

# Investing for Influence

Report of the LSE Diplomacy Commission



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# About the commission

LSE IDEAS convened the Diplomacy Commission as a forum for informed, private and strategic discussion on the future of British diplomacy and foreign policy.

We sought Commissioners with experience at highest levels of government, the civil service and the intelligence services, and put them together with perspectives from journalism, civil society and academic expertise from the LSE and beyond.

The Commission conducted its work through a series of hearings, where expert witnesses presented evidence to the Commissioners and answered questions from them.

To promote discussion, these hearings took place in private and witnesses will remain anonymous. They included expert practitioners and academics from diverse fields: from finance to cyber, from international development to counter-terrorism, from transnational business to charities and NGOs.

The discussion and debate of Commissioners stimulated and informed by those Hearings are summarised in this report.

The views expressed here are those of the Commissioners as a whole. They do not necessarily reflect the views of the LSE, or any other organisation with which they have an affiliation.

## Sir Michael Aaronson

is a Professorial Research Fellow and Director of *cii* – the Centre for International Intervention – at the University of Surrey. From 1995-2005 he was Director General of Save the Children UK, and from 1988-1995 was the charity's Overseas Director. From 1972-1988 he was a member of the UK Diplomatic Service. From 2007-2012 he was a Civil Service Commissioner, appointed by the Crown to maintain the principle of fair and open recruitment to the UK Civil Service.

## Professor Michael Cox

is Director of LSE IDEAS and Emeritus Professor at the International Relations Department at the LSE. He is also Executive Programme Director and an Academic Management Committee Member. Professor Cox is also an Expert Advisor to the FCO and Visiting Professor at Catholic University Milan and LUISS Rome. He was previously Chair of the ECPR and Editor of *International Politics Journal*.

## Dr Tarak Barkawi

is Reader in the Department of International Relations, London School of Economics. He earned his doctorate at the University of Minnesota and specialises in the study of war, armed forces and society with a focus on conflict between the West and the global South. He is author of *Globalization and War* and many scholarly articles.

## Sir Richard Dearlove

is Chair of Trustees of the University of London and formerly Master of Pembroke College Cambridge. He served as Chief of the British Secret Intelligence Service (SIS) from August 1999 until his retirement in July 2004. He is a career intelligence officer of thirty-eight years standing and has served in Nairobi, Prague, Paris, Geneva and Washington as well as in a number of key London-based posts.

## Professor Rosemary Foot

is Professor of International Relations, and the John Swire Senior Research Fellow at St Antony's College, Oxford University. She is also a member of the Department of Politics and International Relations at Oxford. Her principal research interests are in the International Relations of the Asia-Pacific, particularly security policies, human rights, regional institutional and normative developments, and US-China relations.

## Professor Christopher Hill

is Sir Patrick Sheehy Professor of International Relations at the University of Cambridge. From 1974-2004 he taught in the Department of International Relations at the London School of Economics and Political Science, where he was the Montague Burton Professor from 1991.

## Lord Frank Judd

is an Emeritus Governor of LSE and Labour Peer since 1991. He has served as Minister for Overseas Development in 1976-77 and Minister of State, Foreign and Commonwealth Office between 1977-79. He was Director, Voluntary Service Overseas, 1980-85, Director of Oxfam, 1985-91 and Rapporteur to Council of Europe on the Conflict in Chechnya 1999-2003. Since 2012 he has been President of the Middle East Committee of the Inter-Parliamentary Union.

## Bridget Kendall

was appointed as BBC diplomatic correspondent in November 1998. Based in London she covers top foreign stories for radio and television news, reporting on foreign policy issues and their impact on Britain. She was Moscow correspondent from 1989 to 1995 and then as Washington correspondent from 1994 to 1998.

**Stephen King**

is HSBC's Group Chief Economist. He is directly responsible for HSBC's global economic coverage and co-ordinates the research of HSBC economists all over the world. He is a member of the UK Government's Asia Task Force. He has given written and oral evidence on the economic effects of globalisation and on monetary policy to the House of Commons Treasury Committee and the House of Lords Economic Affairs Committee.

**Jonathan Luff**

is a former diplomat and advisor to the Prime Minister on innovation and international issues. He founded Epsilon Advisory Partners in 2013, providing advice on strategy, partnerships, and innovation to senior executives and fast-growing companies. At 10 Downing Street he was the first Director of the 'GREAT' Campaign, the British government's award-winning global communications campaign promoting inward investment, exports and enterprise.

**Sebastian Mallaby**

is the Paul A. Volcker senior fellow for international economics at the Council on Foreign Relations (CFR). An experienced journalist and public speaker, Mr. Mallaby is a contributing editor for the *Financial Times* and served previously as a columnist and editorial board member at the *Washington Post*.

**Sir Christopher Meyer**

is a former British ambassador to the United States and Germany, as well as former chairman of Press Complaints Commission. He is author of *DC Confidential; Getting Our Way* and *Only Child*.

**Baroness Pauline Neville-Jones**

is a former BBC Governor and Chairman of the British Joint Intelligence Committee (JIC). She was Minister of State for Security and Counter Terrorism at the Home Office and a member of the National Security Council from May 2010-2011.

**Gideon Rachman**

became chief foreign affairs columnist for the *Financial Times* in July 2006. He joined the *FT* after a 15-year career at *The Economist*, which included spells as a foreign correspondent in Brussels, Washington and Bangkok.

**Susan Scholefield**

held a distinguished career in the Civil Service. Roles in the Balkans Secretariat, Northern Ireland Office and in the Cabinet Office as head of the Civil Contingencies Secretariat were followed by a series of top level positions in the MOD culminating in her most recent role as Director General, Human Resources and Corporate Services. In 1999 she was awarded a CMG in the New Year's Honours for her work on Bosnia.

**Lord Wei of Shoreditch**

is the Chairman of the All-Party Parliamentary Group for East Asian Business, Hong Kong Subcommittee Chair of the All Party Parliamentary Group on China (APPCG) and also Treasurer of the All-Party Parliamentary Group for Trade & Investment. He is the youngest member of the House of Lords and the only active ethnic Chinese member of it; additionally, he is the most senior ethnic Chinese politician in the European Union. He is interested in economic and cultural ties between the United Kingdom and China and takes an active interest in British Chinese community issues.

**Professor Danny Quah (Co-Chair)**

is Professor of Economics and International Development, and Director of the Saw Swee Hock Southeast Asia Centre within the Institute of Global Affairs at LSE. He had previously served as LSE's Head of Department for Economics (2006 – 2009) and Council Member on Malaysia's National Economic Advisory Council (2009 – 2011). Quah is Tan Chin Tuan Visiting Professor at the National University of Singapore, and lectures regularly at Peking University.

**Professor Arne Westad (Co-Chair)**

is the S.T. Lee Professor of US-Asia Relations at Harvard University and former Director of LSE IDEAS. His work deals mainly with twentieth century history and the history of China. He is also a frequent commentator on current international issues, especially with regard to East Asia.

**Dr Nicholas Kitchen (Executive Director)**

is Assistant Professorial Research Fellow in the United States Centre, and Executive Director of the LSE Diplomacy Commission.

# Introduction

**W**hat should be the purpose of British foreign policy? For nearly a decade, that question has festered in the shadow of the UK's participation in the Iraq War, and has led successive Prime Ministers and Foreign Secretaries to shy away from significant foreign policy engagements. Today, Britain is increasingly insular and self-absorbed: an uncertain internationalist; side-lined in Syria, ineffective in Ukraine, unwilling in Europe, inimical on refugees. A crisis of confidence has become a crisis of identity.

This report is a call to recognise that crisis and debate it. British governments have conducted at least two major exercises in strategic thinking in the past twenty years - the 1997 Strategic Defence Review of the incoming Blair government and the Coalition's Strategic Defence and Security Review of 2010. The latter was accompanied by a National Security Strategy, which has since been updated twice.

These exercises have been notable for how they left core assumptions about the world and Britain's place in it totally uninterrogated. Since 1945, the basic premise of British foreign policy has been for the UK to do whatever it could to retain its imperial status as a global power despite evident decline. Malcolm Rifkind, who holds the distinction of having served as both Foreign Secretary and Defence Secretary, summed up this assumption:

*...the UK's role in international affairs differs from that of most other countries in the world. For generations, Britain has maintained a global foreign policy. It has considered its national interests to extend well beyond its own shores, and viewed events overseas as ones that have a direct impact at home. This understanding has been reflected in the UK's approach to the world.<sup>1</sup>*

Today, that assumption is no longer reflected in the conduct of British diplomacy, and there is a great deal of disquiet among the UK's diplomatic community, not to mention longstanding allies and partners, that British foreign policy is adrift. That is not to say that the old assumptions should be reaffirmed: a first principles look at the world and the UK's place in it is long overdue.

The goal of this Commission was therefore to consider Britain's international role from first principles, to conduct the strategic equivalent of 'zero-base budgeting' where everything must be evaluated on its own terms and justified anew. The Commission has sought to understand how contemporary international politics operates, to identify Britain's interests, assets, challenges and opportunities.

What we propose here is not a blueprint for policy. Instead, it is a call to debate: for UK citizens to reengage with foreign policy, to rethink the structure and balance of Britain's role in the world, and to invest in the tools of diplomacy that sustain the UK's international influence.

## OUR APPROACH

The scope of the Commission's study is vast: to understand the operation of the international system, identify Britain's strengths, weaknesses and interests within it, and to establish a role for the UK that fits with those realities.

Our remit was not to predict events: that is not the job of strategy. 30 years ago few would (or could) have predicted the fall of the Soviet Union, the disappearance of apartheid, power sharing in Northern Ireland, the creation of a single European currency, or the 9/11 attacks.

Instead, this Commission has considered trends in the development of structures within which events occur: military and political structures, ideological, social and normative structures, economic and financial structures, technological structures. We draw on the best available research, and the most relevant experience, integrating

perspectives from policymaking, business, journalism, civil society, and academia across a range of sectors and disciplines including foreign policy, international development, intelligence, history, political science and economics.

The report begins with an analysis of how the contemporary international system has evolved and how it works. It then turns its attention to the challenges, threats and risks facing the United Kingdom, before proceeding to identify Britain's particular assets and advantages as an international actor. From that analysis follows proposals for Britain to recast its role in the world, and to invest in the tools necessary to be successful in that role. ■

## ACKNOWLEDGEMENTS

The Chairs and Executive Director of the Commission would like to thank all of the Commissioners for their time, enthusiasm and expertise. We are grateful to the LSE Higher Education Innovation Fund for funding, and for the work of colleagues in Research Division in support of this project, in particular Tina Basi and Marie Copperwaite. The Commission extends its thanks to all of the witnesses who submitted evidence for being so open to questions and so candid in their answers. Most importantly, we would all like to thank the staff who worked for the Commission – Luc Brunet, Eirini Karamouzi, Daniel Thomson and Joseph Barnsley – and the team at LSE IDEAS who have supported our activities – Indira Endaya, Mireia Franch, Emilia Knight, and Lena Poleksic.



# The World Today

**W**hat is the nature of international politics? This is the fundamental question of the academic discipline of International Relations, and yet it is rarely asked by those tasked with generating national strategy. The 2010 National Security Strategy, for instance, notes that we live in an ‘age of uncertainty’, characterised by ‘startling change’ that is proceeding at an ‘astonishing pace’.<sup>2</sup> But we should – we must – understand the logics that create our strategic context in a more substantive way.

There can be no doubt that the world today is different from the world at various points in the past. Some things hold constant – the arrangement of the vast majority of people into states, for example. But other things that affect who can act and how those actors interact have changed. Capital is stateless and genuinely global, as increasingly, is production. This is a major shift since even the middle of the 20th century. Our weapons are inordinately more destructive, rendering them qualitatively different from those we fought intra-European wars with in the 19th Century. The degree to which international politics is prescribed and governed by laws and norms is more intense than it has ever been, and the content of those norms has evolved.

So it is important for any strategic assessment to understand the content and structure of the international system. This report argues that the modern international system is characterised by two linked phenomena – globalisation and power diffusion – that are driving specific processes of change that will require states to adapt their outlook and strategies.

## THE INTERNATIONAL SYSTEM: GLOBALISATION AND DIFFUSION

Globalisation is nothing new. The modern international system has been – to greater and lesser extents – globalised for the best part of 400 years. However, the 21st Century exhibits some profound differences from earlier eras of globalisation, including those, like the 19th Century, that exhibited a high degree of interconnectedness.

First, we should be clear that significant elements of the traditional great power system of the 19th and 20th Centuries hold true today. Most significantly, states remain the preeminent actors in the system. Sovereign national governments retain the power to implement policies that structure incentives and deterrents to particular behaviour. Many of the innovations that fostered the rise of the Western states in the ‘long 19th Century’ – in particular industrialisation, rational state-building and nationalism – have spread, been reshaped and become part of the fabric of the international system (though fortunately some, such as ‘scientific’ racism, are in decline). In this sense, the world the West built for itself is now everyone’s world.<sup>3</sup>

Processes of globalisation and diffusion have eroded the dominant role of the West.

At the same time, processes of globalisation and diffusion have eroded the dominant role of both the Western core, and of states writ large. The particular advantages that states benefitted from in the 19th and 20th Centuries – control over the instruments of production, especially weaponry, the operation of the market, and the provision of information – have been undermined in the 21st Century by technology reducing barriers to entry, the ever-increasing privatisation of capital, and the creation of an open internet.

These processes have a number of specific implications. First, the diffusion of information and the reduction in technology costs has rendered it easier for private individuals and groups to act against states. A remote-detonated IED can be constructed with a few easily obtainable materials for around \$200 built to a design freely downloadable from the internet. Ever-decreasing technology costs of delivery systems such as drones and disruptive production innovations like 3D printing will only continue the trend of the privatisation of the means of violence.

Second, complex economic interdependence, in which capital and access to labour supplies are significantly globalised, has created a qualitatively different form of globalisation in which the production process itself is globalised. At the same time, the embedding of neoliberal norms in the international economy has rendered the state less able to exercise control over firms and markets.

The combination of globalisation with a retreat by states from active management in the economy has had two key consequences.

First, it has enabled firms to transcend borders and rendered their economic location malleable, with the result that governments’ capacity to extract revenue from firms has declined.<sup>4</sup>

Second, the denationalisation of the global economy has made it more difficult for states to use the tools of economic power against each other. Despite the development of so-called ‘smart’ sanctions, in the long run economic coercion under globalisation is inevitably self-punishing. This reality is indicated in the shorter-term by the reactions of financial markets.

Third, the legitimacy of state behaviour at an international level has been challenged more stridently and by a wider range of political actors. Global media and communications, and in particular the development of social media, has empowered individuals and small groups and rendered it more difficult for states to control political narratives or to act with impunity. Related phenomena serve to buttress societal constraints on the state. Since the 1940s, the percentage of the world's population attaining basic education has doubled, and that population is consuming more than four times as much media. A more educated more informed global population made up of critical citizens who are less deferent to established authorities represents an increasing challenge to the ability of states to act independently of the views (and prejudices) of their populations.<sup>5</sup>

Whilst the Internet may enable the sharing of information that was previously siloed and controlled, the development of global communications and information management represents a wholly new domain for power.

In this realm, the tools of 'big data' collection and analysis increase both state power and vulnerability. Greater power comes from the bureaucratic and legal infrastructure to organise and sort their citizens. This capacity is not restricted to the state: individuals willingly surrender their data to corporations such as Facebook. Google has the technical capacity to accumulate and analyse huge quantities of information.

At the same time, state and corporate reliance on information systems creates significant vulnerabilities in infrastructure that may be exploited by other states, or equally by private groups or individuals launching cyber-attacks or engaging in hacking activities.

Finally, developments since the 19th Century in the destructiveness and diffusion of military power have significant implications for states. The most salient of these is that great power warfare, the kind of large-scale all-out violence that characterised the European and World Wars of the 19th and 20th Centuries, is no longer a policy option for states. As late as

the early 20th Century, the presumption was that wars would be fought between armies on battlefields in a limited way. The experience of the two world wars demonstrated that major inter-state conflict required mass mobilisation and entailed massive destruction, with civil-military boundaries rendered obsolete. With the spread of nuclear weapons and the promise of mutually assured destruction the cost-benefit calculation has become even starker.

That is not to say that that major war is *impossible*, but it is highly unlikely because it is so obviously far more costly than it could be useful. In addition to the physical costs there are economic consequences: a military attack by any country integrated into the global economy would result in immediate and massive capital outflows. Moreover, if large-scale violence is not useful, it is not clear that it would be possible for states to escape the logic of escalation in order to be able to use violence at lower levels as a tool of coercion.

‘ We are at the beginning of a shift from an industrial world to an information world. ’

Alongside the decline in the utility of war there has been a shift in the ethics of war across the vast majority of states in the last hundred years. In the 19th Century war was the ultimate legitimate tool of self-interest, a method of extracting compliance in great power disputes that was not merely effective but glorious. Today, major states operate in an environment that is far more constrained: by international norms, by media and civil society, and by citizens who, in comparison to previous generations, are better educated, better informed, less permissive in their attitudes towards the use of force and less likely to defer to supposed authorities.

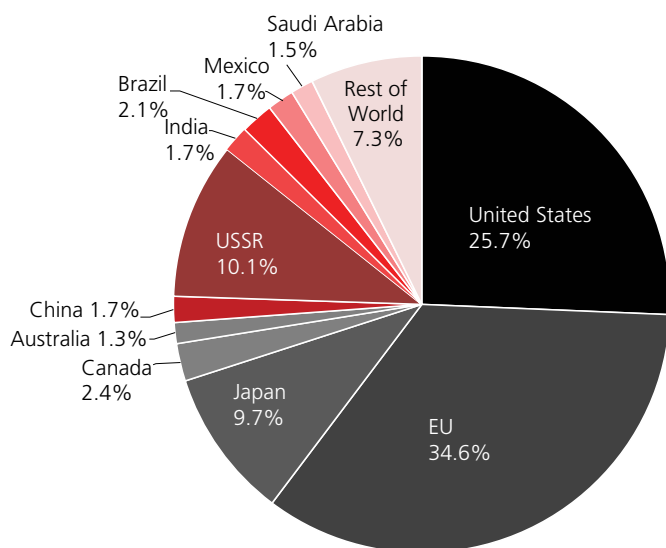
This combination of political constraint and military disutility means that the risk of major interstate war is near zero. This is not to say the world is peaceful, far from it. Private, low scale violence is highly prevalent and religious and ethnic conflict endures. Since the end of the Cold War major states have continued to use military force to intervene in conflicts in the developing world. Motivated by humanitarianism, ideology and self-interest, these interventions, as well as subsequent peace- and state-building efforts, have had a mixed record of success. Moreover, the constraints on major interstate conflict make it especially difficult for major states to deter each other's interventions. The West now faces the same frustration in responding to Russia's actions in Syria as Russia experienced with regard to NATO's intervention in Kosovo.

There are parts of the world that continue to think – and in a more limited way, behave – like old-fashioned nation-states, prioritising territorial gains and national prestige (at the expense of economic prosperity, among other things). But such behaviour is an anachronism: the deeper trend is that since the end of WW2 interstate and civil wars have declined, battle deaths have declined, and homicide rates have declined.<sup>6</sup>

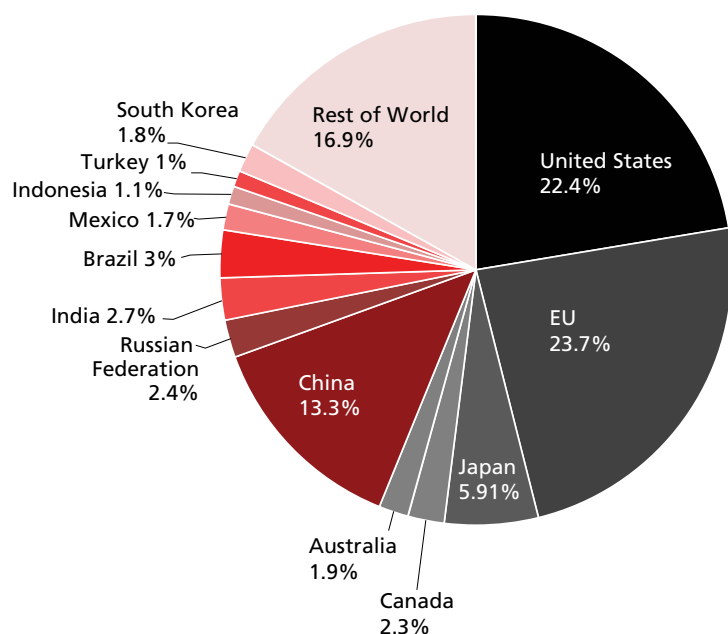
Taken together, these intensifying trends of globalisation and diffusion represent the beginnings of a shift from an industrial world to an information world. They are redefining the rules of the game in the international system and transforming the modes of power itself, undermining compelling strategies, and creating a corollary increase in the demand that compliance be cultivated and induced utilising persuasion and influence. Moreover, they render less clear the link between our traditional measures of capability – population, military spending, GDP – and outcomes. In short, the 21st Century is one in which states are less able to react with straightforwardly coercive policies when crises arrive and more required to operate long-term strategies that cultivate legitimacy and authority in areas where challenges may emerge.

## THE SHRINKING WESTERN CORE

The World Economy, 1980



The World Economy, 2014



Source: World Bank

## THE FUTURE OF STRUCTURE: A WORLD WITHOUT SUPERPOWERS?

In the previous section, we noted that the innovations that enabled Western dominance have diffused around the globe. As those Western inventions have been taken up and recast, the world is becoming noticeably less Western.

Ours is a world of proliferating states – the result of processes of decolonisation and the spread of principles of self-determination – and increasingly equal levels of development. The number of modern industrial societies has expanded since World War II, and the majority of that growth has taken place outside of the old Western core of the international system. In 1980, there were six major states with economies over five percent of total world GDP. Four were Western states and the fifth, Japan, was strategically tied to the United States. Of the ten states with over two percent of world GDP level, only the USSR and Brazil would be considered outside of the Western core. By 2014, that had changed. Now there are only three major states with over five percent of total world GDP– the US, Japan and China (the EU is the world's largest market, but it is not a state). And of the eleven states with over two percent of global GDP, China, Brazil, India and Russia are all outside the Western core. Western states still retain economic predominance, with the US, EU members and Japan together accounting for 52 percent of world output. However, that position has been eroded from a high point of almost 75 percent in 1992, as the balance of economic power among states has become less concentrated.<sup>7</sup>

The expectation is for this trend to endure, as developing countries continue to make a larger contribution to global growth than the established West. And whilst the United States in particular retains significant structural assets that enable it to play a disproportionate and central role in international politics, rising economic actors are already exercising increased political influence. In a world of less unequal economic power, less unequal political power soon follows.

That power is exerted not in a vacuum, but in a complex set of transnational networks and institutions of global governance. These are incomplete and in many ways unsatisfactory – it is not a system anyone would design – and the international system has few mechanisms that equate those of a rational state. But there is a density of formal and informal, governmental and civil society institutions, epistemic communities, regimes, norms and law that deliver governance in the global economy, in the natural environment, in healthcare, in security. However, it is a system that is inadequate and under-resourced, and in many cases wholly incapable of providing public goods. But whilst our system of global governance may be perpetually in crisis, it has proved durable and continues to deepen, and it both facilitates (and often demands) collaboration in the face of shared challenges.

There is a sense in which the age of great powers may be coming to an end: globalisation and interdependence, the privatisation of the great bulk of countries' economies and the freedom of capital, the end of major war, the connectivity of individuals and the decline of deference, complex and incomplete networks of collaboration and governance: all these render the premises and language of 'superpowers, great powers, middle powers' rather redundant. States as significant actors, yes; individual states as shapers of politics beyond their borders, less so. In a world that is connected and interdependent, instead of asking zero-sum questions of power politics, it may be more relevant to think in terms of what contribution we can make to the shared challenges we face. ■

# Relationships, Risk and Resilience: Redefining the National Interest

In a world that is globalised, interdependent and in which states are part of myriad international networks, the Commission is sceptical of the concept of a unified, hegemonic national interest that serves as a guide to action for foreign policy decision-makers.<sup>8</sup> In our evidence sessions we heard little mention of the survival of 'the state', with witnesses' concerns focusing instead on citizens, society and the economy.

Moreover, a unified national interest requires a singular identity that Britain's open, ethno-culturally diverse society should be proud to eschew. Yet we heard repeated complaints that the UK has become increasingly insular and self-absorbed. There is an increasing tendency to view international initiatives as taking resources out of our own pockets (a phenomenon most stark in the debate around the European Union and migration). It is a strange paradox that whilst the world has never been more interdependent we fail to recognise that future generations will judge us by the success we make of belonging to and making a contribution to global order.

That said, establishing a unified national interest would address a second concern repeatedly aired in our hearings: that British foreign policy lacks a clear purpose, and that as a result, our approach to the distribution of resources lacks strategic coherence. Whilst we recognise, and in part seek to address, this problem, we do not believe that arbitrarily stating 'the British national interest' is either possible or desirable. For too long, British foreign policy has been the preserve of grandees: 'wise' and nearly always white men, with an understanding of Britain that reflects their own experiences and reading of history. But in a country where 41 percent of the residents of its capital city were not born in the UK, the idea that society should derive a unified set of beliefs about the practice of foreign policy seems implausible. As Tarak Barkawi and Shane Brighton point out, whilst the 2010 National Security Strategy acknowledged the UK's globally connected population, that reality was framed as an 'external force' against which 'a stable national subject

is 'secured' and 'made resilient'. That a globally connected population, with diverse backgrounds, values and interests, might affect the construction of a national 'we' was apparently never considered by the authors of that document. This failure to engage the realities of our own society is a symptom of a more general 'geohistorical myopia', one deeply uncomfortable with Britain's imperial past, and which prevents us from recognising the opportunities our diversity affords.<sup>9</sup>



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This Commission seeks to take a broader view that embraces the UK's diversity rather than attempting to think in terms of a singular British 'interest'. All countries, whether big, small, developed or developing, are experiencing a challenge to the idea that the 'national' interest is a vehicle for the interests of its citizens. But for the UK the challenge is particularly acute, as it is home to the most diverse immigrant population in the world.<sup>10</sup>

This reality implies that necessarily partial foreign policies must be made pluralistic and predicated on citizens' international concerns – their freedom, prosperity and security, their global ties and ethical positions.

It should be obvious from this understanding of British society – and from the analysis of international structure developed in the previous section – that we consider the UK's tendency to reimagine itself as the great power of past glories unhelpful. Such mythologising is not only a poor starting point for UK strategy, it also reinforces the fallacy that international politics today operates as it did when Churchill led the country in its 'finest hour', or Queen Victoria presided over an empire on which the sun never set. In a networked world, it is a prerequisite for strategic coherence that government should encourage a more open and wide-ranging debate about foreign policy issues across society.

Strategists, by their nature, are careful managers, given to balancing pre-existing priorities and constraints rather than thinking innovatively. But our analysis demands a different approach: a restructuring of the standard process of assessment and a redefinition of the national interest in the process of thinking strategically about the UK's role. Instead of an approach that starts with British interests, this Commission starts with Britain's relationships – its location in international and transnational networks. Instead of focusing on how to combat threats to national security, this Commission prefers to think in terms of understanding the risks that exist to social and economic order, and building resilience to cope with them.

## BRITAIN'S CORE RELATIONSHIPS

Who Britain engages with in the world, and the quality of those relationships, is central to engendering collaboration on shared challenges and generating economic prosperity. This much should be obvious – we all work most easily with people with whom we have a good relationship, whom we understand, whom we like, whom we trust. Relationships are not born, they are made, and though they may be forged in history good relationships require maintenance.

British strategists have tended to understand this. But official UK discourse has tended to see our relationships as unchanging, as foundations that, once built, have sustained us and will continue to do so. But there are other partners in relationships, and their circumstances may not endure into perpetuity. Nor will ours. So it is important to understand the changing needs of the UK's core network relationships, rather than simply continuing to affirm them.

**The United States**, the source of the UK's neurosis about its 'special relationship', is a case in point. As a Pacific power as well as an Atlantic power, and facing demands from allies as well as opportunities and challenges associated with emerging Asian economies, the United States will inevitably be more focused on Asian security and economics than it has been in the past. The stated US 'rebalance to Asia' is more disturbing for the British policy establishment than many have admitted. And whilst this is not to say that the United States will abandon transatlanticism – the State Department can do more than one thing at once – the UK will need to understand that the Western order is not the only game in town.

Finding a way to make the transatlantic relationship useful to both parties will in part depend on the UK's other core relationship, namely with **Europe**. Europe is our region. It has economic, geopolitical and social consequences that we cannot avoid. Yet the question of how the UK relates to what kind of Europe is likely to dominate our consciousness, and to do so well past the scheduled referendum. It should not. Constantly fretting about the formal status of our association with the EU restricts what the UK can in practice achieve through that relationship. In, out, or semi-detached, the fact is that working in and with Europe is a necessary component of nearly every area of policy.

Our ambivalent relationship with Europe is in many ways a reflection of discomfort in our relationship with **ourselves**. The UK may be culturally diverse, but the politics of devolution increasingly points in the direction of a more federated UK, with the constituent nations exhibiting markedly different attitudes to key foreign policy questions. Those different attitudes may be rooted in differing national attachments to the British Empire and its historical legacies. But although Britain's inheritance brings with it the challenges of post-colonialism, the UK no longer experiences the benefits of power and wealth that those unequal relationships used to generate. And although our now more condign relationship with our **former empire** confers the UK with global presence, the enormous opportunities for trade, business and influence that the diasporas of Britain afford are yet to be fully capitalised upon, despite the depth of Commonwealth ties.

Britain's approaches to these four relationships – with our hegemonic replacement, with our region, with ourselves and our former empire – betray anxieties with similar roots. Only by re-imagining ourselves in a way that reconciles and embraces

these relationships, and that confidently celebrates Britain's innate globalism over its island parochialism, can those apprehensions be calmed. Inward-looking attempts to insulate an imagined green and pleasant land from the ravages of globalisation – and the UK is far from the only country grappling with that kind of politics — are bound to fail. The idea that we are engaged in some kind of great game, that China and India's accomplishments are somehow a threat to our prosperity, is both economically illiterate and unsustainable. Britain's success in a global economy, and its resilience to risks, already depends on and will increasingly depend on a set of global public goods, delivered by rules-based institutions that provide opportunities for collective action. This then is the UK's key relationship, as it for all states, with international society as a whole: in a globalised, networked world, states' interest in the system's overall operation vastly outweighs their partial interests within it.

## RISKS AND RESILIENCE

This Commission recognises that defining Britain's national interest requires an articulation of British identity that accounts for the global context of its citizens. A consequence of this approach is that it makes less sense to think in terms of traditional security threats to the existential survival of the UK as a territorial nation-state. The threats that concerned statesmen in the 19th and early 20th Century should no longer preoccupy us in the 21st. As a Commission, we heard a few voices express concerns about the 'threat' posed by Russia. Elsewhere, others have sought to compare Vladimir Putin to Hitler. Such notions do not stand up to scrutiny. Although the consequences of major conflict would be grave were it to occur, the risk of great power war is incredibly low. Statespersons obsessing over its possibility will at best misdirect significant resources towards marginal contingencies, and at worse increase the risk by rhetorically normalising major war.

That is not to say that major states cannot pose challenges. Russia, for one, is a major challenge. Its willingness to act outside the norms of the international system, and in particular, to seek to do so covertly, as it has in Ukraine, is a challenge to the established order, and one that has to be addressed collectively by the states that make up that order. And any country with a GDP the size of Italy, with an unbalanced economy that is failing to produce prosperity for its citizens is a major problem for the uncertainties and blowback consequences such failures represent for the global economy of which we are all a part. But those challenges are risks for the United Kingdom's businesses and for those parts of the British economy invested in Russia, and require diplomatic contingencies to mitigate instability across the international system should a crisis develop. They are not threats to the United Kingdom itself.

What the UK does face are a series of risks to its society and infrastructure, which need to be understood in terms of what capacities are needed to cope with them. Rather than developing strategy to meet and eradicate threats, strategy should seek to manage risk and build resilience. The risks that the UK faces are not unique to us, although of course they have a British setting. They are the blowback and downside risks of globalisation and power diffusion, and are challenges common – though to greater and lesser extents – to all states. Their common characteristic is that their total eradication is unattainable, but we can seek to limit their occurrence and consequences.

The first set of risks are those associated with terrorism, and particularly from Islamic fundamentalist sources. These risks emerge from both within our own society and without, enabled by digital communications, the low costs of simple tools of violence, and the willingness of individuals to commit that violence in as high profile a way possible. It is generally accepted that the likely risks are less in complex, 9/11-style plans that require significant organisational and financial capability, but in the kinds of low-technology attacks such as those that took place in Tunisia in 2015. Building resilience to these involves preventative measures of intelligence and policing but also security by design in public spaces and systems.

Second is the capacity of cyber attacks to undermine information infrastructure. In our society and economy, our data is digitised and our key systems operated by computer. The internet of things promises that more and more of our homes will be connected to the internet. All of this creates vulnerabilities for malicious actors to steal information and identities, or sabotage physical systems. These vulnerabilities can be targeted in different ways for different purposes: by thieves for criminal gain, by states conducting espionage, by terrorists seeking to cause disruption, by hacktivists seeking to make a point. The state, the private sector and individual citizens need to build resilience in the way they use IT systems to mitigate these vulnerabilities, which are only going to become more significant.<sup>11</sup>

Third are the risks associated with the movement of people: refugee crises and pandemics. In the 2014 Ebola crisis in West Africa and the ongoing Syrian and broader Middle Eastern refugee crisis, advanced governments' capacity to deal with humanitarian crises has been cast into sharp relief, and exposed the shortcomings of international organisation. Though, as yet, neither have posed a significant risk to UK society, such transnational forces have the potential to expose national bureaucracies to significant stress. So resilience needs to be built to cope with that possibility. But the shortcomings of international efforts to address these problems at source also has blowback implications for UK security, given its native post-colonial diasporas and the capacity of groups such as Islamic States or Daesh to radicalise through the internet. So to a significant degree, building resilience to these kinds of risks in the UK requires capacity to be built at the international level. ■

# Hyperconnected: Britain in the World

The previous sections of this report established the nature of the globalised, networked world in which the UK must operate, and identified the risks to the effective functioning of British society and economy. In this section, we seek to identify where Britain's relative strengths and comparative advantages as a state lie. We find that the UK has actual and potential strengths that are highly suited to the world we face in the 21st Century. Through its history, its language, its centrality to global finance, its position in international institutions and the reach of its cultural forms, the UK is particularly well placed to make a contribution to global challenges across a range of issues.

## 'PUNCHING OUR WEIGHT'

Any conversation about Britain's role seems to hang on a narrative of decline, the evident loss of empire juxtaposed with a craving for enduring influence. For Churchill in 1948, that meant a unique place for Britain at the centre of three great circles of the Commonwealth, the English-speaking world, and a united Europe. Over a decade after Suez, Edward Heath would maintain that the UK was 'a medium power of the first rank'. For Tony Blair, the UK could be a 'bridge' between the two great power centres of Europe and the United States (by 2008, then Foreign Secretary David Miliband would prefer the notion of a 'global hub'). But the go-to cliché for British foreign policymakers was coined in 1992 by Douglas Hurd: the UK, he said, 'punched above her weight'.

This Commission takes issue with these protestations of influence in the face of decline. First, by the terms of the boxing metaphor, punching above one's weight is a reckless thing to try to do. Critics might accuse the UK of 'thinking above its weight', of presuming that the world is waiting to hear our view, or believing that we can behave in ways our status does not merit. The charge of arrogance has on occasions been a fair one, and one that has its roots in an enduring hankering for past imperial

glories – a fixation not helped by a foreign policy elite that remains a poor reflection of Britain's ethno-culturally diverse society.

Second, and more importantly, the UK's 'weight' is actually pretty heavy. Britain's historical position as the leading global power of the 18th and 19th Centuries, and its predilection to see the United States as a reference point, led many to underestimate the UK's capabilities and overstate the need to augment its influence. The truth is that the UK is a very significant international actor: the fifth largest economy in the world and the world's leading financial centre ranked in the top ten for infrastructure, competitiveness and ease of doing business, and second in innovation. The UK is a nuclear weapons state, a permanent member of the UN Security Council and a top five military spender, with the most overseas territories of any country. It is ranked number one in soft power, and London annually vies

The truth is that the UK is a very significant international actor.

with Paris to be the world's most-visited city. British soft power is based on a broad cross-section of assets including the world's most trusted media provider in the BBC, a highly digitally connected society, publicly funded cultural institutions, and dynamic public, private, and civil society sectors, including the British Council, respected brands and major international NGOs.<sup>12</sup> The UK publishes more books per capita than any other country, with only the US and China publishing more in absolute terms, and its university system, responsible for 12 percent of the world's scientific papers, is second only to the United States.<sup>13</sup> All of this should elicit a country comfortable with its present status as an independent, confident, strong state, rather than one obsessed with its supposed past glories.

Rankings and power metrics are one thing, but potential capabilities mean little unless they can be harnessed to purpose by means of strategy. And it can't just be any purpose: the goals of strategy must be appropriate to the means at that strategy's disposal, and the context in which it seeks to operate. So we should ask, what international challenges might best fit Britain's identity, capacities and position in the world? And how might particular qualities or context generate greater power and prosperity for the UK?





Fifth largest economy in the world



World's leading financial centre ranked in the top ten for infrastructure, competitiveness and ease of doing business, and second in innovation



Nuclear weapons state



UN Security Council permanent member



Top 5 military spender



Number 1 in soft power  
London annually vies with Paris to be the world's most-visited city



Highly digitally connected society



Publicly funded cultural institutions



Most diverse society in the world



University system, responsible for 12 percent of the world's scientific papers

## HYPERCONNECTEDNESS

The UK has foreign embassies in 145 countries, with 148 countries having embassies within the UK. It trades with 233 countries and territories. It is a member or has observer status in 82 international organisations, second only to France. The UK remains – for now – part of the EU, and whatever the outcome of the referendum on EU membership will surely remain part of the European free trade area, the largest single market in the world. And it is a leading member of NATO, the largest military alliance in the world.

Of the UK's population of 64 million, nearly 8 million were born elsewhere, of which there are populations of over 20,000 from 60 different nations, over 40 of which are outside Europe. Over the last decade, the UK has undertaken foreign aid projects in 98 different countries. And as evidenced by Britain's soft power status, the UK has a global presence across a host of public, private, cultural and civil society arenas. The BBC motoring show *Top Gear* may have been the source of significant handwringing in the UK, but it is the most-watched factual programme in the world, sold to 214 territories.

Around 1.75 billion people speak English to a reasonable level. Those who speak English as a first language are responsible for an estimated 28.2 percent of global GDP. This is not in our view an argument, as some have made, for the United Kingdom to focus on the 'Anglosphere', but rather an asset that facilitates wider connections throughout the world.

Britain is also uniquely networked through the Commonwealth, comprising 53 countries, two billion people and 15 percent of world GDP. Whilst Britain's former imperial possessions no longer account for a third of the UK's imports and exports, as was the case in the 1950s

and 1960s, in recent years trade with the Commonwealth as a percentage of the UK's overall trade has revived, in large part as a result of Commonwealth countries' growth, which has averaged over five percent over the past decade. And the Commonwealth's incorporation of emerging powers and developing economies alongside mature G7 countries confers it with more favourable demographics and potential for growth.

The UK is unusual in the breadth and depth of its network connectedness. These connections provide the UK with diplomatic relevance – an expertise, legitimacy or authority – across a whole range of global challenges. Not equal relevance, or full spectrum reach – the UK's connections to the Asia-Pacific, for example, are clearly less significant than those of the United States or regional actors themselves. Even in Asia though, the UK's historic possession of Hong Kong and its commercial links justify a UK perspective on those debates. And on a great many important international issues Britain's hyperconnectedness provides the opportunity to play a very significant role.

## BRITAIN IN THE WORLD

The UK operates in a world that is networked, interdependent, and in which power is diffused across a range of state and non-state actors. In many ways it is Britain's global past that has imbued the UK with its hyperconnectedness, and with a range of real capabilities across state and non-state sectors. Far from being the zenith from which British decline should be measured, empire helped to create an intense globalisation of the UK that is our central asset in today's world. Our hope is that by placing Britain's hyperconnectedness and global outlook at the centre of a confident internationalism, a renewed British foreign policy can represent and serve the interests of the whole of Britain's diverse society. ■

# Global Entrepreneurship: Agenda Setting and Coalition Building

The UK's capabilities and hyperconnectedness point to a particular role for the UK as an agenda setter and coalition enabler across a range of global challenges. Rather than thinking in terms of narrow interests that do not reflect the concerns of the UK's diverse society, the UK should seek to reinvent itself as an enabler of cooperation, focused on using its connections and influence to contribute to the commons. In a globalised world, Britain can make the case for the provision of global public goods.

The truth is that there are few challenges that the UK – or any other state, for that matter – can truly tackle alone. The risks and threats identified in section two of this report all require international cooperation, though not always with the same partners. But the UK's connectedness makes it well placed to convene coalitions to raise issues on the international agenda, to coordinate the global expertise required to find technical solutions, and navigate the political roadmaps to implementation.

To assume such a role will require Britain to establish its credentials as a dispassionate advocate of both globalisation and governance. But there is recent precedent for the UK performing such a function. The FCO's initiative on sexual violence in conflict, for example, convened a summit in 2014 that brought together government representatives from over 120 countries, with international NGOs, academic experts and civil society representatives. The summit launched an International Protocol on the Documentation and Investigation of Sexual Violence in Conflict – a small but significant step towards tackling wartime rape and the culture of impunity that surrounds it.

Britain's lead on sexual violence is a blueprint for how Britain's agenda-setting and convening power might be used on

other issues. Opportunities exist across a range of sectors, from the long-term – for example sustainable growth and the need to disconnect growth from resource use – to the more immediate – such as internet governance and security protocol standards. But in order to be a credible agenda setter and coalition-builder, the UK will need to operate according to a set of principles that establish its legitimacy to perform such a role.

First, the UK needs to be available and engaged in a serious way across every significant international issue. There will of course be some where the UK simply isn't a relevant party, but there should be no international issue where the UK is conspicuous by its absence or disengagement.

Second, the UK should be proactive in its approach: entrepreneurial enough to raise issues, willing to convene and host discussions, prepared to engage experts in pursuit of evidence-based policy.

Third, such a role demands a focus on shared interests and challenges over and above parochial concerns. The UK is likely to have its own partial interests at stake on any given issue, but should recognise that its broader interests are served by solutions that work for the system as



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a whole, rather than for a limited set of powerful actors. In doing so, the UK can amplify the voices of those who experience risk but may not have the capacity to place those important issues on the international agenda.

Fourth, the UK's global entrepreneurship needs to engage established structures. Sustained cooperation requires stable structures rather than ad hoc groupings. At the same time, there is a need to ensure that such stability is dynamic and integrative, and that it offers actors a stake in the order. That requires a critical but constructive response to demands to reform and modernise global governance structures. ■

# Diplomacy Reimagined

Britain's network connections may point to a global entrepreneurship role, but they do not make it so. Hyperconnectedness is not a given. The UK's network links are sustained by policies and infrastructure. On the former, the UK's ambivalence towards European integration has already been mentioned. Immigration policy – in particular restrictions on student visas that put the UK's world-leading higher education institutions at a global disadvantage – can also undermine not only the dynamism of British economy and culture, but also damage Britain's reputation as an open and fair society.

To sustain an agenda-setting and coalition-building role, the UK will need to invest anew in the tools of diplomacy that have been eroded over the last two decades.

The UK's network connections are underpinned by a diplomatic service that is held in high regard. Foreign and Commonwealth Office officials are typically highly skilled and held in high esteem by both foreign governments and foreign and UK companies and NGOs. British companies operating overseas rely on FCO country knowledge and expertise, as well as their political awareness, as much as or even more than their grasp of commercial issues. Yet we repeatedly heard complaints that these analytical capabilities capacities are being overshadowed by the demands of service delivery, a trend that was hastened by the FCO reforms of the early 2000s that had the effect of rewarding management skills instead of knowledge and intellect. This erosion of the capability to understand and work with those with whom we are connected is a concern.

To sustain an agenda-setting and coalition-building role, the UK will need to invest anew in the tools of diplomacy that have been eroded over the last two decades, in order to identify challenges, generate ideas, and engage a spectrum of state, private and civil society actors to work together to address these issues. That investment will require choices to be made concerning the balance of our international commitments.

## THE TOOLS OF STATECRAFT

Strategic investment in the tools of statecraft has often been equated with the economics of most efficiently procuring capabilities, without any real logic of means-ends appropriateness. Even worse is the current fashion of determining budgets by an arbitrary percentage of GDP. These might be a useful device for discouraging free-riding in a security community such as NATO, or of affirming national commitments to reducing global inequality, as in the case of development. The only impact such targets should have on the strategic selection of the means of power is in their potential to affect national reputation; but in recent years successive British governments appear to have viewed attaining percentage GDP targets as the end of strategy in itself.

This report began by articulating an understanding of how the world operates, and proceeded to identify Britain's particular advantages within that world, and from those derived a specific purpose for the UK. To that end, and for that purpose, strategy should then proceed to identify the most appropriate means given a particular resource base. This section asks, if the UK were to take on our proposed global entrepreneurship role, what tools of statecraft would it need?

## MILITARY POWER

A key implication of this Commission’s understanding of the international system, and the security priorities it has identified for the UK, is that large scale military force does not have the same importance that it did 60 or 70 years ago. There is a pressing need to review our defence capacity from first principles, to understand the link between military systems and the provision of security.

This requires a debate about the overall purpose and balance of our military capabilities that goes beyond the (healthy) debate around Trident and nuclear capability more generally (the Trident Alternatives Review and the Trident Commission being excellent cases in point) or the strategically incoherent logic of a two percent GDP target for defence spending. A genuine debate about the structure of our military assets should revolve around the following questions:

- For what purpose are our military forces intended?
- Is the balance of forces appropriate for that purpose?
- What are the cost implications, particularly of continuing to invest resources in legacy systems for insurance purposes?
- Does the possession or disavowal of particular military capacities have associated benefits or negative externalities – military, political or economic?
- Does our planning for balance of forces take into account the pace of change, and weigh the timescales of equipment programmes against the pace of change in world events?

Providing an answer to those questions is beyond the scope of this Commission, but it is vital to have that debate. In a world where war between major powers is highly unlikely, and indeed, where even the United States struggles as a result to make security guarantees

that its partners regard as credible, we should ask whether it’s worth maintaining costly systems that may never be used. These are discussions that need to be situated within the context of the purpose of our alliance commitments: a vigorous debate in the UK will spur our partners to engage in similar undertakings and in so doing speed the process of ensuring our alliances are fit for purpose.

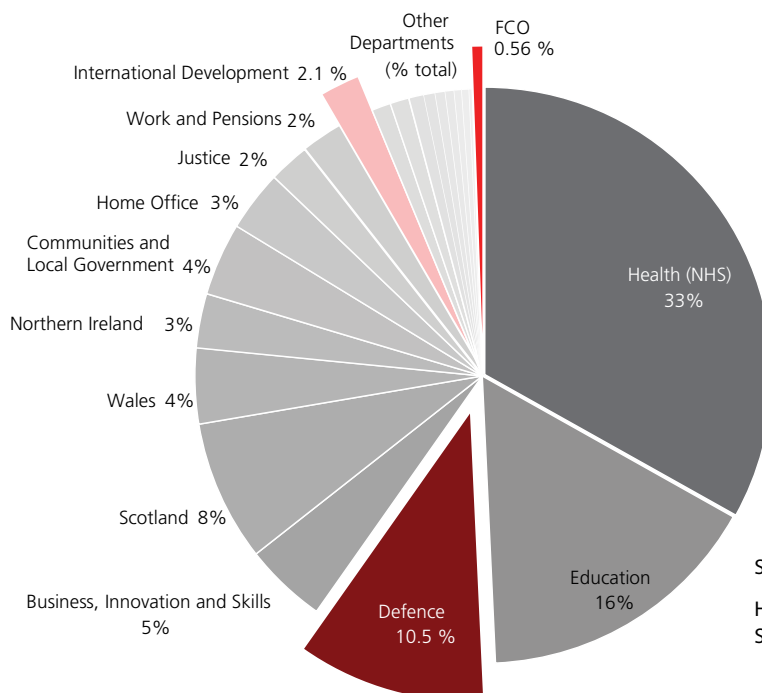
In 2014-15, Parliament allocated £2 billion in support of its diplomatic services, £2.5 billion on its intelligence services, £10 billion on overseas aid, and about £43 billion on its military. The UK’s commitment to internationalism therefore breaks down as about 3.5 percent diplomatic services, 4.5 percent intelligence, 17 percent aid, and 75 percent military. Of course, cost alone should not be a determinant of what is an appropriate balance of resources: different capabilities have different costs. But such a breakdown does give a sense of where resources might be most likely freed up for investment elsewhere.

## AID AND DEVELOPMENT

For the past 20 years Britain has been at the forefront of international development, first with the creation of a standalone development agency – now widely regarded as the leading bilateral development agency in the world – and second with the UK becoming the first G8 country to meet the 0.7 percent GNI target. This reputation in development led David Cameron to be invited to co-chair the UN’s high-level panel on the post MDGs.

International development is a moral imperative: whilst those involved in the field believe strongly that the UK’s development engagement creates network benefits and results in soft power gains, they are right to stress that development should not be seen in a purely instrumental way. This Commission heard a significant body of opinion among development professionals that anything that makes the world a more secure and economically developed

## UK PUBLIC EXPENDITURE BY DEPARTMENT, 2014-15



Source:  
HM Treasury Public Expenditure  
Statistical Analyses 2015

In recent years successive British governments appear to have viewed attaining percentage GDP targets as the end of strategy in itself.

place makes British citizens safer and more prosperous. And we would not disagree: lifting people out of poverty can create bigger markets, educate more potential students, and raise a generation of people in the developing world that see the UK in a positive light and appreciate British values. All of these things are clearly in Britain's interests, but they have intrinsic value as well – there can be no doubt that overseas development assistance is something that prosperous countries should do.

But even champions of Britain's development successes admit it is not a panacea. And it's not clear that the role of international development in national strategy has been properly considered in the past. Indeed, DFID sees itself as apart from the discourse on foreign policy and national security, because the stated purpose of international development is the alleviation of poverty, not the direct promotion of British interests. That is clearly right – the UK has made a moral commitment to development, and aid should not be simply instrumental. At the same time, it is important to consider whether the UK is extracting the maximum strategic and diplomatic benefits that it might from its international development role.

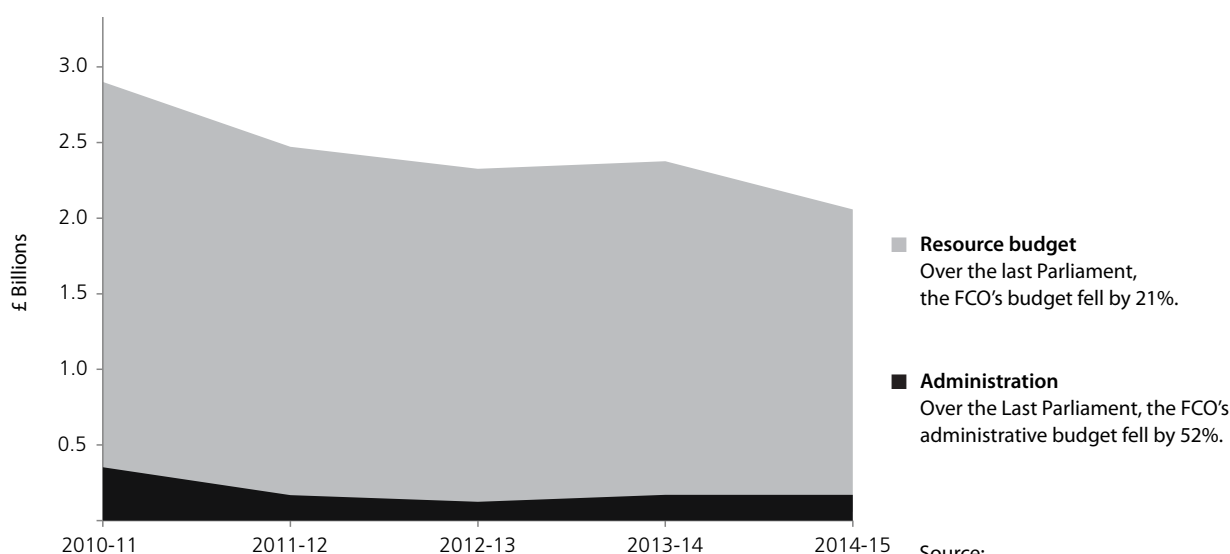
Moreover, DFID's 'immaculate separation' from foreign policy and security discourses belies the reality that a great deal of development work involves improving governance, or to put it another way, changing the political structures of other countries. Add to this the fact that a large part of DFID's budget involves funding international organisations, and it becomes clear that the UK's development arm is a key diplomatic actor. Yet because development is set apart, in major recipient countries, the UK has effectively operated two diplomacies. This is not to say that diplomats and development professionals shouldn't have different goals, but it does highlight the need to think through the institutional arrangements that allow Britain to project its role in the world in the best possible way.

Ultimately, aid has to be backed up with the rest of the machinery of diplomatic capacity. But recent prioritising of commercial diplomacy above all else may undercut both wider political interests and development efforts. The licensing of strategic arms exports is particular case in point: in any number of cases, including Libya and Egypt, British foreign policy is delivering development and governance assistance on the one hand whilst supplying arms on the other.

We acknowledge that policy coherence may not always be possible, and that trade-offs are an unavoidable feature of complex relationships. However, policy coordination could be improved.

The UK is something of an outlier in its development offices not being part of the Embassy, and that its aid agency heads don't report to the Ambassador in the country. However, such coordination is a two-way process: acknowledging development as an element of foreign policy requires that the diplomatic service doesn't see its primary role as promoting short-term strategic interests, or worse, as a trade promotion service interested only in boosting British exports.

## FCO BUDGET



Source:

HM Treasury Public Expenditure  
Statistical Analyses 2015

## RENEWING DIPLOMACY

If hyperconnectedness is not a given, then generating influence from connections is even less inevitable. This report has shown that the UK has significant structural advantages in a networked world that could enable it to play a global and entrepreneurial role. But to do that the UK must have the capacity to sustain networks and exert influence within them. That requires diplomatic engagement, and diplomacy requires a set of skills and capacities, that can be boiled down to two key areas: knowledge and people.

The key capacity is in having well-trained, creative people. Good diplomats have a unique set of skills that facilitate collaboration and problem-solving. It's not the case that you can simply put two branches of two different governments together and tell them to get on with it: you need diplomatic expertise to provide context, to generate understanding, and to build trust. In a globalised world it's inevitable that more and more parts of government have international dimensions

to their work and international connections. But the danger is that because officials work internationally on their specific area that everyone thinks of themselves as a diplomat.

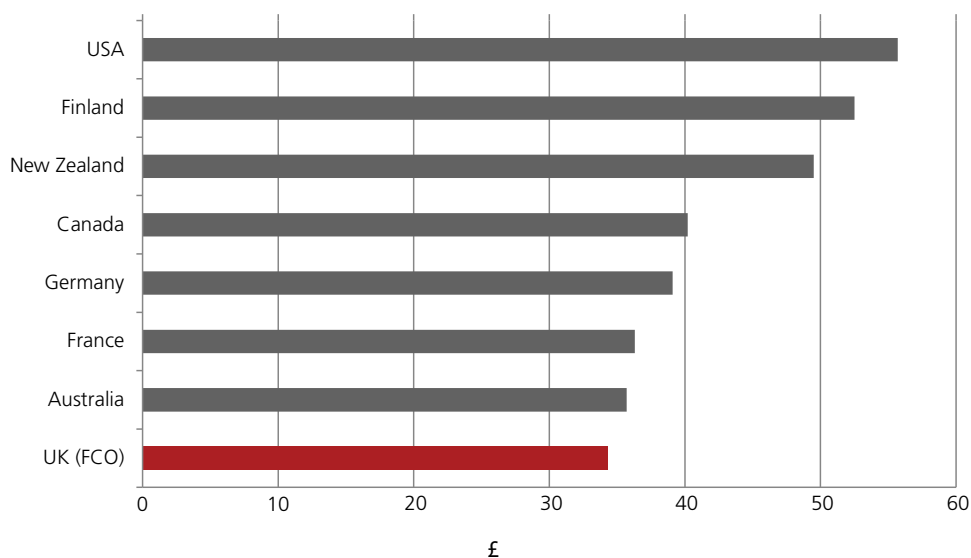
The reality is that people with diplomatic expertise are needed to first create, and then sustain, broader conditions where collaboration on policy areas becomes possible. And there's a host of challenges where those conditions have not yet been created, and that work needs to be done.

So it's important for the UK to ensure it has those skills, and will retain them in the future. Once lost, they are difficult and expensive to rebuild. This is a particular challenge for a branch of government that will place unusual strains on the individuals within it, as they are required to not only live and work abroad, but to move as a matter of course throughout their career. Diplomats have partners and children who are asked to adapt to that, to move with them and support them in their role; they may have extended families at home who require care and support. These kinds of

strains mean that to make diplomacy an attractive career for the best people you need to value their contribution: not just in terms of remuneration but in terms of status – both within and outside of government. The Foreign Office rightly used to be considered a plum department: one where the standard of entrants was very high. But increasingly entrants may look at the relative trajectories of departmental budgets and conclude that diplomacy doesn't have the highest status or the brightest future.

Securing and retaining the best people also means that you need to do everything you can to recognise the difficulties inherent in the job and provide support structures. The Foreign Office has done a significant amount to move on from the traditional 'diplomatic wife' model and recognise the challenges its staff and their sometimes extended families face. But the reality is that expertise is being lost because the diplomatic career path doesn't provide adequate flexibility and support that takes account of, for example, the careers of diplomats' partners, or the needs of their

## FOREIGN SERVICE SPENDING PER CAPITA BY COUNTRY



The UK ranks fifth in **total spending**, behind the US, India, Germany and France. Comparable figures for China are not available.

Source:

Foreign Affairs Select Committee  
FCO Performance and Finances in 2013-2014

children's education. The Commission heard some promising examples of 'career matching' of international posts for diplomats' partners in host countries, but further innovative solutions to this problem are needed.

The other foundation of good diplomacy is knowledge. Knowledge is what allows diplomats to navigate networks, to understand historic and structural contexts, to identify opportunities and sensitivities. Knowledge is not the same as information – we all have access to huge amounts of information – knowledge is about the particular skills that allow you to analyse that information effectively. It is to be lamented that so few sociologists, anthropologists or geographers, not to mention historians, political scientists and economists, were involved in the preparation of recent policy towards Syria, Libya, Iraq, and Afghanistan. Diplomacy requires an ongoing engagement with history and the academic disciplines

that provide modes of understanding, in particular the social sciences. The Foreign Office's diplomatic academy seeks to provide that, but so far it is far from clear that it is delivering the right level of quality, and the failure to deeply engage with the UK's world class university sector is a missed opportunity.

Fostering deeper relationships with universities offers a number of potential benefits for the UK's diplomatic capacity. Education and research secondments could help improve the flexibility of the Foreign Office career path whilst also building knowledge capacity, in particular since engagement with outside expertise reduces the potential for dangerous group-think. Building links with and investing in academic research can also address the issue of knowledge latency, where a country that may not have been significant enough to justify deep diplomatic engagement suddenly becomes important and good knowledge is required quickly. Perhaps most

significantly, universities are themselves a huge diplomatic font connecting British students and values to over 435,000 international students.

A key knowledge element is language skills, which are both immensely important but threatened by path-dependency. The closure of the FCO's language centre in 2007 was rightly bemoaned, and its reopening is welcome, but in the meantime language skills atrophied rapidly and significantly. Language teaching in schools has been in decline for several years, and this adds to the difficulties. Added to language skills is the ability to connect more widely with publics as well as elites: the reputation of the BBC World Service – dubbed 'Britain's greatest gift to the world this century' by former UN Secretary-General Kofi Annan – provides the UK with a huge advantage in the arena of public diplomacy that is not yet backed up with significant utilisation and understanding of public tools and social media. ■

# Conclusion

The UK is a significant global power. But there is a great deal of disquiet among the UK's diplomatic community that British foreign policy lacks a clear purpose, and that as a result there is an approach to the distribution of resources that lacks strategic coherence. This report has sought to highlight those issues, and to spark a debate about British purpose that is free from imperial conceit or bureaucratic interest.

The international system is a complex set of networks and challenges, many of which are associated and interdependent. Those myriad connections can be discombobulating, but skilful diplomacy can delink and isolate issues to enable them to be addressed. The nature and conduct of international relations within this system are profoundly different from those of the 19th Century. Shifts in technology and norms have rendered major inter-state war improbable and have empowered private actors, in particular markets and individuals. Nonetheless, states remain the preeminent actors.

The UK, through its diverse society, its language, its centrality to global finance, its position in international institutions and the reach of its cultural forms, is particularly well placed to act globally across a range of issues in such a system. And the UK has a capacity to do so, and should be comfortable punching its considerable weight.

These assets point to a role for the UK as an agenda setter and coalition builder across a range of global challenges, if it is prepared to reinvent itself as an enabler of cooperation, focused on using its influence to contribute to the commons, rather than thinking in terms of narrow British interests. In a globalised world, Britain can make the case for global public goods.

But to sustain such a role, the UK will need to invest in the tools of diplomacy that have been eroded over the last decade, in order to identify challenges, generate ideas, and engage a spectrum of state, private and civil society actors to work together to address these issues.

Whilst this Commission seeks to promote debate rather than promote particular recommendations, there are a number of features of the UK's current approach to strategy that concern us, and which we urge the government to look at afresh.

1. Mandatory GDP-based targets for funding particular departments or issues is economically and strategically incoherent, and the protection of particular departments builds arbitrary and peculiar incentives into the process of strategy.
2. Some have suggested that defence, diplomacy and development should come under one heading, which may be going too far. But there's certainly a case to made for greater joining-up of diplomacy and development alongside trade promotion, delivered through renewed foreign service networks in which Embassies are the key building blocks, delivering a range of discrete services, including:
  - The coordination for the overseas work of domestic departments.
  - Diplomatic intelligence and networking.
  - Aid, development and cultural programmes.
  - Trade and business advocacy.
  - Consular services.
  - Communications and public diplomacy.
3. Investing in diplomacy requires investing in people and knowledge, and a reformed diplomatic service career structure that understands the needs of families, and that is more flexible in its ability to reward and promote talent, would be an excellent place to start. Addressing knowledge latency and improving responsiveness through the integration of government and non-government expertise, in particular by fostering closer links and exchange between diplomats and universities, would also be welcome.
4. Above all, good strategy requires that policies in one area don't undermine goals in others. For the UK to be a global actor that leverages its hyperconnectedness and diverse society to promote international collaboration, it must itself be willing to be at the table on international issues, offering its varied contributions, and prepared to do more than just its share. In recent years, on issues such as student visas, migration and refugees, and the future of Europe, this has not been the case. Changing our strategic mentality to focus on the security and prosperity of all rather than the immediate economic interests of a few will reap benefits in the long-term, and establish Britain's claim to be the confident, fair-minded and far-sighted nation it can be. ■



# Notes

- 1 Sir Malcolm Rifkind in Nicholas Kitchen (ed), *The Future of UK Foreign Policy*, LSE IDEAS Special Report SR006, LSE IDEAS 2010.
- 2 Cabinet Office. *A Strong Britain In An Age Of Uncertainty: The National Security Strategy*, Vol. 7953, The Stationery Office, 2010.
- 3 This section draws in significant part from Barry Buzan and George Lawson, *The Global Transformation: History, Modernity and the Making of International Relations* (Cambridge; New York: Cambridge University Press, 2015).
- 4 Across the OECD, corporate tax rates have been reduced by an average of 7.5 percentage points since 2000 alone. Since the beginning of the 1980s, UK corporation tax has fallen from 52 percent to 20 percent, and the trend is similar across the developed world.
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