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Responding to the Integrated Review

NEW DIPL MACY PROJECT

TOP LINES

- A comprehensive review of Britain's defence and security, and how this relates to wider issues like foreign policy, development, climate change and trade, is very welcome.
- The emphasis on national resilience in areas such as public health and climate change as well as the incorporation of science and technology policy suggests a much closer alignment between domestic and foreign policy than previous governments have pursued.
- However, this Integrated Review prioritises rhetoric over substance, and fails to meaningfully engage with the difficult trade-offs involved with the UK leaving the EU, charting our own course on trade, tackling climate change, modernising the Armed Forces and building international relationships while protecting national sovereignty.
- This 'cakeism' is particularly evident in the report's China policy, which aims to maintain Britain's trade and investment relationship with China while also protecting sensitive industries and criticising China's actions in Hong Kong and Xinjiang.
- In other areas, the review lacks tangible policy proposals. For instance, on climate change, it is not clear how foreign policy and trade deals will need to change to respond to the climate crisis, and there is a lot of faith placed in future technological solutions.
- International development, despite being part of the Review's title, is largely neglected. There is no discussion of the effect of planned aid cuts, either in terms of real-world impact for developing partners, or for the UK's soft power standing, and no clarity on when the Government intends to return to the 0.7% target.
- Labour should take the opportunity to highlight these inconsistencies and challenge the Government to produce concrete policy proposals which engage with the difficult decisions facing the UK's defence and foreign policy in the years ahead.

INTRODUCTION

On 16 March 2021, the UK Government published the results of its Integrated Review of Security, Defence, Development and Foreign Policy (<u>available in full here</u>). The review has four focus areas:

1. Sustaining strategic advantage through science and technology

- a. Growing the UK's science and technology power.
- b. Cementing the UK's role as a responsible and democratic cyber power, protecting and promoting UK interests through cyberspace.
- 2. Shaping the international order of the future

- a. Supporting open societies and defending human rights
- b. Shaping an open and resilient global economy
- c. Shaping an international order as it develops into future frontiers
- 3. Strengthening security and defence at home and overseas
 - a. Countering state threats at home and abroad.
 - b. Tackling conflict and instability.
 - c. Enhancing the UK's homeland security by tackling transnational security challenges.
- 4. Building resilience at home and overseas
 - a. Building the UK's national resilience
 - b. Tackling climate change and biodiversity loss
 - c. Building the UK's health resilience

While the ambitious scope and breadth of the Integrated Review can be commended, the lack of detail in many areas raises questions over both the feasibility and desirability of the approach it outlines. This briefing analyses the key shifts signalled by the Integrated Review, looking particularly at: defence and security; development; diplomacy; environmental policy; trade; and the concept of a values-based UK foreign policy.

IMPLICATIONS FOR DEFENCE AND SECURITY

The Integrated Review provided a series of headline changes to UK defence policy, which were given more detail in subsequent documents including the new <u>Defence Command Paper</u> and the <u>review</u> of the military's engagement with climate change. While these documents outline significant shifts in emphasis, particularly regarding investment in military capabilities in cyber and space, serious questions remain about whether the UK Government is prepared to finance the ambitious proposals.

The Integrated Review announced a change to the maximum number of nuclear warheads the UK can acquire, from 180 to 260. The Government gives no rationale for this increase. This has left defence experts confused, as they attempt to interpret whether this increase is due to the planned development and introduction of a new type of warhead for Trident missiles which would necessitate a temporary increase, the threat posed by Russia and improvements in Russia's ABM capabilities, or whether the UK Government wants a nuclear arsenal of a similar size to France. Moreover, the commitment to no longer sharing the exact amount of warheads retained by the UK at any one time challenges norms of transparency which are part of the international non-proliferation

The Government appears to want the armed forces to **focus on deterring Russia while also maintaining a more global role**, particularly by maintaining an effective security presence in the Indo-Pacific region This would bring with it major contradictions in terms of policy and could lead to the UK armed forces easily being stretched thin. The Defence Command Paper detailed cuts to the total size of the British Army, from 82,000 to 72,500, and also the retiring of a range of capabilities including the C130 Hercules aircraft. While modernisation should be welcomed, the desire to more proactively deploy across the globe is at odds with material capacity.

Details regarding the reorganization of the army remain sparse (and will be announced later this year), but it seems likely that the army will be reconfigured towards a focus more on the brigade level.

Labour should point out that **this is the fourth reorganisation of the army since 2010**, none of which have ever been fully implemented as they have always been overtaken by another reorganisation. A key question is therefore whether this reorganisation will ever properly take place, and the impact that constant proposed changes have on morale and recruitment.

The Government's proposed reform of the UK armed forces appears to reinforce its **top-heaviness**, with previous reductions leading to an increase in the proportion of senior officers. Labour should press the Government on the growing management structure of the UK armed forces and what impact it has on the Review's emphasis on 'rapid decision-making and agility'.

Ministers have previously announced additional spending on the capabilities of the UK armed forces, which is reiterated in the Integrated Review alongside a desire to integrate military spending as part of the Government's wider industrial strategy. However, there is little detail on whether this means that the UK Government will **import less defence equipment from the US** and other military allies.

The Review places an emphasis on Western values, democracy, representation and issues like girls' education, but says nothing about **BAME representation within the armed forces** despite it being one of the largest employers in the UK. If Commonwealth and Gurkha recruits are excluded, there is a lack of BAME representation within the armed forces particularly within the senior office corps. Labour should press the Government on this issue.

IMPLICATIONS FOR DEVELOPMENT

Despite 'Development' being referenced in the title, and the recent merger of the FCO and DFID, **there is no standalone section on development in the Review.** Development is referenced almost exclusively in the context of diplomacy, and in terms of advancing the UK's strategic interests. This is a strong indication development is likely to take a back-seat in the FCDO, or be instrumentalised to advance diplomatic or security interests.

The Prime Minister's foreword in the Review reiterates the **commitment to spend 0.7 per cent of GNI on development** 'when the fiscal situation allows', repeating the official Government line and failing to either set out a timeline for returning to the legal target, or to identify clear fiscal indicators that would put us on the path back to 0.7.

Sustainable Development Goals are outlined in the Integrated Review as one of the key areas of continuity for UK foreign policy, alongside upholding human rights. **Girls' education** is referenced frequently as a flagship priority (getting 40 million girls into school by 2025), and there is also a broader but brief commitment on gender equality, under the 'force for good agenda', which also references the need to tackle violence against women and girls.

The Review acknowledges a potential rise in **global poverty, particularly in Africa**, with an emphasis on trade for development and self-sufficiency. The Government will maintain its commitment to Africa, with a particular focus on East and West Africa (referencing Nigeria specifically) and increase development efforts in the Indo-Pacific as a way of advancing the UK's strategic interests in this region.

The Government's approach towards **North Africa and the Middle East** (particularly Yemen and Libya) is described in terms of working towards 'durable political solutions' rather than humanitarian efforts. This chimes with the leaked reports in OpenDemocracy that **the Government intends to significantly reduce development aid to conflict-affected states** like Somalia, Libya and South Sudan, and its decision to slash its aid budget to Yemen by 60 per cent. There are also some glaring absences, with no mention at all of the protracted conflict between Israel and Palestine and the UK's role in any prospective peace process.

The Government's approach to development will be set out in a new international development strategy, from 2022 onwards, following the Strategic Framework's objectives. It will build on the Foreign Secretary's existing seven priorities: climate change and biodiversity; global health; conflict resolution and open societies; girls' education; humanitarian preparedness; science and technology; and trade and economic development.

The geographical focus towards the Indo-Pacific and away from countries in crisis is a concerning shift amid significant reductions to the aid budget. Billions of ODA are already locked into multilateral commitments (including the World Bank, the EU development fund and UN agencies) and to in-country refugee costs, and the Government plans to increase contributions to international climate finance ahead of COP26. This means that significant and disproportionate cuts are expected to land on anything that does not fall squarely into the seven strategic priorities.

This 'tickbox' approach to development is likely to create challenges for achieving real and lasting impact, and represents **a major divergence from DFID's more inter-sectoral approach**. For example, a narrow focus on girls' education may come at the detriment of a more holistic approach to address the economic and cultural barriers that prevent girls from attending and staying in school, such as domestic violence and the burden of unpaid care. This, combined with the Review's emphasis on the Indo-Pacific, and the recent leaks regarding cuts to MENA, is a strong and concerning indication that the UK's diminished aid budget may not be spent where it is most needed, raising questions about the UK's ability to comply with OECD Development Assistance Committee rules.

The reported **lack of consultation with civil society** and think tanks raises questions about how and whether key stakeholders will be able to input into the planned 'development strategy', including feeding in on-the-ground insight and analysis of where UK aid can have the most impact, or indeed whether the strategy is a *fait accompli*.

IMPLICATIONS FOR DIPLOMACY

The Government states that when it comes to the levels of diplomatic staff abroad and at home, the UK 'must hold to our existing strengths'. This could be understood as an admission that the cuts to FCO manpower in the previous decade were a mistake.

The Review outlines a new **focus on regulatory, science and technology , cyber, legal, dispute-resolution, national security and legal diplomacy**. Of course, FCDO staff already undertake many of these areas of focus, but it does highlight again the desire for this Government to use diplomacy to primarily focus on benefiting the UK's economic interests, particularly through the UK's status as a legal centre.

The Government emphasises the promotion of **bilateral relationships with individual European countries** over formalised foreign policy and security collaboration with the EU. This is a risky strategy which may alienate EU institutions, and also depends on the goodwill and the striking of common ground, particularly with France and Germany. Without a formal **E3 grouping**, a coherent strategy across government for bilateral engagement with European countries, or increased investment of diplomatic resources and time, this could lead to an incoherent and divisive foreign policy.

Similarly, the tilt toward the **Indo-Pacific** and deepening of pre-existing defence and intelligence arrangements requires diplomatic resources and concerted engagement. Trade deals and occasional Royal Navy tours in the region are not a replacement for genuine diplomacy.

The Indo-Pacific tilt also risks a de-prioritisation of diplomatic relations with other geographically important areas, including the Middle East and Africa. This in turn will have consequences in terms of influence, the loss of capabilities, and previous commitments the UK Government has made.

IMPLICATIONS FOR ENVIRONMENTAL POLICY

Climate change is ostensibly a core part of the review, which says that the UK 'will make tackling climate change and biodiversity loss its number one international priority.'

However, the Review fails to **meaningfully engage with the trade-offs** that this might require. For example, in terms of China policy: keeping key industries strategically independent of China might mean losing access to Chinese green technology, like lithium ion batteries. Similarly, engaging with China might be necessary for tackling climate change, but this may conflict with wider foreign policy objectives and challenging China on its human rights violations.

There are a number of ways that **trade deals** can negatively impact the environment, such as through deregulating environmental standards and allowing investors to sue governments for introducing measures which harm their profits (Investor-State Dispute Settlement mechanisms). Maritime trade makes up 3% of all global emissions. These issues are not explored at all in the Review. Instead, the solution for climate change seems to lie in ambitious targets and domestic investment in green technology (the 'green industrial revolution').

As in other areas, there is more rhetoric than substance on environmental policy. A good example of this is a section on **oceans** (which has its own box), which says - almost in the same breath - that oceans should be (1) open for free trade; (2) patrolled by the Royal Navy; (3) protected from pollution and environmental degradation; and (4) open for British fishing. The review doesn't even acknowledge that these goals might come into conflict with each other.

The Review is therefore arguably more of a **wishlist of climate ambitions** rather than a concrete plan for achieving these goals. It is unclear how the UK will use its 'Soft Power Superpower' aspiration to prevent climate degradation abroad, for example by challenging China's environmental degradation or deforestation in the Amazon under Brazilian President Bolsonaro, which has led to irreparable ecological damage.

On a domestic level, the Government also seems to be **abandoning policies to incentivise electric car uptake**, whilst simultaneously advocating for a new **expansive coal mine in Cumbria**.

The commitment by the Government to increase the UK's nuclear weapons arsenal is another example of its contradictory approach when it comes to the environment. With the increase in the production of nuclear weapons producing additional hazardous waste.

The Review fails to mention that the **Armed Forces are a major polluter** and to outline government initiatives that can be taken to curb military pollution. This is especially pertinent when considering the planned Indo-Pacific tilt and the Royal Navy's part in this. This issue has since been addressed in a Ministry of Defence report on <u>Climate Change and Sustainability Strategic Approach</u>.

Labour should highlight these inconsistencies and instances where the Government has failed to match rhetoric on climate change with meaningful substance.

IMPLICATIONS FOR TRADE POLICY

Trade policy forms a substantial part of the review, despite not being mentioned in the report's original scope. Trade is in fact mentioned far more frequently than development. However, despite this focus, there is nothing obviously new in the Government's approach to trade policy. A few points to note include:

Indo-Pacific tilt: Compared to previous messaging from the Department for International Trade, there is far greater emphasis on trade with Asia-Pacific countries compared to trade with the US, and trade with the EU is barely mentioned beyond a nod to the success of negotiating the TCA (as though that's done and dusted).

Joining the **Comprehensive and Progressive Trans-Pacific Partnership (CPTPP)** is touted as a key ambition, if not the number one priority, along with bilateral deals with Australia and New Zealand. The UK also wants to become a 'Dialogue Partner' in **ASEAN**, an economic and political grouping of Southeast Asian countries, though this title is unlikely to mean much in practice.

The CPTPP is partly seen as a means of countering China's trade dominance in the region, though the logic behind this is questionable given that most CPTPP members are also party to trade deals with China, most notably the Regional Comprehensive Economic Partnership. The CPTPP would add very negligible GDP benefits to the UK, and could risk diverging standards further from the UK's main trading partner, the EU. Furthermore, there is evidence that the CPTPP could have a negative impact on the fight against climate change, through lowering standards, and also threaten public services and workers' rights.

There is a longer run aspiration towards a full **FTA with India**, and the Prime Minister is visiting India soon. The feasibility of this is questionable, given the EU's experience with trying and failing to

negotiate a deal with India for years. India is likely to have firm demands on visa rights and Intellectual Property which the UK will struggle to accommodate.

Labour should welcome increased cooperation with allies in Asia, but should question the use of liberalising trade deals as the best forum for this. It is also worth noting that many of these partners are imperfect democracies, and have their own problems with human rights, making it difficult to draw a binary distinction between China and 'liberal democracies' in Asia.

The report also says the UK wants to achieve 'global leadership in digital trade' and advance WTO negotiations on e-commerce. It is difficult to see how this ambition is consistent with maintaining data privacy to the same degree as the EU's GDPR system. This not only risks citizens' data, but also could mean the UK loses its EU data adequacy status, which would (perhaps ironically) be a severe blow to digital trade and e-commerce in the UK.

There is a brief mention of protecting **food standards** in trade deals, though nothing on the NHS or public services. It is unclear how these ambitions are consistent with joining the CPTPP, which could lead to a reduction in tariffs on food imports which are produced to lower standards than domestic goods. The CPTPP's chapters on public services and procurement could also make it harder for a future Labour government to nationalise and regulate public services.

Trade with China: although the review highlights the strategic and security threat posed by China, as well as China's human rights abuses and crackdown in Hong Kong, there is no discussion of how this might impact on UK trade policy.

There is no mention, for instance, of the **UK's Bilateral Investment Treaty with China**, which protects Chinese investors in the UK including Huawei and Bytedance, which have both been accused of complicity in the abuses of Uyghurs in Xinjiang.

There are no detailed proposals for how sensitive industries might be 'decoupled' from Chinese investment, or how to avoid dependence on Chinese supply chains. In other words, the economic fundamentals between Britain and China haven't changed much from Cameron and Osborne's 'golden era', even though the rhetoric is more hostile.

A VALUES-BASED UK FOREIGN POLICY?

The Government outlines that its overriding priority is to protect the interests of the British people in the Review which it defines as sovereignty, security and prosperity. However, the Review does not discuss ways in which these goals may conflict with each other.

The promotion of **individual and national sovereignty** as the overarching interest of the British people appears to conflict with its trade policy, which to some degree involves the ceding of economic sovereignty. The Government also fails to notice the irony of championing sovereignty when it has denied the opportunity for the people's elected representatives to have a say over these trade agreements.

Similarly, the placing of sovereignty as an overriding priority seems to ignore that when it comes to **national security or tackling climate change**, nation states pool or give up their sovereignty through multilateral institutions like the United Nations or NATO or through binding treaties like the Paris Climate Accord.

Contradictions are also evident in the Government's definition of **prosperity**, which vaguely characterises it as a 'high level of economic and social well-being 'that depends on 'the levelling up of opportunity and doing more to share the economic benefits of economic growth across the UK'. This ignores the fact that economic and social well-being is dependent on fair wages, basic rights in the workplace, and a fair and equitable tax system.

The interests of the British people and the values on which the UK bases its foreign policy is a contested space. Labour should be willing to call out the inherent contradictions and omissions in the ideological approach this government takes to the UK's place in the world, the priorities and needs of her citizens, and the UK's key relationships.

This includes the Government's claim that it will put **human rights** at the heart of its foreign policy, which seems at odds with the UK's continued **sale of arms to Saudi Arabia** to use against the population of Yemen; and the UK's support of continuing existing trade and investment arrangements with **China** when it stands accused of undertaking crimes against humanity against the Uyghurs; and **when the UK is openly considering 'offshoring' asylum processing to British overseas territories or crown dependencies**. This idea has circulated for years and apart from moral concerns has often failed because it's an expensive and impractical solution.

Human rights and values are further complicated by the statement in the 'new plan for immigration' from the Home Secretary, which suggests that the Home Office will attempt to threaten other nation states that do not cooperate in taking back their foreign criminals and failed asylum seekers: 'We will seek to use the range of levers we have to improve returns co-operation, including considering whether to more carefully control visa availability where a country does not cooperate with receiving their own nationals who have no right to be in the UK'. This raises significant questions of international law and bilateral diplomacy.

CONCLUSION: PRIORITIES FOR OPPOSITION SCRUTINY

Policies with scope for criticism from Labour:

1. Defending internet openness

Labour should highlight this gap between the position the UK Government wishes to cast and the reality, ensuring the next Labour Government stands up for an open internet and fights against the increasing trend by some countries toward supporting censorship as a way of maintaining power.

2. China cakeism

Labour should highlight the impossibility of deepening trade ties with China while calling out

human rights abuse and protecting national security. Increased economic dependency on China will compromise the other two objectives. Instead, Labour should advocate a more realist approach which recognises the stark change in the Chinese government's behaviour since Xi Jinping took power in 2012. This should include clear red lines on investment that undermines national security, research collaboration on sensitive areas of technology, and concerted action against Beijing's actions in Hong Kong and in Xinjiang.

3. De-prioritisation of development

Labour should highlight and condemn the de-prioritisation of development in the Integrated Review, and the Government's failure to set out a clear timeline or set of criteria for returning to the 0.7 per cent target.

Policies that Labour should follow up on, or that might require monitoring, auditing or further information to ensure they are properly implemented:

1. '2.4% of GDP on research and development by 2027'

Labour should pledge to review this target in government and consider a strategy and set of policies that it will adopt from 2024 onwards to rapidly increase the level of GDP the UK spends on R&D.

2. 'Offices, envoys and advisors'

Labour should scrutinise the cost of these new offices, bodies, envoys and advisors, the timeline for their creation, and how they fit into the Government's overall foreign policy.

3. Indo-Pacific tilt

Rather than simply transitioning diplomatic, defence, and intelligence assets - and UK ODA away from North Africa and the Middle East toward the Indo-Pacific region without a debate, Labour should advocate that the UK Government produces a fully-fledged strategy that either commits to the expansion and investment of additional resources in the Indo-Pacific region or is clear on how it will manage the transition and de-prioritisation of other parts of the globe.

Labour should also highlight the issues within CPTPP - ranging from environmental standards from labour rights - and promote forms of cooperation with the region which do not depend on deregulatory trade deals.

4. Instrumentalisation of UK aid

Labour should make the case for ODA spending to be better targeted, more transparent and directed towards the global poor. This includes collating and highlighting instances where aid has been misspent and making the case that middle-income countries such as China and

India should no longer be eligible for ODA funds outside of extreme cases of environmental crisis or civil conflict.

Gaps in the IR or opportunities to push for new policies:

1. 0.7% ODA target

Labour should be proactive in proposing a 'roadmap back to 0.7', setting out clear indicators and a realistic timescale to return to the legal target before the next election.

2. Medical supply chains

Labour should make the case for the relocation of key medical supply chains back to the UK. Working with trade unions, health charities, and the NHS workers to identify the areas where the UK faced a shortage in the last year. It should be a strong recommendation in response to the eventual inquiry into the Government's handling of COVID, which would not only bolster the UK's capacity to face the next pandemic, but would have the added benefit of expanding the UK's manufacturing capacity and with it creating jobs

3. Diplomatic manpower

Labour should make it a stated aim to not only protect the preexisting size of the UK's diplomatic manpower but to expand it. Recognising that outside of the EU, the diplomatic demands on the UK will increase substantially as it faces pressure to continue to maintain its global status and ability to punch above its weight.

4. Lack of commitment on GDPR

Labour should hold the Government to account on GDPR, pointing out the inherent contradiction of emphasising 'sovereignty of the people', while watering down protections which will allow private companies to increasingly amass their personal data, and outlining an economic strategy that is not dependent of the dismantling of data protection and the privacy of UK citizens.

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About the New Diplomacy Project:

The New Diplomacy Project is helping Labour to develop a foreign policy for the 21st Century. Our experienced network of foreign policy researchers provides expert advice to Labour MPs and Lords, from real-time reaction to global events to in-depth policy briefings on complex areas of foreign policy. We seek to expand Labour's capacity to think about the foreign policy, while complementing and bolstering the work of its frontbench team.

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