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Britain at the Heart of a Changing World

Policy Paper 132

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Executive Summary

I. The world in 2018 feels increasingly unsafe and unstable. We see nations unwilling or unable to address the challenges presented by a changing world, cutting or undermining international ties that bind nations and peoples together and retreating into isolationism and nationalism.

II. Liberal Democrats believe that peoples' rights and aspirations are universal and not constrained by national borders. We are committed to fighting poverty, oppression, hunger, disease and aggression wherever we can and we are clear that to do this Britain must champion and reinvigorate the rules-based international system.

III. We want to restore British pride in our place in the world, at the heart of global networks, by building partnerships to promote and safeguard peace and security, prosperity, people, and the planet. We must defend our national interests, which are not just about power but about safety, influence, optimism, trade and the relationships we build around the world. **Britain's national interests are best pursued in collaboration with those who share our values – because all of us, countries and people, rise and fall together.**

Challenges

IV. Instability is everywhere as power shifts, old alliances are called into question, and states increasingly compete and seek to outdo one another rather than working together towards common goals. China and Russia pose different but significant challenges. The western-dominated global system built up in the latter half of the 20th Century is giving way to multipolarity, a rising tide of isolationism, continued civil war in many parts of the world, increased volatility in international alliances, and a greater risk of major international conflict.

V. But at the same time, nations are increasingly co-dependent. Trade and modern communications have made globalisation

unavoidable. Challenges such as migration and climate change and the rising power of multinational companies demand global responses while complex webs of relationships that bind countries together should reduce the possibility of armed conflict.

VI. We want this to be a time of ambition and opportunity for the UK, not the one when Britain was left behind, abdicating our international position at such a dangerous moment.

Vision

VII. The focus of UK foreign policy in recent years has been very unclear. Emerging powers such as China have strategically built economic and political ties with developing nations, while established powers have focused more on firefighting than vision. Some see the UK simply stumbling from one international crisis to another. If we want a meaningful role in the world, this must change. A new cross-Whitehall international cabinet committee chaired by a new Foreign Secretary will lead this policy shift.

VIII. To have the most effective international policy, we must focus not only on our vision but also our ability to deliver. For us, this means adopting strategic priorities and goals beyond the essential basics such as the defence of the realm – working towards global gender equality; combatting climate change and other environmental crises; protecting, defending, and promoting human rights for all; reducing inequality; and becoming leaders on global technological innovation whilst addressing issues of privacy, safety, and cybercrime.

IX. **Liberal Democrats want Britain to be the change we want to see in the world: setting an example of respect for human rights and for the rule of law, promoting gender equality and environmental responsibility in our own foreign policy, reducing inequalities, demonstrating transparency and promoting the innovative but responsible use of technology in our own work and in our own territories.**

Building blocks

X. If Brexit proceeds, we must invest significantly in diplomacy, increasing the FCO budget and building international relationships. We must maintain the closest possible relationship with the European Union, regardless of our membership status, and with developing and smaller nations to fight for our strategic priorities. We will support the Commonwealth's transition to an effective modern network of nations with a shared commitment to democracy and human rights. We will set an example, for instance by committing to 50% of senior FCO officials being women. We will work with multinational organisations and businesses to build collaborative networks in support of the strategic goals and priorities we have identified. And we should critically evaluate our longstanding support of states such as Saudi Arabia. Additional investment in the FCO will also enable us to step up support for Britons in crisis abroad.

XI. We must live up to our international obligations on security, maintaining our 2% defence spending and recommitting to collective self-defence under the North Atlantic Treaty. We will legislate to give our elected representatives a say in sending troops to fight overseas. And we will work closely with our allies to develop international rules that govern how we use new technologies in war including cyber capabilities and miniature drones just as we've done with traditional methods of warfare.

XII. We remain committed to spending 0.7% of GNI on aid, and the rules that govern it, helping millions around the world, as well as to aid transparency and accountability – not least to tackle abuse. In war-to-peace transitions, we will support state building initiatives that normalise civilian control over security forces and enhance reliable access to impartial justice for ordinary citizens.

XIII. We must strive to limit the damage that Brexit will do to our international trade, *stepping up support for British business abroad including the service sector, SMEs and start-ups* and ensuring that we do

no further damage by becoming a nation of lower standards, reduced consumer protections and declining international investment. At the same time, we should seek global solutions to the challenges posed by multinational companies, including use of personal data and tax avoidance, as well as environmental and social responsibility – and set our own house in order, tackling money linked to corruption and human rights abuses that has been repeatedly identified within the UK economy, particularly in London.

XIV. We would further develop Britain's significant influence and soft power – including culture, media, education and academia, science and technology. These are undermined by lack of co-ordination and funding cuts and changes to organisations like BBC Monitoring and the British Council. We recognise the importance of soft power and will defend and develop it.

XV. We will strive to protect, promote and reinvigorate the rules-based international order and the global institutions that govern it. To protect people's rights worldwide, there must be responsibilities, obligations and laws to which every nation subscribes. The UK must play a leading role in extending their reach and set an example. The standards we live up to are not just rules; they protect the dignity and rights of every individual.

XVI. Using these building blocks, we commit to protecting people's rights and aspirations regardless of national borders, and to fighting poverty, oppression, hunger, disease and aggression wherever we can. The world is changing but this does not have to be a threat. Working together, and with Britain at its heart, we can help the world to achieve more.

1. Introduction

1.1 Core Liberal values

1.1.1 Liberal Democrats believe that peoples' rights and aspirations are universal and not constrained by national borders. We are committed to fighting poverty, oppression, hunger, disease and aggression wherever we can. It is these values that have long driven us and the distinctive, liberal foreign policy for which the party is known. This is why, for example, in government we introduced a legally binding commitment to spend 0.7% of GNI on international aid – helping the poorest to break free of poverty and disease. And it is why we opposed the war in Iraq. We did not believe there was a sound legal or humanitarian case for involvement.

1.1.2 Implementing these values in the world requires international co-operation between governments. So, we are determined to work with other countries towards an equitable and peaceful rules-based international order and durable systems of common security. We will play a full and constructive role in international organisations, working towards peace and disarmament, the development of free and fair trade, the elimination of poverty, and the collective safeguarding of democracy and human rights.

1.2 Exit from Brexit

1.2.1 Liberal Democrat policy on Brexit is established and detailed. We believe Britain is better off as a member of the European Union. We campaigned to remain in the European Union and regret the outcome of the Referendum. We recognise that membership of the European Union has allowed Britain to enjoy numerous benefits including peace, increased trade, investment and jobs, greater security, cultural enrichment, academic and scientific co-operation, and stronger environmental protections. And we believe that Brexit will result in the loss of the UK's ability to shape the future direction of the EU during a period of rapid change.

1.2.2 Since the referendum result was announced, we have made clear that we believe it is the British people and not the government who should be the ones to decide whether the terms of the deal agreed for withdrawal are satisfactory. This means a referendum on the terms of the Withdrawal Treaty in which 16- and 17-year olds should have the right to vote. We continue to believe that the Conservative Government cannot return a deal better than the deal we have currently – and so will campaign in this referendum to remain a full member of the European Union.

1.2.3 Should Brexit proceed, Liberal Democrats will not stop campaigning for the closest possible relationship with the European Union which may, one day, mean re-joining the EU. Liberal Democrat policy on this critical issue will be developed as events progress.

1.3 Britain's international policy vacuum

1.3.1 In the shadow of Brexit negotiations, both of the other parties are stuck in the past, neither willing to accept that we have both the ability and obligation to engage with our partners around the world to address the issues of our time. Conservatives are increasingly held hostage by their pro-Brexit right wing who bemoan the 'decline' of Britain and long for the days of Empire. They hope unrealistically for trade free of tariffs and non-tariff barriers and flourishing commerce detached from our largest trade partner. Labour seek to roll back Britain's global influence – their stance on international affairs fatally undermined by their leader's anti-western rhetoric, his ambivalence about the European Union and his longstanding hostility to NATO.

1.3.2 We cannot fight poverty, disease or climate change alone, nor can we keep our citizens safe or benefit from trade and investment unless we work with others. To remain alone in the world would be to squander our influence and relationships, to risk the UK being left behind as technology and knowledge accelerate, and to leave other countries to lead on issues that we have been addressing for decades.

1.4 The Liberal vision

1.4.1 The UK needs a liberal strategy for restoring pride in our place in the world. We belong at the heart of global networks, championing British values and interests that are embodied in universal initiatives like the UN's Sustainable Development Goals, building partnerships to promote and safeguard peace and security, prosperity, people, and the planet. We must defend our national interests, which are not just about power but about safety, influence, optimism, trade, and the relationships we build around the world. We cannot turn back the clock. Old alliances are being called into question, new countries are growing in influence, and there are new powerbases and ways of influencing decisions. As liberals, we embrace these changes and aim to build a world in which we are stronger together.

1.4.2 Britain's national interests are best pursued in collaboration with countries, organisations and individuals who share our values – because all of us, countries and people, rise and fall together.

2. The World We're In

2.1 Global challenges

2.1.1 Following the relative calm of the last two decades, the world in 2018 feels increasingly unstable. States compete and seek to outdo one another rather than working together toward common goals. Trump's election as President has hastened the end of US global hegemony. The superpower of the last 60 years now declares its ambition to put 'America First', seems willing to plunge the world into trade wars and is questioning and damaging longstanding alliances. The leadership vacuum left is unlikely to be filled by other states who seek to promote the liberal values of democracy and human rights. Around the world, we are seeing more instability and rearmament, and history shows that this increases the real **risk of conflict** between 'great powers' often not because of a conscious desire for war but simply through miscalculation and misunderstanding. That risk is now more real than at any time since the end of the Cold War.

2.1.2 The ways in which states act and interact are changing. Since the Second World War, a system of global governance in trade, finance, security and international law has prevailed with which affluent western democracies have been understandably comfortable since they designed it. This **rules-based international order** has more or less successfully balanced relationships between states, using international institutions to allow them to resolve conflicts and address issues without recourse to aggression. But this international order is being challenged. Rising powers and smaller nations who have often found the system oppressive are now seeking to build rival institutions and new relationships that better serve their interests. At the same time, populist leaders are appealing to isolationism, attacking international co-operation on issues like climate change and international justice. This doesn't just damage Britain's national interest – it poses a serious threat to the co-operative international consensus.

2.1.3 One driver of this increased instability is the **global power shift** of recent years. Affluent western democracies have begun to share power and influence with new alliances of nations and emerging regional economic and political powers. Part of this has resulted from changing realities – the sheer size of India’s and China’s populations and economies, for instance. Many of these emerging powers, like India and South Africa and Brazil, are democratic. But China is combining growing economic strength with an awakening nationalism which diverges from our democratic ideals and values. ‘Traditional’ powers are also becoming reluctant to expend political capital abroad – placing diplomacy and negotiation on the backburner and focusing on problems at home. So power vacuums emerge in volatile regions like the Middle East where Iran, Saudi Arabia, Russia and Turkey compete to fill the gap.

2.1.4 There also remain other **key challenges that must be addressed at a global level** – chief among them climate change, but also including poverty, lack of human rights, nuclear proliferation, the need for successful management of the global economy to avoid major contraction, and the need for gender equality. These are concerns not about states and power, but about individuals who live under a host of different regimes and ideologies where prosperity, freedom, and equality are a distant aspiration. Backward steps like the United States’ threat to withdraw from the Paris Agreement on climate change only make these challenges harder.

2.1.5 Another global challenge that has grown in importance is **migration and the refugee crises** which are its most visible symptom. Economic inequality, climate change and injustice will all contribute to further migration but armed conflict is one of the most immediate drivers. According to the UNHCR, 68.5 million people were forcibly displaced worldwide at the end of 2017, including 23.2 million people who sought safety across international borders – the highest number since UNHCR was founded in 1950. Since 2011, the number of displaced people has increased by millions every year. This is a direct

result of the failure of the international community to tackle crises like Syria. News coverage of the refugee crisis is dominated by the movement of people into Europe, but, in reality, countries close to the conflicts are hit the hardest, and often have limited ability to cope with large influxes of refugees, straining their own domestic infrastructure and political stability.

2.2 State-level issues

2.2.1 **Russia's** nationalistic response to economic and political insecurity poses a multilevel threat to Europe, to NATO, and the regions where it believes its power is being undermined. The Skripal case has deepened mistrust of Russia's willingness to conform to international norms, but the pattern was already clear: Russian cyberwarfare capabilities have been implicated in widespread attacks on governments, energy grids and infrastructure, and the creation and distribution of viruses that have seriously affected businesses and organisations worldwide. Russia appears to be pursuing policies of assassination, disinformation, and destabilisation on foreign soil, including interference in democratic elections, possibly including the 2016 EU Referendum. Russia also maintains a large military, has encroached upon and even annexed territory from its neighbours and is an active supporter of the brutal Assad regime in Syria. It has never been clearer that a united, firm and concerted British and European response is necessary to deter Russia from testing us further and the risk that would bring of greater conflict.

2.2.2 **China** is intent on regaining its place as a global superpower and erasing the perceived shame of colonial and wartime humiliation at the hands of foreign powers, including the British. While China's growing participation in the world economy, its increased involvement in global responsibilities like UN peacekeeping, and its leadership on issues like climate change, can all be counted as positives, China's role in other areas from illegal animal products to human rights in Africa remain problematic. The trillion-dollar Belt and Road Initiative

demonstrates Chinese political as well as economic ambition with very different labour, environmental, and human rights standards to the traditional western model. The Xi regime's hi-tech authoritarianism at home and oppressive policies towards regional populations like the Tibetans and Uighurs and towards human rights defenders do not augur well for their commitment to human rights worldwide. And they are rapidly accelerating military force projection, most obviously in the South China Sea, and proving an aggressive presence in cyberspace.

2.2.3 Around the world, **isolationism and nationalism are on the rise**. These local political ideologies have international consequences. The fuelling of national prejudice and hatred of others to win votes pose a serious threat to a stable international context from South Asia to the Gulf, from Russia to Latin America to the Philippines. Closer to home, far right political movements are proliferating and the EU is facing its own crisis with a new populist government in Italy and moves in Poland and Hungary to weaken democratic safeguards.

2.2.4 The stabilisation of conflict-affected, fragile and failed states such as the DRC, Libya, Yemen, and Syria is critical to international security, but there is an increasing reluctance, or inability, of the P5 – the permanent members of the UN Security Council – to deal with the issues involved. **Terrorism and violent extremism** thrive on conflict, instability, poverty, injustice, inequality, and social and ethnic exclusion, which provide both rallying causes and spaces in which to operate and strengthen. This poses a serious and imminent threat to unstable states themselves as well as their neighbours and can drive violent extremism in the UK.

2.3 A Britain left behind?

2.3.1 The UK has been a global economic, colonial, and military power for centuries. The UK retains enormous cultural, scientific, and academic capital, and is a global leader in financial services and many other sectors. We are the world's sixth-largest economy, the second biggest aid donor, a permanent member of the UN Security Council,

and we have played a key role in important international issues such as climate change and arms control. We are a leading member of NATO and an effective military power, with a nuclear deterrent, and continuing peacekeeping and security roles around the world. We play a leading role in the Commonwealth and maintain close relationships with other democracies around the world.

2.3.2 The last 75 years has seen a retreat from empire and from Britain's economic and political superpower status but also transition to a successful role within an expanding European Union. For decades, we have acted as one with our EU allies and the European Union has been the primary institution through which we have wielded global influence.

2.3.3 That has now been thrown into jeopardy. Regardless of outcome, the Brexit process has already damaged the UK's global reputation. Our international meetings and overseas visits make it all too obvious that Britain desperately needs friends and partners, often more than they need us. When Indian Prime Minister Modi visited Europe in 2017 he went to Germany, Spain, France and Russia, but didn't come here or meet with Theresa May. Brexit is taking up domestic political time and reducing the space to debate other critical issues. We have been forced to seek international partnerships whilst at a disadvantage in order to make up for the influence and opportunities we are about to lose. The Conservatives' conduct of the negotiations has been a national humiliation, signalling a catastrophic lack of understanding of international affairs and the European Union. The looming issue of the Northern Irish border indicates that peace and cross-border trade and relations are coming second to anti-EU dogma.

2.3.4 So, is Britain abdicating its international position at a particularly dangerous moment for the world – forced to focus on the fallout from botched Brexit negotiations and failing to effectively develop allies for international action? Western democratic powers need revitalised leadership and the reception for Emmanuel Macron at

world events suggests that, currently at least, France is more able and inclined to provide it than Britain.

3. The World We Want to Build

3.1 Introduction

3.1.1 The first part of any effective policy must be knowing what we want to achieve. This has been very unclear in recent UK foreign policy. Although we have been internationally active – particularly in international development but also in terms of military intervention and multilateral diplomacy – the UK has lacked not only a deliverable strategy, but also a coherent international vision. This is not only a British problem. While emerging powers such as China have focused on strategic investments, deepening ties with developing nations and regions, more established powers have focused more on firefighting than laying out a vision for international co-operation. Less charitable observers see the UK as simply stumbling from one international crisis to another. If we want a meaningful role in the world, this must change.

3.1.2 International consensus and relationship-building are tools by which we can promote and further Britain's national interest. We cannot develop or benefit at the cost of others. Liberal Democrats want an international policy designed to advance the wellbeing of people and not only nations – not a policy that tries to get on the 'winning' side of a world of winners and losers, but one that sees every nation benefit from progress. Co-operation in Britain's national interest means working together, reducing tension, bringing all countries forward, and working to address the key challenges facing global politics.

3.1.3 At an international level, there is a readymade framework for co-operative development: the 17 Sustainable Development Goals (SDGs) — designed to alleviate all forms of global poverty, tackle climate change, increase peace and security and reduce inequalities — were agreed by world leaders at a UN Summit in 2015. While the SDGs are not legally binding, all governments— not just those who receive development assistance— are expected to take ownership of them and establish national frameworks for their achievement. When creating

international policy and looking for co-operation on international goals, the SDGs help us to align with our allies.

3.2 Globalisation

3.2.1 Globalisation is not just an economic phenomenon, but a technological and social one which has had a fundamental impact on the way in which relationships between nations, companies, and individuals are managed. Decreased travel and shipping costs, simplified and increased communication, and an intensification of trade between developing countries have driven a huge increase in international trade flows. According to the Center For International Data, since 1950, the value of world exports and imports as a share of world GDP has risen from 19% to 59%. The increasing complexity of cross-border manufacturing includes shipping goods not only in their completed state but also during production. Along with increased global access to the internet, the ubiquity of mobile phones, and the flourishing service industry, this means that companies and countries are intertwined and individuals are linked across the globe as never before. Globalisation is, in short, unavoidable.

3.2.2 At the heart of the rise in isolationism and nationalism – both as a driver and as an effect – has been criticism of globalisation and its perceived impact on domestic employment. There are also concerns about the place of developing countries in a globalised system, especially in regards to workers' rights, the distortion of domestic economies, and environmental impacts. Yet globalisation is also key to how we deepen our global relationships and build a more stable world. Deep trade, investment, personal, and business ties mean violent conflict has higher stakes. You can't easily go to war with countries you rely on to produce your food or buy your goods. This was the founding principle of the EU, and something that isolationists still fail to recognise.

3.2.3 We must lead the drive for an international architecture that supports responsible international business, promotes high standards,

fair competition, responsible data use, corporate social responsibility, environmental sustainability and spreading the wider benefits of trade to everyone involved. **We want free trade and globalisation that leaves no one behind.**

3.3 Five priorities for UK international policy

3.3.1 Our international policy must be deliverable as well as aspirational. Despite our comparative power, the UK must have specific, focused priorities beyond basic fundamentals such as the defence of the realm. The choices that we need to make must be balanced both by examining our capabilities and existing involvement, as well as establishing where our key values could make the biggest impact. **We believe the UK should adopt five strategic priorities in international policy, seek out global alliances and partnerships, and build consensus in support of them. To enable this process, we will link these priorities explicitly to the UN Sustainable Development Goals.**

3.3.2 We want to develop a leadership role for Britain in international affairs while also reinvigorating the rules-based international system. For instance, we hope to draw China more deeply into joint work on issues such as climate change, to work with Russia to fundamentally reduce the shared threat of violent extremism and to build robust alliances worldwide in defence of human rights.

3.3.3 In line with Sustainable Development Goal (SDG) 5, we will work towards **global gender equality**. The most fundamental of rights continue to be denied to women and girls around the world, and too often the realities of women's lives are ignored in favour of continuing or improving trade links or building regional alliances. Our international policy should be a feminist foreign policy, promoting equality as an obligation and an aim for all countries.

3.3.4 This means building on our work in Coalition towards ending Female Genital Mutilation around the world; campaigning for equal

access to education; working for improved legal protections for women and girls, particularly those experiencing domestic abuse; acting against child and forced marriage; supporting Sexual and Reproductive Health and Rights; and fighting for economic empowerment and equal pay.

3.3.5 In line with SDGs 12 and 13, we will build on the Liberal Democrat record on green energy and the environment, working with international leaders to **combat climate change and other environmental crises**. These problems do not stop at borders or walls and can only be addressed by co-ordinated global action.

3.3.6 So Britain should champion action based on the Paris Agreement, even if this means challenging the approach of traditional allies like the US. Global environmental action is important beyond the green agenda. Biodiversity loss, deforestation, water scarcity, and climate change don't only endanger the environment, they also affect the stability of fragile states and regions, and can contribute to conflict, mass migration, and state failure. So **we must champion better resourcing for the UN Environmental Programme (UNEP) and seek to mainstream environmental issues within multilateral institutions** such as the World Bank Group, WTO and regional investment banks, and in the new generation of trade and investment treaties.

3.3.7 In support of SDG 16, we will **protect, defend, and promote human rights for all**. Human Rights are central not just to liberalism, but also to the shared values of the international community as set out in the Universal Declaration of Human Rights in 1948.

3.3.8 So we will work to reverse the current trend towards shrinking civil society space, the ongoing persecution of the LGBT+ population, and the targeting of human rights defenders, and to ensure that global economic development is not achieved at the expense of the human rights of vulnerable communities. We will develop strong alliances with like-minded countries and question traditional alliances with countries that have the worst human rights records. We will also defend and

support the best tools we have for advancing peace and human rights: multilateral institutions such as the UN, the International Criminal Court (ICC), the EU, and the European Convention on Human Rights (ECHR).

3.3.9 In support of SDGs 1 and 10, we will work to **reduce inequality within and between** nations, not only in the interests of the poor and disadvantaged but to avoid the kind of deep-seated injustice that leads to regional instability and fosters extremism.

3.3.10 To achieve this goal, we must change the way we operate in the world and the alliances we build. We must draw our allies in smaller and developing countries into international decision-making. UK involvement in international development spending and international trade and investment, must measure and reduce, not worsen, inequalities.

3.3.11 We will lead **the worldwide response to new technologies, supporting innovation while addressing issues of privacy, human safety, cybercrime, and new technology in warfare**. There is huge potential for good in green energy, big data, nanotechnology, bioinformatics, genetics, artificial intelligence, robotics and other fast-developing technologies. But there are also risks to human health and wellbeing, privacy and civil rights. A co-ordinated global response is needed that stretches beyond the interests of international corporations.

3.4 The building blocks

3.4.12 Having established the **aims** of our international policy, we must consider how we achieve them. The UK can make a difference at a global level, but this relies on our willingness and ability to work with others by building global partnerships and alliances. Much of our current power is grounded in history and the co-operative partnerships we've built and participated in – within Europe, the Commonwealth, and the English-speaking world. We also retain tremendous 'soft power' – the ability to attract rather than coerce, to influence and persuade

others to join us. Since soft power relies heavily on our reputation, we cannot overestimate the negative impact of the drift we have described in UK international policy and current government policies, including the conduct of Brexit negotiations, damaging immigration policies, and the conduct of representatives such as the Foreign Secretary on the world stage.

3.4.13 To work towards the world we want to see, there are five strands that government must invest in – co-operation, security, finance, influence, and global governance. These are the **means** by which we will deliver our vision.

4. Co-operation

4.1 Introduction

4.1.1 Diplomacy is the tool through which we relate to other nations. It is the front line of co-operation, of relationship-building, and problem-solving. Our overseas missions and embassies do not just advance the British position or make use of our convening power, they provide information and support to the British government. For a liberal international policy rooted in strong, productive relationships, there is no more important government tool than diplomacy.

4.2 Where we stand

4.2.1 The primary role of the Foreign and Commonwealth Office (FCO) is to promote UK interests overseas through its network of over 270 overseas posts, missions, and embassies by managing our relationships with foreign governments and international institutions. British diplomats have an outstanding reputation while most Whitehall departments also maintain an international dimension to the work they do, and overseas missions present all UK policy in a coherent and consistent way.

4.2.2 There are, however, significant risks to our position and reputation. Diplomats must be outward-looking and internationally-minded. As British foreign policy becomes more inward-looking and definitions of 'national interest' become too tightly drawn, the UK's standing will decline. These problems are only compounded by resource constraints. Just when Britain's diplomatic corps are needed more than ever, their resources have been restricted and simultaneously stretched by the challenge of detaching from EU missions abroad, impacting both the ambition and extent of our foreign policy reach.

4.3 The European Union

4.3.1 For many years, diplomacy within Europe has been a permanent feature of all levels of government. Our EU membership meant that Britain had MEPs forming cross-national alliances, British officials heading up key agencies like Europol, a European Commissioner from the UK, British judges in European courts, and ministers who routinely negotiated with their counterparts. The multilateral nature of EU decision-making is complex but it will be much harder to wield global influence through diplomacy from outside the EU if Brexit proceeds. Leaving the EU threatens our expertise in the workings of the bloc and will lose us critical access to information and support available to our neighbours.

4.3.2 Through the European Union, we have also maintained a greater diplomatic presence outside Europe than the size and budget of the FCO would otherwise allow, including via the European External Action Service. At first, the EEAS was even led by a Briton. Brexit will also affect our activities in other international arenas such as the UN, where we have typically worked closely with EU partners and co-ordinated positions. Brexit would put these relationships in imminent danger. **We must maintain the closest possible worldwide diplomatic relationship with the EU should Brexit proceed including close liaison with the European External Action Service.**

4.4 The Foreign and Commonwealth Office

4.4.1 At a governmental level, the FCO has suffered from a loss of influence as well as cuts in funding. Spending on the FCO is now £1.1bn a year – 0.06% of GDP compared to 0.7% on international aid and 2% on defence. With funding cuts, clear decision-making and strategy-setting has become more difficult, and turf wars across Whitehall have become more common. **We would establish a new cabinet committee, led by the Foreign Secretary, to drive co-ordinated international policy across Whitehall. It would include obvious international departments like DIT, MoD and DFID but also key**

soft power players such as the Department for Digital, Culture, Media and Sport and the Department for Education and it would also be expected to actively engage non-governmental institutions.

4.4.2 If co-operation is to be the crux of our international policy, we must invest in diplomacy. Since 2010, there has been a 31% reduction in FCO funding. Although most of this has come from ending FCO funding for the BBC World Service, the remaining funding envelope has tightened. Should Brexit proceed, more money will be needed to repair some of the damage done – not just to replace EU functions but to build the bilateral relationships that will be necessary if we are seeking new trade and investment deals outside the EU. **If we leave the EU, we would increase the FCO budget to £2bn – an increase of £900m. This would be paid for from funds currently paid to the EU.**

4.4.3 Leading by example is also of key importance to the FCO – particularly when it comes to the increasing proportion of overseas departmental staff hired locally. For that reason, **in support of our prioritisation of gender equality, we will work to ensure 50% of officials in the senior ranks of the FCO, including Ambassadors and High Commissioners, are women. We will also develop initiatives to recruit, develop, and promote talented younger women in diplomacy.**

4.4.4 Diplomatic power and presence is not just about promoting Britain's approach, but also about supporting and representing Britons living, working or travelling abroad. Embassies are particularly important when British citizens find themselves hurt, arrested, or imprisoned. Although British diplomats are skilled advocates, there are examples where, for instance, lawyers and translators have not been provided, even for people facing death sentences. A well-funded and highly functional diplomatic service can better defend the interests of our citizens overseas, and we must ensure that the FCO makes this a clear priority.

4.4.5 To ensure British citizens are aware of support available abroad, **we would publish a charter for British citizens in crisis overseas, setting out what they can expect from FCO consular services and when legal, financial or practical assistance will be given.** In line with practice in by other countries, **to ensure that all citizens are informed of the support available, the UK government should work with mobile operators to provide people with their nearest consulate's emergency telephone number by text message, as soon as they connect to a mobile network outside the UK.**

4.5 Like-minded allies

4.5.1 An international policy based on a range of strategic priorities also means that relying on traditional alliances will not be enough to achieve our aims. For instance, the USA would be central to work on technology, but other partners would be needed for work on climate change (for instance, China), or gender equality (for instance, EU nations). **To advance our priorities, Britain must build wider coalitions of support, including developing nations and smaller nations who share our interests or who have innovative domestic approaches to the issues we raise.** Building such coalitions should not rely only on pre-existing alliances, but it should also present an opportunity to start working more closely with different allies.

Innovative and agile international initiatives like the global vaccines alliance GAVI, the Global Fund on AIDS, TB and Malaria, or the Global Partnership for Effective Development Co-operation, all of which bring together willing governments, UN agencies, corporates and NGOs and offer a positive model for the ways in which Britain can lead and help to reinvigorate the international system.

4.5.2 At the same time, we do have strong pre-existing bonds across the world. The Commonwealth provides us with strong historic relationships with 52 countries – although complicated by our colonial history. The Harare Declaration of 1991 set out common values and

goals, including international co-operation and the rule of law, freedom, democracy, and an end to racial discrimination – a goal the Commonwealth nations actively pursued in opposition to apartheid South Africa. Since then the Commonwealth has made faltering attempts to enforce these values, several times suspending members after military coups. A number of members continue to have poor human rights records, particularly in relation to LGBTQ citizens. But the Commonwealth remains a useful body through which to build our soft power and networks, as well as aligning allies on key UN issues. There are a number of relationships with Commonwealth nations that the UK could build upon more effectively in the future – including leading African democracies such as South Africa and Nigeria, and the emerging economic and technological powerhouse of India. **We are committed to keeping Britain at the heart of the Commonwealth and supporting its continuing transition from an ex-colonial club into an effective modern network of diverse nations committed to championing shared international priorities such as democracy and human rights. We will actively support debate within the Commonwealth and initiatives such as the Commonwealth Equality Network and the RCS Toolkit for Policy Progress on LGBT Rights to protect and uphold the rights of the Commonwealth’s LGBTQ citizens.**

4.6 Cross-border collaboration on crime and extremism

4.6.1 Working across borders allows us to share our expertise and information with others, and to build our own collaborative networks. These kinds of collaborations have been particularly useful when it comes to intelligence-sharing in relation to cross-border crime and have been an important part of the Brexit negotiations. It is vital they continue.

4.6.2 Terrorism is not a threat to the existence or stability of most states, including the UK, but remains a threat to citizens. The response to terrorism is a prime example of defence that is not covered by the

MoD – the Home Office runs a comprehensive counter-terrorism strategy (CONTEST) aimed at preventing individuals' move into violent extremism. A significant aspect of counter-terrorism work is the cross-border sharing of intelligence – most notably through EU measures such as the Prüm Convention and the Schengen Information System.

We would continue to prioritise cross-border – and particularly pan-European – collaboration on counter-terrorism and counter-extremism.

5. Security

5.1 Introduction

5.1.1 Defence is becoming ever more relevant and complex. Russia – still a major nuclear power – has invaded Ukraine and intervened heavily in Syria, is threatening and undermining countries in Eastern Europe, testing UK and European defence responses, practising and advocating assassination, and manipulating parts of the cybersphere to undermine democratic processes and self-confidence. The hybrid threats being deployed are *designed to avoid triggering traditional defence mechanisms*. Protecting ourselves against such threats requires a new capability that combines elements of armed force, policing, intelligence, finance, diplomacy, and influence operations.

5.1.2 We remain amongst Europe's and the world's biggest defence spenders. We see ourselves as a stabilising force even as countries including Russia, China and Saudi Arabia adopt increasingly aggressive military postures towards their neighbours. Defence is not just about being able to protect our own citizens. It is about making sure that hard-won freedoms in more vulnerable countries are not put at risk and that the balance of international power is not destabilised with all the grave risks that entails.

5.1.3 In addition to our military assets, our intelligence agencies play a significant role in national security. The Secret Intelligence Service (MI6), MI5 (the domestic Security Service) and the electronic intelligence agency GCHQ all play major roles in international collective security, including through co-operation and, sometimes controversially, shared intelligence.

5.1.4 The UK also remains a nuclear power. The party last updated its nuclear weapons policy in spring 2017, when we committed to retaining our nuclear deterrent but reducing our posture to end continuous at sea deterrence and using our diplomatic power to make further moves towards multilateral nuclear disarmament.

5.1.5 Despite these assets, we must be clear that our resources, including personnel, are already expected to take part in a large number of international training exercises, Special Forces deployments, and humanitarian assistance and disaster relief missions. Concerns have been raised that the armed forces are already under pressure even at current levels of engagement. At the same time, changes in tactics, weaponry, and extent of warfare techniques means that national defence does not stop at the cliffs of Dover: to adequately protect the UK we must contain threats well beyond our physical borders. To secure the food and fuel on which we depend, we need safe navigation in continental Europe and the sea lines of communication around Britain; for other vital interests, we need to be able to defend critical systems in cyberspace.

5.2 Obligations

5.2.1 The UK is a member of the North Atlantic Treaty Organisation (NATO), a military alliance established in 1949. The most salient aspect of NATO membership is Article 5 of the treaty which states that ‘an armed attack against one or more of [the Parties] shall be considered an attack against them all’. Article 5 invokes collective self-defence – using national military strength to defend other signatories. This aspect is under threat – Donald Trump spent much of his campaign distancing himself from this obligation, and Corbyn’s Labour Party is divided over collective self-defence. This is all very well for large nations geographically removed from Russia and other threats to the south and east, but for smaller European nations, collective self-defence underpins their national sovereignty and their peoples’ right to self-determination. **We commit to the principle of collective self-defence as laid out in the North Atlantic Treaty, including eastern European nations and the Baltic states, who find themselves increasingly under threat from an aggressive, expansionist Russia.** In a similar vein, **we are committed to defending our overseas territories based on the rights of British Overseas Territories citizens to self-determination.**

5.2.2 NATO member states have pledged to spend at least 2% of GDP per annum on defence to ensure that the Alliance can meet its objectives – the UK is one of only six NATO members to honour this commitment, with a defence budget of £35 billion. We are clear that for the UK at least, the 2% spending limit is not just an international obligation, but a necessity. In an increasingly unstable and multipolar world, we cannot afford to continue to further cut our military spending, or the size of our armed forces. Rising isolationism in the US means we can no longer be as certain of US support as we used to be. **We commit to continue to spend 2% of GDP on defence in line with NATO recommendations and to work with our NATO allies to encourage all alliance countries to meet the 2% target.**

5.2.3 The UK participates in a number of cross-border defence initiatives such as the EU's counter-piracy mission Operation Atalanta, the Combined Joint Expeditionary Force with France and the UK Joint Expeditionary Force with Nordic nations. These initiatives allow us to increase the impact of UK military involvement without involving wider groups of NATO nations. We support both these initiatives and the shift towards permanent structured European military co-operation. We believe that defending our European allies is of fundamental importance whether within or outside the EU. Therefore, **if we leave the EU, the UK should sign a Framework Participation Agreement with the EU to create a legal basis for its continued participation in Common Security & Defence Policy missions, and should continue to play a strong role in European crisis management efforts.**

5.2.4 **We will also work with our European allies towards permanent structured European military co-operation, which we will participate in regardless of our EU membership status.** This will not constitute a European Army and would not see the British Armed Forces merged with the EU's any more than we have already merged with other NATO armed forces. But what it would do is streamline and make European defence co-operation more efficient. It would enable a more effective European contribution to NATO as well

as facilitating more effective European military action independent of NATO than the current *ad hoc* EU military missions around the world.

5.3 Armed forces

5.3.1 By 2020 the Army will be cut to 82,000 personnel, with 35,000 reservists – although shortfalls in recruitment and retention, and reported equipment shortages mean that active capability is significantly lower. This compares to over 110,000 plus reserves currently in the French *Armée de terre* and is down from 102,000 personnel in 2003. Whilst fleet size has dropped significantly, the Royal Navy's technical capability has increased. It is one of the most technically capable navies in the world. The navy force now stands at just under 30,000 regulars. The RAF is in the latter stages of phasing out Tornado fighter jets, replacing them with Eurofighter Typhoons. F35s to be carried by our new aircraft carriers are being phased in; the Government plans to have at least 24 available by 2023. The full procurement of 138 aircraft is not expected to be in service until the 2030s.

5.3.2 Alongside diplomacy and development, our Armed Forces are critical to delivering our foreign policy objectives. Not only do they defend the UK and contribute to collective security, but they also contribute indirectly to building international partnerships and influence, including through training and humanitarian assistance. The strength of our Armed Forces relies in large part on the internationally renowned quality of our personnel. We are therefore concerned that Armed Forces personnel numbers have dropped below government targets, voluntary departures are at historic levels, and MOD surveys indicate declining morale. Budget cuts, pay freezes, recent MOD policy changes, competitive employment opportunities outside the services, and the adverse impact of service life on families have all contributed to this problem.

5.3.3 We reiterate existing Liberal Democrat policy to address Armed Forces recruitment and retention issues including improving the experience for military families; addressing the adverse impact of certain MOD policies, particularly on accommodation; lifting the pay freeze; protecting personnel, community, welfare and accommodation budgets; improving the implementation of the Armed Forces Covenant; a high standard of healthcare, including mental health services; and initiatives targeted specifically at specialists.

5.4 Military engagement

5.4.1 In 2003, we opposed intervention in Iraq. At the time, our stance was condemned from all sides, with Charles Kennedy being jeered and booed in the House of Commons. It is now clear that this position was the correct one to take. We did not believe there to be a sound legal or humanitarian case for involvement, nor was invasion needed to protect the UK from imminent danger. These debates, we believe, are useful to be had in public – to hear the government’s justification for their proposals and to use the expertise and experience of parliamentarians to determine whether or not we should become involved in what could be protracted military campaigns. **We therefore propose legislation to ensure that there is a meaningful parliamentary vote before engaging in wars, whilst preserving the ability to engage in military action in emergencies or under treaty obligation without being forced to recall parliament.**

5.4.2 As liberals, we are concerned for the victims of oppressive regimes and forces. We believe that we are obliged to help if we can. This can sometimes mean intervention in overseas territories where genocide, war crimes, ethnic cleansing and crimes against humanity are present or imminent – known by the UN as the Responsibility to Protect (R2P). R2P is not just humanitarian intervention – it is concerned first and foremost with preventing international crimes such as genocide and using international law as an arbiter. We believe the full extent of

this diplomatic approach often falls by the wayside as governments seek to involve themselves militarily.

5.4.3 Sadly, by the time R2P comes into play, there are often no good outcomes, regardless of the choices made – for example in Libya where action was taken and in Syria where action was not taken. Intervening militarily is not a silver bullet for solving problems. But refusing to accept that countries have a responsibility to people facing genocide or war crimes undermines our liberal view of the world. When we fail to work to stop crimes against humanity, they cease to be seen as crimes at all. The main issues, then, are first to focus heavily on the diplomatic aspects of R2P, and secondly, narrowing as far as possible the distance between what we want to achieve and what we would be able to realistically achieve.

5.4.4 In the event of a call for action under the UN's Responsibility to Protect doctrine, the government must rigorously ensure that all military action meets a number of tests. These are:

- **Support for action within the region, and ideally, regional actors who are willing to form the majority of the intervening force (as for instance, the African Union is doing in Somalia);**
- **A decent prospect of defined success, which includes an expectation of how to build peace and resolve conflict after the initial intervention;**
- **A sound legal or humanitarian case, as intervening forces had in Libya in 2011 and would have had in Syria in 2013, but which was absent in the case of Iraq in 2003.**

5.5 Future of warfare

5.5.1 The way wars are conducted around the world is changing fast. Gone are the days when war was declared by a government and military assets dispatched to a single front. Modern warfare is diverse

and often hidden. It consists of computer viruses and cyberattacks on critical infrastructure; of remote or increasingly automated or autonomous, miniature, unmanned systems; of covert surveillance; of terrorists and attacks on civilians portrayed as terrorists; of special and proxy forces deployed without a declaration of war; of capturing and imprisoning suspected hostile individuals on foreign soil without recourse to national or international rights to fair trial or against degrading treatment. To imagine that existing treaties effectively manage modern warfare is to ignore its very nature. To ensure that future warfare has a comparable ethical framework to previous conflicts, we propose that **the UK should promote an international treaty on the principles and limits of the use of technology in modern warfare, including cyber, Artificial Intelligence (AI) and drones including UAVs. We call for the UK approach to support the principles of existing international laws of war, but strengthening the definition of what constitutes "human intervention" and what constitutes an act of war in the cyber era.**

5.5.2 With a more immediate timescale, **we call for a suspension of new arms contracts to Saudi Arabia as a result of evidence that British-supplied weapons are being used to target the civilian population in Yemen. We also encourage the UK government to consider suspending all formal intergovernmental arrangements with Saudi Arabia whilst they continue to routinely target civilians as part of their military campaigns.**

5.5.3 Because of these changes in warfare, national defence is no longer simply the responsibility of the Ministry of Defence. The Home Office, for instance, runs counter-terrorism and counter-extremism programmes. Recent cyber-attacks on businesses and civil infrastructure traced to Russia and North Korea show that simply attempting to stop incursions at source cannot effectively contain the threat – a well-placed attack on critical infrastructure would cripple vast swathes of the country. And the existing Department for International Development (DfID) focus on fragile states makes clear that curtailing

international terrorism involves all aspects of international spending. We believe that **cyber-defence should be considered the new civil defence. Government should lead on comprehensive plans to increase resilience, spread best practice, and raise awareness of the threats faced by business and organisations, and the impact that the behaviour of individuals can have on wider systems. This increased resilience must include, as a priority, national infrastructure including the National Grid and the NHS.**

6. Finance

6.1 Introduction

6.1.1 Our approach to aid, investment, and trade is clear – we aim to increase prosperity while making sure no one gets left behind. We have an obligation to the poorest and most vulnerable to ensure they share in growing economic prosperity and are not made even more vulnerable by it. The UK is already a global leader in international development and, given the USA's revised policies on aid, we need to show real moral leadership that benefits not just other countries and people, but also the UK.

6.2 International development

6.2.1 The United Nations General Assembly agreed on the 0.7% of Gross National Income target for donor countries in 1973. One of the most important achievements of Liberal Democrats in government was achieving and then enshrining in law the 0.7% target. The UK is one of only six countries that meets this goal. This has supported more than 67m childhood vaccinations, put more than 11m children through education, and given nearly 10m women to access modern methods of family planning. In 2015, the UK provided £12.1bn in aid, mostly through the Department for International Development (DfID).

6.2.2 The vast majority of UK bilateral aid was spent in Africa and Asia, namely in Pakistan, Ethiopia, Afghanistan, Nigeria, and Syria. DfID's primary focus is to end extreme poverty, but the Conservative government has added additional priorities to aid policy that come dangerously close to falling outside official OECD rules and the UK's own 2002 International Development Act on spending to help the poorest. For instance, aid has been linked explicitly to UK investment opportunities and national security and the Conservatives have even tried to change those rules to allow further deviation. The government is also increasingly pooling some aid resources in shared funds also accessible to the FCO, MoD and other departments not governed by the

2002 Act. We welcome innovations like blended finance to support private investment in development but these too must follow strict development guidelines. **We remain firmly committed to spending 0.7% of GNI on aid, retaining the Department for International Development as a separate department, and adhering to the OECD and International Development Act 2002 rules on development spending.**

6.2.3 We believe the strategic priorities for international policy which we have set out above are consistent with OECD and UK rules and so can also be applied rigorously to DFID's aid programme. **We will prioritise development that both helps the poorest and ties in with our strategic international objectives on gender equality, climate change and the environment, human rights, inequality, and technology. This could include investing in local green technology and using communications, drone and other technologies to enhance the delivery, accountability and verification of development spending.**

6.2.4 In Coalition we strongly supported the International Aid Transparency Initiative, established the Independent Commission for Aid Impact and worked to make our development aid finances and project information open and accessible. This is significantly more transparent than spending from other departments, including the MoD. **We consider transparency in all government spending – including aid – to be central to a functioning democratic system, and would commit to further developing transparency in the future.**

6.3 Trade and investment

6.3.1 The UK prides itself on being a trading nation, with over half of UK Gross Domestic Product (GDP) generated through trade. 44% of UK exports are in services, and the UK is the world's second largest service exporter after the USA. The UK has significantly benefitted from the liberalisation of rules in services achieved through our membership of the Single Market. But the UK has also suffered from a considerable

deficit in goods exports over the years, a problem if we leave the EU since most Free Trade Agreements focus on trade in goods not services.

6.3.2 As countries such as India and China see their economies mature, there may be increased scope for UK trade to expand, but this will again require agreements in services. Many of these are already being negotiated by the EU. Unfortunately, these are negotiations in which UK interests will no longer play a part, and which the UK will have less geopolitical clout to negotiate independently. UK manufacturing is also deeply involved in pan-European supply chains that rely heavily on the frictionless movement of goods, capital and people across the EU, both imports required for goods that will eventually be exported from the UK, and also in exporting production components and services to our European neighbours. Changes in rules to Freedom of Movement will significantly affect our manufacturing and service sector capability, and the existing rules around visas, which have proven harmful to our relationships with some of our allies such as India, may well need an overhaul. **We will ensure that visa policy supports and doesn't undermine trade policy and relationships so, for instance, we will reform the visa system to increase business links between the UK and India. We will work with international partners including the EU to create more potential for trade in services, including widening the scope of WTO General Agreements on Trade in Services, particularly in relation to intellectual property.**

6.3.3 Since the decision to leave the EU, the Government has been keen to pursue new trading relations – albeit only on an exploratory basis, since trade remains an EU competence until the day the UK leaves. The UK alone cannot offer a potential trading partner a relationship at the same scale as the EU and the single market. Studies show that new trading relationships will barely compensate UK goods and services exporters for the loss of full membership in the EU Single Market and Customs Union. Leaving the EU, we will also face the issue of maintaining effective trade flows with new tariffs and, more

importantly, non-tariff barriers which account for about a quarter of deliverable costs. **We must remain within the Single Market and Customs Union to ensure the best trading arrangements for the UK, regardless of whether or not we remain in the EU.**

6.3.4 But it is also noticeable that, even compared to countries within the EU – most notably Germany with its cross-sectoral whole-lifecycle Initiative 4.0 and unique Chambers of Industry & Commerce system – Britain has under-delivered in international business support. **Within the post-Brexit investment in diplomatic missions identified in 4.4.2 above, we would invest in more innovative, competitive, and comprehensive support for British business abroad, including SMEs and start-ups.**

6.3.5 Trade and Investment are also closely interlinked. We are the world's second largest destination for Foreign Direct Investment (FDI). Inward FDI in 2014 represented 51% of GDP against a global average of 34%. The UK's openness to investment and the ease of setting up a business have made it attractive to investors, while our financial services sector mediates, facilitates and underwrites investments worldwide. Our EU membership made the UK a popular FDI destination for those seeking access to the European marketplace, particularly Asian and American investors - a USP that is being undermined by Brexit.

6.3.6 Welcoming FDI has also allowed foreign investors, including government-run companies and investment funds, to become heavily involved in essential UK infrastructure including allowing Chinese energy companies to build and run nuclear power stations and Chinese ownership of 38% of UK gas distribution networks and 24% of our electricity distribution networks, increasingly wired for remote access. **We would urgently review the national security implications of exposing critical national infrastructure to foreign ownership.**

6.3.7 Overseas investments and trade agreements play a significant role in the UK's relations with emerging markets. Historically the UK has

had a strong reputation as an independent and objective development partner. We will work through a network of not-for-profit and independent organisations as well as governments to help emerging markets design, fund and implement sustainable development programmes that also support wider gender, environmental and educational objectives. Britain, post-Brexit, will be under increasing competition from states that tie investment, aid and development grants to national and commercial objectives, and so we must maintain and live up to a strong ethical reputation in our trade, development, and overseas investment activities. **We will work through international bodies including the International Labour Organisation (ILO) and WTO for better regulation and scrutiny of international trade and investment treaties to ensure they do not worsen inequalities or human rights or undermine sustainability.**

6.4 Global business responsibility and accountability

6.4.1 Multinational companies, despite their contributions to growth and technology, pose issues to nation states that require a global solution. There is currently a deficit in accountability, generally and for taxation in particular that allows multinationals to act against the best interests of individuals and nations. The world needs a more robust, global framework to address the issues posed by global companies. Such a framework would need global consensus to stop the current race to the bottom in offshoring, tax breaks, and sweetheart deals. **British territories should lead by example. The governments of British Overseas Territories should establish a publicly-accessible register of the beneficial ownership of companies registered in those governments' jurisdictions.**

6.4.2 We must strengthen corporate transparency, for instance with respect to personal data, fair competition, and to counteract corruption and money laundering, as well as to protect the rights of supply chain workers such as cobalt miners in the Democratic Republic of Congo. This will be especially true should Brexit proceed as the EU has been

particularly effective in confronting internet giants such as Microsoft and Google. **The UK should lead on working with other nations to develop a global framework to address the issues posed by global companies, particularly in relation to tax avoidance, use of personal data, unfair competition, the denial of employment and human rights, and harm to the environment worldwide.**

6.4.3 At a national level, we face our own issues with money from questionable international sources, including organised crime, authoritarian governments, and hostile powers. This isn't just an ethical concern – it also risks our international reputation. The London property market, for instance, is widely rumoured to be an easy way to expatriate and clean money. **To tackle investment in the UK with money originating from international crime or corruption, we will ensure that ongoing work to establish a register of beneficial ownership of overseas entities owning property in the UK is completed and that register is kept up-to-date. We will support law-enforcement agencies in making effective use of unexplained wealth orders (introduced under the Criminal Finances Act 2017) to investigate assets held in the UK by politically exposed persons from outside the EEA or those suspected of involvement in serious crime.**

7. Influence

7.1 Introduction

7.1.1 We believe that the most significant repository of British power in the world lies in so-called soft power, encompassing culture, media, education and academia, science and technology. Post-Brexit, these will be even important channels for building international relationships, strengthening partnerships and opening markets. We believe that government should take a more active role in promoting and investing in aspects of soft power. While in many cases, independence from government is essential to their appeal, we also believe that shared values will ensure they support many of the international policy priorities we have set out above.

7.2 Language and media

7.2.1 Around the world, English is the second most spoken language with over 300 million native speakers and perhaps 600 million or more speaking it as a second language. 54 countries use English as an official language. The British Council does significant work building international language provision, but is under pressure in key markets because much of their government funding is now grant-in-aid, and so constrained by ODA spending rules. By 2020, non-ODA funding will reduce to zero. Only 15% of the British Council's total budget is now provided via the FCO. The British Council should not just be focused on development – it needs to work in other countries of strategic importance that can't be funded from 0.7% money. **British Council government funding (£170m) should be split between ODA spending and unconstrained FCO spending, allowing £50m of investment in projects in countries and regions of strategic importance.**

7.2.2 BBC productions reach around the world – the global weekly audience of international BBC content is nearly 350 million. Most of this is via the BBC World Service, but over 100m people watch and listen to

both entertainment and news outside the World Service while BBC Monitoring translates and analyses free media content from over 150 countries. BBC news coverage is widely regarded as high quality and trustworthy – often in contrast to tightly-controlled national media. The USA is the largest market for international BBC content, with sizeable audiences in countries such as Nigeria (35m), Iran (12m), and Afghanistan (7m). In 2017 the World Service launched 12 new language services, including one in Korean, targeted at North Korea.

7.2.3 But cuts following changes in the funding structure for BBC Monitoring mean that while the BBC is broadcasting to more countries, it is losing the ability to listen to them. Both are essential to our international standing – the World Service has a huge reach in key areas, and BBC Monitoring provides essential information to the UK government on activities around the world. BBC Monitoring is also the net beneficiary of a longstanding arrangement with the CIA's Open Source Enterprise, which is currently under threat as the US moves its OSE bureau out of the UK in 2018. **BBC Monitoring should be funded – at the current cost of £27m - through a ring-fenced grant-in-aid from the government outside ring-fenced development funding, rather than from the licence fee.**

7.3 Education and academia

7.3.1 The education system in the UK is world-renowned, with nearly 500,000 international students in the UK attending private schools and undertaking degrees at world-leading universities. The reputation of schools and universities alone are a significant source of soft power, but perhaps more important is the nature of the educational experience that international students receive before returning home. High achieving students can have a fundamental impact on global relations in the years to come – the British Council reports that 1 in 10 world leaders have attended university in the UK.

7.3.2 Liberal Democrats believe that international students benefit the UK enormously, and recent research suggests that the vast majority

return home after their studies. Foreign students are not, therefore, an immigration concern, but endow the UK with a huge international reach for our approach, culture, and professional networks. We welcome proposals from the party to remove students from the immigration targets.

7.3.3 The UK government runs three large scholarship schemes to encourage international students to study in the UK – the Chevening Scholarships, the Commonwealth Scholarships, and the Marshall Scholarships. In total, around 2500 people benefit from these each year at a cost of £73 million. A 2015 government review found that although these scholarships are respected, they are less well-known than others such as the Rhodes or US Fulbright schemes. This is understandable since the US government allocates around \$240m to Fulbright alone, and benefits around 8000 students a year. **We would combine the three existing scholarship offerings under the Chevening brand, and aim to increase funding, double the number of beneficiaries to 5000 a year and expand the types of study available, thereby diversifying its demographic reach. We believe the FCO should also explore funding similar numbers of UK students to study abroad. We will also examine opportunities for international students to experience the best of UK state secondary schools and not just private schools and universities.**

7.4 Science, technology, and innovation

7.4.1 Building on a long history of British scientific discovery and innovation, the UK still has a significant impact on global science and technology. British scientists (and funds) make a major contribution to European scientific initiatives like CERN and the European Space Agency, which benefit hugely from EU funding and the free movement of scientists within the European Union. Brexit will make their work and our participation in them more difficult.

7.4.2 UK technology companies employ over a million people including world leaders in genetics, financial technology, software,

energy, and pharmaceuticals. Public funds support important global work from the Met Office to the British Antarctic Survey and participation in global bodies like UNESCO, WHO and the International Panel on Climate Change. In 2014, the government reported that the UK's share of highly cited papers worldwide was still an impressive 16%. But many of the trends described elsewhere in this consultation are also true of science. The traditional 'science superpowers' of western Europe, North America and Japan are increasingly being joined by emerging economies including India, South Korea, Brazil and China - now the second highest producer of research output in the world. Science is becoming ever more multipolar, collaborative and openly accessible. **We would prioritise ease of international collaboration, and travel and exchange of personnel in science and technology as priorities in joined up international and domestic policy.**

7.5 Culture and heritage

7.5.1 British tradition, heritage and history are central to our global 'brand', consistently making the UK a top ten global tourist destination and contributing to what is in effect an export industry worth over £100bn and employing 3m people. HM Queen Elizabeth II remains head of state of 15 other countries and a hugely experienced Head of the Commonwealth while the Royal Family continues to fascinate the world.

7.5.2 British creative industries remain world-leading and valuable exports – contributing £84.1bn per year to the economy. In 2013, almost 1 in 3 UK tourists visited a historic house or castle related to either *Harry Potter* or *Downton Abbey*, together spending £6.5bn during their stays. A *Game of Thrones* tourist industry has grown up in Northern Ireland. UK TV exports like *Downton*, *Sherlock* and *Victoria* earn over a billion pounds a year and are hugely popular in both China and the US while the English Premier League generated nearly £3bn in worldwide broadcasting revenue alone in 2016/17. And museums and art galleries remain at the forefront of British soft power.

7.5.3 While many of these sectors compete effectively worldwide on commercial terms and others already enjoy arts or heritage funding through various channels including the National Lottery, they are rarely linked to international policy in any systematic way. We have already proposed including DDCMS in an international cabinet committee but we want to sharpen their international focus further. **DDCMS should prepare a biennial report to parliament on the international impact of the UK's creative industries, sport, art, culture, heritage and ceremonial in consultation with diplomatic missions worldwide, BBC monitoring and international businesses and organisations. This report should identify potential threats and weaknesses as well as opportunities to promote these sectors in general and specifically in support of the UK's values and international objectives.**

8. Global governance

8.1 Introduction

8.1.1 We believe in the rules-based international order. To protect the rights of citizens worldwide, there have to be responsibilities, obligations, and laws to which every nation is subscribed. And to promote peace and development, there must be a functioning system of global diplomacy that operates through international institutions. In a multipolar world, Britain's role in the world should be to balance and build consensus – primarily through the UN – but also to champion and reinvigorate the system itself.

8.2 International institutions

8.2.1 The UK is an important member of several international organisations. Britain helped found the United Nations (UN) to maintain international peace and security, and to promote international co-operation, peacekeeping, human rights, and economic development. We are one of the five permanent members (P5) of the United Nations Security Council alongside France, Russia, the United States and China, each with the power to veto Security Council resolutions. While Russia and the USA use their veto power more regularly to protect their interests and allies, Britain has not used its veto since 1989.

8.2.2 The UN and its associated agencies have brought many important conventions, treaties and institutions into existence, from the Universal Declaration on Human Rights to recent treaties and agreements on the arms trade and climate change. These have contributed in turn to the wider framework of international law. Liberals worldwide have been consistent champions of international law which is helping to protect wildlife and the environment, promote human rights, and bring genocidal dictators and warlords to justice. But this system operates through consent. Changing opinions on and adherence to international institutions could easily fracture this global system.

8.2.3 The so-called Bretton Woods institutions were established to aid global economic recovery after WW2 and prevent a repeat of the economic chaos of the 1930s. They include the World Bank Group of development lending and financing institutions, and the International Monetary Fund (IMF), which aims to promote stability in the global financial system and offer crisis lending. They once attracted much criticism for promoting globalised capitalism, for heavy-handed conditionality in their financial packages, and for environmentally and socially insensitive projects and policies. But both the IMF and the World Bank have made changes. They reacted quickly to the 2008 financial crisis and are regarded by many as vital to the achievement of the Sustainable Development Goals, although new regional development institutions like the Chinese-led Asian Infrastructure Investment Bank now provide an alternative and less western-dominated vehicles for investment in development.

8.2.4 The World Trade Organisation was founded in 1995 succeeding the earlier General Agreement on Tariffs and Trade dating back to 1948. It effectively regulates worldwide trade in goods, services and intellectual property but its latest round of negotiations are stalled after nearly 20 years. WTO negotiations have increasingly been eclipsed by bilateral trade agreements in which the EU has been a major player and in which a smaller, isolated post-Brexit UK will have to fight its own corner. Once again, China may be developing alternatives, for instance designing its own international dispute resolution system under the Belt & Road Initiative in Central Asia and its use of trade power to bully companies and even neighbour states like the Philippines.

8.3 Rules-based international order

8.3.1 Global governance is a necessary part of building a liberal world. We must continually strive to protect and advance the rules-based international order that governs the interactions of nations. This is not only to ensure that individuals are protected, but to avoid violent conflict and to establish a mutually beneficial system of co-operation

and reliance. This system also ensures that those who break international law and agreed standards of behaviour are held to account using tools such as sanctions.

8.3.2 We support the government's commitment to work with allies and partners to strengthen and adapt existing institutions such as the UN and its agencies, the International Criminal Court, WTO and the Bretton Woods institutions and their rules so that they remain representative, relevant and effective – as well as take into account the changing balance of power in the world. We will actively lobby those traditional allies like the USA who threaten to undermine some of these institutions and will be open to their reform, for instance, in the event of others proposing widening participation in the UN Security Council. We will use every diplomatic and soft power channel available to draw in states like China and Russia, whose actions pose different risks to this system.

8.4 Sexual assault and abuse of power

8.4.1 More than ever before, sexual assault, exploitation, and abuse of power have caught the public's attention in relation to armed conflict, international peacekeeping, and most recently, international aid. There is never any excuse for sexual assault, and when working internationally with vulnerable populations, the standards to which we hold ourselves, our allies and agencies, must be unassailable.

8.4.2 When any form of interaction is tied up with an unequal power relationship with vulnerable people, it constitutes an abuse of power. This is true whether that vulnerability is based on gender, age, poverty or displacement, and this relationship is exploited by those with more power or authority. It is true whether this involves payment or sexual exploitation or violence or the threat of violence or any other form of exploitation that constitutes an abuse of power. When the abuser has been placed in a position of trust to help the vulnerable, as international aid workers or peacekeepers have been, the betrayal is

arguably even worse. There is no defence for such abuse, and no government or organisation should tolerate any such behaviour, whether or not it is sexual in nature. To demonstrate the seriousness with which a Liberal Democrat government treats this kind of behaviour, **NGOs and organisations including the Armed Forces and defence contractors will be forced to report all instances of reported abuse to DfID, the FCO, or the MoD, and government funding must be reviewed, reduced or refused to organisations who are found to breach these rules.**

8.4.3 In areas requiring humanitarian relief, there are often a variety of workers from international armed forces, NGOs, and workers from foreign governments. Local people must be made aware of what behaviour is acceptable from these workers and how they can report inappropriate activity. **All agencies and branches of government working abroad should have clear, government-approved rules for their interactions that are accessible to local people, making clear what they can expect and what behaviour is appropriate. They must include an easy and appropriate reporting mechanism that makes clear they will not be discriminated against for reporting abuse.**

8.4.4 We commend the work done by William Hague as Foreign Secretary in the field of sexual violence in conflict. As part of our work in relation to gender and human rights, **we would prioritise efforts to eradicate the use of sexual violence by all conflict actors, including military personnel and UN peacekeepers.**

8.4.5 In line with domestic Liberal Democrat policy, we do not believe that encouraging overseas governments to outlaw the purchase of sex would be effective in protecting local populations, as it is likely to force sex workers to operate in more dangerous circumstances.

8.5 United Nations and the Security Council

8.5.1 The UN provides us with the ability to build the dynamic, topical allegiances that we need to bring about our liberal vision. As a founding member and a permanent member of the UN Security Council we have long had influence in the United Nations, but with a changing balance of power and our relationship with the EU under threat, that influence is at risk. Our long-held seat on the Judiciary Committee was recently lost to India. We support the Secretary General's review programme and a UN system where agencies avoid duplication and competition to deliver global goals on sustainable development, conflict prevention, humanitarian response, and response to global health emergencies.

8.5.2 We are clear that the current formation of the UN Security Council does not reflect the world it seeks to protect. However, given the veto power of every P5 member, leading on reform is a difficult task which will almost inevitably cost us political capital with no guarantee of success. Therefore, **we support reform but we do not seek to lead it. A larger UNSC, especially if it retains any form of veto power, will make it harder for the international community to take action. We support the consideration of various models of expansion to 24 seats which will retain the UNSC as a salient power** without sacrificing effectiveness.

8.6 Other institutions

8.6.1 There are a number of newer institutions being set up around the world, including, for instance, multi-sectoral global partnerships like GAVI and the Global Fund and the Asian Infrastructure Investment Bank, in all of which the UK government has invested. These institutions can mobilise support and funding outside the systems run by established powers but they are an opportunity as well as a threat. Boycotting these organisations will not stop them – it is only by involvement that we can help to ensure that these organisations adhere to similar rules and objectives as existing supranational bodies. **We should continue to involve ourselves in newly-established**

multinational, regional and international organisations, ensuring that we prioritise the defence and promotion of our key international

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This paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 8.4 of the Federal Constitution.

Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom.

The Party in England, the Scottish Liberal Democrats, the Welsh Liberal Democrats and the Northern Ireland Local Party determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas.

The Party in England has chosen to pass up policymaking to the Federal level. If approved by Conference, this paper will therefore form the policy of the Federal Party on federal issues and the Party in England on English issues. In appropriate policy areas, Scottish, Welsh and Northern Ireland party policy would take precedence.

Working Group on Britain in the World

Note: Membership of the working group should not be taken to indicate that every member necessarily agrees with every statement of every proposal in this paper.

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