

Why we should be doing the opposite with China to what the Sinophobes and hardliners want.

Lord Howell in Lords China Debate 19th Oct 23

My Lords, we have heard some very interesting, excellent and clear speeches so far in this debate, starting with my noble friend the Minister. It is particularly a pleasure to follow the speech we have just heard from the noble and gallant Lord, Lord Stirrup.

The truth is that our relationship with China gets discussed almost everywhere on a whole spectrum of attitudes. At one extreme, we have those who say, “Stop worrying: do not get overly hysterical” and take a relaxed view that there is nothing much to be done—China is China, just carry on and it will rise and fall, and maybe rise again in the way things do in history. At another extreme, we have the “China is the enemy brigade” in line with the hard-line Manichean view held by some people in America like Mr Pompeo in the Trump Administration. It is an almost McCarthyite attitude that says China is going all-out to undermine and destroy everything around us, there are Chinese under every bed, and Chinese sympathisers must be hunted out and denounced.

Midway between these two extremes we have the UK official position, set out very closely by the noble Earl, as stated in the latest “refresh” version of the Downing Street integrated review—and I am afraid, with the way things are going, we are going to need another one quite soon, as events move so fast on this planet.

That one states, as my noble friend said, that China poses an “epoch-defining and systemic challenge” and calls for the three items that my noble friend mentioned: protection, which is safeguarding our critical national infrastructure and supply lines; alignment, which means working with everybody else to contain Chinese activities around the world; and engagement in varying degrees, which means creating space for a positive trade and investment relationship. All that sounds really quite sensible as far as it goes, but I believe—I am with the noble and gallant Lord, Lord Stirrup, here—that even this position, let alone the extreme stances described, is not really clever or subtle enough to deal with the phenomenon of today’s China.

I would argue that some deeper approaches are needed, which I will comment on. I first give a few facts. I begin with climate issues, which my noble friend on the Front Bench referenced. Even though China is an

enormous investor in renewables—maybe the world’s biggest—its coal burning for electricity is currently around 1,000 gigawatts, which is about 58% of all its electric power. This is down from 80% but, with a recent surge of new coal-fired plants—with 45 being built or revived and 52 more planned—it is rising again. To put things into perspective, it now ends up at about 1,000 times our small, residual coal burn in this country. Together with India’s 250 gigawatts of coal plants and America at a little less, those three countries account for over 60% of rising world emissions. There is absolutely no hope of curbing climate violence, however zealous we are with our own net zero, unless these soaring emissions are somehow reversed. That is where full co-operation, and the full focus of our contribution to the battle, should be directed if we are serious about climate change.

Sometimes it seems that, with all our concentration directed inwards to achieving our very worthy net-zero goal, we forget the main aim, which is to curb world emissions and to head off the worst climate violence and planetary destruction. Sometimes I even sympathise a bit with Greta Thunberg, not her latest escapade with trying to stop oil now, which would of course cause huge world suffering and disruption for the poorest, but her more general fear that the next generation will feel completely betrayed. I do not see that the worthy but costly net zero here will make the slightest difference to the frightening rise in world emissions carrying on now. The UK is not making anything like the best and most focused contribution that it could to checking global warming, and that has strong implications for our relations with China.

Secondly, we must face the fact that, for all the rhetoric about China around the western world, trade with China is still extremely high and is growing in most areas. For the EU, it is back up to £450 billion for the last 12 months, and cheap electric vehicles are about to flood into the European system, to the alarm of the entire European motor industry. Then there is security. Obviously, as the noble and gallant Lord, Lord Stirrup said, Taiwan is there. The question is whether the Israel horror, coming on top of the Afghanistan withdrawal model, will tempt Xi to go earlier. Most people say that he will delay for a while, but I am not so sure. He must be looking at the situation again and wondering. I also wonder whether our eye is on the ball as China hovers up the developing world and quite a lot of members of the Commonwealth with it. Let us keep our Five Eyes assembly, which we have just seen gather in a rather encouraging way, fully alert and supported. Whitehall seems to think that a lot of smaller islands in the South Seas and the Caribbean are too small or remote to be strategically important. But the Chinese foreign policy strategists think quite the opposite: the control of maritime routes and the so-called assistance to

these small countries with policing, training and, indeed, even weapons and military advice is a crucial part of the strategic game of the world.

As for the heavy hand in Hong Kong and the appalling persecution of the Uighurs, I know that the speaker coming after me will explain with his usual perception and accuracy just what is happening. I hope we can somehow influence and delay the crushing of Hong Kong's freedoms. It is China that will be the loser. Hong Kong was an enormously valuable asset to China in its full heyday and even now could be if China played things very differently.

As for the Chinese economy, it is a mixed picture. It all looked very good for China earlier this year. It appeared to be recovering from the Covid drama, but investment is plummeting and so is consumer demand. We now see in China slower growth; soaring debt; attempted, but of course resisted, capital flight; massive youth unemployment; a shrinking population; what is called economic long Covid; and a distinct alienation of China's friends, thanks to the general aggressiveness of Xi Jinping's stance. The belt and road initiative, which has been mentioned, is running up a lot of debts.

My advice would be in some respect the very opposite of that of the blinkered Sinophobes and hardliners who seem to want us to cut off all links with and somehow cancel China. We should not only engage but bring it all on. We should not only ensure that we do not cut off China but actively welcome Chinese capital, students, technology and brands. That would in fact weaken and undermine Xi's imperial ambitions. The sensitive sectors should of course be protected, and we are going to do that, but much of Chinese intellectual property theft comes from cybercrime and espionage, some of which is very naive and childish.

Our story, under the rule of law and in freedom, is a lot better than the Chinese story. It should be told to the world with much more vigour and élan. The Chinese information flow, designed to undermine our values and our democracy, is formidably good and effective at reaching the free world and all the non-aligned countries, which is most countries now. I hope, but of course do not know, that ours is just as good in somehow reaching the Chinese on the dangers for China itself if it persists in stepping outside the comity of nations, flouting international law and disdaining the alliance of civilised nations against the coming dangers that threaten us all, of which the bestiality and bottomless evil of 7 October by the Hamas butchers is the most vivid example. The powerful attraction of an open society, draining capital out of China—as one commentator put it, “suction, not sanctions”—is the best way to weaken Chinese dominance and benefit us at the same time. It is the path we should follow.

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