

Free Trade, Yes; Ideology, Not So Much: The UK's Shifting China Policy 2010-16

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Abstract

Fox and Godement's (2009) Power Audit of EU-China Relations grouped the EU's member states into four categories based on their national approaches to relations with, as well as their preferences for, the EU's policies towards China. In this typology, the UK, at the time governed by New Labour, was deigned an "Ideological Free Trader"—seeking to facilitate greater free trade while continuing to assert its ideological position, namely in the areas of democracy and human rights. Since the Conservative Party took the reins of power in 2010 (in coalition with the Liberal Democrats until 2015), China's prominence on the UK's foreign policy agenda has arguably increased. This paper examines the direction of the UK's China policy since 2010, and asks whether the label "Ideological Free Trader" remains applicable. Through qualitative analysis of the evolving policy approach, it argues that while early policy stances appeared consistent with the descriptor, the emphasis on free trade has grown considerably whilst the normative (ideological) dimension has diminished. Consequently, the UK should be redefined as an "Accommodating Free Trader" (an amalgamation of two of Fox and Godement's original groups—"Accommodating Mercantilist" and "Ideological Free Trader").

Keywords: UK-China relations, China's rise, foreign policy, Conservative Party, Cameron, Osborne.

On the eve of his October 2015 UK visit, President Xi Jinping of the People's Republic of China described his hope that the high-level meetings would chart the course for the future growth of China-UK relations, inject new impetus in practical cooperation between our two countries in all fields and enable us to jointly usher in a "golden time" for China-UK comprehensive strategic partnership (cited by *Reuters*, 2015).

British Prime Minister David Cameron was equally enthusiastic in his comments during the joint press conference, stating that the visit

marks a key moment in the relationship between our two countries. It's founded on a basic belief, which President Xi and I share, that a strong relationship is in the interests of both Britain and China. ... [T]his visit marks the start of a new era. Some have called it a golden era in relations between Britain and China, an era of stronger economic ties, deeper trade links, closer relations between our peoples and meaningful dialogue on the issues that matter to us both (Prime Minister's Office, 2015).

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These statements represent the culmination of a trend towards closer UK-China bilateral relations, which in many ways reflects the positive narrative present at the EU level, regularly defined by policymakers as a “comprehensive strategic partnership”.¹ Yet, in recent history, the UK and China have not been so close, particularly due to the issue of Hong Kong’s retrocession to the PRC in 1997 and the UK’s strategic proximity to the United States of America. The UK was identified by an influential report from the European Council on Foreign Relations as one of the few EU Member States willing to push for ideologically-driven policies towards China, with a willingness to criticise failings in areas such as human rights protection (Fox & Godement, 2009). This paper attempts to offer insights into the course of UK-China relations by addressing two questions: 1) *to what extent have the Conservative-led governments since 2010 diverged from their predecessors’ approach to China?* And 2) *to what extent is the description of the UK as an “Ideological Free Trader” in relations with China still applicable?*

Since the Conservative Party took the reins of power in 2010 (along with the Liberal Democrats as junior coalition partners until 2015), China’s prominence on the UK’s foreign policy agenda has increased. This paper examines the direction of the UK’s China policy since then, and critically evaluates the continued utility of the “Ideological Free Trader” (IFT) descriptor as devised by Fox and Godement (2009). Through qualitative analysis of evolving policy discourse and select government decisions, the argument is that while early policy stances appeared consistent with the IFT descriptor, the emphasis on free trade has grown considerably whilst the normative (ideological) dimension has diminished. Consequently, the UK should be redefined as an “Accommodating Free Trader” (AFT, a newly-devised amalgamation of two of Fox and Godement’s original groups—“Accommodating Mercantilist” and “Ideological Free Trader”).

The paper aims to make a contribution to the study of UK and EU-China relations. While the literature on EU-China relations is still relatively small—compared to US-China relations, for instance—it has undoubtedly expanded considerably over the past decade. While scholars have often recognised that member states remain crucial to the overall relationship, there has been a bias towards EU-level relations with member states occasionally examined as “actors” within the intergovernmental policy processes. Work on member states’ bilateral relations with China—even the so-called “EU3” of France, Germany, and the UK—are relatively few and far between, with a few notable exceptions.² Thus, there is a discernible mismatch between the insistence from scholars that individual member states’ independent/national foreign policies cannot be ignored when considering European foreign policy towards China, and the actual degree to which these are seriously studied. This paper hopes to offer a contribution to bridging that gap.

¹ The extent to which the EU-China relationship is actually “strategic” is highly questionable, and is the subject to frequent academic critiques. Nevertheless, a persistent *narrative* around the “strategic partnership” concept has emerged and persisted within the EU from 2003 onwards, reflecting the perception that the relationship is of considerable importance (Brown, 2018: 125-9).

² For instance, Breslin (2004) on the UK; Cabestan (2006) on France; and Heiduk (2014) on Germany.

The paper proceeds as follows. In the subsequent section, I outline the analytical approach adopted with respect to assessing UK foreign policy towards China vis-à-vis Fox and Godement's (2009) work. Their four categories are reviewed to illustrate their analytical utility and foundation in empirical reality. This provides the basic framework to examine the extent of change in the UK's case, and map its shift from "Ideological Free Trader" to an essentially new orientation. Before we can discuss the notion of a policy shift, we must locate the "starting point", thus the third section draws on the Labour government's 2009 China paper, which encapsulated key elements of policy from 1997 onwards. The fourth section analyses select junctures in the bilateral relationship under the Cameron government. Rather than attempting to construct a comprehensive analysis of relations, the focus is narrowed to a few prominent cases that represent important developments in UK-China and EU-China relations, as well as significant manifestations of China's rise—such as the militarisation of the South China Sea. The analysis is confined to examining key policy actors' preferences, as we are interested in their motivations behind decisions/responses. The analysis demonstrates that the designation of the UK as an "Ideological Free Trader" is less appropriate against the background of recent policy direction. The fifth section discusses how to best characterise UK policy towards China since 2010. The paper closes with a reflection on the state of UK-China relations through the first half of this decade, and suggests future avenues of research on UK and EU-China relations.

Analytical Framework

The analysis rests on examining the policy position of the executive; thus domestic disputes over policy—as often aired in the legislatures—are deliberately overlooked. This approach will be followed here, as in-depth analysis of debates in Parliament or the wider public discourse is surplus to requirement and well beyond the scope of the paper. In the UK, the executive is paramount in making foreign policy decisions, therefore the views of political actors within the various institutions matter the most for present purposes. While China pays close attention to Parliamentary debates and activity—for instance, it denounced the Foreign Affairs Select Committee's 2014 inquiry into UK-Hong Kong relations as "foreign interference" (cited by Secretary of State for Foreign and Commonwealth Affairs, 2015: 23)—this does not alter the fact that Parliament lacks the prerogative to change the policies of the UK as a *state* independent of the executive. Thus, I share Fox and Godement's (2009) approach of concentrating on the "official" government foreign policies as created by the Executive.

To focus on the "big picture" of the evolution of the UK's approach to China, the analytical framework is designed with simplicity in mind. Rather than offer up a detailed analysis of the policymaking process, only the most relevant actors are factored into the empirical cases. It is worth briefly contextualising the institutional setting in which this occurs. Dyson (2004: 5) identified the Cabinet and sub-cabinet committees—such as the National Security Council—as the "primary organizational forums [institutions] for foreign policy core executive decision making". While the

Prime Minister has considerable latitude in foreign policymaking, they are constrained by the need for consensus within the Cabinet on “major foreign policy actions” (Dyson, 2004: 8). Traditionally, the Foreign Secretary, leading the Foreign and Commonwealth Office, is the other key player within the Cabinet. The Chancellor of the Exchequer—widely considered the second-most important position—assumes the central role in foreign economic policy, often spilling over into diplomatic and security considerations. Consequently, the Treasury has an institutional role to play in foreign policymaking, particularly when Osborne enjoyed the informal position of Cameron’s “righthand man” (Parker & Warrell, 2015). As shown below, from 2012 onwards Osborne effectively positioned himself as the key policy entrepreneur with respect to China.³ Foreign Secretary William Hague (2010–2014) appeared largely in the background of many cases below, partly due to Osborne’s elevated role but also based on Hague’s level of interest in China. In a 2011 interview, Hague expressed scepticism of concentrating attention on relations with China alone as an emerging power: “The world is not going into concentric blocs of power. ... You can't just say we're going to do it all in Brussels, Beijing and Washington”, further adding that “Latin America is an economy considerably bigger than China's and growing almost as fast, and yet we've all heard about China” (cited by Rawnsley & Helm, 2011). Hague’s successor, Phillip Hammond, took office in July 2014 once Osborne’s policy shift was well under way and, so far as the available evidence reveals, did not attempt to wrest back control of policy—instead, he appears to have broadly supported the Chancellor and PM.

John Fox and Francois Godement, of the European Council of Foreign Relations, produced a short but important report entitled *A Power Audit of EU-China Relations* in 2009. Their aims were to assess the EU’s performance in relations with China and construct an explanation for the failings of the EU to leverage its considerable resources to effect positive outcomes in the bilateral relationship. They argued that forging a common EU-level strategy was problematic due to member states’ variegated responses to China’s rise; this produced a situation in which the default was not to challenge China politically. Arguably the most important contribution of the report was the creation of four categories into which the authors pigeonholed the then-27 member states, providing a useful analytical tool for understanding contestation over the EU’s collective stance towards China. Despite the fact that no member state had exactly the same policy position, they were separated into broad groups defined by, essentially, their attitude towards China and labelled as the Assertive Industrialists, Ideological Free-Traders, Accommodating Mercantilists and European Followers (Fox & Godement, 2009: 4–7). The groups were unevenly sized and of differing influence within the EU generally and its foreign policy specifically. Most importantly for current purposes, the categories were not “fixed” as recent history had shown that member states had shifted out of one and into the other following a change of government. Overall, the conceptual framework was unique because it was predicated exclusively on national-level policy preferences with

³ In this article, I follow Mintrom’s (1997: 739) definition of policy entrepreneurs as “people who seek to initiate dynamic policy change ... [using] several activities to promote their ideas. These include identifying problems, networking in policy circles, shaping the terms of policy debates, and building coalitions”.

respect to China rather than broader worldviews, or specific national characteristics (identities). That is, the model only applied to EU-China relations, and could not be used for, say, EU-Russia relations.

The report was widely read in member states' capitals and EU institutions, as this author learned on previous fieldwork trips in the two years subsequent to the *Power Audit*'s publication. According to Google Scholar statistics,⁴ as of June 2017 the report has been cited in over two hundred publications; a respectable figure in the still-niche area of EU-China relations scholarship. Yet, no updated *Power Audit* has been forthcoming from the ECFR,⁵ nor have other scholars critically reflected on the extent to which member states have shifted in and out of these groups. This is to the detriment of overall EU-China scholarship, as the potential of Fox and Godement's framework has yet to be fully realised. In this paper, the original framework is utilised and adapted to construct an understanding of how and why the UK's policy approach to China shifted quite far in only a few years. Before undertaking the analysis, it is worth briefly surveying the characteristics of Fox and Godement's groups to help map out the "geography" of member states' approaches to relations with China.

Taking the largest group first, the *Accommodating Mercantilists* (AM[s]) are driven by a common assumption that "good political relations with China will lead to commercial benefit" (Fox & Godement, 2009: 6). They tend to favour protectionist measures to shield their economies from Chinese competition, but compromise by broadly avoiding exerting political pressure or overtly challenging China on normative issues such as human rights. Fox and Godement (2009: 6) claim that "at the extremes, some effectively act as proxies for China in the EU". In short, states belonging to this group are motivated by economic self-interest and fail to push the

⁴ This was determined through a search on "Google Scholar"; see the results at: https://scholar.google.com/scholar?client=safari&rls=en&oe=UTF-8&um=1&ie=UTF-8&lr&cite_s=9542962397354496225 (accessed June 2017).

⁵ Although the *Power Audit* itself saw no direct successor, Godement et al. (2011) did revisit the categories in a paper entitled "The Scramble for Europe", looking at EU-China relations in the wake of the financial crisis and ongoing Eurozone crisis. In this, the original four categories were dropped in favour of two new categories: "frustrated market openers" and "cash-strapped deal seekers". The UK was assigned to the former. However, I do not follow Godement et al. (2011) as my interpretation is that the new categorisations were far more specific to the context of the bilateral relationship during the global financial and Eurozone crises. Arguably, these have lost relevance since the worst manifestations of these crises have subsided. As such, the "original" groups come back into play, as we need to be able to consider more than just member states' economic positions with respect to China (the two new names were notably economically-oriented). The *Power Audit* groups were more comprehensive since all member states (with the exception of France under Sarkozy) were categorised. In the 2011 paper, 12 of the 27 states were uncategorised—more than were assigned to either of the two new groups; an analytically unsatisfactory and unhelpful move if we are to advance the model. Further, when comparing "political attitude" (x-axis) across both versions, it's notable that the main players (the UK, France and Germany) and most other states had not changed much over the two-year period between the reports, other than a handful of AMs becoming more politically supportive. "Economic attitude" (y-axis) demonstrated a greater degree of shift, but because what was being measured therein changed (protectionist/liberal spectrum replaced by prioritisation of market access in China versus "Chinese deals in Europe") there is reason to be cautious about comparing the two.

normative agenda, running contrary to the assumptions of the Normative Power Europe model which has gained much attention in the academic literature (see Manners, 2002). Fox and Godement identified France (under Chirac) and Germany (under Schröder) within this group, along with Italy and Spain, the two most protectionist states. The *Ideological Free Traders* (IFT[s]), including the UK, are those states “mostly ready to pressure China on its politics and mostly opposed to restricting its trade” (Fox & Godement, 2009: 6). Their economic interests are served by promoting free trade to facilitate cheap imports of goods as China continues to grow, since their economies are comparatively less reliant on manufacturing.

The *Assertive Industrialists* (AI[s]) comprised just three states, including Germany once Angela Merkel assumed the chancellorship. Only AIs were “willing to stand up to China vigorously on both political and economic issues” (Fox & Godement, 2009: 5). Reluctant to allow economics to drive the overall relationship, they are ready to use economic pressure in an attempt to alter China’s behaviour. Germany sits in a particularly powerful position as China’s main EU trade partner, and at times has attempted to leverage this to obtain specific political issues. Fox and Godement (2009) essentially endorse this group as having the most desirable approach that should be applied at the EU level. The final group were designated the *European Followers* (EF[s]), those “who prefer to defer to the EU when managing their relationship with China” (Fox & Godement, 2009: 7). China plays a relatively small part in their foreign policy calculations and ambitions; while happy to support the EU position, they are generally inactive in policy debates. The group consisted of smaller states that look to the collective for shelter from Chinese pressure on politically-sensitive issues.

The prevalence of four different groupings of attitudes towards China has had two main effects. First is the impression conveyed to China that the EU lacks unity (Fox & Godement, 2009: 7), curtailing the extent to which the latter can realise its ambition of a “comprehensive strategic partnership”. If member states cannot agree among themselves on what their strategy should be, the prospects for genuine strategic cooperation are inherently limited. This leads to periodic “re-bilateralisation” of relations, where the EU states view their interests as best served through direct interactions with China, and vice versa. This was evident, for example, in the wake of the EU’s “non-decision” on the lifting of its Chinese arms embargo in 2005 (Stumbaum, 2009: 165). The other—and from Fox and Godement’s (2009: 2) perspective, the more troubling—effect is that the EU’s policy can be characterised as “unconditional engagement”; that is, one that “gives China access to all the economic and other benefits of cooperation with Europe while asking for little in return”. This renders overall policy ineffective, as the EU is essentially unable to influence China’s behaviour.

Fox and Godement’s (2009) report was a snapshot in time. Their observation that both Germany under Merkel and France under Sarkozy “shifted” groups opens up the possibility that variation in member state attitudes impact the overall relationship. Inevitably, it is “movement” by the members of the so-called EU3—France, Germany and the UK—that have the greatest potential for influencing EU-

level policies (see Lehne, 2012). Therefore, scholars of European/EU relations with China can utilise the foundation laid by Fox and Godement (2009) to analyse bilateral relations. Such studies, while standing on their own as contributions to the study of the foreign policy of the member state in question, can also feed into further study of EU-China relations. Understanding and explaining shifting attitudinal constellations among the member states with respect to China may also offer modest predictive capacity for how EU policy might evolve, by characterising the policymaking environment as more critical versus more supportive in the political domain and more economically protectionist versus liberalising.

The UK's 2009 China Policy Paper

To ascertain the degree by which the UK has shifted away from being an Ideological Free Trader, it is necessary to show why it earned this designation in Fox and Godement (2009). However, detailed historical analysis of the relationship under previous governments is beyond the scope of this paper. Rather, our point of departure is the first ever UK policy paper on China, entitled *The UK and China: A Framework for Engagement* (Foreign and Commonwealth Office, 2009). The document essentially consolidates the various strands of the government's approach from 1997 onwards in one coherent narrative: engagement for the benefit of the UK, China itself and the wider world. This approach would continue, assuming that Labour were re-elected in 2010. There was significant emphasis on economic opportunities from closer engagement, but balanced by constant reinforcements of the need to promote human rights. There is a notable caveat to the benefits of China's rise—as then-Prime Minister Gordon Brown argued in the foreword that the UK must “get [its] response right” (Foreign and Commonwealth Office, 2009: 3). This set the tone for the remainder of the paper with respect to the need to influence China's behaviour at both the domestic and international levels.

Then-Foreign Minister David Miliband's contribution to the foreword stressed that the promotion of human rights constituted a “fundamental part of this Framework, both because it is the right thing to do, and because we firmly believe that greater respect for human rights will enable China to manage peacefully the internal tensions it will inevitably encounter as it continues to develop” (Foreign and Commonwealth Office, 2009: 4). Human rights advocacy through foreign policy would be achieved by an approach based on engagement and cooperation (Foreign and Commonwealth Office, 2009: 4); implicitly rejecting an approach based on criticising, disengaging or isolating China for human rights failures. Specific outcomes that the UK hoped to see included ratification of the International Covenant on Civil and Political Rights (ICCPR), strengthening of the rule of law, greater independence for the judiciary, abolition (or reduced usage) of the Re-education Through Labour system, reduced application of the death penalty and increased safeguards against torture, and increased media freedoms (Foreign and Commonwealth Office, 2009: 19).

The central focus of the paper was economic opportunities: “In a climate where

restrictions on market access remain, and the process of economic reform is not yet complete, we should try to make deeper inroads into China's market. We will help British businesses make the most from the opportunities China's growth offers" (Foreign and Commonwealth Office, 2009: 9). The paper outlined objectives of reduced tariff and non-tariff barriers to trade, greater protection for Intellectual Property Rights, and the deepening of sector-specific collaboration, e.g. tertiary education and science (Foreign and Commonwealth Office, 2009: 15). A broad commitment to a strategy of engagement was reiterated in a discussion on bringing China into global governance structures, arguing that it was time to bring major international institutions "into line with modern realities of power" by reshaping them to ensure that "China's role ... reflects its weight and influence" (Foreign and Commonwealth Office, 2009: 12). This goal of enmeshing China within the status quo international order must be met without "undermining [the] norms, or diluting [the] effectiveness" of "international leadership structures" (Foreign and Commonwealth Office, 2009: 13).

Security issues only appeared in relation to prospects for cooperation on salient international issues, highlighting China's increased global influence. China's cooperation would be required to tackle pressing challenges including terrorism, nuclear proliferation and conflict prevention/reduction (Foreign and Commonwealth Office, 2009: 8). The document suggested that the two should "cooperate to manage regional tensions peacefully" (Foreign and Commonwealth Office, 2009: 11), later clarifying that this included the East Asian region but—unsurprisingly—stopping short of identifying China's rise as itself a contributory factor to regional tensions (Foreign and Commonwealth Office, 2009: 17). Passing reference was made to the need for China to increase transparency regarding its defence budget and policy as part of fostering its "emergence as a responsible global player" (Foreign and Commonwealth Office, 2009: 17) but context for the call was missing. In sum, the document matches closely with the description of the IFTs as per Fox and Godement's (2009) framework: strong emphasis on the importance of free trade, and an ideological component stressing core national values.

The above is not to say that the UK lived up to the "ideal type" of an IFT at all times. Indeed, although policy discourse was peppered with reference to human rights and positions adopted were more critical than that of many European counterparts, the government's translation of rhetoric to action was often limited. Good economic and political relations dominated, with a tendency to fall in line with the general trend amongst EU states of pursuing unconditional engagement. For instance, the UK for a time supported the lifting of the arms embargo (contemplated between 2003 and 2005) without attaching formal conditions and despite no real improvement in China's human rights record (Brown, 2011). Moreover, it is notable that despite the political commitment to the embargo at the EU level, the UK resumed arms and related exports to China in 1998, with reports of some \$820 million's worth by 2016 (Stockholm International Peace Research Institute, 2017). According to the Campaign Against Arms Trade's (2017) calculations, between May

2010 and December 2016 the UK government issued licenses for military-related exports of £164 million.⁶

To some extent, this inability to persistently stand up to China is arguably the reality—that a country the size of the UK has an inherently limited influence on the behaviour of a rapidly-rising economic giant. Despite the former’s diplomatic experience and continued political and economic weight in the international system, it is not easy to demand change—as even the US could attest to. Nevertheless, the willingness of the leadership to raise human rights issues at the national and EU levels (when the opportunity arose) and the embedded belief that political and economic engagement would facilitate Chinese socialisation into Western norms highlights the presence of both “ideological” and “free trader” characteristics in New Labour’s policy.

China Policy in the Cameron Years, 2010-2016

In May 2010, Labour lost power after thirteen years in government. Unusually for Britain, neither of the two major parties secured an outright majority. The options were either entering coalition with a smaller party, or governing as a minority. After a few days of political wrangling, a coalition agreement was forged between the Conservative and Liberal Democrat parties with David Cameron (leader of the former) occupying 10 Downing Street. The Conservatives, as the major coalition partner, dominated cabinet positions, including the Treasury and Foreign Office portfolios. On the surface, the major difference of the new government compared to its predecessor was a much cooler attitude towards the EU generally. Consequently, the concern with driving the EU’s China policy was diminished under the new government, albeit the emphasis on greater market access for China persisted. In this section, I explore a series of cases which illustrate the UK’s reaction to the political, economic and security ramifications of China’s continued rise. The Dalai Lama controversy was the catalyst for the departure from previous policy, highlighting Beijing’s increased political and economic clout. The case of the UK signing up to the Asia Infrastructure Investment Bank represented a decision that is as much political as it is economic, while Hinkley Point C and the South China Sea represent, respectively, domestic (British) and regional (East Asian) security issues.

In the early stages of Cameron’s government it appeared that continuity rather than change was the name of the game with respect to China relations.⁷ The Conservative Party’s manifesto had included a few references to China, buried deep

⁶ Nevertheless, restrictions have been enforced, with applications for export licenses to China refused on the basis of the UK’s international treaty/convention obligations, risk of use for internal repression, preservation of regional stability, national security (including that of EU member states, allies and other “friendly countries”), and/or the “risk of diversion or re-export to undesirable end-users” (Campaign Against Arms Trade, 2017).

⁷ Despite the coalition, for expediency I hereafter refer to the “Conservative government” or the “Cameron government” for the 2010–2016 period. This is appropriate given the strength of the Prime Minister in the domain of foreign policy, as well as the primacy of the Chancellor during this period, due to the lack of a formal system of checks and balances based on a codified constitution.

towards the end of its 119 pages. The prevailing policy approach was articulated by the manifesto's concise assertion that in power they would "seek closer engagement ... while standing firm on human rights" (Conservative Party, 2010: 110). EU-China relations were briefly mentioned, giving support for an EU external policy that would contribute to a "strong and open relation[ship]" (Conservative Party, 2010: 113). The only specific policy change outlined was, to serve a goal of increasing the efficiency of international aid spending, that the Conservatives would end aid to China on the grounds that their own government (along with other countries, such as Russia) should be "looking after their own poor citizens" (Conservative Party, 2010: 118).

Early policy choices and positions staked out on key issues in the relationship with China reinforce the validity of the designation as an IFT. Ahead of his first official visit to China, Cameron commented that the government was on a "vitaly important trade mission", emphasising that "Britain is now open for business, has a very business-friendly government, and wants to have a much, much stronger relationship" (cited by Foreign and Commonwealth Office, 2010). In a speech to students during an official visit in November 2010, Cameron addressed political reform, arguing that he was "convinced that the best guarantor of prosperity and stability is for economic and political progress to go in step together" (cited by Wintour & Inman, 2010).⁸ It was reported that Cameron also raised individual cases of human rights abuses directly with Premier Wen Jiabao, although had justified his approach of doing so behind closed doors on the grounds that "we shouldn't be lecturing and hectoring but it is right we have a dialogue on these things" (cited by Wintour and Inman, 2010). When the issue of the arms embargo briefly threatened to resurface on the EU's agenda in late 2010 and early 2011, it was reported that the UK was opposed to revisiting the issue (Lohman & McNamara, 2011).⁹

The policy shift came after the 2012 meeting between Cameron and Chancellor of the Exchequer, George Osborne, and the Dalai Lama, despite PRC lobbying efforts. Arguably, this precipitated the lowest point in UK-China relations since the Tiananmen Square massacre of 1989. China's reaction was nothing new—indeed, it cancelled the 2008 EU-China Summit following French President Sarkozy's meeting with the Dalai Lama—but it was the first time that Cameron's government had been on the receiving end. The plug was pulled on Wu Bangguo's planned UK visit,¹⁰ the British ambassador was summoned by the government, and Chinese Ministry of Foreign Affairs spokesperson Hong Lei publicly rebuked the meeting, which "seriously interfered with China's internal affairs, undermined China's core interests, and hurt the feelings of the Chinese people" (cited by *BBC*, 2012).

This marked the start of a turning point for the UK government's approach, whereby those who favoured greater political accommodation in order to ensure smooth progress in the economic relationship started to win internal debates. Based on the publicly available evidence, Osborne was the key policy entrepreneur for this

⁸ This speech was given to a relatively small group of students, with no broadcast or media coverage. Consequently, the Chinese government had little motivation to censor Cameron.

⁹ Despite continuing to export certain items, as noted in Section 3.

¹⁰ Chairman, Standing Committee of the National People's Congress.

school of thought. *The Economist* (2015) later reported “no British politician [was] more closely associated” with the improvements in UK-China relations since 2012 than Osborne himself. Osborne stressed that the government “made a determined effort to ensure that ... Britain is China’s best partner in the West. And that has been a conscious decision” (cited by *Economist*, 2015). The shift was evident in early 2013, when reports emerged of a split within in the Cabinet, with Osborne and Cameron on one side and Hague and Deputy Prime Minister Nick Clegg (leader of the Liberal Democrats) on the other. One Whitehall source summarised the division:

Hague and Clegg ... believe we need to stand up to the Chinese. For Clegg, human rights are a matter of principle. For Hague, it’s about not kowtowing to the Chinese. He believes we need to stand up to them, or they will simply treat us with contempt. Cameron and Osborne are focused on trade. They want to keep the Chinese on side [politically] (cited by Oakeshott & Grimston, 2013).

Despite the events of 2012 and the Cabinet’s internal debates in 2013 instigating a reorientation of Britain’s approach, the process was gradual rather than immediate, with no political fanfare or high-level declaration. The shift seemed to go largely unnoticed until 2015, with the exception of human rights groups criticising Cameron—ahead of his 2013 visit to China to promote trade and investment deals—for agreeing not to meet the Dalai Lama in the near future; this criticism was accentuated by an ICM survey revealing that sixty-nine percent of respondents thought that “protecting human rights in Tibet was more important or as important as maintaining good trade relations with China” (cited by Hope, 2013). The next major issue stemmed from China’s 2014 proposal to establish the AIIB as a means through which to fund its One Belt, One Road (OBOR—or New Silk Road) initiative.

The significance of the AIIB is twofold. One, it represents the manifestation of China’s increased confidence to exercise both political and economic power to further its aims—effectively a form of soft power. If successful, the AIIB will increase China’s international influence through economic incentives for participating states. It may also enable China to challenge “dollar hegemony” (Holmes, 2015). Two, it arguably signals China’s willingness to operate outside the established international economic order—rather than turning to existing institutions, a new one was created. The move then plays into debates over whether China is a status quo or revisionist power. Certainly, numerous commentators picked up on the fact that the Obama administration appeared to view the AIIB as a direct challenge to the US-designed (and backed) institutions (e.g. Subbachi, 2015). Others saw the institution—and the divergent responses in Europe and the US—as a strategy designed to divide the West (e.g. Le Corre, 2015). The UK government apparently did not share these pessimistic interpretations; in March 2015, Osborne announced the UK’s intention to become a founding member of the AIIB, proudly declaring that it would be “the first major Western country” to do so (HM Treasury, 2015a).

While the announcement was warmly received in China, the tone of the reaction in the US was remarkable for its bluntness. Ostensibly, the UK had given no prior

indication of its intentions, and the Obama administration took issue with a key ally committing to joining an institution that it saw as a challenge to its own power, even after direct appeals to allies—including the UK—not to join (Higgins & Sanger, 2015). The subsequent rush of other European actors to sign up to the AIIB, lest they miss out on the opportunity, further reinforced US concerns. Somewhat unusually, the US National Security Council issued a statement about the UK's move to *The Guardian*, noting that it “is the UK's sovereign decision” but urged the British government to “push for adoption of high [governance] standards” similar to those of the World Bank and other regional development banks (cited by Watt et al., 2015). There was a parallel concern among US officials that the AIIB was effectively a tool for increasing China's regional soft power (Watt et al., 2015). One senior official was quoted as lamenting the fact that the UK's announcement was preceded by “virtually no consultation”, and added that there was wariness regarding “a trend toward constant accommodation of China, which is not the best way to engage a rising power” (cited by Dyer & Parker, 2015). Eswar Prasad, formerly head of the IMF's China division told *The Financial Times* that “apart from gaining favour with China it is not immediately obvious what the UK interest is in joining this bank” (cited by Anderlini, 2015).

The negative reaction to the AIIB decision was largely external. However, Osborne's September Xinjiang visit and President Xi's October state visit caused analysts, commentators and the public to sit up and take notice of the accommodating nature of UK policy. Osborne's goal in Xinjiang was to enhance economic ties and state support for the One Belt, One Road initiative. In an opinion piece—co-authored with former Goldman Sachs economist Lord Jim O'Neill—published in *The Guardian* just before the visit, the Chancellor's perspective on China relations was clearly set out:

There are those who say we should fear China's rise—that we should somehow guard ourselves against it. But we reject such thinking, which would simply leave the UK slipping behind. Instead, we should embrace it. We want a golden relationship with China that will help foster a golden decade for this country. It is an opportunity that the UK can't afford to miss. Simply put, we want to make the UK China's best partner in the west (Osborne & O'Neill, 2015).

At home, Osborne received criticism from human rights activists for failing to raise the issue of increased repression in the region. Sophie Richardson, Human Rights Watch's China director, asserted that a failure to publicly raise human rights issues would demonstrate “how craven and cowardly UK policy towards China has become” (cited by Phillips, 2015a). Activists' concerns appeared to be validated by government statements around the trip; an HM Treasury (2015b) press release on the first day of the visit did not mention the ethnic violence in the region or human rights concerns more broadly. Pressed on the issue, Osborne told BBC Radio's “Today” programme that he would not engage in “megaphone diplomacy”, and argued that the UK would help with the economic development of the region (cited

by Phillips, 2015b). Later during the trip, he told foreign journalists that in his view it would be “very strange if Britain’s only relationship with one fifth of the world’s population and the government that represents them was solely about human rights ... [but it] doesn’t mean we don’t stand up for our values” (cited by Phillips, 2015b).

Xi’s state visit the following month was the first of its kind in a decade, and was described by the British government as “a spectacular celebration of our shared appreciation of heritage and culture” (Foreign and Commonwealth Office, 2015). In addition to the diplomatic dimension, there were economic incentives behind the visit. The Foreign and Commonwealth Office (2015) identified commercial agreements across the “creative industries, retail, energy, health and technology, financial services, aerospace and education” sectors. Cameron called it “a very important moment for British-Chinese relations ... a real opportunity to deepen our relationship” (cited by Foreign and Commonwealth Office, 2015). Of the issue areas listed on the government website for discussion, China’s human rights record and actions in the South China Sea were not listed. Foreign Secretary Philip Hammond’s comments ahead of the visit identified the opportunity to “ensure that China’s emergence is done in a way that ensures she respects the rules-based international system and works with the grain of the international community to be, and to remain, a responsible player on the world stage” (cited by Foreign and Commonwealth Office, 2015).

Criticism of the portrayed closeness of the relationship with China quickly mounted up in the national and international media. *The Financial Times* framed the visit as “the moment when the existing global hegemon’s closest ally bent its knee to the rising superpower” (Anderlini & Parker, 2015). The speaker of the House of Commons, John Bercow, remarked that India was a “great democracy” following an MP’s comment that the government should treat both great powers the same way (cited by Dathan, 2015). Such political statements in this manner from the speaker are rather rare, and garnered considerable attention given the implicit criticism of China’s regime. Cameron’s own former adviser, Steve Hilton, characterised the government’s behaviour as “humiliating” (cited by Parker, 2015). Elsewhere, Fabian Hamilton MP (Chair of the All Parliamentary Group on Tibet) stated that the UK should not allow China “to get away with the kind of human rights abuse that our government seems so eager to ignore in the name of economic growth” (cited by *EuroNews*, 2015). Supporters of Tibet and the PRC even clashed on the streets of London upon Xi’s arrival (Islam, 2015).

Cameron was quick to counter his critics, arguing that he “totally reject[ed] the idea you either have a conversation about human rights and steel or you have a strong relationship with China ... you can have both, indeed you must have both” (cited by Parker, 2015). He also claimed that he raised human rights issues behind closed doors, although his aides would not disclose specifics (Parker, 2015). The government largely went on the defensive throughout the visit and thereafter, with Hammond denying that the UK was in a “master/servant” relationship with China (cited by Islam, 2015). Irrespective of these assertions and what may have been said behind closed doors, the overall impression was that the red carpet had been rolled

out for the Chinese President. There was a concerted effort to present the image of a “friendly” personal relationship between Cameron and Xi with a pint at the pub and a “selfie” with Sergio Aguero of Manchester City Football Club. The front page of *The Spectator’s* September 26 issue—published ahead of the visit—depicted Cameron and Osborne kowtowing to a Chinese emperor, and asked: “Where’s the morality?”¹¹ The cover served as a graphical representation of the extent of criticism that Cameron and Osborne received from across the political spectrum for their open-armed approach and ostensible political accommodation in return for economic gain.

Out of the October 2015 visit came one of the UK government’s more controversial decisions: the solicitation—and eventual approval—of Chinese investment in the development of a new nuclear energy power station. The final deal saw France’s EDF commit to building the station, to be part-funded by China General Nuclear (*France24*, 2016). The controversy largely focussed on China’s involvement, with critics citing concerns over security, particularly the prospects for China to gain develop insights into—and potentially exploit—weaknesses in critical infrastructure. Caroline Baylon of Chatham House stated that “if the international situation changes [with respect to the unspoken agreement between nations not to target each other’s infrastructure], the UK may find itself in a tricky spot if this Chinese deal goes through. Today’s alliances are not tomorrow’s alliances” (cited by *BBC*, 2015a). In the same report, unnamed defence and security sources were concerned over the prospect of “trapdoors or backdoors” being built into the computer systems designed by the Chinese company, facilitating the bypass of security measures if ever needed (*BBC*, 2015a). Despite these warnings being communicated to the public via the media, the government actively played down the concerns, instead concentrating on the economic and energy-related benefits.

Osborne justified the decision to facilitate Chinese investment in the UK’s civilian nuclear infrastructure through appealing to the British taxpayer; he referred to the decision as a “concrete advantage for British people” of the close bilateral relationship. As Chancellor, he did “not need to stump up billions and billions of pounds of taxpayers’ money to build a new nuclear power station ... money I can’t then spend on the health service or can’t then spend on the education system or can’t use to cut taxes” (Osborne, cited by *Economist*, 2015). Osborne apparently had little regard for either the potential security implications or, it would seem, how the public, the media, or the UK’s international partners might perceive the decision, even after the recent criticisms levelled at his policy approach. Treated in isolation, the decision could be argued to be relatively innocuous; however, placed in the wider context of China’s increasing assertiveness at that time (see below), then the decision arguably represents further accommodation when the UK’s main strategic partner—the US—was increasingly concerned about China’s actions.

The South China Sea disputes (SCSDs) —and the international community’s response to China’s assertive actions and uncompromising political position—

¹¹ The image can be viewed at <http://blogs.spectator.co.uk/files/2015/09/dal.jpg> (accessed 10.06.2017).

arguably represents the clearest case of the challenge of integrating a rising power into the Western-led, rules-based international system. China is involved in long-running disputes with its neighbours pertaining to sovereign territorial claims within the South China Sea (SCS). The contestation for territorial control is deemed worthwhile for access to natural resources (oil and gas) and fisheries, and of course, national pride (Lunn & Lang, 2016: 5). Trade routes through the SCS are also important: some \$5.3 trillion in total trade passes through annually, and 90% of Middle Eastern fossil fuel exports are projected to go the Asian region by 2035 (CFR, 2016). Therefore, there are economic and political factors at play. The fine details of the disputes are beyond the scope of this paper, but the most salient aspects can be distilled: China asserts historical claims of sovereignty of territory far from its own coast, bringing it into dispute with Taiwan, Vietnam, the Philippines, Malaysia and Brunei. In order to bolster their claims and assert their “sovereignty”, all but one (Brunei) have occupied at least some of their claimed islands, establishing a (para)military presence there (Lunn & Lang, 2016: 6). Controversially, since 2013, China has “engaged in unprecedented and ecologically devastating dredging and island-building” in the Spratly Islands, creating “more than 3,200 acres of new land” (Asia Maritime Transparency Initiative, 2016a). Upon these new artificial islands, China has apparently been constructing military bases, despite claims from the government that they are for civilian purposes (Sanger & Gladstone, 2016). The militarization of the SCS is viewed as a potential flashpoint for conflict between the disputants, as well as facilitating China’s ability to project power throughout the region (CFR, 2016).

Although the UK lacks a regional presence in any meaningful sense, it nevertheless remains an interested party due to its permanent seat on the UN Security Council and its considerable economic stakes in continued freedom of navigation, which some are concerned is under threat due to the increased militarization of the SCS and China’s increased assertiveness in the region. As an IFT, the UK would be expected to uphold the international status quo and insist on adherence to international law precisely because the current arrangements continue to deliver benefits. The US, the principal status quo power, has repeatedly made clear that it will not accept China’s aggressive approach to the SCSDs and insists upon continued freedom to navigate through contested waters. Despite the conventional wisdom that the UK largely backs the US in foreign policy matters, the Conservative-led government in the UK has been relatively quiet on the SCSDs, only offering statements with more direct language when prompted to do so by others or under the cover of multilateral settings, for instance within the G7.

The most revealing statements from government officials are found in the Parliamentary record. In December 2015, Minister of State for Foreign and Commonwealth Affairs Hugo Swire responded to a written question regarding whether the UK had a view on, specifically, China’s maritime claims. Swire noted that the UK “takes no position on the underlying and conflicting claims” and that it advocated the peaceful resolution of maritime disputes “in accordance with international law, for example [UNCLOS]” (Parliament, 2015a). The Minister of State for the Armed Forces, Penny Morduant, replied to a written question on whether

the Royal Navy would adhere to China's proclaimed territorial limit around the Spratly Islands with confirmation that British ships would "exercise the right of innocent passage whenever transiting in another States' recognised territorial seas" which would require "neither prior authorization nor authorization from the coastal State" (Parliament, 2015b). In March 2016, Swire responded to a question on the SCSDs during a parliamentary debate, reasserting these principles. He added that the government was "concerned about the risk that some of the large-scale land reclamation ... could pose to maritime freedom of navigation and to the area's stability" (Parliament, 2016). Importantly, Swire only expressed "concern", and did not articulate a preference for cessation of the reclamation activities. While it can be inferred that the concern stems from China's activities specifically, this was not explicitly stated. By contrast, President Obama had previously called on China to "halt reclamation, new construction, and militarisation of disputed island[s]" (cited by *BBC*, 2015b). Consequently, the UK has adopted a non-confrontational approach on this issue, apparently unwilling to directly challenge China on the political front, and crucially, unwilling to offer rhetorical support for the position of the US.

Cameron's willingness to stand up to China on political matters appeared to return in May 2016 when, at the G7 Summit in Japan, he called for compliance with the upcoming tribunal ruling from the Permanent Court of Arbitration in The Hague, arguing that China should be encouraged "to be part of [the] rules-based world. We want to encourage everyone to abide by these adjudications" (cited by Asthana et al., 2016). According to coverage in *The Guardian*, Cameron had "adopted his toughest stance yet on China's claims, following criticism from the White House that he has been too accommodating towards Beijing" (Asthana et al., 2016). Yet Cameron called on all sides to respect the outcome, and purposefully avoided taking a side on the competing claims. Thereafter, the government largely avoided making further, independent statements on the upcoming tribunal ruling, despite the US looking to its allies to take a firm stance. By the time the ruling was made in July 2016, Cameron was no longer Prime Minister.

Theresa Fallon (2016) argued that "China's economic statecraft has softened the resolve of some EU member-states and groomed them to advocate Beijing's position" on the SCSDs. Fallon (2016) noted that the language in the EU's collective response to the arbitration tribunal failed to take a strong position, only acknowledging the outcome, not supporting or welcoming it. The main opponents of a stronger position were Greece, Hungary and Croatia—although we can infer that the UK, France and Germany were not desperate for one either, for they could have brought their weight to bear and pushed forward. Essentially, China hoped for EU neutrality on the SCSDs. Here then, it is not just a case of the UK accommodating China—and indeed there were more egregious examples from other EU states. However, the evident unwillingness of the UK to take an assertive position and call on China to respect the ruling, as the US had and hoped its allies would, conforms to the general drift away from its ideological approach towards accommodation. In the context of the UK having voted to leave the EU—although still formally a member state until official withdrawal—there was arguably scope to start asserting its own voice on the international stage, had the government chosen to do so.

From “Ideological Free Trader” to “Accommodating Free Trader”

Fox and Godement (2009: 7) observed that with respect to the competition between the major EU states for the title of “partner of choice”, China typically only granted “preferred status for a limited duration offering its favours to the highest or most pliant bidder”. Thus, if the UK’s recent overtures on the political and economic fronts were orchestrated to position it as the new favourite, at best the results would be of short-term benefit,¹² but potentially costly in terms of the negative reactions in the domestic and international contexts. Breslin (2004: 409-410) noted that some observers saw New Labour’s early approach of promoting economic relations while attempting to maintain an “ethical” foreign policy centred on human rights as essentially contradictory; however, the counterargument rested on the belief that engaging China and integrating it with the established international order would facilitate change in domestic policy over time—this national-level engagement strategy was largely in tune with the positions adopted by other EU member states during the 1990s.

As with Fox and Godement’s (2009) observation that both Merkel and Sarkozy had substantially shifted the approach of their respective country’s policy towards China, the UK underwent a similar—although less immediate—reorientation following the Conservatives replacing Labour in government. Thus, the characterisation of states as “Ideological Free Trader”, “Accommodating Free Trader”, or any other designation must be caveated with the realisation that these are not fixed identities. The interesting difference in the case of the UK’s reorientation was that rather than the head of government, it was in fact another policy entrepreneur, Chancellor Osborne, who was in the driving seat. Ultimately, Cameron, as PM, held constitutional power over foreign policy within the Cabinet as the core executive and could have effectively “vetoed” Osborne, but appeared to have been sufficiently persuaded by his colleague to support the new approach. Osborne was critical of the failure of the preceding government to capitalise on economic opportunities, complaining that “we woefully failed to connect Britain to the growing Chinese economy in the previous decade” (cited by *Economist*, 2015). In the interview, *The Economist*’s Bagehot columnist queried the UK’s role in democracy and human rights promotion; Osborne’s response largely dodged discussing these issues directly, instead focussing on the fact he was engaging China in an “economic and financial dialogue” and was personally interested in “Britain projecting itself abroad” (cited by *Economist*, 2015). According to one source familiar with Osborne’s views, he was “convinced that the UK strategy is right and that the US is wrong” (Anderlini & Parker, 2015).

¹² Arguably, the EU referendum outcome may prove to diminish China’s interest in the UK given that it will no longer be able to influence overall EU China policy. However, even in the situation whereby the UK had voted to remain in the EU, its boosted reputation with China would still be subjected to the same patterns of recent history—short-term favouritism which encourages competition from France and Germany.

In terms of material circumstances changing, a question remains as to exactly how economically important China was for the UK during the timeframe of analysis. The data on UK-China trade over the 2006-2016 period shows that exports and imports have increased (Table 1). Although lagging behind UK-US trade and comparatively small compared to UK-EU trade, China is nevertheless an important trading partner for the UK already. Osborne’s rhetoric emphasised the potential for even greater economic relations on the basis of its continued growth (both in terms of overall GDP and the wealth of its expanding middle classes). Compared to 2006, by 2016 UK exports to China had more than trebled. By comparison, exports to the US only increased by approximately ten percent, and exports to the EU had in fact shrunk. Imports from the US and China were virtually level in 2016. In 2015, one report projected that British foreign direct investment in China would quadruple by 2020 (Burn-Callander, 2015). During his September 2015 visit to Chengdu, Osborne hailed the “unprecedented opportunity to secure significant [Chinese] investment into some of our most ambitious projects” (cited by Giles & Plimmer, 2015). The potential for attracting investment is evident, when China’s FDI outflows increased by an average of thirty percent annually from 2005-2015 (Hanemann & Huotari, 2017: 4). Between 2000 and 2016, the UK was the top European destination for Chinese FDI, attracting over €23.6 billion—in the same timeframe, Germany attracted over €18.8 billion (Hanemann & Huotari, 2017: 10). Even so, Osborne continually pressed that the UK could—and needed—to do better. This impacted his policy preferences, which Cameron enabled him to translate into both government statements and policy decisions.

Table 1: UK Trade in Goods, 2006-2016 (US\$ billions)

| | 06 | 07 | 08 | 09 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Exports to | | | | | | | | | | | |
| <i>PRC</i> | 5.9 | 7.4 | 8.8 | 7.8 | 11 | 13.7 | 15.4 | 17.8 | 25.9 | 27.4 | 18 |
| <i>USA</i> | 55.1 | 59.4 | 60 | 48.6 | 53.4 | 58 | 58.3 | 57.7 | 60.2 | 67 | 60.7 |
| <i>EU</i> | 273.2 | 248.1 | 256.4 | 190.2 | 213.5 | 247.1 | 230.6 | 227.2 | 236.7 | 203.9 | 193.6 |
| <i>World</i> | 450.2 | 442.1 | 472.9 | 355.7 | 415.6 | 505.6 | 472.9 | 540. | 504.6 | 459.6 | 409.2 |
| Imports from | | | | | | | | | | | |
| <i>PRC</i> | 36.1 | 45.6 | 47.5 | 42.7 | 50.2 | 53.9 | 53.7 | 54.5 | 60.6 | 61.2 | 58.9 |
| <i>USA</i> | 42.4 | 47.3 | 48.8 | 40.1 | 43.2 | 54.6 | 54.4 | 46.1 | 53.5 | 57.6 | 59.3 |
| <i>EU</i> | 295.9 | 332.5 | 329.8 | 251.8 | 283 | 320.7 | 323.1 | 334.6 | 360.8 | 334 | 319.7 |
| <i>World</i> | 611.9 | 638.7 | 659.9 | 519.5 | 589.4 | 678.7 | 695.5 | 660.1 | 689.8 | 626.2 | 636.5 |

Source: IMF (2017)

The trend in the UK’s foreign policy orientation towards accommodation is not irreversible; a crucial point here is that the prevailing views of actors (particularly policy entrepreneurs) within the foreign policy core executive can strongly set the course for how the country interacts with China. This is true for the other EU member states, as shown by Fox and Godement (2009). This perspective rejects the notion of the “fixed” national interest to which all policymakers are relentlessly working towards. It also demonstrates the limitations of assuming that interests are exogenously determined by the structure of the international system or contingent on the behaviour of third parties. China’s policy towards the UK did not change significantly during the 2010-16 period—rather, it continued to press its case for greater access to British/European markets and retaliate to any perceived criticism

of its domestic behaviour towards its own citizens or offences to its international character (such as the Dalai Lama being granted high-level meetings). Thus, calculations of interests and perceptions at the individual or group level can result in rapid policy shifts.

Indeed, although the new Prime Minister, Theresa May, has been in office for less than a year at the time of writing (June 2017), there are indications that her government may push the UK back towards the IFT grouping. It is too early to draw any firm conclusions, with few interactions to analyse; rather unsurprisingly, the May government is preoccupied with other, arguably more pressing issues, not least the UK's impending departure from the EU. However, early signs suggest a different approach to her predecessor. May initially delayed the final approval of the Hinkley Point cooperative deal, citing security concerns. The delay was defended as necessary to address outstanding security concerns. In the end, however, May relented and signed off on the agreement, but gave no clarification as to whether her concerns had even been resolved, or what steps would be taken to ensure national security or assurances from China (if any). Indeed, the delay lasted for just seven weeks, which does not appear to provide much scope for tackling the complexity of questions around protecting critical infrastructure while allowing the close practical involvement of a state-backed Chinese enterprise. Nevertheless, the very fact that May was willing to publicly declare that the government harboured security concerns was a marked departure from Cameron and Osborne.

On the SCSDs, the UK has not shifted stance and continues to align with the rest of the EU. This would be one area where the UK could actually demonstrate its "difference" from the EU—supposedly one of the goals of those who advocated leaving the Union—and shore up its strategic partnership with the US by recalibrating its policy and rhetoric. In July 2016, the tribunal ruled on the SCSDs following the Philippines' request for arbitration over China's claims. The court can only enforce its rulings through "international pressure", thus "how many countries recognize the decision as legally binding on both parties and call for it to be respected will determine its ultimate value" (Asia Maritime Transparency Initiative, 2016b). Prior to the ruling, the UK—along with the other EU states—had supported the tribunal, arguing that it would be legally binding and that both sides must respect the outcome (Asia Maritime Transparency Initiative, 2016b). However, at the time of writing, the UK has yet to join the ranks of those—including the US—issuing public calls for the outcome to be respected. Had the government done so, this would more clearly signal a return to a more assertive stance on political issues. Instead, the primary response came from the High Representative, in a statement on behalf of the EU and its member states that acknowledged the ruling but did not explicitly push for China's compliance. The policy line that the EU does not "take a position on sovereignty aspects relating to claims" was reiterated and the involved parties were urged to resolve the dispute through peaceful means and "in accordance with international law" (Mogherini, 2016). Missing from the statement was an endorsement of the final ruling as legally binding (Asia Maritime Transparency Initiative, 2016b). Still, it is relatively early days since the ruling thus it

would be premature to definitively claim that the UK's position will remain unchanged.

A final point with respect to the UK's status within the EU at present: the decision to leave the Union does not necessarily undermine the rationale of looking at its China policy through the prism of Fox and Godement's (2009) typologies, or variants thereof. Until the UK and the EU finalise the withdrawal process, it remains a full member and therefore an active participant in the Common Foreign and Security Policy framework, even if its ability to influence EU policy towards China is considerably diluted. It is reasonable to suggest that, even after "Brexit", there will be much need for the UK and EU to cooperate on foreign policy. It is possible that something akin to an "EU+1" policy sphere may emerge due to overlapping interests and shared history. The exact nature of the new political relationship and forms of cooperation in "external" relations remains to be determined by the Article 50 negotiation process. Even if this results in effectively zero cooperation in foreign policy, the UK will still be interested in pursuing free-trade arrangements with China, and will continue to make decisions on whether or not to inject ideological concerns into the political dimension of the bilateral relationship. In short, even outside the EU, we can still meaningfully talk about the UK as an Ideological Free Trader, Accommodating Free Trader, etc. A question which further research should address is whether Brexit—when it finally happens—correlates with a reorientation of British foreign policy towards China. Moreover, as Kerry Brown (2016) pointed out, in China's "strategic thinking, the UK will figure as a far less important partner than it has hitherto"; thus, how the PRC orders its priorities with regards to engaging with the EU and UK will be an interesting feature worthy of scholarly exploration.

Conclusion

At the outset, I established two questions to be pursued through this paper. Here, I will briefly recap my argument in relation to these, and then consider how further research might build upon the analysis. First, the Conservative-led government between 2010 and 2016 diverged from its predecessor's approach to China mainly in terms of adopting a more politically accommodating stance. This emerged in the wake of China's repudiation of Cameron for meeting the Dalai Lama in 2012, and thereafter the government revised its mode of engagement to avoid upsetting the PRC. This fostered an environment in which the UK could pursue economic relations largely unrestrained by ethical concerns. Although previous governments had sought good economic relations at the expense of sticking to a principled or ethical foreign policy at all costs, Cameron's government arguably took this further than ever before. Kerry Brown (2013) commented that Cameron's "journey from human rights champion to business pragmatist has been spectacular". The political approach moved the UK into close proximity with its EU counterparts, while on the economic dimension, it continued to promote free trade. Thus in answering the second question, the "Ideological Free Trader" descriptor for the UK is no longer applicable; instead its behaviour is more accurately encapsulated by designating it as an "Accommodating Free Trader".

Further research will of course be required to ascertain whether this persists through the premiership of Theresa May and once the UK has left the EU. It is possible that this shifting approach may simply reflect the policy preferences of key players confined to the Cameron government between 2010 and 2016. The early evidence from PM May's government is inconclusive; the relatively quick decision to finalise the Hinkley nuclear deal without making further ado about security concerns may indicate continuity over substantive change. On the South China Sea dispute and associated international ruling, May resisted taking a more forceful line. Future research could be broadened out to examine the trends in policy direction of other EU member states, and test the extent to which Fox and Godement's (2009) original categories remain useful tools of analysis. Further down the road, researchers could look into how the EU's approach to China changed following "Brexit", and the extent to which it enabled the UK to pursue a more distinctive policy, as envisioned by key proponents of the Leave campaign (see, for example, Leave.EU, 2016).

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