



# **Britain's Pivot to Asia:** The Perils & Possibilities of Post-Brexit Politics

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# Britain's Pivot to Asia: The Perils & Possibilities of Post-Brexit Politics

Stephen Paduano

There is a pivot to Asia on the horizon, a redeployment of British interest and investment to the Indo-Pacific. For a nation struggling in the darkness of Brexit, global engagement of this sort, foreign and economic overtures divorced from the European Union, has become the light at the end of the tunnel. This much was made clear three months ago by foreign secretary Jeremy Hunt and defence secretary Gavin Williamson in their back-to-back announcements about the new opportunity and urgency of engagement in East Asia.<sup>1</sup> Their push needs little elaboration: with many of the world's largest economies, including China in second place and Japan in third, as well as many of the world's fastest growing economies, including India in third and Bangladesh in fourth, the twenty-first century has accurately been anointed the "Asian Century." Hunt's op-ed in *The Daily Mail*, titled "Why I am looking east for my vision of post-Brexit prosperity," reflected this fact. It spoke to a classically liberal, positive-sum assessment of dealing in the global economy—not imperial projection but partnership, not gunboat diplomacy but deference. It laid bare the fact that Britain, the fifth and falling largest economy in the world, needs the powerhouses of East Asia increasingly more than they need Britain.

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That uncharacteristic humility was not, however, shared by the defence minister. In an interview with *The Telegraph* the same day, Gavin Williamson announced his intentions to return Britain to its status as a “true global player,” building military bases across Asia and offering Asian nations what they are allegedly looking for from Britain: “the moral leadership, the military leadership, and the global leadership.” Last month, Williamson doubled down on this pronouncement as he called for “enhancing the reach and lethality of our forces” in the East by sending the HMS Queen Elizabeth, armed with British and American F-35s, to the Pacific.<sup>2</sup> The provocative rhetoric prompted the Chinese to cancel a trade delegation led by Chancellor of the Exchequer Philip Hammond.<sup>3</sup> It was a speech that drew accusations abroad of old fashioned imperialism and mockery at home for not recognising that Britain is no longer what it once was.<sup>4</sup>

Now, as an old empire seeks to regain its global prominence, can it find new, non-imperial ways to do so? This is the question that too few people in British politics are asking themselves today. With the demands of Brexit, the divisions in Parliament, and the distractions from both, they can hardly be blamed. However, as lawmakers on the left and right agree that Britain must look beyond Europe in a post-Brexit world, and as the foreign secretary and defence secretary signal conflicting pivots to Asia, a reckoning with the realities and capabilities of Britain’s global engagement is long overdue.

In the past half century, Britain has grown into its new role of a former power rather uncomfortably. Although imperialism and revanchism have not been on the cards, expressions of them certainly have. It has been through the peculiar principles and policies of Britain’s Euroscepticism that this attitude—Britain’s sense of being apart and above—has become most clear. In 2016, in a referendum that saw loose talk of returns to former glory, delusions of grandeur took centre stage.

Now, as Britain formally withdraws from a European Union that has been portrayed as commercially and geopolitically burdensome, the anxious nation will finally embark on its long awaited, much debated prerogative to act independently once more.

Britain has a choice. Will it put a premium on commercial relations or geopolitical intimidation? Will it seek cooperation or confrontation? At present, either is possible. The unmooring of the British political system, its policies, and its principles has put every position, no matter the self-evidence of its consequences, on the table. But a firm reckoning with the realities of both would suggest that only the former ought to and can be pursued.

Britain's pivot to Asia, having begun nearly a decade ago, in truth has little to do with Brexit. It springs not from a sudden *taking back of control* but rather from a more deeply held ambition of global pre-eminence. The site of this pivot, a continent of not only increasing economic opportunity but also of increasing geopolitical volatility, is a logical destination for British dealmakers and warships alike. Whether Britain can keep up in the region as has been proposed, however, is a different matter. Indeed, British policymakers should worry for reasons of size, signal, and sacrifice.

The first deficit in Williamson's hard charging proposal is the size of the British military. For the past five years, British defence spending has remained steady at

£36 billion per year, a comfortable 2.1% of GDP, in keeping with NATO guidelines.<sup>5</sup> By European standards, that number is indeed above and apart— as Germany stands at £34 billion, France at £31.5 billion, and the continent's smaller powers at low double or high single digits.<sup>6</sup> But, by some irony, it would seem that Britain's Euroscepticism, its feeling of deserving a greater role on the global stage than what the European Union can offer, has been coloured by a hearty amount of Eurocentrism. Impressive though the size of Britain's military may be by continental standards, by Indo-Pacific standards Britain is unequivocally uncompetitive. In its pivot east of the Suez and its hopes to offer "leadership" in that region, Britain will encounter the active presence of two adversarial militaries substantially larger than its own: Russia at £47 billion and China at £135 billion.<sup>7</sup> Moreover, in the past half decade China has managed to bring as many ships to sea *each year* as the Royal Navy has in its entire fleet.<sup>8</sup> What's more, although Britain's partners in the region—India, Japan, South Korea, and, of course, the United States—have invited British engagement, their defence depth still largely eclipses Britain's. The case of Japan, what is considered to be Britain's natural partner and peer in the Pacific, is indicative.<sup>9</sup> Where Japan has approximately 303,157 active military personnel, Britain has a far smaller 233,000. Where Japan has 131 naval assets (aircraft carriers, destroyers, submarines, etc.), Britain has 76. And where Japan's aircraft strength totals 1,572 units (fighter aircrafts, attack

aircrafts, combat helicopters, transport planes, etc.), Britain's totals 811. What is likely, therefore, is that Britain is putting forward redundancies. What is concerning, additionally, is that Britain is putting itself in harm's way. Overshadowed by its friends and foes alike, Britain is angling to enter a space that threatens more calamity than many active warzones. Considering the constrained size of its forces, it is likely not a risk worth taking.

The second problem it faces is one of signalling, exacerbating the situation in the region by adding to China's perception of a Western alliance of aggressors. The past decade has seen a rapid development of China's sphere of influence, not only through a redoubling of its hard power assets but also through an expansion of its soft power presence with the Belt and Road Initiative. This has come with a heightened degree of sensitivity towards regional sovereignty as Chinese tolerance for Western involvement within its sphere of influence has quickly diminished. Confrontational episodes in the South China Sea have repeatedly put China's defensiveness on display, as seen most recently in the near collision of the Luyang destroyer and the USS Decatur.<sup>10</sup> Moreover, one can see the aggravation caused by President Obama's "Pivot to Asia" in which the United States attempted to balance against China's regional hegemony both militarily and commercially with increased deployments to the region and the construction of the Trans-Pacific Partnership. Although American attention subsequently returned

to the Middle East and although American involvement in the TPP was subsequently scuttled, the damage was done. The episode entrenched and emboldened Xi Jinping and produced new worries of a "Thucydides Trap."<sup>11</sup> This concept, a history-cum-prophecy conceived by Professor Graham Allison, breathed fear into Sino-American relations as it drew on Thucydides' explanation of the Peloponnesian War—"the growth of Athenian power and the fear that this caused in Sparta"—to claim that ruling powers, like the United States, will always go to war with rising powers, like China. Although Britain's likeminded moves will produce far fewer disquisitions on hegemonic destabilisation, it will nonetheless add meaningfully and harmfully to a situation that is already out of hand. Williamson's vow that Britain will not be a "paper tiger," his determination to "continue to be a lethal fighting force," his insistence that "we shouldn't be shy about the ambition that we have for our forces," and his dead aim at China sent a worrying signal to a wary power. In so doing, it legitimised not only China's doubts but also its defensiveness—the very policies Williamson and the West hope to contain.

The third problem is one of sacrifice or, more precisely, consequence management. There is not, as there once was, a union between military and commercial ambitions. Indeed, in the twenty-first century the former comes increasingly at the expense of the latter. This much was made clear in the blowback to Williamson's ill-advised

speech last month. Immediately following the defence secretary's sharp words, China's Vice Premier Hu Chunhua cancelled trade talks with Britain's Chancellor of the Exchequer and ruled out, for now, the possibility of lifting Chinese import bans on British poultry and cosmetics—an untapped market for British exporters that is reported to be worth £10 billion over five years.<sup>12</sup> But the fallout of Williamson's gunboat giddiness might not stop there. With British exports to China totalling £22.3 billion per year, there is certainly room for China to impose tariffs or further restrictions on key British goods such as cars, petrol, and medicinal and pharmaceutical products should Williamson plough on with his proposal.<sup>13</sup> The Trump administration's trade war with China is indicative of the vast scope of potential Chinese reprisals, as Xi's government has recently slapped tariffs on \$110 billion of American goods. Although Britain lacks both the bark and the bite to ignite a confrontation with China of this scale on its own, it is eminently possible that Britain's actions could encourage Trump's aggravations and that the relationship between China and the West could further unravel. Should this be the case, the options for China, the largest exporter and second largest economy in the world, are powerful, multiple, and readily available. As *Foreign Policy* warned last year when China and America's trade war heated up, debilitating measures such as retributive tariffs, sanctions, and embargoes may also be paired with even more aggressive steps to devalue the Renminbi.<sup>14</sup> The costs of this are clear: not only would a slide in the Renminbi destabilise global financial markets, as was most recently the case in 2015, it would also make non-Chinese exporters less competitive. In such an event, Britain would find itself in an economically suffocating double bind, caught between old headwinds in the West and new headwinds in the East. First, as the pound has continued to slip against the euro since the Brexit referendum, imports from the EU—Britain's largest trading partner—have become more expensive. This has and is expected to continue to place strains on the British economy as the cost of living in the United Kingdom

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risers.<sup>15</sup> Second, just as Britain grapples with the problems of a weak pound, the spectre of confrontation and the threat of currency devaluation would likely place significant deflationary pressure on Britain in particular, where inflation is already at a two-year low, and in the global economy more broadly.<sup>16</sup> As the Bank of England repeatedly revises growth forecasts downward, the grave economic sacrifice that comes with “enhancing reach and lethality” is a sacrifice Britain cannot afford to make.

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There is certainly a role for Britain in the twenty-first century, the “Asian Century,” and there is room for Britain to prosper on the global stage. But for this to be the case, cooperation, not confrontation, is its path forward.

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In Britain in 2019, where the Tory Party, the Labour Party, and the prospects of a Withdrawal Agreement are each in free fall, there is no ruling out the possibility that bad policies will be taken actively or will be happened upon passively. Nor is there any denying that Brexiters may continue to fan the flames of British jingoism and encourage inadvisable commercial and military activity in and towards the Indo-Pacific. But the record should nevertheless show that proceeding with Williamson’s proposal, his insistence that Britain not “be shy about the ambition that we have for our forces,” would make Britain, its military, and its economy less secure.

To be fair, one should not paint Britain’s global ambitions as exclusively hawkish, conceited, and Williamsonian. Indeed, the billions that Britain has expended on disaster relief operations across the world, and in particular in East Asia, point to a promising alternative path for British Indo-Pacific engagement.<sup>17</sup> So too does the recent role which Britain has adopted to mediate between China and the United States in the on-going Huawei crisis.<sup>18</sup> And, of course, there are the non-confrontational opportunities for global engagement made clear in Jeremy Hunt’s trade-oriented campaign. As a P5 nation, Britain, like France, will likely always consider itself a great power long after its greatness and power have been eclipsed. It is important to note, however, that greatness and power needn’t be military. There is certainly a role for Britain in the twenty-first century, the “Asian Century,” and there is room for



Britain to prosper on the global stage.<sup>19</sup> But for this to be the case, cooperation, not confrontation, is its path forward.

What might this cooperation look like? Where might it begin? Success in the Indo-Pacific, as its hyphen suggests, must be two-pronged: there must be a policy both for the *Indo* and the *Pacific*. At present, it is the Pacific which causes the most distress. A recent overture by the Japanese Prime Minister Shinzo Abe inviting the United Kingdom to join the Trans-Pacific Partnership, an eleven-nation trade agreement which saliently does not include China, was welcomed as a promising route to Pacific engagement, but in truth it offered little to bolster Britain's ambitions in the region. If Britain's bid to join is accepted by the TPP's members, which, given the nation's paltry claim to a presence in the Pacific of a few contested colonies, is no guarantee, the matter of Chinese engagement will still be unresolved. Looking for ways to build trust with China, a necessary condition to building a presence in its region, will require a continued and concerted effort. Mediating between conflicting Chinese and American interests, as the United Kingdom has evidenced a capacity to do in the Huawei affair, is a healthy place to start. Doubling down on participation in China's Asian Infrastructure Investment Bank, a soft-power vehicle that funds infrastructure projects in the Chinese periphery, a worthwhile if instrumental objective, may be an economically and diplomatically valuable opportunity for British involvement too. Above all, muzzling the grandstanding

and hostility that force China to walk away from trade talks will be a priority.

On the *Indo* side of the hyphen, where there is only one familiar power to court, areas for partnership are substantially more available and actionable. The precedent for India-UK relations, the Defence & International Security Partnership signed in 2015 along with Indian purchases of formerly British carriers and aircrafts, is also reassuring.<sup>20</sup> Five new potential policies now present themselves.

First and foremost, there is the opportunity for British and Indian cooperation in the Gulf as Prime Minister Narendra Modi's new agenda for the Indo-Pacific will require partnerships oriented towards defence and security in that contentious area.<sup>21</sup> While India already benefits from advanced trade relations with oil producers in the Gulf, its military partnerships are lagging. Given the presence and experience of Britain's armed forces in Bahrain and elsewhere, a UK-India partnership could yield meaningful results in joint anti-piracy efforts, counter-terrorism training, and counter-extremism programmes.

Secondly, there is the opportunity for British and Indian burden sharing on Maritime Domain Awareness (MDA) in the Indian Ocean. MDA refers to managing the broad spectrum of strategic concerns—security, economic, and environmental—lying in and emanating from the maritime domain. The urgency of redoubling India's MDA has been put on display in the past decade by porous shores, piracy, and a rise in natural disasters. Given the growing

consequence of the region, MDA burden sharing is a policy that should have been pursued long before Britain's post-Brexit pivot. As Modi attempts to reallocate Indian attention to its maritime borders, and as his government builds regional partnerships to do so, a helping hand from Britain would likely be welcomed.<sup>22</sup>

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Third, Britain can facilitate the development of India's "Blue Economy," the commercial activities and regulations around its ocean's ecosystem. A Blue Economy is a fledgling concept, but its commitment to sustainability and growth has made it particularly attractive to a nation in the throes of an environmental crisis and an economic slowdown.<sup>23</sup> It is also a particular speciality of Britain, a former thalassocracy with an intimate understanding of the world's oceans, a highly developed regulatory landscape, and an advanced industrial economy. Where Indian experts have noted a lack of Indian engagement with the idea of a Blue Economy, British experts, commissioned by the British government, have developed a robust policy framework for approaching the issue.<sup>24</sup> This framework, published in a report titled *Foresight Future of the Sea*, encompasses strategic planning in the Indian Ocean and sets agenda items for areas of collaboration.<sup>25</sup> There are few issues with as much mutual and actionable interest as the Blue Economy.

The fourth potential point of collaboration builds on the prior two opportunities for coordination on the seas. It also builds on the first opportunity for joint military engagement. This would come in the form of a "logistics exchange agreement," a soporific yet substantial way to strengthen ties and extend capabilities in certain areas of interest. Such an agreement would follow the one formed between India and the United States three years ago, which gave both nations access to each other's facilities for refuelling and replenishing, as well as joint exercises, training, humanitarian assistance, and disaster relief.<sup>26</sup> In the

long run, such an agreement serves a deeper purpose, as Ankit Panda has noted in *The Diplomat*: to “grease the wheels on the bureaucracy underlying defence collaboration.”<sup>27</sup> That is to say, a logistics exchange agreement today will help set the groundwork for far more meaningful coordination tomorrow.

The fifth and final recommendation would equally promote long-term collaboration and would be equally, admittedly, dull: discussion forums. In recent years, India has stepped up efforts to construct “Maritime Security Dialogues” with many partners in the region, including the United States, China, Australia, France and more. While Britain’s maritime partnership with India, in certain respects, is stronger than those of India’s dialogue partners, the UK-India relationship would certainly benefit from continuous and committed forums to discuss strategic maritime interests. An open Maritime Security Dialogue would meaningfully help this cause.

To some degree, these policy recommendations are provisionally incomplete and necessarily so. Possible opportunities for engagement are in a constant state of evolution and, at present, certain measures in the Indo-Pacific are simply not available to the British government. At the same time, the options that are available in Britain’s relationship with India cannot be pursued too quickly lest China grow more concerned and more defensive. Developing mutual trust, serving mutual interests, and reshaping Britain’s relations in the East to mirror its relations in the West will take years of patience and partnership—virtues heretofore undervalued in Britain’s non-Western foreign policy—rather than the sort of power projection that policymakers like Gavin Williamson have promoted. Yet it is important to know, as this Strategic Update has endeavoured to show, that productive policies do exist. At the same time, this Strategic Update has argued that certain *un*productive and self-destructive policies exist too. The ability to discriminate between the two, to prioritise common ground over scorched earth, will be the deciding factor in the future of Britain’s global engagement. ■

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As the United Kingdom prepares to leave the European Union, will the Brexiteers' vision of a "Global Britain" finally emerge? Will a pivot to Asia unlock the possibilities they claim? In this Strategic Update, Stephen Paduano explores the future of British engagement in the Indo-Pacific, the opportunities that exist, and the dangers that lie ahead.

