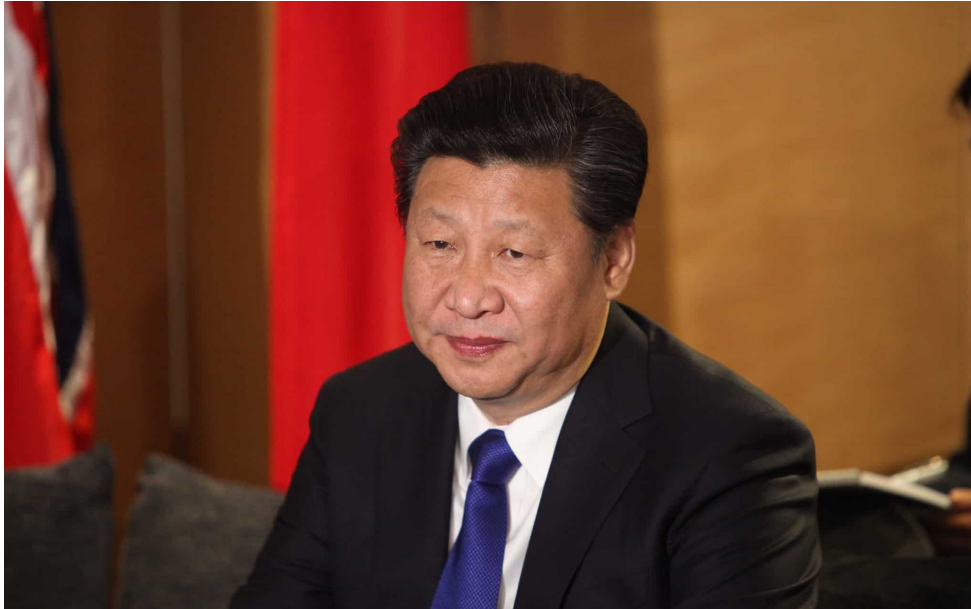


The UK-China reality: never before has Britain been so dependent on an adversary

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Almost ten years ago, George Osborne took the podium at the Shanghai Stock Exchange and pronounced a “Golden Decade” of Sino-British relations. What a difference a decade makes.

This week, Oliver Dowden, the UK’s deputy prime minister, revealed that hackers sponsored by the Chinese Communist Party had infiltrated the Electoral Commission in 2021, obtaining data on forty million voters. The old line, delivered to approving bankers and nodding party members in 2015 – “Let’s stick together to make Britain China’s best partner in the West.” – is simply no longer credible.

The Osborne speech reflected an earlier era of optimism towards Beijing. Britain’s then-chancellor was also being a realist, acknowledging the UK’s dependence on China when it came to trade. Economic pragmatism, led by the Treasury, was the driving force behind the Osborne doctrine in its Cameron-era heyday.

All that was before China ripped up what remained of the Hong Kong Joint Declaration in 2019 with its National Security Law, and before Covid-19 forced Britain to confront CCP misinformation for what it was.

In 2020, the British government pivoted to block Chinese tech giant, Huawei, from participating in the construction of the UK 5G network infrastructure, in a major-u-turn estimated to increase costs by up to £2bn and delay the roll-out by two to three

years. In May of last year, it banned Chinese-owned social media app, TikTok, [from government devices](#).

China hawks in the Tory party are calling for an even clearer strategic stance towards Beijing. “We must now enter a new era of relations with China”, [Iain Duncan-Smith told journalists](#) on Tuesday morning, which means “dealing with the contemporary Chinese Communist Party as it really is, not as we wish it to be.” He has pointed out that the [Integrated Review Refresh](#), published in May 2023, calls China “an epoch-defining and systemic challenge” but, unlike with Russia, it does not label China an immediate threat to national security.

China hawks have every reason to want to push for tougher wording. But the reality is that a shift from pragmatic compromise to confrontation is difficult.

A more confrontational stance from the UK would certainly suit the interests of the United States, which is engaged in a fierce trade war with China. Even in 2015, President Obama warned Cameron against offering support to the China-led Asian Investment Bank, which his administration saw as a vehicle for China’s mercantilist foreign economic policy.

However, unlike the United States, the UK cannot guarantee that a unilateral trade war with China would be worth the cost. It could be, with the cooperation of the rest of Europe. But cheap Chinese solar panels and electric vehicles are rapidly becoming critical for the EU’s energy strategy in the post-Ukraine world. There is little appetite, whether one looks at Macron’s France or Scholz’s Germany, for using the bloc’s economic weight as leverage against the CCP.

The *Rattenkönig*, or rat king, was coined to describe rats whose tails had become so intertwined that none could escape from each other. Perhaps it’s a fairer description of Sino-British relations today than phrases such as the “New Cold War”. In the Cold War, Britain was not reliant on Soviet technology to keep its economy running.

It’s different today. Take Cellular Internet-of-Things Modules (CIMs). CIMs are small network-enabled components essential to connecting cars, smartphones and other devices to mobile networks. A new report by the Council on Geostrategy warns that these ubiquitous components, over half of which are manufactured by Chinese companies, pose a systemic security risk of an order of magnitude greater than that of Huawei or other private companies. US members of Congress have already sounded the alarm.

Never before has Britain made itself so dependent at so many levels on its chief strategic adversary.

This week’s allegations about CCP-sponsored hacking have also made clear the relationship between China’s private sector and the state: it is a loophole waiting to

be activated. A serious move away from China, therefore, would require separate strategies to achieve sufficient independence not only in trade but also in energy and technology infrastructure.

China has vehemently denied involvement in this recent cyber-attack. Confrontation is not the CCP's way, it claims. Instead, the UK has before it an apparently endless series of political stand-offs, diplomatic denials and sleights of hand. It amounts to a slow burn of lower-level disruption to our political and economic systems. The Golden Decade is long gone. If only the alternative were as simple as the Cold War.

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