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RETURN TO ASIA

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Britain's Asian Partnerships must be Among Equals, Not Lopsided

Missing from Asia for several decades, the United Kingdom has recently unveiled ambitious plans to regain the “Lost” Continent, much of it in rhetoric and trumpeted agreements, and much remaining to be seen on the ground. The U.K. must ensure that its partnership with the region is seen as among equals and not lopsided in favor of the U.K. It will need to provide better access to its own markets by being more reasonable than the European Union, as well as increase its overseas investments, and encourage its companies go out to Asia.

For the renewal of the United Kingdom's global image, 2021 marks an important year. Brexit is finally complete, and the U.K. has achieved its uncertain aims. It undertook comprehensive, integrated review of security, defence, foreign policy

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and development for a year, completing it in March 2021.¹ This was over a year after the U.K. took steps to have its post-Brexit identity alter towards a Global Britain.

By hosting the G7 summit in Cornwall in June 2021, the U.K. drew considerable attention to its Global Britain agenda.² A month later, in July, the U.K. engaged in a Global Partnership for Education in Kenya, and then in November the U.K., together with Italy, would participate in the U.N. Climate Change Conference of the Parties, known as COP26 in Glasgow. Thus, post Brexit, the U.K. is trying to gain centerstage in a dynamic world. Its ambition is focused on a few determinants, which hope to bring it out of its diminished power reckoning, as part of the European Union. Its independent projection of power in a post-pandemic world will be watched.

Normally, the U.K. would be seen as a diminishing power, even though it is a permanent member of the U.N. Security Council. Despite facing the pandemic, the dynamism of 2021 offers avenues for middle powers to play a bigger role in the world. In this, the U.K. seems determined to carve a place for itself, in a world that seeks to challenge China and its hegemonic intentions, particularly in Asia for which cooperation among several middle powers and stepped up teamwork is called for.

¹ Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy, Policy Paper, UK Government, March 16, 2021, <https://www.gov.uk/government/publications/global-britain-in-a-competitive-age-the-integrated-review-of-security-defence-development-and-foreign-policy/global-britain-in-a-competitive-age-the-integrated-review-of-security-defence-development-and-foreign-policy>.

² Global Britain and the G7: Making a Success of the June Summit, Institute for Government, April 6, 2021, <https://www.instituteforgovernment.org.uk/events/global-britain-g7-summit>.



The Global Britain plan emphasizes several value-based pillars.³ These are: openness as a source of prosperity; robust position on security and resilience; commitment to be a force for good in the world; and determination to seek multilateral solutions to challenges like climate change. In this the U.K. aims to create an Alliance of Democracies. For the G7 summit it invited India, Australia, and South Korea, making it a Democratic 10 (D10), which expanded to D11 with the attendance of South Africa. Significantly, three of these countries are in the Indo-Pacific and the Quad.⁴

More Action, Less Talk

The British Prime Minister's vision for Britain says: "By 2030, we will be deeply engaged in the Indo-Pacific as the European partner with the broadest, most integrated presence in support of mutually-beneficial trade, shared security and values."⁵ These efforts by Britain are aimed to gain recognition as a player in Asia, an effort fraught with apprehension. In Asia and in Africa, Britain has to contend with its history of colonialism. This requires careful handling.

It is over seventy years since the independence of India from Britain. For many other former colonies, the time is shorter. How much time is adequate to forget the irritants and hurt of colonialism, to create a new partnership, is a difficult question. The U.K. certainly believes that its time has come to reengage as it is now no more a part

³ Global Britain in a Competitive Age: The Integrated Review of Security, Defence, Development and Foreign Policy, UK Government, March 16, 2021.

⁴ Gurjit Singh, "The U.K. Pivots to Asia," Gateway House, February 11, 2021, <https://www.gatewayhouse.in/uk-pivots-to-asia/>.

⁵ The Prime Minister's Vision for the UK in 2030, Global Britain in a Competitive Age: The Integrated Review of Security, Defence, Development and Foreign Policy, UK Government, March 16, 2021.

of the EU. Its prime minister's forecast of the Indo-Pacific engagement lists trade, security, and values, in that order. Britain shares a history and a sense of democratization and similar values with its former colonies, but it needs to position itself on the side of the non-autocratic world more substantively.

The outreach so far includes remaining engaged with the EU, closer engagement with the United States and enhanced relations with India, Japan, Australia, and the Association of Southeast Asian Nations (ASEAN). For the purposes of this paper, it is useful to look at Britain's revived interest and enthusiasm for engaging with the Indo-Pacific.

The U.K. is present in this region through its continuing hold over Diego Garcia in the western Indian Ocean. Its claim over the island has been vanquished by the International Tribunal for the Law of the Sea, in favour of Mauritius.⁶ It is associated with Australia, New Zealand, Brunei, Malaysia, and Singapore in the Five Power Defence Arrangements (FPDA) since 1971 but its naval visibility has been low. The FPDA wants to promote "cooperative responses to an increasingly complex contemporary security environment."⁷ Similarly the U.K. is associated with the Five Eyes, an intelligence alliance comprising Australia, Canada, New Zealand, the U.K., and the United States.⁸

Just as the United States was seen to be missing from the Indo-Pacific, allowing China to play a bigger role strategically and

⁶ Patrick Wintour, "UN court rejects UK claim to Chagos Islands in favour of Mauritius," *The Guardian*, January 18, 2021.

⁷ FPDA Defence Ministers' Joint Statement, UK Ministry of Defence, November 27, 2020, <https://www.gov.uk/government/news/fpda-defence-ministers-joint-statement>.

⁸ Five Eyes Intelligence Oversight and Review Council, the National Counterintelligence and Security Centre, <https://www.dni.gov/index.php/ncsc-how-we-work/217-about/organization/icig-pages/2660-icig-fiorc>.

economically, the U.K. despite these engagements has been perceptibly missing. It was unable to accelerate modalities and programs under the Commonwealth rubric. Its pivot towards the Indo-Pacific was not the first from among the EU. France was the first to launch its Indo-Pacific policy in 2019,⁹ followed by Germany and the Netherlands in 2020.¹⁰ The EU came out with its own policy guidelines in 2021.¹¹

The U.K. does not have the same significance as France in the region. Nor is it seen as a robust partner so far. It really needs to do much, much more in terms of visibility, strategic cooperation, functional engagement, and in trade and investment. The U.K. touting its values is good for writing joint statements but in a transactional world how much of the official development assistance, foreign direct investment, and trade access that it can provide will now be a determinant of closer engagement.

Making India the Jewel in the Crown, Again

The U.K.'s turn to India came early when Theresa May was the prime minister and Brexit was awaited. Under Boris Johnson, it remains keen to enhance its trade and strategic cooperation with India, which is now seen as the linchpin of the Indo-Pacific. Johnson wanted to visit India early and was, in fact, invited as chief guest for the Republic Day in 2001. Due to the pandemic, he could not attend, and a subsequent visit

⁹ "The Indo-Pacific Region: A priority for France, *France Diplomacy*, April 2021, <https://www.diplomatie.gouv.fr/en/country-files/asia-and-oceania/the-indo-pacific-region-a-priority-for-france/>.

¹⁰ Gurjit Singh, "Germany takes view of the Indo-Pacific," Observer Research Foundation, October 1, 2020, <https://www.orfonline.org/expert-speak/germany-takes-view-indo-pacific/>.

¹¹ EU Strategy for Cooperation in the Indo-Pacific, EEAS, April 19, 2021, https://eeas.europa.eu/headquarters/headquarters-homepage_en/96741/EU%20Strategy%20for%20Cooperation%20in%20the%20Indo-Pacific.

was also aborted. The virtual U.K.-India Summit on May 4, 2021 was a breakthrough engagement with both countries launching the ambitious Roadmap 2030.¹² The relationship that India and the U.K. now envisage includes defence and security, trade and investment, people to people engagement, climate change, and the pandemic. Much has been written about these. What begs the question is what does India get from this revitalized relationship? Much work on fulsome implementation of the Roadmap 2030 will be the touchstone.¹³

Johnson's eager pursuit of India led to an invitation to Prime Minister Narendra Modi to attend the Cornwall G7 summit as a guest of the U.K. in June 2021 and much closer discussions on making the UN Climate Change Conference a success in November 2021. Unfortunately, due to the pandemic, Prime Minister Modi could not physically attend the G7 summit. It is evident that the U.K. is in a race with the EU to get things done with India. The success of the India-EU leaders Meeting in May 2021 was preceded by the U.K. announcement of discussions on a free trade agreement and the visit of the largest flotilla ever to the region, including to India.

Overcoming traditional barriers to immigration, students, technology and academic exchanges, the U.K. needs to be more perceptive that it cannot remain a net importer of Indian foreign direct investment without providing adequately for its own direct investments into India to support India's goals for development. A greater effort to get British companies to invest in India, particularly in

¹² Roadmap 2030 for India-UK future relations launched during India-UK Virtual Summit, Ministry of External Affairs, May 4, 2021, https://mea.gov.in/bilateral-documents.htm?dtl/33838/Roadmap_2030_for_IndiaUK_future_relations_launched_during_IndiaUK_Virtual_Summit_4_May_2021.

¹³ Gurjit Singh, "What India gains from revitalised ties with UK," *The Tribune*, May 7, 2021.



manufacturing sectors and increase the employment quotient in India, is necessary. Like many European countries, the U.K. needs to understand that while investment in digital technology partnerships is welcome, the critical nature of creation of employment should not be overlooked. One of the reasons that Japan is seen as a valuable partner for India is that besides its modernizing engagement, its traditional investment into employment generating manufacturing activity remains undiminished.

Without going into the other nuances of the India-U.K. relationship, it is good to note that India is back to being the jewel in the crown for the U.K.'s Indo Pacific engagement, based on the Indian market, role of the Indian diaspora in the U.K., and the commonality of values which need to be cherished and expanded upon. As the defence procurement linkage with the U.K. has slowed down, the United States and the French now lead the pack. The U.K. needs to work harder with India on production for defence purposes. Hindustan Aeronautics Limited and Rolls-Royce are to expand their partnership to augment the supply chain for both civilian and defence aerospace by setting up a centre for Adour Mk871 engines in India to support Rolls-Royce's global customers.¹⁴ This kind of initiative for indigenous production of aircraft and ships in India, and possible exports, is the kind of new value chain that is necessary.

The Quad with an English Accent?

Japan, India and Australia are among those with whom the U.K. wants a renewed partnership and has made consistent efforts towards this goal. The U.K. has to determine how it can leverage its bilateral engagement with these

¹⁴ "HAL, Rolls-Royce partner for supply chain & MRO for Adour, Trent Engines," *Hindu Business Line*, February 5, 2021, <https://www.thehindubusinessline.com/news/hal-rolls-royce-partner-for-supply-chain-mro-for-adour-trent-engines/article33762386.ece>.

three Indo-Pacific powers to work towards engaging with Quad objectives in the near term. Therefore, it needs to look at how it can join the vaccine initiative, how its industry can be a part of resilient value chains, and how it can engage with the Quad on issues of climate change. On climate change it may find it easier, but for resilient value chains, the U.K. will seriously need to look at becoming a provider of goods and services rather than only a recipient. It has the potential and needs the will to do so. Therefore, an increase in its robust engagement with the United States, Japan, Australia, and India would certainly provide greater strategic impetus for the U.K. to be associated with the Quad, as much as the French have been aligned.

The U.K. retains many of its EU characteristics of a weak China policy. It does not want to be critical of China, beyond a point. This is where the difference between the Quad countries and the U.K. lies. The U.K. persists with a weak China policy despite the fact that the Chinese have more or less thrown the agreement with U.K. over Hong Kong overboard and are dealing with Hong Kong as they think fit.¹⁵ The U.K. has not been able to raise a rustle on this.

The U.K.'s cautiousness appears to be driven by the reality that China is its second largest trading partner¹⁶ and over the years the U.K. was a favored destination for Chinese FDI. Between 2016–2019, the U.K. received US\$ 75 billion of Chinese FDI.¹⁷ But, the Chinese investment pales in contrast with the investments of other major countries in the U.K.—the United States has

¹⁵ “UK–China relations slip from Golden Age,” *Nikkei Asia*, February 20, 2021, <https://asia.nikkei.com/Politics/International-relations/UK-China-relations-slip-from-Golden-Age-to-Ice-Age>.

¹⁶ UK overseas trade in goods statistics: January 2021, UK Trade Info. January 2021, <https://www.uktradeinfo.com/trade-data/overseas/2021/uk-overseas-trade-in-goods-statistics-january-2021/>.

¹⁷ Total stock of foreign direct investments from China to the United Kingdom between 2009 and 2019, Statista, September 2020, <https://www.statista.com/statistics/721975/outward-fdi-stock-from-china-to-united-kingdom/>.

invested over US\$ 750 billion,¹⁸ Japan was the largest investor in 2017 with over US\$ 100 billion, Australian investments were worth US\$ 400 billion in 2018,¹⁹ and India was the second-largest source of investments for the U.K. in 2019.²⁰ The U.K. needs to recognize this better.

Which side of the debate on China and its aggressive hegemonistic intent, particularly in the Indo-Pacific, is Britain ready to align with? Its actions will determine the level of its engagement with the Quad countries to ensure that China does not run away with a new set of rules in the Indo-Pacific to the detriment of the international community. It could think of a trilateral between India, Australia, and the U.K. with complementary ideas and potential. Since the India-Australia economic partnership is also not the strongest, the inclusion of Britain could perhaps offer a synergy for mutual benefit.

There is no doubt that as part of its review of its international engagement, the U.K. is seeking larger markets for its goods and services often in competition with the EU. In this context, it has taken several steps in the Indo-Pacific ahead of the EU's effort to engage India and seek an Enhanced Trade Partnership.

The second part of the U.K.'s swing toward Asia is its application to join the eleven-member Comprehensive and Progressive Agreement for Trans-Pacific Partnership on February 1, 2021.²¹ It has shown willingness to reach out to potential trading partners of a grouping which does not include China. As Hiroshi Maturaa notes for the Chatham House: "UK industries will be able to

¹⁸ U.S.-UK Trade and Investment Ties, U.S. Chamber of Commerce, <https://www.uschamber.com/international/europe/us-uk-business-council/us-uk-trade-and-investment-ties>.

¹⁹ United Kingdom Country Brief, Australia DFAT, <https://www.dfat.gov.au/geo/united-kingdom/Pages/united-kingdom-country-brief>.

²⁰ "India moves up a rank to become second-largest source of FDI for UK, *Economic Times*, July 10, 2020.

²¹ Hiroshi Maturaa, "Why joining the CPTPP is a smart move for the UK," Chatham House, March 19, 2021, <https://www.chathamhouse.org/2021/03/why-joining-cptpp-smart-move-uk>.

demonstrate their strengths in sectors such as services and digital trade. They will also be able to build efficient supply chain networks, taking advantage of the varied economic structures of the members, such as levels of development, wage structures and resource endowment.”

Courting Asean for Economic Gain

The U.K. seeks to enhance engagement with Asean. It has had a separate embassy to Asean since November 2019, however its engagement with Asean was through the dialogue partnership with the EU.²² The EU is not a member of the East Asia Summit, though it is of the Asean Regional Forum. Britain moved quickly and adeptly to persuade Asean to give it a separate dialogue partnership on the basis that following Brexit it deserves its own space. Interestingly, between the chairmanship of Vietnam in 2020 and Brunei in 2021, Asean has agreed to do so, despite there being a moratorium on new Dialogue Partnerships.

Due to this moratorium, Pakistan was never accorded DP status and had to remain as a sectoral partner. However, with other countries showing interest in Asean, Germany and Chile joined a new category of Development Partners and Norway, Switzerland, and Turkey as Sectoral Partners.²³

A U.K.-Asean dialogue partnership was approved at the Asean leaders meeting in Jakarta in March 2021 which had its focus on the crisis in Myanmar. This was a manifestation of the U.K.’s engagement

²² The U.K. Mission to ASEAN aims to deepen engagement with ASEAN, building on existing collaboration and exploring new ways to collaborate with the organisation and its member states, <https://www.gov.U.K./world/organisations/U.K.-mission-to-asean>.

²³ ASEAN External Relations Coordinators, ASEAN, <https://asean.org/storage/2019/09/ASEAN-Country-Coordinatorship-2015-2024rev.pdf>.

with Asean and their seeing recognition in each other of perceived complementarities.



Portrait of Sir Thomas Stamford Bingley Raffles, the founder of modern Singapore, by the artist George Francis Joseph in 1817. A colonial administrator in Southeast Asia since 1805, Raffles became the governor of Sumatra in 1891. He acquired Singapore between 1822 and 1824, where he oversaw the development of a flourishing commercial port for the British. Image used by the courtesy of the National Portrait Gallery, London.

Of the ten Asean members four are in the Commonwealth. The U.K. has had free trade agreements with Singapore²⁴ and Vietnam²⁵ since late 2020 in anticipation of Brexit. The U.K. held its first dialogues with the Asean Foreign Ministers and Economic Ministers in 2020 and its second with the Foreign Ministers in April 2021. The U.K. supports the Asean Coordinating Centre for Humanitarian Assistance on Disaster Management in Jakarta and the Asean-Singapore Cyber Security Centre of Excellence. Since 2018, the U.K. has supported the Asean Economic Reform Programme and the Asean Low Carbon Energy Programme to keep close to Asean.

As a Dialogue Partner it will be expected to do more. The almost balanced trade between the U.K. and Asean was US\$ 45.5 billion in 2020. In 2019 Asean attracted 1.9 percent of the U.K.'s global foreign direct investments valued at US\$ 36.5 billion. Asean's footprint in the U.K. is significant with investments of US\$ 11 billion in 2019, the presence of 40,000 Asean students in the U.K., and the fact that about 125,000 students in Asean countries follow British curricula.²⁶

However, there remain issues between the U.K. and Asean which are uneven among all members. While Singapore is an all-weather friend for both security and trade, countries like Indonesia, Vietnam, and Malaysia attract the U.K. for economic engagement. Their complementarities are diverse, and trade with Malaysia and Indonesia

²⁴ U.K.-Singapore Bilateral FTA was signed in November 2020, <https://www.gov.U.K./government/collections/U.K.-singapore-trade-agreement>.

²⁵ U.K. Vietnam FTA was signed in December 2020, <https://www.gov.U.K./government/publications/U.K.vietnam-free-trade-agreement>.

²⁶ UK-ASEAN factsheet, UK Government, May 4, 2021, <https://www.gov.uk/government/publications/uk-asean-factsheet/uk-asean-factsheet>.



could see a rise in their priority exports of palm oil. For instance, the U.K. has set up a Joint Economic and Trade Committee (JETCO) with Indonesia to enlarge trade and investment.²⁷

Like the EU, the U.K. has issues with the greening of palm oil. Indonesia and Malaysia see various blocks to their exports as non-tariff barriers. In fact, they lobbied other Asean members to slow down the emergence of a strategic partnership with the EU unless the EU agreed to include palm oil for discussion in the joint working group on vegetable oils.²⁸ The U.K. has not been a big market for Asean palm oil as it implemented EU restrictions to protect their sunflower and rapeseed oil market. Now that the U.K. seeks an independent trade relationship with Asean, Indonesia and Malaysia seek easier access to the U.K. market for palm oil. The U.K. will learn of these nuances which the EU shielded it from.²⁹

U.K.-Asean trade development will have limitations as the U.K. sees Asean as a market where it may compete with the EU by acting faster on bilateral, regional, and plurilateral trading arrangements. Like in colonial times the British agenda is, again, of trade expansion for their benefit. Asean countries are wary of them, and while they

²⁷ Bob Savic, UK and Indonesia Promote New Economic Ties, Dezan Shira & Associates, April 26, 2021, <https://www.aseanbriefing.com/news/uk-and-indonesia-promote-new-economic-ties/>.

²⁸ "A Big Shift: ASEAN & the EU Set New Path on Palm Oil," *Indonesia Palm Oil Facts*, <https://www.indonesiapalmoilfacts.com/a-big-shift-asean-the-eu-set-new-path-on-palm-oil/>.

²⁹ Pearly Neo, "Palm oil crisis: ASEAN's largest agri export shaken by risk of UK rule changes and 'backstabbing' by Malaysia," May 6, 2020, https://www.foodnavigator-asia.com/Article/2020/05/06/Palm-oil-crisis-ASEAN-s-largest-agri-export-shaken-by-risk-of-UK-rule-changes-and-backstabbing-by-Malaysia?utm_source=copyright&utm_medium=OnSite&utm_campaign=copyright.

welcome strategic partnerships which do not rock their boat with China, they prefer a balanced engagement.

Speaking Louder Outside the Region, but Quieter Inside It

Asean and the U.K. have a mutual advantage in engaging. Asean adores countries which recognize its centrality and are willing to respect it. The U.K. has done so, having signed the Treaty of Amity and Cooperation in 2012. Now independently of the EU, the U.K. carving out its separate dialogue partnership with Asean is a prize catch, as it is the first regional grouping in which the U.K. has obtained a separate place outside the EU.

In strategic terms, the U.K.'s growing engagement with the Indo-Pacific is welcomed by Asean, so long as it subscribes to the Asean Outlook on the Indo-Pacific.³⁰ It does not want the U.K. to be a challenger to China, which in any case, the U.K. lacks the power to do. The U.K. could pursue its strategic aims by closer engagement with the Quad but will most likely hedge its bets since moving closer to the Quad may circumscribe its nascent relationship with Asean. Will the U.K. now try to also become a member of the Asean Regional Forum, which deals with regional security since the EU is already a member?

It is unlikely that the U.K. will dilute its Five Eyes or extant regional security cooperation in the region. Its flotilla, making an extended visit to the Indo-Pacific, has raised the flag. Asean will see it well but not as a challenge to China, but Quad countries, particularly India, Japan and Australia do expect the U.K. to be a partner, preventing China from determining the future of regional relations. The U.K.'s postures at the G7 and the NATO Summit in June 2021 indicate that it may speak loudly outside the region and be quieter within it.

The U.K. will have to ensure that its partnership with the region is seen as among equals and not lopsided in favor of the U.K. As it seeks to establish itself as a non-EU country, the U.K. will need to provide better access to its own

³⁰ ASEAN Outlook on the Indo-Pacific, ASEAN, June 23, 2019, <https://asean.org/asean-outlook-indo-pacific/>.



markets by being more reasonable than the EU and also need to increase its overseas investments, encouraging its companies go out to Asia.

If the U.K. can successfully take these steps and enhance its people-to-people engagement as well, then it will play a bigger role. In a transactional world mutual benefit and reciprocity are now important aspects of cooperation. The U.K.'s turn to Asia will need to keep this in mind.

Note on the Author

Gurjit Singh retired as the Indian ambassador to Germany. He has served as ambassador to Indonesia, ASEAN, Timor-Leste, Ethiopia and The Republic of Djibouti. Currently, he is an Honorary Professor of International Relations Studies at the Indian Institute of Technology, Indore. He holds a Bachelors' degree in politics from St. Xavier's College, Kolkata, and a post-graduate degree in International Studies from the School of International Studies, Jawaharlal Nehru University, New Delhi. A 1980 batch officer of the Indian Foreign Service, he started his career in diplomacy with a posting in Japan and has since been posted in Sri Lanka, Kenya and Italy. Ambassador Singh has authored five books, *The Abalone Factor* on India-Japan business relations; *The Injera and the Paratha* on India and Ethiopia; *Masala Bumbu* and a comic book, *Travels through Time*, both on the India-Indonesia relationship; and *Opportunity Beckons: Adding Momentum to the Indo-German Partnership*. He is the Consulting Editor of *Rising Asia Journal* and a member of the Rising Asia Foundation's advisory board.