a shortlist of specific technologies and sectors likely to come under cyber attack, with tailored guidance for all UK institutions affected.
- The UK should also explore re-evaluation of the UK’s critical national infrastructure (CNI) framework by the Centre for the Protection of National Infrastructure (CPNI) and assess whether higher education should be added to the existing 13 sectors defined.

- As a first step to clarifying the UK's approach to Chinese state-backed technology, the UK should provide stronger guidance for local governments around the procurement of surveillance technology from companies complicit in human rights abuses.
 - The UK should look to establish a cross-departmental Critical Minerals task force which oversees the creation of a UK critical minerals strategy, aligning the UK with its allies in securing supply chains and facilitating cooperation
- 5) *Emphasise our commitment to human rights and the people of Hong Kong enshrined in the Joint Declaration*
- The UK should continue to highlight its commitment to Hong Kong at every possible opportunity.
 - It should consider whether there is scope to establish a Hong Kong working group to highlight the UK's commitment to reaching a solution based on the Sino-British Joint Declaration, and to serve as a central body responsible for monitoring the arrival of BNO migrants and ensure we are responsive to the challenges and opportunities of the scheme.
- 6) *Work to build stronger alliances*
- The UK must continue to build consensus in the G7 and explore the framework of a D11 as unifying forum. We should make clear commitments to those under pressure from China, such as Lithuania and Australia.
 - We must ensure that our commitment to NATO remains steadfast, as well as emphasising the importance of coordinating with our European allies – particularly France, Germany and Netherlands - in contributing to a free and open Indo-Pacific.
 - The UK should continue to take a leading role in exploring how new multilateral frameworks could help us to meet the economic, technological and governance challenges of the 21st century, such as a 'NATO for Trade' that provides a framework for combatting economic coercion.²³
 - The government should clarify its strategy for already-announced initiatives, such as its participation in the Build Back Better World (B3W) infrastructure plan and the cooperative framework for tackling climate change.

Appendix: Timeline of crackdown on Hong Kong

June 2020

Beijing's National People's Congress Standing Committee passes the new National Security Law (NSL), criminalising "secession, subversion, terrorism, and collusion with foreign forces" in wake of year-long protests over a bill that would allow extradition to mainland China.

July 2020

UK Prime Minister Boris Johnson calls the NSL a "clear and serious breach" of the 1984 Sino-British Joint Declaration.

Several countries suspend extradition treaties with Hong Kong; the US withdraws special trade status of Hong Kong and introduces sanctions for those violating Sino-British Joint Declaration.

The UK announces that it will create a special class of visa for Hong Kong BNO passport holders and their close family members with a path to British citizenship. There will be no cap on the number of BNO arrivals.

Chief Executive Carrie Lam announces she will invoke the Emergency Regulations Ordinance to postpone the September 2020 Legislative Council (LegCo) elections.

August 2020

The US imposes economic sanctions on Carrie Lam along with 10 other former and current top Hong Kong officials for their role in undermining Hong Kong's autonomy.

In a major crackdown on the pro-democracy newspaper *Apple Daily*, Hong Kong police arrest six individuals under the National Security Law. Activists Agnes Chow, Joshua Wong and Ivan Lam are also arrested.

The UK government bars its military from training the Hong Kong police force; The Hong Kong Education Bureau removes "sensitive" topics such as separation of powers, human rights and freedom of the press from high school liberal studies textbooks.

Chinese Coast Guards arrest 10 Hong Kongers under National Security Law for fleeing to Taiwan, including democracy activist Andy Li.

November 2020

Hong Kong opposition lawmakers resign en masse after four legislators were disqualified under new powers allowing the removal of legislators on national security grounds. The UK declares that the new rules constitute a third breach of the Sino-British Joint Declaration.

January 2021

53 pro-democracy activists are arrested on suspicion of "subversion" under the National Security Law for organising or participating in unofficial primaries last July to select democratic candidates for the upcoming (postponed) LegCo election. 47 are charged and detained for alleged subversion.

Beijing announces it will no longer recognise the BNO passport as a valid travel document.

March 2021

British Foreign Secretary Dominic Raab says the UK considers China to be in a "state of ongoing non-compliance" with the 1984 Sino-British Joint Declaration.

April 2021

Apple Daily founder Jimmy Lai is sentenced to 14 months in prison for his role in an unauthorised assembly in 2019.

May 2021

Hong Kong passes a new electoral reform law that will allow a pro-Beijing panel to vet all future LegCo candidates. In September, new "patriots" run for the Election Committee.

June 2021

The annual candlelit vigil to pay tribute to those who died in the 1989 Tiananmen Square massacre is banned, with seven thousand police officers dispatched across the city to prevent people from gathering.

Hong Kong's police arrest the editor-in-chief and four directors of *Apple Daily* on suspicion of colluding with foreign forces. The paper is forced to close.

Endnotes

- ¹ Laura Silver. 30 June 2021. China's international image remains broadly negative as views of the US rebound. *Pew Research Centre*. Retrieved from: <https://www.pewresearch.org/fact-tank/2021/06/30/chinas-international-image-remains-broadly-negative-as-views-of-the-u-s-rebound/>
- ² The Economist. 20 June 2020. "For our enemies, we have shotguns," warns Beijing's ambassador. Retrieved from: <https://www.economist.com/europe/2020/02/20/how-sweden-copes-with-chinese-bullying>
- ³ Tanner Greer. 31 May 2019. Xi Jinping in Translation: China's Guiding Ideology. *Palladium*. Retrieved from: <https://palladiummag.com/2019/05/31/xi-jinping-in-translation-chinas-guiding-ideology/>
- ⁴ Roger Creemers et al. 22 September 2020. Xi Jinping's Sept. 2020 Speech on Science and Technology Development (Translation) Retrieved from: <https://www.newamerica.org/cybersecurity-initiative/digichina/blog/translation-xi-jinpings-sept-2020-speech-science-and-technology/>
- ⁵ Qiushi (求是). 1 November 2020. Xi Jinping speech. Certain Major Issues for Our National Medium- to Long-Term Economic and Social Development Strategy (国家中长期经济社会发展战略若干重大问题). Translated by CSET at Georgetown University, 10 November 2020. Retrieved from: https://cset.georgetown.edu/wp-content/uploads/t0235_Qiushi_Xi_economy_EN-1.pdf
- ⁶ BBC. 1 July 2021. CCP 100: Xi warns China will not be 'oppressed' in anniversary speech. Retrieved from: <https://www.bbc.co.uk/news/world-asia-china-57648236>
- ⁷ Tom Mitchell. 6 September 2021. The Chinese control revolution: the Maoist echoes of Xi's power play. *Financial Times*. Retrieved from: <https://www.ft.com/content/bacf9b6a-326b-4aa9-a8f6-2456921e61ec>
- ⁸ Reuters. 22 February 2022. Britain denounces abuses "on industrial scale" in China's Xinjiang. Retrieved from: <https://www.reuters.com/article/uk-britain-un-rights-china-speech-idUSKBN2AM19D>
- ⁹ MERICS. 9 April 2021. China's 14th Five-Year Plan – strengthening the domestic base to become a superpower. Retrieved from: <https://merics.org/en/short-analysis/chinas-14th-five-year-plan-strengthening-domestic-base-become-superpower>
- ¹⁰ James Cook. 15 July 2020. Huawei kit must be stripped from UK 5G networks by 2027. *The Telegraph*. Retrieved from: <https://www.telegraph.co.uk/technology/2020/07/15/government-prepares-ban-huawei-5g-networks/>
- ¹¹ BBC News. 31 March 2021. BBC China correspondent John Sudworth moves to Taiwan after threats. Retrieved from: <https://www.bbc.co.uk/news/world-asia-china-56586655>
- ¹² Jo Johnson et al. March 2021. The China Question: Managing risks and maximising benefits from partnership in higher education and research. *The King's Policy Institute*. Retrieved from: <https://www.kcl.ac.uk/policy-institute/assets/china-question.pdf>
- ¹³ China Research Group. 9 June 2021. Data: Chinese research partnerships with UK universities. Retrieved from: <https://chinaresearchgroup.org/research/data-chinese-research-partnerships-with-uk-universities>
- ¹⁴ House of Commons Public Accounts Committee. 4 February 2021. COVID-19: Government procurement and supply of Personal Protective Equipment. Retrieved from: <https://committees.parliament.uk/publications/4607/documents/46709/default/>
- ¹⁵ Sophia Gaston and Evie Aspinall. February 2021. 2021 Annual Survey of UK Public Opinion on Foreign Policy and Global Britain. British Foreign Policy Group. Retrieved from: <https://bfpog.co.uk/2021/02/2021-annual-survey/>
- ¹⁶ Jim Pickard and Nathalie Thomas. UK looks to remove China's CGN from nuclear power projects. *Financial Times*. Retrieved from: <https://www.ft.com/content/c4a3fe02-8535-45a4-aacf-0c4fbce8409d>

-
- ¹⁷ Radomir Tylecote and Robert Clark. 24 February 2021. Inadvertently Arming China?: The Chinese military complex and its potential exploitation of scientific research at UK universities. Civitas. Retrieved from: <https://www.civitas.org.uk/publications/inadvertently-arming-china/>
- ¹⁸ Charlie Parker and Tim Baker. 15 February 2021 Academics with 'high risk' China links get Porton Down funding. The Times. Retrieved from: <https://www.thetimes.co.uk/article/academics-with-high-risk-china-links-get-porton-down-funding-rb7b3dgkz>
- ¹⁹ Thomas des Garrets Geddes. 20 July 2020. UK-China relations as viewed by Chinese think tanks and academic: Cautious optimism remains. MERICS. Retrieved from: <https://merics.org/en/short-analysis/uk-china-relations-viewed-chinese-think-tanks-and-academics-cautious-optimism>
- ²⁰ Daniel Hurst. 5 September 2021. Australian economy has stood up better than expected in face of China trade fight, Frydenberg says. The Guardian. Retrieved from: <https://www.theguardian.com/business/2021/sep/05/australian-economy-has-stood-up-better-than-expected-in-face-of-china-trade-fight-frydenberg-says>
- ²¹ Helen Davidson. 26 August 2021. China's trade halt with Lithuania over Taiwan ties sends warning to Europe. The Guardian. Retrieved from: <https://www.theguardian.com/world/2021/aug/26/chinas-trade-halt-with-lithuania-over-taiwan-ties-sends-warning-to-europe>
- ²² UK Government. 12 July 2021. Carbis Bay G7 Summit Communique. Retrieved from: <https://www.gov.uk/government/publications/carbis-bay-g7-summit-communiqué>
- ²³ Robert D. Atkinson. 28 June 2021. NATO for Trade: What is Chinese "Innovation Mercantilism" and how should the UK and allies respond? *China Research Group*. Retrieved from: <https://chinaresearchgroup.org/research/nato-for-trade>