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Britain's Standing on the World Stage
by Michael Jary

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At times, Britain's¹ national discourse seems to be caught between an unattractive trio of competing prejudices. Many of our countrymen urge us to accept that Britain is a nation in long-term decline, that this is historically inevitable, and – partly because of guilt about Empire – suggest that we would be more comfortable if we quietly accommodated ourselves to a reduced standing in the global second-tier.

Countering that is the chauvinism that Britain retains special status as the recent possessor of pink swathes of the globe, as the mother of English-speaking nations, and as the victor of the Second World War (alongside, its adherents might admit, USA, Canada and Russia, but let's not mention Russia). 'God is an Englishman' still holds under this belief (and it is a peculiarly English belief, not a British one). This seems to be the worldview favoured by our current Foreign Secretary.

And third, there is the false nostalgia perhaps best personified by Nigel Farage, that fondly harks back to a hazily imagined (and white-faced) idyll of cricket fields, warm beer, and as George Orwell said, 'Old maids bicycling to holy communion through the morning mist'.

But as one travels abroad, as I do frequently, and seeks an outsider's view of Britain, none of these archetypes has any cogency at all. Britain is seen neither as a once great power struggling for relevance, nor as a victor entitled to special rank, nor as a heritage theme park. Of course, any picture is complex and multivariate, but by and large Britain is viewed with warm respect for its vibrancy, culture, entrepreneurialism, and openness, and as an exemplar of liberty and democracy.

This view is backed by the facts. The United Kingdom's global influence might be thought of along three dimensions: cultural, economic, and political. I will explore each of these before examining the impact of more recent events on Britain's global standing and whether fragmentation of the UK would weaken it.

Cultural

UK culture not only has wide reach and penetration, but the ability to promote values that are attractive to and can influence other nations. 31 UK universities are ranked in

¹ For convenience, I use 'Britain' (and 'British') throughout to mean, and interchangeably with, the 'United Kingdom'. The official name of our nation state is unfortunately cumbersome and has no adjective, while 'Britain' is how we are most commonly known abroad. For an exploration of the difficulties of what to call ourselves (written when it was feared Britain might be erased altogether) see George Orwell: 'England Your England', Chapter III, in *The Lion and the Unicorn: Socialism and the English Genius*, 1941.

orwell.ru/library/essays/lion/english/e_eye

the world's top 200, including the first and second positions.² More world leaders were educated in the UK than anywhere else, with 58 serving heads of state or heads of government having attended UK universities.³ The BBC World Service is the world's most trusted news provider, while in the US four of the 10 most trusted sources of news are British (The Economist, Reuters, the BBC, and The Guardian).⁴

The British Council is an exemplar in cultural and educational engagement. A study by the British Council⁵ showed that Shakespeare is globally known, liked, understood, and contributes to a positive view of Britain: 78% of those surveyed in 15 countries had some experience of his work, of whom 76% said they liked it. Shakespeare's characters – the best known being Romeo and Juliet – display an empathy and humanity which is universal but at the same time reflects positively on Britain.

Other cultural icons spread aspects of British character: James Bond (English, although in what many consider the best manifestation, definitely Scottish) with his sardonic humour, Harry Potter as the nerdy underdog, Doctor Who as the hero who spends most of his time running away, Mr Bean as the bumbling loser whose ingenuity triumphs in the end. These characters are very different from one another but it is difficult to imagine any of them being anything other than British.

London's West End is the largest theatre hub in the world, measured by ticket sales.⁶ One in six of all music albums sold worldwide is British,⁷ as were five of the 10 top-selling artists in the world. While the British discoveries of gravity, electromagnetism,

² The Times Higher Education World University Rankings, 2018.
www.timeshighereducation.com/world-university-rankings/2018/world-ranking

³ Higher Education Policy Institute, 2017.
www.hepi.ac.uk/2017/08/05/uk-just-number-1-educating-worlds-leaders/

⁴ University of Missouri's Reynolds Journalism Institute, 2017.
www.rjionline.org/reporthtml.html#trusted-versus-non-trusted-news-sources

⁵ British Council's 'All the World's' report on 18,000 respondents in 15 countries, 2016.
www.britishcouncil.org/sites/default/files/all_the_worlds.pdf

⁶ The London Theatre Report, commissioned by the Society of London Theatre and the National Theatre.
www.londontheatre1.com/londontheatrereportv7.pdf

⁷ UK Music: 'Measuring Music', 2016.
www.ukmusic.org/research/measuring-music-2016/

or penicillin are part of science history, Tim Berners-Lee, Stephen Hawking, Andrew Wiles, and Peter Higgs head an equally impressive phalanx of modern scientific minds. Britain has nearly twice as many Nobel Laureates as France, five times the total of Italy, Russia, or Japan.⁸

Sports that originated in the UK but remain internationally popular today include football, rugby, cricket, hockey, tennis, squash, boxing, and table tennis. The UK may no longer be world-beaters in all of these, but still achieved second overall place in the medal table for the 2016 Rio de Janeiro Olympics with 27 gold medals, and the same ranking in the Paralympics. 38 million international tourists visited the UK last year.⁹

Of course, underpinning many of these strengths is the huge natural advantage of Britain's mother tongue: as well as being the world's second most commonly-spoken language and the widest reaching, it has become the dominant language of business, finance, movies, and the internet.

Economic

Prior to 1979, the UK had experienced relative economic decline for more than a century. UK GDP per capita was 23% above the United States in 1870, but by 1979 the US was 43% ahead of the UK. The UK had also been outperformed by France and Germany. However over the following three decades, the UK saw a catch up of productivity and economic growth. By 2009, the US's lead over the UK had narrowed to 33%.¹⁰ The trend improvement was similar for the Conservative period of 1979 – 1997 and the Labour period of 1997 – 2010. Reasons for this include the Conservatives' privatisation and labour market reforms, followed by Labour's strengthening of competition policy, widening of university participation and increase in immigration. The climate of entrepreneurialism improved throughout.

Since 2010, relative performance has stalled and productivity growth has been close to zero, albeit in a world suffering a similar trend and weak demand. It is perhaps

⁸ And Britain benefits from inclusivity: Nine of the twenty-eight Britons who were awarded the Nobel Prize in the 21st Century were born abroad or held another citizenship.

en.wikipedia.org/wiki/List_of_Nobel_laureates_by_country

⁹ Visit Britain, based on the Office for National Statistics International Passenger Survey, 2016.

www.visitbritain.org/2016-snapshot

¹⁰ LSE Centre for Economic Performance.

cep.lse.ac.uk/pubs/download/cp366.pdf

true that the deregulation of the financial sector and the explosion of credit led to some of the growth up to 2010 being unsustainable or illusory. Nevertheless a bubble does not inflate consistently for three decades. Underlying data shows real improvements over this period in supply-side factors such as investment and skills.

Despite these improvements, the stubborn weaknesses of the UK's economy remain entrenched. In thirty-two years as a strategic consultant to many UK companies, I have seen the common patterns. Short-termism of investors and management, leading to underinvestment in R&D, innovation, and skills. Hyperactive behaviour by executives whose strategies focus on restructuring, financial re-engineering or mergers and acquisitions rather than the patient development of capabilities. Weak export performance, leading to a widening trade deficit. Over-dependence on services sectors, which while including some world beaters (media, tourism, education, fashion, financial services, professional services, life sciences, and knowledge industries) tend to disproportionately benefit a financial and southern elite.

And yet, Britain's positive standing abroad does much to provide compensating benefits.

The UK remains one of the world's leading destinations for inward investment flows, and top among European countries. Its stock of inward investment is second only to that of the US, and ahead of China and Germany.¹¹ Particularly favoured by other European countries, followed by the US and Asia, the UK is seen as attractive for its economic prospects, its institutional stability, educational infrastructure and quality of life. Last year, after London, Scotland was the location for the second largest number of inward investment projects.¹² Whether through FDI projects or mergers and acquisitions, this investment creates tens of thousands of new jobs each year. Without this inward flow of capital to offset the negative trading balance, the UK would face a severe sterling crisis.

'Brand UK' is a contributor to the export performance of many UK consumer companies. A number of UK brands, such as Burberry, Barbour, Clarks, or Superdry are now receiving more than half of their website demand from abroad, and attracting international buyers through fulfilling direct, selling through wholesalers

¹¹ UNCTAD World Investment Report, 2017, Annex table 2.
unctad.org/en/PublicationsLibrary/wir2017_en.pdf

¹² EY and UK Department for International Trade, 2016.
www.ey.com/uk/en/issues/business-environment/ey-uk-attractiveness-survey

or setting up shops overseas. A recent study¹³ showed that not only do tourists spend around £4 billion annually on shopping when they visit the UK, but they spend £16 billion when back at home, ordering from the websites of UK retailers, an online export performance which exceeds any other country. UK brands are seen as fashionable, authentic, good value, and high quality, and delivery is seen as reliable and trustworthy.

The UK is developing an exceptionally vibrant digital economy. With the exception of China, consumer adoption of digital technology is the strongest in the world as measured by online search volumes or propensity and value of online shopping. More people work in FinTech in the UK than in New York, or in Singapore, Hong Kong, and Australia combined.¹⁴ The UK is leading in video games and EdTech, and has strong sectors in artificial intelligence and cyber security.

Political

It is natural to think of liberty being first an English, and then a British, invention: rooted in the Saxon past, formalised in Magna Carta, and then developed through resistance to Charles I, the Glorious Revolution, and the Hanoverian Succession of 1714. And while Catholic emancipation, parliamentary reform and universal suffrage were struggles which only later brought us towards today's constitutional settlement, Britain now enjoys a continuity and stability of political and personal freedoms which is unparalleled elsewhere. During this period, Britain's domestic political temper has been milder than in other European countries, with generally less contagion of fascism, communism, anti-Semitism, or extreme nationalism.

The Social Progress Imperative has ranked the UK top in the world for political freedom.¹⁵ And while there are reasons to be concerned that the UK's press freedom

¹³ OC&C Strategy Consultants, 'Retail Nation', 2014 and 'The Retail e-Empire', 2014.
www.occstrategy.com/en-us/insights/pqr/retail-nation
www.occstrategy.com/en/news-and-media/2014/01/global-retail-empire

¹⁴ EY, 'UK FinTech: On the Cutting Edge', 2016.
www.ey.com/Publication/vwLUAssets/EY-UK-FinTech-On-the-cutting-edge/%24FILE/EY-UK-FinTech-On-the-cutting-edge.pdf

¹⁵ Social Progress Index of the Social Progress Imperative, 2017.
www.socialprogressindex.com/?tab=2&code=GBR

is being damaged in the name of national security,¹⁶ its human freedoms are listed 6th out of 159 countries by the Cato Institute and others¹⁷ based on the rule of law, security and safety, freedom of speech and religion, and social tolerance, notably towards immigrants and minorities.

Partly based on its global reputation for stability and liberty, Britain punches well above its weight in global politics. It is one of the world's best-connected countries. It is a member of the G8 and G20, the UN (with a permanent seat on the Security Council), the NATO alliance, the Nuclear Non-Proliferation Treaty designated nuclear states, OECD, the Commonwealth of Nations, the Council of Europe, the European Convention on Human Rights, the Organisation for Security and Co-operation in Europe, and the European Union (currently of course, as I will expand on later), and was one of the first non-Asian countries to join the Asian Infrastructure Investment Bank. This gives it strong international influence in the economic, security and defence spheres.

The UK's economy is twice the size of Russia's,¹⁸ and unlike Germany or Japan, it possesses nuclear weapons. In a world menaced by Vladimir Putin, it is inaccurate to portray Britain as "just a mid-sized European power", particularly when President Trump appears uncertain of his commitment to NATO. In the eastern flanks of Europe, that matters.

Despite funding cuts the Foreign and Commonwealth Office retains its reputation for Rolls-Royce diplomacy, and ranks fifth globally for the size and reach of its network of embassies and missions,¹⁹ enabling the diplomatic service to defend Britain's interests and project its influence. The UK's security services, MI5, MI6 and GCHQ are reckoned to be world class. The UK is home to high-reputation foreign policy think tanks like Chatham House and the International Institute for Strategic Studies.

¹⁶ See the 2017 World Press Freedom Index, by Reporters Without Borders, in which UK has fallen 12 places in the past five years.
rsf.org/en/ranking

¹⁷ The Human Freedom Index, 2016, by the Cato Institute, the Fraser Institute, and the Friedrich Naumann Foundation for Freedom.
<https://object.cato.org/sites/cato.org/files/human-freedom-index-files/human-freedom-index-2016-update-3.pdf>

¹⁸ Nominal GDP, International Monetary Fund statistics, 2016.
statisticstimes.com/economy/projected-world-gdp-ranking.php

¹⁹ Lowy Institute Global Diplomacy Rankings, 2016.
<https://globaldiplomacyindex.lowyinstitute.org/>

The UK is one of only six countries which hits the UN's target for spending 0.7% of gross national income on foreign development assistance,²⁰ and globally it is the second-largest donor after the US. Among other achievements, last year UK government aid reached 17 million people with humanitarian assistance, immunised 14 million people, reached 26 million children under 5 with nutrition programmes, and supported 27 million people to gain access to clean water or better sanitation.²¹ In addition, the UK is home to many of the world's largest and most influential NGOs, including Oxfam, Save the Children, and Amnesty International.

The UK's Department for International Development, in partnership with other agencies, NGOs and governments of developing countries is increasingly concentrating on fragile states and conflict zones. Here, root causes of poverty and instability can only be permanently addressed through improving governance and helping to build strong, accountable institutions. The evidence is that the UK plays a leadership role in meeting these more intractable goals and in doing so promotes its values of democracy and liberty.

The UK's contribution (alongside its partners) to the curbing of Iran's nuclear programme in 2015, or the COP21 climate change conference in Paris the same year, stand out as real achievements. Gordon Brown may have been ridiculed for his malapropos claim to have 'saved the world' following the collapse of Lehman Brothers in 2008, but history may well judge that he broke its fall. He and Alistair Darling were the adults who had the stature to define the worldwide economic rescue plan when George W Bush and Hank Paulson had the wrong idea and all other nations hesitated.

Ironically, one of the areas where British diplomatic skill has had remarkable influence is shaping the direction of the European Union. The UK launched the Single Market, and set the EU on the route to eastwards expansion including the admission of former Soviet states, all at the same time as negotiating individual opt-outs from the Charter of Fundamental Rights and membership of the Euro and the Schengen

²⁰ OECD, 2015.

www.oecd.org/dac/financing-sustainable-development/development-finance-data/final-2015-oda.htm

²¹ UK Department for International Development, Annual Report, 2016-17 and The Scottish Government's International Development Strategy, 2017.

www.gov.uk/government/uploads/system/uploads/attachment_data/file/625548/DFID-Annual-Report-and-Accounts-2016-17.pdf

www.gov.scot/Publications/2016/12/4633

acquis, and achieving a budget rebate. Arguably no other member of the EU has been so successful in exerting its policy objectives.

Overall soft power

Overall, through cultural, economic and political influence, Britain is a top “soft power”. In fact, since the 1970s the story has not been one of national decline, nor resting on past glories, nor insular retreat, but a country which has become better, wealthier, and more influential. Britain’s inherent distaste of nationalism and tendency to self-deprecation has sometimes left it feeling uncertain or queasy about proclaiming its virtues, but the London 2012 Olympic Opening Ceremony was generally felt to have hit the mark. Its representations of the Industrial Revolution, National Health Service, literary heritage, popular music and culture summed up the national advantages described above, and did so with a British sense of humour. In 2015, Britain was ranked in the number 1 position by the global “Soft Power” index.²²

There are however two important things to point out regarding the preceding analysis. First, while many foreigners do not always correctly distinguish the names “Britain” and “England”, these achievements (and corresponding weaknesses) are distinctively those of Britain and are not divisible between its constituent nations. To take a trivial but instructive example: Team GB’s (it is no wonder foreigners are confused) 27 gold medals cannot be split between those earned by England, Scotland, Wales, or Northern Ireland. Scotland can be proud of its four gold medallists, but three of these triumphed in team events with athletes from elsewhere in the UK, and benefited from shared training facilities and coaches. Which isn’t to detract from Scotland’s heroic performance, but to make the point that if competing as separate nations, the combined medal haul would have been lower.

More important examples of the benefits of sharing date back to the period of the enlightenment, that outpouring of philosophical, scientific, sociological, scientific, and economic reasoning which sprung up shortly after the union of Scotland with England, and shaped much of Britain’s modern advantages. In many ways, this was a Scottish-led enterprise using British resources. James Watt moved from Edinburgh to form his engineering works with Matthew Boulton in Birmingham, Boswell drew on the life of Johnson, Scotland’s Hume corresponded with Ireland’s Berkeley and England’s Locke to explore ideas of knowledge, Robert Adam became architect to George III, Thomas Telford built roads, bridges and railways across England and Wales, and Adam Smith studied in Oxford. Without Scotland, England/Britain would certainly not be what it is today.

²² The Soft Power 30 by Portland and USC Centre on Public Diplomacy.
portland-communications.com/pdf/The-Soft-Power_30.pdf

Even the Empire – which still persists in so much of modern Britain’s advantages, not least immigrant families from the Caribbean, Africa, and the Indian subcontinent who have produced writers, artists, entrepreneurs, and many of the athletes who won those gold medals – was a British endeavour rather than an English one. Some proponents of Scottish independence advocate it as the logical final step in the unbundling of England’s imperial possessions. But the administrators, soldiers, missionaries, settlers and governors of the Empire were as mixed as the United Kingdom itself. The Scottish Highlanders became the premier fighting force of the empire. Hector Munro became Britain’s first Governor of Canada. By the mid-18th century more than a quarter of the East India Company’s army officers were Scotsmen, as were 220 of the highest administrators in Madras and Bengal.²³ Henry Dundas or “Harry the Ninth” reigned over the East India Company. Explorers like Mungo Park cut through jungles. David Livingstone became the most famously lost missionary in history. By the end of the nineteenth century, seven of the eight large Indian provinces were headed by Irishmen, while the chief justices of Bengal and Hong Kong were both Welshmen.²⁴ Even “Rule, Britannia!”, performed at the Last Night of the Proms with the mix of chest-swelling gusto and cringing embarrassment which perhaps encapsulates the nation’s uncertain perspective on Empire, was the joint creation of an English composer, Thomas Arne, and a Scottish poet, James Thomson. No-one ever uses the term “the English Empire”, and for good reason.

Second, I have managed to get this far into the essay without mentioning Brexit. One of the reinforcing aspects to Britain’s soft power has been the stable and open way in which it has generally been borne. The reassurance of a long-lasting institutional framework has offered the potential for patriotism without nationalism and a common good that is inclusive and plural, and these aspects have been admired and respected internationally. But Brexit seems to have given licence to a polarisation of public and political discourse, and not just between “leave” and “remain”. Seen from the rest of the world, Britain seems to have descended into an insular quarrel. Granted, real divisions exist especially in wealth, opportunity, and power, and these have contributed to recent political shocks, but their healing is not generally well served by stirring up a debate cast in terms of oppositional camps.

²³ Colley, Linda: *Britons, Forging the Nation 1707-1837*, Yale University Press, 1992.

²⁴ Colley, Linda: *Acts of Union and Disunion*, Profile Books, 2014.

So it was hardly a surprise to see that France had knocked Britain into second place in the 2017 global Soft Power index.²⁵ It would have been third place if the US had not fallen further due to the international reception to the election of President Donald Trump. Inherent instability caused by the decision to leave the EU has thrown many of the UK's strengths into question. Since the referendum result, the UK's share of global inward investment has fallen.

The UK's attractiveness as a destination for highly skilled labour and for students has been shaken. Its reputation for openness and tolerance, particularly for ethnic minorities and immigrants, has been cast into doubt. The UK has fallen in a year from top of the OECD rankings for GDP growth per capita, to bottom. Our international diplomatic voice is absent as Brexit consumes the capacity of government, and our Prime Minister and ministers are shunned at international summits. For example, the UK has had nothing to say on North Korea, on Turkey's turn towards Moscow, or on President Trump's comments undermining NATO.

It is ironic that Britain, being such a successful union itself and having three centuries ago created Europe's largest free trade zone and single currency, with all the experience of the constitutional accommodations and compromises that requires, has proven unable to lead or even accept the much milder model of plurality implied in the European project.

Angela Merkel has gone so far as to suggest that Europe needs to construct and follow its own vision for the future and that the time for relying on the US and UK is over. My friends and colleagues around the world tend to echo the Chancellor when they ask me "has the UK gone mad?". This is generally meant in a kindly and concerned sense. Thus far the underlying affinity for the UK has not been irreparably damaged. That could change rapidly, for example if the rights of the 2.9 million EU nationals residing in the UK continue to be used as a bargaining chip or a solution is not found to preserve the open border between Northern Ireland and the Republic. Equally, if the UK can quickly find a new, close partnership with the EU and possibly open itself up for longer-term gains through less protectionist trade with the rest of the world, then the lasting impact to our global standing will be slight.

In 1948, Churchill thought of Britain lying at the intersection of three interlocking circles: the Empire and Commonwealth, the North Atlantic partnership, and Europe. Following the Suez crisis Britain was forced finally to abandon its imperial ambitions in the first circle and to cling to a junior partner role in the second while remaining equivocal about the third. Now the spinning plates have crashed to the floor as a

²⁵ The Soft Power 30, 2017.

softpower30.com/wp-content/uploads/2017/07/The-Soft-Power-30-Report-2017-Web-1.pdf

special relationship with the US looks doubtful or even distasteful while Britain has voluntarily turned its back on Europe. The UK's soft power, despite being diminished by Brexit, is needed more than ever to redefine its geopolitical strategy and rebuild relations, especially with emerging powers and fast-growing markets.²⁶ This is of course a competitive business and in markets like China, the UK starts with weak commercial relationships compared to the US and several European countries. Meanwhile in India, the UK's tightening of student visa controls has hampered efforts to open trade relationships. All this suggests that the UK needs to exploit every distinctive strength it has in rebuilding old and forging new relationships.

The arguments surrounding Brexit are keenly fought and hugely important but do not form the central focus of this paper. However the experience provides a real-life example of soft power being drained during a complex divorce. If the UK's exit from international treaties which have been in place for 44 years is as complicated as a moon landing, as the minister in charge has not very reassuringly said, then imagine the fallout from splitting a country which has been fully integrated for 310 years (or in the case of Wales, at least 475). Internal negotiations would overwhelm government for years, the British people would seem even more disunited, and an on-looking world might reasonably conclude that the UK had become neurotically obsessed with its own identity.

Disruption and temporary weakness may be tolerated if justified by the end result, but in the case of a breakup of the UK, the residual nations would be smaller and weaker. They would not only lose scale to project their voices, they would have foregone the immense value of sharing and pooling their cultural, economic, and political resources. A perplexed world would ask 'what was that for?'

It is as yet unclear whether the shock of Brexit will lead to the fragmentation of the UK. Scotland and Northern Ireland voted to remain, while Wales voted to leave in similar proportion to England. Some impediment to Northern Ireland's customs unions²⁷ seems likely, whether that is on its land border with the Republic, or its seaboard with Great Britain. The outcome of Brexit is likely to put considerable strain on relations between the nations of the UK. But if the UK survives Brexit intact, it will become apparent that the bonds which tie it are more important than ever. The UK must forge a future in which it makes the most of its unique advantages, while remaining large enough to be viable.

²⁶ Niblett, Robin: *'Britain, Europe and the World'*, Chatham House, October 2015.

www.chathamhouse.org/publication/britain-europe-and-world-rethinking-uk-circles-influence

²⁷ i.e. the customs union between the UK and the Republic of Ireland, and the customs union which Northern Ireland, like any part of the UK, enjoys with the rest of the UK.

The long-term effects of demographics are striking. 60% of the world's population lives in Asia today, and while that proportion will slightly fall, Africa will grow to 25% by 2050. Britain will have 0.7%. This will not be the era for voluntarily shedding scale. The world faces immensely challenging issues including climate change, security of food, water, natural resources and the environment, the need for inclusive growth and poverty eradication, the threat of militant Islamist fundamentalism, nuclear proliferation to rogue or fragile states, gender inequality, and weak investment and demand growth. These are problems which can only be solved through effective multilateral co-operation, but where a united Britain, as one of a small number of countries with real capacity to influence, has an immensely important role to play.

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