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The 16th in our series of expert comment and analysis, by Professor Michael Clarke, Director General of the Royal United Services Institute (2007-2015), where he remains a Distinguished Fellow; co-author of 'Tipping Point: Britain, Brexit And Security In The 2020s' (with Helen Ramscar, published November 2019) and GSF Advisory Board member. As always, the views expressed are those of the author and not of Global Strategy Forum unless otherwise stated.

Britain Can Be Picked Off – Even By Its Friends

A triple hit of weakness

'Please believe these days will pass', said David Hockney and other international artists as the world went into COVID-19 lockdown. Indeed, they will. But equally, when these days finally pass, they will also usher in a new political world, both at home and abroad. It will have changed a good deal. Much is being written on what those changes are likely to be; existing trends exacerbated by the current crisis – like the US/China antagonism – and new trends created – like unique challenges for the emergent economies or the drive for different supply chains.¹

One post-lockdown reality for Britain is both an exacerbation of previous trends and a result of new ones. It is the prospect of national strategic weakness and a degree of international isolation that will be as apparent to Britain's adversaries as to its friends and allies. These days of British strategic weakness will pass a lot more slowly than the days of COVID, if they pass at all, and will only be addressed properly if they are first recognised for what they are. And in the meantime, Britain will be more vulnerable to being

picked off – on security issues by its enemies and on economic issues by its friends. As the Foreign and Commonwealth Office constantly points out, Britain remains a significant actor both in world politics and global economics, and over the long term it may (or may not) remain so. But in the coming decade it is entering a period of structural vulnerability – some of it unavoidable, some of it self-created – that is largely unappreciated, or even unrecognised, by a distracted and quarrelsome policy community.

The reputational hit

The first of its triple hits is on the country's diplomatic and political reputation. Britain's international image as an effective actor in world politics never fully recovered after the 2008 economic crisis, notwithstanding a brilliant performance in staging the 2012 Olympic and Paralympic Games in the Queen's Diamond Jubilee year. But in 2015, a year before the Brexit vote, a diverse group of foreign policy specialists lamented how Britain had been, *'sidelined in Syria, ineffective in Ukraine, unwilling in Europe, and inimical towards refugees'*.² There was, it was generally acknowledged, a crisis of confidence in Britain's foreign and security policies as the ripples from the economic crisis – and austerity policies –



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stubbornly persisted, even as Britain survived its first dissolution referendum that threatened, but did not, break up the United Kingdom on the basis of a unilateral act by 8% of its total population.

Then the Brexit vote in June 2016 initiated what has been four years of introspection, more than three of them spent trapped in a political/constitutional crisis, that left Britain scoring something lower in European diplomacy than in the Eurovision Song Contest. History will now decide whether or not Brexit is the best choice for Britain's future relationship with its European neighbours, but even those most optimistic about its success freely admit that the modalities of the process to date leave a considerable amount of diplomatic ground to make up.

And now, the COVID-19 crisis – unusual in the annals of global crises – is defined by hard-fact calculations for all those countries most affected by it. Deaths and serious morbidity, the maintenance or collapse of health systems, the experiences of the 8.9 million officially recorded as contracting the disease, are hard to disguise and not easily susceptible to political spin.³ Though the mechanics are different between autocracies and democracies, the handling of the COVID-19 crisis is a political reckoning for them all.

Britain recorded some 65,000 excess deaths at the end of June – deaths directly or indirectly related to the disease – eight times more than in Germany. Even counting only the 42,600 deaths directly ascribed to COVID-19, the figure is almost five times bigger than in Germany,⁴ almost twice as big as France, and way ahead of Italy and Spain – all of which might be regarded as reasonable 'analogue' countries. Measured in deaths per million of the population, with the exception of Belgium, Britain tops the list with 628 deaths per million – almost six times higher than Germany, one and a half times the level in France, more than in Spain and Italy – indeed 25% ahead of the US figure (though that is likely to change as US figures increase).⁵

In the event, the government did well to help the health service cope. It committed £6 billion to emergency NHS spending and the service came through the first wave of COVID-19 in better shape than might have been anticipated. The Treasury established and ran a complex and successful furlough scheme to safeguard 7.5 million jobs (a quarter of the workforce) and over 1 million businesses.⁶ Working with the Bank of England, the Treasury put £330 billion (16% of Britain's current GDP) into various forms of immediate state aid.⁷ Britain's epidemiological research base may yet emerge with flying international colours.

But the comparative COVID-19 mortality figures cannot be gainsaid. It is now abundantly clear that Britain's scientific advisers underestimated the speed at which the disease was moving, the government eschewed a lockdown, then rushed into one on 16 March; it seemed not to appreciate the importance of early testing and tracing systems, then struggled to create an efficient one quickly enough; it had allowed its PPE stocks to become outdated and depleted and then struggled to source them internationally; it came late to an understanding of the importance of protecting care homes. It still struggles to articulate a settled policy, still less a blueprint, for ending the lockdown and tapering emergency economic measures. And the NHS, darling of the nation, faces some years of strain, and premature deaths, in addressing all the acute, medium and long-term needs displaced by the COVID-19 emergency response.

It has been a sombre reckoning. The political antenna of those at the centre was persistently sluggish, the over-centralisation of the system was only patchily effective at implementation. The government can no longer exude the British 'exceptionalism' it displayed during the two clear months it had to prepare for the arrival of COVID-19 before the first recorded transmission in Britain on



28th February. The over-riding assumptions that Britain was well-prepared (albeit for a flu pandemic) and was anyway good at dealing with these sorts of challenges have become hollow. Instead, Britain's political and administrative reputation for pragmatic competence in facing an entirely non-political challenge has taken a big hit. The country emerges with an indisputably poorer public health record than most of its partners on COVID-19 issues.⁸ The reputation of Britain in world politics – its soft power strength – is based far more on faith that others express in British people and institutions than in its government or political leaders at any given moment.⁹ The fact is that Britain's diplomatic crisis of confidence, its Brexit hiatus and now its COVID-19 response, have all cumulatively cut into its institutional and collective 'personal' reputation.

The dual economic hit

The second hit is itself a classic boxing left/right combination punch; the combined economic impact of COVID-19 and the end of the Brexit transition period at the same time. This is where public health and economic performance interact most cruelly. The one-event COVID-19 pandemic, says the OECD, will shrink Britain's GDP by 11.5% this year – more than three times the impact of the 2008 economic crisis. A two-event pandemic that comes back as a second wave over the winter would reduce GDP by 14% this year and double unemployment to 10%, despite any continued furlough scheme. These shrinkage estimates (11.5%-14%) are all higher than in analogue European countries – marginally in the case of France, Italy and Spain; considerably higher in the case of Germany, Netherlands, Belgium, Sweden, Norway, Poland; and most of them higher than for the US, which may bounce back more quickly than other states, as has often been the case in global economic crises.¹⁰

Given the unique effects of the COVID-19 lockdown on an economy that is 80% services, these

disparities are perhaps not surprising. And though massive levels of debt – unknown since the end of the Second World War¹¹ – can certainly be managed into the future if interest rates remain low and the world economy recovers well, that recovery will not be 'V-shaped'. It is looking increasingly like a very elongated 'U-shaped' process. This will punish, yet again, Britain's high-debt, low productivity, hour-glass shaped economy and make it very difficult to pursue any 'regeneration', 'levelling-up' or 'infrastructure-heavy' objectives. Economic survival in its current shape may become Britain's stretch target for the 2020s.

And then there is the Brexit transition. In a neat example of economic sod's law, the COVID-19 crisis has the biggest effect on one particular group of British industries such as aviation, travel, tourism, catering and hospitality, retail, arts and creative industries. And the uncertainties surrounding Brexit have the greatest impact on a different group of industries like finance, chemicals, pharmaceuticals, agriculture and fisheries. Meanwhile, British manufacturing gets hit doubly in the short term by both COVID-19 and Brexit. The problems are bad enough but the coincidence of timing could hardly be worse.

In July 2019 when Boris Johnson became Prime Minister, it was immediately apparent that the key figures in government, then and now, were prepared – even preferred – to weather a no-deal Brexit for the clarity and freedom of manoeuvre that might offer. That is now looking like the most probable outcome. Even if this approach is an exercise in brinkmanship to bring the EU to a quick deal, we are all moving towards the brink while everyone's mind is preoccupied with more immediate issues. And any deal by the end of this year could not now be more than a general framework on trade, justice, security and home affairs that will still leave much to be negotiated in the years to come. So, while Britain tries to shake off the effects of a deep COVID-19



recession, it will be faced with the economic consequences either of no-deal or a façade-deal, which would be only marginally better.

Britain's relative economic performance really matters, even in a world – especially in a world – where other countries are also struggling to recover from an elongated 'U-shaped' recession. Protectionist pressures are already high and will not go into reverse any time soon. The World Trade Organisation is being deliberately hobbled by US policy and finds it increasingly difficult to adjudicate on trade disputes, let alone enforce its rules smartly. This is a terrible time for a country to enter into comprehensive trade deals in any part of the world. Allies and friends in political and security terms cannot be relied upon to act as allies and friends in trade policy; *'of all the cauldrons of diplomacy'*, says Ed Conway, *'few are tougher'*, regardless of the warm statements that leaders make when trade talks begin.¹²

And more than ever since the end of the Cold War and the 2008 crisis, 'coercive diplomacy' has influenced national economic and trade policies among the western powers.¹³ Indeed, President Trump has made coercive economic diplomacy his first resort in many inter-allied political disputes, even as China shamelessly tries to throw its economic weight around in dealing with everyone else – *'bullying and coercion'* as the NATO Secretary General said very clearly.¹⁴

Britain's economy is still the sixth largest in the world, behind the US, China, Japan, Germany and India. But size matters when trade negotiators are calculating how much pressure they can put on their counterparts. The US economy is over seven times bigger than Britain's; China almost five times bigger;¹⁵ Japan exactly 1.75 times bigger; India's now only slightly bigger. The EU 27 have both a combined population and a collective GDP more than six times that of Britain.¹⁶

The harsh truth is that whatever economic benefits Britain might eventually derive from being a sovereign free-trader in the world, they are not likely to accrue in the near future. Good trade deals will take even longer to negotiate in the current global climate, and quick trade deals will probably be concluded on discounted terms for Britain. Useful trade deals with Australia, Canada or Norway do not get to the heart of the challenge of being a big economy – but not big enough – operating within the global top ten, but not as part of the nearest and biggest single international market in the world. Under the shadow of the boxer's 'one-two' punches, the British economy shrinks more than its most important economic partners from the impacts of COVID-19, just at the moment when it is about to prolong most of the economic uncertainties surrounding Brexit. For the next few years its economic interests are vulnerable to being picked off, one by one, by its friends and allies as they all struggle to climb out of the global recession.

The security hit

The third hit is in the defence and security realm. Doubts surrounding the Brexit transition process translate directly to big potential vulnerabilities in policing and internal security. Britain's future relations with Europol, as an external third party, are a matter of real importance. Even more so, the centrality of the common European Arrest Warrant (EAW) – the lack of which, said Theresa May when she was Home Secretary, could make Britain a 'honeypot' for criminality.¹⁷ Most important of all, is continued access to common information systems, in particular the Schengen 'SIS II' information database with its 80 million records, the Europol Information System (EIS), the European Criminal Records Information System (ECRIS), which is used daily by custody sergeants everywhere in Britain, and the Prüm Convention that shares criminal DNA records, fingerprints, vehicle registrations, and so on.



A failure to maintain the practical functioning of all these common elements would be a lose/lose outcome both for Britain and the EU, and police and intelligence officials on both sides are anxious to avoid this. But though there has been some optimism in recent talks, the legalism of the EU, particularly over the European Court of Justice's role, and its natural instinct to create complete 'packages', as opposed to Britain's preference for pragmatic sector by sector approaches, are not easy to reconcile.

Any loss of functionality in these three particular sectors – Europol, the EAW and common information systems – would leave Britain that much more vulnerable to terrorism, which remains a constant; and international organised crime, which saw a rapid 40% jump after 2013.¹⁸ With all its national skills in counter-terrorism and in combating serious crime, Britain will never be a soft touch for terrorists or criminals, but it risks being a European outlier, where both terrorism and serious crime will be easier to commit; harder to intercept or prosecute.

In broader strategic terms, the most important hit that Britain must absorb is the uncertainty around current defence policy and the question of its sustainability. Even with dramatic levels of government borrowing, some unpalatable trade-offs between tax rises and public spending cuts await the British government in the coming year. Defence is bracing itself for cuts that will help balance necessary spending on the NHS and welfare. Defence will do well to hang onto its existing plans for 'Future Force 2025', let alone anything further on.

Of course, its European allies will be in similar positions. British defence forces may even emerge relatively bigger than their main European counterparts after a round of painful cuts. But that is the wrong point. As defence expenditures across Europe shrink, so NATO is in even deeper trouble, militarily and politically. Even a Biden presidency in

2021 would likely herald a much more hard-nosed US approach to NATO; another Trump presidency might finish it off altogether in any meaningful sense. A period of national defence introspection is on the cards across Europe. Any attempt by 'Global Britain' to re-galvanise NATO and lead its European members towards a new transatlantic relationship may simply be lost in the hiatus. Britain faces the prospect, not of independent strategic status with the military wherewithal to make it a reality, but of strategic isolation; caught between a disengaged United States and a disinterested and preoccupied group of key European states.

The political currency of European defence has been devalued by recent events, even as the challenges to Europe's territorial integrity have increased. If Britain cannot stay as close militarily to a US in strategic transformation, and cannot lead partner nations out of the deeper defence hiatus that is looming for the Europeans, its own considerable defence expenditure and 'full spectrum' armed forces will count for little in the world on their own.

Some influential British thinkers have outlined legitimate strategic ambitions the country might have in the Indo-Pacific region for the future.¹⁹ Certainly, the government's timing of EU negotiation announcements during June and the declared opening of trade talks with Australia and New Zealand indicate that it is leaning that way.²⁰ But as things stand, it will lack much of the strategic architecture – the defence, security and diplomacy – that can back these ambitions up.

The price of strategic weakness

If these three trends develop in the way outlined here, then Britain is heading for a period of some years where it will be simultaneously vulnerable in diplomatic, economic and military/security terms. Outright adversaries like Russia, Iran, Syria, even



North Korea, and non-state actors from terrorists to ransom hackers, might be tempted to humiliate a significant western power such as Britain – perhaps because they think they can, or because they will perceive Britain as semi-detached from its natural partners and easier to pressurise.

Certainly, President Putin’s current attitude to Britain indicates that he would rather pick it off in a series of tactical manoeuvres than treat it as a useful conduit to the strategic stance of the US. His best option for weakening NATO is to separate Britain from the political preferences of key European allies – like France over Libya, or Germany over the Nordstream 2 pipeline, or Italy over anti-Russian sanctions – and leave Britain struggling to square the strategic circle with President Trump’s America. And China’s best option to prevent the Huawei issue from becoming a global anti-China investment policy is to lean heavily on Britain’s immediate trade needs to dissuade it from making a big call over Huawei’s future working in western economies.

Equally, Britain’s economic friends and partners cannot be expected to eschew the advantages on offer when Britain needs favourable trade deals quickly and to attract even more inward investment to correct an already unbalanced economy. However favourably President Trump or even Steven Mnuchin, his Treasury Secretary, might view a trade deal with Britain, Congress will represent particular domestic interests and have a major say in the details. All the early indications suggest that US negotiators will be driving a characteristically hard bargain, even if there is a benevolent preliminary framework in place.

In principle, the government’s ‘Integrated Security, Defence and Foreign Policy Review’ will address many of these issues. But not all of them. And the review

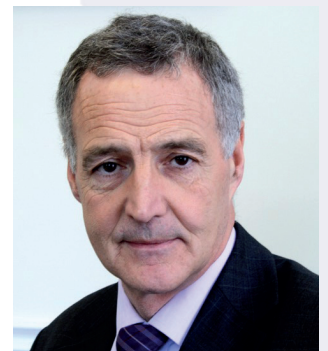
is stalled to an unspecified date by the government’s COVID-19 responses; while the announced merger of DFID into the FCO, whether right or wrong, suggests that its conclusions are already being mortgaged by prior decisions.

The confluence of all these factors is very unfortunate, and beyond the imaginings of anyone involved in the Brexit debates of 2015-16. But it is not just an accident of timing. These are all trends that have already polarised our society to a worrying degree and may do so to a greater extent yet; over keeping the United Kingdom together, addressing growing economic disparities between regions, social mobility and managing a multicultural society. Britain’s resilience as a society is as much about its own self-confidence as about its critical infrastructure or its ability to resist being picked off by opportunist opponents. There is a mountain to climb out of lockdown and no easy route that avoids a period of real strategic vulnerability. We will have to live with it and do what we can to help these days to pass quickly.

One can sympathise with British politicians who understand that, however unfortunate the circumstances, ‘we are where we are’. There can be rather less sympathy for those who, against available evidence, would rather assume that we are actually somewhere else.

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1. See various analyses by the author on the *Tippingpoint2020.com* website.
2. LSE Ideas, *Investing in Influence: Report of the LSE Diplomatic Commission*, London, LSE, 2015. See also, 'British foreign policy in crisis, warn senior diplomatic figures', *The Guardian*, 9 November 2015.
3. As of 21 June, official figures recorded 8.9 million cases worldwide (though the real figures will be a great deal higher since these are only derived from those reported by official health authorities globally and don't reflect the number of people who will not have received any treatment. Some 4.7 million are recorded as 'recovered' and 467,000 as having died directly of the disease. See n.5 below.
4. Philip Stephens, 'Britain gets a glimpse of life after Brexit', *Financial Times*, 18 June 2020.
5. It should be noted that Andorra and San Marino record eccentric and big outlier results in this category. Otherwise, only Belgium tops Britain in a list in over 215 countries and territories – though the available data from many countries will be unreliable, but not generally in Europe. All figures extracted from *Worldometer* at, <https://www.worldometers.info/coronavirus/> for 21 June 2020.
6. 'Chancellor extends furlough scheme until October', GOV.UK, 12 May 2020, <https://www.gov.uk/government/news/chancellor-extends-furlough-scheme-until-october>
7. *OECD Economic Outlook, Volume 2020, Issue 1: Preliminary Version*, at: https://www.oecd-ilibrary.org/sites/0d1d1e2e-en/1/3/3/46/index.html?itemId=/content/publication/0d1d1e2e-en&csp_=bfaa0426ac4b641531f10226ccc9a886&itemIG0=oeed&itemContentType=
8. Notwithstanding the obvious facts that crude comparisons between countries should be handled with care given differences in conditions, in timing, demography, geography, and pure luck. But the distinctive statistical differences in Britain's case run across virtually every cross-sectional variable.
9. Alistair MacDonald, *Sources of Soft Power*, British Council, London, 2019, pp. 7-9.
10. Comparable figures from the OECD analysis (n.7 above) estimating the percentage GDP shrinkages for a one-hit /two hit pandemic this year are: Germany 6.6/8.8; France 11.4/14.1; Italy 11.3/14.0; Netherlands 8.0/10.0; Belgium 9.0/11.0; Spain 11.1/14.4; Poland 7.4/9.5; Sweden 6.7/7.8; Norway 7.0/8.7; USA 7.0/8.0.
11. In 1945, bankrupted, the British state had total debts equivalent to 200% of its GDP. It now has a debt burden of just over 100% of its GDP (ie. £2 trillion). It managed that post-war burden because it was helped by the US, it could ramp up civilian production very quickly, and the two decades that followed witnessed historically unique levels of global economic growth.
12. Ed Conway, 'Size matters when it comes to trading muscle', *The Times*, 22 February 2019.
13. See, Allison Carnegie, *Power Plays: How International Institutions Reshape Coercive Diplomacy*, Cambridge, Cambridge University Press, 2015.
14. Statement by Jens Stoltenberg to the Atlantic Council and the German Marshall Fund of the United States, 9 June 2020.
15. Figures from *Investopedia*, updated as of 18 March 2020: <https://www.investopedia.com/insights/worlds-top-economies/>
16. 67 million population as against 445 million, and a \$2.8 trillion GDP as against \$18.3 trillion.
17. *Sunday Times*, 26 October 2014.
18. Europol, *European Union, Serious and Organised Crime Threat Assessment (SOCTA) 2017*, Brussels, 2017, p. 14.
19. See for example, Policy Exchange, *Making Global Britain Work*, Britain in the World Project, 2019.
20. Alexander Woolfson, 'The unmasking of Johnson's "global Britain"', *The Article*, 19 June 2020.

