



Interim Report #3

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intelligence alliance. As the relationship between the United States and China deteriorates further, the witnesses

The Huawei issue shows just how difficult it is for a medium power to steer a prudent and pragmatic course in its procurement policies in an era of growing strategic competition between the US and

telecommunications networks and the possible security issues this may pose are not new. It is the deterioration in US-China relations that has given them much greater political salience together with the increasing expectation in the US government that its allies will do its bidding in seeking to constrain Chinese competition in advanced technologies. It is not, of course, self evident that US foreign policy, security and economic goals with respect to China are also in the UK national interest. But the leverage lies with the US because it is a crucial security partner for the UK and because a US-UK free trade agreement is a key goal of the post-Brexit project.

It also bears repeating that the UK is a long-standing ally and partner of the United States. As the , according to the witnesses, any further undermining of military, political, or economic ties with the US may be problematic within the UK government, amongst its political supporters, and for the military and intelligence communities with close links to their US partners. Moreover, the UK can have its own legitimate concerns about aspects of Chinese economic behaviour and its political relations with China are complicated by history and its legacy, in Hong Kong particularly, which may cloud UK-China relations unless carefully handled on both sides. Of course, the UK will be more closely aligned with the US than China and have sympathy for some aspects of US policy towards China. But looking ahead, as a witness suggested, there are likely to be substantial differences between the U.S. and Europe and the U.S. and the UK on China policy, including its economic dimension, and the UK national interest is likely to be closer to that of the EU on a number of the challenges that may arise.

A key issue in economic diplomacy, particularly with respect to China, will be how far such UK-EU alignment is pursued and delivered in the context of post-Brexit UK-EU relations. The same

in order to earn and maintain the support of other, non-aligned nations in the international system who hold substantial voting power in international institutions.

economic horizons and help achieve its global ambitions. One such proposal is that the UK ought to take a leading role in the [reform of key international organisations](#)

the Bank of England in order to ensure that they would be able to endure a wide range of hypothetical shocks. The [SIFI designation](#) is decided by a framework that considers the -border activity, and intra-

more that could be done, for very little extra money, to disseminate people, expertise and if the UK expands its economic diplomacy horizons into the areas mentioned above, the nations and economies growing most rapidly in sub-Saharan Africa and Asia Pacific, where (in some places) security concerns exist, too. Alongside cooperation in these areas, there is a case for looking to expand defence cooperation outside the NATO framework and beyond existing examples such as counter-piracy and counter-narcotics patrols on a bilateral and multilateral basis. As well as looking at the nature of such cooperation, the possibility of deeper defence cooperation with some of our key economic partners in, for example, East Asia should be examined in terms of both its security and potential economic benefits. Recognising that UK defence expenditure is likely to continue to be constrained, this is

international system and therefore reduced the likelihood that meaningful international agreements may be achieved, let alone implemented.

Recognising these obstacles is a necessary first step to overcoming them. And although the obstacles are indeed tall, support for more robust environmental policies is growing, too. In a recent poll conducted by [Opinium](#), 58% of respondents said the government had done too little to address the climate crisis and some 63% of respondents voiced their support for a UK equivalent to the
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3. **Coalition of the Willing:** While the Border Carbon Adjustment will likely succeed in compelling some actors to adopt desirable environmental policies, broader and longer-term solutions will require

than it does on material strength and hard power deployments, it will be necessary for the UK to honour and entrench human rights protections in its partnerships. At times, as with relationships, for example, with Saudi Arabia and the Gulf states, this can lead to tensions between economic goals and other goals of the British government. However, it is important to recognise that the weight to be placed on the human rights dimension comes not only from a place of abstract morals and values, but also from the knowledge that the UK can and will thrive economically, politically, and militarily in a world in which rules, norms, and the institutions that promote them are respected.

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