

# House of Commons Foreign Affairs Committee The UK's relations with China

## Written evidence from the British Council 20 January 2017

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### 1. SUMMARY

- 1.1 The UK and China have made a joint commitment to build a global comprehensive strategic partnership for the 21st century, in a "golden era" in the bilateral relationship. As an organisation, the British Council is a key actor in achieving this ambition, having invested long-term in engagement with China across a wide cultural relations agenda, to influence and support the UK's engagement with the country's rise.
- 1.2 In China, the transformation in size and scope of British Council activity in recent years is built on a broad and deep legacy; and responds to China's strong appetite for international engagement (with the UK in particular) in the creative and education sectors. Our immediate advantage is our shared purpose with our networks and partners in China; and this is a strong driver for where we seek to take such links over the long term.
- 1.3 If China succeeds in its transition to a productivity-driven growth model (and completes a smooth transition to an advanced economy beyond a middle income trap), a fresh set of opportunities will emerge for which the British Council is well placed to respond, with an increasing number of joint programmes, which extend across the UK and across China, and which broker and support links between professionals, individuals and institutions in sectors underpinning mutual economic growth plans.
- 1.4 For the future, looking beyond China's borders, with 55 million Chinese citizens living outside mainland China and with China's growing engagement in the international arena, there is opportunity to impact and influence through direct people to people engagement on every continent, through offering new opportunities to engage for example in teaching English to Chinese employees overseas, or peacekeepers posted with the UN.

### 2. THE BRITISH COUNCIL

- 2.1 The British Council is the UK's international organisation for cultural relations and educational opportunities. We create friendly knowledge and understanding between the people of the UK and other countries.
- 2.2. Using the cultural resources of the UK art, education, culture, language, sport, and our values and ways of living we positively contribute to the over 110 countries we work in worldwide. Such contacts people to people relations, whether in China or elsewhere make a powerful and lasting contribution to the UK's prosperity and influence, and a more peaceful, tolerant and secure world. We harness, promote and pursue such initiatives; and we welcome this opportunity to brief the Foreign Affairs Select Committee on our leading and unique role in this respect in China

### 3. THE UK AND CHINA: THE BILATERAL PARTNERSHIP

- 3.1 China's thirteenth Five Year Plan to 2020 captures a vision of a more productive, efficient and "moderately well-off" economy increasingly driven by the need to increase engagement in the active economy and maintain that engagement through the lifetime renewal of skills (McKinsey estimates an opportunity cost of US\$ 250bn by 2020 if the China skills gap is not adequately addressed)<sup>1</sup>. Innovation and creativity, and building a modern services sector, are key drivers of growth. The state education system is preparing to meet the economy's changing needs and to enable China to become this more balanced economy. China's government spent 4.3% of GDP on education in 2015, an increase of 9.6% in real terms over 2014, with an increasing focus on vocational skills matched to economic development needs. Similarly, as a pillar and driver of China's economic growth, the target for the creative industries is growth from 3.8% to 5% of GDP by 2020, (an additional RMB1.5 trillion)<sup>2</sup>.
- 3.2 As a developed, service-based economy, Britain is responding to China's rise and economic direction; and what this will mean for the long term. Since the referendum on leaving the EU in June 2016, the importance of strengthening the UK's global influence and connections has grown, and China continues to be a key priority for the UK. Building a strong, mutually beneficial relationship will only come about by also working together on issues beyond trade that affect us all.
- 3.3 The strength of ambition on the cultural relations agenda drives the impact of the UK/China High-Level People to People Dialogue (P2P), one of only three strategic bilateral dialogues. The British Council's role is instrumental and central: leading on three of its strands (education, culture and sport) and with our Chief Executive as the Dialogue's UK Secretary-General. The P2P is one of the cornerstones of overall bilateral engagement and at a time of flux on the international stage, P2P assumes an even greater importance as a genuinely inclusive

<sup>2</sup> Central Committee of the Communist Party of China on the 13th Five-Year Plan for National Economic and Social Development, 2015

<sup>&</sup>lt;sup>1</sup> The \$250 billion question: Can China close the skills gap, McKinsey & Company, May 2013

dialogue.

### 4. THE ROLE OF THE BRITISH COUNCIL IN CHINA: A STRONG LEGACY, A STRONG FUTURE

- 4.1 The British Council has always believed that strong and deep partnerships, with clear mutual benefit, are key to building the strongest bilateral links, and this approach will be ever more important in the future. We also believe that our cultural relations offer has even greater impact when it is aligned with (and not divorced from) the wider strategic policy engagement led by government actors, as it clearly is in China.
- 4.2 The British Council was established in China in 1979 as the Cultural and Education Section of the British Embassy, building on the work of the Sino-British Science Cooperation Office established by the noted sinologist Dr Joseph Needham. We have offices in five cities across China and are active in an additional 35 tier two and tier three cities. We work closely with the British Embassy and FCO, and lead on bilateral education programmes and cultural links. We also convene across HMG on soft power issues with the aim of building relationships with partners, and of building wider economic opportunities for UK partners engaged in key economic sectors. The British Council is co-signatory with the Chinese Ministry of Culture to the bilateral 1979 Cultural Exchange Agreement; as well as a number of other Memoranda of Understanding between the UK and China on education, culture, language assessment and sport.
- 4.3 The British Council continues to focus on building long-term, deeper and broader links; and we seek to leverage key assets for the UK built up over the last 30 years of China's opening up in particular. Experiences of the kind supported by the British Council are ones which our young people will take forward into their careers, whichever sector or profession they go into all of them with a personal and often deeply held connection to the UK. Our work is compelling on multiple levels. Our ambitious approach is backed by regular comparative research, and by robust evaluation to monitor our impact. As yet unpublished survey data commissioned by the British Council by Ipsos Mori in 2016 showed that amongst young people, the UK is seen as the second most attractive G20 overseas country (after Germany) in China. Young Chinese people associated the UK with traits such as being friendly, having freedom of speech and equality and diversity, and 80% of those surveyed agreed that the UK is a global power. It was second (after the US) in terms of education, third in terms of business and trade, third in terms of arts and culture, and second in terms of trust. In terms of perceptions, in each category polled, the UK had maintained or improved its position over the same survey in 2014.<sup>3</sup>
- 4.4 There is demonstrable evidence that our work in China builds trust and relationships in the UK. Those who have been involved in cultural activities with the UK studying in the UK, involved in joint projects or attending a cultural event organised by a UK institution are 15 per

<sup>&</sup>lt;sup>3</sup> As Others See Us, British Council & Ipsos MORI, 2016. *Fieldwork in China in the first wave took place between 3rd June - 8th June 2016 with a final sample size of 1187. The second wave of the study took place between 16th September - 21st September 2016, with a final sample size of 1002.* 

cent more likely to trust the UK as a nation<sup>4</sup>. Increased levels of trust are in turn associated with an increased interest in doing business with the UK, visiting the UK and studying in the UK. Building this trust is a critical enabler for the British Council to position the UK as preferred partner for key programmes aligned with UK values and priorities, including close collaborations in education.

- 4.5 This evidence argues for an increased investment in soft power approaches in parallel to traditional projections of power and influence, providing more effective and agile foreign policy engagement, positioning the UK as a trading partner of choice and putting the UK in a better position to support and influence China's long-term economic development and our own economic prosperity.
- 4.6 The British Council's examinations work, in language and other subjects, is on a large scale: every year two million people globally sit international exams with us, with more than 900,000 examinations taken in mainland China alone. We deliver a range of highly valued UK qualifications, particularly in English and Finance, with IELTS and ACCA the most popular. Our IELTS preparation course on the FutureLearn platform is one of the world's most popular MOOCs in large part because of the popularity of IELTS in China, which accounts for one quarter of all global candidature.
- 4.7 There are an estimated 300 million learners of English and two million English language teachers in China; yet still considerable "headroom" for more in terms of training in the private sector, and to match the internationalisation agenda and employability strategies of the public sector. While the British Council does not currently have English language teaching centres in China, we offer free to access content and materials. We work with partners in Chinese education institutions to raise standards in English teaching something we have been doing for over 35 years. We are also happy to be supporting the growth of Chinese teaching in schools in the UK, and the expansion of the Confucius Centre and Confucius Classroom networks building opportunities for the "China ready" workforce of the future.
- 4.8 Across all our programmes in China, we seek to embed a focus on the economic empowerment of women and girls. Gender equality throughout the world is linked to economic prosperity and is a global priority as set out in Goal 5 of the Sustainable Development Goals (SDGs) which has also been identified as a priority by FCO and DfID. This includes the launch, in December 2016, of Inspiring Women China, a programme designed to address gender stereotyping on future career options among school children.

### 5. PROMOTING PARTNERSHIP IN EDUCATION

5.1 The UK's higher education system enjoys a strong reputation in China as it seeks to move forward with its own international strategy. While many choosing to study in the UK are self-

<sup>&</sup>lt;sup>4</sup> Trust Pays, British Council, Ipsos MORI and YouGov, May 2012. P12, Chart 6 - Involvement in Cultural Relations activities with the UK is associated with a higher level of trust in people from the UK. Online panel survey of respondents aged 16/18–34 with minimum secondary education.

paying, the Chinese government has supported 11,000 scholarships since 2012. The fees and expenses of Chinese students studying in the UK (some 150,000 individuals when you include Hong Kong and Macau) represent in value the third largest bilateral export sector. The direct experience of overseas students studying at our universities has been shown to be life-long, boosting professional capacity, social mobility and building trust. The UK has also pioneered models of transnational education with joint degree programmes offered in China, with various delivery models, including joint university campuses such as the University of Nottingham Ningbo China and Xi'an Jiaotong-Liverpool University. Currently 57,000 Chinese young people are studying for a UK degree in China. The British Council has a key role in advising and supporting UK universities to set up such joint programmes.

- 5.2 Following several decades of increased student mobility from China, there are now an estimated 600,000 Chinese alumni of UK HE institutions, the vast majority of whom are living and working in China. The potential influence secured through engaging this group is significant, as agents of transformative change and advocates of UK values and in nurturing a sustainable, long-term relationship between the UK and China.
- 5.3 The UK Government recognises the importance of preparing the next generation of UK young people for engagement in a competitive global economy, in particular through awareness of China. From its inception in 2013 until the end of 2015, the British Council's Generation UK campaign has seen a cumulative total of 21,000 British young people study and intern in China, with the very generous support of the UK Government, the devolved governments in Scotland, Wales and Northern Ireland, the Chinese government and universities. The internship and scholarship programmes we fund have been, targeted at young people from low income backgrounds and 'first generation' scholars who might not otherwise be able to access such opportunities. Such programmes, which enable more people to be conversant with the language and the culture of China, are key to building greater mainstream understanding, wider cultural and economic engagement between our two nations, and help to bring about and "future-proof" aspirations of a 'golden age' of UK-China cultural relations.
- 5.4 The British Council has supported a wide range of school partnerships and educational opportunities for pupils and teachers over many years. Chinese has been identified as one of the most important languages to learn<sup>5</sup>. Current high profile DfE initiatives supported directly by the British Council include the Mandarin Excellence Programme aimed at supporting 5,000 pupils in English schools on their way to Mandarin fluency (in a programme in which we partner with the Institute of Education/UCL) as well as the Shanghai-England mathematics exchange.

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<sup>&</sup>lt;sup>5</sup> Languages for the Future, British Council, 2013

### 6. PROMOTING CREATIVE DIALOGUE AND SKILLS

- 6.1 In uncertain times, the arts maintain good relationships and open channels of communication. Our arts work connects professionals and audiences in both countries not only bringing British creative work to the attention of Chinese audiences, and vice versa, but sharing the skills that make that work possible, through training and professional exchange.
- 6.2 2015 marked the first ever bilateral Year of Cultural Exchange. The UK season was curated by the British Council and presented over 200 events in China, forming a lasting legacy for future generations of UK and Chinese creative and artistic talent to flourish over the long term. The digital footprint and partnerships which supported the UK season were (and remain) significant; the launch by HRH Duke of Cambridge alone had a total reach of over one billion people in China through broadcast, print and digital media. Further highlights included 71.42 million people reached through Benedict Cumberbatch's involvement in the campaign. The campaign also acted as a springboard for UK and Chinese businesses to come together and foster new partnerships across a range of sectors, resulting in 100 new bilateral relationships between cultural institutions; and over £20 million worth of commercial agreements.
- 6.3. Throughout 2016, the British Council's *Shakespeare Lives* programme curated events in over 100 countries, in a year-long celebration of the playwright's legacy. These have included joint events with the Chinese Ministry of Culture to mark the shared anniversary with China's own leading playwright, Tang Xianzu, and thus enabling a highly successful bilateral campaign that strengthened UK–China friendship and cultural exchange through the arts. The programme saw over 100 Shakespeare Lives events in China, reaching 50,000 people face-to-face. The Royal Shakespeare Company, Shakespeare's Globe and leading figures including Jonathan Pryce were among those engaged with the campaign.
- 6.4 In 2017, we will aim to build upon this impactful engagement with our partners across government in China through a carefully curated campaign under the overall theme 'Spirit of Youth'. With support from our strategic partners, we will further develop positive perceptions of the UK, engage powerful future advocates for the UK and continue to both create and deliver tangible opportunities for the sector.

#### 7. REACH AND DIGITAL FOOTPRINT

- 7.1 We also seek to develop a breadth and depth of engagement in key geographies/economies in China, embedding digital approaches to reach and support millions. Given the scale of China, we increasingly focus our plans on provinces and key cities with the right demographics and economic growth trends to drive long term prosperity outcomes. These provinces are mainly in the East and South and are often significant in their own right. For example, Zhejiang Province's GDP is the size of Switzerland's.
- 7.2 The scale of opportunity around digital and data is particularly noteworthy: we have a successful track record of large-scale digital and media reach. Sir Ian McKellen's visit to China

for the Shakespeare Lives campaign in June 2016 was particularly noteworthy, resulting in over 260m page views and more than 70k discussion posts on Sina Weibo. A total of more than 1,000 domestic and international media covered the visit, with an estimated cumulative reach of over two billion.<sup>6</sup>

### 8. AMBITION FOR THE FUTURE

- 8.1 There is a changing demand for our services in China and the UK; and we are aiming to rebalance our portfolio and ensure that our work remains attractive and impactful in response, growing our impact for the UK.
- 8.2 In 2017 we intend to bid for additional resources for our work in China from the (new) UK Government Empowerment Fund. Our proposals will be designed to achieve a step change in the UK's engagement with China. They will be in line with primary Overseas Development Assistance (ODA) objectives, whilst also focusing on expansion of the UK's connections and relationships in China creating long term opportunities for increase prosperity and partnership. Our plans for impact are shaped by geographical segmentation of the market, supported by a strong digital offer and a significant role for UK partner organisations to grow and develp their links with China.
- 8.3 The UK has been identified by China as a key partner with influence in its transition: our soft power assets in particular are clearly aligned with China's development needs, and should be maximised. This alignment offers an opportunity for truly transformational impact through the proposed British Council-led programme which is aligned with the Embassy/NSC-led China strategy and complementary to the FCO's Prosperity Fund, and which will achieve:
  - Enhanced capability and a strengthening of the UK's links and long term influence with future leaders through access to international education, scholarships, capacity building and network development.
  - Long-term partnerships in culture, education and wider soft power promoting prosperity and sustainability.
  - Reformed systems and institutions encouraging internationalisation and economic growth.
- 8.4 Our proposals to the Fund are based on strong positive perceptions of the UK's culture and education; relationships (old and new) with policymakers based on trust and understanding of mutual benefit; an aligned desire to deliver more effective soft power impact; and to build on both a strong legacy and ambitious view of the future state.

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<sup>&</sup>lt;sup>6</sup> Shakespeare Lives Report, British Council, June 2016

### 9. CONCLUSION

9.1 We believe that the future will belong to those who understand how to make and maintain friendly and understanding, and relationships with other cultures, and that this clearly contributes to the long-term security, prosperity and influence of the UK. Evidence of our impact, of the life changing opportunities for the people we work with and for in China, is important to inform the planning and continuous improvement of the UK's people to people strategy with China for the future - and to reach for even greater impact in our work.