

# China, Britain and Labour

*Jenny Clegg*

*Jenny Clegg is a vice president of the Society for Anglo-Chinese Understanding (SACU). Her book China's Global Strategy: towards a multipolar world was published by Pluto Press in 2009.*

How should we in Britain respond to China's rise? Is this a source of increasing global insecurity or does it point the way to a more accommodative world order? Is China a tyranny or an essential global partner? Does Osborne's self-confessed risk-taking amount to appeasement of a rogue state or a necessary re-orientation to the East? Above all, did President Xi Jinping's recent visit do enough to awaken us to the reality of the rise of China – that China is on the verge of overtaking the United States as the world's largest economy, still growing at two if not three times as fast; that it contributed 40 per cent of the world's economic growth last year; that its production capabilities are now shooting up the value chain, challenging our core technologies; that it is not only an enormous, growing market, but a huge source of global capital, one of the few countries able and willing to fund infrastructure development so needed around the world? George Osborne's investment deals will bring in £40bn, potentially rising to £100bn, and he has committed to raising Britain-China trade volumes to £30bn by 2020. Over the next five years, Labour will have to demonstrate it can do better than this if it is to convince voters it can deliver economic growth for the future.

China is emerging as a much bigger and more powerful global player, looking to exercise greater say over critical global problems. Is Labour up to the multi-polar challenge? Tony Blair's entrepreneurial and aspirational New Labour vision for Britain was conceived strictly within the bounds of a US-led uni-polar world. For him, the idea of multi-polarity was anathema, a theory of rivalry that led to World War One. On the

eve of the Iraq war in 2003, he went so far as to declare that ‘there is no more dangerous theory in international relations today’. On China, Blair vacillated, meeting with the Dalai Lama in 1999, only to place commerce over politics by 2004. Even so, Britain fell into a worse position compared to other leading economies, accounting for a mere 10 per cent of European Union exports to China by 2009. The UK invested more in Belgium than China, whilst China itself invested more in The Netherlands than Britain. In those 10 years, China grew from an economy more or less equivalent in size to that of the UK to one that is four times bigger. Gordon Brown was to make China a ‘major priority in the UK’s future foreign policy’, but Ed Miliband failed to visit the country once during his years as leader of the opposition. With Jeremy Corbyn now leading the Labour Party, and committed to a foreign policy of international co-operation, this may open space for rethinking the question of how to approach China.

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To the Left and the Right of the Labour Party, China is generally viewed with distaste, but in the centre there is a certain pragmatism. In the last couple of years, debate has begun to emerge, mainly among ‘Blairites’, the Left showing little interest. On the one hand, there is the value-based approach of liberal internationalists, Kirsty MacNeil and Andrew Small, from a pro-Atlanticist perspective (*Let’s talk about China*, an essay for *Progress*) and Mark Leonard, more a EuroAtlanticist (*Making Britain China-proof*, 2013), in contrast with the interest-based approach of Liam Byrne MP (*Turning to Face the East*, 2013). Balancing both these positions of pragmatism and idealism, former Shadow Foreign Minister, Douglas Alexander, proffered an ‘Asian Step’ in foreign policy (Douglas Alexander and Ian Kearns, *Influencing Tomorrow: Future Challenges for British Foreign Policy*, 2013). From a critical examination of these debates, this discussion seeks to draw some pointers towards developing an alternative frame for Labour’s China policy.

For McNeill and Small, China is the biggest challenger to Britain’s ability to be a progressive force in the world. The strategy followed since the 1980s aimed at socialising China into ‘progressive international norms’ through global integration, supporting its economic growth as a catalyst for political reform, has failed. Instead, China has dramatically ‘hollowed out’ the progressive essence of the global institutions, putting its interests before the liberal values of the international order. Labour, they argue, should not repeat its mistake of failing ‘to make responding to illiberal powers one of the organising concepts of British foreign policy’.

In an echo of the neo-conservative call for ‘a league of democracies’ to unite in the face of UN Security Council deadlock, they suggest that, with Western leverage weakening, it may even be necessary for Labour to revisit its commitment to the legitimising role of the UN Security Council.

To make Britain ‘China-proof’, Leonard advocates the approach of ‘routing around China’ to set the ‘rules of the road’ for its global integration through the Transatlantic Trade and Investment Partnership (TTIP), for example. But when it comes to NATO, Leonard is more cautious, drawing a dividing line between the EU’s commitment to a stable, rules-based and transactional international order, and the US’s pursuit of perpetual military predominance. Traditional British Atlanticism, he considers, runs the risk that we get dragged into a battle we little understand between China and the US over Pacific primacy.

For Byrne, the challenge from China is of quite a different kind: as it emerges as a leading power in science and innovation, Britain will become increasingly vulnerable to technological competition. But at the same time, China itself faces formidable challenges in development, which create openings for others: by helping, for example, to find greener ways to develop and to build a modern welfare state. This requires a collaborative approach, but we need to re-orientate towards China fast – there is a window of only a few years for the UK to reposition itself to partner China globally. We need to fashion win-win deals, matching what we are good at and what China needs, and to innovate together through partnerships linking cities, businesses, universities into China’s great ‘R&D leap forward’. Coordination within Europe is essential, as is a domestic push to prepare people and business with education and skills to compete. A recent TUC report, *The Way of the Dragon*, takes a similar approach, calling for a major study to identify growth areas in the Chinese economy whose needs Chinese firms cannot meet and where British companies can fill the gap.

Alexander and Kearns, unlike McNeil and Small, accept the need to partner China across the range of global issues. An ‘Asia Step’ would extend multilateral cooperation to ‘those who do not share our values’. But therein lies the problem: how exactly to cooperate with a power with such a poor human rights record? They advance a two-track diplomacy, with Britain working through the inner traditional value-based circle of NATO, the EU and the G8, to the exclusion of China, within the outer circle of the G20 and the UNSC, which include China. There the aim is to drive wedges between Asian states and within the BRICS (Brazil, Russia, India, China, South Africa), so as to prise open ‘multilateral gridlocks’ and preserve the liberal international order. Whilst like Leonard they reject a narrow focus

on commerce, and favour a broader political approach to maximise the power of Europe as a counterweight to China, unlike Leonard, they continue to look to the US alliance as the bedrock of security.

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At the heart of the debate lies the question of China's human rights record. Clearly there is huge room for improvement here. Amnesty International endeavours to document instances of torture, the numbers of executions and prisoners of conscience. Widening inequalities in China are leading to growing public protests, which are generally swiftly dispersed, sometimes forcibly. But, overall, the situation is one of improvement: the *laogai* labour camp system has been abolished, although existing camps are slow to be disbanded, the range of capital offences is continually decreasing, and the population policy is being relaxed. The hundreds of thousands of non-governmental organisations (NGOs) are indicative of an emerging civil society, albeit within defined boundaries. Even Amnesty International has modified its position to recognise some improvements, for example, in labour rights, the legal system, and human rights education.

It is not for nothing that the Chinese government puts a premium on stability, as it still struggles to manage one of the highest densities of population to land ratios which, in preceding centuries, saw periodic famine, chronic problems of rural underemployment and peasant rebellions. Over recent decades, China has made extraordinary progress in developing the economic and welfare rights of its citizens. Since 1981, 728 million people have been lifted out of absolute poverty, according to World Bank statistics, and China accounts for more than 70 per cent of total fulfilment of the 1990-2015 Millennium Development Goal of halving world poverty. China is recognised as achieving exceptional progress in reducing infant and maternal mortality and, indeed, reached most of the Millennium Development Goals seven years in advance. In Human Development Index (HDI) ranking, China stands at 91 out of 144 countries, well ahead of other similarly densely populated Asia countries such as Indonesia (108), India (135) and Bangladesh (142), as well as South Africa (118).

Stereotypes of a monolithic one Party state fail to adequately reflect China's growing pluralism, with differing voices in the press and different, albeit small, political parties, with their own political cultures, represented at every level of government within the system of multiparty cooperation. Policy directions are intensely debated within political and academic circles. Year after year, thousands of Chinese students come to the West to study not only business and management, but also subjects such as law and journalism,

taking their new knowledge and skills to apply when they return to China.

The roots of China's distinctive state-society relations run deep into the long history of its centralised bureaucratic feudal system. Based on a profound study of Chinese science and civilisation, the renowned Sinologist and radical scientist, Joseph Needham came to the conclusion that, whilst the much more decentralised and fragmented system of European baronial feudalism paved the way for capitalism and democracy, in China a more unitary state was more suitable. For Needham, Europe and China, of equal historical standing but following their own unique paths, could not be viewed through the same prism.

It is for similar considerations that Byrne is critical of 'megaphone diplomacy – wading in as foreigners with loud, insistent arguments about what China is doing wrong and how it must change', it is important that we should 'acknowledge that China is reforming itself', he says, and have 'the good grace and self awareness to know our history'. In fact, the British sent armed forces into China six times between 1830 and 1927. These only served to further weaken the Imperial state, hastening its disintegration into warlordism and civil war, to be menaced to the point of national extinction by Japan's brutal expansionism in 1937.

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The 'routing round China' approach reflects an unwillingness to accept the Chinese government as legitimate. But those pursuing a liberal international order, in effect seeking to thwart China, should acknowledge, as Australian defence analyst Hugh White (*The China Choice: Why We Should Share Power, 2013*) points out, that this will most probably lead to an escalation of competition between China and the West, at the risk of Sino-US relations sliding into hostilities and conflict. White spells out the strategic choice facing the US: to seek to preserve its primacy at the cost of escalating rivalry with a formidable and nuclear-armed adversary or to agree to share power with China in a new negotiated international order, treating it as a legitimate equal. This will cost the US a lesser role in Asia, but weighed against the danger of nuclear confrontation, accommodation has to be the moral choice. Even a minor clash in the South or East China Seas would be catastrophic for the global economy.

And rivalry is not inevitable; accommodation is possible, White argues. Xi is not a Hitler, and although China is certainly a more formidable economic challenge than the Soviet Union ever was, it does not use the ideology of communism to extend its political influence beyond its borders. It is one thing to have a critical view of China's human rights

abuses, but why use this as a basis for an ideologically-driven foreign policy effort to de-legitimise China's role in the world?

For us in Britain, White's strategic considerations are entirely pertinent. As the pivotal member of the Five Power Defence Arrangement for South East Asia, with a military base in Brunei on the South China Sea, the UK is indeed in danger of getting drawn into a US war for primacy in the Pacific.

In this light, we should be asking ourselves a whole new set of questions: how can the UK help avert a US confrontation with China? Given its special relationship, how can the UK, as a critical friend, support US adjustment towards power-sharing? How can the UK, together with the EU, help to shape a new multi-polarity less reliant on US military primacy?

The capacity of the Western alliances to provide global leadership is increasingly in doubt. If efforts to incorporate China into the liberal international order have failed, so also has the opportunist waiting game of 'hedging' on internal 'regime change' advocated by McNeill and Small: as White says, we have run out of time. As to the notion of strengthening Europe as a political counterweight to China, this, since it rests on strong economic revival, contrarily depends on our success in partnering China. Meanwhile, Alexander and Kearns' dual track multilateralism demands tricky diplomacy that, with cuts to the Foreign and Commonwealth Office budget, the UK may well be unable to deliver. Besides, China is preempting the 'routing around' approach as, faced with reform inertia at the IMF and World Bank, it has simply initiated other institutions – the BRICS bank and the Asian Infrastructure Investment Bank. China, it turns out, has its own options for routing around obstacles.

Meanwhile, Europe and China are drawing closer together. Although still in its early stages, China's 'One Belt, One Road' project, reviving the land and sea-based paths of the old Silk Road, looks set to redefine the world of the 21<sup>st</sup> century. Networks of rail, road, ports and communication highways are already under construction to link East Asia into Europe. Together these form possibly the biggest development project ever undertaken. In the coming decades, it will offer a new way forward for a more non-aligned Europe in a multi-polar world, not so much a break with Atlanticism but a more equidistant balancing of the current over-dependence on the US military link. In this way, Europe could set an example to the US by demonstrating how an equal partnership with China would work. Britain can no longer afford to maintain a distance: it has to find a role for itself within the Eurasian link.

China's rise presents a challenge to Labour's internationalism, to assumptions about the UK's leading place and role in the world. It touches the nerve of national identity, the rightness of our image of ourselves as, in Alexander's words, standing up as a vocal advocate of human rights for all other states in the international system. But now there is no future in the UK setting itself up as the global moral arbiter – it needs to recalibrate its values within the frame of international understanding. To succeed in partnership with China, as he points put, more and more of our children should go to study in China; so must more of our teachers and academics. Chinese firms must do more business here – and more British firms must work in China. Partnerships require that we work very hard together to break down barriers of misperception and distrust on both sides. But, as Needham pointed out, understanding China requires real effort:

‘... China is not simply a different country from our own’ he explained at the inaugural meeting of the Society for Anglo-Chinese Understanding in 1965, ‘but a basically different civilisation. There is thus a much greater gulf of fundamental assumptions to be bridged as well as the fascinating differences that arise in the philosophy, art, landscape, language, religion, customs and so on.’

Today, as fifty years ago, media negativity inures the public mind against the common ground, reinforcing barriers between ‘us’ and ‘them’, only to feed the containment mentality of NATO's transatlanticism. And now the constant drip-drip of Sinophobic suspicion is likely to prove debilitating at a time when we need to be engaging with China more openly; the arm's length approach of ‘routing round’ China is simply inadequate.

There should certainly be far more to a stronger relationship with China than commerce. As it emerges as a major world power, China is starting to unleash progressive trends; its success in poverty reduction shifting the whole world agenda on human development as other developing countries study its methods; its initiatives in setting up state-led multilateral investment banks opening new agendas for international finance. At the same time China stands out today as the only one of the Permanent 5 UNSC members not bombing people in the Middle East. Its commitment to a Nuclear Weapons Convention points a way forward for multilateral disarmament whilst its approach to peace and stability through development and cooperation rather than war and intervention, in Eurasian ‘Silk Road’ initiatives for example, offer a new context for tackling problems of violent extremism and terrorism. Its longstanding adherence to non-interventionism and its increasing concrete backing to the UN must surely be acknowledged as making a positive contribution to a peaceful world.

Here are new openings for constructive dialogue and concrete partnership. Long term infrastructure projects; new forms of public ownership; flexible approaches to state-market relations and to monetary and fiscal policy combinations; city partnerships – many cities are Labour-controlled; greening global development – these are all matters which correspond with Jeremy Corbyn’s agenda – there is much, potentially, for the Left to pursue. And with both John McDonnell and reformers in China seeking to explore innovative forms of state and public ownership, there is surely scope for mutual learning, such as China from the Rochdale principles of the British co-operative movement, and Britain from China’s state share systems using dividends to pay for welfare.

We are reaching a pivotal moment in world history where we in Britain find ourselves caught between unipolar and multipolar trends. Labour’s orthodox preoccupation with Atlanticism to sustain global status is only holding us back: we need to reach beyond narrow conceptions of Western world leadership and beyond the convoluted diplomacies that seek to maintain Western dominance. Osborne has taken the risk, at least for the short term; Labour should be even bolder in thinking for the longer term. If the Left could look outward it might start to develop a political dimension to complement the centrists’ pragmatism. We cannot remain in a muddle over policy options as before. So let us say, along with former chair of the Africa Union, Jean Ping, that we share *some* values with China, and move on. At any rate, China’s leaders have made clear that they do not rule out human rights dialogue altogether, but see this as a matter of ‘mutual learning’, with China in a process ‘to realize social fairness and justice’. It is by working together on common ground and building up a degree of trust, that more meaningful discussions about human rights might be broached along the way.

Needham was a part of a long tradition of anti-imperialism in Britain which ‘stood up’ for China – from Richard Cobden’s opposition to the Second Opium War, that brought down Lord Palmerston’s government in 1857; to the Hands Off China movement in the 1920s, which opposed British military intervention to suppress the rising Chinese nationalist and trade union movement; to the China Campaign Committee set up in 1937 in solidarity with the Chinese peoples’ struggle against Japanese aggression. President Xi was in fact to draw attention to this tradition when he was in Britain, mentioning in his speeches the names of two Britishers, Michael Lindsay, later Lord Lindsay of Birker, and George Hogg, who had given assistance to the Chinese resistance during World War Two.

It is to this history that we may look as a source for the Left to draw on



in reshaping our national identity. At the same time, Needham's 'different but equal' view of China and Europe offers a new foundation from which to develop our own European Eurasian vision, so urgently needed to meet China halfway on the Silk Road revival. And finally, in enjoining us to study China's achievements and problems 'in sufficient detail in order to consider them in the proper balance' and 'without preconceived bias or ideological inhibitions, yet not necessarily without constructive comment and sympathetic criticism', Needham pointed the way forward to a more constructive, and creative approach to working with China to shape progressive agendas for a multipolar world.

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**"All imitation is dangerous."**

*How I Write* [1954]

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