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# Global Britain, global broker

A blueprint for the UK's  
future international role

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# Summary

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- Britain has left the EU and now the safe harbour of the EU's single market and customs union at a time of heightened global risk. The COVID-19 pandemic has stalled globalization and intensified geopolitical competition.
  - For its supporters, part of the logic of Brexit was that a more sovereign 'Global Britain' could pursue its commercial interests more successfully and enhance its voice internationally. Today, however, the UK must contend with greater protectionism, a more introspective US, no 'golden era' in relations with China, and gridlock in most international institutions.
  - The incoming administration of Joe Biden will seek to heal America's relations with allies in Europe and Asia. But Brexit Britain will have to fight its way to the table on many of the most important transatlantic issues, with the EU now the US's main counterpart in areas such as China relations and digital taxation.
  - Nevertheless, the UK embarks on its solo journey with important assets. It will still be the sixth- or seventh-largest economy in the world in 2030, at the heart of global finance, and among the best-resourced behind the US, China and India in terms of combined defence, intelligence, diplomatic and development capabilities. Even outside the EU, its government will be better networked institutionally than almost any other country's. And the soft power inherent in its language, universities, media and civil society can enhance the influence of British ideas.
  - But assets do not automatically equate with influence. There needs to be a vision for Britain's international role, and the political will, resources and popular support to put this vision into action.
  - A central question, then, is to what end should the UK combine its resources and enhanced autonomy on the international stage? Rather than try to reincarnate itself as a miniature great power, the UK needs to marshal its resources to be the broker of solutions to global challenges. And it should prioritize areas where it brings the credibility as well as the resources to do so.
  - Six objectives meet these criteria. They are protecting liberal democracy; promoting international peace and security; tackling climate change; enabling greater global health resilience; championing global tax transparency and equitable economic growth; and defending cyberspace.
  - Which countries should Britain engage in order to pursue these objectives? Shared geography and policy approaches mean the EU and its member states will be the most closely aligned with Britain across all six objectives, despite Brexit. The US comes next, given its unparalleled resources and special security relationship with the UK.

- The large, economically significant Asia-Pacific democracies that are already part of British and US alliance structures – such as Australia, Japan and South Korea – should also be a priority, given the increasing pressure they face from a stronger and more assertive China. So should sub-Saharan Africa, given the many challenges facing its rapidly growing populations and its proximity to the UK.
- In contrast, some of the original targets of ‘Global Britain’ – China, India, Saudi Arabia and Turkey – may be important to the UK’s commercial interests, but they will be rivals or, at best, awkward counterparts on many of its global goals.
- Three areas are ripe for Britain to tackle as a global broker in 2021, given the imminent arrival of the Biden administration. First, the UK can leverage its world-leading commitments to carbon emissions reduction alongside its co-chairmanship of COP26 to secure stronger national commitments on climate change from the US and China, the world’s two largest emitters.
- Second, the UK can leverage its strong position in NATO alongside a more transatlanticist Biden administration to broker closer working relations between NATO and the EU, especially on cybersecurity and protecting space assets, critical new priorities for the safety of European democracies.
- Third, the UK can use its presidency of the G7 in 2021 to start making this anachronistic grouping more inclusive. Rather than enlarging it to a catchy but arbitrary ‘D10’ or ‘Democratic Ten’, Britain could reach out to other mid-sized G20 democracies such as Australia, Indonesia, Mexico, South Africa and South Korea as and when they are willing to commit to joint action towards shared objectives.
- It could also link up its G7 programme with the Summit for Democracy, which Joe Biden has committed to host in 2021 to tackle the serious challenges now facing democracies at home. Britain could help define this agenda by convening meetings between officials, NGOs and US technology giants and brokering practical ideas to combat misinformation and disinformation.
- Outside the EU, the UK’s new international role will require additional resources. The government’s announced increase in defence spending is an important recognition of this fact. The proposed cut in development assistance to 0.5 per cent of gross national income is not. And the UK will be unable to play a meaningful global role unless it spends significantly more on its diplomatic resources.
- A positive reputation for Britain as a valued and creative broker in the search for solutions to shared problems will need to be earned. It will emerge only from the competence and impact of Britain’s diplomacy, from trust in its word, and from a return to the power of understatement for which the country was so widely respected in the past. Britain’s G7 presidency and co-chairmanship of COP26 in 2021 will be critical first tests.

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# 01

# Introduction

**Outside the EU, Britain's international policies will still require trade-offs between the desire for political autonomy and the realities of global interdependence.**

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On 31 December 2020, Britain left the limbo of its transitional status within the EU's single market and customs union and began to exist again as an autonomous state – or as autonomous as it is possible to be in today's world as a medium-sized, relatively wealthy and well-resourced country. What are the principal international risks to the UK's prosperity and security over the coming years, and what opportunities could the country pursue in its new guise? What are its relative strengths and weaknesses in the global and regional contexts? What international goals should current and future governments realistically set? And how can they make a positive contribution on the global stage, given limited resources? This paper seeks to answer these questions.

It starts by noting that the speed of global change in the past 10 years has been disorientating:<sup>1</sup> a disruptive US administration has called into question the international institutional structures that the UK had helped to build; China has emerged as the world's second-most-powerful state – resolutely authoritarian but enmeshed in the global economy; the legacy of failed foreign incursions and weak governance led to the rise of Islamic State of Iraq and Syria (ISIS), which then fell almost as quickly, leaving much of the Middle East and North Africa region at its most unstable in generations; African states teeter between dynamic growth and collapse; the COVID-19 pandemic has stalled what was a hyperglobalizing world economy and deepened inequality; and mass access to instant information and disinformation has driven political awakening and polarization across the world. We are also witnessing the beginning of the end of work as people knew it, as the technology revolution courses through all corners of economic life; and the first devastating impacts on humanity and biodiversity of decades of growing carbon emissions and global warming.

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<sup>1</sup> The House of Lords Select Committee on International Relations undertook a comprehensive review of the changing global context for the UK in a 2018 report. See House of Lords (2018), *UK foreign policy in a shifting world order*, Select Committee on International Relations, 5th Report of Session 2017–19, HL Paper 250, 18 December 2018, <https://publications.parliament.uk/pa/ld201719/ldselect/ldintrel/250/25009.htm>.

What a time for Britain to strike out on its own. For some, these profound changes are precisely the reason why the UK needed to leave the EU and regain greater sovereignty over its future, rather than remain tied to what they see as a slow-moving, undemocratic institution with rigid regulatory commitments. For others, these changes are precisely the reason why the UK needed to remain embedded in the EU, an institution whose economic size and clout gave the UK a stronger voice and greater protection than it could ever achieve on its own.

With Brexit now in the rear-view mirror, this paper puts forward a simple argument. The UK has the potential to be globally influential in this turbulent world. But only if its leaders and people set aside the idea of Britain as the plucky player that can pick and choose its own alternative future. Instead, they need to invest in the bilateral relationships and institutional partnerships that will help deliver a positive future for the country as well as for others.

Successfully reimagining the UK's role will clearly require difficult choices and trade-offs. But if the current government and its successors can connect a positive sense of shared national purpose with the country's still significant economic, diplomatic and security resources, then Britain could serve as an example for the many other countries which face similarly difficult choices between notions of national identity and the pressures of globalization, between demands for national political autonomy and the realities of global interdependence.<sup>2</sup>

On paper, the UK may have more sovereign power than before, including over its immigration, environmental, digital and trade policies. In practice, its continued interdependence with European and global markets will severely limit its sovereign options. The country will no more be able to protect itself from global challenges, whether pandemics, terrorism or climate change, than it could as a member of the EU. The UK will no longer be directly subject to EU decisions and laws. But it will be just as dependent on its European neighbours for its economic health and security in 2026, for example, as it was in 2016 or, for that matter, a decade earlier.

## **The UK has the potential to be globally influential in this turbulent world. But only if its leaders and people set aside the idea of Britain as the plucky player that can pick and choose its own alternative future.**

Moreover, the idea that the UK can now pursue a more independent foreign policy ignores the country's constrained circumstances at the start of the 21st century. In the wake of the COVID-19 outbreak, the national finances will take many years to recover, with knock-on effects for the UK's capacity for international influence. This will only increase the need to work with others. The country also faces an image problem. The UK embarks on its journey at a moment when its competence is being called into question as a result of the government's handling

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<sup>2</sup> Kundnani, H. (2020), 'Can a nation be both open and in control? The UK is about to find out', *Guardian*, 1 March 2020, <https://www.theguardian.com/commentisfree/2020/mar/01/can-a-nation-be-both-open-and-in-control-the-uk-is-about-to-find-out>.

of the pandemic. Its ideas for 'Global Britain' were already a tough sell when so many of its partners did not understand the logic of Brexit in the first place. The government's use of the term 'Global Britain' implies that leaving the EU has freed Britain to become more internationally engaged than before. And yet, Brexit was an act of disengagement with its closest neighbours. And there is another point of ambiguity. The notion of 'Global Britain' may have a convenient alliteration with 'Great Britain', but in the minds of many, Britain became 'Great' by building a world-spanning empire whose injustices and inequities are now rightly being re-examined. The government will need to be judicious in how it now goes about communicating its global agenda, especially among its Commonwealth partners.<sup>3</sup>

## **The idea that the UK can now pursue a more independent foreign policy ignores the country's constrained circumstances at the start of the 21st century. This will only increase the need to work with others.**

After assessing the international context (Chapter 2), this paper considers the domestic and comparative contexts in which the government must develop and execute its foreign policy, underlining the considerable strengths that the UK will possess but identifying challenges and points of weakness (Chapter 3). The paper then lays out six broad international goals for the UK that offer the best points of connection between its interests, resources and credibility (Chapter 4).

Recognizing that progress in all areas will rely on cooperation and coalition-building, the paper identifies which will be the UK's most important bilateral relationships, while pointing out the challenges each relationship poses (Chapter 5). The paper also highlights that the UK will need to ensure it is a valued member of institutions that will help it achieve its goals, but that this will require more flexibility and creativity than in the past (Chapter 6). It then underlines the increase in spending that an effective post-Brexit role implies, especially in diplomacy (Chapter 7). The paper draws these points together in its conclusion (Chapter 8) and argues that the UK should invest in becoming a global broker, leveraging its unique assets to link together liberal democracies at a time of strategic insecurity and engage alongside them with other countries that are willing to address shared international challenges constructively.

While the paper explores the roots of current popular ambivalence towards British foreign policy, it does not take up the likelihood or potential impacts of a break-up of the UK on Britain's future global influence. This would undoubtedly be a serious development, reputationally and materially. But it would not undercut Britain's core capabilities for brokering consensus among like-minded countries, and between them and other stakeholders, which would remain a worthy ambition for the UK's future international role.

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<sup>3</sup> For criticism of the UK's perceived global ambitions, see, for example, Dickson, A. (2018), 'Ex-colonies to UK: Forget Brexit 'Empire 2.0'', Politico, 26 February 2018, <https://www.politico.eu/article/commonwealth-summit-wont-be-empire-2-0-for-brexit-uk>.



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# 02

# A splintered world

**The UK could hardly have chosen a more difficult moment to reinvent itself as a global actor. Its most important bilateral and institutional relationships are in flux.**

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## Britain's circles of influence

Since 1945, British governments have had to manage what can be described as four 'circles' of international interest and leverage. These encapsulate continental Europe; the US; a small group of strategically important countries with whom the quality of bilateral relations has had an outsized effect on UK prosperity and security, including China, Japan, Russia and Saudi Arabia; and the rest of the world, with the Commonwealth providing some additional connectivity to an otherwise heterogeneous set of relationships.<sup>4</sup>

Recasting the UK's relations with any one of these countries or groups has proved very difficult in the past, and has carried unintended consequences. Trying to retain the British empire after the Second World War turned out to be a lost cause, even as it led Winston Churchill to dismiss the alternative of the UK being a founding member of a more united Europe. Recasting the 'special relationship' with the US after the debacle of the Suez crisis was a major success for the Harold Macmillan government in the 1960s, but it cost him Britain's first shot at joining the then European Economic Community. Trying to strike the right mix of engagement with and detachment from the process of European integration proved politically corrosive for the governments of Margaret Thatcher and John Major. Tony Blair's efforts to find a third way for relations with the EU foundered on his commitment to the US and George W. Bush's invasion of Iraq. Having entered government committed to 'stop banging on about Europe', David Cameron tried to reconnect the UK with the world's rising powers (a forerunner of Boris Johnson's idea of

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<sup>4</sup> This is an evolution of my argument in 2015 that the UK operated from the heart of three concentric circles of influence: Europe, the transatlantic relationship and the rest of the world. Niblett, R. (2015), *Britain, Europe and the World: Rethinking the UK's Circles of Influence*, Research Paper, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/2015/10/britain-europe-and-world-rethinking-uks-circles-influence>. This was in contrast to Churchill's notion of the UK sitting 'at the point of junction' between his 'three magic circles' of empire, the English-speaking world and united Europe. Churchill, W. (1950), 'Speech at a Conservative Mass Meeting, Llandudno, 9 October 1948', reprinted in Churchill, R. S. (ed.) (1950), *Europe Unite – Speeches: 1947 and 1948 by Winston S. Churchill*, London: Cassell, pp. 417–18.

a 'Global Britain') and opened what some anticipated would be a 'golden era' in relations with China. This plan failed, after Cameron chose to renegotiate Britain's relationship with the EU and the ensuing referendum consumed his premiership.

Today, Britain faces a truly daunting task. In the coming years, its government will have to reset its relations with countries not within one or two of these circles, but across each circle simultaneously. And, if this were not enough, the international context into which a newly independent 'Global Britain' was meant to slot so easily no longer corresponds, if it ever did, to its proponents' vision. Each of Britain's four circles of influence is in flux.

## Stuck with Europe

In some ways, the relationship with the EU may prove the most straightforward to reset. Despite the acrimony that surrounded Britain's withdrawal from the EU and departure from its single market and customs union, geographic proximity and deep economic interconnections will force the UK government and its European counterparts towards constant compromise around their future co-existence. The net result, however, is that the UK will end up spending more time managing its relationship with EU institutions and member states than it did when it was an EU member, not least because the EU will continue to evolve.

The prospects of EU collapse are remote. Instead, in the wake of the 2008–10 global financial crisis, Brexit, the emergence of a more confrontational US and now the COVID-19 pandemic, there is a palpable desire within the EU for it to have greater strategic as well as economic autonomy. This goal should be easier to achieve with the UK no longer at the table constantly seeking to limit the EU's accretion of institutional power.

### **In some ways, the relationship with the EU may prove the most straightforward to reset.**

Nevertheless, this desire will struggle against the inward focus of the EU's main business, and the tensions this reveals between the Union's intergovernmental and supranational identities. Each step towards deeper integration – the latest being its €750 billion pandemic recovery fund – evokes a counter-reaction within and between member states. The deepening divergence in economic fortunes that COVID-19 is causing between member states will exacerbate underlying tensions, especially between economically harder-hit countries in the EU's southwest and better-prepared ones in the northeast. This tension between the search for greater European strategic autonomy and its internal limits will leave space for constructive engagement between the UK and the EU on issues of global governance and foreign policy.

Most EU members gain foreign policy influence by banding together under the EU banner, even if collective action is hard to develop and execute. But for the UK, the process of agreeing common foreign policy positions among 28 states with distinct histories, cultures, national interests and capabilities was not only time-consuming and distracting, but increasingly disempowering. As a non-member, the UK will

no longer continually have to resist an extension of EU competence into aspects of its foreign and security policy. And the more uncertain the world is beyond Europe, the more the UK and its continental counterparts will try to band together. This tendency has been visible since the Brexit referendum, with the UK and the EU adopting common positions on Iran, the Middle East peace process and World Trade Organization (WTO) reform, as well as in preparations for the UN Climate Change Conference (COP26) in November 2021.

## **A diminished special relationship**

EU–UK cooperation on foreign policy has been encouraged by the antagonistic and unpredictable foreign policies of the Trump administration. The outcome of the US presidential election on 3 November 2020 will have a profound effect on the style, content and impact of US foreign policymaking. When Joe Biden enters the White House at the end of January 2021, he will bring with him an experienced team of foreign policy professionals who understand the value of international alliances. They will seek to repair frayed relations with traditional allies, although they will also expect an acceptance of America's return to a global leadership role.

While the forthcoming presidential transition is of great consequence globally, the essence of the US–UK relationship is unlikely to change much. The US will remain Britain's most important ally in the true sense of the term: the country on which the UK depends existentially for its security, and with which it has the closest and most extensive bilateral security relationship, stretching from nuclear to intelligence cooperation. In return, the UK will remain a natural partner in US alliance-building and coalition action. Securing British military assistance for US policies and deployments in the Gulf, Afghanistan or the South China Sea, for example, will remain important to US policymakers, even if UK contributions are relatively small in material terms.

But Biden and his administration will know that the UK has lost one of its most important assets as an ally, which was to bring its influential voice to bear in EU decision-making. And EU decisions will be of ever greater importance to the US – whether on sanctions towards Iran and Russia, or on the regulation and taxation of US technology giants. Future US administrations will therefore target a greater share of their diplomatic effort towards the EU and key EU bilateral relationships, principally with Paris and Berlin. The UK will constantly need to fight its way to the table in these transatlantic negotiations, now that it has lost its automatic seat as an EU member. If the US cannot come to agreement on a particular matter with the EU, then securing UK buy-in on a US policy position, potentially as a counterweight to the EU, will be a next best option for decision-makers in Washington, as was the case over the Trump administration's efforts to eject the Chinese technology firm Huawei from constructing 5G telecommunications networks in Europe.

Regardless, as a non-EU member, the UK will come under greater bilateral pressure than before to demonstrate its loyalty to the US, or risk paying a price as the junior partner in the relationship. The test for British governments will be whether they can turn the UK's greater policy autonomy and nimbleness as a non-EU member into an asset in the relationship with the US.

## End of a golden era?

The UK has left the EU and enters a new phase in its relations with the US at a time when the world beyond the North Atlantic community is in turmoil. One of the main drivers of this turmoil is the seemingly inexorable rise of China. China's mix of growing economic influence and diplomatic assertiveness is not only a challenge to the UK individually; it will also be a central feature of Britain's relations with the EU, the US and other diplomatic partners.

Under President Xi Jinping, the Communist Party of China (CPC) has reasserted authoritarian controls that it had eased in the reformist period during and after Deng Xiaoping's leadership. President Xi's recentralization of power and drive to create around himself a cult of personality reminiscent of the Mao era pose new domestic risks to China's development, as fealty replaces initiative and experimentation among China's public and private sector leaders. In this context, the detention of some 1 million Uighurs in re-education camps, their placement into forced labour programmes, the now-regular arrests of Chinese human rights lawyers and the roll-out of an Orwellian social credit system are narrowing the scope for China to maintain constructive relations with democratic states, including the UK.

China's handling of the COVID-19 outbreak in early 2020 exposed the negative effects of the opaque and secretive culture of the CPC.<sup>5</sup> Watching Beijing instrumentalize its medical support to afflicted countries for diplomatic gain was all the more galling for Western policymakers. But as US and European criticism of China's role in the COVID-19 outbreak grew, party officials in Beijing saw the criticism as further evidence that the West would resist China's return to being a regional and world power. 'Wolf warrior' diplomats outdid each other in challenging Western narratives about COVID-19, while Chinese intelligence agents appear to have amplified disinformation about US and other governments' responses to the virus.<sup>6</sup>

Combined with the decision by the National People's Congress, China's legislature, in May 2020 to impose a draconian national security law on Hong Kong, the growing estrangement between a more authoritarian and globally assertive China and much of the rest of the world has exposed the overambition of the joint political rhetoric in 2015 about establishing a 'golden era' in relations between the UK and China. Instead, there has been an inevitable anti-China backlash in the UK, as there has been across all Western countries.<sup>7</sup>

The short-lived 'golden era' in Sino-British relations – to the extent that it ever existed – is therefore over. More to the point, as bipartisan US opposition to China's growing global influence deepens, the US, the UK and other US allies may slip into

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<sup>5</sup> Wong, E., Barnes, J. E. and Kanno-Youngs, Z. (2020), 'Local Officials in China Hid Coronavirus Dangers From Beijing, U.S. Agencies Find', *New York Times*, 19 August 2020, <https://www.nytimes.com/2020/08/19/world/asia/china-coronavirus-beijing-trump.html>.

<sup>6</sup> Wong, E., Rosenberg, M. and Barnes, J. E. (2020), 'Chinese Agents Helped Spread Messages That Sowed Virus Panic in U.S., Officials Say', *New York Times*, 22 April 2020, <https://www.nytimes.com/2020/04/22/us/politics/coronavirus-china-disinformation.html>.

<sup>7</sup> Silver, L., Devlin, K. and Huang, C. (2020), 'Unfavorable Views of China Reach Historic Highs in Many Countries', Pew Research Center, 6 October 2020, <https://www.pewresearch.org/global/2020/10/06/unfavorable-views-of-china-reach-historic-highs-in-many-countries>.

a new form of economic Cold War, involving investment restrictions, targeted sanctions and a decoupling of their technological sectors, with Taiwan an ever-present potential flashpoint.

## **The UK is having to choose between the world's two largest markets, rather than being free to engage fully with both as it had intended.**

There will be little, if any, scope for Britain to demonstrate its new global ambitions by prioritizing its economic relationship with China. Instead, the UK is having to choose in effect between the world's two largest markets, rather than being free to engage fully with both as it had intended. And, when forced to pick sides, its inescapable choice will be in favour of the US, given Britain's dependence on the US for its security and the close political, economic and cultural ties between the two countries.

### **The new ideological divide**

The differences with the US–Soviet Cold War, however, will also be notable. China does not enjoy the support of a military alliance equivalent to the Warsaw Pact or, indeed, any reliable group of allies to amplify the risks posed by its growing military reach. Nor does China appear to want to establish itself as an alternative pole to the West. On the other hand, most of America's allies today lack a shared unity of purpose towards managing China's rise, given the absence of a clear threat from China to their survival and the fact that they benefit from its economic growth. To the contrary, there is an overwhelming desire among most governments and peoples – whether China's neighbours or its distant trading partners – to remain non-aligned in the face of this neo-Cold War and to resist becoming part of a securitization of the US stand-off with China.

But history is replete with examples of how fear and mistrust between an established great power and a new contender can overcome the best intentions on both sides, as Graham Allison and others have persuasively argued.<sup>8</sup> And, despite frequent commentary to the contrary, there is a growing ideological dimension to the stand-off between China and the US. The world is witnessing the re-emergence of a struggle between, on the one hand, governments and societies that tend to prize the liberty of their citizens – supported by representative systems of governance and strong civil societies – and, on the other, governments that to a greater or lesser extent expect their citizens to subsume their individual liberty to social stability and the sovereignty of the state. Most of the latter group view the checks and balances that provide accountability in liberal democracies as an unacceptable challenge to state authority, and civil society as a threat.

Although their respective leaders have profoundly different backgrounds and motivations, China and Russia are standard-bearers of the authoritarian system.

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<sup>8</sup> Allison, G. (2017), *Destined for War: Can America and China Escape Thucydides's Trap?*, Brunswick: Scribe Publications.

Russia goes as far as to engage in political warfare to undermine the cohesion of democracies that its leadership perceives as threatening its own future security, using the openness of democracies' political systems against them.<sup>9</sup> But China and Russia are not alone. The huge material benefits available to those who fight their way to the top to lead authoritarian countries mean that the spread of free and open societies so hoped for after 1989 has at best ground to a halt and, in many cases, is receding, even in Europe.

In the meantime, Russia under Vladimir Putin and China under Xi have sought to buffer their national systems by creating new groupings of states that either subscribe to similar political approaches or are happy to show solidarity. Turkey and India – two priorities for the UK's post-Brexit economic diplomacy – are among the countries whose governments readily participate in or attend the Shanghai Cooperation Organisation, a grouping of states led by Beijing and Moscow designed to resist the penetration of Western interests and values in Eurasia.

The emergence of this new divide in international affairs – between open societies where citizens have the capacity to fight for their rights and those where these rights are denied – was perhaps inevitable. The transformative learning moment of the end of the Second World War has receded into history, and the hope that accompanied the end of the Cold War has been diluted by the re-emergence of atavistic fears as the centre of global economic gravity has shifted from the West to the East. This divide will complicate the UK's ability to deepen its diplomatic and commercial relations with many of the world's most populous countries and fastest-growing economies.

## Multilateralism at bay

Equally important has been the erosion of the idea among many Americans that the US should carry the principal burdens of leading international institutions ostensibly dedicated to spreading the values and rules of open societies. The election of Donald Trump in 2016 served as a wake-up call, inside the US and beyond, that many Americans had not benefited from post-1990 globalization, or from the institutions that promoted the neoliberal 'Washington Consensus'. The 2020 US presidential election showed how many voters continue to appreciate an administration that focused on 'America First'.

The US's loss of confidence in the multilateral trading system has meant the return to a more protectionist, nation-first approach to international trade. Even post-Trump, it is hard to see Joe Biden or his immediate successors pivoting back to the mantra of free trade that the Johnson government in the UK so confidently asserts, especially after the costs of the COVID-19 pandemic compound the structural inequalities that have caused such deep divisions in American society.<sup>10</sup> If the US remains unconvinced of the domestic benefits of the international trading system, few others will step up to take its leadership role. This means that the WTO, the institution on which the UK will now have to rely far more

<sup>9</sup> Ministry of Defence (2020), *Introducing the Integrated Operating Concept*, 30 September 2020, p. 3, <https://www.gov.uk/government/publications/the-integrated-operating-concept-2025>.

<sup>10</sup> Wintour, P. (2020), 'Joe Biden warning dashes UK hopes of early US trade deal', *Guardian*, 2 December 2020, <https://www.theguardian.com/politics/2020/dec/02/uk-hopes-of-early-us-trade-deal-dashed-by-biden-warning>.

to uphold the rules governing international trade, may remain obstructed, even if the Biden administration lifts its predecessor's block on new appointments to the WTO's Appellate Body.

Furthermore, the COVID-19 crisis has exposed the risks of economic interdependence. Policymakers around the world are trying to shorten supply chains, bring more manufacturing onshore and place new checks on foreign investment. They are less supportive of the 'just in time' means of production and import and export processes that were the hallmark of the hyperglobalized pre-pandemic trading system. The retreat from the idea of ever more open global markets – on which the idea of a 'Global Britain' relies – will accelerate if the EU succeeds in establishing a border carbon adjustment mechanism as part of its commitment to the Paris Agreement climate goals. Such a mechanism would enable EU companies to compete on a level playing field with imports from countries that have lower or no restrictions on the carbon intensity of their manufactures. Depending on how the US, China and other countries with high-carbon-emitting industries respond, Britain may have to follow the EU lead on this new trade measure or be left to negotiate its way through a complex new thicket of global obstacles to international trade.

## **The danger is that the return to realist, 'me first' international relations and weak international institutions masks the historic scale and interconnected nature of the challenges facing all countries, including the UK.**

Overall, international institutions which the US and UK jointly conceived in the 1940s, including the UN Security Council and the Bretton Woods agencies, have lost much of their influence. The credibility of the UN Human Rights Council has been undermined by the election of states associated with severe human rights abuses. Major international agencies are also having to compete with a smorgasbord of alternative institutions and arrangements, from the G20 to the BRICS summits to regional initiatives such as the newly agreed Regional Comprehensive Economic Partnership (RCEP). These more informal institutions are designed to facilitate political co-existence and economic gain between states on different political journeys. But they are not clubs of the like-minded, committed to enforcing or enlarging the rules of liberal democracy and transparent markets.

The danger is that this return to realist, 'me first' international relations and weak international institutions masks the historic scale and interconnected nature of the challenges facing all countries, including the UK. But it also offers an opportunity. Helping liberal democracies face up to these shared challenges while building consensus with others for common action would be a worthy goal for Britain after Brexit.

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# 03

## Britain's relative position

**The UK will remain one of the few countries able to bring a full spectrum of assets to bear on its international interests, including diplomatic reach, diverse security capabilities and prominence in international development.**

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### **A strong starting point**

It would be easy to assume that Brexit Britain will be a notable loser from the splintering of international relations outlined in the previous chapter. The UK is a privileged founding member of the institutions that govern the rules-based international system now under threat. By leaving the EU, the country has nonetheless chosen this moment to unmoor itself from one of the world's three main geo-economic actors and the protections that it offered. But, seen from a selfish perspective, the UK starts off in a better position than most other countries trying to navigate an environment of heightened geopolitical competition and semi-functional international institutions. The question is whether it can sustain its strong position on the world stage and avoid losing influence in comparison to other players.

**The UK is a privileged founding member of the institutions that govern the rules-based international system now under threat.**

The UK embarks on its solo journey with a seat in all the world's major multilateral organizations, formal and informal, from the IMF to the G7 and G20. Through these it can try to defend and promote its interests. It will remain a permanent, veto-owning member of the UN Security Council, keeping it at the heart of major-power diplomacy. The UK's place in these institutions is further cemented by the fact that it will remain one of the world's few recognized nuclear weapon powers and is a close ally of the US. The UK can also draw on a globally present diplomatic



service supported by world-leading intelligence services.<sup>11</sup> China overtook the US in 2019 in having the largest number of overseas diplomatic posts, with 276 such posts compared to 273 for the US. Nevertheless, if one excludes consulates and consulates-general, the UK remains in equal fourth place alongside Germany and Japan in terms of its total number of full embassies or high commissions and permanent missions – each country has 161 such posts.<sup>12</sup>

This ranking amid a cluster of the world's other mid-sized countries also applies to the UK's defence spending, which, at \$55 billion in 2019, puts the country sixth, just ahead of France, Japan and Germany.<sup>13</sup> Among similar-sized powers, however, the UK is one of the few that possesses a full spectrum of rapidly deployable armed forces and cyber capabilities. This contrasts with the capabilities of two countries that spend more on defence in gross terms – India and Saudi Arabia – and also with the situations of Germany and Japan. Even after major defence cuts and force reductions since the end of the Cold War, the UK is capable of contributing to coalition operations around the world and remains one of the most influential members of NATO.

To these elements of military power can be added the UK's network of military bases and garrisons, which are strategically located across the world, from Ascension Island in the Atlantic to Belize near the Caribbean, Cyprus in the eastern Mediterranean, Bahrain in the Gulf, Diego Garcia in the Indian Ocean and Brunei in the South China Sea. Only the US has a larger network.<sup>14</sup> Bolstering the political-military influence from its military expenditure, bases and intelligence capabilities is its status as one of the world's leading arms exporters. Notwithstanding domestic legal challenges to its exports to Saudi Arabia, the UK was the second-largest arms exporter in the world in 2018 and 2019.<sup>15</sup>

Finally, the UK has been the world's third-largest purveyor of official development assistance (ODA) – \$20 billion in 2019. The UK spent two-thirds of this amount bilaterally, and contributed one-third to the World Bank and the EU.<sup>16</sup> Country directors from the former Department for International Development (DFID) are important players in countries across the world, where UK spending generally dwarfs that of others. The 2020 merger of DFID into the newly created Foreign, Commonwealth & Development Office (FCDO) is designed to create greater synergies between the UK's development spending and its diplomatic priorities. Although there are concerns about the impact of the merger on the interests of the world's poorest, this combination of assets gives the UK the rare capability to blend hard influence, such as military training missions and naval port visits, with its softer foreign assistance.<sup>17</sup>

<sup>11</sup> Britain spends some £2.7 billion a year on its intelligence-gathering services. Security and Intelligence Agencies (2019), *Financial Statement 2018–19*, HC2444, p. 17, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/818915/SIA\\_Accounts\\_HC2444\\_Print\\_Version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818915/SIA_Accounts_HC2444_Print_Version.pdf).

<sup>12</sup> Lowy Institute (2019), 'Lowy Institute Global Diplomacy Index, 2019 Country Ranking', 27 November 2019, [https://globaldiplomacyindex.lowyinstitute.org/country\\_rank.html](https://globaldiplomacyindex.lowyinstitute.org/country_rank.html).

<sup>13</sup> International Institute for Strategic Studies (IISS) (2020), *The Military Balance 2020*, London: Routledge.

<sup>14</sup> Rogers, J. and Simón, L. (2009), *The Status and Location of the Military Installations of the Member States of the European Union and their Potential Role for the European Security and Defence Policy (ESDP)*, European Parliament, [https://www.europarl.europa.eu/thinktank/en/document.html?reference=EXPO-SEDE\\_NT\(2009\)407004](https://www.europarl.europa.eu/thinktank/en/document.html?reference=EXPO-SEDE_NT(2009)407004); and Defence Infrastructure Organisation (2020), *DIO Annual Report 2019/20*, 15 July 2020, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/900850/DIO\\_Annual\\_Report\\_2019-20.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/900850/DIO_Annual_Report_2019-20.pdf).

<sup>15</sup> Sabbagh, D. (2020), 'UK remains second biggest arms exporter with £11bn of orders', *Guardian*, 6 October 2020, <https://www.theguardian.com/world/2020/oct/06/uk-remains-second-biggest-arms-exporter-with-11bn-of-orders>.

<sup>16</sup> Foreign, Commonwealth & Development Office (2020), *Statistics on International Development: Final UK Aid Spend 2019*, September 2020, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/921508/Statistics\\_on\\_International\\_Development\\_Final\\_UK\\_Aid\\_Spend\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921508/Statistics_on_International_Development_Final_UK_Aid_Spend_2019.pdf).

<sup>17</sup> For a critique of the impact of the merger on assistance to its traditional recipients, see Bond (2020), 'DFID's merger with FCO will hurt world's poorest', 16 June 2020, <https://www.bond.org.uk/news/2020/06/dfids-merger-with-fco-will-hurt-worlds-poorest>.

So while its relative position on some measures of global power, such as share of world GDP or size of its military, has been slipping for decades, Britain has remained influential because it is one of the few countries capable of combining its diverse national assets – diplomatic, military, intelligence and humanitarian – to pursue its interests beyond its shores. As Robert Zoellick, a former US cabinet member, commented recently, ‘full-service powers get extra points’ – meaning that the capacity to blend different forms of political power and persuasion enhances a country’s potential influence, and hence the benefits that can accrue to national prosperity and security.<sup>18</sup>

Taking all these elements together means that the UK currently sits in the second tier of the world’s 10 best-resourced countries in international affairs, well behind the US and China, but alongside France, Germany, India, Japan, Russia and Saudi Arabia (see Table 1 below).

**Table 1.** Top countries by defence/ODA spending and diplomatic reach

	Defence spending, 2019		ODA, 2019		Diplomatic posts
	\$ bn	% of GDP	\$ bn	% of GDP	Embassies, high commissions and permanent missions
United States	685	3.2	34	0.16	177
China	181	1.2	n/a	n/a	177
Saudi Arabia	78	9.9	5	0.57	98
<b>United Kingdom</b>	<b>55</b>	<b>2.0</b>	<b>20</b>	<b>0.70</b>	<b>161</b>
Germany	49	1.3	25	0.64	161
France	52	1.9	13	0.47	176
Japan	49	1.0	15	0.30	161
Russia	62	3.6	1	0.07	155
India	61	2.1	n/a	n/a	128
South Korea	40	2.4	3	0.16	119
Italy	27	1.4	5	0.26	132
Australia	25	1.8	3	0.22	85
Brazil	27	1.5	n/a	n/a	150

Notes: Countries listed in descending order of total spending (i.e. defence + ODA). n/a = ‘not available’. Sources: International Institute for Strategic Studies (2020), *The Military Balance 2020*; OECD (2020), ‘Net ODA’, <https://data.oecd.org/oda/net-oda.htm> (accessed 23 Oct. 2020); and Lowy Institute (2020), ‘Lowy Institute Global Diplomacy Index’.

<sup>18</sup> Chatham House (2020), ‘Webinar: Testing Traditions in American Foreign Policy: A Conversation with Robert Zoellick’, Chatham House Webinar, 28 September 2020, <https://www.chathamhouse.org/events/all/members-event/webinar-testing-traditions-american-foreign-policy-conversation-robert>.

For all the criticism the UK government has received as a result of its messy withdrawal from the EU, and its mishandling of the COVID-19 pandemic, Britain also retains considerable reserves of soft power: the ability to engage internationally and influence global outcomes irrespective of the government's diplomatic efforts at persuasion or coercion.

## **Deeply embedded expertise in the legal drafting of diplomatic texts and agreements, along with native command of the world's effective lingua franca, gives British voices outsized influence in international debates and negotiations.**

Deeply embedded expertise in the legal drafting of diplomatic texts and agreements, along with native command of the world's effective lingua franca, gives British voices outsized influence in international debates and negotiations.<sup>19</sup> International law draws heavily not just on British legal traditions but also on highly trained British lawyers and judges, often recognized as leading experts in their field. The BBC, the *Economist*, the *Financial Times* and the *Guardian* also leverage the power of the English language along with their independent editorial lines to dominate reporting and commentary on international affairs. London's position as one of the world's leading financial centres puts it at the heart of new developments in financial technology, products and regulation, and often ensures the UK a prominent role managing investments into infrastructure projects in emerging markets.

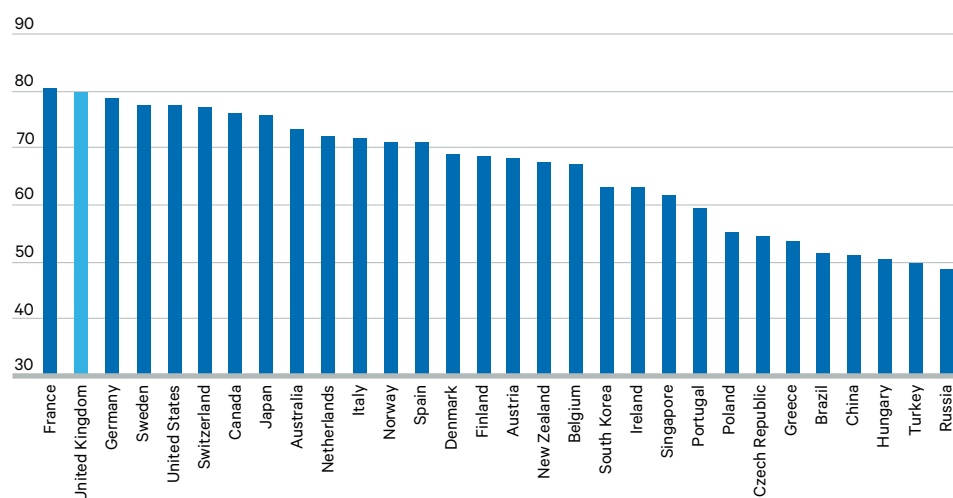
The education sector is another asset. Though Brexit and COVID-19 have set back the continued expansion of UK universities, the high quality and scope of their research put Britain at the forefront of scientific breakthroughs, helping to attract foreign investment and human talent. Finally, the plethora of international NGOs clustered in the UK leverage Britain's position as one of the world's highest ODA spenders. This engages the UK in bottom-up responses to the challenges of resilience and growth in Africa and South Asia, regions with the world's fastest-growing populations. In 2007 the then foreign secretary, David Miliband, described Britain's role as one of a global 'hub'.<sup>20</sup>

This role is supported by the country's geographic location, and by its convenient position in a time zone between the Asian and American continents, which will be as valuable in the new era of Zoom meetings as it has been in the era of the telephone, email and air travel. This nexus of media, specialist publications, NGOs, policy institutes and academic centres gives British ideas a strong and substantive voice in international debates, from environmental protection to global health governance.

<sup>19</sup> See comments by Ambassador Koji Tsuruoka and others to the House of Commons Foreign Affairs Committee Report. House of Commons (2020), *A brave new Britain? The future of the UK's international policy*, Foreign Affairs Committee, HC 380, 22 October 2020, para 11, p. 9, <https://publications.parliament.uk/pa/cm5801/cmselect/cmfaff/380/38002.htm>.

<sup>20</sup> Blitz, J., Dombey, D. and Stephens, P. (2007), 'Miliband sees nation as 'global hub'', *Financial Times*, 8 July 2007, <https://www.ft.com/content/f49555aa-2d88-11dc-939b-0000779fd2ac>.

**Figure 1.** The UK's soft power compared to other countries  
*Portland Soft Power 30 index, 2019*



Source: McClory, J. (2019), 'The Soft Power 30', London: Portland PR Limited, <https://softpower30.com>.

The government's use of the term 'Global Britain' serves to remind others of these assets; it is also a rallying cry to UK citizens to be globally ambitious, and a commitment to its international partners that leaving the EU does not mean the UK will close in on itself. To the contrary, the Johnson government says it plans to go from being overly focused on relations with Europe to opening itself to the opportunities offered by the world as a whole.<sup>21</sup> Whether those opportunities turn out to be harder to access or not is beside the point; the label 'Global Britain' implies that the country will 'step up', as Secretary of Defence Ben Wallace has put it.<sup>22</sup>

But enjoying unique reserves of soft power, a seat at most of the world's top tables, and the assets to leverage the UK's voice and support its interests does not guarantee an ability to lead global change or secure outcomes to the national advantage. This is especially true when the UK is detached from the main institutional actor in its region, the EU; when Britain's most important ally, the US, is grappling to determine its own role in a new geopolitical contest; when alternative partners are dispersed around the world, each with their own domestic and regional concerns; and when the open, rules-based international system which the UK has long championed is under threat.

Before considering how the UK could adapt its international role to these changed circumstances, it is important to assess the resilience of its current national advantages, rather than taking them as a given in the future. How strong and sustainable will Britain's hard power be as disruption from the COVID-19 pandemic consumes its economic resources and the political bandwidth of its leaders? How durable is its soft power? And how might societal and national divisions across the UK, sharpened by COVID-19, limit the government's freedom of action?

<sup>21</sup> Stewart, H., Boffey, D. and Syal, R. (2020), 'Boris Johnson promises Brexit will lead to national revival', *Guardian*, 31 January 2020, <https://www.theguardian.com/politics/2020/jan/31/boris-johnson-promises-brexit-will-lead-to-national-revival>.

<sup>22</sup> Lye, H. (2020), 'Global Britain 'must step up': UK Defence Secretary', *ArmyTechnology*, 22 October 2020, <https://www.army-technology.com/features/global-britain-must-step-up-uk-defence-secretary>.

## The economic challenge

The standard line from the government is that, starting out as the world's sixth-largest economy,<sup>23</sup> the UK has a strong base from which to pursue its national and international ambitions; in other words, it does not have to rely on EU membership to amplify its economic potential. How does the evidence stack up?

The COVID-19 crisis makes any prediction about the global economy in 2030 highly speculative. The same goes for an individual country such as the UK, which was already struggling with weak productivity growth going into the pandemic and faced the prospect of post-Brexit disruption.<sup>24</sup> Pre-COVID-19 assessments nonetheless projected that the UK would remain one of the world's top 10 economies for at least the next decade, even though the US and China will swap positions at the top of the leader board and India will become the third-largest economy.

**Table 2.** The world's largest economies, 2019 and 2030  
*Nominal GDP in US\$ at market exchange rates*

	2019	2030
1	United States	China
2	China	United States
3	Japan	India
4	Germany	Japan
5	India	Germany
<b>6</b>	<b>United Kingdom</b>	<b>United Kingdom</b>
7	France	France
8	Italy	Brazil
9	Brazil	Indonesia
10	Canada	South Korea

Sources: IMF (2020), World Economic Outlook Database, October 2020, [https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEO\\_WORLD](https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEO_WORLD) (accessed 29 Oct. 2020); and OECD (2018), 'Economic Outlook No 103 – July 2018 – Long-term baseline projections', July 2018, [https://stats.oecd.org/Index.aspx?DataSetCode=EO103\\_LTB](https://stats.oecd.org/Index.aspx?DataSetCode=EO103_LTB) (accessed 29 Oct. 2020).

<sup>23</sup> IMF (2020), World Economic Outlook Database, October 2020, <https://www.imf.org/en/Publications/WEO/weo-database/2020/October> (accessed 28 Nov. 2020).

<sup>24</sup> IPPR Centre for Economic Justice (2019), *The UK in the global economy*, 5 September 2019, <http://www.ippr.org/research/publications/uk-in-the-global-economy>.

It now appears that most states will see their near-term growth prospects undermined by COVID-19, although China and its Asian neighbours are recovering the most quickly. The UK will be particularly hard hit in the short term because of its reliance on services to generate growth, tax revenue and employment. According to the Office for National Statistics, the UK economy was still almost 10 per cent smaller in the third quarter of 2020 than at the end of 2019, one of the worst performances in the world.<sup>25</sup> The aviation, retail, hospitality and cultural sectors, in particular, may take a long time to recover as household consumption has suffered more in the UK than in many other markets.<sup>26</sup> However, some parts of the UK economy, including professional services, have weathered the crisis relatively well. And the UK is less reliant than some major economies on manufacturing exports, which will be hard hit in the short term as negative or slower GDP growth cramps consumption outside the Asia-Pacific, and as many countries try to shorten supply chains to strengthen economic resilience.

## **The UK will no longer offer the same advantages as a cost-efficient gateway for non-UK manufacturing companies seeking to access the EU market.**

Over the medium term, the UK faces a complex mix of risks and opportunities. On the plus side, unlike many developed nations, the UK has a relatively young population that continues to grow, which should help to stimulate economic activity. Helped by the Bank of England's reputation for sound monetary stewardship, the government enjoys very low borrowing costs, with 10-year sovereign bonds currently being financed at rates in the region of 0.2 to 0.3 per cent. This gives the authorities plenty of room to back the economy through the COVID-19 crisis, even as the ratio of public debt to GDP passes 100 per cent.

On the negative side, growth will inevitably be hit by the UK's exit from the EU single market, with the Office for Budget Responsibility projecting a 4 per cent loss of long-run output over the coming years, over and above the impacts of COVID-19.<sup>27</sup> Even with the recently concluded UK–EU Trade and Cooperation Agreement (TCA), UK goods exports to the EU will face customs and regulatory checks, and new minimum requirements for the amount of UK and EU content if they are to enjoy tariff-free access. In the near term, at least, UK services will also lose barrier-free access to EU markets, and UK-based companies will be unable to work with EU clients as effectively as they did when in the EU. Commercial services – including finance, education, professional services (accountancy, law, public relations), design and fashion – are the UK's most successful export segment,

<sup>25</sup> Office for National Statistics (2020), 'GDP first quarterly estimate, UK: July to September 2020', 12 November 2020, <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/julytoseptember2020>.

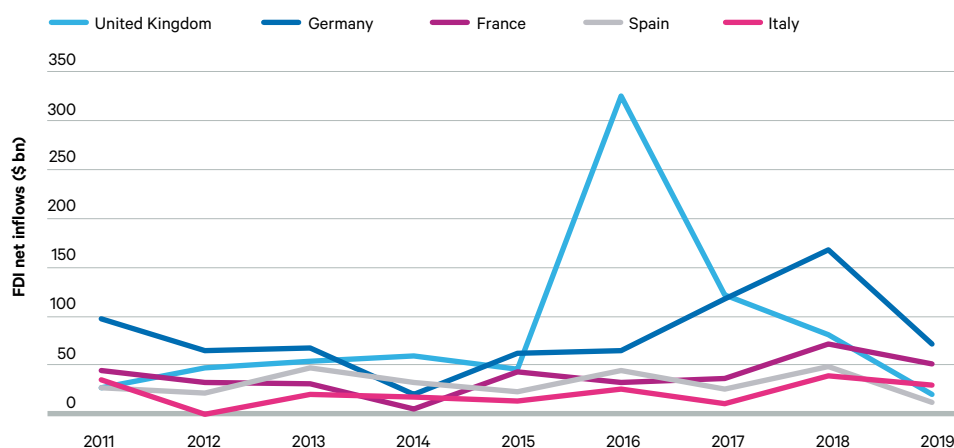
<sup>26</sup> Giles, C. (2020), 'UK's poor GDP performance rooted in weak household spending', *Financial Times*, 16 November 2020, <https://www.ft.com/content/c5d72dea-50bc-4f1f-98d3-bc758aafa905>.

<sup>27</sup> Office for Budget Responsibility (2020), *Economic and Fiscal Outlook, November 2020*, [http://cdn.obr.uk/CCS1020397650-001\\_OBR-November2020-EFO-v2-Web-accessible.pdf](http://cdn.obr.uk/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf).

and the EU has accounted for 40 per cent of UK service exports, generating a bilateral trade surplus in the UK's favour, in contrast to UK trade in goods.

As a result, the UK may see further erosion of its coveted position among the top destinations for foreign direct investment (FDI) in Europe. The UK will no longer offer the same advantages as a cost-efficient gateway for non-UK manufacturing companies seeking to access the EU market. The challenge will thus be twofold. One will be to attract investors interested in tapping into Britain's relatively large, young and wealthy domestic market. The other will be to continue to lure investors with the UK's reputation and capacity for scientific innovation, and with its continued relative openness to human talent. The government appears committed to both objectives. But, even with continued UK participation in large EU research programmes under the new TCA, there will be new financial disincentives for students and researchers from continental Europe to come to the UK, which could undermine the UK's leading position in university rankings and scientific research.<sup>28</sup>

**Figure 2. Net FDI inflows, 2011–19**



Source: World Bank (2020), World Development Indicator DataBank, <https://databank.worldbank.org/reports.aspx?source=2&series=BX.KLT.DINV.CD.WD&country=> (accessed 13 Nov. 2020).

In the meantime, the UK will need to keep a close eye on the health of its current account, which has been running a deficit of around 3–5 per cent of GDP since 2012.<sup>29</sup> The challenge has been compounded by the post-referendum drop in the pound, which has contributed to the value of the UK's overseas assets falling below the value of its external liabilities.<sup>30</sup> And British citizens still show scant interest in becoming bigger savers: domestic savings rates have declined further

<sup>28</sup> GOV.UK (2020), 'Student Support in England', 23 June 2020, <https://www.gov.uk/government/news/student-support-in-england>.

<sup>29</sup> IMF (2020), World Economic Outlook Database, [https://www.imf.org/en/Publications/WEO/weo-database/2020/October/weo-report?c=112,&s=BCA\\_NGDPD,&sy=2006&ey=2025&ssm=0&scsm=1&ssc=0&ssd=1&ssc=0&sic=0&sort=country&ds=.&br=1](https://www.imf.org/en/Publications/WEO/weo-database/2020/October/weo-report?c=112,&s=BCA_NGDPD,&sy=2006&ey=2025&ssm=0&scsm=1&ssc=0&ssd=1&ssc=0&sic=0&sort=country&ds=.&br=1) (accessed 3 Dec. 2020).

<sup>30</sup> Office for National Statistics (2020), 'Understanding the UK's net international investment position', 27 April 2020, <https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/articles/understandingtheuksnetinternationalinvestmentposition/2020-04-27>.

relative to the UK's main European peers since 2016.<sup>31</sup> Establishing new free-trade agreements (FTAs) with partners such as the US or Mexico – or upgrading some of the FTAs the UK previously enjoyed as an EU member, as the government has recently done with Japan – will help, especially if the deals can be tailored towards UK strengths such as data services. But this will not compensate in the near or medium term for the loss of preferential access to the large, wealthy and nearby EU market.

## Slipping, but still in the top tier

What might this all mean for Britain's capacity for international influence? Given the COVID-19-straitened financial circumstances likely for the next three to five years at least and the opportunity costs of adjusting its economy to life outside the EU, the UK will have next to no additional resources to deploy to protect its interests and project influence internationally, as it repairs the fiscal damage caused by the pandemic (and by the state's necessary response to it). But if the UK can at least sustain existing levels of international public spending as a proportion of GDP, then, given that other countries will be facing similar pressures, it should have sufficient resources to be able to remain a globally influential mid-sized power.

## **The UK will remain at the top of a cluster of countries in the second tier, with the combined material resources potentially to play a globally influential role alongside the same allies and partners as today.**

To illustrate this point, the tables below use 2018 OECD projections of economic growth to 2030 to show how relative changes in GDP could affect trends in defence and development spending. These projections do not take into account the impact of COVID-19. But even if one country is hit more or less hard than others in the short term, the long-run impact over the next 10 years is likely to be limited enough not to change the projected rankings significantly.

Under this scenario, it looks likely that the UK will remain among the top 10 countries globally, not only in terms of total GDP, but also one of the wealthiest per capita among this group (see Table 3). Future British governments will therefore have the option to continue dedicating a meaningful proportion of GDP to their international priorities.

<sup>31</sup> Eurostat (2020), 'Household saving rate', <https://ec.europa.eu/eurostat/databrowser/view/tec00131/default/table?lang=en> (accessed 7 Dec. 2020).



**Table 3.** GDP and population in 2030

	Nominal GDP at market exchange rates		Population	
	\$ bn	\$ per capita	Million	% working age
China	37,890	26,585	1,425	67.4
United States	32,182	92,406	348	62.3
India	11,970	7,961	1,504	68.4
Japan	7,200	60,366	119	58.0
Germany	6,122	74,426	82	59.5
<b>United Kingdom</b>	<b>4,599</b>	<b>66,143</b>	<b>70</b>	<b>61.9</b>
France	4,368	63,722	69	59.7
Brazil	4,032	18,011	224	68.2
Indonesia	3,571	11,937	299	67.7
South Korea	2,963	57,571	51	64.8
Italy	2,948	50,320	59	60.9
Russia	2,869	20,245	142	63.0
Canada	2,752	67,253	41	62.2
Australia	2,455	86,853	28	62.4
Turkey	2,078	23,306	89	66.6
Saudi Arabia	1,759	44,744	39	72.8

Sources: OECD (2018), 'Economic Outlook No 103 – July 2018 – Long-term baseline projections'; World Bank (2020), 'Population estimates and projections', DataBank, <https://databank.worldbank.org/source/population-estimates-and-projections> (accessed 29 Oct. 2020).

If we then take into account likely and announced spending plans alongside these projected growth trends in GDP (see Table 4 below), a second important takeaway is that the differential between the amount the UK spends in 2030 on its international priorities, alongside that of other mid-sized powers, and the larger amount China spends will have widened significantly. Still, if the UK can sustain current rates of both defence and development spending relative to GDP, a third important takeaway is that the UK will remain at the top of a cluster of countries in the second tier, with the combined material resources potentially to play a globally influential role alongside the same allies and partners (shaded in grey in Table 4) as today.

**Table 4.** Projected international spending in 2030

	Defence spending		ODA	
	\$ bn	% of GDP	\$ bn	% of GDP
United States	998	3.1	64	0.2
China	568	1.5	38	0.1
India	263	2.2	n/a	n/a
Saudi Arabia	141	8.0	9	0.5
Germany	104	1.7	37	0.6
<b>United Kingdom</b>	<b>97</b>	<b>2.1</b>	<b>28</b>	<b>0.6</b>
Russia	109	3.8	3	0.1
France	87	2.0	22	0.5
Japan	72	1.0	22	0.3
South Korea	83	2.8	6	0.2
Turkey	42	2.0	21	1.0
Brazil	60	1.5	n/a	n/a
Italy	50	1.7	9	0.3
Australia	49	2.0	5	0.2
Canada	44	1.6	8	0.3
Indonesia	29	0.8	n/a	n/a

Notes: Countries listed in descending order based on author's assessment of the future combined spending on defence and ODA as a percentage of projected GDP in 2030. Grey shading indicates UK and partner countries. n/a = not available. List excludes EU given its lack of control over defence spending.

Sources: Author projections based on International Institute for Strategic Studies (2020), *The Military Balance 2020*; OECD (2018), 'Economic Outlook No 103 – July 2018 – Long-term baseline projections'; and OECD (2020), 'Net ODA'.

National wealth and international influence can interconnect, but they do not necessarily correlate. Russia's GDP is currently broadly equal to that of Canada, yet Russia is a far more influential country. For its part, the EU struggles to bring its collective weight to bear on questions of security and traditional foreign policy, but has proven adept at leveraging its combined market power in the field of global regulatory standards and in striking major trade agreements.

These are reminders that while the size and scope of the UK's national assets will matter, they are no guarantee of future international influence. An effective strategy for their deployment will be at least as important. The likely change in Britain's relative economic position in 2030 brings into sharp relief the need for the UK to focus its efforts and to coordinate its assets with its main partners if it is to have a good chance of achieving its global goals in the future. But, as discussed in the next section, any strategy will also depend in part on the licence that

policymakers believe they have from the public to apply the country's precious resources to the pursuit of their foreign and security policy priorities.

## **An ambivalent public**

A country's international influence depends on more than just its material resources. It also depends on a mix of intangibles, including technological innovation, the quality of policymaking, bureaucratic efficiency, and the competence and charisma of political leaders. Britain's ability to build a world-spanning empire in the 19th century illustrates the relevance of this mix. Most of these dynamics lie beyond the remit of this paper. But one issue that must be considered is the level of popular cohesion in the face of future external challenges.

To start with, for all the new hurdles facing the UK after its exit from the EU, it is possible that there will be a new sense of national agency among British politicians and citizens. Outside the EU, UK policymakers will not be able to blame the EU for the country's ills or hide the failures of policymaking in Westminster behind claims of an 'undemocratic' Brussels. By being more alone in the world, they will have a greater incentive to fix their own problems – and little choice but to do so. Perversely, membership of the EU appeared to disconnect many UK political leaders, on the right and left, from their predecessors' traditional pragmatism. For over 30 years, the country indulged in an endless debate about the UK's role in the future of EU integration, rather than making thoughtful assessments of how EU membership could help mitigate risks and maximize opportunities for the country.

## **Outside the EU, UK policymakers will not be able to blame the EU for the country's ills or hide the failures of policymaking in Westminster behind claims of an 'undemocratic' Brussels.**

Attitudes to European defence are an example of new-found British pragmatism. Despite continued misgivings after the Brexit referendum, Conservative policymakers have since stood aside to allow EU members to increase their defence integration.<sup>32</sup> They no longer fear that each EU decision on foreign and security policy might be a precursor to an expansion of qualified majority voting that would circumscribe British sovereignty. But the potential for greater pragmatism in dealing with European neighbours on shared challenges falls a long way short of the ambitious foreign policy implied by the 'Global Britain' mantra. And the latest opinion polling raises questions about whether there will be public support in the coming years for an activist approach.

Britain emerged from its Brexit chrysalis and entered the COVID-19 crisis as a still-divided country. The 2019 British Social Attitudes (BSA) survey reveals

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<sup>32</sup> See Council of the European Union (undated), 'Timeline: EU Cooperation on Security and Defence', <https://www.consilium.europa.eu/en/policies/defence-security/defence-security-timeline>.

that only 7 per cent of respondents felt 'very strongly' attached to one of the country's political parties, equalling the record low proportion in the 2018 survey. In contrast, 45 per cent classified themselves as either 'very strong' Remainers or 'very strong' Leavers, 5 percentage points more than in 2018. Another third thought of themselves as 'fairly strong' Remainers or Leavers.<sup>33</sup> The country is still split into two halves, therefore, with Remainers far more pessimistic and Leavers far more optimistic about their economic futures and national identity after Brexit.<sup>34</sup>

What might these popular attitudes mean for this and future governments as they seek to redefine the UK's global role? The BSA survey points to an interesting development. Remainers and Leavers may still be deeply split on the value of the UK's relationship with the EU, but they broadly share similar views on how to manage certain aspects of relations with the outside world after Brexit. For example, 48 per cent of Remainers join the 82 per cent of Leavers who believe EU migrants should go through the same entry requirements as non-EU migrants.<sup>35</sup> At the same time, Remainers and Leavers both overwhelmingly support retaining the EU's strong safeguards on animal welfare, reflected in their shared opposition to the import of hormone-treated beef and chlorinated chicken – a worrying sign for proponents of a more deregulated, free-trading Britain. On genetically modified crop imports, the Leavers are even more sceptical than the Remainers.<sup>36</sup>

Remainers and Leavers also appear united in their lack of trust in politicians and the political system. Only 15 per cent of those surveyed said they trust British governments 'just about always' or 'most of the time', while 34 per cent said they 'almost never' trust British governments, the worst figure since 2009 and the financial crash.<sup>37</sup> And Leavers still trust government the least. Between 2016 and 2019, the number of Leavers who say they 'almost never trust' the government increased by 8 percentage points to 40 per cent.<sup>38</sup> The one area where Leave voters are more trusting of the government than Remainers, however, is foreign policy. According to a survey by the British Foreign Policy Group (BFPG) published in mid-2020, a little under two-thirds of Leavers trust the government to act in the national interest on foreign policy. Remainers offer a mirror image, with close to two-thirds not trusting the government to represent the national interest.<sup>39</sup>

On the separate issue of interest and engagement in politics, the BSA survey shows that this grew among the public significantly around the 2016 referendum and – while having slipped somewhat – remains historically elevated.<sup>40</sup> This could be healthy for the future of UK democracy, but it also could have a constraining

<sup>33</sup> National Centre for Social Research (2020), 'Political consequences of Brexit', *British Social Attitudes 37*, p. 6, [https://www.bsa.natcen.ac.uk/media/39374/bsa37\\_political\\_consequences\\_brexit.pdf](https://www.bsa.natcen.ac.uk/media/39374/bsa37_political_consequences_brexit.pdf).

<sup>34</sup> *Ibid.*, pp. 10–11.

<sup>35</sup> National Centre for Social Research (2020), 'Post-Brexit public policy', *British Social Attitudes 37*, p. 16, [https://www.bsa.natcen.ac.uk/media/39375/bsa37\\_post-brexit-public-policy.pdf](https://www.bsa.natcen.ac.uk/media/39375/bsa37_post-brexit-public-policy.pdf).

<sup>36</sup> *Ibid.*, p. 18.

<sup>37</sup> National Centre for Social Research (2020), 'Political consequences of Brexit', p. 14. This is matched by data from the Pew Research Center, which reports that only 44 per cent of respondents in Britain believe 'the state is run for the benefit of all'. See Wike, R. and Schumacher, S. (2020), 'Democratic Rights Popular Globally but Commitment to Them Not Always Strong', Pew Research Center, 27 February 2020, <https://www.pewresearch.org/global/2020/02/27/democratic-rights-popular-globally-but-commitment-to-them-not-always-strong>.

<sup>38</sup> National Centre for Social Research (2020), 'Political consequences of Brexit', p. 19.

<sup>39</sup> Gaston, S. (2020), *UK Public Opinion on Foreign Policy and Global Affairs: Annual Survey – 2020*, British Foreign Policy Group, June 2020, p. 27, <https://bfp.co.uk/wp-content/uploads/2020/06/BFPG-Annual-Survey-Public-Opinion-2020-HR.pdf>.

<sup>40</sup> National Centre for Social Research (2020), 'Political consequences of Brexit', pp. 17–18.

effect on this and future governments' room for manoeuvre on foreign policy. David Cameron notoriously discovered to his cost how cautious MPs have become in the face of a more engaged but sceptical public in respect of foreign policy, when in August 2013 he lost a Commons vote on conducting airstrikes against Syrian government forces as punishment for their use of chemical weapons against civilians. The fact that increased popular interest in politics is accompanied by an increase in political polarization means the government may struggle to gain majority public support for a more activist foreign policy. And, although there appears to be strong support for the UK continuing to spend nearly 3 per cent of GDP on all its international activities, this offers little guidance as to what majorities of the public believe this spending should be targeted towards.<sup>41</sup>

## **The fact that increased popular interest in politics is accompanied by an increase in political polarization means the government may struggle to gain majority public support for a more activist foreign policy.**

To the extent that there is a popular mood around Britain's place in the world, it is one of caution. The BFPG survey shows a sharp increase in the number of Britons who reject the notion of being a 'global citizen', up from 34 per cent of respondents in 2019 to 46 per cent in 2020.<sup>42</sup> The BFPG survey also reported that 36 per cent of Britons would prefer the government to focus on the country's own economic and security interests. Only 16 per cent believe the country should emphasize its support for democracy and human rights, and 32 per cent favour striking a balance between the two.<sup>43</sup>

Although there is still support for the UK's traditional role in providing humanitarian assistance, only small percentages of those surveyed were interested in seeing British funds go to achieving more structural goals, such as increasing women's education or protecting women from violence.<sup>44</sup> There was similar popular ambivalence in a survey on NATO by the Pew Research Center. Some 65 per cent of respondents said they had a favourable view of NATO, but only 55 per cent said they would support the UK using military force if a fellow member were attacked by Russia (though this percentage is higher than in most other NATO countries).<sup>45</sup>

A key question is how this contradictory popular outlook will be affected by the COVID-19 crisis. A survey by the European Council on Foreign Relations (ECFR) in August 2020 argues that Britons are healing their Brexit divisions under the pressures of the pandemic.<sup>46</sup> The survey also shows cross-party support for an

<sup>41</sup> Gaston (2020), *UK Public Opinion on Foreign Policy and Global Affairs*, pp. 29–33.

<sup>42</sup> *Ibid.*, p. 10.

<sup>43</sup> *Ibid.*, p. 34.

<sup>44</sup> *Ibid.*, p. 31.

<sup>45</sup> Fagan, M. and Poushter, J. (2020), 'NATO Seen Favourably Across Member States', Pew Research Center, 9 February 2020, <https://www.pewresearch.org/global/2020/02/09/nato-seen-favorably-across-member-states>.

<sup>46</sup> Leonard, M. (2020), 'The Brexit parenthesis: Three ways the pandemic is changing British politics', 12 August 2020, European Council on Foreign Relations, [https://www.ecfr.eu/publications/summary/the\\_brexit\\_parenthesis\\_three\\_ways\\_the\\_pandemic\\_is\\_changing\\_uk\\_politics](https://www.ecfr.eu/publications/summary/the_brexit_parenthesis_three_ways_the_pandemic_is_changing_uk_politics).

internationalist UK foreign policy, as the pandemic has reminded the public of the country's dependence on its overseas partners.<sup>47</sup> But this healing has come at the cost of trust in the Johnson government, whose handling of the crisis has badly dented its reputation, with Conservatives being particularly critical.

Importantly for the substance of UK foreign policy, the survey shows a marked worsening in public perceptions of the US and China, and an improvement in perceptions of Germany.<sup>48</sup> While the US figures will most probably change following the election of Joe Biden, another survey shows that negative perceptions of China have spiked in the UK, from 55 per cent of respondents in 2019 to 74 per cent in the summer of 2020.<sup>49</sup> For Johnson there is the additional consideration that over 30 per cent of Conservative voters blame China for the scale of the damage wrought by the pandemic, compared with single-digit percentages among supporters of other British political parties.<sup>50</sup>

## **The current and future governments will need to consider the perspective of the younger generation of Britons when developing and implementing foreign policy.**

COVID-19 has not dented the public's desire to see the government be proactive in tackling climate change. In the recent ECFR survey, 62 per cent of respondents want stronger action to combat climate change, seeing parallels in the scale and impact of global warming and the pandemic, while only 9 per cent do not.<sup>51</sup> This is a reminder that this and future governments will need to consider the perspective of the younger generation of Britons when developing and implementing foreign policy. Acutely aware of the risks from climate change, and embracing the social activism of the #MeToo movement and the desire to tackle structural injustices implicit in the Black Lives Matter movement, this next generation is more likely to hold the government to account over its statements about pursuing a values-based foreign policy. Young people will expect the political establishment to uphold the same commitment to environmental stewardship, social justice and good governance that it demands from multinationals and business leaders. The government will struggle to promote these principles domestically and then try to run a foreign policy that contradicts them.

It is hard to predict how these public perceptions will influence government policy. The combination of a public still divided over the impacts of Brexit, a significant loss of trust in politicians and the political system, and widespread popular caution about a more deregulatory UK trade policy could serve

<sup>47</sup> Sixty-six per cent said that COVID-19 shows a need for more international cooperation, while only 18 per cent said it shows globalization has gone too far. Ibid.

<sup>48</sup> Sixty-six per cent said their opinion of the US had worsened as a result of the COVID-19 crisis, while 56 per cent felt this about China. Ibid.

<sup>49</sup> Silver, Devlin and Huang (2020), 'Unfavorable Views of China Reach Historic Highs in Many Countries'. This is all the more remarkable given that negative British perceptions of China in 2005 were only 16 per cent, far lower than in any other Western country.

<sup>50</sup> Leonard (2020), 'The Brexit parenthesis'.

<sup>51</sup> Ibid.

as constraints. The government's promise to 'level up' the country socio-economically also creates the expectation that more resources will be focused at home rather than on foreign policy ambitions. And this all sets to one side the very real risk that the UK might break up at some point in the next five to 10 years, as Scottish and Irish nationalism feed off continuing post-Brexit and post-pandemic political turbulence.

So, the government's licence to invest in strategic international goals will need to be earned by a successful performance at home. But now that the UK has left the EU but has been reminded by COVID-19 of the realities of interdependence and the benefits of international cooperation, there could be public support for a non-partisan international agenda that is seen to improve the country's future well-being and security. Policymakers will also need to take into account some of the forward-looking aspirations of the UK's younger generations, rather than tapping into nostalgic visions of Britain's role in the world.

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# 04 Global goals

**The government should focus its foreign policy on six priority areas where the combination of its resources and credibility will enable the UK to have most impact.**

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As Britain reaches out to the world on its own, the government's international goals should prioritize issues that most reflect a combination of three factors: their importance to the country's interests given the splintered international context; the UK's ability to bring assets to bear to make a difference; and whether the government carries the domestic credibility, including popular licence, to act. What, then, should the UK's main goals be? The following sections outline six priorities that meet these criteria.

## **Human rights and democracy**

First, the UK should protect human rights and liberal democracy around the world, and help other countries undertake their own journeys to systems of democratic governance. This is not a utopian aspiration; it is a realist goal rooted in the national interest. The UK will not want the world dominated by a growing number of insecure autocracies that, in almost all cases, struggle to meet the needs of their people and pay little attention to shared global problems. It makes more sense for the UK to be an anchor for liberal democracies at a time when these are under threat in many countries. Their health and survival will ensure the UK continues to have allies and partners who support a rules-based approach to international relations, thereby lessening the risk of conflict and instability; whose systems of political checks and balances, in challenging leaders who pursue personal enrichment at the expense of the public interest, provide more likely partners in tackling shared global challenges; and whose politicians and businesses come under pressure from civil society to combat rather than condone corruption, thereby also allowing UK companies to compete more effectively.

The UK brings significant assets to the pursuit of this goal. As a permanent member of the UN Security Council, it has an important voice in supporting the UN's Universal Declaration of Human Rights. As a core member of the



Commonwealth, it has a regular forum in which to promote norms of accountable governance. As the leading member of NATO after the US and as commander of NATO's Joint Expeditionary Force with a sizeable forward deployment of forces in the 'High North', Britain plays an important role in protecting some of Europe's most geographically exposed democracies.<sup>52</sup> Hosting one of the world's leading financial centres, it has the capacity to sanction – alone and alongside others – individuals or governments that seek to undermine democracy at home or abroad.

## **Hosting one of the world's leading financial centres, the UK has the capacity to sanction – alone and alongside others – individuals or governments that seek to undermine democracy at home or abroad.**

The UK government has stated that supporting liberal democracy and human rights is one of its central goals, along with promoting free trade and the international rule of law.<sup>53</sup> It has taken a number of concrete steps in support of this goal in the past year and a half. In mid-2019, in conjunction with the Canadian government, the UK launched an initiative on global media freedom.<sup>54</sup> And it has taken a more proactive stance since the UK's departure from the EU on calling out human rights abuses. It introduced new so-called 'Magnitsky provisions' as part of its new post-EU Sanctions Act, targeting individuals involved in human rights abuses in Russia, Saudi Arabia, Myanmar and North Korea.<sup>55</sup> In June 2020, it convinced other G7 members to issue a statement critical of China, following the Chinese government's imposition of the draconian national security law on Hong Kong.<sup>56</sup> It followed this by offering a pathway to citizenship for all Hong Kong British National Overseas passport-holders, plus the 2.2 million entitled to apply for one; suspending its extradition treaty with Hong Kong; and including the territory in the British arms embargo with mainland China.<sup>57</sup> In September, the UK government also began sanctions proceedings, ahead of the then-gridlocked EU, against individuals in the government of Aliaksandr Lukashenka in Belarus, in response to the regime's political suppression following disputed elections.<sup>58</sup>

<sup>52</sup> GOV.UK (2020), 'UK further commits to NATO and European Security through JEF Readiness Declaration and deployment of Typhoons to Lithuania', press release, 12 February 2020, <https://www.gov.uk/government/news/uk-further-commits-to-nato-and-european-security-through-jef-readiness-declaration-and-deployment-of-typhoons-to-lithuania>.

<sup>53</sup> GOV.UK (2020), 'Foreign Secretary's introduction to the Queen's Speech debate', speech by Dominic Raab, 13 January 2020, <https://www.gov.uk/government/speeches/foreign-secretary-introduction-to-queens-speech-debate>.

<sup>54</sup> GOV.UK (2020), 'United Kingdom and Canada mark the 1 year anniversary of the first Global Conference for Media Freedom', press release, 10 July 2020, <https://www.gov.uk/government/news/united-kingdom-and-canada-mark-the-one-year-anniversary-of-the-first-global-conference-for-media-freedom>.

<sup>55</sup> GOV.UK (2020), 'UK announces first sanctions under new global human rights regime', 6 July 2020, <https://www.gov.uk/government/news/uk-announces-first-sanctions-under-new-global-human-rights-regime>; and Wintour, P. and Harding, L. (2020), 'UK on collision course with Saudis over new human rights sanctions', *Guardian*, 6 July 2020, <https://www.theguardian.com/law/2020/jul/06/dominic-raab-to-announce-uk-sanctions-against-human-rights-abusers>.

<sup>56</sup> Wintour, P. (2020), 'G7 urges China to reconsider new Hong Kong security laws', *Guardian*, 17 June 2020, <https://www.theguardian.com/world/2020/jun/17/g7-urges-china-to-reconsider-new-hong-kong-security-laws>.

<sup>57</sup> Lau, S. and Wong, C. (2020), 'Britain suspends Hong Kong extradition treaty over national security law', *South China Morning Post*, 20 July 2020, <https://www.scmp.com/news/china/diplomacy/article/3093960/any-uk-move-suspend-extradition-treaty-interferes-domestic>.

<sup>58</sup> Wintour, P. (2020), 'UK plans 'Magnitsky'-style sanctions against officials in Belarus', *Guardian*, 24 September 2020, <https://www.theguardian.com/world/2020/sep/24/uk-plans-magnitsky-style-sanctions-against-officials-in-belarus>.

Notwithstanding the indifference that at least a third of the public conveys about the government pursuing a values-free foreign policy, a principled approach to human rights would be aligned with the growing popular demand for greater domestic equity and justice. And the UK has the interests, resources and credibility to make support for liberal democracy one of its priorities for the future. The arrival of the Biden administration also creates an opportunity for the UK to support the US's possible return to the UN Human Rights Council as part of a team of countries committed to upholding the council's true principles.

## Peace and security

The goal of upholding and supporting liberal democracy is connected to what should be a second principal foreign policy objective, which is for the UK to support the emergence and maintenance of peaceful and thriving societies around the world. Increased geopolitical competition, failures of governance and growing environmental stresses are undermining international peace and security, especially in the Middle East, Africa and South Asia. Yet an expansion in the number of societies living in peace and security would have direct benefits for Britain's own security and prosperity. It would ease the pressures contributing to illegal migration flows; it would limit the appeal of diverse forms of violent extremism and the risks to the UK from international terrorism; it would reduce the risk that communicable diseases overwhelm weak health systems and spread to the UK; and it would expand the potential circle of Britain's economic partners.

**Given the institutional, security and environmental challenges facing their rapidly growing populations, as well as their relative proximity to the UK, countries in sub-Saharan Africa should continue to be Britain's main priority in this context.**

The steps needed to progress towards this objective are well known. They are encapsulated in the UN's Sustainable Development Goals (SDGs), especially SDG 16 ('peace, justice and strong institutions'), which the UK and all other states have signed up to.<sup>59</sup> The UK is well placed to support other countries in working towards the SDGs. Britain's large foreign assistance budget gives it a strong voice in the UN's multilateral development agencies, even after the announcement of a supposedly temporary fall to 0.5 per cent of gross national income (GNI) in the government's November 2020 Spending Review. The country's world-leading humanitarian and development NGOs bring important experience, strong networks and their

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<sup>59</sup> United Nations (2015), 'Historic New Sustainable Development Agenda Unanimously Adopted by 193 UN Members', 25 September 2015, <https://www.un.org/sustainabledevelopment/blog/2015/09/historic-new-sustainable-development-agenda-unanimously-adopted-by-193-un-members/>; and Richard, P. (2019), 'Why Integrated Implementation of the SDGs Will Help Build Peaceful Societies', Global Observatory, International Peace Institute, 16 May 2019, <https://theglobalobservatory.org/2019/05/why-integrated-implementation-sdgs-will-help-build-peaceful-societies>.

own funding to local projects.<sup>60</sup> In addition, the government has recently pledged £515 million to help more than 12 million children, half of them girls, go to school.<sup>61</sup>

The UK is known internationally for the close collaboration between its diplomats, development officials and military in fragile environments – reflected in the work of its cross-departmental Stabilisation Unit.<sup>62</sup> The establishment of the FCDO offers the potential for Britain to integrate even more deeply its diplomatic resources, its work on the linkages between security and development, and its world-leading knowledge of the inner political workings of partner countries with the resources to help them make changes for the better. The UK already spends some 45 per cent of its foreign aid budget on fragile and conflict-affected countries.<sup>63</sup> And as one of the world's main military actors, the UK engages preventively – through deployment of military training missions in countries where it has good diplomatic relations – and reactively to try to uphold security or try to bring peace to conflict situations.

While there have been notable failures, such as in Afghanistan, sub-Saharan Africa offers examples of the UK's potential positive impacts. In recent years, the UK has provided military training in Kenya, anti-poaching support in Malawi and Gabon, counterterrorism support via Djibouti and Somalia and, as part of its role as a permanent member of the UN Security Council, troops to monitor the situation in South Sudan. Since 2018, the UK has also significantly increased its diplomatic, development and military presence in the Sahel, as well as the number of staff working on the region from London, in response to the continued worsening of the security situation there. The UK has been one of the largest development and humanitarian donors to the region, providing over £500 million in humanitarian assistance since 2015.<sup>64</sup> Given the institutional, security and environmental challenges facing their rapidly growing populations, as well as their relative proximity to the UK, countries in sub-Saharan Africa should continue to be Britain's main priority in this context.

## Climate change

This brings us to the next set of priorities for UK foreign policy, which is to help address more effectively the biggest challenges to the world's collective prosperity and security. The UK's exposure to the world – through its reliance on trade, investment and financial flows, its openness to tourism and migration, and its active diasporas – means that it suffers as much as, or more than, most other countries from a worsening of the state of the global commons. The sharp economic contractions it has suffered as a result of the 2008–10 global financial crisis and the COVID-19 pandemic confirm this point.

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<sup>60</sup> Banks, N. and Brockington, D. (2019), *Mapping the UK's development NGOs: income, geography and contributions to international development*, GDI Working Paper 2019-035, Manchester: University of Manchester, <https://www.gdi.manchester.ac.uk/research/publications/gdi-working-papers/2019-035>.

<sup>61</sup> GOV.UK (2019), 'PM steps up UK effort to get every girl in the world into school', press release, 24 September 2019, <https://www.gov.uk/government/news/pm-steps-up-uk-effort-to-get-every-girl-in-the-world-into-school>.

<sup>62</sup> GOV.UK (undated), 'About us', Stabilisation Unit, <https://www.gov.uk/government/organisations/stabilisation-unit/about>.

<sup>63</sup> House of Commons (2020), 'Foreign Affairs Committee: Oral evidence: Work of the Foreign, Commonwealth and Development Office, HC 253', 6 October 2020, <https://committees.parliament.uk/oralevidence/1000/html>.

<sup>64</sup> Vines, A. (2020), 'Ministers Should Focus on Better Defining UK Objectives in the Sahel', *Telegraph*, 22 July 2020, <https://www.telegraph.co.uk/news/2020/07/22/ministers-should-focus-better-defining-british-objectives-sahel>.

The question then arises: where should the UK put its effort? At the top of the list should be helping to tackle climate change. Climate change is already bringing devastating impacts through changing weather patterns, as seen in the 2020 hurricane and wildfire seasons. Such impacts are likely to grow for the foreseeable future, even if the world meets the aspirations of the Paris Agreement. If it does not, earth-atmosphere feedbacks could create runaway climate change, leading to existential threats to societies, as explained in the recent reports of the Intergovernmental Panel on Climate Change (IPCC).<sup>65</sup>

## **Britain has international credibility on climate issues and can leverage its commitments as an example to others.**

Climate change will hit the UK hard at all levels: through damage to domestic infrastructure and agricultural production; through weaker global economic growth; through conflict, instability and climate refugee flows in the UK's neighbourhood; and through disruption to global supply chains. The UK has already taken a global lead on climate policy by introducing legislation in 2008 that binds the country to its climate goals, as well as by making the transition to more renewable energy, especially through offshore wind power.<sup>66</sup> The Bank of England and the City of London are also combining to promote new instruments for green finance. This means Britain has international credibility on climate issues and can leverage its commitments as an example to others. As noted earlier, there is strong public support for making climate policy a national priority. Doing so, moreover, closely interconnects with the UK's peace and security agenda described above.

The UK has a unique and immediate opportunity to step up to this challenge, given its role as co-chair of the COP26 summit scheduled to take place in Glasgow in November 2021. The UK will need to use its full suite of diplomatic tools and networks over the next 10 months to help the international community achieve meaningful progress. President Xi Jinping's announcement in September 2020 that China aims to hit peak carbon emissions by 2030 and be carbon neutral by 2060, and the election of Joe Biden as US president, have improved the political context for COP26. If the UK can help convince these two governments to commit in Glasgow to more ambitious Nationally Determined Contributions, then global mitigation plans could start to come into line with the objective of the Paris Agreement to limit global temperature increase to well below 2 degrees Celsius.<sup>67</sup> The UK could also seek a formal financial package to support low-income countries in their energy transitions and climate resilience and find agreement on a series of nature-based solutions, such as reforestation and measures to prevent further biodiversity loss.

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<sup>65</sup> See, for example, Intergovernmental Panel on Climate Change (2018), *Global Warming of 1.5°C. An IPCC special report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty*, <https://www.ipcc.ch/sr15>.

<sup>66</sup> Institute for Government (2020), 'UK net zero target', Explainer, 20 April 2020, <https://www.institute.forgovernment.org.uk/explainers/net-zero-target>; and GOV.UK (2020), *The Ten Point Plan for a Green Industrial Revolution: Building back better, supporting green jobs, and accelerating our path to net zero*, policy paper, <https://www.gov.uk/government/publications/the-ten-point-plan-for-a-green-industrial-revolution>.

<sup>67</sup> United Nations Climate Change (undated), 'What is the Paris Agreement?', Art. 2, <https://unfccc.int/process-and-meetings/the-paris-agreement/what-is-the-paris-agreement#>.

## Global health

Also on the list of national priorities should be improving standards and coordination on global health. The COVID-19 pandemic has demonstrated the central role that health resilience will play in future global economic and social stability. The risk of new zoonotic virus transmission will increase alongside the continued growth in human populations in Africa and parts of Asia. Risk will be linked principally to trade and travel, but also to the industrialization of animal husbandry and accelerated human encroachment on animal habitats. Human vulnerability to disease outbreaks has been exacerbated by the pressures of modern life, such as poor diet, poor air quality in congested urban areas, and the spread of disease and ill health from climate change. While the UK will try to enhance its resilience to future pandemics after COVID-19, even the most effective measures will not be enough to shield it from the indirect effects of a new global outbreak.

The UK is in a strong position to enable greater global health resilience. It is a world leader in medical research, vaccine development and (through the National Health Service) efficient and equitable healthcare delivery. The government is also one of the main funders of multilateral health programmes: it has pledged to increase funding for the World Health Organization (WHO) by 30 per cent over the next four years; it is also the largest single funder of both the Coalition for Epidemic Preparedness and GAVI, the global vaccines alliance.<sup>68</sup> Together, these attributes mean the UK can play a central role in reforming WHO, to give the organization the resources and power it needs to address its three interconnected strategic priorities: achieving universal health coverage, preventing and responding to health emergencies, and promoting healthier populations.

Championing universal health coverage (including pandemic preparedness) as a flagship development policy could reap dividends not just for the countries that the UK supports, but also for British health security over the long term. This also makes political sense domestically, as the COVID-19 crisis appears to have intensified British public support for international health cooperation. Helping low-income countries launch and sustain their own universal health systems could therefore represent a productive and mutually beneficial investment.<sup>69</sup>

## A more transparent global economy

Britain also needs to champion a more transparent and equitable approach to global economic progress. The Johnson government trumpets its vision of 'Global Britain' as a leading voice in sustaining free trade. Striking bilateral trade deals that go beyond those it enjoyed previously as an EU member is a priority. And, as a sovereign member again of the WTO, the UK will try to rebuild support for trade multilateralism. But despite the imminent change in US administration, it is hard

<sup>68</sup> GOV.UK (2020), 'Prime Minister's speech to United Nations General Assembly: 26 September 2020', 26 September 2020, <https://www.gov.uk/government/speeches/prime-ministers-speech-to-un-general-assembly-26-september-2020>.

<sup>69</sup> Yates, R. (2020), 'Let's Emerge from COVID-19 With Stronger Health Systems', Chatham House Expert Comment, 26 March 2020, <https://www.chathamhouse.org/2020/03/lets-emerge-covid-19-stronger-health-systems>. See also Leonard (2020), 'The Brexit parenthesis', which shows strong UK popular support for international cooperation on managing this and future global health crises.

to see WTO members initiating a new multilateral effort to open up global trade in the coming decade. The WTO is more likely to focus on preventing the rise of protectionism and defending against erosion of the existing norms and structures of global trade.

At the heart of the problem lies the corrosive impact on popular support for trade and open markets, in the UK and the West in general, that has arisen from inequitable globalization. In response, the UK is supporting the ongoing efforts to reform the WTO's outdated approach to the rights of semi-developed non-market economies such as China. It could also use its climate credentials to support the development of new trade regimes that help tackle climate change. But these steps are unlikely to address popular frustrations about globalization. Its critics argue that footloose multinational companies and financial institutions have been able to game the current system, moving jobs, capital and production to jurisdictions where they can secure greatest advantage, often at the expense of workers and taxpayers.<sup>70</sup> Disputes over tax-shopping by multinationals are likely to become even more toxic in the post-COVID-19 context, as governments try to replenish depleted revenues and as citizens rebel against a further widening of income inequality.

## **Rather than play to the negative stereotype of Brexit Britain as a rapacious privateer in the global trading system, UK policymakers should align their desired leadership in global economic policy with public demand for greater social and economic equality.**

Whereas the UK will struggle to play a leading role alongside the EU, the US and China on issues such as WTO reform or border carbon adjustments, there is one area where it brings specific expertise and experience. Under David Cameron, Britain used its G8 presidency in 2013 to agree new measures to tackle international tax evasion. The measures included promoting transparency on company ownership, and on payments by extractive companies to governments in whose countries they invest.<sup>71</sup> The OECD has since intensified its efforts to negotiate an international agreement on corporate taxation. For its part, in 2018 the British parliament passed the Sanctions and Anti-Money Laundering Act, requiring the UK's 14 Overseas Territories – which include three of the world's least transparent financial centres – to publish by the end of 2020 details on the ownership of companies incorporated in their jurisdictions. Britain's three Crown Dependencies, also regularly cited as having contributed

<sup>70</sup> See for example, Oxfam (2016), *An Economy for the 1%: How privilege and power in the economy drive extreme inequality and how this can be stopped*, 210 Oxfam Briefing Paper, 18 January 2016, [https://www-cdn.oxfam.org/s3fs-public/file\\_attachments/bp210-economy-one-percent-tax-havens-180116-en\\_0.pdf](https://www-cdn.oxfam.org/s3fs-public/file_attachments/bp210-economy-one-percent-tax-havens-180116-en_0.pdf).

<sup>71</sup> See GOV.UK (2013), *Trade, Tax & Transparency: The 2013 UK G8 Presidency Report*, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/271676/G8\\_report\\_WEB\\_FINAL.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/271676/G8_report_WEB_FINAL.PDF).

to the unravelling of the corporate tax system, have agreed voluntarily to deliver corporate transparency by 2023.<sup>72</sup>

Rather than play to the negative stereotype of Brexit Britain as a rapacious privateer in the global trading system, therefore, UK policymakers should align their desired leadership in global economic policy with public demand for greater social and economic equality. They could leverage the country's position as home to one of the world's largest financial centres and most respected central banks, and as governor of several of the world's best-known offshore tax havens, to build a coalition of states willing to abide by the highest standards of tax equity and transparency. Such a coalition could seek to crack down on money-laundering, tax evasion and financial corruption. Without tackling the dark side of globalization, the UK government is unlikely to build sustainable public support for its trade liberalization agenda.

## Defending cyberspace

Britain can play a central role in defending cyberspace, both among its allies and in partner countries short on expertise and resources, as it has done via the Commonwealth Heads of Government Meeting in London in 2018.<sup>73</sup>

This includes developing tools and processes to counter and deter the spread of state-sponsored and criminal cyberattacks and digital disinformation.

Credible cybersecurity will be essential if the UK and others are to leverage the full potential of new digital businesses and employment opportunities. The integrity and public trustworthiness of cyber infrastructure will also be central to democratic governance, to public uptake of track-and-trace systems to monitor COVID-19 and potentially other diseases, and to the resilience of the flexible online working practices that future pandemics may demand.

Britain brings unique assets to this important frontier of national and international security, given its position as one of the top players in the field of signals intelligence, electronic surveillance, intelligence-gathering, and cyber defence and offence. As the Snowden papers revealed, the UK often serves as an equal or superior partner to the US in these fields.<sup>74</sup> On 19 November 2020, the government revealed the creation of a National Cyber Force, linking GCHQ, the Secret Intelligence Services and the Ministry of Defence's UK Strategic Command into a new unified command capable of disrupting, degrading and destroying the communications capabilities of state and non-state actors posing threats to the UK and its allies.<sup>75</sup>

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<sup>72</sup> Cowdock, B. (2019), 'Resist or Reform: Assessing Progress Towards Corporate Transparency in the UK's Overseas Territories and Crown Dependencies', Transparency International UK, 12 December 2019, <https://www.transparency.org.uk/corporate-secrecy-reform-overseas-territories-crown-dependencies-latest>; and Tax Justice Network (2019), 'New ranking reveals corporate tax havens behind breakdown of global corporate tax system; toll of UK's tax war exposed', 28 May 2019, <https://www.taxjustice.net/press/new-ranking-reveals-corporate-tax-havens-behind-breakdown-of-global-corporate-tax-system-toll-of-uks-tax-war-exposed>.

<sup>73</sup> The Commonwealth (undated), 'Commonwealth Cyber Declaration Programme', <https://thecommonwealth.org/commonwealth-cyber-declaration-programme#:~:text=The%20Commonwealth%20Cyber%20Declaration%20was,social%20development%2C%20and%20rights%20online>.

<sup>74</sup> MacAskill E., Borger J., Hopkins, N., Davies, N. and Ball, J. (2013), 'GCHQ taps fibre-optic cables for secret access to world's communications', *Guardian*, 21 June 2013, <https://www.theguardian.com/uk/2013/jun/21/gchq-cables-secret-world-communications-nsa>.

<sup>75</sup> Corera, G. (2020), 'UK's National Cyber Force comes out of the shadows', BBC, 20 November 2020, <https://www.bbc.co.uk/news/technology-55007946>.

Looking ahead, the UK needs to ensure that its cyber capabilities buy it a seat at what is likely to become an increasingly intense, and potentially acrimonious, debate between the US and the EU over the privacy dimensions of cybersecurity. Logically the EU, which is evolving into a digital regulatory superpower, and the US, home to the world's largest digital companies, should be aligning their approaches. This is especially important in the face of concerted attempts by China to establish state-led surveillance as the bedrock of future cyber standards and laws. However, profound divergences in EU and US policy have so far blocked transatlantic convergence on digital regulation. This creates an opening for the UK to convene a broader cyber alliance of democracies, committed to defending the integrity of each party's cyber domains while ensuring enhanced digital rights for citizens.

## Next steps

These six goals are ambitious, individually and collectively, but they address the contemporary international context, are aligned with Britain's national interests and capabilities, and are policy areas where Britain brings the domestic credibility and cross-party political support to act. The critical question is how to pursue them most effectively. The first thing to recognize is that there is no past model to return to. The UK will not be a powerful enough country to make much of a difference on its own, especially at a time of heightened geopolitical competition. British citizens and their political leaders need to accept that their country is a different sort of power to the one that entered the EU hopeful that it could leverage membership to retain some of its past glory. Britain will fail if it now tries to reincarnate itself as an independently influential miniature great power. It should focus instead on being an enabler of positive international outcomes on these six goals for others as well as for itself.

**Britain will fail if it tries to reincarnate itself as an independently influential miniature great power. It should focus instead on being an enabler of positive international outcomes for itself and others.**

Such an approach cannot be dependent on the UK's raw economic or military power, which will remain constrained in the future. Nor must it rely on consensus in the world's major multilateral institutions, which is unlikely to be achieved. Instead, the UK will need a multilayered network of allies and partners, and a diverse and flexible set of institutional relationships. One of the most challenging elements of this approach will be the need to engage not just with like-minded allies but also with countries that do not share the UK's values, but whose impact on some of the outcomes that matter to British interests means they cannot be ignored.



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# 05 Partners, counterparts and rivals

**Britain's essential relationships will grow in the wake of Brexit, but the EU and US will remain its principal allies, while the most promising emerging powers will pose as many problems as opportunities.**

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## The EU

Achieving the goals laid out in the previous chapter will above all require close cooperation with the EU and its member states. The UK's European neighbours will constitute the nearest, best-resourced and most similarly motivated group of countries when it comes to ensuring British security and prosperity. They will also be the most logical partners to help the UK pursue its global goals, given the extent of their own interests and commitments in all six areas, and given their steps (like the UK) to embed these commitments within multilateral agreements and national regulations.

Working with the EU to protect liberal democracy in and around Europe should include avoiding divergences in approach between the UK and the EU towards countries that deviate from their commitments to accountable and transparent democratic governance. For Britain to strengthen its relations with Hungary or Turkey, for example, with no regard for the ways this could undercut the policies being developed towards them by their European neighbours would not only be hypocritical; it would be counterproductive, whatever the potential near-term economic benefits for the UK. The EU remains the main upholder, inside and around Europe's neighbourhood, of the political norms that Britain champions. If these are eroded, the UK will be less secure and less prosperous in the long term.

Similarly, the UK needs to retain close foreign policy and security cooperation with the EU if it wants to promote peace and stability in the European neighbourhood and beyond, given the EU's economic power. The UK and the EU should continue to pursue common policy approaches to Russia, including on sanctions, and towards Ukraine and the Balkans. And the British government should avoid unnecessary divergences with the EU in its policies towards China. The UK, like continental European states, must constantly manage the tension between the economic value of links with China and the fact that it is a systemic rival on questions of security and human rights.

## **The UK's European neighbours will constitute the nearest, best-resourced and most similarly motivated group of countries when it comes to ensuring British security and prosperity.**

Close cooperation with the EU will be essential for the UK to achieve its other global goals. The EU27 states will be the UK's most important partners for delivering a successful COP26 summit in Glasgow, given Italy's co-presidency alongside the UK and the EU's own commitment to carbon neutrality by 2050 and similar approaches to emissions trading, forest protection and the provision of financial support to developing countries for climate policy reform. The UK and Italy's parallel presidencies, of the G7 and G20 respectively, in 2021 offer further opportunity for cooperation. The EU and its member states will also be among the UK's closest partners in promoting norms and rules for internet governance that support individual rights, privacy protections and transparency, given the EU's commitment to these same goals and its proven regulatory power to influence global change in the digital domain. European countries will be the UK's closest partners in promoting the SDG agenda around Europe's neighbourhood, given that they share concerns about instability there and are already supporting the expansion of universal health coverage and women's economic rights. They are the UK's peers in terms of the financial resources they put behind these objectives.<sup>76</sup>

Partnership with the EU and European states will be essential if the UK's long-standing engagement with African countries is to yield results. The EU has made Africa one of its principal regional priorities since 2017. Along with France's interest in francophone Africa, this is due to a growing German focus on the continent following the migration crisis of 2015, and the fear that a much larger number of migrants might soon be travelling north from an unstable and environmentally degraded African continent.<sup>77</sup> Assessing how the UK could join a trade partnership between the EU and the new African Continental Free

<sup>76</sup> European Commission (2018), *Investing in Sustainable Development: The EU at the forefront in implementing the Addis Ababa Action Agenda*, 23 April 2020, [https://ec.europa.eu/international-partnerships/system/files/investing-in-sustainable-dev-report-april-2018\\_en.pdf](https://ec.europa.eu/international-partnerships/system/files/investing-in-sustainable-dev-report-april-2018_en.pdf).

<sup>77</sup> European Commission (2019), 'President von der Leyen in Addis Ababa for her first trip as President outside the EU', 6 December 2020, [https://ec.europa.eu/luxembourg/news/president-von-der-leyen-addis-ababa-her-first-trip-president-outside-eu\\_fr](https://ec.europa.eu/luxembourg/news/president-von-der-leyen-addis-ababa-her-first-trip-president-outside-eu_fr); and Herszenhorn, D. M. (2019), 'Into Africa: Von der Leyen visit kicks off "geopolitical Commission"', Politico, 7 December 2019, <https://www.politico.eu/article/into-africa-von-der-leyen-visit-kicks-off-geopolitical-commission>.

Trade Area (AfCFTA) would help underpin the UK's ongoing commercial and development investments across Africa. In the meantime, deepening bilateral security cooperation with EU partners in the Sahel – as the UK is doing with France – and in North Africa, Lebanon and Syria will be indispensable if these regions and countries are to cease being sources of instability and conflict.

## The US

Despite the need for Britain to prioritize coordination with its continental European neighbours and the EU after Brexit, the US will remain the country that requires the UK's biggest bilateral diplomatic investment. The US's material and political support will be central to the UK's domestic security for the foreseeable future. And relations with the US, the UK's largest bilateral trading partner and inward investor, will be pivotal to British economic health.<sup>78</sup> The fact that the differential in resources between the two countries will continue to widen over the coming decade should make little difference to the quality of the relationship – providing the UK sustains its current level of investment in international capabilities, and providing US and UK foreign policy goals remain broadly aligned.

Although the UK's absence from EU decision-making is a diplomatic setback for the US, the UK will continue to be strategically valuable to the US in Europe because of its leading voice and presence alongside the US in NATO. As the focus of US security continues to pivot inexorably towards the Asia-Pacific and an increasingly contested relationship with China, Britain's role will be all the more important to Washington in helping deliver a more robust European capacity to deter Russian military adventurism on the eastern fringes of NATO. The US will also hope that the UK, France and Germany succeed in promoting peace and economic opportunity around the southern and eastern Mediterranean, where they and the EU bring a greater mix of economic and security incentives and threats to bear than can the US.

**Although the UK's absence from EU decision-making is a diplomatic setback for the US, the UK will continue to be strategically valuable to the US in Europe because of its leading voice and presence alongside the US in NATO.**

The UK and US will also continue to be each other's closest allies across sensitive specialist domains that are critical to their mutual security – especially in cyber defence and offence, intelligence-gathering, nuclear non-proliferation and counterterrorism. Anglo-US cooperation on counterterrorism connects US and UK interests in Pakistan and Afghanistan – two countries that have harboured Islamist

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<sup>78</sup> Observatory of Economic Complexity (2020), 'United Kingdom', August 2020, <https://oec.world/en/profile/country/gbr> (accessed 25 Nov. 2020).

extremist plots against American and British cities and citizens – and extends into related theatres from Iraq to Somalia. Establishing a regular series of issue-specific consultations among UK and US officials, which ministers could choose to attend at appropriate moments, on issues of shared bilateral security concern and where Britain would bring specific expertise and leverage – such as security in the Gulf and approaches to international climate negotiations – would be mutually beneficial.

On the economic front, an FTA with the US would be symbolically good to conclude, but only if it could overcome sensitive obstacles, such as differences over food standards and financial services trade, without causing bilateral political ruptures. The reality is that the UK's large and mature trading relationship with the US – accounting for some 20 per cent of British exports – already benefits from low tariffs. And the net economic value of a US–UK trade deal would be marginal at best, adding some 0.16 per cent to UK GDP over 15 years.<sup>79</sup>

The Trump administration had signalled its intention to use a bilateral trade agreement as a way to prevent the UK from striking future deals with non-market economies like China; thereby building up, alongside Canada and Mexico, a network of countries committed to resisting China's penetration of global markets. The Biden administration may prove less strident on this point. But whether a bilateral FTA proves achievable or not, both sides would benefit from negotiating agreements on regulatory convergence or equivalence in modern service sectors, such as 'fintech' and data management. They could also strike a bilateral investment agreement that improves access to each other's financial and public procurement markets, and that helps address current bilateral disputes over corporate taxation.

## China

The long-standing US–UK special relationship has suffered recently from divisions on how best to manage China's rise. Whereas the threats posed by the Putin regime in Moscow tend to unite the US and the UK, China's geographic distance means that its rise is less strategically threatening for the UK than it is for the US. China's growing military capabilities directly challenge America's alliance commitments and political influence across the Pacific. And China's rise threatens to displace the US from its position of technological leadership, undermining the hegemonic influence that accompanies its position at the top of the global economic ladder. China's rise has much less potential impact on the UK's relative global position. To the contrary, the emergence of a vast Chinese market of middle-class consumers offers a chance for the UK to reduce its perennial trade deficit with China and find a growing outlet for Britain's world-leading services and high-end, specialist manufacturing sectors.

One area where China's rise clearly does threaten British interests is in its determined efforts to upend the norms that inspired the UN Universal Declaration of Human Rights, whether through Beijing's economic bribery of countries on the

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<sup>79</sup> BBC (2020), 'Post-Brexit US trade deal: 0.16% economic boost predicted', 2 March 2020, <https://www.bbc.co.uk/news/uk-politics-51706802>.

UN Human Rights Council into backing its diplomatic agenda, or through its emerging position as the nucleus of a cluster of authoritarian governments that want to change cyber norms and rules to favour state surveillance.<sup>80</sup> These same instincts have led the Chinese government to turn a blind eye to the environmental unsustainability and political corruption that have accompanied investments by many Chinese companies in Belt and Road Initiative projects across Asia and Africa.<sup>81</sup>

## The UK should pursue a circumscribed rather than open-ended economic relationship with China.

In 2019–20, deciding how to deal with Huawei became a metaphor for the British government's dilemma in its relations with China. Deploying Huawei's cost-effective 5G telecommunications systems could have helped accelerate the Johnson government's economic levelling-up strategy. And, with the right oversight mechanisms and limitations on the company's network access in place, Huawei need not have posed an insuperable threat to the integrity of the UK's telecommunications infrastructure.<sup>82</sup> But in the end, the Trump administration's decision to block US chips and chip designs from Huawei products changed the calculus for the Johnson government. It also did Britain a favour. If the UK had continued to accept Huawei as a key provider of 5G infrastructure, the government would have been accused of hypocritically allowing a company whose technologies are integral to China's system of state surveillance to serve as a supplier of critical communications services inside Britain's liberal democracy.<sup>83</sup>

How, then, to engage economically with China when doing so exposes these sorts of profound dichotomies between the UK's global goals and economic interests? The first step is to recognize that a broad economic uncoupling from China would be counterproductive. It would make the post-COVID-19 recovery that much harder. China already accounts for over 15 per cent of world GDP, and it is fast becoming one of the world's most important consumer markets.<sup>84</sup>

Disconnecting China from the UK economy would also risk creating a self-fulfilling prophecy, as a more resentful but still economically powerful China pursued more autarkic economic policies at home and mercantilism across the world. Containment was a viable, correct and ultimately successful strategy

<sup>80</sup> Moynihan, H. (2019), 'Engage China to Uphold Multilateralism – But Not at Any Cost', Chatham House Expert Comment, 12 June 2019, <https://www.chathamhouse.org/2019/06/engage-china-uphold-multilateralism-not-any-cost>.

<sup>81</sup> Jones, L. and Hameiri, S. (2020), *Debunking the Myth of 'Debt-trap Diplomacy': How Recipient Countries Shape China's Belt and Road Initiative*, Research Paper, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/2020/08/debunking-myth-debt-trap-diplomacy>.

<sup>82</sup> Sevastopulo, D. and Bond, D. (2019), 'UK says Huawei is manageable risk to 5G', *Financial Times*, 17 February 2019, <https://www.ft.com/content/619f9df4-32c2-11e9-bd3a-8b2a211d90d5>.

<sup>83</sup> Harwell, D. and Dou, E. (2020), 'Huawei tested AI software that could recognize Uighur minorities and alert police, report says', *Washington Post*, 8 December 2020, <https://www.washingtonpost.com/technology/2020/12/08/huawei-tested-ai-software-that-could-recognize-uighur-minorities-alert-police-report-says/>; and Ryan, F., Cave, D. and Xu, V. (2019), *Mapping more of China's technology giants: AI and surveillance*, Australian Strategic Policy Institute, November 2019, <https://s3-ap-southeast-2.amazonaws.com/ad-aspi/2019-12/Mapping%20more%20of%20Chinas%20tech%20giants.pdf?wpDvHlKgXJHzeK8rZ.kmy0Ei63RxXMO>.

<sup>84</sup> Poh, F. and Zipser, D. (2020), 'China: Still the world's growth engine after COVID-19', McKinsey & Company, 9 November 2020, <https://www.mckinsey.com/featured-insights/china/china-still-the-worlds-growth-engine-after-covid-19>.

against the Soviet Union, which was a military competitor to the West but not an economic one. The same option does not make sense with China. Instead, the UK response needs to focus on the negative international impacts of China's rise as a convinced authoritarian state.

The UK should pursue a circumscribed rather than open-ended economic relationship with China. This would not prevent Britain from expanding its bilateral trade and foreign investment; the UK has long mixed caution with engagement in its economic relations with other authoritarian countries, from Russia to Saudi Arabia. But there should be limits on Chinese investment in strategic UK economic sectors: not just in communications infrastructure, but also in the acquisition of high-tech start-ups whose products or processes could have dual-use purposes or would enhance China's surveillance capabilities, as the British government has started to recognize.<sup>85</sup> One way to prevent this approach from then hardening into an economic stand-off would be for the UK and China to negotiate their own bilateral investment agreement, as the EU and China did in principle on 30 December 2020. It would set out conditions for welcoming investment and delineate the boundaries to economic integration by establishing 'negative lists' that stipulate which sectors are off-limits to the other party. This would bring greater clarity to investors and reduce the risk of unplanned political antagonism.

Nor should the UK abandon partnership with China on international objectives of common interest, such as reducing greenhouse gas emissions or promoting economic development in sub-Saharan Africa. But the UK government should continue to call out and confront Chinese practices and policies that undermine accountable governance in Hong Kong and in partner countries around the world. If UK governments can stand by their principles, they are likely to retain the political and public support to manage this dominant relationship effectively.

## Emphasis on the Asia-Pacific

The China dilemma also demands an important shift in the UK's strategic outlook. In the coming years, Britain should increase its focus on the Asia-Pacific region, as Foreign Secretary Dominic Raab has implied it is going to do with what he describes as a 'tilt towards the Indo-Pacific'.<sup>86</sup> But this should not just be about economic opportunity or geopolitical balancing. If the UK chooses to prioritize upholding liberal democracy around the world, then it should do so where its limited resources are most needed. One of the regions where democracies have taken root in recent decades but are now vulnerable is the Asia-Pacific. The countries clustered around China are growing economically in lockstep with their giant neighbour. But they have resisted so far becoming politically subservient to Beijing, despite their integration with China's markets and China's growing military presence in contested maritime areas. Nevertheless, weak institutions and fractious

<sup>85</sup> Pickard, J., Thomas, D., Massoudi, A. and Mitchell, T. (2020), 'UK takes aim at China with revamp of takeover rules', *Financial Times*, 11 November 2020, <https://www.ft.com/content/55f848d8-92f8-4c42-9775-dd9d6c55ee91>.

<sup>86</sup> House of Commons (2020), 'Foreign Affairs Committee: Oral evidence: Work of the Foreign, Commonwealth and Development Office, HC 253'.

domestic politics are undercutting nascent democracies in Thailand and Myanmar. The likelihood of a further erosion of democratic norms and practices in the region is high, including in Indonesia, Malaysia and the Philippines. For their part, Vietnam and Cambodia show no signs of political opening.

There is a limited amount the UK can do from afar. Britain does not bring the heft that the US does to the region. But it can add critical mass to the group of democracies – such as Japan, South Korea, Australia and New Zealand – that are concerned about China's rise but fear being caught in the middle of a new Cold War between the US and China. Britain should use a significant portion of its diplomatic and military capacity to support its allies in the region, including Singapore.

## **British support for the resilience of the region's democracies in this more contentious international environment might be reciprocated by closer cooperation on their part on the UK's other global goals.**

Fortunately, supporting democracies in the Asia-Pacific has long been a strategic priority for the US, meaning the UK can play a supplementing role in regional stability, joining collective military exercises, providing military training, participating in freedom-of-navigation operations and undertaking port visits. Whether the UK becomes an important member of America's broader Indo-Pacific strategy or not, its own Five Power Defence Arrangements reflect a long-standing commitment to the security of its allies in the region that should now be reinforced and potentially expanded – to Japan, for example.

British support for the resilience of the region's democracies in this more contentious international environment might be reciprocated by closer cooperation on their part on the UK's other global goals, such as promoting the SDGs and fighting climate change. By playing a proactive diplomatic role in the Asia-Pacific, the UK would also make itself a more attractive candidate to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which addresses some of the data protection and financial transparency standards that the UK is championing.

## **The difficult four: India, Russia, Turkey and Saudi Arabia**

Developing the relationship with India, a pivotal regional democracy, as part of this shift in British strategic focus will prove a complex task. India's importance to the UK is inescapable. As shown in Tables 3 and 4, India will be the largest country in the world by population very soon and will have the third-largest economy and defence budget at some point in this decade. It is also an English-speaking country with a large diaspora in the UK, reflecting the two countries'

deep historical linkages. As a result, India is always on the list of countries with which a new UK government commits to engage.<sup>87</sup> But it should be obvious by now that the idea of a deeper relationship with India always promises more than it can deliver. The legacy of British colonial rule consistently curdles the relationship. In contrast, the US has become the most important strategic partner for India, as recent US administrations have intensified their bilateral security relations, putting the UK in the shade.

## **While giving India the attention it deserves, the UK government needs to accept that gaining direct national benefit from the relationship, whether economically or diplomatically, will be difficult.**

At the same time, India's complex, fragmented domestic politics have made it one of the countries most resistant to open trade and foreign investment. With average GDP per capita of still only around \$2,000, India's interests rarely align with those of smaller, more economically developed democracies. This also limits its capacity to undertake a proactive foreign policy on the global issues that matter most to the UK. For example, India shies away from joining Britain and others in supporting liberal democracy beyond its shores. To the contrary, the overt Hindu nationalism of the ruling Bharatiya Janata Party is weakening the rights of Muslims and other minority religious groups, leading to a chorus of concern that intolerant majoritarianism is replacing the vision of a secular, democratic India bequeathed by Nehru.<sup>88</sup> And the government's broader crackdown on human rights activists and civil society groups is no longer being actively challenged by the judiciary, leading to growing complaints about erosion of the rule of law, not only from domestic groups but also the UN and other democracy-watchers.<sup>89</sup> While giving India the attention it deserves, the UK government needs to accept that gaining direct national benefit from the relationship, whether economically or diplomatically, will be difficult.

Russia is another of the world's great powers, whose actions are of direct importance to the UK. Russia's position reflects the drive and capacity of its leaders to use the country's two principal sources of national power – abundant oil and gas and a modernized military, including world-class cyber and intelligence capabilities – to pursue their interests with disregard for international law, and scant concern for domestic opposition.

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<sup>87</sup> HM Government (2010), *The Coalition: our programme for government*, May 2010, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/78977/coalition\\_programme\\_for\\_government.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/78977/coalition_programme_for_government.pdf). See p. 20, where the document refers to establishing 'a new "special relationship" with India', in contrast to a 'strong, close and frank relationship with the United States'.

<sup>88</sup> Komireddi, K. S. (2019), *The Malevolent Republic: A Short History of the New India*, London: Hurst Publishers.

<sup>89</sup> Sahoo, N. and Khan, J. (2020), 'UAPA and the growing crisis of judicial credibility in India', Observer Research Foundation, 21 November 2020, <https://www.orfonline.org/expert-speak/uapa-growing-crisis-judicial-credibility-india>.



As an anchor of the liberal democratic camp and NATO, the UK is a danger to President Putin's understanding of the Russian national interest. Whatever the logic for bilateral economic engagement or diplomatic cooperation, over containing Iran's nuclear programme, for example, such opportunities will be overshadowed by Russia's interest in seeing the UK become weaker over the long term. Nor is there a credible prospect of the government resetting its relations with Russia in the wake of the latter's brazen use of Novichok, a type of nerve agent, on British soil and more recently against the opposition activist Alexei Navalny in Russia. Instead, the UK will need to support European efforts to contest the Russian government's disinformation campaigns, financial support for illiberal parties and attempted subversion of democratic politics in Europe. It will also need to join European partners in countering Moscow's overt or covert military threats against democracies in the region, given that such abuses have become increasingly frequent in recent years.<sup>90</sup>

## **As an anchor of the liberal democratic camp and NATO, the UK is a danger to President Putin's understanding of the Russian national interest.**

Turkey is another country in the European neighbourhood that demands attention as the UK sets about defining its post-Brexit foreign policy goals and priorities. Turkey's large, still youthful population and relatively low GDP per capita offer significant opportunities for growth in the next decade, providing the country's government can deliver the right conditions. If it does, Turkey's GDP per capita could grow from around \$9,000 in 2019 to \$23,000 in 2030, as shown in Table 3.<sup>91</sup> Trade between Turkey and the UK stood at only £19 billion in 2019, which provides a strong incentive for the UK government to deepen economic relations post-Brexit, even though Turkey's own access to the UK market risks being hampered by the terms of its membership of the EU customs union.<sup>92</sup>

As with India, however, Turkey presents Britain with as many challenges as opportunities for partnership. Given the country's strategic position between Europe and Asia, the Turkish leadership sees risks in the shifting balance of global power. Turkey's role as one of the largest members of NATO is of less value when Russia no longer poses an existential threat to Europe and the US. And

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<sup>90</sup> Schwirtz, M. (2019), 'Top Secret Russian Unit Seeks to Destabilize Europe, Security Officials Say', *New York Times*, 8 October 2019, <https://www.nytimes.com/2019/10/08/world/europe/unit-29155-russia-gru.html>; Corera, G. (2020), 'Salisbury poisoning: What did the attack mean for the UK and Russia?', BBC, 4 March 2020, <https://www.bbc.co.uk/news/uk-51722301>; Allen, D. (2018), *Managed Confrontation: UK Policy Towards Russia After the Salisbury Attack*, Research Paper, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/2018/10/managed-confrontation-uk-policy-towards-russia-after-salisbury-attack>; Lough, J. (2020), 'Novichok Poisons Germany's Relations with Russia', Chatham House Expert Comment, 14 September 2020, <https://www.chathamhouse.org/2020/09/novichok-poisons-germanys-relations-russia>; and Legucka, A. (2020), 'Russia's Long-Term Campaign of Disinformation in Europe', Carnegie Europe, 19 March 2020, <https://carnegieeurope.eu/strategieurope/81322>.

<sup>91</sup> For the 2009 figure, see World Bank (2020), 'GDP per capita (current US\$) – Turkey', <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=TR> (accessed 29 Nov. 2020).

<sup>92</sup> See Lowe, S. (2020), 'Turkey and the UK: New Best Friends?', Centre for European Reform, 24 July 2020, <https://www.cer.eu/insights/turkey-and-uk-new-best-friends>; and Office for National Statistics (2020), 'UK total trade: all countries, non-seasonally adjusted', <https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/datasets/uktotaltradeallcountriesnonseasonallyadjusted> (accessed 29 Nov. 2020).

Turkey's own interests in protecting its borders with Iraq and Syria, and its need for constructive relations with neighbouring Iran, often clash with those of the US and other NATO allies.

EU members have lost interest in using the lure of EU membership to help underpin Turkey's democratization and modernization, given the growing abuses of power by President Recep Tayyip Erdoğan's government. Turkish authorities have eroded the rule of law, stifled independent media, and imprisoned journalists and opposition political figures. This has led to a fractious and transactional relationship, disciplined only by Europe's fears of a new wave of migrants from Turkey's borders. Under Erdoğan, Turkey is also testing the limits of what it means to be a NATO ally, as evidenced for example in its recent purchase of a Russian air defence system. In addition, the discovery of large gas fields in the eastern Mediterranean has brought to a head Turkey's long-standing disputes with Greece and Cyprus over the delineation of maritime boundaries. Turkey is now in the perverse situation of challenging the territorial interests of Greece, another NATO member.

In this context, Turkey will undoubtedly play an outsized role in the future security of Europe's neighbourhood. This means that it should be a priority for UK diplomacy as well as for the government's prosperity agenda. But the UK government must remember that a stronger economic relationship will be precarious, given the politicization and fragility of the Turkish economy, and contingent, given that the pursuit of closer bilateral relations could put the UK in opposition to its continental European neighbours and the US. And yet the result of the 2019 mayoral election in Istanbul – which was won by an opposition candidate, Ekrem İmamoğlu – shows a strong appetite among Turkey's increasingly urban population for political plurality. The British government must avoid personalizing its bilateral relations with Turkey around President Erdoğan and should take a longer view of this important relationship.

## **The British government must avoid personalizing its bilateral relations with Turkey around President Erdoğan and should take a longer view of this important relationship.**

Saudi Arabia presents a similarly difficult balancing act. There is a constant tension between, on the one hand, the long-standing British desire to remain influential in Riyadh and pursue economic opportunities with the largest Gulf monarchy and, on the other, the UK's global goals. Saudi Arabia remains one of the most powerful countries in determining the future of the Middle East, which is of direct importance to British security. As much as its wealth, the country's position as the guardian of Islam's two holiest shrines in Mecca and Medina places Saudi Arabia at the heart of Middle East politics. Saudi Arabia will be the main regional determiner of prospects for a widespread peace between Israel and the Arab world, and for a future peace deal between Israel and the Palestinians. The kingdom will be central to any sustainable diplomatic solution to the regional

challenges posed by Iran's revolutionary leadership, which also comes under the UK's purview as a permanent member of the UN Security Council. And recent decisions to draw down its brutal intervention in Yemen and set aside its dispute with Qatar may improve stability in the Gulf.

Saudi Arabia also matters to the UK globally. Even with an accelerating global energy transition away from fossil fuels, and a simultaneous erosion of Saudi Arabia's geo-economic power as a result of the shale oil boom in the US, the kingdom remains one of the wealthiest states in the world, with the capacity to spend that wealth in pursuing its international interests. Sustained global demand for oil over the next two decades at least, plus the low cost of its extraction in the Gulf, means that Saudi Arabia will continue to play a swing role in managing global economic crises. It will also be pivotal to the economic prospects of middle-income and developing countries that are of interest to the UK for the foreseeable future.

In addition, Saudi Arabia plays a central role in the way in which Islamic theology is taught around the world. Having bankrolled in the past institutions from Pakistan to Indonesia that have propagated literalist interpretations of Islam and nurtured violent extremism, it is now extending internationally the deradicalization approaches it has successfully rolled out at home. This will matter to UK security interests in Pakistan, to the political evolution of Southeast Asia, and to the prospects of groups such as ISIS and Al-Qaeda continuing to recruit Salafist extremists in order to target Britain.

As with Turkey, however, Saudi Arabia stands on the opposite side of many of the UK's global goals and values. Saudi Arabia has been obstructive in recent climate negotiations, reflecting its continued dependence on fossil fuels for its economic health. It also stands in the opposite corner on issues of human rights and support for democratic governance. Saudi Arabia is deepening its relationship with China not only economically but politically: for example, at the UN it has backed China's right to repress its Uighur minority in Xinjiang.<sup>93</sup> It opposes political reform across the Arab world as well as at home, for fear that this could enable political Islam to gain a foothold. Its economic and political governance lacks any meaningful accountability or transparency.

Britain's relations with Saudi Arabia will struggle to paper over these contradictions. Participation in the latter's Vision 2030 modernization programme could yield major economic returns for the UK, diversifying the bilateral economic relationship beyond energy investments and aerospace and defence exports. But, given the central role of the Saudi royal family in the kingdom's economy, British business would need to continue turning a blind eye to the brutal ends to which Crown Prince Mohammed bin Salman and parts of the ruling elite are willing to go to sustain political power. This will prove an increasingly difficult proposition for many British companies.

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<sup>93</sup> Nichols, M. (2019), 'Saudi Arabia defends letter backing China's Xinjiang policy', Reuters, 18 July 2019, <https://www.reuters.com/article/us-china-rights-saudi-idUSKCN1UD36J>.

**Table 5.** The UK's G20 partners and rivals on its global goals

	Democracy and human rights	Peace and security	Climate change	Global health	Equitable growth	Cybersecurity
European Union	Partner	Partner	Partner	Partner	Partner	Partner
France	Partner	Partner	Partner	Partner	Partner	Partner
Germany	Partner	Partner	Partner	Partner	Partner	Partner
Italy	Partner	Partner	Partner	Partner	Partner	Partner
United States	Partner	Partner	Partner	Partner	Partner	Partner
Canada	Partner	Partner	Neutral	Partner	Partner	Partner
Japan	Partner	Partner	Neutral	Partner	Partner	Partner
South Korea	Partner	Partner	Neutral	Neutral	Partner	Partner
Australia	Partner	Partner	Rival	Neutral	Partner	Partner
India	Neutral	Partner	Neutral	Neutral	Neutral	Neutral
Indonesia	Neutral	Partner	Neutral	Neutral	Neutral	Neutral
Mexico	Neutral	Neutral	Neutral	Neutral	Neutral	Partner
South Africa	Neutral	Neutral	Neutral	Partner	Neutral	Neutral
Turkey	Neutral	Partner	Neutral	Neutral	Neutral	Rival
Argentina	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
Brazil	Neutral	Neutral	Rival	Neutral	Neutral	Neutral
China	Rival	Neutral	Partner	Neutral	Neutral	Rival
Saudi Arabia	Rival	Partner	Rival	Neutral	Neutral	Rival
Russia	Rival	Rival	Rival	Neutral	Rival	Rival

Source: Author's own assessment.

## Widening the 'aperture' of the UK's foreign relations

This quick review of some of the UK's most important bilateral relationships points to some important conclusions. Britain will have to work hard to reset its relations with the EU, to sustain its special relationship with the US and to deepen its engagement in the Asia-Pacific. And it will struggle to manage constructive relations with China and the world's other major regional powers, given their divergences from many of the UK's global goals.

How then can British ministers and officials additionally find the time to widen the UK's diplomatic 'aperture' and engage more with other countries in Africa, Asia and Latin America whose decisions will also be important to the UK's global goals?

Some are large and regionally important democratic co-members of the G20, which makes them important swing players across all six of the UK's global goals: specifically, Indonesia, Mexico and South Africa. Another group of countries matters principally because of their potential as markets that could help support British economic growth, irrespective of their alignment with the UK on its democracy agenda or other global goals. These include Chile, Colombia, Ethiopia, Israel, Singapore and Vietnam, as well as the Gulf states of Kuwait, Oman and the United Arab Emirates (UAE). These were among the countries that the Cameron coalition government targeted in 2010–15 as it sought to rebalance the UK's diplomatic effort away from its Euro-Atlantic focus, and are implicitly part of the government's 'Global Britain' agenda.<sup>94</sup> Other countries, such as Ghana, Malaysia, Nigeria, Rwanda and Tanzania, combine growing economic importance with roles as members of the Commonwealth and, theoretically at least, as upholders of its democratic norms. For all of these countries, Britain's departure from the EU appears not to be a source of concern; if anything, there is an appetite to try to engage with the UK more closely as a partner in their future development.<sup>95</sup>

## **The government will get the best return on its investment by mobilizing the multilateral and plurilateral partnerships of which the UK is already a member.**

If the government is to be serious about widening its diplomatic focus at the same time as managing its major bilateral relationships, it will have to do so in a resource-intelligent way, or else risk disappointing both its current and potential future partners. Given the constraints, the government will get the best return on its investment by mobilizing the multilateral and plurilateral partnerships of which the UK is already a member and helping convene new groupings aligned with its global goals.

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<sup>94</sup> See Niblett, R. (2010), *Playing to Its Strengths: Rethinking the UK's Role in a Changing World*, Briefing Paper, London: Royal Institute of International Affairs. June 2010, [https://www.chathamhouse.org/sites/default/files/public/Research/Europe/r0610\\_niblett.pdf](https://www.chathamhouse.org/sites/default/files/public/Research/Europe/r0610_niblett.pdf).

<sup>95</sup> House of Commons (2020), *A brave new Britain?*. Annex 2 draws on a survey by the British Council of its alumni networks in 78 countries.

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# 06 Institutions

**The UK government should be a valued contributor to the major institutions of which it is a member. But the more it can also broker creative new groupings, the more successful its global agenda is likely to be.**

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## Contributing and connecting

If Britain is to pursue its global goals effectively, with a more diverse range of established and new partners, but with limited resources, it needs to remain a well-integrated and valued contributor to the multilateral institutions of which it is already a member – whether the UN and Bretton Woods institutions, the G7 and G20 groupings, or the Commonwealth. Each has a mandate that is supportive of Britain's goals: the UN and WHO are central to its development, health and climate agendas; the IMF and World Bank can be influential in promoting financial transparency and stronger environmental standards in financial governance; likewise the G20. The Commonwealth links the UK to some of the most dynamic economies in the world, as well as some of the most fragile. Britain can offer ideas as an independent member of the WTO on how to reform the rules which allow China and other mixed economies to subsidize state-owned companies.

The UK could also play an informal convening role among bespoke groups of member countries of these institutions around particular topics at appropriate moments in the calendar. For example, it could convene groups of democratic members of the G20 ahead of G20 summits or ministerial meetings, whenever there is an issue where preparatory conversations among a more concentrated group would be helpful. After all, democracies, whether fragile or embedded, make up the majority of G20 members, providing plenty of options to construct coalitions of the like-minded depending on the prevailing conditions and policy agenda.

But on Britain's goal to promote peace and security, these large and diverse institutions will struggle to be constructive in the current competitive geopolitical environment. The two institutions that will remain most directly relevant to the UK in this context will be the two closest to home: NATO and the EU. The challenge

for British policymakers will be to treat these two institutions, only one of which the UK now belongs to, as a continuum interlinking all domains of British and European security.

NATO serves today more to guarantee the political and economic sovereignty of its members than their physical security. To the extent that small countries on Europe's frontier with Russia feel that they form part of a credible military alliance, their political systems will be more resilient. This depends in turn on the credibility of NATO members' collective deterrent capabilities, but not just in terms of the military force they can bring to bear in the event of conflict. They must also work together to prevent Russia or any other rival shape their daily security environment through 'sub-threshold' or 'hybrid' applications of pressure. As the Asia-Pacific takes up more of the US's strategic attention and resources, the UK has the vision, in its new Integrated Operating Concept, as well as growing capabilities to enhance NATO's modern deterrence. The country can be a leading contributor to NATO's cybersecurity capabilities, to its command-and-control infrastructure, and to the space, air, maritime and ground surveillance systems necessary to respond effectively to Russia's ongoing probes and provocations.<sup>96</sup>

## **With one of NATO's most deployable militaries, Britain should put itself at the heart of a more networked and flexible approach to security in and around Europe.**

At a time when the commitments in Article 5 of the North Atlantic Treaty are unlikely to be put to the test through an all-of-alliance mobilization, NATO will continue as a hub for coalitions of the willing for out-of-area operations – as was the case in the Libya conflict of 2012 and the operation to defeat ISIS in Syria. With one of the alliance's most deployable militaries, Britain should put itself at the heart of a more networked and flexible approach to security in and around Europe: one in which the lines between EU and NATO competence become more flexible, and the two institutions more mutually supportive. Alongside NATO ally Norway, the UK could intensify consultations with the Northern Group and the Joint Expeditionary Force, whose memberships straddle NATO and EU states.<sup>97</sup> And the UK will be a natural partner in informal transatlantic groupings of states that draw on national and NATO assets in order to deal with security challenges outside the Euro-Atlantic space, such as protecting freedom of navigation in the Strait of Hormuz. The Biden administration and its successors will be looking not only for more burden-sharing from the UK and its European allies, but also for more risk-sharing. The UK needs to be prepared to respond to this demand if the US is to retain its long-term commitment to British and European security.

<sup>96</sup> Ministry of Defence (2020), *Introducing the Integrated Operating Concept*.

<sup>97</sup> The Joint Expeditionary Force consists of Denmark, Estonia, Finland, Latvia, Lithuania, the Netherlands, Norway, Sweden and the UK. The Northern Group includes these countries plus Germany, Iceland and Poland. See GOV.UK (2020), 'Joint Statement of The Northern Group of Defence Ministers, 20 May 2020', 20 May 2020, <https://www.gov.uk/government/news/joint-statement-of-the-northern-group-of-defence-ministers-20-may-2020#:~:text=The%20Northern%20Group%20is%20a,new%20opportunities%20to%20work%20together>.

Existing now outside the EU, the UK therefore needs to build up rapidly practical working relationships on security issues with the EU and its member states. The Johnson government has been criticized for not following through on Theresa May's commitment to agree a formal treaty with the EU on foreign and security policy cooperation. But the EU is itself undergoing institutional change in this domain as it designs, argues over and tries to implement what it calls greater strategic autonomy.<sup>98</sup> In the absence of meaningful EU autonomy in security, more informal arrangements could provide useful docking stations for the UK to contribute to meaningful *European* strategic autonomy – in particular the 'E3', which links France, Germany and the UK with the EU foreign policymaking machinery; and France's idea of a multinational European Intervention Initiative.<sup>99</sup>

From the British perspective, the E3 is the sort of pragmatic and practical institutional arrangement that makes sense for its post-EU future. For France and Germany, however, foreign policy coordination with the UK as a non-EU member inevitably causes tensions with their EU partners. Why should the UK receive this special privilege now that it has left the EU? What does this say about France and Germany's commitment to closer EU foreign and security policy coordination? And how could the EU be integrated into E3 coordination and policy implementation, as it was during the Iran nuclear negotiations, when the UK has no right or purview over EU sanctions or access to the EU market, which was a key part of the package on offer to Iran? One potential answer to these questions would be to expand the E3 to an E5, for example, in order to raise the EU representation in the grouping. But who to add? If it were Italy and Spain, this would underscore its West European bias and cause resentment among Central and Eastern European EU members. If it were Italy and Poland, it would frustrate smaller, important UK security allies like Denmark and the Netherlands.

A necessary, if time-intensive, approach will be for the UK to engage in foreign policy coordination with the EU in a regular but even more flexible manner. It should accept invitations to EU discussions on the preparation and implementation of policies towards shared challenges, such as upholding a peace agreement in Libya or supporting a de-escalation of tensions in the eastern Mediterranean. The UK could then coordinate its own response with or join EU-led initiatives or coalitions addressing these challenges, including military or civilian deployments, as it does currently in West Africa and the Sahel. Such steps would be strengthened by accepting EU secondments to the FCDO and Ministry of Defence planning groups and offering to second British officials to the EU's European External Action Service and its Joint Support Coordination Cell.

Coordination with the EU on international issues will also be strengthened by plans to cultivate stronger bilateral relations with individual members. Upgrading the Lancaster House Agreement with France and developing a parallel but different set of commitments with Germany are already at the top of the Johnson government's to-do list. It would be worth exploring some sort of similar agreement with one or two other EU member states where more

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<sup>98</sup> Whitman, R. (2020), 'Why the UK Has Taken Foreign Policy Out of Brexit Negotiations', Chatham House Expert Comment, 1 July 2020, <https://www.chathamhouse.org/2020/07/why-uk-has-taken-foreign-policy-out-brexit-negotiations>.

<sup>99</sup> Billon-Galland, A., Raines, T. and Whitman, R. (2020), *The Future of the E3: Post-Brexit Cooperation Between the UK, France and Germany*, Research Paper, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/2020/07/future-e3>.



regular and predictable coordination would be helpful – for example with Italy, which shares British perspectives on North Africa, and Greece, given the UK's commitments in Cyprus and interests in the Balkans.

## Britain as a global broker

The impression of the Johnson government in the first 12 months since the general election of December 2019 is that it wants to go beyond being a member in good standing of existing institutions; it also wants to be a pioneer of new institutional mechanisms for consultation and collective action, especially regarding China's rise. One example relates to the so-called Five Eyes alliance, under which Australia, Canada and New Zealand form part of the 1946 UK–US agreement on sharing signals intelligence. Sharing this sort of highly classified material has underpinned and underscored the deep security relationship between these five Anglophone countries. Prime Minister Johnson has now recommended deeper collaboration among the Five Eyes members on basic research and advanced technology development.<sup>100</sup>

### Including India in a D10 at this time could make building any meaningful consensus on policy or joint actions that much harder.

But it is hard to envisage how this forum could play the more meaningful role the government envisages. The suggestion to enlarge the group to include Japan, in order to deepen the technological talent pool and expand the range of participants anxious to mitigate risks from Chinese technology and supply chains, carries a superficial appeal.<sup>101</sup> But it would reveal the difficulty of developing uniform responses among countries with such differing exposure to Chinese markets and suppliers. Moreover, adding one or two countries to what is at heart an English-speaking alliance would send an exclusionary signal to many other like-minded countries whose close support will be important to the UK in the future.

Another institution receiving particular attention is the G7, whose rotating presidency the UK holds in 2021. The hope is that, once Joe Biden enters the White House, Britain can help the G7 recover its important role caucusing views and developing common positions on global economic and foreign policy questions among this group of the world's leading democracies. With this in mind, the Johnson government has prepared an ambitious agenda for its G7 presidency, to help deliver a successful COP26 summit in November, improve global coordination on confronting COVID-19 and develop momentum for WTO reform.

The more strategic question, however, is whether to use this moment to enlarge the G7, whose membership still reflects an era when North America

<sup>100</sup> Cole, H. (2020), 'Boris Johnson plans to end reliance on Chinese technology by forming a pact with UK's 'Five Eyes' intelligence partners', *Mail Online*, 6 June 2020, <https://www.dailymail.co.uk/news/article-8395453/Boris-Johnson-plans-closer-pact-UKs-Five-Eyes-intelligence-partners.html>.

<sup>101</sup> Sheridan, D. (2020), 'Five Eyes alliance looks to expand reach to counteract China's influence', *Telegraph*, 29 July 2020, <https://www.telegraph.co.uk/news/2020/07/29/five-eyes-alliance-looks-expand-reach-counteract-china-influence>.

and Europe dominated the global economy and international order. President Trump suggested in June 2020 that Australia, India and South Korea, as well as Russia, be formally invited to become members.<sup>102</sup> Johnson was one of the most outspoken in rightly rejecting the idea of Russia – an authoritarian state – rejoining a grouping of liberal democracies. Instead, in the first half of 2020, Johnson floated the idea of enlarging the G7 into a ‘Democratic 10’ or ‘D10’ comprising the G7 nations plus Australia, India and South Korea, so as to strengthen the voice of the liberal democratic camp in tackling global challenges. The D10 would focus initially on developing alternative 5G technologies and other forms of high-tech cooperation.<sup>103</sup>

But this proposal faces similar limitations to those associated with the idea of enlarging the Five Eyes alliance. The most obvious is its selectivity: why add only these three countries to this grouping if the purpose is to create a new democratic network of countries with 5G systems? Why not include Finland and Sweden, home to two of the three main non-Chinese companies competing with Huawei and other Chinese firms in the roll-out of 5G technology? Even then, what are the prospects of creating a D10 technology champion in the market-based contexts that all these countries share?<sup>104</sup> And, if the idea is to trial a D10 that could tackle a broader policy agenda in the future, then what does this particular selection of countries say to leading democracies in Latin America, Africa and Southeast Asia, other than that they remain on the periphery of the democratic community of states?

One solution would be to invite a broader group of democracies, including other EU member states, as guests to future G7 meetings. But offering two tiers of participation tends to create resentment, something the UK should seek to avoid at all costs as it embarks on its post-EU journey. And if it tried to go beyond a D10 and form, say, a D15, with a more representative group of democracies from other regions of the world, then the UK would need to ensure its ideas did not overlap with existing initiatives, such as the Community of Democracies (conceived and established by the Clinton administration in the US in 2000) or the Alliance for Multilateralism, which France and Germany recently established to help strengthen rules-based multilateral governance.<sup>105</sup>

The current British proposal contains one further complication. Including India in a D10 at this time could make building any meaningful consensus on policy or joint actions that much harder. India has a long and consistent record of resisting being corralled into a ‘Western’ camp. It led the Non-Aligned Movement during the Cold War and, in 2017, India formally joined the China- and Russia-led Shanghai Cooperation Organisation.

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<sup>102</sup> Patrick, S. M. (2020), ‘Expanding the G7 Makes Sense. Including Russia Does Not.’, Council on Foreign Relations, 8 June 2020, <https://www.cfr.org/blog/expanding-g7-makes-sense-including-russia-does-not>; and Daalder, I. H. and Lindsay, J. M. (2018), ‘The Committee to Save the World Order’, *Foreign Affairs*, November/December 2018, <https://www.foreignaffairs.com/articles/2018-09-30/committee-save-world-order>.

<sup>103</sup> See Brattberg, E. and Judah, B. (2020), ‘Forget the G7, Build the D-10’, *Foreign Policy*, 10 June 2020, <https://foreignpolicy.com/2020/06/10/g7-d10-democracy-trump-europe/>; and Fishman, E. and Mohandas, S. (2020), ‘A Council of Democracies Can Save Multilateralism’, *Foreign Affairs*, 3 August 2020, <https://www.foreignaffairs.com/articles/asia/2020-08-03/council-democracies-can-save-multilateralism>.

<sup>104</sup> Chitkara, H. (2020), ‘How the UK’s proposed ‘D10 Club’ telecom strategy would fare against Huawei’, *Business Insider*, 1 June 2020, <https://www.businessinsider.com/how-uk-proposed-telecom-coalition-could-counter-huawei-2020-6?r=US&IR=T>.

<sup>105</sup> Community of Democracies, <https://community-democracies.org>; Alliance for Multilateralism, <https://multilateralism.org>.

Today the government of Narendra Modi, India's prime minister, brings at best an ambivalent approach to the human rights abuses by other states that should preoccupy a group of committed democracies. Despite a deterioration in relations with China over border clashes and growing penetration of India by Chinese technology companies, India did not join the group of countries that criticized China at the UN in July 2019 over human rights violations in Xinjiang.<sup>106</sup> India has also been muted in its criticism of the passage of the new national security law in Hong Kong. With Indian domestic politics also having entered a more ethno-nationalist phase, as noted earlier, a D10 might end up functioning as a D9 at some point in the future, with all the damaging knock-on effects this would have on the UK's relations with India.

## **The UK could use its G7 presidency in 2021 to introduce itself as the broker for less formal but potentially more meaningful cooperation among like-minded states.**

Trying to corral groups of states into new, fixed caucuses is rife with difficulties. The so-called MIKTA initiative stands out as a cautionary example. Mexico, Indonesia, South Korea, Turkey and Australia launched the initiative during the UN General Assembly in 2013 as a forum for a geographically diverse grouping of middle-sized G20 countries to develop joint initiatives. Since then, however, the international policy horizons of the MIKTA members have shortened sharply, as the US and China have pursued more assertive foreign policies and sucked these and other mid-sized countries into their great power rivalries, leaving little space for joint policy coordination. Similarly, the policy priorities of two of Britain's main Asian democratic partners, Japan and South Korea, oscillate between needing to demonstrate loyalty to the US, on which both countries rely for security, and not undermining economic relations with China, on which they partly rely for material prosperity. This balancing act was on full display on 14 November 2020, when Japan and South Korea became founding members of the RCEP alongside China and 12 other Southeast Asian and Australasian nations.

Rather than try to play catch-up with the US, France or Germany in convening a permanent new grouping, the UK could use its G7 presidency in 2021 to introduce itself as the broker for less formal but potentially more meaningful cooperation among like-minded states. In the near term, it could use its G7 presidency as a prelude to the proposed Summit for Democracy, which Joe Biden has committed to hosting in his first year in office.<sup>107</sup> This summit promises to be geographically inclusive, allowing the UK to open conversations with a more diverse list of democracies than the D10 concept implies. Biden's proposed summit also rightly promises to concentrate on the serious challenges that democracies

<sup>106</sup> Yellinek, R. and Chen, E. (2019), 'The "22 vs. 50" Diplomatic Split Between the West and China Over Xinjiang and Human Rights', *China Brief*, Volume 19, Issue 22, 31 December 2019, The Jamestown Foundation, <https://jamestown.org/program/the-22-vs-50-diplomatic-split-between-the-west-and-china-over-xinjiang-and-human-rights>.

<sup>107</sup> See <https://joebiden.com/americanleadership>.

face at home from the rise of misinformation and disinformation. Britain could help define this agenda by hosting G7 planning meetings between officials, NGOs and US technology giants, which the Biden plan suggests bringing together as part of the process. Otherwise, the Summit for Democracy may prove to be a recipe for contentious debate rather than action.

Synchronizing the US and British plans would at the very least avoid the risk of the two governments launching overlapping initiatives. If they can go further and integrate their democracy agendas around meaningful steps, then the US and UK would show that their special relationship reaches beyond the practical realms of military, intelligence and counterterrorism cooperation. The two countries would also be cooperating to bring about the sort of liberal democratic world order that both envision.

In parallel, the UK could start planning future agendas and meetings focused on its other five global goals. The climate agenda will take up most of its bandwidth in 2021, with the UK needing to be the broker of compromises rather than the instigator of new initiatives. Nevertheless, it could use British expertise in the financial and macroeconomic dimensions of combating climate change and its voice in related institutions – such as the Financial Stability Board and the Task Force on Climate-related Financial Disclosures – to build parallel support for COP26. In addition, as one of the biggest financial contributors to the World Bank and an early member of the China-led Asian Infrastructure Investment Bank (AIIB), the UK can serve as a bridge between the two institutions, promoting adherence to high financial standards and developing stronger commitments by both institutions to avoid locking in high-carbon-emitting infrastructure in the countries they support.

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# 07 Resourcing a new foreign policy

**An effective post-Brexit foreign policy will require more resources than before. Dealings with the EU will be time-consuming and complex, while the necessary expansion of the UK's diplomatic footprint will also raise costs.**

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Given the international context described above and the opportunities as well as risks it presents to Britain, it will make no sense for the country to reduce spending in relative terms on its global goals. Total spending on all of the UK's international commitments is equivalent to only about 3 per cent of GDP, or 7 per cent of government spending.<sup>108</sup> Retreating from any one of its vectors of international influence after completing the process of withdrawal from the EU will make it harder for the UK to meet its current and future objectives. In fact, there is a strong case for Britain increasing the resources it commits to pursuing its international goals.

It is the job of the government's Integrated Review of Security, Defence, Development and Foreign Policy to propose how best to invest in the UK's assets for international influence, alongside making any necessary adjustments to the relative balance of spending between different policy areas. But the following broad parameters stand out from the preceding assessment of the international context and Britain's potential to influence its direction.

Spending on defence should not fall below 2 per cent of GDP, given the ongoing rise in geopolitical tensions and the UK's interest and role in helping prevent

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<sup>108</sup> Author calculation based on data above and Eurostat (2020), 'Total general government expenditure', <https://ec.europa.eu/eurostat/databrowser/view/tec00023/default/table?lang=en> (accessed 19 Nov. 2020).

these from escalating into conflict. Notwithstanding the government's recent temporary cut, development assistance should return to 0.7 per cent of GNI as soon as possible, given the critical importance to the UK of developing countries meeting their SDG targets. Investment in intelligence and cyber capabilities should be sustained, given the growing risk to UK interests and citizens from asymmetric conflict and threats from terrorists, cybercriminals, and state-sponsored espionage, hacking and disinformation. Importantly, spending on any one of these areas can complement activities in another. For example, the capacity to deploy troops to support the training and professionalization of local African military forces is a useful adjunct to UK development assistance in the countries involved. And the government's capacity to deploy even limited military assets – ships, aircraft or troops – to support partners and allies in and beyond Europe can buttress trade and investment negotiations. Sharing world-class British intelligence similarly supplements all these vectors of influence.

Spending on diplomacy will need to rise significantly to help promote UK interests around the world, and to promote British perspectives and positions in a highly competitive global marketplace for norms, rules and governance structures. In fact, additional spending on UK diplomatic capability will be necessary just to retain the same level of global influence the country enjoyed when it was an EU member. Whatever adjustments the government makes to its bilateral and institutional relationships will involve a significant increase in demand on the human and material resources of British diplomats and government departments managing the UK's international interests – including the Department for International Trade, the Department for Business, Energy & Industrial Strategy, and the Department for Environment, Food & Rural Affairs – and on the time of ministers.

## **Additional spending on UK diplomatic capability will be necessary just to retain the same level of global influence the country enjoyed when it was an EU member.**

The UK will no longer be able to rely on the European Commission, the European External Action Service and other pooled assets of the EU to manage complex and simultaneous international negotiations involving economic statecraft, whether towards regions around Europe's periphery or towards key emerging markets. Nor will Britain be able to piggyback on the division of labour that the EU offered, whereby the UK could leave Germany and Central European states to take the diplomatic lead on shared approaches towards Belarus and Ukraine, for example, while the UK focused its efforts on Iraq, Afghanistan and Pakistan. The UK will also need to expand significantly its presence in Brussels to monitor and try to influence the decisions of EU institutions, as well as in key European capitals such as Berlin and Paris, which have outsized influence on EU policymaking. At the same time, it cannot afford to ignore other key European players, such as the Netherlands, important for its leadership of the more Eurosceptical group of member states and for its voice in EU trade policy; or Italy and Spain, given their economic size and voice on foreign policy; or Poland, given its role in Central Europe and in EU–Russia relations.

Even while expanding its European networks, the UK will need to enlarge its diplomatic presence in key capitals and consulates in major cities. Part of this will be for purely economic reasons, as the UK seeks to expand its trade and investment relations with emerging markets. But, as noted earlier, there are also broader geo-economic and geopolitical reasons to do so. A greater number of countries will play proactive roles in global economic negotiations and in international and regional security – as evidenced, for example, by Turkey's more assertive policy around its neighbourhood and by the much more assertive interventions by Saudi Arabia and the UAE across the Middle East and North Africa.

The UK will also face additional demands on its resources at the multilateral level. It will need to supplement its current presence in institutions where it no longer forms part of the EU camp, such as the WTO and World Intellectual Property Organization. And, to compensate for no longer having a leading voice in the policy positions of the world's largest single market, the UK will need to have a stronger presence at the UN and the Bretton Woods institutions. British officials will also need to expand their presence beyond the well-trodden corridors of the UN in New York and Geneva, or the IMF and World Bank in Washington; they will need to project Britain's voice into the deliberations of new regional actors, such as the African Union in Addis Ababa and the AIIB in Beijing.

Lacking the clout of the US or China, nor able to leverage that of the EU, the UK will need to work hard to insert itself at the nexus of the contentious debates on how to regulate and govern the new frontier areas of international affairs, such as artificial intelligence, biotechnology, cyber governance and outer space. Finally, becoming the broker of global solutions to any combination of the six priority goals outlined in this paper will require the UK to host regular gatherings of the official and non-governmental actors engaged in their management. Summits at the scale of COP26 carry major financial, logistical and security costs, but even smaller and more targeted convening is resource-intensive.

Unfortunately, the UK is currently on the back foot. On the surface, the situation may appear to be improving. The financial resources applied to the country's diplomacy (still only 0.1 per cent of GDP) have risen by 18 per cent since 2010/11, and the total number of diplomatic personnel, including those based at home and overseas plus local staff, has climbed back above the level of six years ago.<sup>109</sup> However, these figures disguise a fundamental shift in where the resources have been allocated. The proportion of activity supporting ODA and the 'prosperity' agenda has risen significantly in relation to more traditional areas of diplomacy.

In addition, the government closed or downgraded 11 consulates and diplomatic offices between 2016 and 2019, leading the UK to fall from ninth place in terms of its global diplomatic presence to 11th today. And the UK has yet to fulfil its commitment to open three new posts in the Pacific and an additional 12 around the world.<sup>110</sup>

<sup>109</sup> House of Commons (2020), *A brave new Britain?*, Annex 1.

<sup>110</sup> Bley, B. (2019), 'The New Geography of Global Diplomacy', *Foreign Affairs*, 27 November 2019, <https://www.foreignaffairs.com/articles/china/2019-11-27/new-geography-global-diplomacy>; Smyth, J. (2019), 'UK falls in diplomatic rankings despite 'Global Britain' vision', *Financial Times*, 26 November 2019, <https://www.ft.com/content/1e3f241a-0fe1-11ea-a7e6-62bf4f9e548a>; and Lowy Institute (2020), 'Lowy Institute Global Diplomacy Index'.

On the military front, there are few viable options for achieving meaningful savings on defence spending so long as Britain wants to remain a leading member of NATO and a credible permanent member of the UN Security Council. Rather than being able to save money, the country will need to spend more on a net basis. Africa provides an important example: the Royal Navy is currently committed to patrol important chokepoints and sea lanes of communication in the Red Sea and western Indian Ocean. But it now also has to combat piracy and armed robbery at sea in the Gulf of Guinea. From an equipment standpoint, the funding already committed to upgrading the UK's submarine-based nuclear weapons system creates an inescapable structural competition for resources, as does the commitment to make the Royal Navy's two aircraft carriers effectively operational by the middle of this decade. This is an increasingly tall order that will have knock-on effects for UK naval power projection with allies around the world, given the growing urgency of ensuring carrier force protection against new anti-ship missiles.<sup>111</sup>

The government has recognized this reality with its commitment on 19 November 2020 to contribute an additional £16 billion to the armed forces over the next four years, with a significant portion earmarked to increase the UK's naval capabilities. But this sum will at best plug the shortfall that already existed between resources and commitments.<sup>112</sup> Trade-offs will still have to be made: between retaining the capacity to project conventional armed forces at scale and investing in lighter special-operations capabilities; between investing in new-generation air combat platforms and making a major commitment to unmanned aerial vehicles and drones; and between building up further the country's cyber defence and offence capabilities and investing in its nuclear deterrent. However these trade-offs play out, the resource demands will not diminish.

## **What has come to be known in popular British circles as the 'Eurovision effect' could come to blight the country's foreign policy.**

On the development front, absorbing DFID into the FCDO may create new synergies between the government's foreign and development policies and enable a better return on the funds invested. But it is unlikely to lead to any cost savings, and not only because of the greater demands on traditional diplomatic capabilities. The day-to-day business of diplomats will still be driven by a mixture of crisis management and promoting the UK's near-term national interests – whether commercial, security or institutional. The FCDO's development professionals will continue to focus on using financial resources to deliver long-term positive change among some of the world's poorest and most challenged countries, many of which will spend the next decade trying to recover growth trajectories knocked off course by the spillover effects of the COVID-19 pandemic.

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<sup>111</sup> Chuter, A. (2020), 'Here's why Britain is struggling to form a fully effective carrier strike group', *Defense News*, 26 June 2020, <https://www.defensenews.com/naval/2020/06/26/heres-why-britain-is-struggling-to-form-a-fully-effective-carrier-strike-group>.

<sup>112</sup> Warrell, H. (2020), 'Britain's military still faces hard choices despite spending boost', *Financial Times*, 19 November 2020, <https://www.ft.com/content/e72674cc-6063-4146-ac7a-bf3c72840432>.



In this context, the government's intention to cut development spending by nearly a third as a proportion of GNI as part of its post-COVID-19 cost-reduction efforts is at best short-sighted, especially when the expected fall in GNI would have cut the absolute amount allocated to foreign assistance in any case. However, it may force British ministers and officials to focus their resources where they can have greatest impact. A focus on the poorest countries in South and Southeast Asia and in sub-Saharan Africa – like the Democratic Republic of the Congo, Mozambique and Madagascar – could prove effective.

Whatever their ultimate global ambitions, this and future British governments will ultimately have to dedicate additional financial resources to the country's external capabilities. Otherwise, what has come to be known in popular British circles as the 'Eurovision effect' could come to blight the country's foreign policy. Shorn of the loyalty of its immediate EU neighbours, but with no other countries feeling obliged to prioritize relations with the UK over those with regional neighbours or the big powers, Britain could find itself squeezed to the margins of international negotiations or picked on by groups of states as a way of sending messages to others. Recent UK humiliations at the UN – its failure to win a seat on the International Court of Justice in the election of judges in 2017, and defeat in a vote over the fate of the Chagos Islands in May 2019 – are warnings for the future.<sup>113</sup>

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<sup>113</sup> Landale, J. (2017), 'How UK lost International Court of Justice place to India', BBC, 21 November 2017, <https://www.bbc.co.uk/news/uk-politics-42063664>; and Bowcott, O. and Berger, J. (2019), 'UK suffers crushing defeat in UN vote on Chagos Islands', *Guardian*, 22 May 2019, <https://www.theguardian.com/world/2019/may/22/uk-suffers-crushing-defeat-un-vote-chagos-islands>.

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# 08 Conclusion

**Britain's post-Brexit global agenda will be complex, multifaceted and resource-intensive. To be successful internationally, the UK must focus on being a reliable team player.**

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Pursuing an ambitious global agenda outside the EU while preventing slippage in the UK's international influence is a very tall order. It will be difficult to retreat from existing international commitments even as the UK invests in new ones. It means doubling down on current institutional memberships while engaging in more informal arrangements. It means the government carving out and protecting space for its new international role, even as it tries to deliver on its extensive domestic levelling-up agenda, sustain domestic political cohesion, and avoid a break-up of the UK. The danger is that this will lead to overload, and that the vision of a post-Brexit 'Global Britain' will not live up to its hype.

It is essential, therefore, that the Johnson government does not indulge now in the over-optimism that characterized its initial outlook for a new relationship with the EU. Here, as in its handling of the COVID-19 pandemic, the government has gained a reputation for over-promising and under-delivering. If this becomes the impression for 'Global Britain' also, it will do long-lasting damage to the UK's international influence.

Under-delivering has not yet been the case on the government's foreign policy, because it has been relatively cautious. The proactive approach it has taken on confronting human rights abuses by authoritarian governments has been laudable. Its stance supports the country's, and its allies', long-term interests. Britain's capacity for leadership on the more ambitious climate agenda will be clear after its presidency of the G7 and hosting of COP26 in 2021.

At the same time, the risk of hubris implicit in the concept of a 'Global Britain' blinds critics to the ways in which leaving the EU may have positive effects on Britain's role in the world. At the most basic level, the UK can now move faster in reacting to international crises, as it did with the rapid announcement of sanctions on President Lukashenka of Belarus even as the EU grappled with internal divisions. The UK will also have nowhere to hide if it ignores

global crises despite being a permanent member of the UN Security Council – it cannot now blame the fact that there is no EU consensus position.

Those who argued for Brexit tend to be nostalgic for an unrecoverable past. But they are right that a strong national narrative and a shared sense of purpose can motivate a country to achieve its goals. The UK's departure from the EU could enable the country to overcome its persistent divisions over Europe and design a more sustainable vision of its place in the world. One in which the pragmatic approach that Britons were generally known for replaces the sour mix of resentment and detachment that had gradually infected it as an EU member. One in which the UK's willingness and ability to be a team player replace its quest for individual glory. And one in which being a champion of the rule of law and sustainable economic growth is not undermined by double standards in its own behaviour.

## **Those who argued for Brexit tend to be nostalgic for an unrecoverable past. But they are right that a strong national narrative and a shared sense of purpose can motivate a country to achieve its goals.**

Post-Brexit Britain should tend to the health of those areas of international cooperation that lie clearly at the nexus of its interests, resources and credibility, rather than focus on extracting maximum national advantage from a splintered world. This paper has laid out six objectives that meet these criteria. At a minimum, the UK needs to be a leading member of the group of countries protecting and supporting liberal democracies and standing up for rules-based international collaboration. It can also be a broker helping to connect democratic and non-democratic governments in initiatives to tackle shared global challenges, from climate change to health resilience and equitable growth.

To be successful, UK policymakers will need to ensure Britain is an indispensable and reliable member of any institution to which it belongs, or of whatever team it joins. If the UK is to be more secure, prosperous and influential in the future than it was as an EU member, it needs, above all, to recommit to its European relationships, as much as to its transatlantic alliance. It will also need to deepen its circle of relations with like-minded friends in the Asia-Pacific. And it will need to invest more judiciously in the group of large countries which, while being rivals or holding different outlooks on some of the UK's global goals, will be essential counterparts on others.

Britain does not need to establish new forums to be productive in this mission; nor does it have to lead initiatives on its own or at all. British politicians and officials can be as effective working behind the scenes, using their unique international networks, experience and convening skills to help broker progress. For this approach to be credible as well as effective, the UK government will need to be selective about which negotiations to try to lead and which to contribute to. It cannot be a broker for all six global priorities simultaneously. But it can make

this role its main calling card – provided that its politicians start to rebuild a cross-party understanding of the important contribution the country can make, and take a more consistent and long-term approach to foreign policy, rather than chopping and changing priorities from one premiership or party to the next. There is plenty of room for experimenting with new approaches, providing the overall agenda remains consistent.

The world needs less talk and more action. In this sense, a role for Britain as a valued and creative global broker must be earned, not declared. It will emerge only from the competence of the UK's diplomacy, from the impact of its international presence, from trust in its word, and from a return to the power of understatement for which the country was so widely respected.

## About the author

**Robin Niblett** has been the director and chief executive of Chatham House (the Royal Institute of International Affairs) since January 2007.

Before joining Chatham House, from 2001 to 2006, Robin was the executive vice-president and chief operating officer of the Washington-based Center for Strategic and International Studies (CSIS). During his last two years at CSIS, he also served as director of the CSIS Europe Programme and its Initiative for a Renewed Transatlantic Partnership.

He is currently co-chair of the World Economic Forum's Global Futures Council on Geopolitics. He served as chair of the experts group for the 2014 NATO Summit, and chair of the British Academy's Steering Committee of Languages for Security Project (2013).

His recent publications include *Britain, the EU and the Sovereignty Myth* (Chatham House, 2016) and *America and a Changed World: A Question of Leadership* (Chatham House/Wiley-Blackwell, 2010).

His commentary and analysis have appeared in *Foreign Affairs*, the *Financial Times*, the *Washington Post*, the *Daily Telegraph* and the *Guardian*, among others.

He was appointed Companion of St Michael and St George (CMG) in the 2015 New Year's Honours. He received his BA in modern languages and MPhil and DPhil in international relations from New College, Oxford.

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We will follow up this paper with a more in-depth assessment of the questions it poses about the UK's future role in international security, prosperity and sustainability, drawing on input from the institute's many areas of regional and thematic expertise.

In doing so, we will continue to benefit from the insights and support of our colleagues in government and international institutions, in other policy institutes and academic institutions, civil society, the media and the private sector. And, as always, we will rely on the selfless input of the members of the Chatham House Council, who also continue to protect the independence of the institute.

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