Navigating New Waters: Sino-UK Diplomacy in the Post-Brexit Era

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Abstract. Brexit, the United Kingdom's historic decision to exit the European Union, initiated a pivotal juncture in international relations. This research navigates the multifaceted aftermath of Brexit, specifically probing its influence on Sino-British diplomatic engagements within the context of evolving global dynamics. By examining history, economics, national security, and international relations through qualitative research, this study elucidates the nuanced repercussions and significant implications, and intends to provide advisory reference for subsequent policy formulation. The research underscores that Brexit's consequences extend beyond economic and political spheres. It shifts the UK's position in the global hierarchy and international relations. Additionally, it explores the possibility of China emerging as an influential player in the UK's post-Brexit era, potentially challenging the traditionally strong UK-US alliance. In conclusion, Brexit's historical significance reverberates across multiple dimensions. It challenges the UK's economic landscape, prompts strategic decisions in national security, and molds its evolving role in international relations. The UK's post-Brexit choices between China and the US carry strategic implications for its global standing. While Brexit's consequences are complex and far-reaching, they represent an ongoing narrative in the evolving landscape of international politics and trade.

Keywords: Sino-UK diplomacy, British Politics, Economics, National Security, Influential Spheres.

1. Introduction

Brexit, the United Kingdom's decision to leave the European Union, marks a historic and transformative moment in modern history. Brexit's genesis can be traced back to the UK's referendum in 2016, where a narrow majority voted in favor of leaving the EU, and he dawn of the post-Brexit era presents a unique juncture for Sino-British relations, this paradigm shift pushed Sino-British diplomacy to a crossroads. With divergent interests and converging opportunities, the path ahead is uncertain yet pregnant with potential, so the pivotal question arises: how will the complex interplay between Brexit and shifting global dynamics reshape the trajectory of Sino-British diplomatic engagements?

This research aims to address this crucial inquiry, exploring the multifaceted dimensions of this evolving relationship and assuming a dual-purpose role. Firstly, it strives to provide a comprehensive guide and assistance to both the UK and China as they navigate the altered diplomatic terrain post-Brexit. Secondly, it endeavors to contribute to the academic discourse by shedding light on the intricate ramifications of this relationship recalibration. By analyzing the intricate interplay between Brexit and Sino-British diplomacy, this research aims to offer insights that can inform strategic decisions on both sides.

Current research has predominantly focused on analyzing how Brexit impacts the economies and politics of the UK and Europe. Scholars have speculated about potential future shifts in foreign relations, often examining China's growing influence as a significant factor. However, while many studies acknowledge the role of China, they tend to portray it as a third-party observer rather than a direct participant in the evolving narrative. Compared to the current studies, this article seeks to bridge the gap in the existing literature by delving into the nuanced dynamics of Sino-British diplomacy post-Brexit and explore the mutual influence that the UK and China expert on each other within this intricate framework.

2. Historical Background of Brexit

On June 23, 2016, the UK held a highly anticipated "Brexit" referendum to decide whether the country should leave the European Union. This social event was led by then-Prime Minister and Conservative Party leader David Cameron and attracted the participation of over 33.5 million people. As a result, Brexit garnered support from 17.41 million individuals while 16.14 million opposed it, indicating that 51.9% of voters rejected EU membership, as opposed to the 48.1% who favored it [1]. In the United Kingdom's four constituent regions, the voting outcomes were as follows: England and Wales both leaned towards leaving with 53.4% and 52.5% of the votes, respectively. In contrast, Scotland and Northern Ireland had majorities of 62.0% and 55.8% of voters opting to remain within European integration [1].

In spite of the fact that the referendum was non-binding from a legal standpoint, its result was regarded with the utmost seriousness by domestic authorities and institutions in the United Kingdom as well as internationally. After the UK Prime Minister David Cameron, who organized and carried out the referendum, announced his resignation, Theresa May succeeded him as Prime Minister, laying the groundwork for formal negotiations. Based on the referendum's outcome, the May government submitted the "Brexit" bill to the UK House of Commons, which was approved on February 1, 2017, authorizing Prime Minister Theresa May to initiate the "Brexit" process. At the end of March 2017, the UK government formally applied to leave the EU in accordance with Article 50 of the Lisbon Treaty, initiating "Brexit" negotiations.

After nearly three years of "Brexit" negotiations with the EU, the UK, under the leadership of Prime Minister Boris Johnson, finally reached a "Brexit" agreement with the EU in January 2020. On January 31, 2020, the UK formally left the EU, ending its 47-year membership. It then entered an 11-month "Brexit" transition period. By the end of 2020, a trade agreement was reached, ultimately confirming the UK's exit from the EU single market and customs union on December 31, 2020.

In fact, Britain's "EU phobia" is as old as their membership itself, rooted in the historical tradition of the divide and rule principle that applied to British European politics [1]. As early as 1975, just two years after the UK joined the European Union, a referendum was organized on whether to exit or continue its membership in the then European Economic Community, which fully illustrates Britain's stance [1].

Brexit was the result of a long-matured process where economic and social development mutually influenced each other. A significant portion of the British elites, driven by imperialistic sentiments, would never limit their national goals to regional interests, hence never wholeheartedly embraced European integration [1].

Beyond this, there are more concrete reasons behind the British support for Brexit. Firstly, some critics argued that being within the EU posed a threat to national sovereignty. This assessment is not without merit; for some, Brexit was about preserving and promoting a sense of national identity and independence [2]. They hoped to politically break free from the EU's excessive regulations and bureaucracy, such as the jurisdiction of the European Court of Justice (ECJ). Administratively, when Britain entered, the European Community already had its own systems and common policies, such as agricultural policies and the issuance of the Euro (although the UK did not join the Eurozone), whose regulations were compiled without regard to British interests, thus conflicting with many national interests in the UK.

Additionally, some people were concerned about the free movement of people within the EU, believing it led to uncontrolled immigration. They felt that leaving the EU would give the UK more control over its borders. This was related to dissatisfaction with the labor market in the UK - much of the UK's manufacturing had been moved overseas, and the remaining domestic job opportunities were increasingly occupied by immigrants who were willing to work for lower wages, making them more competitive. Both the free flow of capital and labor had an impact on ordinary British citizens, contributing to the rise of political populism [1]. Besides the domestic economic situation, the British people also had high hopes for the Brexit policy in international trade. Supporters of Brexit believed

it would enable the UK to negotiate its trade agreements independently of the EU [3]. They believed this could open up new global trade opportunities.

3. Multi-perspective Analysis: Where Does Brexit lead the UK?

3.1. Economics and International Commercial Partnership

Brexit has left an indelible mark on the UK's economic and trade landscape. As the nation grapples with the consequences of exiting the EU, it is crucial to explore how this monumental shift has impacted its international trade dynamics, especially with major players like China.

First of all, the Brexit has had a huge negative impact on the UK's own economy and international trade. The main reason is the commercial interdependence between the UK and the EU - the UK is much more dependent on the EU member states for international trade than the EU member states are on the UK [3]. While the portion of the UK's gross domestic product (GDP) represented by exports to the EU stands at 12%, none of the EU Member States have exports to the UK accounting for more than 3% of their respective national GDPs [3]. This fear is justified. In fact, the UK was the EU's number one trading partner until the Brexit proposal came into being in 2015, a position that gradually slipped to third place in 2018. Long before Brexit became a reality, the economic shocks, mistrust and relationship breakdown it would cause were already taking place.

Under this condition, Brexit marks a pivotal moment in Britain's economic relationship with China. As the UK leaves the EU's single market and seeks to redefine its trade landscape outside the EU, forging closer ties with emerging global markets is a priority, and among the many possible candidates, China may be an attractive choice. With its strong economy and population base, China has always been regarded as a persistent, dynamic blue ocean with enormous business opportunities, and with the transformation of economic structure brought about by reform and opening up, the expanding middle class of China further increasing the country's consumption potential. And China, the world's second largest economy, is at the top of the list of countries the UK wants to sign free trade deals with. Therefore, the UK has sufficient reasons to look to promote deeper economic cooperation with China, and indeed has been promoting this process from both sides, st least for a long time in history. David Cameron's Conservative government said in 2015 that the relationship had entered a "golden era" and became the first Western country to join the AIIB, a clear indication of its willingness to cooperate [4]. In addition, the UK has expressed interest in China's Belt and Road Initiative on several occasions, suggesting a promising future for infrastructure investment and trade between the two countries [4]. Bilateral trade agreements and initiatives are gaining prominence as both countries look to promote deeper economic cooperation. The UK aims to secure favorable trading conditions and expand access to the Chinese market for British goods and services.

At the same time, it would be wise for China to continue to promote trade and partnership with the UK. With the UK's international trade no longer subject to EU terms, the two countries are more likely to strike mutually beneficial business deals, and the exchange rate dynamics between the pound and the renminbi play a crucial role in determining the competitiveness of goods on both sides. “In part due to a slow economy, and in part due to Brexit,” since 2015, the British sterling has continuously depreciated compared to the RMB and reached the floor in 2017, That makes trade with the UK more profitable for China [5]. For the UK, in the other hand, China’s relatively high exchange rate means a promising international economic state and a reliable trading partner.

While estimates of increased international trade between China and the UK are optimistic and plausible, there are still many important obstacles and potential competitors to be considered.

From the political perspective, though the Cameron administration frequently extended olive branches to China, the "golden period" of Sino British relations that he had just begun lost important leaders and promoters after resigning as prime minister. With the arrival of new Prime Minister Theresa May at No. 10 Downing Street, the "Sino British Golden Decade" that has not yet reached the age of one seems to be coming to an end [4]. This change not only left many unstable factors in the British political arena and the world landscape, but also had a certain impact on the increasingly

close and deepening cooperation between China and the UK, as well as the expanding areas of cooperation between China and the UK.

Moreover, although China's economic development has been steady and flourishing, increasing trade cooperation with China may not be beneficial to the UK. One historical proof is that trade cooperation between the two countries has maintained a constant imbalance - the trade deficit between the UK and China has ranged from about 20 billion euros to 25 billion euros from 2005 to 2015 [5]. There is no guarantee that this imbalance will be reduced or deepened as trade between the two countries increases. It depends on China's willingness to offer more favorable policies to the UK than the current situation, and on whether the exchange rate of the pound can escape its current weakness in the next few years. As mentioned earlier, since the outcome of the referendum, the pound has been greatly affected, and the UK financial market has been in turmoil. The UK government must focus on preventing the national economy from falling into a major recession. Therefore, the risk of further increasing the trade deficit, as long as it exists, may deter the British government.

Additionally, China is not only a potential partner, but also a future international trade competitor for the UK. This rivalry, as envisioned by former British Prime Minister David Cameron, is more likely to intensify than disappear. Commonwealth nations, jilted as trade partners when Britain joined the European Community in 1973, were considered an 'oven-ready' alternative to the European Union at the time of Brexit [6]. However, Commonwealth countries are also China's trade targets, and China obviously built a stable and reliable cooperation platform earlier and better than the UK. For example, the construction of roads and railways through Central Asia to Pakistan, meeting at ports such as Gwadar, connecting Asia to East Africa, where China has again driven a boom in infrastructure construction [6]. This vertical cooperation, from infrastructure to trade and political reciprocity, with China has become a well-working alternative that made Britain less preferable for those states at all levels than ever before, especially when the UK is no longer active as a major (or legitimate) member of the European community.

At the same time, compared with China, the United States is also a possible new center of gravity for the United Kingdom to conduct international trade, even more advantageous. The US economy and trade volume with the UK are larger than China's, and the two countries have a much longer trade history than China, and their political ties are closer. Unfortunately, as tensions between China and the United States rise and a trade war begins, a completely neutral approach to trade with both countries is increasingly seen as unrealistic. In fact, primarily due to pressure from the United States, London's approach to Beijing has formally transitioned from the previously termed "golden era" to a multifaceted period characterized by diplomatic and military tensions as well as closely examined economic interactions [7].

It's worth noting that whether it's China or the United States that becomes the new trade hub for the United Kingdom after Brexit, not all of the trade between the UK and European countries will be diverted to it. Even with the UK's departure from the European Single Market, the EU will remain a pro-trade entity - it won't obstruct cross-channel trade, and it's unlikely to prevent any member state from continuing to trade with the UK, even though its authority to regulate such trade has greatly diminished. These member states are actively formulating new trade policies with the UK to minimize the economic losses caused by Brexit. For example, 14% of cars produced in Germany are exported to the UK, so Germany will undoubtedly strive for unrestricted exports of cars and machinery to the UK. Eastern European countries place value on retaining their existing labor exports: approximately 800,000 Polish citizens currently reside in the UK, and about 5% of the Lithuanian and Latvian workforce is employed in the UK [3]. Therefore, the trade practices of European countries with the UK need to be restructured and reconsidered and cannot be ignored in any way.

The shift from being the EU's top trading partner to redefining trade relationships post-Brexit has led the UK to consider emerging markets, notably China. However, challenges exist, including historical trade imbalances and the potential for competition. The US also presents itself as a viable trade partner due to its economic size, trade history, and political ties. While the UK's choice between China and the US as trade allies carries strategic implications for its post-Brexit economic landscape,

the EU remains an essential trading partner for the UK. Member states, notably Germany and Eastern European countries, are recalibrating their trade policies to mitigate Brexit-induced losses.

3.2. National Secirity Concerns

In the area of national security, Britain will likely continue to vacillate between the United States and Europe for a long time to come, so further cooperation with China is hard to hope for. Alongside France, the UK stands as a significant military force in Europe: Britain constitutes over 25% of defense expenditure within the 28-nation EU and 10% of the total troop count [8]. Furthermore, the exceptional quality of the UK's defense efforts, exemplified by its allocation of roughly 155,000 euros per soldier, exceeding the EU average of 130,000 euros, is noteworthy [8]. Within the relatively small contingent of European troops participating in expeditionary missions, a significant presence of highly skilled and experienced British forces stands out [8]. Therefore, it is within the EU's best interests to secure the UK's ongoing participation in bolstering European security.

For Britain, "when the clock strikes midnight on the eve of Brexit, British tanks will not change into pumpkins nor frigates into watermelons" [8]. The UK's pre-Brexit military assets placed elsewhere in Europe will remain, consequently as will its military relationship with Europe. Although the UK is no longer politically in sync with the EU after Brexit, this does not mean that it is no longer in sync with the EU, because it is still on the European continent. The natural geographical position means that it is almost impossible for Britain to withdraw significant military resources from Europe for its own national security, but it still needs to respond to any military threat against Europe.

As for the United States, Britain's Brexit policy does not prevent it from maintaining military cooperation with the United States. Rather, the unity between the United States and the United Kingdom has, to some extent, acted as the glue between the United Kingdom and European countries in the field of defense. The military partnership between the United States and Britain is primarily established through their membership in the North Atlantic Treaty Organization (NATO), a political and military alliance comprising 30 nations from North America and Europe, established in 1949 with a central focus on collective defense [9]. NATO's core principle stipulates that an attack on one member is deemed an attack on all, necessitating all member states, including the United States and Britain, to provide assistance if any member is threatened [10]. Additionally, NATO fosters shared defense planning, joint military exercises, and intelligence exchange to bolster their collective defense capabilities, with a commitment to ensuring military forces are interoperable, facilitating seamless cooperation in joint operations by employing compatible equipment, communication systems, and standardized procedures [10]. The UK can therefore be expected to maintain intelligence and security cooperation with its European partners, even if the UK's institutional expertise and experience will no longer play as strong a role in shaping EU policy in these areas as it did when the UK became a member [11].

3.3. Influential Spheres and Multilateral International Order

Since the UK has long played the role of mediator between the US and the EU, it seems that after leaving the EU, it is bound to form a closer strategic alliance with the US, and even further become a de facto part of the US circle of influence. This fear is, at first glance, well-founded, because geographically, Britain is situated between the world's two largest political bodies, the European Union and the United States, and is not strong enough to maintain its independence from either side. So, Britain is either attached to one or both. Prior to Trump assuming the presidency, the United Kingdom was not faced with the decision of selecting either the United States or the European Union. This was due to the previous U.S. approach, from Barack Hussein Obama, of having the UK serve as its representative within the EU, with the intention of exerting influence on EU policies, till the Trump regime's policy changes force Britain to choose between two political bodies [12].

However, Trump's unilateralist policy indirectly provides the UK with a new direction of diplomatic choice, as China is given the opportunity and time to develop a new circle of international influence and networks centered on itself.

Trump inherited the unilateral approach of Bush and recognized that in an evolving multipolar global landscape, traditional alliances were becoming less rigid, and the deepening economic interdependence was heightening nations' vulnerabilities [12]. Consequently, Trump prioritized American dominance, even if it meant jeopardizing longstanding allies: he challenged the fundamental principles of the Liberal International Order (LIO), questioning institutions like the United Nations, multilateral trade, and the broader framework of international collaboration. Despite the realist nature of his presidency that steered the United States towards isolation, global integration persisted. This context provided fertile ground for China's rapid growth and its challenge to U.S. hegemony. The substantial convergence of China and the U.S. in terms of GDP and military capability has led many analysts to predict that China will inevitably present economic and political challenges to the United States. Through initiatives like the Belt and Road Initiative, China strategically established a multilateral trade network, stimulating investments in targeted sectors and enhancing its influence over crucial infrastructure and raw materials. This effort ultimately propelled China to replace the U.S. as the primary trading partner for almost all major Asian nations [13].

Of greater significance, while China's international interactions may appear mostly positive, certain scholars have highlighted that the dynamics of influence often adhere to a zero-sum framework. Additionally, they argue that China's present conduct cannot guarantee an absence of ambitious intentions. China's economic interconnectedness, particularly through trade relationships, has prompted several nations to recalibrate their "strategic alignment" towards China. This shift has enabled China to progressively amass political leverage, providing a bedrock for the expansion of its indirect rule and influence. On the economic front, a practical case can also be made for the attractiveness of a stronger diplomatic relationship with China: aligning with China could provide the UK with opportunities to engage in multilateral forums, such as the Shanghai Cooperation Organization (SCO) and the Asian Infrastructure Investment Bank (AIIB). On the political front, in recent times, China has showcased an escalating presence in East Asia, notably evident in various maritime disputes. This assertive stance has led the allies of the United States to cast doubts upon the credibility of U.S. power within this region [11]. This serious impact was not completely eliminated since Joseph Biden, who was committed to reshaping the almost shattered international leadership and multilateral relations of the United States, became president and made efforts in 2021 till now.

In this battle for influence, the EU may not take sides, because it is most important for it to try to bridge the conflict and estrangement with Britain for the long term. The political goal of the EU is to form a collective in international affairs, thereby enhancing its voice in international affairs. After the UK leaves the EU, the EU loses an important economic territory and a permanent member of the UN Security Council, so its international standing and influence will be weakened [8]. This loss will need to be compensated by the re-establishment of a new, sustainable model of cooperation with the United Kingdom, which will require a long period of careful diplomacy and political activity. In this state of decline, Britain's cooperation with any large sphere of influence that currently exists is something the EU is wary of and committed to preventing [8]. With regard to the United States, the Trump regime's political experiments have set off alarm bells for the European Union, warning that as Britain and the United States move closer, the United States first policies and unilateralism that the EU has long feared could return [14]. And if China's influence increases further with its cooperation with the UK, the EU will be even less able to achieve international preeminence [14]. While it is too early to worry about this, a new polarized international order dominated by China and the United States cannot be overstated.

In short, after Brexit, the United Kingdom was likely to further strengthen its political alliance with the United States, but this trend has become more uncertain with the rise and expansion of the international circle of influence centered on China. For both China and Britain, the other is now a perhaps unexpectedly suitable target.

4. Conclusion

In summary, in the aftermath of Brexit, the study of Sino-UK Diplomacy in the Post-Brexit Era reveals a complex landscape where the United Kingdom's strategic choices between China and traditional allies like the United States and the EU hold far-reaching implications for economic and geopolitical dynamics. The most popular prediction is that the UK will continue to work closely with China in economic and trade relations and rely on the US in political and security areas, strengthening the existing special relationship between the UK and the US, but according to the arguments in this paper, the real situation may be the opposite.

The consequences of Brexit have reverberated significantly across the UK's economy and international trade due to its deep interdependence with the EU. The shift from being the EU's top trading partner to redefining trade relationships post-Brexit has led the UK to explore emerging markets, most notably China. Despite opportunities presented by China's strong economy and expanding middle class, challenges persist, including historical trade imbalances and potential competition. The US also emerges as a potential trade partner due to its economic magnitude, established trade history, and political connections. The UK faces the challenge of navigating these relationships while addressing historical trade imbalances and the specter of intensified competition.

In the realm of national security, Brexit has not severed the UK's ties with Europe. It remains a significant player in European defense, accounting for over 25% of EU defense spending and fielding highly trained forces and persisting its commitment to European security. Additionally, the UK's military alliance with the United States through NATO ensures ongoing cooperation. NATO's principle of collective defense cements the UK's role in European security, promising continued intelligence sharing and collaboration with European partners.

As for international influence, Brexit has also compelled the UK to contemplate its position in the evolving global order. While historically serving as a mediator between the US and the EU, Brexit prompts the UK to forge closer ties with the US, thereby becoming part of its sphere of influence. However, China's rise offers an unexpected diplomatic direction, as its global influence expands. Meanwhile, as a choice between the United States and China, the EU endeavors to recalibrate its relationship with the UK, bridging its waning international influence.

This paper predominantly delved into the realm of national interests, inadvertently overlooking critical aspects such as national power dynamics and ideological conflicts that might play pivotal roles in Sino-British diplomacy. In-depth exploration of these dimensions could further illuminate the complexities of the relationship and provide a more holistic understanding. A broader consideration of historical context, cultural nuances, and evolving global dynamics could also provide a more comprehensive framework for analyzing Sino-British diplomatic relations.

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