Preparing for the Integrated Review

There will be a Backbench Business Debate (Tobias Ellwood, John Spellar) on the Integrated Review in the House of Commons on Tuesday 9 February 2021

TOP LINES

- The time is ripe for a review of Britain's security challenges: Brexit, the changing balance of global power, the rise of China, climate change and the Covid-19 pandemic demonstrate this.
- Under the Conservatives, the UK's status as a world power has diminished. The armed forces and diplomatic service are under-resourced and have not kept pace with modern threats including biological warfare, cyber attacks and emerging technologies.
- While the Government's rhetoric has been tough on China, Russia and other authoritarian powers, the UK's trade and investment policy continues to support regimes which abuse human rights and threaten Britain's security.
- The UK-EU Trade and Cooperation Agreement is a missed opportunity for defence and foreign policy cooperation between Britain and our closest allies.
- The merger of DfID and the FCO, and the planned cut to the 0.7 commitment, reduces Britain's soft power and will damage relationships with strategic allies.
- By failing to work in unison with the new Biden Administration on ending the war in Yemen and freezing arm sales to Saudi Arabia, the Conservatives have placed UK foreign policy in a weak position of being out of sync with both European and US policymakers.

BACKGROUND TO THE REVIEW

The Integrated Review of Security, Defence, Development and Foreign Policy is an ongoing, cross-governmental review launched in 2019. The review is expected to be published in March 2021, though this is later than originally planned and there has been some speculation that this could be delayed even further. A defence spending paper is expected around the same time.

The Review is the largest of its kind since the Cold War era, and aims to address challenges faced by the UK in its relationship with the wider world, following the UK's exit from the European Union, as well as the onset of new challenges such as climate change, emerging technologies and the Covid-19 pandemic.¹ The Review will look at global developments and trends which impact on UK security and prosperity. In particular, the review is likely to address the strategic, technological and economic challenge posed by an increasingly powerful China, the new Biden presidency in the US and the UK's exit from the EU.²

NEW DIPL (T) MACY PROJECT

¹ Ministry of Defence, <u>Integrated Review</u>, September 2020. ² Ibid.

NEW SECURITY CHALLENGES

China

The Review will undoubtedly address the rise of China, which is increasingly viewed as a strategic, technological and economic rival to the US and its allies. This is supported by recent events including the Chinese Communist Party's crackdown in Hong Kong and aggression in the South China Sea.³

While it is tempting to draw comparisons between the US-China conflict and the Cold War era, there are many reasons why China is very different from that of the Soviet Union, including:

- China's deep integration with global supply chains, investment and capital markets, including in the UK, and reliance on the dollar;
- China's soft power (particularly its influence in academia and business) and role as a major creditor in Central Asia, Africa and elsewhere;
- The shared challenges of pandemics and climate change;
- The rise of digital technology and cyber warfare;
- The US's damaged reputation under the Trump presidency
- The gradual transition to a multipolar world through the growth (or resurgence) of powers such as the European Union, Russia and India.⁴

This means that the UK's response must also differ from that of the Cold War era. While the Review is likely to recommend reducing the dependence of infrastructure on Chinese supply chains and finance, it will be impossible to eliminate UK dependence on Chinese goods and investment. Similarly, although it may be important to bolster traditional defence, for example by working with the US Navy in the South China Sea, more significant challenges may come in the form of cybersecurity or technology policy, such as the arms race between the US and China on semiconductors.

Emerging technologies

The national security threat posed by emerging technologies, particularly Artificial Intelligence (AI), is twofold:

- 1. There is an existential threat posed by the risk of AI developing in such a way that makes it difficult for humans to control, and leads to disruption of energy and other supply chains, the economy and human life.
- 2. The country or company that first develops advanced AI has an immense strategic advantage over competitors, a technological leap which could be comparable to Britain's industrialisation in the 19th Century, or the digital revolution since the 1980s.⁵

If advanced AI is developed by China, for instance, this could give the country a significant economic advantage over the US and its allies, and also have implications for cybersecurity, privacy, espionage and

³ Sam Goodman & David Lawrence, <u>China: How Labour Should Respond to a Growing Strategic Threat</u>, New Diplomacy Project, November 2020.

⁴ Atlantic Council, <u>The Longer Telegram: Toward A New American China Strategy</u>, January 2021.

⁵ See, for example, Russell, S.J., Human Compatible, Viking, 2019

unmanned warfare. The Review is likely to address the challenges posed by emerging technologies, as well as the trade-offs involved with global cooperation on AI safety.

Another area of concern is the relative weakness of the UK's digital regulatory clout on the global stage, compared to the "regulatory superpowers" of the US, China and the EU. This could make it difficult for the UK to chart its own course when it comes to digital security.⁶

Biosecurity

The Covid-19 pandemic has horrifically demonstrated the wide-ranging impact of global pandemics, not just on public health, but also on the economy, supply chains, international diplomacy and domestic order.

As with Artificial Intelligence, there are two ways of understanding this risk: first, the direct risk posed by biological threats such as viruses on the UK population; and second, the risk of biological warfare as malignant states (or individuals) use disease-spread for geopolitical ends.

The poisonings of Sergei and Yulia Skripal, and Alexander Litvinenko, all of which can be traced to the Russian state, are examples of how biological warfare can be used in a small, targeted way. However, there are also risks of biological warfare on a grander scale, targeting entire countries or regions.

The ongoing pandemic also demonstrates how a disease which spreads organically, rather than through deliberate design, can still have geopolitically important implications. In the early stages of the pandemic, some countries introduced export controls on medicines and Personal Protective Equipment (PPE),⁷ while others engaged in "PPE diplomacy", aiming to foster goodwill through PPE supply.⁸

More recently, vaccines have been used as a diplomatic tool: the EU threatened to restrict vaccine exports to the UK, undermining the Northern Ireland Protocol in the Brexit Withdrawal Agreement and stoking international tensions.⁹ Meanwhile, wealthier countries have been accused of hoarding supplies of vaccines at the expense of poorer countries.¹⁰

The Review is likely to address the need for cross-governmental integration and preparedness for future biosecurity, whether the risks are organic or by hostile design.

Climate

Climate change poses the most significant shared challenge to humanity, and raises important diplomatic questions. For instance, transitioning away from fossil fuels will increase dependence on sources of energy which may not be domestically available. This may require working with allies to ensure shared energy supply. A good example of this is the UK's partnership with Norway on the North Sea Link, the world's longest electric cable, so that each country can benefit from the other's renewable

⁶ Barber, T., <u>Brexit Britain trapped between superpowers</u>, Financial Times, 29 January 2020

⁷ World Trade Organization, <u>Export Controls and Export Bans over the Course of the Covid-19 Pandemic</u>, 29 April 2020

⁸ Verma, R., <u>China's 'mask diplomacy' to change the COVID-19 narrative in Europe</u>, Asia Europe Journal, May 2020

⁹ Financial Times, <u>EU reverses course after Irish border curbs for vaccines trigger uproar</u>, 29 January 2021

¹⁰ BBC News, <u>Rich countries hoarding Covid vaccines, says People's Vaccine Alliance</u>, 9 December 2020

energy supplies.¹¹ A more worrying example is the proposed Nord Stream 2 pipeline system, which could mean Germany and other central European countries is dependent on Russian gas for its energy supply.¹²

The election of Joe Biden as US President is a game-changer when it comes to climate action. He has pledged to rejoin the Paris climate change agreement, and a more ambitious deal is expected to be reached at COP26 in Glasgow this year.

However, taking climate change seriously will involve some geopolitical trade-offs for the US. While the shale gas revolution has given the US energy security unseen since before the Gulf War, transitioning away from this will be essential for reducing emissions. While broader US trade policy aims to decouple from Chinese supply chains, it is virtually impossible to build electric vehicles without Chinese-developed lithium-ion batteries. When it comes to green technologies, China is unambiguously the world leader.¹³

Agreements between the UK and its allies, on both energy supply and climate targets, will be a key component of integrating the UK's climate ambitions with national security.

Supply chains and energy security

The Review is likely to highlight the importance of supply chains and energy security. The Covid-19 pandemic has revealed the danger of an overreliance on foreign supply chains for medical supplies particularly PPE, masks, and drugs.¹⁴

Similarly, increased tensions between the Chinese Government and the West has revealed serious security concerns when it comes to an overreliance on Chinese state-owned companies in the UK's energy sector.¹⁵ A lack of investment from the UK Government in the domestic steel industry also risks serious problems for the UK's defence capability and the demand for large amounts of steel for its National Shipbuilding Strategy.¹⁶

The question of food security will only rise further up the agenda as the impact of global warming becomes more pronounced. Brexit is already creating new bureaucracy and obstacles when it comes to the UK's ability to import and export food. The Review will need to address this point.¹⁷

INTEGRATING SECURITY, DEFENCE, FOREIGN POLICY AND DEVELOPMENT

Civil service changes

¹¹ Financial Times, How the race for renewable energy is reshaping global politics, 4 February 2021.

¹² Financial Times, <u>Gazprom to restart Nord Stream 2 construction</u>, 10 January 2021.

¹³ Financial Times, <u>How the race for renewable energy is reshaping global politics</u>, 4 February 2021.

¹⁴ The Guardian, Nearly half of England's doctors forced to find their own PPE, data shows, 3 May 2020, BBC News, Coronavirus: Masks for public 'could put NHS supplies at risk' - BBC News, 21 April 2020, & BBC News, Coronavirus: Drug <u>shortage fears as India limits exports - BBC News</u>, 4 March 2020. ¹⁵ LabourList, <u>Nandy: Tories have "chased trade deals" at expense of "proper foreign policy" – LabourList</u>, 29 October 2020.

¹⁶ Kinnock, S., Our Future Relies On The Steel We Make Here In The UK. Britain, We Need Our Steel - Stephen Kinnock -

Labour MP for Aberavon, 22 July 2020. ¹⁷ National Farmers' Union, NFU calls on government to prioritise food security and address UK self-sufficiency (nfuonline.com), 21 August 2020.

The argument has long been made for good communication and joined-up working between civil service departments on foreign policy, trade, industry and defence, given the interplay between these policy areas. The Review is likely to further address the need for development, environmental, digital and health policy to be linked into foreign and security policy. This may have implications for the machinery of government, including the integration of the Department for International Trade (DIT) with the Foreign Office, new joint-ministerial committees, and increased cross-departmental work led by the Cabinet Office on national security issues.¹⁸

Last year, the Government merged the Department for International Development (DfID) with the Foreign Office to create the Foreign, Commonwealth and Development Office (FCDO). As decisions are still being taken regarding the makeup of the FCDO, with the Foreign Secretary recently confirming the creation of a new FCDO-led cross-Whitehall unit on conflict management and dispute resolution,¹⁹ the Review may have implications for structural changes to the new department to ensure a more 'integrated' approach to foreign policy.

Development policy

The UK is widely regarded as a "development superpower", as one of the only major economies to commit 0.7% of GNI to foreign aid and a global hub for development think tanks and NGOs.²⁰ The UK's leadership in this area is not without benefit to the UK's international standing: DfID's projects abroad have helped to boost the UK's soft power, and aid has often led to trade and investment opportunities, with the British Council finding that a country's contribution to international development is the most prominent driver of trust from other countries²¹.

Furthermore, the UK's friendly diplomatic relations with many African and South Asian countries, rooted in its longstanding support for their economic development, help to balance China's increasing influence in the region. China has invested heavily in African infrastructure projects, and courted many governments through cheap credit and the new Belt and Road Initiative. This investment has been markedly self-interested and has often come with strings attached, such as the building of a Chinese naval port in Djibouti.²²

Despite the importance of international development to the UK's international standing, last year the Government merged DfID with the FCO and subsequently announced a significant cut in aid spending to 0.5% of GNI; additional to the approximately £3bn that had already been cut due to a decline in GNI. The UK's status as a world-leader in sustainable development is therefore under severe threat.²³

As the Integrated Review is expected to set out a joined up and long term strategy for the UK's foreign, defence, security and development policy, a question mark remains over why major announcements including the FCDO-DFID merger and significant cuts to the UK aid budget have predated the outcome of the Review. Indeed, ambassadors and senior government officials will need make difficult choices in the

¹⁸ Financial Times, <u>UK's Department for International Trade tipped to merge with FCO</u>, 17 June 2020.

¹⁹ International Development Select Committee, <u>Oral Evidence, Future of UK Aid</u>, 26 January 2021.

²⁰ Telegraph, <u>UK's 'development superpower' status at risk in Dfid merger, MPs warn</u>, 16 July 2020.

²¹ British Council, <u>Sources of Soft Power</u>, February 2020.

²² Economist, <u>Djibouti risks dependence on Chinese largesse</u>, 21 July 2018.

²³ Goodman, S., <u>Foreign Policy and Development: The Likely Failure of the DFID-FCO Merger, New Diplomacy Project</u>, November 2021

coming weeks, in the lead up to the March budget, as they are forced to identify further and drastic cuts to their ODA budgets in line with broad brush policy priorities set out by the Foreign Secretary, including on complex issues such as climate change, girls's education and famine.

Speaking to the International Development Committee, the Foreign Secretary insisted that these decisions will not only be driven by fiscal necessity but by "strategy and coherence", saying: "I did not want to salami slice. I wanted to focus with a smaller financial envelope on where we can address our priorities in the way that delivers the highest impact."²⁴ If "strategy" is indeed the primary driver for the ODA cuts, it would seem logical for these decisions to be shaped by - rather than anticipate - the greatest strategic review of UK foreign policy since the Cold War. The Integrated Review will be likely to 'rubberstamp' rather than recommend a reversal of these policies, and though it may highlight the importance of development to foreign policy objectives and Britain's soft power.

THE INDO-PACIFIC TILT

A core recommendation of the Integrated Review is likely to be an "Indo-Pacific tilt" in the UK's trade, defence and diplomacy.²⁵ This means working more closely on these fronts with democracies in the vast Indo-Pacific region, particularly English-speaking allies such as Canada, Australia and New Zealand, but also key trading partners such as Japan and South Korea, and Commonwealth members including India, Malaysia, Singapore and Bangladesh.

Brexit and new trade deals

There are a number of motivations for this 'tilt'. First, the UK's exit from the European Union, as well as the Customs Union and Single Market, mean that the Government wants to forge new trading relationships in other parts of the world. The UK recently signed a revamped continuity trade deal with Japan, and has begun negotiations with Australia and New Zealand. The UK recently applied to join the Trans-Pacific Partnership (CPTPP), a plurilateral trade agreement spanning 11 countries in Asia, Australasia, North and South America. CPTPP was originally designed by the US's Obama administration as a means of strengthening US presence in the region, until President Trump pulled out of the deal.

Democratic counterweight to China

Second, the Indo-Pacific tilt is motivated by the rise of an increasingly assertive China. Despite often behaving belligerently towards its neighbours, most countries in Asia are economically dependent on China and significantly outmatched by its military and technological power. Japan and India, which both have diplomatically wary but economically integrated relationships with China, are perhaps the only exceptions. Even Australia, which has been critical of China in its diplomacy, depends hugely on China for trade and investment.

The UK and US share an ambition to better integrate liberal democracies in Asia to provide a counterweight to, and reduce dependence on, China. In addition to the CPTPP, this could look like a coalition of democracies in Asia, reminiscent of NATO in Europe, in which the US plays a role. The UK has also proposed the expansion of the G7 countries to "D10", to include three large Indo-Pacific democracies:

²⁴ Ibid.

²⁵ Guardian, <u>UK should tilt foreign policy to Indo-Pacific region, report says</u>, 22 November 2020.

India, Australia and South Korea.²⁶ A further role for the UK may consist in providing Royal Navy support, as evidenced by Britain deploying its new HMS Queen Elizabeth aircraft carrier to work with US troops in the South China Sea.²⁷

Building on historic relationships

Many Indo-Pacific countries are English-speaking and members of the Commonwealth. There is a shared, cross-party feeling that the UK has particular obligations to Hong Kong, which was under British rule until 1997, and has faced severe political repression and police violence against democratic protesters. The UK's offer of British citizenship to millions of Hong Kongers is indicative of Britain's commitment to Hong Kong, which sits on the frontier of the new China-West rivalry. For the US, Taiwan plays a similar role, and could be the site of armed conflict in the coming years. China has conducted military exercises nearby and claimed disputed territories in the East and South China Seas.

The five-way relationship between the UK, US, Canada, Australia and New Zealand is of particular military importance, through the Five Eyes intelligence sharing network. This may become more important if tensions with China rise. The Review may explore other ways in which these partners can cooperate. A number of voices, particularly on the right, have called for 'CANZUK': formalised cooperation between the UK, Canada, Australia and New Zealand, through a trade agreement, free movement of people or other initiatives.²⁸ Regardless of whether such an arrangement materialises, these countries will continue to be essential allies in the UK's future security.

CRITICISM OF THE REVIEW PROCESS

The Government has repeatedly stated that, as part of the Review, they will consult experts beyond Whitehall in order to ensure the best possible outcome, and in light of the Review's ambition to "define Britain's place in the world" for years to come. However, since the announcement of the Review in February 2020, no formal guidance or timeline has been published by the UK Government on how external actors, including think tanks, civil society organisations and other external actors can engage with the Review to ensure that it benefits from the breadth of foreign policy, defence and development expertise in the UK, and is response to the needs and concerns of the British people. This is despite the fact that a letter sent by the Deputy National Security Advisor to the Foreign Affairs Committee on 9 April 2020 stated that plans were already underway for "private briefings" with external stakeholders .

The opacity of the consultation process and the absence of formal channels through which external actors can formally engage - combined with the fact that a number of key decisions on civil service reform, defence and aid spending predated the Review - raises questions about whether the Review may be instrumentalised to validate existing Government policy. A selective approach to consultation – which fails to account for the diversity of views and experience in the UK and beyond – risks resulting in a Review that fails to achieve its stated ambitions to consider "the totality of global opportunities and challenges the UK faces".

²⁶ Times, <u>Downing Street plans new 5G club of democracies</u>, 29 May 2020.

²⁷ South China Morning Post, <u>China blasts Nato with British aircraft carrier 'heading to South China Sea'</u>, 1 January 2021.

²⁸ See, for example, Adam Smith Institute, <u>CANZUK - A Bright Future Getting Closer</u>, 31 July 2019.

LABOUR'S RESPONSE

The Labour Party should welcome the Review and is likely to agree with many of its recommendations. However, the Review touches on some more sensitive policy areas, to which Labour may want to respond critically. It is difficult to prepare for this without knowing what the review recommends, but the below points aim to offer some suggestions for how Labour can challenge the Government.

1. Foreign policy cooperation with the European Union

While Labour should welcome the logic behind an 'Indo-Pacific tilt', it is important that this new posture does not come at the expense of deep and formalised cooperation with our closest neighbour and trading partner, the European Union. Despite the importance of the EU to the UK's national security, the UK actively shied away from working with the EU on defence and foreign policy in the new UK-EU Trade and Cooperation Agreement.²⁹

This is a gaping hole in the UK's security policy. Cooperation with the EU is essential for a number of reasons, including:

- **Cross-border threats:** the UK shares land and sea borders with the EU. Addressing cross-border crime, terrorism and espionage will require cooperation with European authorities, as shown in the response to the Skripal poisonings.
- **Countering Russia**: the EU shares a land border with Russia, which has proved itself to be an aggressive and unreliable partner in the region. In recent years, Russia has interfered with the UK's elections, poisoned its enemies on British soil and been behind internet hacking. The UK's commitment to NATO also means the UK cannot turn a blind eye to European defence.
- **Cooperating on China:** many European countries are viewed by China as 'swing states', who have not picked a side in the US-China rivalry.³⁰ China has actively courted European countries and the EU, as shown by Belt and Road Initiative investment in Greece and Italy,³¹ the establishment of pro-China think tanks and Confucius Institutes,³² and the recent EU-China investment agreement. The UK must prioritise a joint response to China which includes the EU. This will also strengthen the level of diplomatic pressure on China.
- Climate, immigration, energy, trade: the UK and EU are world-leaders when it comes to climate ambition, but both are somewhat dependent on foreign energy supply. In the EU's case, the biggest risk comes from dependence on Russian gas, particularly if Nord Stream 2 progresses. The UK and EU also have overlapping interests in addressing the refugee crisis, which requires a high level of cooperation; and numerous shared trade interests resulting from highly integrated supply chains.

Labour should push the UK Government to formalise the regular meeting of the E3 (Britain, France and Germany) and include China and Russia regularly on the agenda. Labour should also advocate that the UK pushes for observer status to EU27 FM meetings when the topic of China or Russia is on the agenda. At a time when the EU is split on both of these geopolitical issues, the UK should offer leadership,

²⁹ Whitman, R.G., <u>Why the UK Has Taken Foreign Policy Out of Brexit Negotiations</u>, Chatham House, 1 July 2020.

³⁰ Atlantic Council, <u>The Longer Telegram: Toward A New American China Strategy</u>, January 2021.

³¹ BBC News, <u>Italy joins China's New Silk Road project</u>, 23 March 2019.

³² Bandurski, D., <u>China's New Think Tanks in Europe</u>, Echowall, March 2020.

particularly in the area of sanctions policy. The Trade and Cooperation Agreement should reflect this cooperation on foreign policy and defence.

2. Foreign policy cooperation with the Biden Administration

The Conservatives have already isolated the UK from the Biden administration's foreign policy by refusing to freeze arm sales to Saudi Arabia and work towards brokering peace in Yemen. Labour put pressure on the Government to work in tandem with the US on this policy, rather than allowing Saudi Arabia to continue to destabilise the region with a war which has created one of the largest humanitarian disasters in recent years.

Outside of Saudi Arabia, there are a number of areas where Labour can naturally complement the Biden Administration's stated foreign policy aims from tackling climate change and promoting an alliance of democracies, to ending tax havens.

The Conservative Government may be resistant to many of the proposals from the Biden White House, particularly those that attack Britain's economic interests in the Middle East. Labour should push for the government to create policy working groups with the USA on joint-initiatives to promote democracy, reform tax policy, and promote the green agenda.

3. International development and soft power

Labour must continue to hold the Government to account for its dismantling of DfID and proposed cut to the 0.7% aid commitment. Labour has a proud record on international development and has historically made the moral case for the UK's aid commitments abroad. However, the Integrated Review is likely to consolidate Conservative policy of conflating UK aid with commercial and national security interests. Development is certainly a key part of the UKs soft power abroad, and helps to counterbalance Chinese and Russian interests in Asia, the Middle East and Africa. However, the UK risks losing moral authority and international influence if it presents international development spending in explicitly self-interested terms, particularly in light of the major economic and social challenges that many countries are currently facing in the context of the Covid-19 pandemic - and in the context of the UK convening a number of development-focused conferences in 2021.

Labour should also highlight further areas where the Government's behaviour has damaged the UK's standing and soft power. In particular, the rhetoric from various Conservative politicians, throughout the Brexit negotiations and also during the Covid pandemic, has stoked diplomatic tensions with European partners. The risk of Scotland leaving the Union - increased by Johnson's rhetoric and approach to Brexit - further reduces the UK's standing abroad.

4. Ethical trade and investment policy

The government's trade policy rarely lives up to its ambitions. While the government claims to seek free and open trade, it has erected barriers with the world's largest and wealthiest trading bloc. While it claims to uphold Britain's high food, environmental and animal welfare standards, the Department for International Trade is negotiating deals with the US and elsewhere which could undermine these standards. While Conservative MPs criticise human rights abuses in Xinjiang and Hong Kong, the UK continues to have a Bilateral Investment Treaty with China, which protects Chinese companies in the UK including Huawei and Bytedance, who are accused of complicity in the Uyghur internment camps.³³ London continues to be a hub for dirty money, including the assets of Russian, Middle Eastern and Chinese officials who may be complicit in their countries' rights abuses.³⁴

The system of Investor-State Dispute Settlement (ISDS), which the Conservatives have long championed, allow investors to sue governments for measures that undermine their profits.³⁵ The ISDS agreement with China does not include a national security exemption or a human rights clause, which means that Chinese investors can sue the UK government for measures taken to defend UK security.

There are numerous examples where the UK has directly contradicted its aid policy with its trade policy. For example, the UK recently signed a trade deal with Kenya, potentially disrupting regional trade within the East African Community (of which Kenya is a member). In direct contrast, the UK invests ODA in programmes that seek to support regional trade in Africa, notably by investing taxpayers' money in initiatives such as TradeMark East Africa. Labour should highlight these inconsistencies between the UK's foreign and trade policies, and the threat they pose to national defence - as well as rendering public-funded aid programmes less effective.

5. Supply chains and energy security

Given the huge shortages of PPE, face masks, and drugs at the start of the pandemic, Labour should make the case for the relocation of key medical supply chains back to the UK. This would not only put the UK in good stead in terms of having the capacity to face the next pandemic, but it would have the added benefit of expanding the UK's manufacturing capacity and with it creating jobs. Labour could advocate a similar scheme to the one currently being undertaken by Japan, which encourages Japanese businesses to relocate back to the country through a series of grants and tax breaks.³⁶

The UK's energy sector remains a source of great concern, with ageing infrastructure and a number of nuclear power plants set to go offline in the next few years. Labour should champion an urgent review of the UK's energy sector and draft proposals to secure the UK's future energy capability which will fall in line with the UK's climate change commitments and include investor review mechanisms to limit the ability of foreign state owned enterprises dominating the UK's energy market.³⁷

Consecutive governments have failed the UK steel industry, withholding investment and failing to recognise the need to revitalise the UK's independent steel capability. Labour should pledge to reverse this decline and guarantee that UK steel will be prioritised as part of a National Shipbuilding Strategy and part of wider investment in a Green New Deal.

³³ Straits Times, <u>TikTok owner ByteDance and Huawei are helping China's campaign to repress Uighur Muslims, report</u> <u>finds</u>, 29 November 2019.

³⁴ Bloomberg, <u>London Luxury Homes Are a Prime Location to Hide Dirty Money</u>, 21 December 2020.

³⁵ Trade Justice Movement, <u>ISDS - Briefing for Parliamentarians</u>, July 2020.

³⁶ Bloomberg, <u>Japan to Fund Firms to Shift Production Out of China - Bloomberg</u>, 8 April 2020.

³⁷The Guardian, <u>Fate of UK's nuclear plants in doubt over ageing infrastructure | Environment | The Guardian</u>, 3 February 2019.

As the fallout from Brexit produces increased obstacles to the movement of food within the UK and between the UK and the EU, Labour should commit to a food security strategy. This would ensure that the UK Government protects food producers in key sectors, helps them to access key markets, and considers the impact climate change more broadly will have on the UK's future food security.

6. Defence spending and investment

A decade of Conservative austerity has left the UK's armed forces under-resourced and therefore unprepared for meeting 21st Century challenges.³⁸ Labour should highlight how this threatens not only Britain's defence and security, but also the UK's international standing and relationship with allies.

In addition to protecting us, the armed forces provide domestic benefits, as seen in the Covid-19 pandemic and vaccine rollout, and could be an important source of employment during the pandemic-induced recession, as well as a focal point for British technological development.

Labour should also promote boosting funding for other security related branches of government which have been neglected in recent years. These include: the Diplomatic Service, various environmental protection agencies, health services including the NHS, and police services. As the party which is more trusted among voters on public services, Labour has an opportunity to make the link between public spending and national security, and thereby confront the Conservatives on their own turf.

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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.

³⁸ Guardian, <u>British military could be left depleted after £13bn shortfall</u>, 27 February 2020.