

Special Report



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International Affairs, Strategy & Diplomacy

A yellow diamond-shaped road sign with a black arrow pointing right, mounted on a wooden post. The sign is set against a landscape of rolling hills and a large, colorful, abstract sculpture in the background. The sculpture is made of large, overlapping, curved panels in shades of blue, purple, and red, resembling a stylized figure or a large-scale art installation. The sky is a mix of blue and purple, suggesting a sunset or sunrise.

# The Future of UK Foreign Policy

**IDEAS Special Reports** are unique one-off research products that harness LSE's academic expertise to present in-depth analyses of issues of fundamental international importance. Special Reports can be commissioned on request.

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**IDEAS Reports** Editor  
Dr Nicholas Kitchen  
Email: [IDEAS.reports@lse.ac.uk](mailto:IDEAS.reports@lse.ac.uk)  
Phone: +44 (0)20 7849 4918  
Fax: +44 (0)20 7 955 6514

Creative Director: Vinna Baptist

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# > Foreword

Professor Michael Cox, *Co-Director of LSE IDEAS*

IDEAS was formed at the LSE to encourage a critical, but engaged, dialogue between academics and policy-makers. It was not so much a case of 'truth talking to power' (an odd formulation if ever there was one) but rather of trying to overcome that great British divide, and, in our own small way, help bring academics and policy-makers together in a forum where, to be frank, such forums had rarely, if ever, existed before. We have not yet moved mountains. To be sure. But two years on it would not be too immodest to suggest that we have fulfilled at least part of our original ambition of creating a space for genuine debate. With a great deal of support from the School itself – and in particular from its Director, Sir Howard Davies – IDEAS, we feel, has by now established itself as an important part of the School's intellectual landscape.

One of the many goals we set ourselves back in 2008 was to publish the thoughts - guarded or otherwise - of those who had been (and in some cases remained) central to defining Britain's role in an environment in which the usual road map constructed from a pot pourri of vague lessons drawn from the end of the Cold War no longer looked fit for purpose. The old Churchillian adage that the 'farther backward you can look, the farther forward you are likely to see' still contains a profound truth. However, there is a very real sense that the world has changed so dramatically during the 'decade from hell' referred to as the 'noughties', that looking back too much now might turn out to be more of a hindrance than a help in allowing us to understand where we are, and more important, where we would like to be in the future.

Each of these wonderfully crafted essays deals in different ways with Britain's position and choices in a world where, to quote Howard Davies, 'so many....."certainties" are being questioned, pulled apart or overturned'. It is true of course - and the point is made by several of the authors here - that Britain's broad objectives have not altered quite as much as the headline news would suggest. It is also the case that Britain still retains some formidable economic, political and cultural advantages – including an outstanding Higher Education system – that permit it, if not to 'punch above its weight' (a term that seems to have dropped out of the public discourse of late) then at least to face the future with more confidence than is being currently being displayed in some quarters. But those brute facts on the ground – China's rise, a permanent terrorist challenge, profound economic uncertainty, the very real possibility of nuclear break out, a deeply unsettled Middle East, and last but not least, a less intimate relationship with the United States - compel all of us in Britain to think strategically (and possibly for the first time in a very long time) about our collective future.

On behalf of the Directors of IDEAS, I would like to thank all the contributors here for helping us do precisely that. I would also like to extend a very warm vote of thanks to Dr Nicholas Kitchen of IDEAS without whom this Report would never have happened. Indeed, it is because of people like Nick in IDEAS that IDEAS can look forward to its next few years with more than a little confidence. ■

# ➤ Executive Summary

Dr Nicholas Kitchen, *LSE IDEAS Editor*

Upon assuming power in May, the United Kingdom's historic coalition government set in motion three exercises that collectively aimed to reshape British foreign policy. Taken together, the new National Security Strategy (NSS), the Strategic Defence and Security Review (SDSR) and the Comprehensive Spending Review (CSR), seek to lay down the bounds of Britain's future role in the world, articulate Britain's national interests, establish the goals of policy and set the means by which to achieve them.

The salience of this exercise in refocusing UK foreign policy can hardly be understated. British military, diplomatic and aid resources have been stretched over the past fifteen years by Britain's global activism. The UK has committed significant military force to the Balkans twice, to Sierra Leone, Afghanistan and Iraq, and has committed to play a global leadership role on issues such as climate change, debt relief and development. The global economic crisis, catalysed by the banking sector on which so much of the UK's strong economic performance since the mid-1990s relied, has hit Britain worse than most, leaving a budget deficit estimated to be as high as 12% of GDP. The United Kingdom, goes the analysis of the ruling coalition, has been living beyond its means, and the sections of the budget tasked with pursuing British foreign policy will have to accept their share of the inevitable cuts.

Whilst the government denied Opposition claims that this review of UK foreign policy was simply a cost-saving exercise, real strategy is a process of setting constraints as well as establishing goals. Timed to coincide with the government's announcement of what should amount to a grand strategy for the United Kingdom, the cross-party Parliamentary committee for Public Administration released a report that stated that 'the Government in Whitehall has lost the art of making national strategy in relation to defence and security'. Bernard Jenkin, the Conservative chairman, was not alone in his concern that an inability to 'think strategically' was fundamentally undermining the process of reviewing the UK's national strategy.

This report is conceived as an attempt to address this perceived failing. The contributors here – all with long and distinguished careers in British foreign policy – were asked to consider Britain's role in the world in the broadest sense, to identify our core interests and the most appropriate capacities to secure them, and to do so in recognition of the reality of the resource constraints that are coming to define this period in British political history. Doing so in light of the government's proposals serves to shine a light on whether the result of this review process represents a coherent and appropriate refocusing of British strategy that reflects the world as it is, and is realistic about the United Kingdom's place in it.

The result of such a broad remit for the authors is – as one might expect – a range of perspectives and disagreements on certain specific issues. But perhaps surprisingly there is core agreement that whilst the British Government's attempt to review British strategy is laudable, the outcome has been

determined more by political and bureaucratic drivers than by sustained and coherent strategic thought, with the result that the ends and means of UK foreign policy will remain inappropriately matched.

The authors are clear that restoring the health of the British economy, and the UK's ability to compete on the world economic stage, is central to the fulfilment of any of the UK's national interests. A world that is increasingly globalised and multipolar offers opportunities to an outward-looking trading nation. British society and the institutions of British are well adapted to play a leading role in this complex order, but the reality of this world is that economic strength is what matters above all else in maintaining Britain's position as a leading international actor.

The complexity of the international order brings with it security challenges that are multifarious, and which differ from those of the past. Great power war appears obsolete, and whilst its return cannot be ruled out, nuclear weapons render that likelihood barely credible. The National Security Strategy, on balance, is a credible attempt to focus attention on the challenges presented by the world as it is, and whilst the muddled rhetoric of 'risk' and 'threat' is unhelpful, the effort to rank threats in terms of likelihood and impact is welcome, and the conclusions drawn broadly correct.

The author of the NSS, the National Security Council, is to be overwhelmingly welcomed and deserves sustained support. If it can be made to work, it should be able to coordinate foreign policy at the most senior level, making processes more efficient and ensuring the maxims of strategy are transmitted to the various bureaucracies charged with implementation responsibilities. Overcoming the tribalism inherent in Whitehall budget competition will not be easy however, but would be aided by the introduction of a parliamentary oversight committee to audit the Council's work and provide confidence in the ultimate decisions taken.

However, whilst the NSC may have thought realistically about the world we face, the Strategic Defence and Security Review which sets out the UK's response to that world reflects more political and bureaucratic legacies than it does the requirements of the challenges for foreign policy identified by the NSS. In this sense, the linking of the SDSR to the wider Comprehensive Spending Review has undermined the Government's ability to construct coherent strategy. Whilst British interests may indeed range widely across the globe, the maintenance of major capital-intensive military systems reflects a legacy of over-commitment in the Ministry of Defence and bureaucratic competition between the services more than it does the needs of strategy. At the same time, the Government's ring-fencing of DFID, and the commitment to international development expressed as a share of GDP, has not been integrated within strategy: the UK's aid budget needs to be linked more clearly to the national interest.

The biggest bureaucratic loser in recent years, and indeed in the course of this review itself, has been the Foreign Office. On this point the authors are unanimous: substantive diplomatic engagement is what underpins both Britain's hard and soft power, and investment in the UK's diplomatic capacity is crucial to the success of strategy in a world that increasingly depends on specific local knowledge born of strong and sustained relationships. Traditional British diplomatic strengths of flexibility, pragmatism and egalitarianism are uniquely suited to the complex world we face; cuts to what is a relatively inexpensive area of government spending, particularly when compared directly to defence and international development, threaten that legacy and Britain's ability to play a truly effective international role. ■

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## > Contributors

**SIR MARK ALLEN** served in the British Foreign Service for thirty years. Since retiring from public service, Sir Mark has worked as a special advisor for BP and as a Senior Advisor to the Monitor Group, a global consulting and private equity firm.

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**SIR RODRIC BRAITHWAITE** joined the Diplomatic Service in 1955, and served as British Ambassador in Moscow, as Foreign Policy Adviser to Prime Minister Major and Chairman of the Joint Intelligence Committee.

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**MR ROBERT COOPER** is Director-General for External and Politico-Military Affairs at the General Secretariat of the Council of the European Union. He has formerly served as the UK's Special Representative in Afghanistan and as Head of the Policy Planning Staff at the Foreign Office.

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**SIR JEREMY GREENSTOCK** spent over thirty years in the Foreign and Commonwealth Office and served for five years as the United Kingdom Ambassador to the United Nations. He was Director of the Ditchley Foundation from 2004 to 2010.

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**SIR RICHARD MOTTRAM** has served as Permanent Secretary in the Ministry of Defence and Permanent Secretary for intelligence, security, and resilience in the Cabinet Office. He is a former Chairman of the Joint Intelligence Committee.

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**LORD CHARLES POWELL OF BAYSWATER** spent nearly thirty years in the Diplomatic Service, and served as Private Secretary to both Margaret Thatcher and John Major. Lord Powell currently sits as a crossbencher in the House of Lords.

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**SIR MALCOLM RIFKIND** has served as both Secretary of State for Defence and Secretary of State for Foreign and Commonwealth Affairs.

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# > The World We Face, and the World We Would Create

Mr Robert Cooper

**Those who have dreamed of a perpetual peace have always been woken from their deep sleep by the roar of bombs. The natural condition of mankind is conflict and the natural condition of the state is war.**

There are enough examples: Afghanistan, the Congo, Sudan over many years, not so long ago the Balkans. And risks are all around: in the Middle East, in South Asia, in the frozen conflicts in Europe, in the unpredictable activities of North Korea.

But something strange has happened: in amongst all these problems there is not the faintest smell of great power conflict. That is all the more strange when we consider that many of today's troubled places were in the past the scene of great power rivalry. Britain and France contested Sudan; the Balkans, where World War I began, has become a place where great powers cooperate to try and quieten conflict; and the six powers who try without success to reduce risks in the Korean peninsula are the same six who in various combinations fought three devastating wars there. Another six powers work together on Iran; Russia is part of the Quartet that backs US efforts at peace in Palestine. It is now more than fifty years since there was a great power War and we seem to live in a different world. Can it last?

There are three possible causes of this long peace. First is American supremacy. The USA is so far ahead of every other country in military capability that it makes no sense for any other country to consider contesting its position. Great power peace through unipolarity. Yet here is a paradox since the massive military capability that guarantees a US victory in any battle with its peers has not enabled it to master an impoverished country one tenth of its size.

The second explanation is the existence of nuclear weapons: a war to the death among great powers would become a nuclear war; and, fortunately, we seem to have understood that this would always be a war without winners. Great power peace through mutually assured destruction.

Third, there is globalization. The nineteenth century liberals, such as Cobden and Bright, believed that free trade would lead to peace because trade was more profitable than war. The premise was right but the conclusion proved wrong. But perhaps they were just ahead of their time. Perhaps we have now reached a critical mass of global prosperity from which we cannot retreat. Today a hint of trouble on the other side of the world shocks the financial markets, and causes cancellations in tourist bookings. What is more, the success of governments and the legitimacy of political systems seem to depend more on individual prosperity than on national glory. Deng Xiaoping's remark that it is glorious to be rich marked the turning point. Peace through mutually assured prosperity.

Or perhaps not. But when we remember the misery that war brings we ought to resolve to do everything possible to turn this long interlude into something more permanent. There must be a chance of doing this. And the recipe is not expensive. First we must preserve, for a time at least, American supremacy.



Only the Americans themselves can do that, and it will be achieved not by the kind of sentiments expressed in this short essay but by the powerful, primitive national emotions that in their time have made the world a dark and dangerous place. For a while at least this does not seem difficult. Americans still want a strong defence and America's lead if so great, its accumulation of technology, experience and material so far beyond any other country, that the next ten or twenty years – probably more – are guaranteed.

Second we must retain nuclear weapons: that looks all too easy. And we must retain the memory of what war, especially nuclear war, means. The real risk is not from the established nuclear powers, but that one of the not-yet-quite-a-great-powers like India or Pakistan might demonstrate that lesser powers today can cause great power levels of destruction. So we must transmit the memory to others too.

Finally, hardest of all, we must keep the global economy dynamic, regulated to avoid catastrophic shocks, and above all we must keep it open.

That however is not enough. Reason and materialism have not yet conquered national passion. At regular intervals we see incidents in the South China Sea or around the many disputed islands that could set off a chain reaction that might prove uncontrollable. If we are to keep safe the system which, perhaps by accident, we have built, it will need more rules than it has now. Only common understandings can keep ourselves safe from ourselves: solutions for Taiwan, agreements about behaviour on the high seas, understandings about where the high seas begin and end, agreements on who owns which bit of coral reef. Just as markets need regulation so do political relations. In Europe agreements about land borders took several centuries of war to reach. We must hope that young countries in Asia grow old more quickly.

That is not all. Dealing with climate change is going to require an unprecedented level of cooperation. And all this must happen just when the international

scene has widened to include a greater variety of countries and cultures; a moment when, for the first time, great powers may also be developing countries, grown greater than their former colonial masters; and their memories are not so much of war as of colonial humiliation.

All wars are dangerous; the civil wars of collapsing states risk creating terrorists that plague our peace, make airports ever more unpleasant and government ever more intrusive. But great power wars today would be like nothing we have ever thought of. It may be that the dream of a lasting peace is hopelessly naïve; but the alternative is unthinkable. Perhaps the best we could realistically hope for would be that we might stumble through quarrels and crises and misunderstandings and brinkmanship, as we did during the Cold War, and arrive at some approximation of this condition.

What if we succeed? What would the world look like? This is an important question since if we want to achieve a seemingly impossible dream will have to plan for it and know how its constituent parts look. One thing is certain: it cannot look too much like the 19<sup>th</sup> century, which was after all a century of great power conflict. That rules out the balance of power and the threat of war as an organizing principle. It does not however make military power irrelevant: US military dominance may be one of the vital elements guarding the peace; but its role would be to prevent rivalry rather than to contest it. And rivalry would mostly take other forms, primarily economic, as seems largely to be the case today. Military power, like nuclear weapons, would be a part of the background rather than a factor in the everyday hierarchy of nations – though it would give the USA a special position as the provider of the reserve currency of power long after the dollar has lost its position.

America's position as the dominant military power will be a source of power, but not, as it was in the past, because it threatens others. Rather it would bring authority for the USA as the most important provider of global security. Hard power will matter because it

brings soft power: not force but influence. Because security is the most important of all public goods the USA will remain the most important power. But it will be only one power among many, and the measure of each will be its contribution to global public goods. These take many forms, from the less significant roles such as the provision of accepted standards for food safety, to critical public goods such as leadership in climate change, or in setting standards in financial markets, or providing a reliable reserve currency. (Thus today Germany is more important than other European countries because of its role in sustaining the Euro). Honour and power will go above all to those who can create the rules and institutions of global governance. It is not after all so glorious to be rich, though it is pleasant. But just rich means being nouveau riche. Those who also want influence and respect must contribute to the community, take risks for it, provide it financial resources or social capital by bringing countries together for the difficult task of making it all work. That is what glory will mean in a less militarised world.

Leadership will be all the more valued because it will be much more difficult than the leadership that America gave the West, or France and Germany have given the European Union. The big players are more diverse, more suspicious, more jealous. As always the most important global public good will

be trust. Gradually we may even change our view of the state from the Weberian definition - the body which has the monopoly on force - to one more in keeping with the times: the body which has the local monopoly on making rules – since that will be the most important contribution each will have to deliver to the global system.

This is a fantasy world but we must imagine it if we want to bring it about. A British government which is quietly but sensibly giving up pretensions to a global military role should think about how it can win honour and influence in other areas. There are many where it has something to offer. One is intelligence, still an important component of global security and one where quality is as important as size. The UK has made a distinguished contribution in the past and can do so in the future too. Intelligence on nuclear proliferation, terrorism and cyber attack will be all the more important in a world where conventional war is less salient. In most other areas – rule making, standard setting, guarantee giving – size will matter and here the UK, like it or not will have to work with others, notably the European Union. That is perhaps bad news for some. But the good news is that the UK brings to the EU the hard headed sense of power and purpose that it sometimes lacks and can, when it chooses, exercise a decisive influence. ■

➤ **The Future of  
UK Foreign Policy**

## ➤ Sir Mark Allen

**E**ntropy, though a term from the world of physics, seems an endemic feature of human affairs as well. To resist the inclination to disorder and degeneration, we feel the urge, from time to time, to put a new pulse of energy through our organisations and systems. Renewal, reform and realignment are the common slogans. Cynics often identify the campaign against entropy with the egotisms of new leading personalities who want to put their mark on organisations and, indeed, on history. And the cynics are often quite right. But it may also be that the newcomers are just sensitive to the entropy problem, even though they misjudge the language they use in addressing it.

Particularly at a time of financial constraint, there are related misjudgements which are just as dangerous. Wanting to embrace change, we can so easily misjudge the differences between the fundamental and the incidental purposes of an institution. We forget that real value mainly resides in the fundamental. In the field of foreign affairs, these problems are familiar and acceleratingly cyclical, almost leaving one to fear that a deeper entropy is at work of which these spasms of reform are but painful, clinical symptoms.

Today, impelled by the state of public finances, there is a shift away from the socialist belief that 'bigger government is better government'. Public departments are being cut back. And so, more than ever, it is important that we stay calm in recognising the differences between policy, strategy and operations, between fundamentals and incidentals. In these circumstances, the government's determination to harness our diplomatic effort to 'support for business' is troubling. On a reduced budget, what is to become of main diplomatic responsibilities? Are we watching strategy or spasm?

Whatever view we take of the state of our nation, the fundamental purposes of our overseas representatives remain remarkably unchanged: to negotiate with foreign governments, to understand the dynamics of power behind foreign governments' policies and to advise HMG on what British policies would best promote our own interests. These functions have value if we are to avoid 'megaphone diplomacy', policies steeped in ignorance or simple short-sightedness. It does not greatly matter whether we are in downturn or upswing. The job needs doing. And we kid ourselves, if we think that the media, official visits or new slogans will do the job instead. Only the ethos and values of public service can offer the government bespoke advice. Others may have important parts to play, clearly. But when others put their experience at the service of government, their motives can be variable and their reliability is qualified.

Of course, a small body of men and women able to discharge these diplomatic functions, is an enviable asset and many nations used to be jealous of our diplomatic service. Even the policeman questioned by an army officer, feeling his way down Whitehall in a war-time black out, 'Which side is the FO on?' answered, 'Ours, I hope.' But the asset can easily be taken for granted. In consequence, our diplomatic service has faced a proliferation of tasks and objectives which have had organisational repercussions, not least at the expense of the core political work. Locally employed staff at missions have been expected to fill gaps in political coverage and to do so without diplomatic immunity. Further afield, where we are less well understood or forgiven, this has caused suspicion. In Iran, this 'more for less' was followed by charges of spying. The rising damp of political correctness and left-marking catch-

phrases masquerading as policy has helped diminish the prestige of our diplomats. The prestige they once enjoyed gave them access, influence and credibility – advantages in any age.

Returning the FCO to a commitment to its fundamental tasks would be mind clearing. It would also make space for a more hard headed examination of what our interests really are. The gormless smugness of the recent National Security Strategy conjures up a world suggestible to the Strategy's recitative of assertions. The panglossian agenda does need challenging: for the purposes of the diplomatic service, where there is little connection with negotiation, good assessment and policy advice, tough interrogation should follow. It is possible that the FCO should operate on fewer resources; but the more important and prior question is 'What should it be doing?'

Our geography and traditions give us special advantage in dealing with foreign policy questions. Many other states face serious questions about their sustainability and importantly their sovereignty. The UK is not immune to these issues and has its own domestic questions about its union, but our identity as an independently minded trading nation is not yet threatened. Many contemporary problems lie like mist across the international scene, apparently not rooted in, or defined by, familiar state structures. Even, however, when we try to tackle so-called 'non-state actors', dealing with other governments is unavoidable. When we are abroad, we are usually on somebody else's turf, despite the elisions of globalisation.

The thematic imperative remains that we have to be good at dealing with others, with people overseas and especially their governments. And this is best done overseas where we may better understand the local drivers which are working for, or against, our own interest. This is work which requires experience and some specialisation.

Understanding what is going on in the world is a prerequisite for having an idea of what we should like to be in the world. Existential angst about our

permanent seat on the UN Security Council or our international military profile subtly proposes that these large questions are entirely for us to decide. In fact, debating society motions make bad options for foreign policy. A degree of predictability is important to being a reliable partner in international affairs, as it is to being a formidable opponent. Only time will tell whether the idea in the Strategic Defence and Security Review of An Adaptable Posture captures the necessary reassuring, or minatory, tone.

At deeper levels there is more than enough going on which should make us cautious about showy initiatives. Anybody who can remember the Cold War is struck by the irretrievability of that world which formed us. This is no cause for nostalgia, but a reminder of the difficulty we have now in reading the signs of the times, not least in the relationships between societies and their governments. The puzzling but radical changes in the make-up and behaviours of our own society are very present overseas as well. The empirical evidence of the paradox of political torpor and rapid social development suggests that there is a general problem of lack of vision ahead. Extremists are benefitting from the muddle and may well be enduring adversaries abroad, but the middle ground is silent. The lull in ideological conflict has left us curiously inarticulate.

Thus the future of the EU and of NATO remains opaque. The Middle East and Far East offer few indications of how their regimes will cope with demographic change. The so-called BRIC countries, favourites in some crude economic contest, do not tell us how their political systems will adapt to serve the development they want, or, if they do not, how their political systems will stay on top of the ferment. The United States is a new source of uncertainty, troubled by its riddles of isolationist, exceptionalist and interventionist moods. The underlying political ennui in the world was brought home to us in the early attempts to do something about climate change. Policy which is mainly optative or aspirational, sounds like a shepherd's boy whistling to keep himself company at night. Only the wolves benefit - they have ears to hear.

Seeing the change and uncertainty which characterise our world today suggests that a shrewd government will be cautious. Not all issues in the world are amenable to government statements or policy initiatives. Getting our diplomatic resources in good repair and clear about their primary responsibilities will better enable us to make sense of events, be they signalling single swallows or black swans.

The idea of a national security organisation offers a technique for bringing together the streams of knowledge and experience in government to take a critical overview of what is to be done. Gone are the days when national security questions were the preserve of a 'peaked capped' culture of military and security officials. Today, global health, migration, unemployment and religious convictions, energy and food security, financial regulation and many others touch directly on our competitiveness and welfare, on the home and overseas dimensions of our national security. Coherence is the salient requirement in defining our interests and the strategic choices open to us. To consider them, we need optics which can capture both context and focus.

So the new project of a National Security Council does deserve sustained support. It will not be easy – for them or for us. Patience is already tested by the Strategic Defence and Security Review and its muddle about the meanings of 'risk' and 'threat'. Bureaucratic interests and prejudices, the calibre of ministers and Treasury officials each conspire to preserve the defended and enclavist attitudes of departments. Work to support the NSC will face many unintended consequences, like those which followed the campaigns for 'joined up government'

in recent years. There will be a risk of duplication and of the NSC's interfering in what should properly be the responsibilities of individual ministers. The overlap between foreign policy and overseas aid will continue to cause tension. Enormous pressure will bear down on those sitting on the council. Diffident about wisdom, they may retreat into searches for more data, a proliferation of follow-up. The challenge of settling for the best they can do at the time, will demand courage.

No less a challenge will be submitting the elite self-confidence of top politicians and officials to the authority of parliament. A parliamentary committee, drawn from both houses, has to underpin the confidence we need to have, in the ultimate decisions the government takes. This should also both supply some restraint on ministerial enthusiasms and uphold the public interest in the face of an official tendency to fix. The committee should insist on an audit of the capabilities needed to support policy, strategy and operations.

Despite these problems, the NSC offers the chance to seek efficiency through greater conductivity at the most senior level. This sounds like dealing with entropy again - it is a fundamental problem. But it is heartening that the government seems ready to clean up the spaghetti wiring of Cabinet Office processes for dealing with national security problems. We must hope that the lessons of the last decade and our hopes for the new one will encourage officials to give the change a chance. A change of approach is needed. And if it promotes a hard re-engagement with fundamental issues, then hope may be justified. ■

## ➤ Sir Rodric Braithwaite

**The new Coalition government came to power to find that their predecessors had bequeathed them a national defence strategy that was intellectually void; a military procurement policy paid for on the Micawber principle - that something would surely turn up, but measured in billions rather than sixpences; a bunch of generals on the verge of revolt; an unwinnable war in Afghanistan; a vision of Britain's place and influence in the world based largely on wishful thinking; and a horrendous financial crisis. Given all that, their new National Security Strategy is not a bad piece of work. Of course the Strategic Defence and Security Review, the practical measures by which they propose to implement the strategy, is full of flaws and absurdities. Of course the Coalition, or at least its Tory component, is still gripped by illusion and by nostalgia for a vanished past when Britain could punch above its weight. But the government had to start somewhere, and they have at least taken a significant step towards devising a national defence posture suited to the twenty first century.**

And so, for the first time, we have a national strategic concept which is not, as its predecessors were, simply a piecemeal scaling down of the ideas which we brought to the Cold War. It is no longer NATO-centric and based - despite many denials - on the idea that we needed to be capable of fighting a conventional war against a formidable conventional enemy (read Russia), and capable too of deterring - independently, all on our own - a nuclear enemy (read Russia or China or Iran). Instead the government has tried to think realistically about what constitute the real threats to Britain in a rapidly changing world, and come up with an orderly and reasonably plausible hierarchy - terrorism, cyber warfare and natural disaster. More money is rightly being given to the intelligence agencies and the special forces. There is a welcome recognition that diplomacy, and the much maligned Foreign Office, have an essential role in helping to shape a world where we are less vulnerable to violence. The aid budget has been refocussed, for the same reason, towards countries which spawn terrorism. The new strategy rightly recognises the distant but not impossible prospect of involvement in a war between states. But future forays abroad are to be undertaken only if they are legal and in the national interest: obvious criteria, one would have thought, but set aside in the days when we engaged in the heady and arrogant adventures of "liberal interventionism". Painful but inescapable cuts have been made to the army, the navy, and the airforce. When they are complete we will no longer be able to mount a campaign on the scale of Iraq in 2003. Since that was a war we should never have fought in the first place, that is all to the good.

This is all very satisfactory. A wholly sensible outcome was, of course, most unlikely. The course of the defence review was determined not by the imperatives of affordable national security, but by powerful political, industrial, emotional arguments which had little to do with our real needs, and often depended on historical analogy, a analytical tool of notorious unreliability. The military, with whom one may have much sympathy, and others who do not deserve it, argued disgracefully through leaks to the press that the task of government was to assure the security of the nation regardless, it sometimes seemed, of any financial reality. The airmen put a Spitfire in front of the Treasury to remind us of the Battle of Britain, and talked of fast jets and aerial dominance. The navy talked of securing our vital sea lanes, as if Admiral Mahan were still alive and we were still fighting the Battle of the Atlantic. Both seemed to think it was somehow unfair that cuts in the army should be postponed merely because the soldiers

were actually fighting a real war in Afghanistan. This relentless pressure was echoed by strong voices in the Conservative Party.

And so a number of sacred cows have remained unchallenged. Concessions to political reality - inevitable perhaps - have left us with armed forces still suffering from atrophy in some places and elephantiasis in others. The navy has got its two aircraft carriers, the largest ships in its history. The argument that we had to build unneeded aircraft carriers in order to retain the skills to build aircraft carriers we did not need does at least display a delightful circularity. But at least one of these great vessels is unlikely ever to ship any aircraft. Eventually they will no doubt be recognised as the white elephants they are. Like HMS Vanguard before them - the largest, fastest and last of the Royal Navy's battleships - they will be broken up before they have ever seen effective service. More practically, someone has suggested, they might be converted for use as prison ships, as redundant warships were during the Napoleonic wars.

The ballistic submarine fleet may survive, and the Trident successor may be built. But no one has produced a convincing explanation of why we need an "independent" deterrent, or against whom it would plausibly be directed. The answer seems to be at least as much political as military - that is after all why the Treasury once agreed to take the costs on the central budget, instead of leaving them where they belonged, on the defence budget. People argue that we need the deterrent because we would otherwise lose keep our place on the UN Security Council. That is rubbish. We could veto any attempt by the other member states to pass a reform of the UN Charter that took away our place. Whether in the event we would have the political guts to do so is of course another matter. The net result is that we will end up with a very small navy, consisting of a few large ships designed for improbable emergencies, and too few of the frigates and other naval workhorses that we need to counter real current threats, such as piracy. At the root of our problem is the continuing desire of the British to punch above their weight and our

feeling that we are, and need to be, still "a power of the first rank". David Cameron says that even after the cuts, the British defence budget will still be the fourth largest in the world, and that we are the only European member of NATO to achieve the defence expenditure target of 2% of GDP. He argues, like his predecessors, that Britain needs be able to project power at a distance. But he does not explain why all this is in the national interest, and indeed there is no obvious reason why it should be. The truth lies elsewhere, and it is rooted in emotion not reason. We want aircraft carriers and submarines, and the ability to piggyback on any American expedition that happens to be going, not because these things are essential to our defence, but because they feed our historical sense of national greatness: that is the sort of power we are, and you'd better know it. It is a posture driven by testosterone, not cold analysis.

But whether we like it or not, we now stand at a turning point in British foreign and defence policy at least as significant as the failed Suez campaign of 1956. From Suez the British drew the lesson that they could no longer have a wholly independent foreign policy, and concluded that to retain a modicum of influence in the world they needed to remain very close to the Americans. The French drew the same lesson, but a different conclusion: that they could retain some influence in the world by differing from the Americans - within the bounds of prudence.

But even during the Cold War, when our defences really did depend on the Americans, our own Prime Ministers - Harold Wilson, Edward Heath, Mrs Thatcher - were prepared to differ from the Americans when they thought the national interest required it. The roof did not fall in then, and there is even less reason to suppose it will fall in now. Of course the Americans like the extra political cover that they get from our involvement in their undertakings. Of course they value their cooperation with our military and our intelligence agencies, even though it is marginal to their own capacities. Why should they not? That is why Hillary Clinton and Robert Gates intervened - not too elegantly - in our domestic fight over the cuts. Our willingness to follow the Americans rarely



brought us commensurate influence in Washington even in the heyday of the "special relationship". Now the relationship is looking increasingly frayed. Donald Rumsfeld woundingly but correctly told us the Americans could fight the Iraq war perfectly well without us. Bob Woodward's recent book "Obama's Wars" shows that the American government never even thought about the British when they were considering what to do next in Afghanistan. Our "independent" deterrent is entirely vulnerable to American decisions about the future of their own deterrence technology. It is even worse than that. These days, when people in America and Europe talk about the "Big Three" who are shaping the future of the continent, they mean France, Germany, and Italy. They barely mention Britain at all. Far from punching above our weight, we are in danger of punching below it.

We should draw the right conclusions from all that. And indeed, although the new strategic concept continues to pay a dutiful lip service to the need to go wherever the Americans choose to lead, it also talks of cooperation with the other Europeans in

a surprisingly ungrudging manner. It even speaks, apparently sincerely, of collaboration with the French - admittedly in the unpromising context of aircraft carriers - in the same breath as it talks of cooperation with the US Navy. That is something welcome and new, though experience shows it will not be at all easy to achieve.

It will no doubt take many more years, and more painful upheavals, before we finally rid ourselves of our crippling nostalgia for past glories. Fortunately the government has committed itself to conducting further strategic reviews at five yearly intervals, and that will provide the opportunity to correct the glaring mistakes of this one. Perhaps by the time the first review comes round we will already have learned a bit of humility, and we will finally redesign our defence forces to match both our requirements and our means. Sooner or later we will in any case have to learn that lesson whether we like it or not. As Chaucer's Dame Prudence said: "I counsel that ye begin no war in trust of your riches, for they ... suffice not wars to maintain." ■

## ➤ Sir Jeremy Greenstock

**The world has changed, but how? Those who sat at the top table of the previous era are finding it hardest to readjust to the new geopolitical environment, because they have the most to lose and they are psychologically resistant to adaptation. It is especially difficult for those countries whose power and influence, stemming from the technological and organisational advantages of the West in the 19<sup>th</sup> and 20<sup>th</sup> centuries, was disproportionate to their population size. The world of the new millennium is returning to a more natural order of population size and resource availability, because economic opportunity is more evenly distributed by globalised communications, trade and the spread of freedom. It is economic capability that has become the primary criterion of global weight nowadays.**

The United Kingdom, with 60 million people and few material resources relevant to modern life, has to assess its place in this new mix with especial care. After World War Two, with the momentum of Britain's industrial leadership exhausted, we could have sunk rapidly into second-class obscurity. For thirty years after 1945 it felt as if we were doing just that. But three things in particular gave the UK a second wind in the international arena: our experience as a trading nation in an increasingly open world; our usefulness to the United States in matters of defence and security, which gave Americans the feeling that its relationship with the UK was of special value; and the depth, breadth and organisational strengths of our government machinery, compared with others. The unimpressive performance of the British economy, not least its manufacturing sector, was a limiting factor, setting constraints on the modernisation of our instruments of power. But a partial recovery from the 1980s onwards, built increasingly on open market policies and the dynamism of the services sector, saw the country competing creditably for fourth place in the world's economic tables and capable of sustaining its defence forces and overseas representation at a level above most of its competitors.

Britain's role and performance at the United Nations is an interesting prism through which to illuminate the country's strengths and weaknesses in the international arena. The status of Permanent Membership of the Security Council, a product of the aftermath of World War Two, could never be achieved for the UK on the basis of its 21<sup>st</sup> century assets. Our future is seen from outside, if not domestically, as linked to the impact of the European Union, which in the political, security and diplomatic fields makes a less weighty impression globally than the apparent sum of its parts. Even the advent of the EU's External Action Service under the new High Representative, Catherine Ashton, will not change the capacity to deliver power and influence as a collective, until and unless the EU comes much closer to forming a genuine political union of purpose and political decision-making. That is a receding prospect.

Meanwhile, the UK does not perform badly at dealing with the world as it is. Conscious of our modest qualifications for the premier league, we earn our Security Council place on a continuing basis by the contribution we make to problem-solving and to sensible development policies across the whole range of UN activities. We have to be careful not to flaunt status in any way and to indicate that the work of the Security Council is in truth a subset of the UN's whole approach to development. All Permanent Members of the Security Council take generic stick, but in other respects it is surprising that the UK receives so little direct criticism for its Permanent Membership. The fact is that our competence at multilateral diplomacy and our capacity for constructing routes out of complex problems earn us

enough respect to get by. Similar considerations apply in Brussels, where our EU partners grow exasperated with our lack of enthusiasm for the grand project but prefer to have us contributing our pragmatism. Iraq dealt a heavy blow to this image of a gently fading but still useful UK. At the UN, but also on occasions in other international forums, even including NATO, the British had been able to gain credit, in spite of appearances, for softening, interpreting, re-channelling or sometimes even resisting the rougher or more alarming initiatives of the United States. The wider membership of the UN know that they have to live with the superpower and like to avoid direct confrontation with it, but the majority are highly critical of the US's inclination to do its own thing with scant regard for other countries' viewpoints. The UK could often find ways of finessing such difficulties and thereby earn some forgiveness for their pro-American tendencies. Iraq exploded that trade-off. We were seen as trying but failing to gather legitimacy for the March 2003 invasion and as putting our alliance with the US above our support for the international order. For a while the issue also turned EU exasperation into something close to hostility. The saga will not be forgotten in the international sparring-grounds for a generation and has made it harder to sustain our problem-solver image.

Against this background, the recent financial crisis has come at a bad time. With China, India, Brazil and others flexing their muscles with more confidence on the international stage, the UK was anyway going to start sliding down the relative power scale. To have been complicit in allowing the global financial sector, where the City of London has genuinely played in the first league, to overreach itself and crash is a significant bullet in the foot. The Anglo-Saxon financial model has taken a pasting; and, worse, we have landed ourselves with a volume of debt which has, as the recent budget cuts confirm, made it even harder to sustain the minimum levels of armed forces, diplomatic missions and development aid projects to support a claim to be a substantive independent actor in the global arena. In these circumstances it is more important than ever that we maintain the country's

capacity to live with the larger powers, to persuade other actors that the collective way is the best, to manage our schizophrenic approach to the EU and to make the most of the new opportunities in the G20. Amongst other things, this means having the sharpest diplomats around. It also means investing in representative capacity rather than subjecting the Diplomatic Service to an ongoing series of financial cuts. The current budget of the Foreign and Commonwealth Office for running costs stands at approximately £1.5 billion, or 0.3 per cent of government expenditure. Its complement of UK-origin diplomatic staff overseas has dropped to around 1500, compared with close to 3000 in 1976. Once we are through the emergency measures to deal with the current debt crisis, this lack of front-line investment will have to be readdressed.

Where does this leave the UK in the global pack? Because we are no longer strong enough for independent action abroad, even to defend more than the smallest of our overseas possessions, we are defined by the company we keep and the allies we can bring to our cause. Whatever the UK electorate thinks, before anything else we belong in and to Europe. This can be true even if the relationship with the United States remains our single greatest asset, embracing a huge field of two-way commercial investment as well as a supremely useful security partnership.

The fact is that our minor-part place in the American strategic firmament no longer delivers the same value as in the past, for two overwhelming reasons. First, as the world gradually returns, under the pressure of multipolar activity, to a collection of nation states with a low capacity for compromise in the global interest, the nationalistic inclinations of the US, which always lay at the heart of the formation of the Republic, are reasserting themselves in international affairs. The differences in perspective and societal characteristics between the two sides of the Atlantic will grow over the coming period. Second, the US's capability for strategic positioning in the complex and competitive world of the 21<sup>st</sup> century will be constrained by

the anachronisms of the American constitution. As freedom of the individual advances, one of America's great gifts to the world, so the checks and balances of the arrangements that protect that freedom, vested most visibly in Congress but also in the power of public opinion, grow in comparison to the authority and dynamism of executive government. There is not enough power in the hands of the President, the man generally assumed to be the most powerful in the world, to assess realistically and deliver effectively the US's strategic interests in the multipolar era. This leaves the UK as a smaller part of a relatively smaller American firmament, if that is where we choose to place ourselves.

In strategic terms, Europe currently looks no more attractive. As in the US, the individual European citizen has become more independent from government. Local trumps supranational in people's sense of identity, culture and political choice. Even while the UK is maligned in European circles for failing to capture the excitement of the European project, the trend amongst the peoples of the EU's 27 states, big or (in particular) small, is towards preserving the national prerogative, as the UK has done from the beginning. Increasingly, the decisions taken on the most important issues within the EU are aligned to protecting the familiar way of life in each national space rather than to enlarging the power and global weight of the 27 as a collective. Helped by the polarising aspects of globalisation, the smalls are winning.

That does not mean that the UK is not part of the European journey. In the international environment of the millennium's second decade, the region is the first port of call for any nation as it looks outward. The EU is the greatest experiment in collective action at the regional level in human history and other continents would love to be able to catch up. As an institution for preserving peace and democracy, for promoting economic and commercial interest, for raising standards in numerous areas of our existence as Europeans, the EU has done wonders. But it is running out of momentum for the same reasons as

the United States: local preference and institutional inadaptability. No longer close enough in time to the driving force of its early days, which was the determination to escape from the memory of war, the EU has started to drift without understanding why. All institutions that depend on circumstance for their vitality do that, because global change moves faster than institutions can adjust.

This leaves the UK in an interesting position. Having failed to run with the leading pack in the days of Europe's hunt for collective strength, we are now watching, a bit bemused, as the pack is hauled back to the normal condition of human affairs, tribalism. The politicians who had counted on progress along a straight upward line are finding it hard to readjust to this reverse tug on the pendulum. There is, of course, a huge amount still to play for, because the world's evolution does not follow neat geometric concepts. But Europe's current leaders, whose power still depends on their domestic constituencies, are showing low awareness of the forces limiting their international choices, or of the direction they need to take to give Europe a new purpose in the modern wider world.

Is there a role for the UK in such a picture? Not as a natural leader within Europe, probably, because we lack catalytic power and we have lost respect. We have not in recent years travelled the same path or acquired the same identity characteristics as the continental Europeans. But, provided we show we are willing partners, we have those assets of pragmatism, competence and vigour which managed to get things done in previous eras. The British are better team players than most; and we can help to construct the EU's collective approach to the part-threat, part-opportunity rise of the new economies such as China, India and Brazil, all of whom are showing some disdain for the European nations individually.

There is another facet of the UK's make-up which gives us a fair wind in an egalitarian, complex and multipolar world: our cosmopolitan character. The legacy of Britain's imperial past, which by today's

standards had its shameful aspects, is the mix of ethnic backgrounds and political relationships we have carried into the 21<sup>st</sup> century. Moreover, contrary to what we often think about ourselves, we are a surprisingly tolerant nation. There will always be a nervousness at the margins about immigration and foreign-inspired extremism, but the enormous variety of inputs into our national life makes the nation as a whole extraordinarily adaptable to the social, cultural and therefore political eccentricities of a globalised planet. We are renewing ourselves at a pace and in a manner which may feel uncomfortable to the generally conservative instincts of British society, but which gives us a head-start over many other countries when it comes to fitting in to the new world as it is. In short, the UK should not be too downbeat about itself. Its relative power has shrunk, but not to a point of insignificance. The global environment has altered to its disadvantage, but that is causing plenty of other nations – including the newly emerging ones – a comparable scale of problems. Our place in the hierarchy of the next decade will drop, but perhaps to a more comfortable and sustainable level for the majority of British citizens who do not want the country to be parading too forcefully on the global stage. And we have qualities of resourcefulness and adaptability which will show their strengths if we are accurate in judging the tempestuous flow of world events. But there is no getting away from the cardinal point: a huge amount depends on the strength of our economy. ■

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## ➤ Sir Richard Mottram

**O**ctober saw the unveiling over three days of the British Government's review of national security. First a strategy document, then more detail on means, then resource provision as part of the wider Comprehensive Spending Review. This elaborate choreography was presumably designed to show that decisions on security and defence in particular were not simply resource determined, though the critics were unconvinced and others like me wondered what strategy meant without resource constraint. The results and the associated documentation illuminate the challenges in addressing Britain's future international role.

The titles of the two-part security Review are interesting: "Securing Britain/A Strong Britain in an Age Of Uncertainty". Why is the age uncertain? The Review identifies that – rightly – an increasingly information driven, networked world brings with it both risks and opportunities in which security will become more complex. We might note in passing that in the Review this complexity is contrasted with the Cold War "when we faced an existential threat from a state adversary through largely predictable military or nuclear means". In fact for much of the Cold War security policy had to tackle a range of risks and challenges and the Cold War itself was at times anything but predictable. Personally I would trade an existential threat for more complexity any time; but the challenge of the post Cold War world is to find a way to anchor our security policy.

The starting point of the national security review, as in all such exercises, is:

***"...a hard-headed reappraisal of our foreign policy and security objectives and the role we wish our country to play, as well as the risks we face in a fast-changing world"***

Four paragraphs on we find:

***"The National Security Council has reached a clear conclusion that Britain's national interest requires us to reject any notion of the shrinkage of our influence."***

While the Foreword to the Strategic Defence and Security Review begins:

***"Our country has always had global responsibilities and global ambitions."***

### **BRITAIN'S INFLUENCE**

The shrinkage or otherwise of our influence is not it might be thought wholly in our hands. As a country we have a seat at every top table. Some of these tables are expanding to reflect changing economic and geo-political realities (e.g. the creation of the G20). Others we would like to see expanded (e.g. the number of Permanent Members of the Security Council). It is hard to see how these changes will not dilute British influence?

The Review audits Britain's international role and identifies our strengths, including our security relationships with the USA, the reputation of our Armed Forces and intelligence agencies, our contribution to NATO, and our commitment to Official Development Assistance (ODA).

How much influence should and do these buy? As the Review recognises cautiously but by government standards interestingly: "the world of 2030 will be increasingly multi-polar". A favourite posture of the British elite (if not of their American counter-party) of Britain as a transatlantic bridge is perhaps

a wasting if not wasted concept. Our relationship with the United States remains central for us but in a world in which the focus is shifting away from the Atlantic and Europe. And there are other uncomfortable truths. The financial crisis has perhaps most obviously damaged the reputation of a particular form of capitalism: the Anglo-Saxon model. As for our Armed Forces, the campaigns in Iraq and Afghanistan have shown up serious shortcomings in our capacity for strategic thinking and planning and ability to conduct counter-insurgency warfare. It may well be to apply the wrong perspective but possibly our expenditure on Development Assistance may not buy commensurate influence?

What of instruments of soft power? Here we have real strengths to be celebrated from the reach of the English language, and from key institutions such as (some) British universities, the British Council, and the BBC, including the World Service, and British culture more generally. All these we might expect to be safeguarded and developed.

## SETTING STRATEGY

Perhaps reflecting the challenge in countering international terrorism and our experiences in Iraq and Afghanistan, strategy development and implementation in a security context is back in vogue. The present government's security strategy is the third such document in three years. The government makes a number claims for beneficial change over its predecessor, including that:

- It has developed a proper strategy, which allows the Government to make choices about the risks we face;
- More emphasis is to be placed on spotting emerging risks and dealing with them before they become crises;
- In contrast to the situation it inherited on defence, it has begun the process "to bring the defence programme back into balance" and "to enable Britain to retain the best and most versatile Armed Forces in the world"

A "proper strategy" might perhaps have five characteristics:

- A clear aim or purpose.
- An understanding of the context or environment in which the purpose needs to be achieved.
- A small number of broad strategic directions or goals.
- A set of actions of the various agencies involved best fitted to achieve the desired goals. This involves choices, ideally made wherever possible on the basis of comparative cost-effectiveness.
- A feedback or learning mechanism, which ensures the strategy is adapted in the light of experience.

## HOW DOES THE NEW STRATEGY MATCH THESE DESIDERATA?

To take some examples at different levels:

The stated aim of the National Security Strategy is: "to use all our national capabilities to build Britain's prosperity, extend our nation's influence in the world, and strengthen our security." A neat formulation but it might be thought to be a demanding combination in a changing international context and at a time of significant resource pressures. Perhaps there are trade offs between building prosperity and extending influence? But apparently not: the Review asserts that: "The networks we use to build our prosperity we will also use to build our security".

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In understanding contexts for the deployment of influence and power, we need to recognise that significant elements of the analysis and assessment used to inform government's strategic decisions have proved false or over-optimistic, fundamentally because of a failure to understand the environments in which we plan to operate from the perspectives and values of those who live there rather than our own. This could be a fault of understanding

or decision-making processes or both. The Review helpfully recognises the importance of effective diplomatic reporting and intelligence, alongside taking decisions properly.

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It is clearly right to place emphasis on spotting emerging risks and trying to deal with them before they become a crisis as well as on being more cautious in the exercise of power. Here the language used in the Review is important – it talks of an age of “uncertainty”. As we have re-learned to our cost in the financial crisis, uncertainty is not the same as probabilistic risk. This makes the laudable effort in the review to assess possible future developments in terms of likelihood and as well as impact methodologically as well as practically fraught. It points, as the Review explicitly recognised, to “adaptable” structures. But flexibility and adaptability are expensive and as goals can quickly lead to an unwillingness to choose. In so far as it is achievable, spotting crises and dealing with them early requires effective cooperation on the ground and in Whitehall, and funding for preventative action.

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In past national security strategies, there has tended to be a jump in the analysis from fairly high-level objectives to lists of capabilities defined in terms of existing institutions. Among the missing pieces in the argument has been which elements of influence and power are likely to be most relevant and cost-effective given our priorities and the contexts we are seeking to affect. The basis of choices has rarely been clearly articulated. Analysing the cost-effectiveness of instruments of different character is certainly difficult but, if based on judgement, ideally that would be exposed. The complexity arises not only, of course, from trying to think about the future but because of the legacy of the past- the inheritance in terms of people, infrastructure and other investment. Because this Security Review has been conducted in parallel with the Spending Review, we can see choices manifested in terms of budgetary allocations.

## **ALLOCATING RESOURCES**

In addressing the coherence of analysis and resource allocation, there is the important qualification that departments have multiple objectives and responsibilities and it would be difficult to isolate budgets for national security. The headline numbers therefore need to be treated with caution. But we could rank the outcome and ask whether it fits the story line sketched above.

The most striking headline number is that, within UK Development Assistance, support to fragile and conflict-affected states and to tackle the relevant drivers of stability is forecast to double from £1.9 billion in the current year. The Conflict Pool to help prevent conflict and support post-conflict stabilisation is forecast to grow from £229 to £309 million, although still perhaps small beer within the total security envelope.

If we compare Departmental programme and administration budgets in 2014/15 with those in the current financial year, international development is up 37%. Intelligence provision falls by 7.3%, defence by 7.5%, the FCO by 24% but in practice much less because responsibility for funding the World Service is to be transferred to the BBC and the licence fee (hardly a ringing endorsement of its centrality to our effort to sustain influence). While Home Office expenditure is heavily reduced, the aim is to limit the effect on counter-terrorism Police funding.

The conclusion might be that, compared with recent spending reviews, international and security affairs broadly defined have been given relative priority, but that in allocating the available resource the government is hemmed in by a commitment to international development expressed as a share of national income (always a dubious concept) and a legacy of over-commitment in the Ministry of Defence. We might wonder from the process of the Review whether the right lessons have been learned in relation to defence programming or the same issues of systemic over-programming may not be with us in five years time.



Within these numbers, there is to be a 34% cut in Whitehall administration budgets. There is certainly scope for doing things differently and more efficiently. But the litany of new initiatives in the Review sits oddly with the effort to hold down Whitehall spending. And, if the more strategic approach in the Review is to be delivered, there needs to be the capacity at the centre of government to think strategically, give impetus to cross-government effort, and ensure plans and programmes are developed and implemented. Past success stories, like the Civil Contingencies Secretariat, involve substantial staff effort; other issues like the development of the “comprehensive approach” were arguably under-resourced. There needs to be a better approach to recruitment, training and development to build a cross-departmental national security cadre and the culture to underpin more effective co-operation. All of this involves administrative expense.

## **SOME CONCLUSIONS**

What might we conclude? The relatively stable environment in Europe is an immense prize to be sustained through effective relationships and Alliances. We need to sustain our counter-terrorism efforts and tackle new challenges particularly from cyberspace. Beyond this we have choices about the level of our engagement, the levers of choice and how we best operate in an increasingly multi-polar world. Some of the rhetoric about our position needs to give way to the promised realism. The shift towards prevention is attractive, if harder to do than to postulate. The government’s security review has much of value including an effort to define priorities. The focus now needs to move towards understanding what we are getting for the considerable provision made, particularly in international development and defence. This may throw up uncomfortable issues. ■

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## ➤ Lord Charles Powell of Bayswater

**The Coalition Government has been engaged in two separate exercises which affect the future of our defence and diplomacy. At least they should have been separate. The first was the comprehensive spending review to deal with the deficit amassed by the previous government, requiring severe cuts in public spending over the next few years. The second exercise was the Strategic Defence and Security Review (SDSR), whose task was to evaluate the role in the world which Britain should play in the future and well beyond the horizon of the spending review.**

The distinction is important. Britain is not facing a strategic watershed moment like the East of Suez decision or the end of the Cold War. We confront a deficit crisis and defence and diplomacy have had to take their share of reducing the over-draft. But the longer-term strategic agenda should not be dictated by Treasury spending hawks. I remember the advice which Harold Macmillan gave Margaret Thatcher at the beginning of the Falklands War not to let the Chancellor of the Exchequer be a member of the War Cabinet, because all the Treasury ever did was agonise about cost when more important issues were at stake. There are international challenges which have to be picked up and undertaken despite the cost, because they are as vital to our future as a nation as is spending on health and education. The political case for Britain to bear the costs of a continuing world role may be harder to make, but that is what leadership is about.

### **HOW HAS THE SDSR MEASURED UP AGAINST THIS YARDSTICK?**

In terms of analysis of likely changes in the world to which we shall need to adjust, quite well. But they tell only part of the story. As important is our own innate perception of what our international role should be. The temptation is always there to ask why Britain should bother to take on the burdens and costs of an active and prominent role in world affairs when many other countries of our size do not. Why should we not be just another average, unambitious European country which free-rides on the European Union to represent its interests – and on pax Americana to protect them?

There are several answers to that question. The first lies in our DNA. We have developed over centuries of history the self-confidence that as a nation we are better placed than others to make the right choices and do the right thing. That remains a core instinct of our foreign policy.

More concretely, in a world which is re-nationalising with the resurgence of China, India and other emerging nations, we cannot rely on multilateral organisations to safeguard our interest, but shall need to remain significant players in our own right. That, not prestige, is why we should continue to pay the membership fee to be a permanent member of the UN Security Council, to maintain a nuclear deterrent and to preserve the capability to intervene militarily where our national interests are at risk.

There is also an ethical aspect. Having the capability to intervene in a Sierra Leone or other failing states is every bit as worthy as spending on alleviation of poverty and committing to the 0.7 per cent GNI target for ODA. Indeed, from the point of view of the poorest people rather than their often corrupt governments, it is probably more valuable.

The real question is not “why us?” but “if not us, then who?” The United States which most closely shares our outlook cannot reasonably be expected to bear the burden of global security alone, particularly as its fiscal and economic management woes will increasingly inhibit the exercise of American power. Other European countries by and large lack the political will to handle the big security issues. Unless Britain continues to contribute to common causes above its “quota”, America will become progressively less respectful of our interests. Our ability to ensure the best outcomes for Britain in a world populated by new behemoths will be unacceptably constrained.

So I have no doubt that the way the world is evolving and our national instincts and interests both point in the direction of an active and ubiquitous foreign, security and defence policy for Britain. Nor do I expect that outlook to change significantly as the face of Britain itself changes as a result of immigration bringing people of different ethnic origins, religions and regional interests into the British polity. Our composition has been diluted repeatedly over the centuries without weakening our vision of Britain as an outward-looking, globally-involved power.

What are the practical conclusions one should draw for future policy? The first is that restoring Britain’s economy is as much a foreign policy as a domestic priority. An under-performing and debt-ravaged economy narrows our options and hobbles us from pursuing the foreign policy which our interests require. Margaret Thatcher demonstrated during her time as Prime Minister how re-invigorating the economy restored both national self-confidence and earned us renewed international respect after a debilitating period of seemingly interminable decline. A similar restoration of our economy will be needed this time and the Government has grasped that point.

It will remain no less important than in the past to stick close to the United States. Perhaps now election campaigning is over, we can forget the tripe about a ‘slavish’ relationship and recognise that a close relationship – whether special or not – is

based on mutual interests. The United States needs close allies: Britain needs to be able to leverage off American assets and goodwill. This will be all the more important as the United States switches its attention to new concentrations of power in Asia and elsewhere among the BRICs and gives lower priority to Europe, as it is already visibly doing. The notion that we only count for the US as part of the European Union is redundant. Of course it helps that we are a member, but we count far more to the extent we are prepared to go beyond EU policies and commitments.

An equitable relationship with the EU will be a high priority. There is nothing to be said for picking quarrels with other Europeans and everything to be said for making clear in advance where our red lines are, to avoid future misunderstandings. But the EU will remain too cumbersome and risk-averse to cater satisfactorily for our security: it can only be an add-on for our national role not a substitute for it. Baroness Ashton’s embryo European diplomatic service will be able to represent only unanimous and too often anodyne and minimal European views.

Early experience of the new National Security Council machinery looks encouraging in securing better cross-Whitehall collaboration and better focus in our international actions though it still has to prove whether it can succeed in distributing the total resources available for external action more rationally. The Foreign Office budget has been absurdly skimped in recent times even though it is minuscule in relation to other areas of government spending. This is short-sighted and very different from the attitude of other front-rank European countries and the emerging powers, both of which realise the value of professional and globally-deployed foreign services to advance national interests and safeguard their citizens.

The Foreign Office will also need to rebuild its formidable talents for bilateral diplomacy, not throw disproportionate resource into multilateral institutions. Pace the Treasury, a desk is a dangerous place to view the world from. The Foreign Office

needs to be out in the field and that is where our diplomatic energy should be directed, particularly to the BRICs and potential hot-spots. High priority is needed too, particularly in our present economic difficulties, for commercial diplomacy in support of British companies, though this work is already much further up the scale of the Foreign Office's priorities than most people realise. It has certainly not been invented by the present Government.

Our lady bountiful Department for International Development needs to be re-nationalised and no longer regard itself as a taxpayer-funded NGO instead of as part of the government. It would have been far better if the Comprehensive Spending Review had diverted a portion of its funding to other forms of external action more directly in line with our national interests and priorities. Aid is indeed important, both as a moral obligation and a soft-power adjunct to our diplomacy. But the amount has to be proportionate to the state of our national finances and ability to finance our overall objectives.

The biggest and most difficult question facing the Government was how much hard power Britain could in future afford to wield in support of its diplomacy. By all accounts it was a close run thing. The Prime Minister's admiration for our armed forces and instinct that what sets Britain apart from other countries is its willingness actually to engage with effective armed

force in distant and dangerous national security challenges, fortunately prevailed over cost-cutting and knock-kneed declinism. He was right too to recognize that in an unpredictable world it does not make sense to base our force structures on one particular prediction about the nature of future conflict, and that we must therefore maintain a full range of capabilities even if on a slightly lesser scale than previously planned. That said, the affordability dilemma has been pushed into the future rather than resolved. And defence spending will surely not remain above the 2 per cent of GDP guide-line once the exceptional costs of Afghanistan drop out, unless resources for defence are increased once the economy recovers.

The objectives now must be to ensure that the Chiefs of Staff stop behaving like the TUC – or worse – and work in the national interest rather than Single Service interests; that the Ministry of Defence makes heroic efficiency gains, demonstrating that cuts can mean improvements; and that the little-noticed sentence in the Prime Minister's statement on the SDSR: "My own strong view is that this [force] structure will require year-on-year real-terms growth in the defence budget in the years beyond 2015" will actually happen. Only then can we be assured of a national security policy backed up with real power and not just Ptomenkin diplomacy. ■

## ➤ Sir Malcolm Rifkind

**A**ny debate about British foreign policy must begin by recognising that 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. The Foreign and Commonwealth Office maintains a wide network of embassies in all of the world's continents. Likewise, the Ministry of Defence retains the military capacity to deploy forces to any part of the globe in support of UN, NATO, or British interests.

In foreign policy terms, this is the exception, not the rule. Most countries do not adopt this approach, in part because they do not have the capacity to do so. For instance, smaller nations can not afford to extend embassies far beyond the diplomatic capitals of New York, Paris, Washington and London. It is also a question of priorities. China, Russia and India are all great powers in their own right. Yet they are all regional powers. The primary focus of Beijing, Moscow and New Delhi are relations with neighbouring nations. Accordingly, none of them have moved to develop the ability to deploy military force beyond their own theatre. That capacity remains unique to the United States, France, and the UK.

However, while Britain's engagement with the world has a long history, it has been placed in jeopardy by recent developments. The first threat is a creeping degree of scepticism about its benefits. Although a strong international presence is not the same as a Blairite effort to reshape the world through the use of military force, the two have become conflated in the mind of the public. The difficulties encountered by British forces in Afghanistan, not to mention the misguided intervention into Iraq, have given rise to a view that Britain either can't play a positive role in the world, or shouldn't seek to do so.

The second challenge to Britain's traditional international role is financial. Closing the record budget deficit, which topped 11% of GDP prior to the general election, will require real reductions in the overall spending of both the MoD and the FCO, especially the latter.

In light of these twin challenges, the question for the UK and its Conservative led Government is whether it wishes to retain a global approach, or resign itself to the lesser status. Is it still prepared to act like France, or is it content to have influence comparable with that of Spain?

I have always been of the view that the UK should aggressively defend its privileged position in international affairs, and this remains my view. Mistakes in the recent conduct of Britain's foreign policy have been pronounced, and financial pressures are real. Yet both of these are short term factors. The UK's long term interests demand that Britain remains actively involved on the international stage, and retains the tools it needs to do so. Why?

It is most certainly not, as some critics suggest, out of nostalgia for bygone imperial prestige. Indeed, the reverse is true. It not the past, but rather the years to come, that require the UK to maintain and develop its current connections.

Any nation's foreign policy should place national interests at its heart. For the UK, these interests are increasingly international. Britain's economy, the sixth largest in the world, is locked into a global trading system, and despite all of the last two years' upheaval, the UK continues to play a leading role in international finance. At a time of economic uncertainty, the UK simply cannot afford to turn its back on free trade, or cut itself off from economic decision making at the international level. Co-operation with trading partners, and participation in the affairs of international bodies such as the International Monetary Fund and World Bank, has never been more important.

In addition, the UK's primary security concerns are all international in nature. Other nations have to contend with the prospects of internal instability, either in the form of ethnic tension or unchecked military power. By contrast, Britain's primary focus is devoted to trans-national terrorist groups, the threat of nuclear proliferation, and the damaging effects that could result from uncontrolled climate change. The UK also has obligations to meet that prevent it from retreating from the world. As a permanent member of the United Nations Security Council, and a leading player in NATO, the EU, and the Commonwealth, Britain has already committed itself to a high level of involvement in world affairs.

It should also not be forgotten that the UK's international stature and prominence remains high. Many nations look to the UK for guidance and leadership by example. More and more British residents have family ties in other nations. Likewise, an increasing number of citizens live overseas, most prominently in the United States, the nations of the EU, and the Middle East. To suggest that the UK could discontinue its current level of international involvement alongside these countervailing trends would be mistaken.

Yet if engagement on a global scale is in Britain's interests, is it still within our capacity? Do financial pressures make such an approach an unaffordable luxury?

It is worth stressing that the budgetary challenge ought to be downplayed. While the UK's financial situation is of paramount domestic importance, it need not undermine foreign policy provided an appropriate approach to cutbacks is adopted. While the FCO will have to shoulder some of the cuts that are to be made across Whitehall, it would be wise of it to ensure that its own 'frontline services' be insulated. I speak of the UK's embassies and consulates, some of which might well become targets for closure in internal spending reviews. Everything must be done to protect this network, including its smaller missions, which provide tremendous value for money. While they may seem superfluous, closing them would send the erroneous signal that the UK is pursuing a policy of disengagement, and signal a growing disinterest to the region of which they are part.

That is not to say that the benefits of a broad internationalism need only be symbolic. The UK must derive tangible benefit from its overseas endeavours, and not just be seen to benefit. Ensuring that this is the case will require the UK seek out new areas of co-operation in the coming years. Indeed, this has already been established as a priority by the new Government. The Foreign Secretary noted the work yet to be accomplished in a speech in June, when he drew attention to the fact that the UK currently exports more to Ireland than it does to India, China and Russia combined. During his visit to South Asia, the Prime Minister drew coverage for his comments on Pakistan's relationship with the Taliban. Yet the press reports overshadowed what was a more important story. Within his first months in office, the British Prime Minister was visiting India in an effort to secure greater opportunities for domestic businesses.

That trip marked the first step in a major new initiative. Business delegations led the occupant of Downing Street are not new. What is new, is a whole scale effort to realise hitherto untapped opportunities. From the Foreign Secretary's determination to forge new ties with the states of the Gulf region, to the FCO's efforts to reinvigorate the Commonwealth, there is a concerted attempt to strengthen bilateral relations and institutional frameworks that have been under

utilised. The new Government is far more likely to be found building new links, than rehashing past debates such as how close London should be to Washington, or the extent to which the UK should integrate with the nations of Europe. In the long run, that emphasis will pay dividends, by reaffirming the benefits of a truly global policy.

The advent of a new Government inevitably leads to far reaching reviews of past policy. In some cases, substantive changes are needed. This is no less true for foreign affairs than it is for other areas. Yet the new Government has made clear, quite rightly, that any changes will take place within the establish boundaries of full engagement. No country with the economic, political and military interests of the UK, could expect to defend those interests by reversing such a policy, a point recognised by the new National Security Strategy. While there may be a need for a refocusing in the years ahead, there will not be a need for retreat. ■

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