# The role of the Foreign Commonwealth and Development Office (FCDO) on post-Brexit UK Foreign Policy

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#### Abstract

With the Integrated Review mapping out the UK governments' foreign policy objectives, this paper explores the role that the Foreign Commonwealth and Development Office (FCDO) will play in this post-Brexit strategy. The announcement of the Foreign and Commonwealth Office (FCO) and the Department for International Development (DFID) merger signalled a new approach to UK foreign policy. This paper argues that the FCDO will not be the sole arbiter or architect of UK foreign policy. Instead, the focus will be on coordinating with other Whitehall departments on foreign policy issues. By examining the FCDO's creation, governance, structure and funding, this paper will discern the role that the FCDO is expected to play in enacting the governments so-called "Global Britain" agenda and in particular, what form the relationship between the FCDO and European member states will take.

#### Introduction

The newly established Foreign, Commonwealth and Development Office (FCDO) reflects the key principles of Prime Minister Boris Johnson's post-Brexit foreign policy. Launched on 2<sup>nd</sup> September 2020, the department's nascence signals the current governments desire for development and aid to serve as foreign policy tools. This paper argues that the FCDO will not be the sole arbiter or architect of UK foreign policy. Instead, the focus will be on coordinating with other Whitehall departments on foreign policy issues. This is clearly highlighted by the cross-department framing of foreign interests within the Integrated Review and the lack of commitments to improve the FCDO's foreign policy tools. This paper will also demonstrate that the space left for the FCDO to conduct typical bilateral relations with EU members appears to be thin given that European relations will be led by the Cabinet Office. The following questions will therefore be tackled throughout this piece: To what extent the FCDO is instrumental in the pursuit of the "Global Britain" agenda? Does the new FCDO entail taking distance from the EU? Are the FCDO's foreign policy tools fit for purpose? Beginning with an outline of the current FCDO, the paper will then present a breakdown of the institution's governance and design. The paper will then evaluate the FCDO's foreign policy tools and lastly discuss the impacts of the merger on the efficacy of the FCDO.

## The FCDO – What is on its agenda?

Prime Minister Boris Johnson announced the merger of the Foreign & Commonwealth Office (FCO) and the Department for International Development (DFID) to form the FCDO in June 2020<sup>1</sup>. The Department was launched on 2 September 2020 and is currently lead by the Foreign Secretary Dominic Raab<sup>2</sup>. As stated by MP's in Parliament, the driving force of FCDO's strategy is the so-called "Global Britain" agenda, a term first coined by Prime Minister Theresa May who explained it in 2016 as "our ambitious vision for Britain after Brexit'<sup>3</sup>. An exact explanation of what this agenda means in practice however is non-existent, hence we can infer that the slogan is in principal a rhetorical device being pushed by a government in need of marketing the UK to the international community post-Brexit. General inferences about the aims of "Global Britain" can be noted within the recently published Integrated Review of security, defence, development and foreign policy. The review outlines that UK foreign policy will be defined by a vaguely termed 'Indo-Pacific tilt' with an additional focus on countries in Africa and the Gulf<sup>4</sup>. In essence, the current government is keen for the FCDO's focus to be on geographic areas external to Europe.

As the Secretary of State for the FCDO, Dominic Raab has also been a key spokesperson on the role that the FCDO will play in pursuing the Global Britain agenda. Raab's interview with the US think-tank The Atlantic Council in September 2020 for example mapped out FCDO policy under three pillars<sup>5</sup>;

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<sup>&</sup>lt;sup>1</sup> 'Prime Minister Announces Merger of Department for International Development and Foreign Office', Press Release (Prime Minister's Office 10 Downing Street, 16 June 2020), accessed January 1 2021, https://www.gov.uk/government/news/prime-minister-announces-merger-of-department-for-international-development-and-foreign-office.

<sup>&</sup>lt;sup>2</sup> Philip Brien, 'DFID and FCO Merger: Implications for International Development', Insight (House of Commons, UK: House of Commons, 18 June 2020), accessed January 1 2021, https://commonslibrary.parliament.uk/dfid-and-fco-merger-implications-for-international-development/.

<sup>&</sup>lt;sup>3</sup> 'Global Britain', Debate Pack, House of Commons Debate Pack (Main Chamber: House of Commons, 11 January 2021), accessed January 1 2021, https://commonslibrary.parliament.uk/research-briefings/cdp-2021-0002/.

<sup>&</sup>lt;sup>4</sup> HM Government, 'Global Britain in a Competitive Age The Integrated Review of Security, Defence, Development and Foreign Policy' (London, UK: HM Government, March 2021), 14, accessed January 1 2021, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/969402/The\_I ntegrated\_Review\_of\_Security\_\_Defence\_\_Development\_and\_Foreign\_Policy.pdf.

<sup>&</sup>lt;sup>5</sup> Dominic Raab, The Atlantic Council - Charting a path for Global Britain: A conversation with UK Foreign Secretary Dominic Raab, interview by Damon Wilson, 17 September 2020, accessed January 1 2021, https://www.atlanticcouncil.org/event/acfp-a-conversation-with-foreign-secretary-dominic-raab/.



Figure 1 - Design by Author. Information source; Dominic Raab, The Atlantic Council - Charting a path for Global Britain: A conversation with UK Foreign Secretary Dominic Raab, interview by Damon Wilson, 17 September 2020,

Discussing the first Pillar on maintaining a relationship with the EU, Raab immediately discussed existing collaboration efforts amongst E3 members (France, Germany and the UK) noting the triggering of the Moscow Mechanism by the E3 on 17 September 2020 as a result of the political unrest and human rights abuses that ensued during elections in Belarus<sup>6</sup>. Security cooperation with the E3 will therefore continue to be a key area of focus for the FCDO. Moreover, Raab has signalled in other interviews that trade agreements will be a key tool for UK foreign policy. In a number of interviews and events, Raab has vocalised the potential for free trade agreements with foreign partners most notably with "our friends in Beijing<sup>7</sup>. Raab has also been criticised for his assertion that business and trade connections with China offer "positives" for the UK, despite ongoing tensions relating to events in Hong Kong and Xinjiang. Raab's repeated assertion that business and trade will be key tools for the UK's foreign policy showcases that the UK's foreign policy will require cross-departmental coordination and notably, that the FCDO will not be the sole lead of UK foreign policy. The Integrated Review echoes this argument by framing UK foreign policy strategy as a synthesis of foreign, defence, security and trade policies. However, discourse on the FCDO's value and role remain fairly unclear; in comparison with the other departments who have a clear

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<sup>&</sup>lt;sup>6</sup> 'Belarus: UK Triggers Moscow Mechanism at OSCE to Investigate Elections', News Report, 17 September 2020, accessed January 1 2021, https://www.gov.uk/government/news/belarus-uk-triggers-moscow-mechanism-at-osce-to-investigate-elections.

<sup>&</sup>lt;sup>7</sup> George Grylls, 'Dominic Raab Tells "Friends in Beijing" of Trade Hope', *The Sunday Times*, 6 March 2021, accessed 11 April 2021, accessed January 1 2021, https://www.thetimes.co.uk/article/dominic-raab-tells-friends-in-beijing-of-trade-hope-6ldxmdfm6.

<sup>&</sup>lt;sup>8</sup> Michael Settle, 'China Is "here to Stay," Insists Raab as Britain Looks to Indo-Pacific Region for Trade Growth', *The Herald*, 17 March, accessed 11 April 2021,

https://www.heraldscotland.com/news/19167259.china-here-stay--insists-raab-britain-looks-indo-pacific-region-trade-growth/.

mission and toolkit to execute their agenda, there is little discussion on the exact role the FCDO will play and the tools that they will use to pursue their goals. This may be a result of the delay in FCDO operations due to the merger but regardless, it appears that the FCDO lacks a clear agenda and strategy at this moment in time.

## A look inside the Department; Governance, Leadership and Funding

The newly established leadership of the FCDO is split between 5 main boards and committees: the FCDO Supervisory Board, Management Board, Audit and Risk Assurance Committee, FCDO Senior Leadership Board and the Executive Committee. The table below outlines how the structure relates to the former FCO and DFID governance structure. Bracketed numbers also highlight the number of members per body.

Table 1: Table demonstrating the governance structure of FCO, DFID and FCDO. Source: Author's own. Information sourced from gov.uk.

Former FCO governance		Former DFID governance		FCDO governance	
1.	FCO Supervisory Board (9)	1.	DFID Departmental	1.	FCDO Supervisory
2.	FCO Management Board		Board (14)		<u>Board (8)</u>
	<u>(14)</u>	2.	Executive Committee	2.	FCDO Management
3.	FCO Senior Appointments		(6)		<u>Board (19)</u>
	Board (10)	3.	Development Policy	3.	Audit and Risk
4.	Audit and Risk Assurance		Committee		Assurance Committee
	Committee	4.	Audit Committee	4.	Executive Committee
5.	Executive Committee	5.	Investment		<u>(17)</u>
6.	Investment, Infrastructure		Committee	5.	FCDO Senior Leadership
	and Operations Committee	6.	Security Committee		Board
7.	FCO Directors	7.	Senior Leadership		
8.	Foreign Affairs Committee		Committee		
9.	The House of Lords				
	International Relations				
	Committee				
10.	European Security				
	Committee				
11.	House of Lords European				
	Union Committee				
12.	All Party Parliamentary				
	Groups				

The evidence showcases that the FCDO governance structure almost precisely mirrors that of the FCO through the inclusion of four prior FCO bodies. This dynamic is also mirrored in the personnel; five FCO members and only two DFID board members, Moazzam Malik and Juliet Chua, feature on the FCDO Management Board <sup>9</sup>. This imbalance explains why DFID staff raised their concerns that the merger essentially represented an FCO takeover <sup>10</sup> and signals that the government is keen for foreign policy to receive greater attention than it previously did when the two departments operated independently.

The shift in the personnel on the management board also demonstrates a geographic focus on Asia. The replacement of former head of the FCO Sir Simon McDonald with Sir Philip Barton, former High Commissioner to both India and Pakistan, points to a focus on the Indo-Pacific region, as cited in the Integrated Review as the "Indo-Pacific tilt" 11. The creation of a new position, Director General of the Indo-Pacific, in 2020 is also an overt demonstration of the commitment to the region. This is in addition to five of the seven officials from the FCO and DFID whose overseas experience is largely rooted in Asia 12. As interviews with FCDO staff were unable to be conducted within this research project, this is very much a top-down view of the department that does not account for how internal staff will be organised thematically or geographically. Nevertheless, this analysis does showcase a shift in focus to the Indo-Pacific, and a notable emulation of the more centralised FCO governance structure.

#### **Funding**

In order for the FCDO to pursue their agenda, they will need adequate funding especially given the wide array of ambitious objectives laid out in the so-called "Global Britain" agenda. Below notes the figures for the portfolios over the previous three years.

<sup>&</sup>lt;sup>9</sup> Laura Hughes, 'Tim Barrow to Be Political Director at Enlarged UK Foreign Office', *Financial Times*, 23 August 2020, accessed January 1 2021, https://www.ft.com/content/a54b1e34-716a-426f-8189-0f48e0ff886f. <sup>10</sup> Simon Murphy, 'DfID Staff "devastated and Demoralised" by Foreign Office Merger', *The Guardian*, 21 June 2020, accessed January 1 2021, https://www.theguardian.com/politics/2020/jun/21/dfid-staff-devastated-and-demoralised-by-foreign-office-merger.

<sup>&</sup>lt;sup>11</sup> Government, 'Global Britain in a Competitive Age The Integrated Review of Security, Defence, Development and Foreign Policy'.

<sup>&</sup>lt;sup>12</sup> Foreign, Commonwealth and Development Office, 'Our Governance', n.d., accessed February 15 2021, https://www.gov.uk/government/organisations/foreign-commonwealth-development-office/about/ourgovernance.

Table 2 - FCDOs overall budget. Sources: DFID and FCO portfolio activities from iati.fcdo.gov.uk via the IATI registry and gov.uk for the FCDO budget via the report on supplementary estimates memorandum 2020 - 2021

(£bn's current	2019-20	2020-21
prices)		
DFID's former	10.3	7.9
portfolio of activities		
FCOs former	1	0.8
portfolio of activities		
FCDO Budget		10.3

Whilst the IATI registry notes that DFID's budget in 2019-20 was 10.3 billion, the gov.uk statistics estimates that the FCDO's overall budget for 2020-21 will also be 10.3 billion. The lack of increase in FCDO funding echoes Sir Philips Barton's statements where he cautioned that the "We've been clear and honest with staff that the overall organization is not going to be as large as the two organizations [FCDO and DFID] put together in total"<sup>13</sup>. This message is reflected in the funding and the lack of financial commitments to the diplomatic service, despite mentioning it as being key to UK foreign policy 57 times in the Integrated Review. Also announced as part of the foreign policy strategy within the Integrated Review was a defence budget increase reaching £51.7bn by 2024-5, an increase of 17.7% from the 2020-21 budget. After years of defence budget cuts, this showcases that this current government believes that a modernized military is needed for the UK to compete with other actors globally and to garner influence. Yet the notable lack of commitments to modernize the tools specific to the FCDO means the Department will have to leverage foreign policy tools overseen by other Whitehall Departments, notably UK business, commerce and military tools. Once more, this demonstrates that the FCDO will not be the sole lead on UK foreign policy in the future, and will have to balance its operations alongside other Whitehall Departments.

Moreover, whilst it has also been confirmed by FCDO officials that the Official Development Assistance (ODA) remains the source of the overseas aid budget, the announced cut to the

<sup>&</sup>lt;sup>13</sup> William Worley, 'What We Learned from the FCDO Chief's Grilling by UK Politicians', 11 November 2020, https://www.devex.com/news/what-we-learned-from-the-fcdo-chief-s-grilling-by-uk-politicians-98520.

ODA budget from 0.7% to 0.5% of GNI for the financial year of 2020-21 will restrict the FCDO's ability to invest in projects abroad. The decision to cut the aid budget triggered extensive pushback, with a report from the public watchdog Independent Commission for Aid Impact echoing these concerns, reporting in December 2020 that government officials had withheld information from suppliers and NGOs<sup>14</sup>. FCDO officials have expressed their 'shock' at the extent of the aid budget cuts<sup>15</sup>. Chair of the International Development Select Committee Sarah Champion MP took to twitter to share the full details of the planned aid cuts, information which has not been published by the government itself; "Our Ambassadors have today been instructed by @FCDOGovUK to cut 50-70% from their Aid budget. They have 3 weeks to do it...Welcome to day 26 of Global Britain" Alongside the expected global economic hardship post-pandemic, these cuts will place FCDO aid programming under immense pressure to deliver impactful and broad aid policies.

## The FCDO's Foreign Policy tools – are they fit for purpose?

During questioning from the Foreign Affairs Committee, Sir Philip Barton stated that one of his key priorities is to improve the FCDO's "capabilities" by increasing the departments "language skills, economic and data literacy, and the ability to support UK Trade and Commerce"<sup>17</sup>. The Integrated Review also reiterates this need to upgrade the UK's current foreign policy tools however it does not provide details on what exact changes are necessary<sup>18</sup>. Additional commitments made in the Review include £16 billion in additional funds to the Ministry of Defence, a 40% increase in nuclear warheads<sup>19</sup>, and a wide array of financial commitments to fund various soft power initiatives including Science, Research and Education with the aim of making the UK a 'Science and Technology superpower'<sup>20</sup>. Trade is

<sup>&</sup>lt;sup>14</sup> William Worley, 'UK Withheld Information about Aid Program Cuts from NGOs and Contractors', *Devex*, 4 December 2020, accessed February 15 2021, https://www.devex.com/news/uk-withheld-information-about-aid-program-cuts-from-ngos-and-contractors-98707.

William Worley, 'FCDO Staff "in Shock" at Scale of Aid Budget Cuts', *Devex*, 1 February 2021, accessed February 15 2021, https://www.devex.com/news/fcdo-staff-in-shock-at-scale-of-aid-budget-cuts-99038.
 Sarah Champion MP, 'Tweet by Sarah Champion MP', *Twitter* (blog), 26 January 2021, accessed March 14

<sup>2021,</sup> https://twitter.com/SarahChampionMP/status/1353985633732218881?s=20.

<sup>&</sup>lt;sup>17</sup> William Worley, 'What We Learned from the FCDO Chief's Grilling by UK Politicians', 11 November 2020, accessed March 14 2021, https://www.devex.com/news/what-we-learned-from-the-fcdo-chief-s-grilling-by-uk-politicians-98520.

<sup>&</sup>lt;sup>18</sup> Government, 'Global Britain in a Competitive Age The Integrated Review of Security, Defence, Development and Foreign Policy'.

<sup>&</sup>lt;sup>19</sup> Robin Nisbett, '07 Resourcing a New Foreign Policy', Global Britain, Global Broker (UK: Chatham House, 11 January 2021), accessed March 14 2021, https://www.chathamhouse.org/2021/01/global-britain-global-broker/07-resourcing-new-foreign-policy.

<sup>&</sup>lt;sup>20</sup> Government, 'Global Britain in a Competitive Age The Integrated Review of Security, Defence, Development and Foreign Policy'.

also framed as a crucial component of UK foreign policy within the Review, a point echoed by Sir Philip Barton during various press interviews, perhaps foreshadowing that the Department for Trade may be re-housed within the FCDO in the future. Collectively these commitments signal the UK's intent to bolster its hard and soft power tools which will by default greatly improve the FCDO's ability to negotiate with its partners. It will be near impossible for the government to achieve all the investment commitments it has made in the Review, meaning that only time will tell whether these tools will be of use to the FCDO in its operations. More importantly, the tools cited above are not for the primary use of the FCDO and fall outside of the departments' control. This emboldens the core argument of this paper; that it remains unclear how the FCDO will be contributing to the "Global Britain" agenda, with a notable emphasis by Barton and Raab framing the FCDO as a key supporter to other Whitehall Departments.

An essential tool of the FCDO is its diplomatic service. The ambitious plans laid out via the Integrated Review will rely upon a bold and sophisticated diplomatic force, and it is noted in the document that the staff at the FCDO Office in East Kilbride will be increased by 50% to support these efforts<sup>21</sup>. However, the last decade of the FCO has seen cuts of over 1,000 staff since 1989 due to 'a mixture of austerity, increased aid spending and pressure to increase military spending'<sup>22</sup>. Dr Robin Nisbett, Director of Chatham House, has raised this as a key issue for the FCDO; if the FCDO is to pursue its ambitious Global Britain agenda, diplomacy will require significant financial and political investment<sup>23</sup>. This is especially critical in a post-Brexit world, where the UK can no longer rely on the EU as a negotiating partner, nor rely on the division of labour that EU membership afforded. The UK will need a strong diplomatic core who can take an independent lead across a multitude of issues where the UK has previously taken a back seat. Yet there is a lack of vocal commitment from the government on the lines of bolstering the support granted to the diplomatic service, which will need to happen in order for the UK to retain the level of influence it enjoyed as an EU member. Although there has been a notable rise of 18% in the financial resources provided to diplomacy since 2010-11, and an investment in environmental diplomacy via the creation of the diplomatic Climate Change and Energy Network, Nisbett points to the closing or

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<sup>&</sup>lt;sup>21</sup> Government, 47.

<sup>&</sup>lt;sup>22</sup> Patrick Wintour, 'Foreign Office Overseas Staffing Cut by 1,000 in 30 Years, Say Diplomats', *Guardian*, 18 June 2019, accessed March 14 2021, https://www.theguardian.com/politics/2019/jun/18/foreign-office-staffing-down-by-1000-in-30-years-say-diplomats.

<sup>&</sup>lt;sup>23</sup> Nisbett, '07 Resourcing a New Foreign Policy'.

downgrading of "11 consulates and diplomatic offices between 2016 and 2019" has also resulted in the fall of the UK "from ninth place in terms of its global diplomatic presence to 11th at the end of last year"<sup>24</sup>. This lack of focus on consular activity and other traditional areas of diplomacy, such as crisis management, bilateral and institutional relations problematizes the government's rhetoric on its ability to succeed in meeting its many global commitments.

The merger has also re-framed development and aid policy as core foreign policy tools to be operated by the FCDO. Over the last decade, DFID has built a name for itself as an internationally renowned development policy leader and as a result, made UK development policy a key source of soft power. This reputation will remain a vital source of opportunities for the FCDO in the near future. However, the new FCDO set up places responsibility for aid programming in the hands of FCDO 'Heads of Mission', including Ambassadors, Consuls and High Commissioners<sup>25</sup>. Whilst this will enable FCDO Heads greater opportunities in their political programming, this politicisation of aid will taint the soft power garnered by DFID over the last decade. Moreover, as previously stated, recent cuts to the ODA budget for this financial year from 0.7% GNI to 0.5% mean that the aid budget will offer only limited political opportunities to the FCDO Heads. Consequently, it appears that whilst the FCDO's foreign policy tools are in need of upgrading, there have been few overt financial or verbal signals by the current government committing themselves to these improvements. The ability of the Department to execute the ambitious agenda laid out in the Integrated Review therefore, seems unlikely.

## UK-EU policy – where does the FCDO fit in?

EU policy has been led by 10 Downing Street since the referendum and the appointment of Lord David Frost in February 2021 to lead UK-EU negotiations on the cabinet confirms that this will continue to be the case. Replacing Michael Gove as Chair of the Partnership Council, a group that oversees the settling of trade disputes with the EU, Frost will also serve as Chair to the Withdrawal Agreement Joint Committee, a body that is already struggling

<sup>&</sup>lt;sup>24</sup> Nisbett, 61.

<sup>&</sup>lt;sup>25</sup> Greg Power, 'Development and Democracy vs Diplomacy and Trade? The Future of "Working Politically" in the New FCDO', *Global Partners Governance*, October 2020, accessed March 14 2021, https://www.gpgovernance.net/blog/development-and-democracy-vs-diplomacy-and-trade-the-future-of-working-politically-in-the-new-fcdo/.

with the application of the Northern Ireland Protocol<sup>26</sup>. Frost will also be "co-ordinating relations with the EU institutions and 27 EU member states"<sup>27</sup>. The FCDO will not therefore, as stated in a Foreign Affairs Committee briefing, be an "impartial convening power"<sup>28</sup> over European policy, despite historically it being the case that the FCO directed bilateral relations with Germany and France. Research from the Institute for Government does highlight the efficacy of this arrangement, as the Cabinet has been coordinating European policy across departments since the referendum and doing so with noted success<sup>29</sup>. However, of immense value is the FCDO's diplomatic networks in Europe, as embassies and diplomatic staff will be the main point of contact with European governments, civil society and business. As a result, the FCDO will have to play a central role in the coordination of European policy and David Frost will have to balance ongoing negotiation strategies with long-term foreign policy objectives. However, Frost's leadership signals that the FCDO will not have agency in policy formulation.

In terms of the substance of this coordinated European policy, the Integrated Review notes that security is the key area of cooperation. France and Germany are cited as key partners, echoing Raab's emphasis on E3 relations during his interview with the Atlantic Council. The report also makes clear that the EU will not be a key partner to the FCDO, instead noting that "we will work with the EU where our interests coincide" This distancing has played out in real time, most notably in January 2020 where the UK government refused to offer the EU Ambassador to the UK, João Vale de Almeida, full diplomatic privileges The focus of the FCDO's Europe agenda will therefore be focused on coordinating bilaterally with European nations, whilst also coordinating with the Cabinet Office who will be leading on strategy.

<sup>&</sup>lt;sup>26</sup> Jessica Elgot and Lisa O'Carroll, 'Brexit Negotiator David Frost to Have Cabinet Role as EU Pact Enforcer', *The Guardian*, 17 February 2021, accessed March 14 2021,

https://www.theguardian.com/politics/2021/feb/17/david-frost-to-have-cabinet-role-as-eu-pact-enforcer.

<sup>&</sup>lt;sup>27</sup> George Parker, Peter Foster, and Sebastian Payne, 'Brexit Negotiator Frost to Take Charge of UK-EU Relations', 17 February 2021, accessed March 11 2021, https://www.ft.com/content/2f581636-99a5-4252-a6a4-e2e57a5fc601.

<sup>&</sup>lt;sup>28</sup> 'Oral Evidence: The Future of Britain's Diplomatic Relationship with Europe: Follow-Up', Pub. L. No. HC 178, § House of Commons Foreign Affairs Committee (2019).

<sup>&</sup>lt;sup>29</sup> Georgia Wright, Alex Stojanovic, and David Klemperer, 'Influencing the EU after Brexit' (London: Institute for Government, January 2020), accessed March 11

<sup>2021</sup>https://www.instituteforgovernment.org.uk/sites/default/files/publications/influencing-EU-after-brexit 2.pdf.

<sup>&</sup>lt;sup>30</sup> Government, 'Global Britain in a Competitive Age The Integrated Review of Security, Defence, Development and Foreign Policy', 21.

<sup>&</sup>lt;sup>31</sup> Martin Banks, 'UK in Diplomatic Spat with EU over Ambassador Rights', *The Parliament Magazine*, 22 January 2021, accessed January 11 2021, https://www.theparliamentmagazine.eu/news/article/uk-in-diplomatic-spat-with-eu-over-ambassador-rights.

## The rise and fall of DFID and the likely consequences for the FCDO

Uniting the FCO and DFID has been pivotal to the UK government's post-Brexit strategy by recasting development and aid spending as foreign policy tools. Johnson has stated that the key objective is 'to make decisions on aid spending in line with the UK's priorities overseas"<sup>32</sup>. Former International Trade Secretary Dr Liam Fox has stated that the FCO had been 'hollowed out' due to repeated FCO budget cuts<sup>33</sup>. However, many in the UK development community currently feel that DFID's international reputation as a global leader in aid and development has been lost due to the merger. Since its creation in 1997, DFID had been given significant support by Labour and Conservative governments. Notable impacts were made by the Blair government in the passing of the International Development Act 2002, making the eradication of poverty the principle aim of DFID. The Cameron government also passed the International Development Act in 2015, making the UK the first G7 country to meet the UN aid spending target of 0.7% of GNI. These two Acts emboldened DFID's position in the world, with the protected aid spending enabling the department to gain a reputation as a leading international figure in development.

Concern has been raised around the potential loss of this reputation as a result of the merger. Former PM's Tony Blair, David Cameron and Theresa May have all joined the International Development Committee (IDC) in stating that it would damage Britain's "soft power" <sup>34</sup>. Michael Clarke, former Director-General of the think-tank the Royal United Services Institute (RUSI), suggests that the merger aims to 'rescue the Foreign Office's reputation which has become rather poor as it is starved of resources... DFID has actually got a very good reputation abroad and the UK has been seen as something of a development superpower'<sup>35</sup>. Whilst the Integrated Review alludes to the improvement of UK soft power capabilities via science, research and funding for the British Council, these commitments seem minimal given the loss of a "superpower" status in international development. This is in addition to, as noted previously, the minimal focus on the upgrading of the FCDO's foreign policy tools, in particular the diplomatic service. Collectively, these factors suggest that the

<sup>&</sup>lt;sup>32</sup> 'Global Britain', Pub. L. No. Volume 677 (2020), accessed January 18 2021, hhttps://hansard.parliament.uk/commons/2020-06-16/debates/20061637000001/GlobalBritain.

<sup>&</sup>lt;sup>33</sup> Dr Liam Fox MP, *Dr Liam Fox MP Keynote Speech*, 2020, accessed January 12 2021, hhttps://www.instituteforgovernment.org.uk/dr-liam-fox-mp.

<sup>&</sup>lt;sup>34</sup> Heather Stewart, 'Three Ex-PMs Attack Plan to Merge DfID with Foreign Office', *The Guardian*, 16 June 2020, accessed January 8 2021, hhttps://www.theguardian.com/politics/2020/jun/16/foreign-office-and-department-for-international-development-to-merge.

<sup>&</sup>lt;sup>35</sup>Hughes, 'Tim Barrow to Be Political Director at Enlarged UK Foreign Office'.

FCDO is currently lacking in terms of the robustness of its material capabilities and will somehow need to re-capture the loss of DFID's soft power status.

The potential financial and strategic benefits from the merger will only become clear with time. A study from the Overseas Development Institute analysing previous mergers in other countries does note that overall, results are 'mixed', noting that "political leadership and institutional capacity to set and deliver development [that] matters more than organisational structure"36. The reports' review of Canada's merger points out that there has been a decline in Global Affairs Canada's administrative costs but notes that "we suggest these savings didn't materialize from the merger itself"<sup>37</sup>. The financial costs of the FCDO merger have not been published by the current government. Instead, a government report indicates that they are unclear on the exact costs of the process, noting that the "primary goal" is not to save money via the merger itself but through the efficiency gains that will come in the future<sup>38</sup>. However, estimates from the Associate Director of the Institute for Government place costs at a minimum of £15 million for 'upfront alignment of staff, offices and services' 39. The ODI report also notes that mergers take a number of years, meaning that in the near future, there will be disruptions to FCDO operations as the department is re-organised. Overall, the loss of DFID's reputation, the lack of investment in FCDO foreign policy tools and the mediocre assessment of mergers in the literature paints a fairly downcast picture as to the robustness of the FCDO's abilities in the short and long term.

#### Conclusion

Whilst the FCDO has been framed by Johnson's government as fundamental to the "Global Britain" agenda, the repeated emphasis on inter-departmental coordination makes plain that the FCDO will not be the sole arbiter or architect of UK foreign policy. Notably, the current evidence reveals that the FCDO has a relatively unclear role in terms of its contribution to the

<sup>&</sup>lt;sup>36</sup> Nilima Gulrajani, 'Merging Development Agencies: Making the Right Choice' (Overseas Development Institute, January 2018), 1, accessed January 9 2021, https://www.odi.org/sites/odi.org.uk/files/resourcedocuments/11983.pdf.

<sup>&</sup>lt;sup>37</sup> Gulrajani, 8.

<sup>&</sup>lt;sup>38</sup> Government Response, 'Fourth Special Report', Effectiveness of UK Aid: Interim Report & Effectiveness of UK Aid: Potential Impact of FCO/DFID Merger: Government Response to the Second & Fourth Reports of the Committee, 28 September 2020, accessed March 16 2021.

https://publications.parliament.uk/pa/cm5801/cmselect/cmintdev/820/82002.htm.

<sup>&</sup>lt;sup>39</sup> Jim Dunton, 'Ministers Admit It's Too Early to Know Cost of Merging FCO and DfID', 5 October 2020, accessed March 15 2021, https://www.civilserviceworld.com/news/article/ministers-admit-its-too-early-to-sayhow-much-merging-fco-and-dfid-will-cost.

"Global Britain" agenda; the repeated emphasis of the importance of the UK's material capabilities in trade, business and defence does question what capabilities unique to the FCDO will play a role in the foreign policy strategy. With Frost as the lead on European policy, and Barton leading the FCDO with his Indo-Pacific expertise, it's also clear that the FCDO will focus their efforts on relations outside of the EU and where necessary, coordinate bilateral relations with European states. Yet the lack of committed investments into the FCDO's foreign policy tools, and the loss of DFID's "superpower" status leaves the FCDO lacking in terms of its capabilities. With time it will become clearer as to the efficacy of the merger, and whether coordination with other Whitehall Departments either complicates or emboldens UK foreign policy. Future research would benefit our understanding by delving into the internal structure of the FCDO and analysing whether operations have altered how foreign policy is executed.

## **Chronology of Events**

May 1997

⇒ Creation of the Department for International Development (DFID) by PM Tony Blair's Labour Government

17 June 2002

⇒ International Development Act 2002 making the eradication of poverty the principle aim of DFID

1 June 2015

⇒ International Development Act 2015 passed by PM David Cameron's conservative government raising minimum official development assistance spending to 0.7% of gross national income

16 June 2020

- ⇒ Prime Minister announces that DFID and FCO will merge 'uniting development and diplomacy in one new department that brings together Britain's international effort'<sup>40</sup>
- 25 November 2020
  - ⇒ Chancellor of the Exchequer Rishi Sunak announces cuts to the official development assistance budget (ODA)
- 22 January 2021
- $\Rightarrow$  UK refuses EU Ambassador to the UK with full diplomatic privileges 17 February 2021
  - ⇒ Appointment of David Frost to UK Chair of Partnership Council and Chair of the Withdrawal Agreement
- 16 March 2021
  - ⇒ Publishing of The Integrated Review

<sup>&</sup>lt;sup>40</sup> 'Prime Minister Announces Merger of Department for International Development and Foreign Office'.

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