

# **Strengthening Britain's Voice in the World**

**Report of the UK Foreign and Security Policy Working Group**

**November 2015**

## Foreword

This paper reflects the views of its signatories listed below and not the institutions to which we belong. It arose from our shared concern about the risk of Britain disengaging from its role as a contributor to international prosperity and security, and our awareness that international and domestic perceptions of that disengagement were damaging Britain's reputation.

The group met on two separate occasions – once at Chatham House in London in June 2015 and once at Ditchley Park in July 2015 – to discuss the basis for these perceptions and assess what steps the British government could undertake to address them. The paper acknowledges the fact that the ongoing Strategic Defence and Security Review provides a good opportunity for the UK government to think about the country's future international role and responsibilities, and the resources that must be committed to make these real.

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### Summary

- As the government completes a new Strategic Defence and Security Review (SDSR), the UK faces a far more unstable world than when the last SDSR was published in 2010. The threats and challenges include heightened tensions with Russia, violence and instability across the Middle East, and an unprecedented movement of people from that region and parts of Africa into Europe.
- At the same time, there is a widespread concern that the UK is disengaged from the search for solutions in these areas. Questions have been raised about a lack of British leadership and capacity, following significant cuts to many of the traditional levers of the UK's influence overseas. The forthcoming referendum on Britain's membership of the EU adds to the sense of uncertainty.
- We believe that it is in the country's interests to support an open, liberal international order and that the best route to achieve it lies in active national engagement in confronting international challenges and a vigorous commitment to multilateralism. We see five principal reasons why the UK should remain committed to an ambitious international role: Britain's interests drive it; the global context requires it; its obligations demand it; its capabilities lend themselves to performing this role in the future; and it can achieve successes. If such a role is more difficult than in the past, that is a reason to work harder and smarter, not to withdraw from the fray.
- The UK cannot afford to be passive or to leave the running to others who may not share its interests or its values. Instead, Britain should be ambitious about what it can achieve. We make suggestions for areas where the UK can do more in terms of leadership, investment and commitment.
- In the long term, the UK should invest in and organise its international policy to have five characteristics. The country should be:
  - An innovative problem-solver
  - A vigorous multilateralist
  - A pragmatic European
  - Global not regional
  - A responsible intervener
- In the near term, we suggest that the government prioritise, among other tasks:
  - Closing the diplomatic deficit – addressing the shortfall in funding for Britain's diplomatic effort
  - Supporting effective defence spending and defence engagement
  - Being internationalist at home
  - Reforming governance internationally

## Introduction

- In late 2015, the UK government will publish a new SDSR and National Security Strategy. These documents should provide the strategic frameworks for key decisions about the UK's foreign and security policies. They come at an important time, given that external challenges are multiplying and include: the seemingly inexorable rise of China; a weakening of transatlantic cohesion; an aggressive Russia; conflict and disintegration across much of the Middle East; mass movement of people towards Europe; lack of direction and uncertainty within the EU; a still shaky global economy and financial system; significant environmental threats, many driven by climate change; and an international humanitarian system at breaking point. All of this coincides with preparations for the referendum on the UK's continued membership of the EU, which has defined its place in the world for the past 42 years. Amid these challenges, a widespread perception overseas of the UK disengaging from the search for solutions has led to deeper questions about the UK's position in the world.
- The purpose of this paper is to make a constructive contribution to the national debate on this issue. Why are developments in the rest of the world important to the UK? Should the UK still seek to be a 'global power' – and if so, why? What does it mean to be a global power early in the 21st century, and what levers does the UK have? Where should the focus of Britain's efforts be?
- We are conscious throughout of resource constraints. The government's political priority remains reducing the budget deficit. Were the opposition in government, it would face many similar pressures. International influence depends crucially on domestic economic success. To be credible, proposals relating to foreign and security policy must, therefore, recognise the resource pressures that exist and the necessary political trade-offs. However, Britain's long-term interests in the world do not change amid temporary economic difficulties, and this should be recognised too.
- We are also conscious that there are many in Britain now who no longer believe that the UK ought to be a major player. They think that Britain is no longer rich enough or powerful enough to play such a role, that it should devote itself to domestic problems, and that recent interventions – notably in Iraq, Afghanistan and Libya – have demonstrated that it is not well placed to promote stability across the world, if it ever was. We do not believe that such views are supported by the realities of the current international environment and Britain's place in it.
- Our conclusion is that developments in the rest of the world matter hugely to Britain; that the UK cannot afford to be passive or leave the running to others who may not share its interests or its values; and that Britain should be ambitious about what it can achieve. We outline some principles that should guide the UK's approach, and suggest areas where the UK can do more in terms of leadership, investment and commitment.

## Why does the UK need to remain an active contributor to international security and prosperity?

The modern United Kingdom has always been internationalist. For many, this attitude forms part of the British character: instinctively outward-facing and internationally engaged. It is partly the product of a maritime and colonial history, Britain's dependence on international trade and openness to foreign investment, and the diversity of its people. It reflects the role the UK has played since 1945 in helping uphold international security as a permanent member of the UN Security Council. More recently, it also reflects the forces of globalisation, which have deepened the connections between all countries and economies.

The UK is now one of the most globalised countries in the world. It is tied by its economy, its people, its institutions and its allies to developments beyond its shores (see Annex 1). It is more dependent on the stability and durability of international order than most countries. We see five principal reasons why the UK should remain committed to an ambitious international role.

### **Britain's interests demand it.**

The UK has a huge stake in making the global commons as stable, ordered and well governed as possible. From global trade that relies on safe shipping lanes, to a secure international political environment where conflicts can be resolved peacefully, to the development of comprehensive solutions to international challenges like climate change, developments abroad fundamentally shape the safety and prosperity of the UK. These relationships and dependencies are likely to become more rather than less pronounced as the global economy becomes more interconnected.

### **A changing global context.**

The twin anchors of British foreign policy for the last 40 years – a close relationship with an Atlanticist United States and a commitment to a strong EU – are less secure. The US has become more focused on the Asia-Pacific and more restrained in its engagement internationally. The EU meanwhile faces crises arising from the flawed design of its monetary union, and from instability in the Middle East and North Africa. If the UK remains in the EU, it will need to work with others more actively than before to strengthen the EU's collective external policies and capabilities. If it leaves, the UK will have to work far harder and dedicate more resources to supporting international security and prosperity.

At the same time, the wider international environment is marked by the declining dominance of the West, and the growing ambitions of the rising powers, China above all. Digital empowerment and political fragmentation add to the difficulties in responding to international challenges. Global governance is at a low ebb. More states matter, but fewer can get things done. This makes it harder than ever to ensure a benign international environment.

**Britain has obligations and responsibilities.**

The position of permanent member of the UN Security Council confers a special responsibility on British governments to support the fundamental aims and principles of the UN, in particular the maintenance of international peace and security and support for human rights. The UK's role in the EU, NATO and other international groupings also brings its own responsibilities and obligations. The UK is one of the 10 wealthiest countries in the world and has a moral obligation to promote global economic and social development.

**The UK is well placed to be an influential power in the future.**

Despite the recent tendency towards pessimism and talk of decline in discussions of the UK's international role, Britain enjoys many advantages which leave it well placed to help shape the changing global context in support of its interests and those of its allies. Other powers may have risen in today's multipolar world, but the UK remains among the most potentially influential (see Annex 2).

**Britain can make a positive difference.**

The UK played a key role in the creation of many of the multilateral and regional institutions that seek to preserve order and improve well-being internationally. It has contributed to their successes, including, most recently, the nuclear agreement with Iran. Most of Europe is now whole, free and at peace; many diseases have been eliminated; global trade has expanded and prosperity has increased; agreements to protect the environment have been reached; and infant mortality has been halved. The UK, individually and through the international institutions it has helped to nurture, has played a major role in each of these achievements. It has the capacity to continue doing so in the future.

**British foreign policy: the state of play**

Despite these reasons for continued UK engagement, there are widespread concerns that the UK is becoming a diminished force in international affairs, with reduced defence capabilities and diplomatic resources, an introspective parliament and public, and an overly mercantilist focus to its foreign policy. Specific complaints include the UK's absence from the Minsk negotiations over Ukraine's future and the lack of coordination between British and wider EU efforts to deal with the migrant crisis.

The government rejects accusations of strategic shrinkage. It points to the long-term spending commitments to defence (2 per cent of GDP) and official development assistance (0.7 per cent of GNI), its extensive support for Syrian refugees who have fled to neighbouring countries, its role in marshalling sanctions policies towards Russia and Iran, and its seemingly successful investment in developing a close relationship with China.

Disentangling the structural from the cyclical dimensions of the UK's perceived disengagement from international affairs is difficult. It is a fact, however, that the US has adjusted some of its European relationships in response: focusing on Germany in addressing international economic policy questions, and developing deeper relations with France on security challenges in the Middle East and parts of Africa.

One of our greatest concerns is the impact that continuing disinvestment in the UK's diplomatic capabilities will have structurally on the country's ability to respond to the changing international context. The £38 billion defence budget and £13 billion development budget, along with continuing high spending on the intelligence services, stand in stark contrast to the declining Foreign & Commonwealth Office (FCO) core budget, which is £1.3 billion for 2015–16. This is less than 0.2 per cent of government expenditure and about 0.08 per cent of GDP. Once non-discretionary spending (such as contributions to the UN) is discounted, the amount falls to around £700 million.<sup>i</sup> The UK spends less per head on diplomacy than the US, Germany, France, Australia, Canada and New Zealand.<sup>ii</sup>

With this budget and 4,500 UK-based (i.e. not locally-engaged) staff, less than a medium-sized city council, the FCO must run an international network of 268 posts in 168 countries, providing a platform for 26 other government departments and their staff overseas. Its tasks include managing an increasingly important roster of bilateral relationships; coordinating British participation in the UN, EU, Commonwealth and other multilateral organisations; promoting exports and investment, and keeping markets open; providing consular and other services to UK citizens abroad; leading government responses to major cross-cutting issues, from climate change to cyber security; and contributing to international problem-solving across the globe.

While the UK has retained a large diplomatic network to accomplish these tasks, and has even expanded slightly its number of overseas missions in the past five years, core departmental spending fell 16 per cent in real terms over the course of the last parliament. Cuts have been absorbed by significantly reducing UK-based staff in posts overseas; shrinking Whitehall's cadre of expertise in languages, countries and regions; and making the flow of information about developments in other states heavily dependent on the objectivity – and sometimes courage – of locally engaged staff. The FCO also faces the possibility of further large cuts in the next round of wider spending decisions. The result could be a weaker, more hollow institution with less capacity to coordinate government-wide policies in response to the complex international agenda or to promote UK interests abroad.

In comparison, Germany has been increasing its diplomatic investment and now spends almost 50 per cent more than the UK in this area. France has cut its diplomatic effort, but its operating budget is still over a quarter larger than the UK. Meanwhile, China and Russia have increased their diplomatic spending significantly in recent years, as have other emerging powers such as Turkey, Brazil and Indonesia. The view that diplomacy now matters less, if that is how the British spending cuts should be interpreted, is not shared by others around the world. In any case, it is hard to square this diplomatic deficit with either the government's declared ambition for Britain to remain a global power, or with the widening range of challenges the UK faces. If the sense over many years was that the UK was trying to punch above its weight in the world, a further contraction in its diplomatic resources would risk significantly weakening its relative influence.

## What should be the purpose of UK foreign policy?

Britain is not and will not again be a power in the same category as the US or China. It accounts for less than 1 per cent of the world's population (about the size of a large Chinese province) and 3.5 per cent of global GDP, a proportion that is likely to fall further in the future. Alone, there is little it can do to confront the major international and cross-border challenges it faces. It should have ambitions that reflect its interests and resources, but also its relative strengths compared to others. Britain has a wide range of choices for how it goes about this: of geographic focus, of allies and partners, of the issues it chooses to address, of ways to exercise influence.

These decisions should be rooted in a credible and consistent vision of the sort of world British policymakers would like to see, and of how to promote Britain's interests within it. The British have long prided themselves on their pragmatism, and it is possible to articulate such a vision without falling either into mawkish idealism or short-sighted emphasis on narrow national interest. Values of democracy, tolerance and protection of human rights need to find their place in such a vision, alongside the UK's economic and security interests.

Against this background, the UK should organise its international role around five key characteristics:

### **Innovative problem-solver**

The UK has a reputation for helping to form solutions to international problems, which it should build on. Key areas of focus should include:

- Convening. Convening meetings or discussions with others can play an important role in building coalitions and injecting momentum into stalled negotiations. There may also be instances when the only useful intervention in a conflict is to help mediate. The UK is particularly well placed to do this given its status as a mid-sized rather than dominant power, its extensive diplomatic connections, and London's position as a transport hub and centre for global media and civil society organisations.
- Country knowledge and expertise. The UK's particular historical experience and areas of policy expertise give it the capacity to contribute to international solutions to political crises, to improve environmental governance and to advance economic development in poor and fragile states. Retaining, improving and deploying these core skills is important. The loss of governmental expertise on Russia over the past decade, for example, found the UK wanting when the Ukraine crisis erupted.
- Drafting. The UK has always been good at holding the pen, helped by its diplomats' command of the English language. Writing the papers underlying complex negotiations, as well as the possible solutions, can improve the accuracy and sustainability of international agreements.
- Promoting targeted academic research. High-quality research and analysis can help to shift international debates – the 2006 Stern review on the economics of climate



change was a successful example. Being a world leader in the measurement of the effectiveness of development assistance, reflecting the UK's leading role in this area, is another worthwhile objective that would benefit from investment.

### **Vigorous multilateralist**

Given its own place in a more polycentric world, Britain should recommit to multilateralism and international institution-building as a core aspect of its approach to shared international challenges. In particular the UK should focus on:

- Reform of the UN Security Council. This will always be difficult given current divisions, but is vitally in Britain's interests as a permanent but mid-sized member of the institution. The current composition of the Security Council does not reflect the growing significance of key emerging economies, and the veto power of some permanent members is frequently used to block essential measures.
- Reinvigorating key international organisations. Many international organisations are in need of reform to make them more representative of the changing balance of the global economy (the IMF and World Bank, for example), or to make them more effective in responding to the challenges they are designed to deal with (the World Health Organization, for example). If they are not reformed, and made more transparent and accountable, they will become less effective and credible, and others may establish new organisations that may suit Britain less well.
- Making the G20 work. The world urgently needs an effective institution that brings together the main powers from across the globe. Only the G20 has the membership to play this role, but it is currently not working as the global steering group it should be. The UK should find ways to help set this right.
- Investment in institutions which regulate the global commons. As a mid-sized permanent member of the UN Security Council, the UK could play an important role in maintaining and strengthening essential institutions and instruments that tend to be neglected by others, such as the regimes governing nuclear, chemical and biological weapons, the UN Convention on the Law of the Sea and the Financial Action Task Force.
- Bringing together plurilateral partnerships. The recent diplomatic breakthrough on Iran shows that small, focused constellations of interested parties who show the required dedication and take a patient, iterative approach can make progress on issues that had previously seemed intractable.
- Investing in new forums that deal with 21st-century challenges to the global commons, and in which the UK has interests and expertise, including cyber security, governance of the internet and the regulation of outer space.
- Promotion of free trade and investment. The arguments are increasingly in danger of being lost in this vital area for British interests through lack of active defence.

### **Pragmatic European**

Britain's future place in Europe will be determined by the upcoming referendum. If the UK public chooses to stay in, the EU will remain a central vehicle for British influence internationally. The difficulties of building a common foreign policy among the EU's 28 countries are well documented. At the same time, it is hard to see how the UK would be better placed to respond to challenges such as climate change or Russian efforts to undermine the sovereignty of its neighbours from outside the structures of the EU.

The UK shares not just values with its European neighbours, but many of the same geostrategic interests and vulnerabilities. The migration crisis confirms that Britain cannot remain insulated from the continent's security problems. Meanwhile, most other Europeans are underperforming on defence commitments, which is as much a problem for NATO and the transatlantic relationship as it is for the EU. This situation presents a great leadership opportunity for the UK should it choose to remain a member.

The UK could be the most populous country in the EU, and the largest economy, by the middle of this century. Despite its position outside the Eurozone, it can exercise power and influence across a broad range of EU policies. The EU is critically involved in one way or another in almost every policy issue affecting the UK's international interests, including trade policy, energy security, the digital market, conflict resolution, counterterrorism and tackling organised crime, none of which are in the competence of the Eurozone. The UK, if it remains an EU member, would be well placed to nurture stronger and more effective EU policies in these areas within a multi-tier and variable-geometry Europe.

However, the British government would need to strengthen its own influence in Brussels by partnering with other key nations on the main issues; by building stronger personal relationships at a senior level both in the EU institutions and in other EU member states; by ensuring that British officials hold senior roles in the EU (not just the EU Commission but also the European External Action Service, the European Council and the Council of Ministers); and by encouraging engaged and credible MEPs to develop leadership roles within the European Parliament.

### **Global not just regional**

British interests are global, and what happens in almost any part of the world can have a direct impact on British security and/or prosperity. Strategic rivalries in Asia may seem a long way from the UK, for example, and the chances of the UK making a difference slight. But if current tensions and misunderstandings between China, its neighbours and the US do slide into more open conflict, the repercussions for the UK – politically, economically and even militarily – could be huge.

The UK should remain interested, therefore, in the security situation in East Asia as much as in South Asia, and aim to be part of a wider Western consensus on the principles for the region's stability and the steps that must be taken to sustain it. Permanent membership of the UN Security Council brings with it the responsibility to engage with political and security developments far from Britain's shores. Certainly, Britain's friends and allies around the world expect the UK to play a larger role than it does now.

## **Responsible intervener**

Judgements about whether to intervene in a crisis militarily will always be difficult and often controversial. Much can and must be learned from the processes that led to recent interventions and from the conduct of these campaigns. British governments must be serious about not repeating past mistakes. At the same time, policymakers must not be prisoners of this aspect of the UK's recent past and adopt either a reactionary isolationism, which leaves the world's problems to others, or a pessimistic defeatism, which denies any positive role for the UK internationally. When pursued with international support, in a legal framework, and with specific and targeted goals, military interventions can be successful, as was seen in the first Gulf War, in Kosovo and in Sierra Leone. Inaction, as seen in the international response to the crisis in Syria, can bring its own set of horrors.

In any case, intervention can take many forms, ranging from humanitarian aid at one end of the spectrum, through active and creative diplomacy, to the use of all the economic and military tools at a country's disposal.

The UK should be ready to deploy its many tools at the right times in the right places, and to act in concert with allies and friends, and through multilateral institutions, wherever possible. Using hard power without the backing of diplomacy and the persuasive influence of attractive institutions and values is of limited merit. But diplomatic goals need to be backed by hard power to be effective in some contexts.

## **Immediate recommendations**

It is not the purpose of this paper to provide a complete prescription for British foreign and security policy. However, the following steps would in our view help ensure that the UK lives up to its goals as a constructive force in the world:

### **1. Close the diplomatic deficit**

Remedying the growing imbalance between the defence, ODA and intelligence budgets, on the one hand, and the diplomatic budget, on the other, must be a priority. It makes little sense strategically to commit to fixed spending targets and real terms growth for ODA and defence spending, two key pillars of the UK's international role, without ensuring the UK has the diplomatic capabilities to coordinate and leverage this investment across Whitehall and internationally. In the short term, therefore, it is important to avoid further cuts to the FCO's non-ODA budget in real terms. In the medium term, the government should increase the budget of the FCO in real terms so that it can deploy greater resources and additional staff to promote and defend the UK's national interests across the world. With a long term commitment to diplomatic effort - including the FCO, but also associated channels of Britain's influence - equivalent to 0.2 per cent of GDP, the UK's international capabilities would be in better balance, and still be less than 3 per cent of GDP in total.

## **2. Maintain defence capability**

The renewed commitment to the NATO 2 per cent target is welcome. Achieving this target without resorting to creative accounting remains vital. Key enabling capabilities need to be maintained, for example to ensure that the UK can lead small overseas operations as well as supporting US-led ones. At the same time, the government needs to accept more clearly than it has done so far that the smaller size of UK forces makes them more reliant than ever on close military cooperation with allies and partners – both to provide necessary mass and to reflect the fact that most UK military operations take part in support of collective security objectives.

## **3. Increase defence engagement**

Sending UK forces overseas, for example to African countries, in order to assist with training and strengthen institutions of civil-military cooperation could play an increasingly important role in supporting the political and economic development of fragile states and rising economies. Developing the right terms of engagement, including the political contexts under which such engagement will be undertaken or halted, and avoiding them driving demand for future interventions, will be important.

## **4. Enhance European defence cooperation**

Britain's continuing determination to block much European defence cooperation (for example, over creating a permanent headquarters to coordinate EU military and security operations overseas and a larger European Defence Agency budget) does not serve its own interests and no longer finds favour in Washington. There are many areas today where more structured and long-term collaboration with EU partners and under EU structures, whether on research, equipment or deployments, can play a useful complementary role to NATO.

## **5. Improve the effectiveness of development spending**

The commitment to spending 0.7 per cent of GNI has brought the UK much credit internationally. Yet it is less clear that all the money is used effectively, still less leveraged to help avert socio-economic crises in vulnerable middle-income countries where many of today's conflicts arise, and which have become the source of much of the mass migration pressure Europe is now facing. There must be constant review of the distribution of ODA spending. For example, instability, conflict and underdevelopment are closely linked to poor governance. Investing more development spending in training in public administration of various kinds for relevant countries would pay dividends over time for Britain's national interests.

The UK should also work more vigorously with other like-minded countries to examine OECD rules about what can legitimately count as aid expenditure, without undermining the central underlying aims of reducing poverty and inequality. Separately, fresh consideration should be given to replicating past successes such as the Know-How Fund in Eastern Europe elsewhere, for example in parts of the Middle East and North Africa.

## **6. Think internationally at home**

The government could strengthen its foreign policy by making sure that major areas of domestic policy do not clash with its international policy. It should:

- Take another look at visa policy. The difficulties international students and commercially valuable talent face in securing entry visas run counter to the UK's efforts to strengthen links with rising economic powers and to drive growth and innovation in the UK economy. The system of regional visa hubs means that decisions on UK visas are often taken in a regional centre by staff with limited knowledge of the country concerned, sometimes undermining the work by embassies or NGOs in cultivating relationships valuable to the UK.
- Take further steps to encourage the teaching of languages in schools, including Chinese and Arabic, as well as the more traditional international languages of French, Spanish and German. There should also be incentives to make it easier for individuals to take up languages in later life.
- Offer greater support for 'area' and international policy studies in universities and elsewhere, for example through enhanced scholarship programmes and encouragement of exchanges.
- Promote further study of Islam and its place in the modern world, including greater emphasis on the training and education of imams in the UK.
- Ensure continued funding at reasonable levels of key elements of soft power, such as the BBC World Service and the British Council.

## **7. Ensure representation in international organisations**

The UK used to have effective programmes aimed at ensuring that international organisations contained a sufficient cohort of high-level British staff. This was not to enable such staff to be given direct instructions on the UK's behalf, but to make sure that the kinds of qualities, attitudes and perspectives typical of the UK were represented inside these organisations. Other countries have continued to have similar aims, with success, while the UK has at times almost appeared to abandon the field. This is particularly striking inside the EU institutions, where senior British staff are increasingly hard to find, and where there does not seem to be a significant cohort at middle levels to take the places of those coming up to retirement. Lukewarm official British attitudes to the EU and have no doubt contributed to individuals being doubtful about what kind of long-term career they could make inside the EU. If the result of the referendum is that the UK will stay in the EU, the opportunity needs to be taken urgently to try to repair this damage.

## **8. Intensify support for UN peacekeeping**

The UK should return in a more significant way to participation in UN peacekeeping. This will ensure that UN forces are more effective militarily and politically, and give

UK personnel valuable direct experience of dealing with complex political and security challenges. Recent statements by the government indicating an increased UK role in UN peacekeeping operations are encouraging in this context.

**9. Enhance the quality of policymaking**

Good foreign and security policy is at least as much about the quality of analysis and decision-making as about the resources applied. Leadership to break conventional thinking and encourage greater professionalism and creativity needs to be matched by the right central machinery. The National Security Council has been a valuable innovation, but it needs to be taken to the next stage in terms of seniority of staff and weight with the line departments.

**10. Boost digital diplomacy**

The FCO should set itself the target of being a world leader in digital diplomacy. Making the most of digital tools to monitor international trends and debates, to keep the British public informed of the reasons for foreign policies and their effects, and to engage publics overseas, will make policies more sustainable domestically while winning friends and advocates abroad at the same time.

## Conclusion

An active and ambitious foreign and security policy needs public support. There is a sense among much of the political class that British public opinion has become less ambitious and more sceptical in its views on the UK's international role. This may well be true about military intervention, after Iraq, Afghanistan and Libya. However, the public generally still appears to retain an understanding that the UK has global interests and therefore a need to play a global role commensurate with them.<sup>iii</sup> People are worried about global issues such as climate change, cyber security, migration, non-proliferation, terrorism, water, food security and inequality. There is a younger generation to whom internationalism comes naturally. The government should not allow snapshots of public opinion on particular subjects to weigh too heavily on its foreign policy.

British governments need to be aware that they cannot have their proverbial cake and eat it when it comes to international affairs. They cannot talk the rhetoric of being a global player while at the same time cutting back on many of the institutions that sustain British influence abroad. This habit has not gone unnoticed by others. Perceptions of British international disengagement are likely to persist unless there are changes along the lines set out above. The UK needs to have confidence in its ability to make a difference internationally. To do so, it must invest in the tools to support that ambition, embrace and support the institutions that advance international order, and demonstrate commitment to its political vision.

## UK Foreign and Security Policy Working Group

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## Annex 1: Britain's global engagement

### Economics and trade

- Imports and exports of goods and services make up more than 60 per cent of the UK's GDP, twice the figure for the US, half again as much as Australia, and close to the figures for other large European economies such as France, Italy and Spain.<sup>iv</sup>
- Nearly 95 per cent of British trade by volume is carried by sea. A number of markets are more than 70 per cent dependent on imports. Around 40 per cent of UK food is imported.<sup>v</sup> Sea trade is worth £500 billion to the UK economy.<sup>vi</sup>
- The UK is a net importer of energy, and is increasingly dependent on external sources. In 2013, some 47 per cent of the UK's net energy supply was imported, the most since 1974.<sup>vii</sup>
- Britain is the leading destination for foreign direct investment in Europe.<sup>viii</sup> It is also the second largest outward investor in the world, behind only the US.<sup>ix</sup>
- Many of Britain's most successful companies operate across the world. Many of the UK's most successful industries are driven by international investment and deep integration into international supply chains.

### In human terms:

- More than 5 million Britons live overseas,<sup>x</sup> while around 8 million UK residents were born abroad.<sup>xi</sup> The UK has an increasingly diverse and cosmopolitan population with ties all over the world.
- Last year, there were 34 million visits to the UK by overseas residents, while UK residents made 60 million trips overseas.<sup>xii</sup> Tourism represents around 9 per cent of Britain's GDP, £127 billion in 2013.<sup>xiii</sup>
- The UK's leading place in higher education is sustained largely by its international character. There are 435,000<sup>xiv</sup> international students studying at UK universities, whose fees generated £3.5 billion in revenue for universities in 2012-13 – more than 12 per cent of all their income and equivalent to about a quarter of the public funding they receive.<sup>xv</sup>

### Strategic ties:

- As a member of NATO, the UK is committed to the collective defence of the alliance, in other words treaty-bound to the defence of all 28 NATO members – from Turkey, through the Balkans to the Baltics. They are in turn committed to defend the UK.
- The UK is a member of the EU, with its Common Foreign and Security Policy and Common Security and Defence Policy frameworks. In addition, the mutual



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assistance clause of the Treaty of Lisbon, triggered in the case of armed aggression against an EU state, also creates security obligations to non-NATO EU members such as Finland and Sweden.<sup>xvi</sup>

- Through the Five Power Defence Arrangements with Australia, Malaysia, New Zealand and Singapore, the UK has links to the security of Southeast Asia.
- The UK's intelligence operations are highly reliant upon international cooperation, especially the 'Five Eyes' arrangement with Australia, Canada, New Zealand and the US.
- There are still 14 British Overseas Territories, scattered across four oceans, for which the UK has defence responsibilities, including the Falklands.
- As a permanent member of the UN Security Council, the UK has a general obligation to support the maintenance of international peace and security, however unsatisfactory the current structure of the Council's membership may be.

### Annex 2: Britain's global assets

- The world's fifth largest economy and an important member of the world's largest trading bloc and market, the EU.
- An active and influential member of almost all of the most important international organisations and forums: the second largest economy in the EU, a permanent member of the UN Security Council, a co-founder and pillar of NATO, a member of the G8, G20, WTO and IMF, and a leading member of the Commonwealth. This combination provides a unique platform for British foreign and defence policy.
- The second largest international provider of financial and other services.
- Home to London, a global city, one of the world's two leading financial centres, and a hub for law, NGOs and the media.
- A significant military power and recognised nuclear weapons state under the Non-Proliferation Treaty. Has a still sizeable defence budget, the fifth largest in the world in 2014 and the second largest in NATO, with a renewed commitment to keep spending above 2 per cent of GDP.
- A respected diplomatic power across the world, with a reputation for contributing to agreements in many areas, such as the Balkans in the 1990s, EU enlargement in the 2000s and most recently the nuclear deal with Iran.
- A world leader in higher education and scientific research, with 16 of the world's top 100 universities and three of the top 10, the most outside the US.<sup>xvii</sup>

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- The world's second largest provider of ODA, after the US.
- A country with a global reputation for culture, art, music, fashion and sport. Although such influence is difficult to measure, the UK is consistently ranked as one of the world's leading soft powers.<sup>xviii</sup>
- The origin of the English language, the lingua franca of much of global business and culture.

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<sup>i</sup> House of Commons Foreign Affairs Committee, *The FCO and the 2015 Spending Review- First Report of Session 2015-16*, October 2015.

<sup>ii</sup> House of Commons Foreign Affairs Committee, *Foreign Affairs – Ninth Report: The FCO's performance and finances in 2013–2014*, February 2015.

<sup>iii</sup> Some 63 per cent of the public and 61 per cent of opinion-formers think that the UK should aspire to be a 'great power' rather than accept that it is in decline. See *Internationalism or Isolationism? The Chatham House–YouGov Survey*, <https://www.chathamhouse.org/publication/internationalism-or-isolationism-chatham-house-yougov-survey>.

<sup>iv</sup> World Bank, 'Trade (% of GDP)', [http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?order=wbapi\\_data\\_value\\_2014+wbapi\\_data\\_value+wbapi\\_data\\_value-last&sort=desc](http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?order=wbapi_data_value_2014+wbapi_data_value+wbapi_data_value-last&sort=desc) (accessed October 26, 2015).

<sup>v</sup> The Cabinet Office Strategy Unit, *Food Matters: Towards a Strategy for the 21st Century*, July 2008, <http://www.ifr.ac.uk/waste/Reports/food%20matters.%20Towards%20a%20Strategy%20for%20the%2021st%20Century.pdf> (accessed October 26, 2015).

<sup>vi</sup> HM Government, *The UK National Strategy for Maritime Security*, May 2014, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/310987/20140508\\_NSMS.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/310987/20140508_NSMS.pdf) (accessed October 26, 2015).

<sup>vii</sup> Office for National Statistics, 'Energy and emissions in the UK', February 2015, <http://visual.ons.gov.uk/uk-perspectives-energy-and-emissions/> (accessed October 26, 2015).

<sup>viii</sup> Ernst & Young Global Limited, *EY's attractiveness survey, UK 2015*, [http://www.ey.com/Publication/vwLUAssets/The\\_UK\\_Attractiveness\\_Survey\\_2015\\_-\\_full\\_report/\\$FILE/1595088\\_UKAS\\_report\\_2015\\_FINALWEB.pdf](http://www.ey.com/Publication/vwLUAssets/The_UK_Attractiveness_Survey_2015_-_full_report/$FILE/1595088_UKAS_report_2015_FINALWEB.pdf) (accessed October 26, 2015).

<sup>ix</sup> HM Government, *Outward Investment: Selected Economic Issues*, January 2014, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/274565/bis-14-514-outward-investment-selected-economic-issues-trade-and-investment-analytical-papers-topic-15-of-18.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/274565/bis-14-514-outward-investment-selected-economic-issues-trade-and-investment-analytical-papers-topic-15-of-18.pdf) (accessed October 26, 2015).

<sup>x</sup> UN Department of Economic and Social Affairs, 'Trends in International Migrant Stock: Migrants by Destination and Origin', September 2013, [http://esa.un.org/unmigration/TIMSO2013/data/subsheets/UN\\_MigrantStockByOriginAndDestination\\_2013T10.xls](http://esa.un.org/unmigration/TIMSO2013/data/subsheets/UN_MigrantStockByOriginAndDestination_2013T10.xls) (accessed October 26, 2015).

<sup>xi</sup> Office for National Statistics, *Population by Country of Birth and Nationality Report, August 2013*, August 29, 2013, [http://www.ons.gov.uk/ons/dcp171776\\_324663.pdf](http://www.ons.gov.uk/ons/dcp171776_324663.pdf) (accessed October 26, 2015).

<sup>xii</sup> Office for National Statistics, *Travel Trends, 2014*, May 20, 2014, [http://www.ons.gov.uk/ons/dcp171776\\_403337.pdf](http://www.ons.gov.uk/ons/dcp171776_403337.pdf) (accessed October 26, 2015).

<sup>xiii</sup> VisitBritain, 'Visitor economy facts', <https://www.visitbritain.org/visitor-economy-facts> (accessed October 26, 2015).

<sup>xiv</sup> UKCISA, 'International student statistics: UK higher education', May 18, 2015, <http://www.ukcisa.org.uk/Info-for-universities-colleges--schools/Policy-research--statistics/Research--statistics/International-students-in-UK-HE/#International-%28non-UK%29-students-in-UK-HE-in-2013-14> (accessed October 26, 2015).

<sup>xv</sup> Universities UK, *The impact of universities on the UK economy*, <http://www.universitiesuk.ac.uk/highereducation/Documents/2014/TheImpactOfUniversitiesOnTheUkEconomy.pdf> (accessed October 26, 2015).

<sup>xvi</sup> Teija Tiilikainen, *The Mutual Assistance Obligation in the European Union's Treaty of Lisbon*, April 2008, <http://www.finlandnato.org/public/download.aspx?ID=35184&GUID=%7BB4D73482-E960-409D-A57D-12443CD7DF1D%7D> (accessed October 26, 2015).

<sup>xvii</sup> Katherine Sellgren, 'University rankings: UK "a stand-out performer"', *BBC News*, September 30, 2015, accessed October 26, 2015, <http://www.bbc.co.uk/news/education-34390466>.

<sup>xviii</sup> Jonathan McClory, *The Soft Power 30*, July 2015, [http://softpower30.portland-communications.com/pdfs/the\\_soft\\_power\\_30.pdf](http://softpower30.portland-communications.com/pdfs/the_soft_power_30.pdf) (accessed October 26, 2015).