

Proposed Submission to the PhD Colloquium

UK-China Economic Relations: A Political Economy Perspective on British Economic Policy Towards China in the European Context

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This paper will analyze the economic policy dynamics that dominate the management of the UK's economic linkages with the People's Republic of China, while placing these in the wider European policy context. Taking a political economy approach, it will especially focus on how political and institutional forces are shaping economic policy outcomes both in Westminster and in Brussels. Particular attention will also be given to the implications arising from China's economic transition process, perceived as having strong evolutionary characteristics.

Over the last decades, the Sino-UK economic relationship has established itself as one of the central economic relationship that China maintains with member states of the European Union. As such the study adds to the understanding of how member states affect the EU's economic interaction with China, a key component of the international economic system. Consequently it also offers insights into some of the challenges and difficulties of international economic governance.

Regarding methodology, the paper is designed as an exploratory case study. It integrates quantitative elements drawn from trade and capital flow statistics with qualitative insights gathered through research interviews conducted by the author with policy makers, policy advisors, and stakeholders of the policy process. The investigation is structured around three main questions: First, what is the current state of the UK-China economic relationship? Second, what are the dynamics dominating the UK's international economic policies towards China? And finally, what are the implications and lessons that can be drawn for the future?

The results exemplify the difficulties for a developed country to engage with China's pragmatic approach to economic management, especially in the absence of a common ideological paradigm of how economic issues should be handled. It will also show that, although of limited aggregate size, the importance of trade and investment flows between China and the UK can nonetheless be substantial at the level of individual companies. Especially those firms with investment interest in China have been instrumental in keeping protectionist influences on the UK's policy stands to a minimum, not only restricting the UK's policy options but also providing China with the policy space needed for its economic development approach. Ultimately the study will clearly establish that the key economic policy challenge regarding relations with China is much more of a political rather than an economic order.