International order transition and the UK’s tilt to the ‘Indo-Pacific’

Shaun Breslin\textsuperscript{a} and Peter Burnham\textsuperscript{b}

\textsuperscript{a}Department of Politics and International Studies, University of Warwick, Coventry, England; \textsuperscript{b}Department of Political Science and International Studies, University of Birmingham, Birmingham, England

\textbf{ABSTRACT}

This article analyzes the UK government’s response to international order transition as seen through its recent foreign policy ‘tilt’ toward the ‘Indo-Pacific’. It suggests that in post-Brexit Britain the determinants of foreign policy are increasingly complex involving an attempt to balance domestic policy, manage internal party conflict and establish an “independent” position in international relations in the context of US attempts to build a “grand alliance” against China. Our central argument is that the UK policy shift toward the Indo-Pacific is informed in large part by a changing dominant narrative on China and in particular by perceptions of China as “systemic competitor” in the global political economy. We argue that not only is the “tilt” at this point in time based on rather questionable assumptions regarding the UK’s relationship with the ‘region’ but that ‘international order transition’ is more complex than is suggested by the new UK policy orientation. Limited in terms of conventional military power, the UK tilt strategy focuses on effecting institutional and normative change and positions the UK as a ‘soft power superpower’ alongside the United States in the region. In the context of renewed international political and economic crisis the “tilt” expresses the contradictions that lie at the heart of UK foreign policy rather than offering a clearly defined and viable new orientation for “global Britain.”

\textbf{KEYWORDS} Indo-Pacific; UK-China relations; UK foreign policy

\textbf{Introduction}

In its foreign policy reset in 2021, the UK government officially undertook a self-declared “tilt” with the goal of becoming “the European partner with the broadest and most integrated presence in the Indo-Pacific” (HM...
Government, 2021, p. 66; Raab, 2020a). The so-called Integrated Review (HM Government, 2021) was of course in large part the result of Brexit and embodies an attempt to foster an idea of a new “Global Britain” no longer constrained in its actions and ambitions by membership of the EU. The notion that the UK was previously unable to focus on Asia - however defined - is of course somewhat questionable. And some of what was done in the immediate aftermath of Brexit simply entailed rebuilding the trade relationships with Asian states that the UK would otherwise have had as an EU member. Nevertheless, Brexit provided the opportunity for self-reflection and consideration of both future challenges and past policy shortcomings and the Integrated Review represents in large part the UK government’s response to perceptions of international order transition accelerated by the Covid-19 pandemic (He, 2021).

He and Feng (in this issue) provide a convincing argument that international order transition is more complex than is often perceived and that the relationship between the US and China is multidimensional and not adequately theorized in terms of a simple realist ‘power shift’. Using a ‘three-pillar’ conceptualization of international order, with a focus on power distributions, institutional set-up and norm diffusion (not unlike Robert Cox’s (1987) influential neo-gramscian trichotomous analytic framework) He and Feng conclude that the complexity of the US-China relationship means that it is too early to predict an inevitable conflict and that the “process and outcome of order transition are still ‘unwritten’ rather than ‘destined for war’. They also suggest that strategic competition will be increasingly focused on the Indo-Pacific region and that secondary powers will play an important role in shaping the development of any ‘order transition’. It is in the light of these fundamental points that this paper considers the current strategy of the UK government. We will argue that the UK “tilt” toward the Indo-Pacific represents in large part a response to the changing dominant narrative on China and in particular US-driven perceptions of a Chinese government actively engaged in ‘order transition’. We suggest that not only is the “tilt” at this point in time based on rather questionable assumptions regarding the UK’s relationship with the ‘region’ but that the fluctuating fortunes of the post-Brexit Conservative government do not provide a solid basis for a consistent foreign policy and that the Review overstates the ability of a declining secondary state mired in economic and political crisis to effect any real global change.

The article is in three main parts. First, we consider how the dominant narrative on China has changed in the UK since 2016 resulting in the general endorsement of the ‘China as threat’ thesis (for a critical assessment of the thesis see Rogelja & Tsimonis, 2020). Second, we point to the ambiguities related to the idea of the ‘Indo-Pacific’—particularly in terms of UK perceptions of the region. Third, we analyze the political economy of the
region and assess its importance to the UK. Finally, we conclude that the ‘tilt’ to the Indo-Pacific in essence attempts to position the UK as the key international source of ‘soft power’ supporting US policy in the region and that the weakness of the Integrated Review lies in its one-dimensional view of ‘international order’, its deterministic view of ‘order transition’ and its assumption of stability in domestic UK politics.

The changing UK narrative on China

The last decade of Conservative rule has witnessed a dramatic turnaround in UK government policy on China. From Cameron’s ‘liberal conservatism’ project (Dodds & Elden, 2008; Honeyman, 2017) which promised to strengthen relations with China, to the cooling of relations under May, policy is now largely informed by those on the Conservative Right intent on weakening ties with China and suggesting that China is pushing for ‘order transition’ and the end of the so-called ‘liberal rules-based’ international system (for a critical assessment of the notion of the liberal international order see Deudney & Ikenberry, 1999). This is clearly announced in the Integrated Review prompting the need for the Indo-Pacific tilt:

China’s growing international stature is by far the most significant geopolitical factor in the world today, with major implications for British values and interests and for the structure and shape of the international order. (HM Government, 2021, p. 62)

The speed at which the dominant narrative about China’s rise has shifted warrants brief analysis. In 2015, Xi Jinping’s state visit to the UK seemed to be a symbol of a new golden age of Sino-UK relations. Speaking to the Lords International Relations and Defence Committee, Simon McDonald (former Permanent Under-Secretary at the FCO) said UK policy in 2010 was to view China “nearly completely as an economic power and an economic possibility,” with relatively few political implications:

The coalition Government and Prime Minister Cameron and Chancellor Osborne had a very clear vision of China ….. it was all about economics and being China’s best friend, and they wanted to be first movers and the gateway into Europe. Some unflatteringly characterised this approach as Operation Kowtow. We were all in with Beijing, and the apotheosis of this policy was the state visit of President Xi to London in the autumn of 2015. (McDonald, 2021)

And even though the Cameron premiership might have taken this position to an extreme, it was at one with a broader cross-party pedigree:

I was Gordon Brown’s foreign policy adviser for the whole time he was Prime Minister, and he absolutely looked at China through an economic lens. I remember that in his meeting with Chinese leaders he would praise
and thank the Chinese for what their economy had done for the world after
the Asian financial crisis of 1997. (McDonald, 2021)

But this started to recalibrate in 2016 when Theresa May as prime minis-
ter began to highlight perceived security threats (McDonald, 2021). With
Cameron’s departure from No. 10 the Conservative Right influenced
strongly from the United States began to mount a sustained attempt to
change the overall narrative on China. The beginning of the US-China trade
war in 2018 in which the United States made demands on China to reduce
bilateral deficits by $200 billion - termed by Martin Wolf (2018) of the
Financial Times, “ridiculous” and a “violation of the principles of non-dis-
crimination, multilateralism and market-conformity that underpin the trad-
ing system the US created”—further hardened sentiment towards China,
leading to a view, as McDonald (2021) outlines, that China was now seen as
“politically much more aggressive than they had calculated previously”. This
was not solely a UK recalibration. Mark Sedwill (former National Security
Adviser) emphasises that the shift in British policy was “partly because there
was a shift in Chinese policy” with the perception that China was now
“much more aggressive in its region”. Balancing national security concerns
and economic interests presented a problem for the UK government and
McDonald (2021) is candid in his assessment that the UK is “still grappling
with how to organise policy overall in relation to China” (Sedwill, 2021).
Within the UK, the classical liberal, and right-of-centre, think tank Civitas,
was one of many organisations that produced reports developing a broad
‘China as threat’ thesis (Klinger & McConalogue, 2021). Critical reports on
the relationship appeared in both Houses of Parliament by the House of
Commons Foreign Affairs Select Committee (2019a; 2019b) and the House
of Lords International Relations and Defence Committee (2021) alongside
the creation of the China Research Group (CRG) largely, but not exclusively,
from within the Conservative party to provide a forum for the collection
and dissemination of ‘information’ on China. Prior to taking up his role as
Minister of State for Security in September 2022, Tom Tugendhat was not
only joint head of the new CRG but simultaneously Chair of the Foreign
Affairs Select Committee. And while the CRG has played a role in increasing
parliamentary activity towards China, there is also a China Working Group
within the Labour Foreign Policy Group, founded in 2020 to provide a
forum for “strategic foreign policy relationships” (Labour Foreign Policy
Group, 2022). Moreover, there has been the establishment of the largely
private sector driven UK National Committee on China (UKNCC, 2022) to
provide what it calls a “fuller debate on China” (which in part means fuller
than that provided by the CRG); independent reports on the relationship
produced by KCL’s Policy Institute and the British Foreign Policy Group; and
three reports looking specifically at the potential risks of university and
research collaboration including one by the Conservative Party Human Rights Commission on Confucius Institutes calling for a review of existing projects and a moratorium on new agreements. In addition there has been widespread media coverage of events in Hong Kong and Xinjiang and the origins of the coronavirus pandemic, and increasingly vocal debates over the nature of the UK’s relationship with China in the House of Commons.

In short, UK China policy since around the “rolling boundary” (McDonald, 2021) of 2016, has taken place against the backdrop of much greater parliamentary and public interest and scrutiny than was the case in the past with “concerned voices” prepared to air their views more loudly and more often than was the case in the past. Public opinion polling suggests a majority of the UK public now view China as a “force for bad” and have an increasing appetite for a more assertive China policy (Geddes, 2020). Notably, much of the criticism of the Cameron government policy toward China—either directly or implied—comes from within the Conservative Party itself, led by “a wing of former Brexiteers, [who] having won the Eurosceptic wars, have gone on to push a more hawkish stance on China as a central political goal” (Riley-Smith et al., 2022).

This change has of course had policy implications. Thirty-six Conservative MPs voted against their own government’s plans for giving Huawei a limited role in the UK’s 5 G infrastructure in March 2020, and the government announced new restrictions the following July banning all new purchases of Huawei equipment by the end of the year, and promising to remove all Huawei equipment from 5 G networks by end of 2027 (Dowden, 2020). Notably, the rhetoric — and indeed action — of UK ministers and officials over Xinjiang represents a substantial shift from previous UK responses to human rights issues in China (see in particular Truss (2022) as Foreign Secretary on the UN Human Rights Chief’s Report on Xinjiang) and an even more substantial shift from when George Osborne visited Xinjiang in 2015 and spoke of its “enormous potential” (HM Treasury, 2015), and was praised for his pragmatism by the Global Times for focusing on economic issues and not raising human rights (Global Times Editorial, 2015). As Foreign Secretary, Dominic Raab referred to “egregious, industrial-scale human rights abuses” (Raab, 2021), which led him to initiate a change in policy that has resulted in measures designed to ensure that “no British organisations, government or private sector, deliberately or inadvertently, profit from or contribute to the human rights violations against the Uyghurs or other minorities in Xinjiang” (HM Government Press Release, 2021). It has also resulted in the imposition of formal sanctions—in cooperation with the EU, the US and Canada—on four officials and an institution for “gross human rights violations” (FCDO, 2021c). Chinese policy on Hong Kong has generated considerable interest from many countries and has of
course very specific and historical significance for the UK. It is also taken as an example of China not conforming to (or complying with) the expectations of what is often referred to as the ‘rules-based international order’ or system (Foreign Affairs Committee, 2019b).

Similarly, concern has been raised over UK dependence on Chinese imports and FDI. When Chinese Outward Foreign Direct Investment (COFDI) began to expand at a significant rate around 2002 and 2003, the main focus in the West was on the potential indirect impact and the consequences for the UK of new financial relationships between China and developing economies, including many former UK colonies. When it begin to flow to the UK in significant amounts, there was not initially any significant concern about UK companies and brand names going into Chinese ownership. From Nanjing Automobile Group’s purchase of MG Rover in 2005 to the Jingye Group’s plans to buy what was left of British Steel in 2019, Chinese money has been seen to offer a chance to failing companies rather than constitute a threat. Rather than blame China, it was the management of the UK firms (and mismanagement) that tended to come under scrutiny. And while public interest in the impact of the Chinese political economy was not particularly high, where there was interest (and concern) it tended to be more focused on UK-based producers shifting production and therefore employment to China, rather than on inward financial flows.

The rapid increase of COFDI in the 2010s (primarily through mergers and acquisitions) began to change things, resulting by the end of the decade in what a Civitas report argued was a “potential overexposure to Chinese investment” (Klinger & McConalogue, 2021). To support this conclusion, the report cited evidence from one of its own previous reports:

The UK was the second largest recipient of Chinese foreign direct investment (FDI) in Europe by volume in 2019, mostly due to Chinese-enterprise acquisitions of additional stakes in a data firm worth £1.8 billion. It also topped the list of European countries for the number of single transactions involving Chinese entities. Since 2000, the UK is reported to have attracted the most Chinese FDI in the EU by far, with a cumulative volume of €50.3 billion over that period, compared to €22.7 billion for Germany, the second-ranked country. (Harris et al., 2021)

All of this is true, but within this quote and these reports—and actually, what is not in them—are examples of the way that the debate over Chinese investment has taken place in the UK in recent years. While the growth of Chinese investment is clearly important, it needs to be placed in a broader context (Breslin, 2021). Investment from China is actually less than from a number of other Indo-Pacific economies. In 2019, China was not in the top 10 of investors in the UK, and investment from the EU accounted for nearly 80 percent of the total (Ward, 2020). The history of significant Chinese investment into the UK is relatively short and therefore the
stock of Chinese investment in the UK is remarkably low. In 2020, China was 22nd in a league table of overseas investors (Lunn & Curtis, 2020), with a total stock of £3.4 billion accounting for just 0.2 percent of the total overseas investment stock in the UK (Department for International Trade, 2022). That number can increase if all investment from Hong Kong is added to the PRC figure, and gets even higher if investors with minority Chinese or Hong Kong shareholders are also added to the list (Stubely, 2021). But even then, the increasingly widely held general belief that “the Chinese own everything” is a gross oversimplification and a long way from the truth (China Research Group, 2021).

Whilst there are a number of reasons that explain why Chinese investment has caused such concern, there is little doubt that the change in the leadership of the Conservative government has been fundamental to the development of the ‘China as threat’ thesis. Within the governing party there was considerable dissatisfaction with the steps that Cameron and in particular George Osborne had taken to build a new relationship with China. Clearly both Brexit and the leadership changes that followed had a significant impact on both government policy and the nature of the debate over China’s rise and its international order transition implications. In this respect it is worth emphasizing the desire on the part of the UK government to be seen to be largely in step with the United States on China policy — particularly given the need to maintain US inward investment and keep alive the increasingly slim idea of a comprehensive trade agreement (by December 2022 the UK had signed only three new trade agreements (Australia, New Zealand and Singapore) since leaving the EU and as Webb (2022) notes, as regards the US, “an agreement is not expected soon”).

Finally, future histories might point to the COVID-19 pandemic as marking a turning point in China’s global role and standing, and not just in the UK. While there is much talk about China using the pandemic to exercise medical diplomacy and win friends and perhaps global health leadership, its role in the pandemic has not been perceived quite so positively among the Conservative Right. The House of Commons Foreign Affairs Select Committee published a report on the foreign policy dimensions of the pandemic in early April 2020 condemning what it called “disinformation” provided by the Chinese state that allowed the virus to spread, including “deliberate misleading of the WHO and scientists in other countries” (House of Commons Foreign Affairs Select Committee, 2020). Writing in an individual capacity in the Mail on Sunday, the then backbencher Tom Tugendhat, went even further sharply posing a question both to the readership and to his own party leadership:
Now, more than ever, Britain needs to consider its relationship with China, our hunger for its goods and investment. Do we want to import China's authoritarian value system as well as its products? Or should we work with other free nations and reduce our growing dependence on this dictatorship? (Tugendhat, 2020)

Nor was it just a matter of Conservative backbench MPs having more freedom to be critical than government ministers. Whilst deputizing for the Prime Minister, Foreign Secretary Dominic Raab (2020b) echoed the position of the US administration that there was “no doubt” that there could not be “business as usual” with China after the crisis, and that there would need to be a “deep dive” into how it originally started and spread. Moreover, whilst remaining critical of official government policy towards China, there are also members of the opposition Labour Party whose views of China do not differ that significantly from the overall view of a China challenge to UK interests and values (Timsit, 2021).

By the time of the two competitions to first replace Boris Johnson and then Liz Truss as Conservative leader (and thus Prime Minister) in 2022, for the first time, prospective candidates’ positions on China had become one of the criteria for choosing a leader of the UK; not the key or defining criterion, but nevertheless part of the decision-making process. In the first of the contests, Liz Truss promised to officially designate China as an ‘acute threat’ to UK national security (Grylls, 2022)—a promise that she did not have time to execute. Despite being accused by China-sceptics as being “soft on China” and being known to favour continued economic engagement (Groves, 2022), Rishi Sunak also referred to China as the biggest long-term threat during first of the 2022 leadership campaigns, calling for new alliances to counter “China’s nefarious activity and ambitions”, and promising to follow through on the Confucius Institute report and close them all down (Allegretti & Ni, 2022). On assuming the Premiership after the second contest, Sunak qualified his belief that China provided significant “challenges to our values, interests and economic security” (and note the use of the word challenge rather than threat) with a more pragmatic assessment of the necessity of working with China on trade and environment issues and to “isolate Putin” in “the national interest” (Sunak, 2022). It has long been accepted that there is a delicate balance between dealing with China as a potential partner on some issues but as a challenger—or even threat—in other areas. It now seems that Conservative leaders of the UK (and possibly future Labour leaders) also have to find a balance between meeting domestic parliamentary and party expectations on China policy to attain power on the one hand, and dealing with the reality of China as a global actor once in power on the other hand. It is in this very specific context of a dramatic change in the dominant narrative on China that the Integrated Review and UK’s Indo-Pacific ‘tilt’ needs to be placed.
What’s in a name: Ambiguities of the Indo-Pacific

It is worth reflecting for a moment on the use of the term, ‘tilt’. While it can be used to mean to thrust violently at something—and in the context of tilting at windmills, at imaginary enemies—presumably its intended reference here is to a slight move in a specific direction, rather than a full about-turn. Certainly, something less than the ‘pivot’ away from one regional focus to a new one, as the language of the US pivot and repositioning under Obama was described (Clinton, 2011). Indeed, the Integrated Review (HM Government, 2021) starts from the argument that, “The United States will remain our most important bilateral relationship,” and reaffirms the importance of traditional partners (including NATO, “our European neighbours and allies,” and the EU as an institution). So, this is not a fundamental about-turn, but rather a shift in emphasis. But why use and emphasize the language of the ‘Indo-Pacific’? In giving evidence to the House of Commons Foreign Affairs Committee prior to the publication of the Integrated Review, Foreign Secretary Dominic Raab (2020a) was not only firm that the tilt toward the region was one of his key foreign policy priorities, but that there was a clear understanding of what this region actually was: “We are quite specific in calling it Indo-Pacific rather than just Asia-Pacific.” He then identified the region as “going east from India,” which gives some clarity, but it is still worth a brief discussion of what the region does and does not cover in the eyes of the UK government and commentators.

The term “east of Suez” has a very specific historical resonance. It refers back to a time when the UK was a global power, and thanks to the opening of the Suez Canal, had relatively easy access to colonies and colonial interests from the Arabian Gulf through Southeast Asia to Australasia. The Labour government’s decision to wind down military operations “east of Suez” in the late 1960s is taken as a symbol of the decline of the UK as a global power, and to geographically limit strategic interests to Europe and relations with NATO partners (Dockrill, 2002).

Therefore, when Boris Johnson announced as Foreign Secretary in Bahrain in 2016 that “Britain is back east of Suez,” he was trying to be deliberately provocative and equally symbolic (Johnson, 2016). Contrary to Johnson’s blandishments the process of establishing a new military position in the Gulf started before Brexit (in 2014), and there was little about EU membership that would have prevented the UK from continuing its operations. Even so, this statement, like the dispatch of the Carrier Fleet in 2021, was a symbol of the new post-Brexit Global Britain in action (James, 2021). If the retreat from east of Suez resulted in a UK that was primarily focused on European terrain, the return to east of Suez represented the UK breaking
out from its previously narrow European arena of action and influence to re-establish its apparently global ambitions.

This supports the view that the “tilt towards the Indo-Pacific” is best thought of as part of a “Global Britain” type activity with regional components and implications and one which is in essence explained by reference to the changing narrative on China. It is also important to map the way in which the UK foreign policy bureaucracy has been reorganized to reflect some of these strategic “regional” concerns. Coinciding with the Integrated Review, The Foreign and Commonwealth Office (FCO) underwent a structural reorganization, not least to incorporate the activities of the Department for International Development. The new Foreign, Commonwealth and Development Office (FCDO) retained ministerial portfolios that cut across this understanding of the region with a Minister of State for Asia responsible for East Asia and Southeast Asia, another Minister of State for Asia (and the Commonwealth), and a third for the Pacific (and the Environment). These changes in the organizational structure of the FCDO did not directly map on to other geographic divisions in the FCDO. Up to September 2020, there had been an Asia Pacific directorate covering Southeast Asia, East Asia, and the Pacific, with India part of a separate directorate covering “South Asia and Afghanistan.” After the reorganization the new regional distribution of responsibilities saw Pakistan and Afghanistan forming part of a new Directorate alongside the Middle East and North Africa. The rest of South Asia joined the previous Asia-Pacific in a new Indo-Pacific Directorate. The separation of India from Pakistan in these new directorates is symbolically very important. It reflects the importance that India is thought to have in the configuration of power and alliances beyond its longstanding and very specific tensions with Pakistan. Indeed, one of the key consequences of focusing on the Indo-Pacific rather than on previous ways of dividing up geographies is that India is actually separated from its geostrategic competition with Pakistan, and moved into a new geostrategic constellation of power and alliance centered around responses to China’s rise instead.

It should also be acknowledged that the name of the region is symbolically very important. Its “quite specific”—to repeat Raab’s words—adoption and usage points to a deliberate association with the agenda of those in Japan, India, Australia and elsewhere who have promoted the idea of this region. Above all else it nominally aligns UK policy with the policies of others who are concerned about the growth of Chinese power, even though the UK position might still currently fall short of the sort of response that many of those who are most concerned about the consequences of China’s rise would like. This points to a potential fundamental weakness in the UK strategy centred on the issue of the UK’s commitment to, and integration with, the region.
The UK and the political economy of the region

UK ties with the countries that make up the region—as with many other parts of the world—exist within a somewhat problematical context of Empire and colonization. This has created some benefits for the UK in establishing (or maintaining) a physical military presence, quite extensive legacy transnational economic linkages, linguistic and structural (for example, bureaucratic and legal) familiarity and the existence of large regional diasporas in the UK. Using Raab’s (2020a) understanding of the region as “going east from India,” 10 states are members of the Commonwealth (India, Bangladesh, Sri Lanka, Brunei, Malaysia, Singapore, Papua New Guinea, Fiji, Australia, and New Zealand). But in terms of economic and political relations the UK’s integration with the countries of the Indo-Pacific region varies enormously.

The economic dimension

While raw data for investment can be produced relatively quickly, the preferred UK government statistics look for the nation of origin of the ultimate parent company, and not the immediate source of that investment. This is because of the large amount of investment that takes place via financial intermediaries and tax havens; for example, the British Virgin and Cayman Islands. In the Chinese case there is the added problem of how to treat investment to/and from Hong Kong. As international trade and investment figures treat the two as separate, they will be treated as such here, but with the caveat that much of this will originate/end up on the mainland. The same is true when it comes to trade.

Using ultimate position statistics, we can see that investment into the UK from Asia more than doubled from $81.98 billion in 2014 to £186.2 billion in 2018 (ONS, 2020a). Despite the popular focus on China, Japan is by far the biggest regional investor in the UK, accounting for over half of all Asian investment in 2018, placing it second in a league table of investors (with £104.7 billion invested compared to £598.7 billion from first place USA). The only other regional states to appear in the top 20 are Hong Kong (9th with £28 billion), India (18th with £12.5 billion) and then China (20th with £9.5 billion) (ONS, 2020a). To provide some comparative context, inward investment from North America rose from £363.4 billion to £629.8 billion over the same period, and investment from EU member states rose from £365.2 to £448.4 billion. Add on the rest of non-EU Europe and the figure for the continent as a whole was £602 billion in 2018 (ONS, 2020a).

Individual projects can make a substantial difference when it comes to looking at a single year’s statistics; particularly if it’s a mega investment. But there is a similar picture when the overall stock of investment is considered
rather than just annual flows. In terms of the overall stock of investment, whether you use either an immediate or ultimate beneficiary statistic, then Asia as a whole is important, but again probably not as important as the discourse and debate would suggest. For sake of consistency, in the same year (2018), with respect to the overall stock of investment, Asia reached a total of £158.8 billion in 2018, compared to £543.5 billion for North America and £579 billion from EU member states (ONS, 2019a). So, at the end of 2018, EU countries accounted for 44 percent of the total on the first count, but only 29 percent when adjusted for ultimate beneficiary. When the rest of non-EU Europe is added, then the two figures for the continent were 66 percent and 39 percent. Conversely, the figure for the Americas rose from 39 percent to 45 percent. The figure for Asia rose too—but only from 10 percent to 12 percent. So, while the stock of investment is not insignificant, it is much less significant than popular perceptions of the importance of Chinese, let alone Asian, investment are for the UK (Ward, 2020).

And it is a similar story for UK investments overseas. Only Hong Kong is in a list of the top 10 destinations for investment (total stock) in 6th place with 4.7 percent of the total. Overall, by 2019 Asia—again, broadly defined—accounted for 12.3 percent of the total UK stock of investment overseas, compared to 40.2 for the US and 32.8 for the EU (which rises to 40.9 if the rest of non-EU Europe is included) (Ward, 2020).

To put this in context, in 2019 the UK invested only slightly more in China that it did in Belgium (£101.2 bn compared to £98.4bn) but received more than double the amount from Belgium than came from China (£185bn compared to £77.6) (ONS, 2020b). None of this would be surprising were it not for the largely anti-China UK media discourse that has surrounded Chinese investments, both real and potential.

The situation for trade is a little different. UK imports from and exports to Asia have increased quite significantly in recently years, by roughly a half and a third respectively between 2015 and 2018. But this is not in isolation, and trade with other parts of the world has increased too; for example, if a 33 percent increase in the export of services to Asia sounds impressive, the 60 percent increase in exports to the rest of Europe over the same period is even more impressive (ONS, 2019b). Japan is the biggest regional market for the export in services in 8th place in a league table of markets, accounting for £7.3 billion of the Asian total. Australia accounts for a further £5.5 billion in ninth place, followed by China with £4.6, Singapore with £3.4 (which of course is a much higher per capita figure than anywhere else), Hong Kong with £2.8 and India with £2.5. To provide further context, the number one placed US took £63.2 billion and Germany (2nd) took £18.9 billion, and collectively exports to Germany, France and the Netherlands were roughly the same as for the whole of Asia (ONS, 2019b).
Japan is also the major source of imports of trade in services, in 7th place with £5.3 billion, with India in the following place with £4.8 billion, followed by Australia (£2.6), Hong Kong (£2.5) and Singapore (£2 billion). Again, to give some context, the US in first place exceeds the entire region combined (with £30 billion), with France in second place providing more than the top three regional economies combined (£14.6 billion) (ONS, 2019b).

Therefore, for trade in services as well as for investment, Asia is an important partner for the UK, but far from being the dominant one. If we analyse trade in goods, however, we see a significant difference. Despite the focus on the importance of Chinese investment in shaping perceptions of China it is actually in trade in goods that China is a more significant economic partner for the UK; not just in terms of being the most important regional partner, but more generally too. In 2019, it became the UK’s third biggest export market having overtaken the Netherlands, France and the Irish Republic, and the second biggest source of imports having overtaken the US. China went on to become the number one source of imports in 2021, with a 17.5% increase contrasting with year-on-year falls from the US and most European states (HM Revenue & Customs, 2022). This was partly because its economy re-opened much earlier than the traditionally more important export markets in Europe (before partially re-closing again in 2022), and partly because of the type of imports that the pandemic generated an increased demand for (Partington, 2021).

We can perhaps draw two clear conclusions from this very brief economic analysis. First, when it comes to the totality of economic relations, the EU collectively is still far more important than any individual Indo-Pacific country, and even the Indo-Pacific region as a whole. Second, when it comes to trade, it is the country that is increasingly seen as the problem—China—that is the most important partner by far, rather than other Indo-Pacific economies that the UK either has or is negotiating free trade agreements with. And notably, even as the discourse on China in the UK grew more negative, China’s economic significance actually increased; imports from China, exports to China, and UK investment in China all grew. Yet perhaps ironically, the financial flows that seemed to do so much to spark the renewed and largely negative focus on China—inward investment into the UK—dropped off significantly after 2016 (Department for International Trade, 2022). Political discourses and commercial logics don’t yet (at least) appear to have aligned with each other.

The political dimension

When David Cameron announced in 2015 that, in relation to India, the UK had not grasped the “true potential of this relationship” (Scott, 2017), it was a
sentiment that could have been expanded to the region as a whole; or at least, the region excluding China. Australia and New Zealand of course have historic ties with the UK and longstanding economic interactions, and in theory are closely aligned when it comes to fundamental principles guiding international relations, “democratic” governance and economic structures. Historically together with the UK, the US, Canada, Australia and New Zealand formed the intelligence sharing Five Eyes Alliance in 1947 as part of the policy of containment of the Soviet Union. In June 2020 the focus of the Five Eyes shifted to the Indo-Pacific in the context of US fears over the continued rise of China—although there have been well publicized disputes amongst the Five particularly involving New Zealand’s reticence to condemn certain Beijing policies (Gardner, 2021). Australia, the UK and the US also formed AUKUS in September 2021 to strengthen alliances and “deepen ties in the Indo-Pacific” (Prime Minister’s Office, 2021)—although collaboration over nuclear powered submarines soured relations with France. Singapore and Japan are both more important investment partners for the UK than China (both inward and outward) and are closely aligned with UK interests on security and political relationships (FCDO, 2021a; Hosoya, 2019). South Korea, according to former Foreign Secretary Dominic Raab, “has one of the closest voting records to that of the UK in any international organization” (Raab, 2020a).

The UK’s “historic” relationship with ASEAN is perhaps best shown by the fact that the official FCDO “UK-ASEAN factsheet” focuses largely on relationships with individual ASEAN member states rather than with ASEAN as an institution (FCDO, 2021b). While the UK became a party to the Treaty of Amity and Cooperation in Southeast Asia, it did not—until recently—have a full-time diplomat responsible for relations with ASEAN (with the Ambassador for Indonesia also having responsibility for ASEAN). Indeed, the establishment of an Ambassadorial appointment to ASEAN separate from the Indonesian mission in 2019 marked a very significant change in the relationship which was certainly previously marked by relative neglect.

Relations with the south Asian subcontinent remain strongly influenced by the legacy of Empire; a legacy that can create tensions based on past experiences but also potential opportunities given the size of the Indian diaspora in the UK and also longstanding economic interactions that have expanded in particular with India’s economic transformation and growth. For many years, there was a developmental paternalistic air to much of the UK’s dealings with India, and this can still be heard in some of the language used to describe either the relationship or India’s international standing. Despite UK government rhetoric on the closeness of ties with India, many prominent Indian ministers including the Foreign Affairs Minister Jaishankar point to the implicit ‘colonialism’ of the ‘tilt’ noting that, “somewhere Europe has to grow out of the mindset that Europe’s problems are the
world’s problems but the world’s problems are not Europe’s problems” (Chiriyankandath, 2022). Not only has the Indian sub-continent been a major recipient of UK aid, but for many years India has been the single biggest recipient (FCDO, 2021d). Between 2009-2011 India, Pakistan and Bangladesh received over 50% of the UK’s overseas aid budget only dropping to 41% in 2014 (FCDO, 2021d).

Wyatt (2016) argues that once India embarked on economic reforms in the 1991, there was a growing “convergence of interests,” even though the aid relationship remained important until the announcement of the beginning of the end of UK aid to India in 2012. The New Delhi Declaration 2002 emphasized a new “partnership” between the two, which was upgraded to a “strategic partnership” in 2004, and an “enhanced partnership” under David Cameron in 2010 (Scott, 2017). However, on many key issues including India/Pakistan tensions, the UK government’s position has been characterized by ambivalence. As Boris Johnson put it in PMQs in 2020, “Our view … is that of course we have serious concerns about what is happening between India and Pakistan but these are pre-eminently matters for those two governments to settle” (Hansard, 2020).

Whilst the nature of Indian democracy since the election of Modi has been a cause of concern in the UK, not least in those constituencies with large proportions of the Indian diaspora community, the fact that both India and Pakistan are “liberal democracies” (one of the oldest and one of the biggest) is said, rather weakly, to provide a “common values” basis for a closer relationship (British High Commission, 2021). It is notable, though, that these “common values” have not been very evident in the shape of a common response to Russia’s invasion of Ukraine. India abstained from UN resolution ES-11/1 condemning the invasion; as indeed did the other regional democracies of Pakistan, Sri Lanka and Bangladesh. So perhaps it is it’s not so much the fact that India is a liberal democracy that is important in creating shared interests, as the fact that one other very large and powerful regional state isn’t. As Wintour (2021a) argues, “what most of all has recently pulled India and the UK closer together is not changes to the British cabinet, but a shared fear of China’s rise.” So, as important as changes to the India-UK relationship might have been in forming a new basis of that relationship, it is once again the change in UK government thinking on potential international order transition that has been the most significant factor in the development of recent UK foreign policy centred around the Integrated Review.

The Indo-Pacific in post-Brexit UK foreign policy

The Integrated Review of 2021 is the successor to the 2015 Strategic Defence and Security Review. As such it has been able to incorporate
changes associated with Brexit and the pandemic and, fundamentally, the changed relationship between the United States and China. Whilst the Review reinforces the UK’s commitment to European security, it marks a significant change by suggesting that the international order is now fragmented and characterized by “intensifying competition between states over interests, norms and values” (HM Government, 2021, p. 11). In this “fluid international environment”, the UK is set to play a key role in shaping the “international order of the future” (HM Government, 2021, p.12). It is in this context that the Review prioritises the geopolitical shifts associated with “China’s increased international assertiveness and the growing importance of the Indo-Pacific” (HM Government, 2021, p. 17).

The fundamental message of the Review for the purposes of this article, is that the ‘tilt’ is important “for economic opportunities,” “for our security,” and “for our values” (HM Government, 2021, p. 66). Building on this observation, we suggest that there are four main drivers underpinning the tilt. The first is that it is an exercise in nation branding and national image projection. The Integrated Review was pitched as a newly independent UK being able to make foreign policy decisions that it had previously been unable to do because of the constraints of EU membership. The Indo-Pacific is an example of one of the parts of the world that—so the rhetoric goes—the UK was previously unable to fully develop new relationships with, containing within it both Commonwealth countries and dynamic Asian economies. As such, the simple announcement of the ‘tilt’ in itself served the purpose of demonstrating the ‘independent’ and global reach of the new Britain. The deployment of the largest naval fleet since the Falklands War (led by the new aircraft carrier, HMS Queen Elizabeth) to the region in May 2021 should also be seen as serving a symbolic role, despite its very real physical presence (Chuter, 2021). In the words of Defence Minister Ben Wallace (Royal Navy, 2021):

> When our Carrier Strike Group sets sail ….. it will be flying the flag for Global Britain—projecting our influence, signalling our power, engaging with our friends and reaffirming our commitment to addressing the security challenges of today and tomorrow …. [and] will demonstrate to the world that the UK is not stepping back but sailing forth to play an active role in shaping the international system of the 21st Century.

Second, is the need to forge new economic relationships and strengthen existing economic ties. On one level, rather than creating the opportunity to forge new deals, Brexit actually created the necessity of doing so, to replace the Free Trade Agreements that ongoing EU membership would have given the UK to with South Korea, Japan, Singapore, and Vietnam. On another level, there is the goal of increasing economic ties with regional states—including potentially by “upgrading” the nature of any trade
agreement that has been lost through Brexit (for example, the free trade agreement with Australia), and creating new partnerships (for example, the trade, investment, and financial cooperation dimensions of the 2030 Roadmap for India-UK Future Relations). Foreign Secretary Dominic Raab specifically targeted “huge growth opportunities” for UK enterprises in what he called the “mid-sized players” like South Korea and Vietnam.

Third, is security, and in particular, economic security. The chances of the UK being drawn into a traditional military conflict in the region or because of the region are pretty low. Sending the Carrier Fleet to the region does increase the chances of military spill-over, but even then the prospects of a security challenge defined in terms of ‘guns, bombs and bullets’ remain rather low. There are, however, significant potential non-traditional security challenges. Cyber security is one area where there are both potential regional sources of dispute and potential alliances on the future character of cyber governance. Economic (in)security is arguably more important still. This broad category includes concern about ownership of key UK economic assets (and indeed at times simply foreign involvement in economic projects in the UK), and potential disruption to trade through “Indo-Pacific choke points” (HM Government, 2021, p. 66).

However, there is a fourth, and we would argue more significant, driver underpinning UK foreign policy in the region. Although the Review acknowledges that China is an important partner in areas such as pandemic preparedness and climate control and that the UK will pursue a “positive economic relationship” with China, the key message of the Review is that China represents, “the biggest state-based threat to the UK’s economic security” (Ibid, p. 62). Given the increasing importance of the region in the global political economy and the perception that the rise of China has major implications for “the structure and shape of the international order” (Ibid, p. 62), the Conservative government has set itself the goal of becoming, “the European partner with the broadest and most integrated presence in the Indo-Pacific—committed for the long term, with closer and deeper partnerships, bilaterally and multilaterally” (HM Government, 2021, p. 66).

The Integrated Review is of course peppered with hyperbole and rhetoric and there remains considerable doubt over the capacity of the UK to enact an independent foreign policy in the region. However, the policy stance becomes clear once the UK position is contextualized in terms of its role as a ‘soft power adjunct’ to the United States. The Review emphasizes that the “key strengths” of the UK lie in the areas of “world-leading intelligence and security agencies”, “innovation in science and technology”, “global leadership in diplomacy and development”, that the “UK has a seat in every major multilateral organization”, and that it is a “responsible cyber power” and a “soft power superpower” (HM Government, 2021, pp. 8-9).
Recent levels of UK military spending cannot secure the UK a prominent position in the Indo-Pacific in conventional terms. Whilst UK defence spending at $62.5 billion in 2021 slightly exceeds the spending levels of Germany, France, Japan, and Saudi Arabia, it is exceeded by Russia and dwarfed by India ($73.6 billion), China ($270 billion) and way out in front, the United States ($767.8 billion) (SIPRI, 2021). In March 2021 the Defence Minister, Ben Wallace, unveiled a five-year defence review which confirmed that the size of the British army would be reduced to 72,500 (its lowest level since 1714), the number of naval frigates and destroyers would drop from 19 to 17 and that the RAF would lose a string of bombers and helicopters. With Navy warships not set to reach 20 until the end of the decade (compare this to 650 vessels in 1914), countering the rise of China in the Indo-Pacific according to Wallace “will be achieved by basing two small patrol vessels in the region from 2021 and a Royal Marine unit from 2023” (Sabbagh, 2021). In this context it is clear that the UK’s role can only lie in a soft power contribution to maintaining the institutions and norms of the international order supporting the material capabilities possessed only by the United States. In essence, this is the key message of UK foreign policy under the Conservative government. The championing of the UK as a ‘soft power superpower’ rests not only the promotion of the Anglo-US culture industry and the model of democratic governance and institutions (BBC, British Council, Common Law heritage and Monarchy) but more importantly on the UK’s diplomatic network, aid programme and extensive membership of multilateral organisations (UN, NATO, World Bank, IMF, OSCE, G7, Commonwealth, Council of Europe) and surveillance and intelligence associations (Five Eyes, AUKUS and bilateral UK-US intelligence activities (Harrington & McCabe, 2022)). In this context the recent and unprecedented joint address by the heads of the FBI and MI5 in London on the threat posed by China in the global system was designed to send “the clearest signal we can on a massive shared challenge” (The Guardian, 2022).

**Conclusion: Order transition and the rhetoric of the tilt**

The Integrated Review is not the final word on the ‘tilt’ to the Indo-Pacific, but rather the start of a new conversation about the direction of UK foreign policy (McDonald, 2021). It is important to recognize that within Whitehall there are a range of different opinions over the current and future development of UK foreign and security policy (Wintour, 2021b). This ambiguity extends deep into the Conservative party itself — witness the comments by Dominic Raab (2020a) on the eve of the release of the Review when he questioned the critical position taken by some of his own party in terms of actual UK policy:
I am not quite sure, reflexively compelling as it may be, where your hawkishness leads you. What is the action you would like us to take that we have not taken? … If someone has a better strategy, I would like to hear it … you need to explain how that is going to take us any further forward.

It is also clear that recent events in Ukraine have given momentum to what Raab characterizes as the ‘hawkish’ position. The war led to questions about some of the defence related assumptions in the Integrated Review, with Truss calling for a new defence review during her short premiership less than two years after the Integrated Review had been completed. But this review was not just about responding to the immediate military threat from Russia. It was also about finding ways of reducing pre-existing fears of the consequences of being too economically intertwined with “authoritarian powers like Russia and China” that cannot be trusted and who might, in Truss’s words “weaponise the global economy” in the future (Downing Street, 2022). The extent of trade interdependence with China, and therefore the risk of damage to the UK economy if this became “weaponised”, is much greater and in many more sectors than the largely energy-based vulnerabilities in the UK’s economic relationship with Russia. In addition to concern about Chinese investment in future energy supplies (for example, in the UK’s nuclear power sector), we can add as examples of potentially “weaponizable” investments Huawei’s involvement in 5G infrastructure already discussed above, and the 2022 decision to force Nexperia to sell its controlling stake in a UK semiconductor producer on “national security” grounds (Department for Business & Energy & Industrial Strategy, 2022). The latter order was made using the new National Security and Investment Act which had come into force at the beginning of 2022. So, while it might seem to make common sense that the war should have focussed more attention on Russia as a security threat, for some it actually resulted in an even greater focus on China than before.

There have also been calls to do even more. A joint M15/FBI address on the threat from China included in its concerns China “acquiring advantage” in key technologies. Whilst such advantages might be gained through ‘illegal means’, the address acknowledged that “clandestine espionage methodology isn’t always necessary” and that joint research projects, commercial technology transfer and so on can also result in “national resilience” being undermined (McCallum & Wray, 2022). Their call for a joint UK-US response was echoed in a Centre for Brexit Policy document, with 17 contributing authors including Iain Duncan Smith (former Conservative Party leader) and Patrick Minford, an academic economist much loved by the neoliberal wing of the Conservatives (including Liz Truss). The report called for deepening the links between the US and the UK as part of a general strategy to counter “China’s threat to world order” (Centre for Brexit Policy,
While the document does not represent official UK foreign policy, it is not wholly disconnected from UK policy makers, and is a noteworthy example of some of the ideas circulating in influential political circles that seek to harden general policy towards China and promote a re-engagement of the UK with the Indo-Pacific region. This re-engagement involves strengthening the security architecture of the region (invest in the Five Power Defence Arrangements and the Quad), greater involvement in the political architecture of the region (becoming a full member of the ASEAN regional forum) and building deeper trade relations in the region particularly through membership of the Comprehensive and Progressive Trans-Pacific Partnership (Centre for Brexit Policy, 2022, pp. 79-80).

However, the Russian offensive in Ukraine has also revealed significant fault lines in the UK’s tilt strategy. The ability of the UK to act even as a ‘soft power superpower’ has been called into question in Europe with the possibility of divergent policies being adopted by Germany and even France. More significantly in the Indo-Pacific, concerted pressure from the US and the UK has failed to bring many states into line with Washington’s stance on Russia. The ‘strong collective response to Russian aggression’ called for by US Secretary of State Blinken received a cold response from India and when the US tabled a motion at the UN General Assembly in March 2022 calling for unconditional withdrawal of Russian forces, India was one of 35 states that abstained along with China, Pakistan, Bangladesh, Sri Lanka and even Commonwealth member South Africa (Chiriyankandath, 2022).

Although the US has sought to play down the intransigence of India over the Russian offensive, it highlights a serious contradiction in the UK strategy. In the post-Brexit world, the ‘independent’ policies of a secondary state in decline may not accord with the ‘independent’ policies of larger and more powerful states on the ascendent—the rhetoric of soft power superpower not withstanding. In this respect, the recent comments of Martin Kettle (2022) on Sunak’s Mansion House speech are entirely apposite:

British foreign policy needs to recognise that the US is in flux, that Britain is an important country and not a superpower, that its security is at risk without treaties and military alliances, that its primary arena of engagement, irrespective of its relationship with the EU, is in Europe, that it is not an Asian or Pacific power and never will be, and that its international reputation needs to be rescued from the legacies of empire and Brexit alike.

In this article we have suggested firstly, that the key driver in the UK’s ‘tilt’ to the Indo-Pacific lies in the changing dominant narrative on China which clearly suggests that China is engaged in challenging the current ‘liberal international order’. Secondly, we have suggested that whilst the Integrated Review provides a clear justification for the ‘tilt’, the ability of the UK to establish itself materially as a key force in the region remains
questionable. Thirdly, we suggested that the fundamental contribution of the UK to the region lies in playing a ‘soft power adjunct’ role to the United States. As He and Feng note in this special issue, this is not to be interpreted as “passive order taking” since secondary states like the UK can in theory play a major role as “order shapers” influencing the institutional and normative parameters of the international order. This is the clear intention of UK foreign policy towards the region as expressed in the Integrated Review. There are however two important caveats by way of conclusion. Firstly, whilst the actions of Russia in the Ukraine have added fuel to the fire of what Raab calls the ‘hawkish’ camp, recent scholarly research has suggested that the idea of ‘international order transition’ needs more careful and detailed analysis than it receives in government policy documents. Breaking down the notion of international order into power, institutions and norms reveals for He and Feng that whilst China has the potential to challenge the ‘liberal international order’, there is at present still a significant gap between the US and China in the military domain and that the United States still dominates the institutional pillar of the international order. On the normative pillar of the order they suggest that both powers have a patchy record in abiding by international norms with the United States having a mixed record on abiding by the liberal free trade and openness norms consolidated by the World Trade Organisation. In other words, there is a need for deeper research on the notion of ‘international order’ and a recognition, historically informed, that all states have “played multiple roles—as supporter, reformer, challenger or facilitator” in shaping international regimes.

Finally, even though there is some convergence of opinion on China across the party divides, we would emphasise that the UK policy ‘tilt’ is in part the product of currently volatile domestic politics. It is an attempt to convey a message that the UK is a global actor again and that only a ‘tough talking’ Conservative government can truly represent the mythical ‘national interest’ (on the contested nature of the national interest see Bulpitt, 1988). It is a message clearly meant to undermine a foreign policy stance such as that presented by the Labour Party in 2019 under the banner of ‘A New Internationalism’ (Labour Party, 2019) which effectively sought to prioritise conflict prevention and build peace through international organisations. The fluctuating fortunes of the current Conservative government do not however provide a solid basis for a consistent foreign policy—witness Sunak’s recent language of “robust pragmatism” which is likely to be reflected in the 2023 “refresh” of the Integrated Review (Crerar, 2022). The UK’s tilt strategy is, we hope to have shown, multifaceted playing to a diverse range of audiences and built upon a number of rather questionable assumptions about the nature of the international order and the ability of a
declining secondary state mired in economic and political crisis to effect any real global change.

Note

1. The big exception being a massive increase in mineral fuels from Norway. It is notable that imports from Hong Kong dropped significantly as imports from the PRC grew in 2021.

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