

CHAPTER 4

THE UNITED KINGDOM

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Introduction

UK-China relations have lasted for a long time and can be described as bumpy. The reasons include the UK's imperial past and China's memory of "one hundred years of national humiliation", which refers to the occupation of China (1839-1949) by Western powers, starting with the first Opium War launched by Britain. Until today, this slogan plays an important role in China's politics. Currently, Hong Kong (HK) is one of the points of tension, as a sensitive issue for the PRC due to the UK's interest in protecting HK's system of rule of law and human rights. Those are the reasons why François Godement, while assessing Sino-British bilateral ties from China's perspective, concluded that **"China's love-hate relationship with its former colonial master still endures"** (Godement & Stanzel, 2016, p. 1).

The analytical model used in this paper is based on the concept of "ideological and accommodating free trader", in order to have a proper framework to describe the UK's policy towards China. This is a combination of paradigms proposed by F. Godement and John Fox (2009) in a report about EU member states' policy on China, and then reformulated by Scott A.W. Brown (2018). Originally, Godement and Fox described the UK as an ideological free trader

in terms of its policy towards China. This means that at **economy was the core of the British approach to China**, however, political and sensitive issues (democracy, rule of law, human rights) were important as well. This was an assumption of the UK's China policy in 2009 under the Labour Party, the time of the report's release. But, as Brown argues, the circumstances changed in 2010 when the Conservatives, under David Cameron, took power, modifying the UK's approach to China. Hence, Brown proposed a new analytical framework of an "accommodating free trader" which focused on economy with limited attention to sensitive issues. This "accommodating" slogan was also borrowed from the Godement and Fox's report. After July 2016, the UK government led by Theresa May adopted a policy towards China that could be described as "in-between" the two aforementioned approaches. There was an **economy-oriented stance, but with more focus on sensitive issues** in comparison to David Cameron's government (Summers, 2018b, pp. 87–90).

The aim of this chapter is to analyse how the UK actors cooperate with their Chinese counterparts at the regional and local level. Due to the United Kingdom's constitutional and administrative structure, consisting of the four nations (countries), i.e. England, Wales, Scotland (collectively known as the Great Britain) and Northern Ireland, and a highly developed (yet asymmetrical) model of **decentralisation of executive and legislative powers** (known as devolution) within those four nations, in the UK's case **Sino-British local cooperation refers either to the nations themselves (e.g. Scotland), to various metropolitan projects in England (e.g. the Northern Powerhouse) or to individual cities.**

This chapter undertakes to answer the following questions: Do local authorities in the UK follow the central government's policy on China? What are the British local governments' main goals and areas of cooperation with their Chinese partners? What is the model of the UK's paradiplomacy¹⁸? Is there any "specialisation" in the UK's cooperation with China at the local and

¹⁸ For example, Soldatos differentiates between four models: conflict, domination, complementing, and discretion taking into account as a reference point the central government's reaction to local authorities' international activities (Czapiewski, 2015, p. 62)

regional level? The last question refers to Brexit – might it have any impact on the UK’s local-level cooperation with the PRC?

The chapter consists of two main parts. The first one is devoted to the central level: the description of the UK government’s policy towards China, the state of play of UK-China relations, and the UK’s perception of China, including China’s “soft” presence in Britain (tourists, students, Confucius Institutes, etc.). The second part is focused on the local and regional level. It starts with an explanation of the legal framework of British local and regional level cooperation, then it sets forth the survey results, concluding with the presentation of two case studies: Liverpool – a city in England; and Scotland – one of the UK’s nations and EU regions.

Central Level of Sino-British Ties

An Overview of UK-China Relations

The UK recognized the PRC in 1950, and in 1954 it launched diplomatic relations at the representative office level. The exchange of ambassadors took place in 1973. In 1984, the British and Chinese governments were involved in negotiations about the Hong Kong handover. After the Tiananmen Square massacre in June 1989, the relations were frozen until 1991, when Prime Minister John Major visited Beijing as the first Western leader after 1989. During the premiership of Tony Blair, the UK was not extensively engaged in relations with China, focusing mostly on the US and the aftermath of the 9/11 terrorist attacks (K. Brown, 2019, pp. 14–15). Nevertheless, since the Hong Kong handover in 1997, the UK’s China policy has been defined as “engagement”. In 2004, during Prime Minister Wen Jiabao’s visit to the UK, the countries upgraded ties to a “comprehensive strategic partnership”. Since Xi Jinping’s trip to London in October 2015, Sino-British relations have been classified as a “global comprehensive strategic partnership for 21st century” (or “golden era”)¹⁹. In re-

¹⁹ Zhongguo tong Yingguo de guanxi (zuijin gengxin shijian: 2018 nian 9 yue) [China and UK relations (the latest update: September 2018)], Chinese MFA website

cent years, an evolution of the UK's China policy has been noticeable **from an “ideological” to “accommodating free trader”**, while, since the Brexit referendum, a slight lean **towards an “ideological free trader” approach** has been taking place.

In 2009, the Labour Party government led by Gordon Brown released the UK's **first-ever strategy towards China**. While it focused on economic opportunities, it was balanced by politically sensitive issues like human rights. The engagement also referred to political issues important to China, such as support for the PRC's bigger role in global institutions, or a positive stance on lifting the EU's arms embargo, etc. (S. Brown, 2018, pp. 101–102). Prime Minister Brown sent the following message: “the UK has a lot to offer China: our commitment to economic openness, our strength in science and innovation, our cutting-edge design and our world-class universities. We need to understand China better, through our schools, universities, cultural institutions, our businesses and in Government”, while Minister of Foreign Affairs David Miliband stated: “strong relations with China can help create a better Britain, a better China and a better world. China's role as a motor of the global economy” (*The UK and China: A Framework for Engagement*, 2009). The document set three pillars of the UK's engagement with China: to see the UK as a global hub, boosting business, educational, scientific and cultural gains from the bilateral relationship; fostering China's emergence as a responsible global player; and to help China manage the risks of its rapid development (*The UK and China: A Framework for Engagement*, 2009).

Referring to the local- and regional-level cooperation, the document listed a number of goals. The first one was sustainable cities, leading to the exchange of engineering, technical, academic and financial expertise, and drawing on the UK's experience of urban regeneration and low-income housing. Another goal was that “the UK retains its position as the top foreign provider of tertiary education in China: 100 000 Chinese students in the UK, and 100 education partnerships by 2010. Increased educational and scientific links at the institutional level between universities, research bodies, colleges and schools, and greater two-way flow of students, academics and researchers. By increasing cultural understanding through educational exchange, we can foster links between future decision makers which could be of real significance for China's development.” (*The UK and China: A Framework for*

Engagement, 2009). In this document **China was seen as a chance, a partner and driver of growth during the global crisis.**

In 2010, a new Conservative government under Prime Minister Cameron was established. At the beginning, the policy towards China was a continuation of Brown's approach (Wintour & Inman, 2010). However, in 2012 the relations were weakened (for the next 18 months) after the PM met with the Dalai Lama in London. Since then, the UK government has started to change its China policy to ensure progress in economic relations. This was the reason why politically sensitive issues were not high on the agenda, with economy as number one. This change has been visible since 2013, during Cameron's visit to China. The then Chancellor of the Exchequer, George Osborne (who presented a very pro-China stance), declared the UK's willingness to be a founding member of the Asian Infrastructure Investment Bank, and in 2015 the UK submitted its application, despite U.S. concerns. The visible change was marked by Xi Jinping's visit to London in October 2015, with the **elevation of relations to the "golden era"** (Turner, 2018). One of the most eye-catching results of the visit was the announcement of China's investment in the UK's Hinkley Point nuclear power plant, which stirred concerns about China's access to the country's critical infrastructure. Since then, the UK government has started to present **a non-confrontational stance on Chinese "core interests"** such as the South China Sea (SCS), and the EU arms embargo, and put on hold "megaphone diplomacy" about sensitive issues. What is more, the UK government ignored rising global concerns about the PRC, focusing on China as an opportunity. This was the reason why A.W. Brown called Cameron's UK an "accommodating free trader" (S. Brown, 2018).

The UK's China policy has become slightly more principled since the Brexit referendum and Theresa May's premiership. Since then the "golden era" status has been downgraded (K. Brown, 2019). May's decision to rethink Chinese investments in Hinkley Point (eventually, the concerns were defused, but the project has still not begun due to the long processes of planning and political approval) was a signal that the UK is more cautious than before. A similar approach is visible in the case of the Belt & Road Initiative (BRI). Although Cameron's government presented a positive approach (Summers, 2016, p. 64), May refrained from openly endorsing the BRI during her trip to China in February 2018. Tim Summers argues that concerns about the importance

of the rules-based international order and international standards in the implementation of the BRI prompted May not to sign an MoU on the BRI (Summers, 2018b, p. 88). For now, Boris Johnson's government has not revealed its China agenda. Nevertheless, Johnson's remarks before assuming the premiership suggest his rather favourable approach to the PRC, even though it may result predominantly from his interest in the BRI (Lau, 2019).

From the Chinese point of view, the UK is important both politically and economically. Firstly, this approach stems from its EU membership which means access to the single market. Secondly, the UK is attractive due to its occasionally different opinions from those expressed by the U.S. Thirdly, **China sees the UK as an investment destination**. The PRC is interested in investment in the financial sector (e.g. to internationalize RMB), banking, real estate and ICT, but recently also agriculture, as well as the food and energy sectors. China also sees the UK as an education partner due to its status as an English-speaking country, and its esteemed universities as well as a provider of modern design.

However, the UK is also a tertiary choice for China, especially in the face of Brexit. The fact that, on the one hand, the UK is weak at manufacturing, and it has not signed any FTA with the PRC and, on the other hand, Chinese investments are focused on infrastructure, financial and real estate, may mean that Brexit might not be very harmful for China. The UK economy is complementary to China's and in that sense the UK is valuable for China as part of the EU and a base for Chinese companies to operate across Europe (Ross, 2018). This means that the PRC might not be eager to enhance relations with the post-Brexit UK. The post-Brexit reality might be more challenging for the UK due to the Chinese hard push for concessions, e.g. in the security area. China may also push for an FTA and less EU-oriented policy, such as lifting the arms embargo and a policy that would be more independent from the U.S. (Reilly, 2017, 2018; Turner, 2018).

The UK records a **trade deficit with China**, which reached 29 billion euros in 2018. This is about 40% of total bilateral trade in goods²⁰. At the same time, the UK is one of the major investment directions in the EU for Chinese FDI. A spike was observed in 2012 and rose steadily, peaking in 2016 to a stock

²⁰ Eurostat.

of 23 billion euros. Then Germany overtook the UK. Taking into account local- and regional-level cooperation, **London remains the most attractive destination for Chinese FDI**, but cities across the northern England (grouped together as **the Northern Powerhouse**) have also been the focus of Chinese investment (Summers, 2017, pp. 159–162). Furthermore, the financial sector is a key element of UK-China relations. London is already the European centre for off-shore trading in RMB (established in 2013), consolidating its position in 2018. There are also projects for the Shanghai-London Stock Connect as a means to strengthen bilateral cooperation in the financial sector (Martin, 2018).

The UK's Perception of China and its “soft” presence in Britain

The UK does not entirely share recent concerns about China. **The perception of China in the UK is rather positive or at least ambivalent.** In 2015 Summers argued that “the debate in the UK about China has been much more moderate and less nervous about China’s rise than that in the U.S., probably because China poses a much more limited threat to UK security interests. Issues around the rise of China are therefore not generally seen as concerning in the UK” (Summers, 2015).

Recently there have been suspicions about China’s role in the UK, but still the level of anxiety is lower than in the U.S. Kerry Brown calls this attitude “ambiguity” and argues that the “almost laconic and sometimes preternatural calmness of the British response to China’s greater impact in the world might be described as complacency verging on indifference” (K. Brown & Mimi, 2018). He repeats this assumption in his book about the future of UK-China relations (K. Brown, 2019).

In the latest Eurobarometer 2018, the following responses to the question “do you have a positive or a negative view about China?” were provided: 41% of respondents answered “total ‘Negative’”, 39% “total ‘Positive’” and 20% “do not know”. The Pew Research Global Center published a survey in October 2018 about views on China as well. In the case of the UK, 35% of the respondents presented an unfavourable view, while 49% – a favourable one. Among the 11 surveyed EU countries, only the UK gives China a favourable

review (Wike et al., 2018a). Similar polls were conducted by Pew during the spring of 2019 with an apparent rise in negative opinions about China: 55% unfavourable, 38% favourable (Silver et al., 2019).

When it comes to China's "soft" presence in the UK (tourists, students, etc.), according to Eurostat 2017, there are about 111,000 **Chinese nationals** living in the UK²¹, while Kerry Brown argues that there are 150,000 people in the UK who claim Chinese ethnicity (K. Brown, 2019, p. 69). Another important factor is the number of **Chinese tourists** coming to the UK. According to Visit Britain (an official tourist website), there were more than 64,000 visits from China in 2002, ten years later – almost 177,000, while in 2017 they reached 337,000. In 2017, the main destination was London (about 219 000 visits), the rest of England (177,000) and Scotland (62,000). Fewer tourists visited Wales (11,000) and Northern Ireland (3,000). Chinese respondents associate Britain with museums, music and films, and they mostly expect a trip to Britain to be spiritual or romantic. Their main motivations include enjoying the beauty of the landscape, feeling connected to nature, and having fun and laughter. Chinese visitors are mostly young people aged 16-34. 28% of visits in 2017 were conducted in the July-September period²².

There are a growing number of **Chinese students**. K. Brown underscores that in 1999, during Jiang Zemin's visit to London, there were about 2000 Chinese students in the UK. While in 2014, around 100 000, and now (2019) around 150 000 (K. Brown, 2019, p. 42). Brown highlights that this significant rise was not a result of UK government policy. There were two reasons for this trend – mostly the fact that after 11 September 2001, the US tightened procedures for foreign students, and the reputation of British universities (K. Brown, 2016).

In terms of cultural and promotional Chinese presence in the UK there are 29 **Confucius Institutes** and 148 Confucian Classes in the UK. The majority are located in England (21); including seven in London, seven in the Northern Powerhouse (Liverpool, Newcastle, Manchester, Sheffield, Leeds, Hull), and one in the Midlands Engine (Coventry). There are also four Confucius

²¹ Long-term residence by citizenship, including Hong Kong, Eurostat, 30 October 2018.

²² Source: www.visitbritain.org/markets/china www.visitbritain.com/gb/en

Institutes in Scotland (Edinburgh, Glasgow, Aberdeen), four in Wales (Cardiff, Bangor) and one in Northern Ireland (University of Ulster)²³.

The above-mentioned issues show China's growing interest in people-to-people contacts with the UK. The increasing number of Chinese tourists and students not only provides the UK with financial benefits but is also used by the PRC to fulfil its national goals. The international performance of UK universities is important for China, as it seeks more cooperation in science, technology and innovation to fulfil the "Made in China 2025" agenda. The partnerships between Chinese and British universities with the best examples of the University of Nottingham and its campus in Ningbo, and the University of Liverpool and its campus in Suzhou, vindicate this premise.

Local Level of UK-China Ties

British Local and Regional Framework

The United Kingdom consists of England, Scotland, Northern Ireland and Wales. The UK is a unitary state. Nevertheless, there are two main structural processes which may indicate a growing role for the regions. The first is devolution and the second – national (political) autonomy. **Devolution** concerns all four parts of the UK, while **political autonomy** refers to Scotland, Wales and Northern Ireland. It should be noted that these are rather new phenomena, launched by Tony Blair's Labour government in the late 1990s.

Devolution is a process of delegating powers by the central government without formally undermining the legal supremacy of the UK parliament, since it can formally be revoked at any time. In the case of Scotland, Wales and Northern Ireland it involves elections to the legislative assemblies (Czapiewski, 2015, p. 59). Devolution was initiated in 1997-1998 and promoted by Blair's government. The UK Parliament passed devolution Acts: the Scotland Act in 1998; the Northern Ireland Act in 1998; and the Government of Wales Act in 1998. These acts established the three devolved legislatures, which were given some powers previously held at Westminster. Further powers have been

²³ Source: Hanban website, www.hanban.edu.cn/confuciousinstitutes

devolved since these original acts, most recently through the Scotland Act 2016 and Wales Act 2017.

England's devolution process (also known as localism) started in 1998 with the Regional Development Agency Act and the establishment of voluntary regional chambers in eight English regions. In 2011 the Localism Act was adopted, however, two years later the effectiveness of this bill was questioned, with a claim that there was a deep-rooted centralization in the UK (Pipe, 2013). What is more, the Local Government Act 2000 (which reformed local governments in England and Wales) gave councils "a green light to international work – but in neither case was the latter made a statutory requirement" (Casson & Dardanelli, 2012).

In 2015, Osborne was one of the most vocal narrators of the "devolution" and the regional "Powerhouse" storyline. In 2016 the Cities and Local Government Devolution Act was adopted. The bill refers to England and Wales and concerns the devolution deals which are negotiations between the UK government and local authorities about the scope of power transfer (Copus et al., 2017, p. 3).

Importantly, the differences between the Scottish, Welsh, Northern Irish, and English models of devolution stem from the general asymmetry of demographic and economic potential of those parts of the UK, where England comprises some 85% of both the UK's population and its GDP. It means that metropolitan areas in England have comparable economic and demographic potential to the whole of Scotland, Wales or Northern Ireland.

From the point of view of the EU, Scotland, Wales and Northern Ireland, as well as nine English regions, are all classified as NUTS-1 units. Nonetheless, devolution in the three smaller parts of the UK realises political autonomy in the form of parliamentary assemblies (with primary legislative powers), executives reflecting the majorities in those assemblies, as well as devolved paradiplomatic representations. Those instruments are generally missing in English metropolitan areas and regions.

Casson and Dardanelli argue that the Foreign and Commonwealth Office (FCO) has never formally acknowledged the role local government can play in international relations, but it has also never required authorities to seek its approval before they entered into agreements with international partners (Casson & Dardanelli, 2012, p. 602). In that sense, **UK paradiplomacy is a**

rather blurred area. Casson and Dardanelli also argue that there is a lack of regional government in England. What is more, “the growing para-diplomacy activity has developed in an *ad hoc* manner within a nebulous framework in legal and institutional terms. Local government’s legal framework is uncertain when it comes to international work, thus leaving authorities in a sort of legal no man’s land where their activity is always potentially at risk of being ruled *ultra vires*. Likewise, boundaries between the responsibilities of central government, local government and intermediate bodies vis-à-vis relations with foreign counterparts are also fuzzy” (Casson & Dardanelli, 2012, p. 620). This thesis constitutes a conferment of rights by the UK representatives saying that **UK regions and cities are free to launch cooperation with regions of foreign countries.** It is a bottom-up approach. The same concerns nations (countries) except foreign policy activities which must be coordinated by the central government²⁴.

The second important process is **the growing role of cities and city regions.** As Parkinson argues, city regions have become more significant in an increasingly globalized world. He underscores that the UK government has recognized that city regions’ prospects of success are better if they are given greater control over the policies that affect them. Negotiating with city regions is conducted in order to see if they can manage significant parts of the public sector better than the UK government itself (Parkinson, 2016). Carlson and Dardanelli point out that in the UK’s paradiplomacy the leadership of counties or cities plays a crucial role, and launching international cooperation is often based on a personal decision (Casson & Dardanelli, 2012, p. 602). What is more, town-twinning is the most popular form of international activity in the UK, and the UK has a long tradition of town- and city-twinning with China. There are also predictions that “growth of UK cities will mean that they will increasingly outgrow current formal administrative boundaries over coming years, becoming more independent” (*Future of Cities*, 2016).

It is also worth mentioning two agglomeration-like entities (or groups of cities) which are crucial in terms of the UK’s paradiplomacy with China. The UK government created such regional networks in England as public-private partnership projects. This is the case of the **Northern Powerhouse**

²⁴ The author’s communication with a representative of the UK embassy in Poland.

whose aim is to boost the economic development of England's north (the post-industrial area) with core cities such as Manchester, Liverpool, Leeds, Sheffield, Hull, Preston, and Newcastle. This idea was announced by Osborne in June 2014²⁵. Cameron's government presented this project as a potential partner for China to Xi Jinping during his visit to London in 2015. In 2017, the **Midlands Engine** was set up by local government authorities and local enterprise partnerships across the East and West Midlands to improve the economic situation of central England with its core cities: Birmingham, Coventry, Nottingham, Leicester, and Stoke-on-Trent. The Midlands Engine also presents itself as a partner for cooperation with China. The best examples include the "Midlands Engine China Strategy" published in October 2017 (*Midlands Engine China Strategy*, 2017), trade missions to China led by the **Midlands Engine Chairman John Peace**, etc.

Background and Motives of UK Paradiplomacy in China

Despite the fact that it is difficult to present a list of clear general motivations why UK regions cooperate with Chinese partners, it seems that there are at least four main dimensions to the UK's paradiplomacy in China.

Historical links with China. The UK is a special case, bearing in mind its colonial past and control over Hong Kong. Hong Kong was a source of the ethnic Chinese coming to the UK. Furthermore, ports such as Liverpool were used by Chinese traders, the authorities of which officially claim that its cooperation with China (mainly Shanghai) has lasted over 300 years (*Interview with the Liverpool City Council Representative*, personal communication, May 2018). The Chinese from Guangdong and Shanghai started to arrive in the UK via Hong Kong in 1930, and Chinatowns were created there. Currently the biggest Chinatowns are located in Liverpool (the oldest in Europe), Sheffield (a rather new one), Manchester, London and Birmingham (Bosco, 2018). It is difficult to say to what extent the history of Chinese nationals' presence facilitates local cooperation with China, but it might be a contributing factor. At least in Liverpool's case this element plays a particular role. Hong Kong's role in the process of reforms and the opening of China since Deng's term should also be mentioned.

²⁵ Northern Powerhouse website: <https://northernpowerhouse.gov.uk/>;

The Impact of the UK's central government policy towards China. Until 1997, the UK government was preoccupied with the Hong Kong hand-over. However, since Blair, the government has started to look for a new framework of cooperation with China, and the policy has been defined as “engagement”. Moreover, the processes of rising asymmetry between the UK (a declining power) and China (a rising power) is also a factor. Using the “engagement” approach, the UK government decided to use the Chinese economic model reform (from export of goods and manufacturing to services) as a chance for the UK's economy. This includes, for example, the focus on the financial sector in which the UK is strong. For the UK, it has been not only a good moment to rebrand its image in China, but also to get economic profits, such as job creation coming from investments (K. Brown, 2016). This is still the message that the UK central government sends to the regions.

The UK launched a campaign in the 2000s to rebrand its image in China. The reasons were two-fold. The first reason was the Chinese perception of the UK “as a place famous for castles, Shakespeare and the royal family but not science and cutting edge innovation”, which is how the UK would like to be perceived (K. Brown, 2016, pp. 7–8). The second one was the Patriotic Education Campaign launched by Jiang Zemin, under which the UK was presented as a hegemon and source of victimhood in China. The UK's campaign focused on design and creative industries, which involved regions and cities. A plethora of UK sub-regional and representative offices (Northern Ireland, Scotland, Wales, City of London, Manchester, Liverpool, etc.) opened in China as a result of the campaign. A strong signal was sent in 2009 from the UK government to the regions, when the strategy on China was published. Cameron's policy included the presentation of the Northern Powerhouse to Xi, and the fact that in 2015 Xi not only visited London, but Manchester as well “to make clear that other parts of the UK did figure in the UK-China relationship” (K. Brown, 2016, p. 52).

Emancipation of the UK's cities and regions. The role of cities in the UK is rising. This process is facilitated by the blurred local government framework and the central government's lack of deep interest in noticing (monitoring) paradiplomatic activities or supporting them in a systemic way. As Tomasz Kamiński underscores, the ability of cities to be actors of paradiplomacy depends in practice not only on their legal status, but also on the resources they command, the political will of leaders, the level of autonomy within a state,

and the nature of relations between the city and regional and central governments (Pietrasiak et al., 2018, p. 17). This seems to be the UK's case. Carlson and Dardanelli point out that in UK paradiplomacy the leadership plays a crucial role, and a launching international cooperation is often based on a personal decision without a debate (Casson & Dardanelli, 2012, pp. 602, 605). In the case of China, personal commitment seems to be the right step. Due to an unclear legal framework, UK cities are trying to become benchmarks for the central government (*Interview with the Liverpool City Council Representative*, personal communication, May 2018). This is a good example of the emancipation of cities using cooperation with China, through seeking convergence of interests. The following examples can be pointed out: personal connections (e.g. a leader knows someone from China and decides to launch cooperation), personal mindset (e.g. China is important as a rising global power), the presence of Chinatowns, complementary interests and industries (e.g. smart cities, heavy industry, cultural exchange, interest in football, support from government and expert organisations)²⁶, initiatives by local enterprises, and the private sector (which means an economic focus), school and university links, etc.

Chinese nationals in the UK. Bearing in mind the large number of Chinese nationals living in the UK as students (around 150 000), businessmen and tourists (more than 300 000), who generate revenues for regions, it may be stated that they are also a factor which facilitates UK-China cooperation between regional partners.

Survey Results

During the project implementation questionnaires were sent to over 40 local government units. Only 12 of them responded. There were also problems with appointing interviews. Eventually, one interview was conducted with Liverpool City Council.

Nevertheless, the following conclusions could be drawn from 12 questionnaires. First of all, in each case, the respondents declared that cooperation with

²⁶ E.g. FCO, UKTI, embassies, consulates, British Councils, China British Business Council, etc.

Chinese partners is **active**. This may lead to the conclusion that only active regions responded. Moreover, all of them have established cooperation with Chinese partners **based on a formal agreement**. The second conclusion is that the UK paradiplomatic cooperation with China concerns mainly **cities**, while regions are less represented. UK nations (or countries) are more prone to cooperate with Chinese provinces, such as Scotland with Shandong and Northern Ireland with Liaoning and Hubei. The third conclusion is that UK cities cooperate **with different Chinese partners**, which means that partnerships (generally) do not overlap. Nevertheless, due to insufficient data, this finding is questionable and should not be treated as an established fact. The fourth conclusion is that most UK cities have only one or two Chinese partners with the outstanding example of Liverpool, which declared 11 Chinese partners. Also, countries like Scotland have more than one Chinese partner.

Referring to the first conclusion about active partnerships, most of the feedback (eight of 12 questionnaires) came from the Northern Powerhouse (Liverpool, Manchester, Leeds City and the Leeds City Region) and the Midlands Engine cities (Nottingham, Coventry, Stoke-on-Trent, Birmingham). This may lead to another conclusion that in the case of UK cities only those which are active and have an institutionalized cooperation with Chinese partners responded to our requests. Furthermore, as 8 out of 12 represent the Northern Powerhouse and the Midlands Engine, this may suggest that, on the one hand, there is a **specialization** between them in cooperation with China, while on the other hand, that it is more useful to cooperate as a **bigger entity (conurbations)** taking into account the size of Chinese partners.

When it comes to the **initiation of cooperation**, 7 partnerships were launched in the 1980s and mostly with coastal regions such as Dalian, Xiamen, Jinan, Changchun, and Hangzhou. Probably China's "reform and opening", when the government focused on eastern and coastal regions, was the reason. There was also the process of soft decentralization in the PRC, especially after the reforms in 1984, when local governments received more space for their own international actions (Mierzejewski, 2018b, p. 137; Pietrasiak et al., 2018, p. 97). This conclusion should also be treated with caution as there is no reliable information about the initiator of cooperation. In the early 2000s, four partnerships were launched. It seems that the reason was the UK's general China policy based on engagement (e.g. upgrading UK-China bilateral ties to the

“comprehensive strategic partnership” level in 2004) and the idea of changing the UK’s image in China (K. Brown, 2016). In 2016, Liverpool launched eight partnerships. In this case the reason was the personal engagement of Liverpool’s leadership and mostly its mindset of Liverpool as an open city establishing cooperation with China as a rising power (*Interview with the Liverpool City Council Representative*, personal communication, May 2018).

Table 18. The list of identified partnerships between UK and Chinese regions

No.	The UK	Status	Chinese partner	Since	Initiator
1	Scotland	a nation (country)	Beijing		
			Shanghai		
			Shandong province		
			Shenzhen		
			Tianjin		
			Hong Kong		
2	Glasgow	a city in Scotland	Dalian	1987	Glasgow
3	Northern Ireland	a nation (country)	Liaoning province	2014	China
			Hubei province	2015	
4	Cardiff	a city in Wales	Xiamen	1983	
5	Nottingham	a city in England, the Midlands Engine	Ningbo	2005	University
6	Coventry	a city in England the Midlands Engine	Jinan	1983	Regional Authorities
7	Stoke-on-Trent	a city in England the Midlands Engine	Jingdezhen	2016	Both
8	Birmingham	a city in England the Midlands Engine	Guangzhou	2007	Birmingham
			Nanjing	2006	Birmingham
			Changchun	1983	Changchun
9	Manchester	a city in England the Northern Powerhouse	Wuhan	1986	Manchester

No.	The UK	Status	Chinese partner	Since	Initiator
10	Leeds	a city in England the Northern Powerhouse	Hangzhou	1989	Both
			Shanghai – not active		
			Hong Kong – not active		
11	Leeds City Region	a city region in England the Northern Powerhouse	Hangzhou	1989	Regional Authorities
12	Liverpool	a city in England the Northern Powerhouse	Shanghai	1999	Liverpool
			Suzhou	2006	Liverpool
			Tianjin	2016	Liverpool
			Guiyang	2016	Liverpool
			Chongqing	2016	Liverpool
			Kunming	2016	Liverpool
			Chengdu	2016	Liverpool
			Qingdao	2016	Liverpool
			Shandong province	2016	Liverpool

Source: own elaboration

Scotland
 Wales
 Northern Ireland
 England

In terms of the areas of cooperation, **economic issues** such as general and municipal economy prevail, but environment also features. Trade missions, participation in fairs and economic forums are the most significant means of cooperation. This premise is vindicated by the main benefits which are as follows: attracting Chinese investments, trade development and better position for business. The second important area includes **education** (higher education, research and general education), **sport, tourism and culture** in which universities, other educational and cultural institutions are the main “actors” involved. Benefits such as culture and tourism promotion support this assumption. The third group is **experience sharing** or **policy transfer** as it refers to administration and region management, public policy like health, etc.

This is conducted by local authorities, through official visits, contacts with the local and central government in China, etc. The main benefit is exchange of experience. When it comes to obstacles, the main problems are as follows: cost, distance and language barriers.

Case Study I – Liverpool

Liverpool is the only city which declared cooperation with more than two or three partners. In that sense it was an unusual case among the filled-out questionnaires. Liverpool is located in North West England with a port which played a great role in the 19th century and the Industrial Revolution in England. Currently, the port of Liverpool is one of the biggest in Britain. In its questionnaire, the City Council declared cooperation with 10 Chinese partners: Shanghai (1999), Suzhou (2006), Tianjin, Guiyang, Chongqing, Kunming, Chengdu, Qingdao, Shenzhen, Dalian, Xi'an, and Shandong province – the last eight launched in 2016. In most cases, Liverpool City Council was the initiator. There are also examples of Liverpool universities as initiators of cooperation with Chinese partners. It should be noted that during the interview, the city council representative declared cooperation with 16 Chinese regions and cities but did not list the names of all of them. The interview was conducted on 23 May 2018 at the Liverpool City Council. All quotations in this subchapter are from this interview.

Reasons and Goals

China plays an important role in Liverpool's paradiplomacy. Since 2014, there has been a post of assistant mayor or vice-mayor who is engaged with Chinese affairs, which shows that the city authorities are very committed to cooperation with the PRC.

Among the reasons there are **personal engagement** and leaders' **vision of Liverpool as an international open city**, which shows how its paradiplomatic role is seen. The Liverpool underscores that the city authorities are focusing on exploring other countries, including China, to learn from them. Another reason is **historical links with China**, such as the oldest Chinese community

in Europe, established around 300 years ago due to the city’s role as a large port, but also to the fact that historically Liverpool was an open city and a melting pot of nations.

Among specific reasons there are mostly **economic profits** (“the primary purpose is to increase exports and having [students] which has a remarkable effect on a local economy”); education, **promotion** of Liverpool’s strengths (“promote Liverpool as a trade or sector strength”) and its **own flagship initiatives** (“to invite Chinese cities to send delegations to the International Business Festival”). Furthermore, also **exchange of experience** as an example of policy transfer (Musiałkowska & Dąbrowski, 2018, pp. 1706–1707) and a natural effect of being open. As an example, the Liverpool mentioned his visits to Beijing and its authorities interests in Liverpool expertise as a city government as well as cooperation with the local partners.

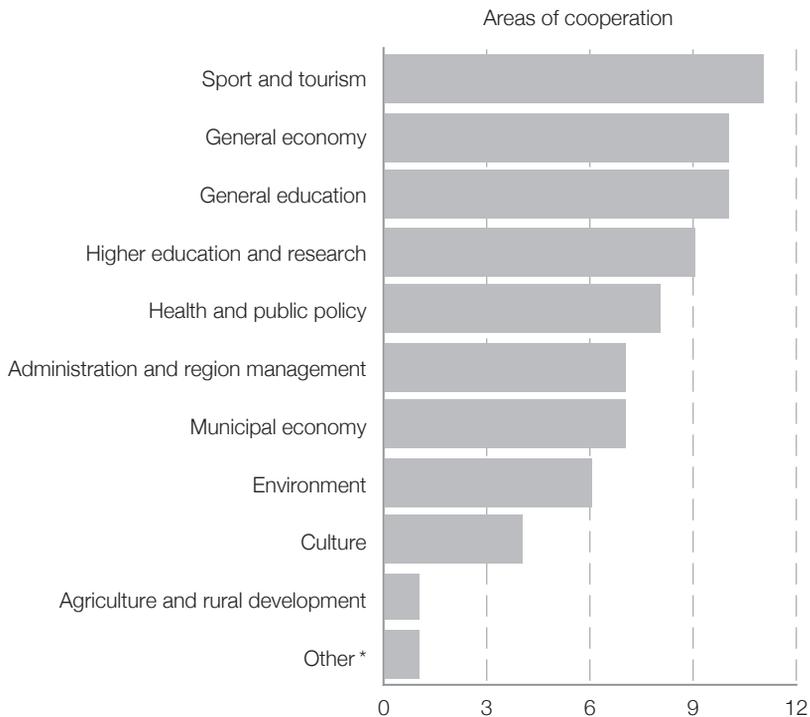


Figure 10. The areas of cooperation between UK and Chinese regions

*Inbound investment (added by Birmingham)

Source: own elaboration



Figure 11. The forms of cooperation between UK and Chinese regions

Source: own elaboration

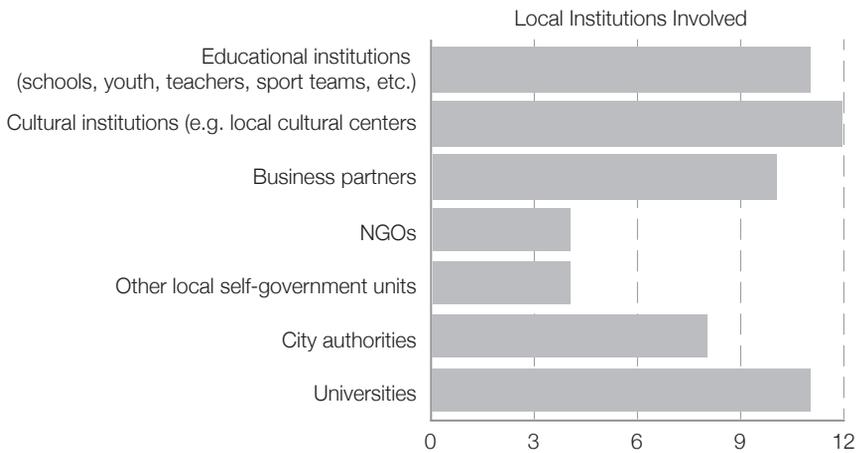


Figure 12. The list of local partners involved in cooperation with China

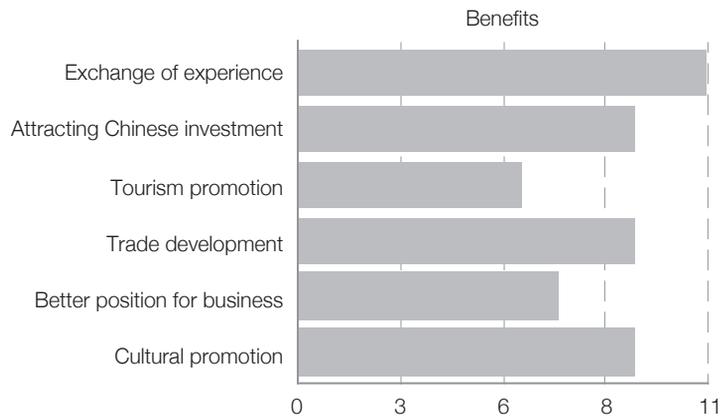


Figure 13. The benefits for UK regions from cooperation with Chinese partners

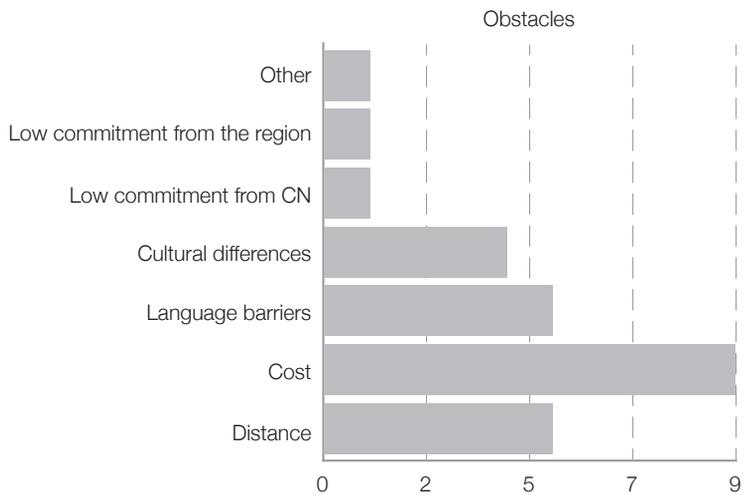


Figure 14. The obstacles in cooperation with the Chinese pointed out by UK regions

Other: availability of consistent resources – added by Liverpool

Source: own elaboration

Moreover, the Liverpool city council openly admits that cooperation with Chinese partners is also a kind of **division of labour** (or **synergy**) with the central government policy goals. For example, one of the goals is to increase exports from the United Kingdom (not only Liverpool) to China, while the flagship International Business Festival is not a Liverpool event – the city is a host of behalf of the United Kingdom government and the prime minister office.

What is more, Liverpool aspires to be **in the avant-garde** of the Northern Powerhouse or even the whole of England. That is why the City Council underscores that among Liverpool's Chinese partners only selected ones are key for the city, such as Shanghai, Tianjin, Kunming, Xi'an, Dalian, Chengdu, Qingdao and Suzhou. They cooperate with, for example, Manchester, Sheffield or Birmingham due to close links with Liverpool.

In that sense, **Liverpool would like to be a benchmark for the central government** and/or at least the Northern Powerhouse. As the Liverpool highlighted, the city should do more work helping the UK government with the existing links with China. This may help the government to learn from the city and vice-versa.

The forms and means of cooperation

The **World Expo 2010 in Shanghai** was the beginning of Liverpool's campaign in China. Liverpool was the only UK city with a pavilion there. "And therefore, that one action which was a six months appearance in Shanghai meant that Shanghai and China and other Chinese cities started to reach out in a bigger way to Liverpool about interest in some of our strengths. So we've seen in 20 years a significant growth. We have seen an even larger growth in the last eight years since the World Expo."

Then in 2014, the **post of vice-mayor for China** was created. The vice-mayoral **visits to China** are an important means of cooperation. In 3.5 years this person has visited China 10 times, been to 16 cities, and signed 16 MoUs, one with each of those cities. In that sense, the vice-mayor has become a **consistent face of Liverpool** in China.

Another means is the **International Business Festival** held in Liverpool every two years. The first edition was organized in 2014. This event is held in Liverpool on behalf of the UK central government. The city is trying to invite

many Chinese participants. In 2016, China won a gold medal for sending a large number of delegations.

The vice-mayor is also responsible for analysing Liverpool's strengths which match the strengths or needs of Chinese cities. He said: "We don't want a scatter-gun approach in which every Chinese city is going to be an economic partner, but we do know that at least five of those 16 are and will be growing economic, trade partners." This means that Liverpool authorities are trying to **approach selected Chinese cities** which suit them best in terms of specialization, like Shanghai with its Free Trade Zone, Guiyang as a big data pilot zone, and Qingdao as a manufacturer of electronic goods.

A division of labour or **specialization** between cities within the Northern Powerhouse, seen as an idea of **working together as a bigger entity** is an important means of cooperation. The Liverpool argues that "the Northern Powerhouse is a good example of a great method of working together. So the Northern Powerhouse concept is better working between governments across the region. The Northern Powerhouse – if it was a European country would be the fifth largest economy. So this is a big area. Liverpool is not the center of excellence in building aircraft. But the Northern Powerhouse is. And that includes Preston. We haven't got Sheffield steel, we don't make steel. But they do. We have graphene. Graphene is a big thing. So we've got expertise in the automotive industry. Manchester hasn't got an amazing port system on a river [that we have]."

The areas of cooperation

Liverpool has identified both its own, as well as **Chinese strengths that might be complementary to Liverpool's needs**. Liverpool's strengths include: business service, intellectual property, creativity, innovation, river ports, logistics, sensor technology, low carbon technology, graphene, off-shore wind farms, automotive industry, football, and education (universities). At the same time, Liverpool authorities are aware of the Chinese government's designation of "specialization" of particular regions such as Kunming as the garden city, Qingdao as a place for manufacturing electronic goods, etc.

Economic cooperation seems to be in the core, such as trade relations with a focus on increasing exports and attracting investment from China, but also

expanding Liverpool's outwards investment to China. That is the reason for inviting Chinese delegations to the International Business Festival. There are also examples of Chinese investments in Liverpool due to paradiplomatic relations such as cranes from the Chinese company ZPMC used in Liverpool Peel Ports and city lighting based on Shanghai technology. Liverpool, due to its cooperation with Shenzhen, has purchased electric buses with technology from BYD – a Chinese giant in electric vehicles from Shenzhen. Looking at the other side of the partnership, there are also examples of Liverpool companies investing in China such as Henry Bath which invested 50 million British pounds in the Shanghai free trade zone in building and staffing a warehouse.

Educational and scientific cooperation is another area of relations between Liverpool and China. Since 2006 there has been a partnership between the Xi'an Jiaotong University and the Liverpool University in Suzhou. It offers a "two plus degree": two years in Suzhou and then in Liverpool. Another example is the SENSOR city project "a joint venture between the University of Liverpool and the Liverpool John Moores University which brings together knowledge and experience in sensor technology, and houses and supports high-tech businesses working on sensor systems and applications." (*Global Sensor Centre Strikes China Deal*, 2016).

Exchange of experience (or policy transfer) such as sharing knowledge about Liverpool's free ports and trade zones. The Liverpool gives an example of the city's enterprise and development zones that are different from free trade or pilot zones in China. In that sense, Chinese partners may learn from Liverpool-like zones that are described as more entrepreneurial. What is more, the Liverpool City Council representatives who go to China often meet not only with the Chinese local government, but also with the central authorities with an aim to share experience or expertise on selected areas.

Football. Due to its famous football club, Liverpool launched the Campus Football Cooperation Project between Liverpool FC (LFC) and Kunming No. 3 Middle School in mid-2017. As requested by LFC, high-level foreign coaches will carry out a daily training plan, theory explanation, student management, training of Chinese coaches and match organisation, etc. The coach education would be carried out in the mode of "theory class+cultural exchanges" ('Liverpool Coaching Methods to Be Introduced in Yunnan Schools – Chinadaily.Com.Cn', 2018).

Involved Institutions

Liverpool cooperates with the **UK central government** to attract Chinese partners. Also, the UK central government cooperates with the **Chinese central government** for some investments in UK cities. This is not only the case of the International Business Festival, a UK government event held in Liverpool. Examples also include Birmingham and Manchester, where Chinese investors are involved in building airport cities (business centres at airports) due to cooperation with the UK central government.

The Liverpool City Council is aware of the importance of relations with the central and local government in China. It is openly admitted that the government opens doors for further cooperation at the local level.

In the case of Liverpool, there are also examples of how the city authorities give advice to local businesses. Liverpool City Council representative gives as an example the case of one city's company interested in doing business in China: "Henry Bath explored years ago opening a Chinese base and didn't do it because at that time the regulation was you had a Chinese business partner – a joint-venture and the worry was intellectual property. The worry was loss of control, the worry was how to do effectual business. So he didn't do that. He wouldn't do that. Until I introduced some to Invest Shanghai and he discovered in the FTZ in Shanghai in China, you do not need a joint-venture. You are completely on your business."

Universities are also involved in cooperation with China without the city council's help. For example, the University of Liverpool cooperates with Suzhou government and university. Liverpool city government was not involved in creating this academic relationship

Institutions from the Northern Powerhouse are also engaged in paradiplomacy. There is the Department of International Trade in the Northern Powerhouse, based in Manchester with an aim to give foreign partners advices about doing business in the region.

Among other institutions are the football club Liverpool FC, the China-British Business Council, companies like the UK's ARUP involved in building the Bird's Nest in Beijing, which accompanied the City Council on its trip to Beijing to exchange experience: "The Chinese government asked myself and

local associate director of ARUP to visit Beijing last year and give evidence about free ports and trade zones.”

Benefits

The first group of benefits are **economic gains** due to the **rising numbers of Chinese students** at Liverpool’s universities, **tourists** (including the Chinese students’ family members coming to the city) and **business delegations**. According to City Council estimates, each student spends 25-27 thousand GBP (£) every year. There are about 6,000 Chinese students in Liverpool. Liverpool City Council representatives describes in details the economic benefits connected with Chinese students: “We also have many Chinese visitors coming to see those Chinese students. So actually, we are seeing a huge growth in the number of families coming to Liverpool. And they are visiting B2 story, going on ferries, and taking taxis and staying in hotels. So actually, this has been no economic impact on the family involvement but that has been an economic impact of close to a quarter of a billion, 250 million British pounds spend locally on those.”

Two-way investments are another tangible result manifested in the already mentioned ZPMC, BYD electric buses, and Henry Bath investment in FTZ in Shanghai. In terms of **scientific cooperation**, SENSOR city is a good example.

The City Council also pays attention to the results coming from UK city and China central government’s cooperation, as well as UK central government and UK city authorities collaboration – such as airport cities in Birmingham and Manchester. Another example is UK local government and China’s local and/or central authorities cooperation, such as the example of the Liverpool representative’s visit to Beijing in order to brief the Chinese central government about Liverpool’s and the UK’s economic zones as a **way of promoting the country and the city**.

Obstacles

In terms of obstacles, Liverpool City Council indicates **lack of knowledge, exploration, and understanding**. In particular, it refers to the lack

of understanding about China's paradiplomacy, the role of the central government and the scope of Chinese local authorities' autonomy. China's central government decides about the "specialization" of the regions, and so the Liverpool representative underscores that it is worth knowing the specializations of the Chinese regions to avoid offering cooperation to an inappropriate Chinese partner (city). The following examples can be pointed out: Kunming as a garden city, Qingdao as a centre for home appliances, and Guiyang – a big data pilot zone.

Other limitations are Chinese regulations about doing business, bureaucracy. The City Council representative gives an example of a company from Liverpool which planned to do business in China but was afraid for its intellectual property due to the need to set up a joint-venture.

The City Council is not afraid to cooperate with China, despite the recently growing scepticism in Europe and worldwide, e.g. about a hostile take-over as an implementation of "Made in China 2025" (Szcudlik & Wnukowski, 2019). The following answer was provided to the question "Is there an understanding that China could be also a threat?": "I would disagree. Locally I do not see that happen. I think we should welcome foreign investment that brings their skills and gives you a larger marketplace. But I am not a national government. I am local government. We are not afraid of China. Not at all. I am not."

Case Study II – Scotland

Research into Scotland was conducted on the basis of a questionnaire, email correspondence with the Scottish government, a literature review, media information, but mostly in terms of the new Scottish strategy on engagement with China, released in June 2018. Scotland as a UK nation (country) is very committed to cooperation with China and this activity should be called "protodiplomacy" instead of paradiplomacy. The best example are three Scottish strategies of engagement with China published in 2006, 2012 and June 2018. This case study is based on the latest strategy (*Scotland's International Framework: China Engagement Strategy*, 2018). The Scottish authorities did not agree to an interview, arguing that all relevant information is contained in the document. The newest strategy defines goals that are very general (e.g., "global outlook" or "relationship and partnership") and in their framework

operational goals (such as increasing trade and investment, sharing experiences), but without specific measures or a schedule for achieving them.

When it comes to the reasons why Scotland cooperates with China, the main goal is to expand Scotland's international room to manoeuvre (or international presence/space). In other words, the PRC as a global power may increase Scotland's international status. The strategy openly states that China remains a priority country for Scotland's international engagement, and that it has an important global role. Other reasons are focused on economy, science and innovation, education and green cooperation.

There has been twinning for more than 30 years between Glasgow and Dalian, and Edinburgh and Xi'an. What is more, there are over 15,000 Chinese people in Scotland. There are also representative offices in both states: the Chinese consulate in Edinburgh for over 20 years, the Scottish Affairs Office based in the UK embassy in Beijing²⁷, and Scottish Development International offices in Beijing, Hong Kong, Shanghai and Shenzhen.

There are four main areas of cooperation or goals. The first one is **trade and investment**. Scotland underscores that Chinese economic policy – such as the opening up agenda, the BRI, the 13th Five Year Plan and the “Made in China 2025” strategy – is convergent with Scottish plans for boosting trade and infrastructure projects. “There are huge opportunities for Scottish companies to work with China, particularly in energy, technology, engineering, financial services, financial investment, food and drink, life sciences, tourism, textile and education.” When it comes to details, Scotland intends to expand its exports of whisky, salmon, and textiles. What is more, the government encourages and supports Scottish companies to do business in China and attract Chinese “new high value investment”.

There are several institutions involved in trade and investment: Scottish Development International offices in Beijing, Hong Kong, Shanghai and Shenzhen, the Scottish Chamber of Commerce, and the China Britain Business Council. As a vindication of cooperation prospects, the document underscores the achievements to date. There has been a rise of exports of Scottish salmon and whiskey to China: China is Scotland's 17th largest export

²⁷ Scotland has only three diplomatic missions: in Brussels, New York and Beijing (Czapiewski, 2015).

market, there are 10 Chinese-owned enterprises in Scotland employing more than 2600 people, while China has become a top five source of inwards investment to Scotland for the first time.

The second area of cooperation involves **environment and science**. Scotland intends to achieve economic gains and to exchange experience, as well as build its image as a “climate change leader with ambitious emissions reduction targets and greater use of low carbon and renewable energy. Joint work is already underway in areas such as habitat conservation, offshore wind, waste, water management and smart cities”. When it comes to achievements, the strategy underscores Scotland’s low carbon innovation hub in Hong Kong, Scottish expertise which supported the development of the first offshore wind farm in Guangdong province, Edinburgh zoo having giant pandas, cooperation on potato research, a cutting-edge diabetes research centre in Shenzhen based on Scotland’s healthcare model, etc.

The third area is **culture and tourism**: to build Scotland’s reputation and attractiveness, to boost export performance, but also to help Scotland to internationalize. It is argued that this kind of cooperation will help to develop mutual understanding, transcend language barriers, build relations on respect and understanding, but also enhance educational, business and diplomatic cooperation. This area includes performing and visual arts, museums and collections, archaeological research, literature, publishing, film, art and crafts, built heritage, music, software design, animation and gaming. Cooperation results include more than 173 000 Chinese tourists who visited Edinburgh Castle in 2017 (10.4% of total visits), Historic Environment Scotland and Stirling University working on heritage conservation with the Forbidden City’s Palace Museum, and a cooperation agreement between the Edinburgh Festival and the Shanghai International Festival.

The fourth area is **education, skills, research and innovation**. Due to the fact that Scotland has a global reputation for high-quality education and research, it is a suitable partner for China and its goals from the 13th Five-year plan. When it comes to achievements so-far, there have been, for example, the Edinburgh-Shenzhen creative exchange project which supports innovative companies from both cities. What is more, according to statistics (January 2018), over 9,000 Chinese students studying at Scottish higher education institutions, and over 270 Chinese students have been awarded Scotland’s

prestigious Saltire scholarship since 2009. Moreover, Abertay University has a partnership with the China-based entertainment and education company Perfect World to share expertise in the video games sector.

Conclusions

Despite the fact that generally the UK is not especially interested in China and presents a rather indifferent (but recently more negative) attitude towards this country, UK local authorities express interest in cooperation with the PRC. Due to the fact that since the Hong Kong handover, UK policy towards China has been based on engagement (in both ideological and accommodating free trader frameworks) it might be assumed that the local authorities **follow the central government** on China policy. Cities grouped in the Northern Powerhouse and the Midlands Engine projects that are active in cooperation with China may vindicate this premise. Both projects, one set up by the central government, the other one by local government authorities, are presented to China as partners which may help boost economic development in these post-industrial areas in times of austerity. Moreover, bearing in mind a slight change in Prime Minister May's attitude towards China, and recent global concerns about PRC policy, UK regions, similarly to the government, **do not share concerns** about the PRC. What is more, for UK regions/cities (e.g. Liverpool, Manchester, Birmingham) cooperation with the UK central government is a means to facilitate relations with Chinese partners. While in the Northern Powerhouse a specialization or division of work is noticeable and might be seen as an example of **coordination** between the central and local governments, as well as between two local governments.

Simultaneously, UK regions are more and **more independent**, which is a result of their own interests in China, such as leaders' personal engagement, but also a blurred legal framework based on localism and devolution processes, as well as little interest of the UK central government when it comes to paradiplomatic activities (e.g. monitoring them in a systemic way). This is the case of Liverpool which would like to be a benchmark of relations with China, or even in the avant-garde, both for the central government and other UK regions. This is also the case of Scotland as a devolved country. Under

the framework of being more independent, it is also worth underscoring Scotland's **political goal** in cooperation with China. Scotland is using the PRC as a means to legitimize its own distinct identity, to get credibility using its own strengths, but also to create a favourable attitude in China in order to seek more prominent international presence and autonomy. It seems reasonable that the UK paradiplomacy model towards China is a **complementing and discretion model**, which means that the government calls for activity and does not interfere with local international relations.

UK regions' goals are mostly expectations of **economic gains** such as expanded exports, more local companies in the Chinese market, more high-level Chinese investment, but also revenues from students, tourists and business trips. In that sense, **educational, scientific** (research) and **cultural** (including sport) cooperation is also important. Apart from economic gains, UK regions count on experience sharing to improve their own development, to get inspiration, but also to get to know trends in China. This is the reason why the areas of cooperation include mostly regions' strengths and/or Chinese areas which may generate synergy for UK regions' needs. Based on their needs, UK regions are trying to use or create their **own brands** in cooperation with China. In the case of Liverpool it might be the International Business Festival, special free trade zones (different from those in China), port facilities, football or SENSOR city, while in the case of Scotland, offshore wind energy technologies, salmon, whiskey, or tourism.

Global concerns about China and **Brexit** may have an impact on UK-China local cooperation, even considering the fact that within the framework of more lukewarm UK-China relations at the central level, local cooperation goes rather well. Brown highlights that "while on one level UK-China relations proceed relatively harmoniously – students, trade and investment – on the political level there were serious divisions" (K. Brown, 2016, p. 40). Currently, those divisions might include the UK's slightly more principled stance on China's sensitive issues, conducting freedom of navigation operations in the SCS (Reuters, 2018), or doubts about Huawei (Strauss, 2019). In that sense, local cooperation might be a channel for maintaining relations, their real "substance", especially in case of the deterioration of bilateral ties at the central level. This is the case in Liverpool, where the city authorities do not perceive China as a challenge or threat. The same approach applies to Scotland,

whose third strategy is uncritical of the PRC. This optimistic scenario has at least one unprecedented factor: Brexit. Its impact is unknown and difficult to predict, as the Liverpool representative also confirmed during our interview. The UK trying to minimize side-effects of a possible hard Brexit might be **more vulnerable** to Chinese pressure. In that sense, local level cooperation might not only be a **channel to maintain positive cooperation**, which is a quite well-researched “mechanism” of international local cooperation (Mierzejewski, 2018a; Summers, 2018a), but could also be used by China to exert more pressure on UK local partners. This scenario might be assessed as possible, bearing in mind the current centralization process in China, including at the local level, under Xi’s second term and his assertive foreign policy. This premise might be vindicated by the analysis which highlights that UK local governments are unprepared for post-Brexit realities. Domestic inter-regional inequalities might be strengthened, and decentralization and devolution processes might be stalled or even reversed (Billing et al., 2019).