

NOVEMBER 2024
RUBY OSMAN
EDWARD KNIGHT



Reimagining the UK's China Capabilities: A Joined-Up Approach to an “Epoch- Defining Challenge”

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Executive Summary

The need to build the United Kingdom's China capabilities is a rare point of agreement in an otherwise fractious debate: whether China represents the UK's biggest strategic opportunity or biggest strategic threat, we need to understand it.

As China shifts gears on several fronts, this is truer than ever. Beijing's all-out push for technological innovation at home and more sophisticated toolbox overseas both promise to rework the terms on which the UK deals with China. At the same time, complex new dynamics are emerging as key partners forge ahead with their own, at points conflicting, responses to China's global role.

Successive governments have recognised the task facing the UK. The Integrated Review Refresh 2023 labelled China an "epoch-defining challenge" and committed to doubling funding for China capabilities. The new government has similarly called for an audit of the UK-China relationship that will assess the UK's current China toolbox.

The audit is due to be completed early next year, by which time there will be a new US administration with clear ideas on what it expects from the UK on China. That means the UK needs to urgently establish what we ourselves want from the relationship with China – and the tools we need to get there.

Adopting the right approach is crucial. The challenges and opportunities China presents are fundamentally intersectional; ensuring the appropriate set of agile, cross-disciplinary capabilities are in place is key to navigating our relationship – and will deliver a return on investment in the years to come.

To do this the UK must spend smarter, not just spend more. Historically, the UK's capabilities work has focused disproportionately on learning and development within the civil service in Whitehall, often on part-time language courses that have little strategic benefit to the UK.

A more holistic view of capability building that recognises the diversity of the UK's points of contact with China is needed. These points of contact include members of parliament, the public face of the UK's political engagement (335 of whom are new), and the business community, which has often spearheaded post-Covid engagement in the absence of ministerial visits. Another brewing issue should also be recognised: the number of China-focused students is falling, compromising the UK's ability to build a sustainable pipeline of new talent.

In other words, the UK needs a strategy that is not only focused on government, but on ecosystems around it and on the pipeline of talent into it. This paper suggests three over-arching goals that should form the foundation of the UK's work to build capabilities:

- **Increase China capabilities within government:** Rethink Whitehall's approach to language learning and increase the provision of English-language training to build broad-based China literacy. Diffuse China literacy more effectively across parliamentarians, including through constituency-relevant briefings.
- **Increase China capabilities around government:** Commit to allocating pots of capabilities funding beyond government to foster a vibrant ecosystem of China-focused think-tanks and businesses that can augment, not conflict with, government policy.
- **Increase China capabilities before government:** Make the decision to begin or continue studying China as frictionless as possible at every step of education, to create a robust pipeline of young people with an interest in China. Address key obstacles such as A-level provision and make full use of edtech solutions.

Underpinning this all needs to be a "capabilities champion", potentially modelled on the Office of China Coordination, a unit under the Department of State in the United States informally known as China House, that can drive change across Whitehall, Westminster and beyond.

Together, these goals can help the UK meet the scale of the challenges and opportunities laid out in the Integrated Review and build out a coherent strategy worthy of an "epoch-defining challenge".

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Why the UK Needs Future- Proofed Capabilities

If, as the cliché goes, China thinks in decades, then the UK probably should too. That does not mean locking us into a rigid plan, but developing agile capabilities that recognise that the China the UK will deal with in ten years' time could be markedly different to the China of today – presenting a different set of policy challenges and opportunities.

FIGURE 1

How potential developments in China could affect the UK

Potential development	Type	Description	Impact on UK	Likelihood	Estimated impact on UK
Succession crisis	Political	Leadership vacuum could cause highly erratic policymaking and lead to precarious security situation.	Period of critical uncertainty that would require a rapid strategic refresh and careful alignment with partners.	Low	High
Emerging political sub-factions	Political	New divisions likely to emerge along patronage lines, intensifying competition for influence under President Xi Jinping.	Potential factional infighting could lead to continued tensions between China's economic and security policy, complicating UK strategy.	High	Low
Military escalation in Taiwan Strait	Military	Scenarios from blockade to outright invasion possible if leadership believes peaceful reunification is impossible.	Massive disruption to global shipping and semiconductor supply; tough decisions for the UK on level of military aid.	Low	High
Military escalation in South China Sea	Military	Accidental or intentional clashes could spiral, potentially leading to US involvement.	Significant disruption to global shipping, tough decisions for UK on level of response.	Low	High
Persistent economic slowdown	Economic	Existing structural issues, including the property market and ageing population, could continue to dampen economic growth.	Broad impact on the global economy, including commodities demand, and direct impact on key UK sectors, including demand for financial services and higher education.	Intermediate	Intermediate
Successful transition to innovation-driven growth model	Economic	China's all-out focus on emerging technology could see productivity and self-reliance boosted.	Choice between security, climate or growth trade-offs to respond to Chinese dominance in strategic sectors.	Intermediate	Intermediate
Significant technological breakthroughs	Technological	Massive investment in critical technologies could lead to key breakthroughs in AI, quantum or green tech.	UK risks losing technological competitiveness, faces choice between new dependencies on China or higher-cost "friend-shoring".	Intermediate	Intermediate
Rapid AI development and diffusion	Technological	China pioneers public and private uses of AI and stakes out a role as leader on global AI debate.	Scope for UK to use its AI expertise to broker relations between major players.	High	Intermediate
Rise in transnational repression	Social	China ramps up surveillance and coercion of Chinese citizens abroad.	Urgent need to affirm UK sovereignty and protect residents, in particular 150,000+ Hong Kong BNOs.	High	Intermediate
New human-rights flashpoints	Social	Potential emergence of new regional or issue-based rights abuses.	Difficult balancing act between growth and human-rights priorities.	Intermediate	Intermediate
Continued attractiveness of UK higher education	Social	Student numbers continue to rise from current 150,000+.	Powerful channel for people-to-people exchange continues, but debates continue about research collaborations and dependency on Chinese students' fees.	High	Intermediate
Build-up of nuclear capabilities	Military	China continues to increase number of warheads and moves away from "minimum deterrence" posture.	The UK would need to reassess its deterrence framework and potentially rethink nuclear-energy collaboration.	Intermediate	Low
Enhanced Chinese role in conflict mediation	Diplomatic	China builds on Middle East successes to become more active in mediation.	Will require rethink of approach to encourage constructive Chinese role.	High	Low

Source: TBI analysis

Of course, the UK's relationship with China does not exist in a vacuum. The UK also requires a set of capabilities that can adapt to China's evolving role in the world more broadly.

Preparing the UK for a New Age of Technological Competitiveness

The UK needs to be ready to stake out its own interests in a decade set to be defined by global pushes for technological competitiveness and resilience.

This will depend on the UK developing a robust understanding of other countries' emerging capabilities. Nowhere is that truer than for China, a player large enough that decisions taken in Beijing reshape global markets and supply chains. China is currently directing significant resources to areas ranging from artificial intelligence and nuclear capabilities to critical-minerals' processing and semiconductor production – all of which should be factored into the UK's own strategies.

Take electric vehicles (EVs) as an example. The UK's challenge is not just navigating China's immense production capacity – EV exports increased 80 per cent from 2022 to 2023, making China the world's largest auto-exporter¹ – but also navigating delicate relationships with other key players. This challenge will require developing a sovereign approach: what works for the European Union, with its large auto-manufacturing base, or the US, which is pushing more broadly to retain technological leadership, will not necessarily work for the UK. Beijing's favoured approach of unrestricted trade is unlikely to be right for the UK either: the US and EU are likely to pressure the UK not to become a "dumping ground" for Chinese EVs, and the UK would risk creating over-dependency on a sole supplier of a product key to the net-zero transition.

The EV example will likely be the first of many as emerging technologies present tricky questions on how to achieve the right balance between climate, growth, security and diplomatic priorities. In the past few years the UK has fallen behind other players – including China itself – in outlining strategies that articulate how it will protect competitive advantages and safeguard against vulnerabilities in key sectors.

But this need for technological competitiveness is unlikely to let up. In

Beijing, the view that China's long-term security and stability is dependent on innovation in critical technologies is now embedded at the highest levels of power. Eight out of China's 24 top leaders are STEM technocrats, with many more rising through the ranks. And while there is much that divides the two parties in the US, one point of consensus is that the US must maintain "as large of a lead as possible" over China in the technologies critical to future competitiveness.²

As the Tony Blair Institute for Global Change (TBI) has set out in its [New National Purpose](#) series, the UK enjoys significant competitive advantages in key areas – especially [biotech](#), [AI](#) and [data](#). But trade-offs will still be inevitable. Making the right calls to maintain competitiveness will require nurturing new talent with hybrid skillsets that bring together the best of the UK's technical expertise with more sophisticated understandings of how key Chinese systems work.

Preparing for a New Phase of Chinese Global Engagement

Planning ahead will also mean looking beyond the great-power competition between the US and China. Despite the UK's wealth of development expertise and its commitment to engage more proactively with emerging and middle powers in the Integrated Review Refresh 2023, Global South countries consistently feature higher on Beijing's agenda than on Westminster's.³

China is currently shifting away from its traditional model of overseas engagement, which has often been described as serving as a "no strings attached" economic partner.

Instead, Beijing is taking an increasingly proactive approach to global governance, aiming to build consensus on China's core principles of "mutual non-interference" and the rights of countries to carve out their own development paths – all under the banner of "building a community with a shared future for mankind".

The flagship Belt and Road Initiative is becoming “leaner, cleaner and greener”,⁴ and is being supplemented by a sophisticated range of new initiatives that expand China’s offer in everything from conflict mediation to vocational training.

Initiative	What it comprises
Belt and Road Initiative (2013)	Up to US\$1 trillion in global infrastructure projects to boost global connectivity and increase China’s geostrategic influence
Global Development Initiative (2021)	Framework to help countries meet UN Sustainable Development Goals and reshape the global development agenda in line with Chinese priorities
Global Security Initiative (2022)	Attempt to redefine global security norms and challenge Western security concepts
Global Civilisation Initiative (2023)	Effort to promote “civilisational diversity” and challenge Western ideological dominance
Global AI Governance Initiative (2023)	Bid to shape international AI standards and increase representation of Global South

This shift has significant implications for how the UK engages both China and development partners. The international community was slow to grasp the Belt and Road Initiative’s scope after its 2013 launch; the UK must avoid repeating this mistake. As China enters a new phase of trial and error, the UK should act early to start disaggregating where the risks and opportunities lie.

Take international development, where China is ramping up resources, including a \$5 billion special fund under the auspices of the new Global Development Initiative. In some areas, particularly digital infrastructure, there might be areas where the UK feels more needs to be done to support partner countries in avoiding lock-in effects or security risks. But there will be others where there is significant complementarity between the UK’s depth of development expertise and China’s ability to deliver at speed and scale.

The same is true of China’s Global Security Initiative, already credited with Beijing’s mediation of the final stages of Iran–Saudi normalisation in March 2023⁵ and the brokering of an agreement between 14 Palestinian factions in July 2024.⁶ There will be limits to how much China moves from its current low-risk model of conflict mediation, but Beijing’s desire to be seen as a

“responsible great power”⁷ means the UK should be anticipating a more active Chinese role in “global hotspot issues”.⁸

There are certain to be ongoing areas of disagreement. But the UK should not look past the fact that there is often an underappreciated shared interest in stability between the UK and China too, whether that is in managing the risks of frontier AI, keeping global financial systems stable or advancing the green transition. Building up the ability to distinguish between the two will not only make for a more constructive bilateral relationship, but it will also make the UK far more credible to its partners in the Global South, where China is already strides ahead.

China’s Impact Is Wide-Ranging – Our Capabilities Must Reflect That

The scenarios outlined earlier in this paper may not all materialise, while others not described here will inevitably emerge. Few, for example, could have predicted how deeply the Covid-19 pandemic would reshape global conversations on China regarding supply chains and diplomatic engagement.

But together these scenarios give a sense of the range of intersectional challenges the UK is likely to face in the coming decade – and the potential costs of not having the right structures in place. These are challenges that not only cut across department, but beyond government too. A successful response will depend not just on pockets of departmental expertise, but on the UK’s ability to align action across Whitehall, Parliament and key private actors.

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What Do the Right Capabilities Look Like?

The UK has an enviable foundation for building capabilities: a world-leading Sinology academic community and strong pools of expertise concentrated within the Foreign, Commonwealth and Development Office (FCDO), Department for Business and Trade, the Cabinet Office and the security services, with emerging capabilities within the Department for Science, Innovation and Technology too. The government also has budget for it: the Integrated Review Refresh 2023 committed to doubling funding for China capabilities.

But the government has consistently struggled to diffuse expertise beyond these silos – and the UK's ability to respond coherently to China has suffered as a result.

Under consecutive Conservative governments, the UK occupied a spectrum of positions on China. Under David Cameron, the relationship enjoyed a so-called "golden era" of deepened economic and diplomatic ties, but by 2022 Rishi Sunak was claiming "China and the Chinese Communist Party represent the largest threat to Britain and the world's security and prosperity".⁹ Sunak may have softened his position once in power – then foreign secretary James Cleverly claimed that labelling China a threat would be a "betrayal of our national interest and a wilful misunderstanding of the modern world"¹⁰ – but the inconsistent approach nonetheless constrained Whitehall's ability to forward plan and gained the UK a reputation for "wavering" in Beijing.

This inconsistency has not been helped by unusually limited official engagement either: before Foreign Minister David Lammy visited China in October 2024, the UK had had just three ministerial visits to China in the previous six years, and Cleverly was labelled a "Chinese stooge" ahead of his 2023 Beijing trip.¹¹

In the meantime, key partners have forged ahead on two fronts, both

engaging more with China – the US, Germany, France, Australia and Italy have all had post-Covid head of state meetings – and by putting more substantial measures in place to protect key areas of vulnerability. The UK's relative inaction on both fronts has harmed no-one but the UK itself.

The new government has committed to addressing the UK's "divided and inconsistent" China strategies,¹² but this is easier said than done. One key component will be re-engaging (and making the case to Westminster that engagement does not equal acquiescence), but an equally important component will be ensuring that this engagement is underpinned by a robust set of capabilities enabling it to genuinely work in the UK's interest.

To that end, the UK should move beyond its current government-centric approach towards a three-pronged approach that aims to build a sustainable, mutually reinforcing set of China capabilities that recognise the breadth of this "epoch-defining challenge".

Within Government: Diffuse China Literacy Across Westminster

It is not necessarily the case, as is often thought, that the UK government lacks China expertise: there are more than 50 China-focused roles in the FCDO alone. But the persistent perception points to a problem: pockets of expertise are not being effectively diffused across Westminster.

There is often a mismatch between Whitehall and Westminster; parliamentary debates are often significantly out of step with specialist assessments and sometimes rely on outdated or misinformed information.

Bridging this gap is increasingly important as the UK welcomes a record 335 new MPs who will be the public face of the UK's China policy. The better informed the debate, the better the UK can pursue its interests.

REASSESSING THE UK'S LANGUAGE NEEDS

First, there is more work to be done to build the right capabilities *within*

Whitehall. Counterintuitively, the right answer is not necessarily more Mandarin speakers. Capabilities funding has traditionally skewed to language courses, in particular part-time or short-term Mandarin programmes. This is an inefficient use of resources. The UK needs a more honest conversation about the difficulty of reaching working proficiency in Mandarin – juggled alongside their usual responsibilities, short-term courses, especially for beginners or intermediate learners, are highly unlikely to produce learners with a level of Chinese language strategically useful to the UK.

The US Foreign Service Institute classes Mandarin as a “super-hard language”¹³ that requires roughly 2,200 hours of study to reach professional working proficiency, compared to just 750 hours for French and 1,100 hours for Russian. On top of that, the ability to fully understand Chinese party-state discourse requires additional specialist linguistic and contextual training.

Instead, the priority should be English-language training that builds broad-based China literacy. There are relatively few roles in which knowledge of Mandarin, especially at a level below working proficiency, is relevant. There are many more, however, in which a more sophisticated understanding of Chinese systems would allow civil servants to operate more effectively in key areas of UK interest: critical technologies, trade, international development and global health, among others.

The government has been trialling more of this sort of training since 2021, and the FCDO's China Capabilities Unit has been central to driving forward a more strategic approach to capacity-building, offering training to almost 1,000 civil servants in 2023. These English-language programmes are reportedly consistently oversubscribed. Expanding access to these, not entry-level language learning, should continue to be prioritised going forward.

BUILDING THE RIGHT LANGUAGE CAPABILITIES

Building the right linguistic capabilities of course remains crucial, and the government should deepen the scope of targeted language programmes

for a small number of committed linguists. For example, certain civil servants going on postings to China can receive up to two years of full-time, one-to-one language tuition to reach working proficiency. The ability to provide this is extremely valuable, but the duration and intensity of the training underline the significant time and financial commitments needed to reach a strategically useful level of Mandarin.

The government should also be looking beyond traditional language-learning routes. Quickly advancing translation technology and new AI models can not only help individual civil servants' language capabilities, but can also boost the UK's ability to scrape and process foreign-language intelligence at scale. This is particularly important when dealing with a system that produces vast amounts of highly context-dependent information.

There are of course potential security risks from incorporating new technologies into sensitive areas, but in general technologies such as multi-language open-source intelligence (OSINT) systems, translation memory software and context-aware AI models offer promising supplements to conventional capabilities. This is something to factor into long-term planning: even if the right solutions are not available now, many of these technologies will be significantly more advanced in a few years' time.

Even more promising is the influx of about 150,000 Hong Kongers since 2021 as part of the UK's British National (Overseas) (BNO) visa scheme,¹⁴ the majority of whom are fluent Cantonese speakers and many of whom are highly proficient in Mandarin and other Chinese languages. For those interested, new channels should be created to integrate this linguistic expertise – as well as integrate broader cultural perspectives – into policymaking. This will likely require a certain level of review to current vetting procedures, which often rule out by default applicants with close family ties to China, but the government's starting position should be to approach BNO-status holders as a competitive asset to be welcomed, not as potential security threats.

In fact, a broader, China-focused review of vetting processes could go a long way to tapping into existing China expertise. Currently, almost all

groups with the deepest linguistic and cultural expertise – BNOs, those with family in China and those who have spent significant time in China – find it extremely difficult to get the highest levels of clearance.

Instead, Whitehall tends to have to train specialists in-house – something that is especially tricky in a system designed to reward generalists and which tends to move on newly trained staff just as they are starting to understand their brief. This, combined with poor progression incentives within specialisms, makes China specialists both costly to train and difficult to retain. As a relatively small number of UK citizens spend time in China to begin with, and security processes tighten for those who do, there is a risk that Whitehall struggles to incorporate real China knowledge into a robust challenge function and instead relies primarily on specialists trained solely in-house, many of whom have limited or no in-country exposure and are often trained on the same information sets.

This is not a challenge unique to the UK – many of our Five Eyes partners are facing similar issues. The upside of this is that there is scope for greater collaboration to establish best practice when it comes to adapting risk-management frameworks suited to the unique – and evolving – risk profile of China-focused roles.

DIFFUSING EXPERTISE BEYOND WHITEHALL TO IMPROVE MPS' CHINA LITERACY

The doubling of funding for China capabilities appears so far to have been targeted almost solely at civil servants, not the MPs who are often the public face of the UK's China strategy.

Again, there is significant potential to direct some of this funding beyond Whitehall to provide tailored English-language literacy training. This, of course, is easier said than done: MPs and their staff have demanding schedules and are expected to be subject-matter generalists. Many are also likely to have an understandable lack of interest in a labour-intensive topic that, in many cases, has little direct bearing on their constituency duties.

But a baseline of China literacy is still crucial. That is partly because, as a

cross-cutting policy issue, the *indirect* bearing on constituency duties is often substantial, particularly in areas with significant academic centres, high levels of BNO migration or major manufacturing bases. It is also because, for better or worse, the UK-China bilateral relationship is unusually dependent on optics. Chinese authorities (and social media) are highly sensitive to perceived criticism, and often pay close attention to parliamentary debates and broader political debate.

For example, an assertion from Lord Robertson, the highly regarded former NATO chief who is overseeing the UK's strategic defence review, that China presents a "deadly" threat to the UK¹⁵ – a significant departure from both the current and previous governments' official assessments – was widely reported in Chinese state and social media in July.¹⁶ Much of this reporting conflated Lord Robertson's personal views with official government policy and expressed pessimism over the direction of the bilateral relationship under the new government.

Arguably, this tendency to conflate personal views or select-committee reports with official policy is an area where China could benefit from boosting its UK capabilities, rather than vice-versa. But public-facing officials should still be aware of the stark asymmetry in how closely each country scrutinises – and at times misinterprets – the other's political activity, particularly during key periods such as a change in government.

None of this means that the UK should avoid debate on China, but rather that it should ensure those debates are as well-informed as possible. James Cleverly faced pockets of fierce criticism ahead of his Beijing trip in August 2023, even as some of the UK's closest partners – some with far more assertive China policies than the UK – pushed ahead on more active engagement. Criticising the act of engagement itself – rather than focusing on issue-based criticism – fundamentally misunderstands the most effective ways to push for progress in the Chinese system on key UK priorities, such as removing Chinese sanctions on UK parliamentarians or raising the case of Hong Kong media mogul Jimmy Lai, who is currently awaiting trial.

The aim, of course, should never be parliamentary unity on China, but nor

should parliamentary pressure reach the point that it prevents the high-level dialogue necessary both for maximising bilateral opportunities and enhancing the UK's ability to affect genuine change on issues of disagreement. Grandstanding and sensationalism achieve little – and create opportunities for Beijing to discredit the UK's intentions, both to its own population and to key partners in the Global South.

Ensuring debates are well informed requires careful consideration of how MPs and their staff access information on China. Traditionally, activist organisations and business interest groups have been the primary sources of information, and this will likely remain the case as the new government waits for the completion of its audit of the UK-China relationship to flesh out and communicate its strategy. Both serve valuable purposes, but also often pursue a relatively narrow set of interests. Briefings from these groups and organisations should be complemented by clear, regular articulation of the UK's overall strategic interest.

Wherever possible, Whitehall should make its China briefing relevant to MPs' constituencies – the most effective way to cut through to time-constrained lawmakers. In fact, identifying the constituencies most impacted by China – whether through trade, investment or people-to-people ties – could form an important element of the ongoing China audit.

With this in place, the government should aim to provide briefings at multiple levels, ensuring all MPs are exposed to a baseline level of literacy training and providing easy avenues for those interested or with directly relevant briefs to progress to deeper levels.

There is no need to reinvent the wheel to deliver this. Government could expand existing architecture, in particular the Great Britain-China Centre (GBCC), an arms-length body established in 1974 to support UK-China relations. The GBCC, which already provides extensive training and in-country exposure through regular programmes, has significant convening power among the China-watching community (and in China itself), and would be well-placed to offer more targeted training to MPs.

Given its existing infrastructure and networks, an expanded remit for GBCC

would likely be a cost-effective use of capabilities spending. But this would also require a more sustainable approach to its funding: the GBCC had its government funding cut completely in June 2022 and quietly restored to just 70 per cent of its previous funding in January 2023¹⁷ – constraining its ability to plan ahead in the process.

There are also routes for the civil service to share information more directly with MPs. The completion of the China audit, for example, potentially early next year, will provide a ready-made opening for the FCDO and other relevant departments to engage parliamentarians and build out a shared understanding of the UK's China strategy beyond the current "compete, challenge and cooperate".¹⁸ Again, the aim should not be to hinder parliamentary debate, but to ensure that debate is as well-informed as possible and that MPs, unlike under previous governments, have a clear articulation of how the government sees the UK's strategic interest to respond to.

CREATING A NEW BODY TO ALIGN EXPERTISE ACROSS GOVERNMENT – AND BEYOND

Part of the reason for the UK's often divergent approaches to China is the absence of a strong mechanism for cross-coordination. Building out capabilities in a sustainable, cost-effective way will require some sort of "champion" that can drive change across different bodies within and around government.

The UK is not alone in facing this challenge. In 2022, for example, the US Department of State founded the Office of China Coordination, informally known as China House, to bring together fragmented approaches to China and align security, economic and diplomatic priorities.

As specialist commentary site Beijing to Britain and the Oxford China Policy Lab have pointed out, a similar body – perhaps drawing on existing expertise in the FCDO and Cabinet Office – could go a long way to delivering on Labour's commitment to "overhaul" the UK-China relationship and put an end to "flip-flopping between tough talk and muddled actions".¹⁹ Equally, government could empower existing structures such as the China

Cadre, a cross-Whitehall group with more than 400 members with varying levels of China experience.

Either way, as Beijing to Britain's Sam Hogg also points out,²⁰ the UK has proven itself capable of setting up inventive new structures to address AI – another cross-cutting policy challenge that does not map easily onto existing civil-service structures. China is a policy issue that requires a similarly open-minded approach to ensure that the right capabilities are brought into government (although the need for clearance for almost all high-level government discussions is a key constraint that most AI discussions do not face).

But whether a China House or another co-ordination mechanism, having the right structures in place to assess capabilities and allocate funding within and around government will be crucial. The current doubling of funding for China capabilities may only be due to last until 2025, but the UK will be facing these challenges for far longer. Pre-empting demand will be key.

Around Government: Foster a Vibrant China Ecosystem to Augment Government Policy

The UK-China relationship goes beyond government: UK universities teach more than 150,000 Chinese students,²¹ more than 9,000 British businesses²² are estimated to operate in China itself and the City of London is the biggest renminbi (RMB) clearing centre beyond China.²³ That means effectively promoting the UK's interests requires building up a vibrant, China-literate community *around* government that is able to feed into and, where necessary, challenge government strategy.

HARNESSING THE THINK-TANK AND ACADEMIC COMMUNITIES

A China House model will only work if the wider China ecosystem is capable of effectively engaging with the government. But the UK currently lacks two crucial elements: clear avenues of entry for think-tank professionals and academics to support government policymaking, and a sufficient number of external China-focused roles in the first place. A greater sense of

entrepreneurialism, both from the government and think-tanks themselves, is needed to bridge this gap – and make the UK a world-leading centre for thought leadership.

The UK should aim to borrow elements of the US's "revolving door" approach to policy, where it is common for subject experts to move between government, academic and think-tank positions.

In the UK, however, there are currently almost no direct mid-career entry routes into the FCDO for China specialists and relatively few elsewhere in the civil service. Those that do exist recruit based on the civil service competency framework,²⁴ rather than specialist expertise, giving existing civil servants more familiar with the system an advantage. A review of this system, as well as internal incentives to retain expertise once in the civil service, would help address the first of these key problems.

The UK could also benefit from greater clarity on how it integrates external expertise. According to a 2023 press release,²⁵ a "China experts' advisory group" was formed in 2022 to "test and inform government policymaking", but no details have been made public on the group's membership or activities. There is a similar lack of transparency when it comes to the funding of these capabilities initiatives: the Integrated Review Refresh 2023 committed to doubling funding but without any indication of the previous or new figures.

A like-for-like replication of the US's "revolving door" system is not possible – but nor is it necessarily quite the right model for the UK. The US has a more established culture of philanthropic giving to policy institutes than the UK and the federal government purposefully directs funds to think-tanks to ensure they work on problems relevant to the national interest. This is especially true when it comes to China, given there is a growing consensus (on the substance, if not the specifics) that China poses a "pacing challenge"²⁶ and that investment in greater understanding of that challenge directly benefits the US's national interest.

But the UK also has some advantages: a high concentration of China-facing government, business and academic professionals in a single city, making

cross-sectoral dialogue easier, and by some measures, a more open debate space that welcomes a broader spectrum of views on China – compared to relative bipartisan consensus²⁷ on China in the US. Both the civil service and think-tanks also enjoy remarkable convening power.

But making the most of these advantages will require a commitment to thinking beyond government when it comes to allocating pots of funding. This could include:

- **Think-tank secondments for China-focused civil servants.** Funded secondments could give civil servants breathing room to deepen their specialism and boost the UK's external reputation for China thought leadership in the process.
- **Bringing in external expertise through a dedicated in-house think-tank.** The EU's IDEA and India's Centre for Contemporary China Studies have both created avenues to second external experts into government to work on areas of direct national interest. The UK could explore its own version.
- **Scholarships for students and prospective civil servants that support in-country exposure and open avenues to government employment.** These could potentially be modelled on the US's Boren Awards, which provide up to \$25,000 for the study of critical languages and under-represented cultures in return for a commitment of at least one year of federal government service, and be integrated with plans for a potential China fast-stream programme within civil-service recruitment.
- **Support for bodies that help students and academics develop policy skills.** The UK university programmes are far more specialised and academic than those in the US and often fail to equip students with real-world policy skills. Organisations such as the Oxford Policy Engagement Network or the more specialised Oxford China Policy Lab work to bridge the gap between academia and policy.

Allocating funding beyond government would arguably help set the UK's capabilities on a more sustainable footing by ensuring civil servants, who are often rotated between briefs, are complemented by a robust network of external career specialists.

There is also a soft-power incentive to boost think-tank output: the UK should be aiming to make its institutions a go-to for informing global leaders' decision-making. But as Olivia O'Sullivan and Bronwen Maddox set out in a recent Chatham House report, when it comes to China, the UK's "public and political debate often relies on US, European and Australian research".²⁸

Currently the UK is losing substantial potential China talent either to other countries – especially those that lead on external research – or to non-China-facing positions. It is even harder to attract and retain talent from abroad, including the significant number of foreign students who study China and Chinese languages at UK universities – accounting for more than 25 per cent of all Chinese Studies students enrolled in the academic year 2022/2023.²⁹

Reforms of civil-service recruitment can be understandably slow-moving, but directing greater government support to external organisations in the meantime could help on both those fronts, ensuring the UK has the right absorption capacity for China talent and providing a soft-power boost in the process. The UK should be ambitious here – it has the right raw ingredients to be one of the most relevant players in one of the most relevant global conversations.

ESTABLISHING A MORE EFFECTIVE TWO-WAY STREET WITH BUSINESS

A key consequence of the near-vacuum in ministerial contact with China in recent years is that it has often been the UK's business community that has spearheaded post-Covid re-engagement.

Strengthening the dialogue mechanisms between business and government is key to long-term capability building, both to prevent government and business pursuing divergent objectives, and also to ensure that business' own perspectives and expertise are factored into policymaking.

In fact, specialists at companies with significant China operations are often just as, or more, China-literate than their civil-service counterparts. This is a

natural consequence of hiring structures: private-sector experts are able to retain their specialisms, rather than being rotated between briefs as in the civil service, and a significant amount of in-country experience is seen as a competitive advantage, rather than a complicating factor in vetting processes. In a business environment, specialists are also more directly on the hook for the quality of their insight.

That means that the most valuable guidance government can provide is not necessarily helping to train up conventional China capabilities. Instead, the aim should be to build up business' capability to understand and navigate government priorities. The National Security and Investment Act 2021 (NSI Act), for example, introduced a new statutory regime to scrutinise and potentially block acquisitions and investments in 17 key sectors on national-security grounds, bringing the UK in line with many key partners.

But opaque decision-making structures regarding which projects are "called in" for scrutiny (more than 40 per cent of call-ins in 2022/23 involved Chinese firms³⁰) have made forward planning difficult for some businesses. The previous government struggled to clearly communicate the intention of the NSI Act, to the point that Labour accused a review of the act in November 2023 of aiming to water down toughness on China,³¹ while the Chinese embassy expressed concern it would in fact be used to tighten control.³²

In general, clearer communication of government objectives – and red lines – in cases like this would go a long way to helping business and government act in concert. The same goes for the upcoming findings from the China audit.

Business, and non-governmental stakeholders more broadly, should also be consulted more robustly in these sorts of policy processes. Current dialogue tends to be informal or ad hoc, which can be effective in some cases, but should be complemented by more structured channels – potentially overseen by a China House equivalent or other capabilities champion.

This is particularly true for those stakeholders currently in China. On-the-ground perspectives are immensely valuable when it comes to boosting the

UK's capabilities. But the UK currently faces a paradox: the longer someone has spent in China, the more useful their insight often is – but this longevity also makes it harder to get the clearance necessary to make the most of that insight.

This makes creating new avenues for consultation all the more vital. Trade bodies such as the British Chambers of Commerce and the China-Britain Business Council, for example, are among the best-versed in regular engagement with Chinese authorities – especially after the UK's prolonged lack of high-level dialogue. They also regularly publish analysis and sentiment surveys that provide a level of granularity on the experiences of British businesses in China that would be impossible to obtain from the UK's diplomatic networks alone.

Finally, it is perhaps most important to recognise that government and business have a shared interest in China capabilities. Greater China literacy, both within government and among their own hires, is strategically useful for companies with significant China operations, and some businesses have played a key role in supporting China-focused think-tanks and educational initiatives. Swire in particular has dedicated significant resources to funding the UK's largest Mandarin programme and recently endowed a new centre for Mandarin education at the University of Oxford. Closer collaboration to bring together the best of public and private initiatives will be key to developing the genuinely sustainable China capabilities the UK needs.

Before Government: Facilitate Frictionless Educational Progression for Chinese Studies

Building the right capabilities in and around government means starting well in advance. The UK needs a robust pipeline of young people with an interest in China and an interest in using that expertise to the benefit of the UK.

CREATING A PIPELINE IN SCHOOLS

Currently, the uptake of Chinese language is dropping – just at the point the UK is recognising China as an “epoch-defining” challenge. As of 2022

Mandarin was taught in just 7 per cent of state schools and 22 per cent of independent schools as a full Key Stage 3 curriculum subject.³³ A-Level entries have fallen significantly since 2019,³⁴ and universities report a decline in interest.³⁵ That is despite the fact that Mandarin education is highly cost-effective too: the benefit-to-cost ratio for the UK economy was estimated to be at least 2:1 in 2022.³⁶

Compare that to China, which boasts an estimated 400 million English learners – more than the entire population of the US. There is also a huge asymmetry in crucial in-country exposure: as of 2022, the UK was thought to have just a few hundred students in mainland China, compared to 154,000 mainland Chinese students in the UK in 2022/23.³⁷

Debate over Mandarin education in the UK focuses disproportionately on Confucius Institutes – language and cultural institutes run by the Chinese government – an important question, but one that risks overshadowing a better, over-arching question: what should be done at each educational stage to make beginning or continuing the study of China as frictionless as possible for a learner? And what needs to be done to give students the confidence that their skillsets will be in demand?

As Professor Rana Mitter, the former director of Oxford University's China Centre, points out in the foreword of the Higher Education Policy Institute's 2022 report on Mandarin education,³⁸ the UK needs two types of China-literate talent: a smaller pool of committed specialists, often with deep linguistic ability, and a wider pool of generalists with a sophisticated understanding of the Chinese system.

These dual needs should be reflected in the education system, with a joint focus on:

- Increasing avenues of entry to studying China in its own right (both language and cultural studies)
- Mainstreaming China across core curriculum subjects to boost wider China-literacy

The first step towards each of these is removing significant stumbling

blocks in the current system. Some of these stumbling blocks are nationwide, others disproportionately affect disadvantaged regions or communities. Broadening access will be key: the ultimate aim should be for Mandarin to be taught as an inclusive language, not an elitist language.

Stage	State of play	Key recommendation
Pre-GCSE	<p>Only a small proportion of learners have the chance to try Mandarin. Access tends to be dependent on a school being part of one of a number of disparate initiatives. The government's Mandarin Excellence Programme in particular disproportionately runs in more affluent regions.</p>	<p>The funding cycle for Swire's Chinese Language Foundation, the biggest Mandarin scheme, ends in 2026. The government should urgently explore how to prevent a drop-off in schools offering Mandarin, especially given Swire's programme specifically focuses on broadening access to less advantaged communities.</p>
GCSE	<p>In England, learners then move on to Chinese GCSE. Entries are rising quickly – over 7,000 students took the GCSE in 2023, more than twice the number in 2019. Some – but not all – of this rise is likely due to students who have moved from Hong Kong under the BNO scheme.</p>	<p>There is currently no clear pathway for onwards progression from GCSE for non-native speakers of Mandarin, for reasons explained below. A-Level reform is needed to create this pathway and persuade more schools that GCSE provision is financially viable.</p>
A-level	<p>This is the trickiest stage: the Pre-U Mandarin qualification, which was only available to non-native speakers, was scrapped in 2023, leaving Chinese A-level as the only remaining option for learners in England (Scottish students can still take a well-regarded Higher course). Almost all top grades are taken by native speakers, meaning non-native learners aiming to study Chinese (or any other course) at a top university should avoid taking the A-</p>	<p>Options to improve Key Stage 5 provision include:- Reform to existing A-level to include non-language components- Approval of the proposed Chinese Civilisation A-Level that has no language component- A new, ideally university-backed Chinese language qualification, potentially modelled on the music-grade system</p>

	Level – causing an unnecessary two-year gap in structured learning.	
Higher Education	Fewer students are choosing courses with a China element – just 815 in 2022, ³⁹ down by more than 25 per cent since 2014. ⁴⁰ This is likely the result of advances in translation tech and comparatively low Chinese soft power (compared to Japan or South Korea, for example). Many of these are also joint honours courses, which often fail to give students professional working proficiency in Mandarin.	Reform of the curriculum for China-focused courses is needed to adapt to changing student and job-market demand. There should also be greater mainstreaming of the study of China across other degrees to produce graduates with hybrid skillsets, including study-abroad opportunities such as the China-Link Scholarship. ⁴¹
Graduation	Graduates often face a demand-side issue. There are limited private-sector roles available and, with the exception of the security services, there are currently no government jobs available to new graduates that allow them to use and retain their China specialism. The clearance process for developed vetting can take more than a year, which is often financially unsustainable for many recent graduates.	Students need to be reassured that there is demand for their skills, ideally starting at sixth-form level. The government should build out absorption capacity for graduates, including the proposed China fast stream (modelled on the previous EU fast stream), to tap into Chinese graduates and native-speaker graduates who bring a broader set of skills beyond languages. This is also a key period to encourage graduates to gain vital in-country exposure.

Underpinning all this is a supply-side question: a pipeline of teachers. The new government has pledged to train 6,500 new secondary-school teachers, targeting “key subjects to set children up for life, work and the future”.⁴² Mandarin should be at the heart of this, and a recently announced centre for the learning and teaching of Chinese at the University of Oxford’s Department of Education, with initial funding from Swire, is well placed to drive this forward. The centre, which is expected to be operational from 2026, will provide a Mandarin postgraduate certificate in education (PGCE)

programme and lead research into pedagogical best practice.

But the UK's small pool of advanced Mandarin speakers will always make recruitment trickier than in other subjects – meaning retention of existing teachers is key. There is a risk that when the Swire Chinese Language Foundation's funding cycle ends in 2026, some schools – particularly those under serious financial constraints – will no longer be able to offer Mandarin. Preventing a drop-off here will be crucial.

HARNESSING NEW WAYS OF LEARNING

Alongside this, the government should explore two additional tracks to maximise Mandarin learning coverage, and address some of the serious regional and socioeconomic inequalities in current educational provision.

Digital learning: Mandarin tuition is traditionally very human-capital intensive. Learning tones, for example, requires extensive one-to-one pronunciation drills in a way no other commonly taught language does. But new edtech tools could offer hyper-personalised supplements to traditional classroom teaching: apps such as HelloChinese use voice-recognition software for tone practice, while certain large language models can provide personalised written exercises or live conversation practice, with content targeted to a learner's interests and feedback targeted to their level.

As TBI set out in its [report on delivering tech-enabled education](#), integrating AI into classrooms requires careful work to build the right enabling environment. But Mandarin could prove a particularly promising use case. The UK government has already announced £4 million in investment to train new AI models on national-curriculum guidance to produce new lesson plans and content,⁴³ while the National Taiwan University's International Chinese Language Program is using generative AI to create Mandarin-specific educational materials.⁴⁴ The Department for Education should consider how new AI models, trained on national-curriculum Mandarin content, could be used to support teachers and learners.

Similarly, greater integration of remote teaching could also help address the current unequal regional distribution of Mandarin teachers – and provide a

potential avenue to bring in additional support from native speakers in China and Taiwan.

Lifelong learning: Creating additional avenues of entry for older learners is also key. Greater mid- and late-career training of people from non-China-related career paths can help create the hybrid skillsets necessary to address the intersectional policy challenges China presents. Again, there is promising potential for edtech tools that can help fit learning around existing work and childcare commitments.

04

Conclusion

Without the right plan, the UK risks being pushed around on China. Beijing (and Washington, for that matter) have a good idea of what they want the UK's China policy to be. It is only sensible for the UK to have one too.

The China audit will hopefully represent a significant step towards articulating what the UK wants from China and, crucially, what it needs to achieve it. But the audit must be seen as the first, not final, step towards capability building. China – and the ways the world responds to China – will continue to present an evolving set of intersectional challenges to the UK. What works today is unlikely to remain the right approach in just a few years' time.

That is why building out an agile set of capabilities with a long-term view is crucial. So is recognising financial realities: the UK's capability strategy must be cost-effective and, wherever possible, self-sustaining.

As such, the UK must move beyond its current focus on in-government capabilities and take a joined-up view of capabilities that:

- Rethinks language needs and addresses the China-literacy gap between Whitehall and Westminster
- Commits to allocating capabilities spending outside government to nurture a world-leading think-tank and business ecosystem
- Creates a joined-up educational pipeline that makes the study of both China and Chinese accessible and inclusive

Underpinning these initiatives should be a champion who can drive change across government and beyond – and potentially even draw out lessons for other critical cross-cutting policy challenges.

The good news is that the government is not starting from a blank slate; this is primarily a question of building out the right structures and incentives. In fact, building China capabilities is an opportunity as much as a challenge: with the right approach, the UK has the right raw ingredients to become a

leading voice in one of the next decade's most pressing conversations.

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