HOUSE OF COMMONS

Committee on the Future Relationship with the European Union

Oral evidence: Progress of the negotiations on the UK's future relationship with the EU: foreign defence development co-operation, HC 203

Tuesday 21 July 2020

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Watch the meeting

Members present: Hilary Benn (Chair); Mr Peter Bone; Sally-Ann Hart; Antony Higginbotham; Dr Rupa Huq; Stephen Kinnock; Nigel Mills; Nicola Richards; Mr Barry Sheerman; Matt Vickers; Dr Jamie Wallis; Dr Philippa Whitford.

Questions 610 - 646

Witnesses

I: Professor Richard G Whitman, Director, Global Europe Centre, and Professor of Politics and International Relations, University of Kent; Professor Malcolm Chalmers, Deputy Director-General, Royal United Services Institute; Mikaela Gavas, Co-Director of Development Cooperation in Europe Programme and Senior Policy Fellow, Center for Global Development.

Examination of witnesses

Witnesses: Professor Richard G. Whitman, Professor Malcolm Chalmers and Mikaela Gavas.

Q610 **Chair:** Good morning, and welcome to this meeting of the Select Committee on the Future Relationship with the European Union. We are very much looking forward to taking evidence from our three witnesses. I wonder if I could ask our witnesses to identify themselves for the record.

Professor Chalmers: I am Malcolm Chalmers, the deputy director-general at the Royal United Services Institute.

Professor Whitman: I am Richard Whitman. I am professor of politics and international relations at the University of Kent, and an associate fellow at Chatham House.

Mikaela Gavas: I am Mikaela Gavas. I am the co-director of the European programme at the Center for Global Development.

Q611 **Chair:** On behalf of the Committee, can I thank all of you for giving up your valuable time to join us this morning? We are greatly looking forward to your answers to the many questions we want to put to you today. As ever, there is lots of ground to cover, so could questions and answers be kept as succinct as possible, while informing the Committee? I will ask colleagues to indicate to whom they are putting their question. Then, as I indicated a moment ago, if you want to supplement an answer, if you put your hand up, you will be able to catch my eye.

I will begin with a general question. I would like to turn to each of you to get a brief response. In the field of foreign policy development and defence, what kind of relationship do you think the UK is seeking, or not seeking, or envisaging, with the EU after the end of the transition period?

Professor Chalmers: I will answer primarily in terms of foreign and defence policy. It is important to talk about the strategic objectives, and a long-term perspective, but there is also a tactical aspect to where the UK is on this. Strategically, I think most of all the Government want to have an independent foreign policy, in which they have clear legal sovereignty, unconstrained by any arrangements with the EU, and then, from that basis, they can agree, case by case, on the basis of equality, what to do in terms of co-operation.

The Ministers in the current Government spent the last years in a hard battle, both in Government and on the backbenches, to reject what they saw as a subordinate and rule-taking position in other aspects of policy, and they do not want to do this here. There is a suspicion of anything that appears similar to the association agreements with potential member states, which the EU has, or indeed those with states in the EU orbit, like Norway and Switzerland. That is still the instinct—the flavour of Commission proposals in this regard.

It also helps to explain why the Government do not want to link different aspects of foreign and defence policy co-operation in a bundle of arrangements in which, for example, co-operation on sanctions is part of a package with European Defence Agency membership or development co-operation—the idea that it is a package: all or nothing. I think it is also why the Government are suspicious of a deal on foreign and defence policy being linked to a deal on trade and internal security and so on, perhaps under some overarching governance agreement. There is clearly both a strategic and a tactical commitment. There is a view that trade is hard enough already; why complicate it? That does not mean there are not areas for co-operation on foreign and defence, but, as you know, our Government do not want that to be covered in this agreement.

There may be a tactical point here. There may be a sense in which, if the EU places value on something in this area, at some stage it may be prepared to pay something for it, in terms of other aspects of the negotiations. I would not entirely rule out this being part of an overarching agreement, but there is certainly a tactical sense. I get a sense from our Government people that they do not see a value in the UK being more forward-leaning on this.

Professor Whitman: To add to Professor Chalmers' comments, I will talk about the foreign security and defence aspects. There has been a bit of a shift from the May Government to the Johnson Administration. Particularly since the beginning of this year, we have seen that, through their actions, the Government have taken quite a different line from what was intended in the political declaration. Broadly, the Government's position now is that they want to combine a sort of bilateralism with other EU member states with ad hoc co-operation with EU institutions if that is helpful, or in the national interest.

The Government really set that out pretty clearly in the paper on the future relationship that they published in February. They walked back from the political declaration and made clear that they did not want an institutionalised relationship in this area, which is what we had in the text of the political declaration. That was, I would suggest, pretty big on the rhetoric, in terms of wanting an ambitious, broad, deep and flexible partnership, but in reality it was offering not much more than a standard third-country offering, in terms of consultation arrangements with the EU on foreign policy and co-operation on defence. There has been a bit of a shift, certainly since the Government agreed to the political declaration.

Mikaela Gavas: I agree with Professor Whitman. The UK does not want a formal relationship with the EU, but it wants to be treated like any third country without any special privileges. As Professor Whitman said, this is a real shift from the previous line under the May Government, which called for a deep and special partnership that went beyond existing third country arrangements.

I would also add that, on 24 May last year, DFID published a non-paper, which was titled, "Why it makes sense for the UK and the EU to continue to work together on development". That paper claimed that it made sense for the UK and the EU to continue to work together on development, and specifically proposed three priority areas—security, migration and humanitarian aid—which could form the basis of a strategic partnership on development. That would include things like mutual side-by-side programming and potential areas of joint funding in the future.

The UK now seemingly wants to avoid formal structures with the EU and to work instead on a case-by-case basis, through ad hoc coalitions and small groups. The EU's development priorities are very closely aligned with the UK's. Indeed, they have, to a considerable extent, been shaped by the UK during our EU membership, so it does not make sense to

completely forgo that influence. It is in both the UK's and the EU's interest to have a structured ongoing relationship.

Q612 **Chair:** Can I pick up on that last point? Of course, a part of our development assistance has gone into the EU and been expended through the EU mechanisms. Where do you envisage that funding going in future? How are the Government going to spend it?

Mikaela Gavas: At the moment, the Government have given no indication whatsoever of whether or how they will be spending any money through the EU. Previously, they outlined the three areas that I mention—migration, peace and security and humanitarian aid—as potential areas for future investment and collaboration with the EU. There are various mechanisms that the UK could use, including something called the assigned revenue facility, which allows third countries to contribute to EU instruments.

There is also the European Fund for Sustainable Development Plus. This is the EU's investment platform, which again allows third public and private entities to contribute. There are other non-financial areas where the UK could contribute, for example through seconded national experts. DFID provided seconded national experts on development, who offered technical expertise, increasing the EU's capacity to deliver on its objectives, but who were also strategically placed to work on mutual areas of interest. Secondees are now off the table, as far as I am aware, according to DFID.

Q613 **Chair:** What effect do you think putting DFID back inside the Foreign and Commonwealth Office might have on the approach the UK Government take?

Mikaela Gavas: I am not sure the merger will make a very big difference to EU development co-operation. What is more important are the political directives, the mandates and the openness to co-operation, rather than the institutional arrangements. There is a chance that, for diplomatic reasons, the UK will want to engage more with some EU development programmes than it otherwise would, or vice versa. My sense is that DFID was operating on the basis that a political choice would be made with respect to the depth of the relationship, and that the civil servants would try to pick the most efficient and effective course compatible with those political choices. I think that remains true post-merger, but the objectives they are dealing with are now broader.

The issue goes beyond the EU. The focus of DFID and the FCO is actually very different. Without finding the right balance, the impact of the UK's aid budget will be dramatically reduced, including for the UK's interests. It is only possible to speculate on this point, but it is indisputable that, with the merger, there will be more interest in spending in richer ODA-eligible countries.

Professor Chalmers: May I add a couple of points to Mikaela's explanation? Because of the Covid-induced recession, the total level of ODA spent by the UK next year is likely to be significantly lower, since the Government have made it pretty clear that they will not spend more than 0.7%; they will spend 0.7%, as they have done for a number of years. The saving from the removal of that obligation to contribute to EU development will essentially be eaten up by the Covid-induced recession over the next couple of years. There will not be money available from the EU saving to spend elsewhere in bilateral and multilateral systems.

The second point I would make is perhaps a longer-term one. Mikaela absolutely rightly said that the UK, since becoming a member of the EC and the EU, has shaped EU development priorities. Specifically, it shaped it from a development programme that was primarily focused on francophone countries to one that was more wide-ranging. There will be a question over time as to whether the UK leaving the EU means that EU development priorities, which are already very neighbourhood-focused rather than global, become more focused on those neighbours that are of most interest to existing member states. The UK's influence will not be there.

Over time, the EU's priorities may change in a way that may disadvantage some countries, perhaps particularly in sub-Saharan Africa, which have traditionally been closer to the UK. One thing the UK will therefore have to do is think about how it may have to compensate for gaps that, over time, the EU begins to leave in countries that have more of a say at the table with the UK than with other EU member states.

Q614 **Chair:** Finally from me at this stage, I want to go back to how things are going to work in future, because there is not a formal relationship. If one takes the example of sanctions against Russia or, say, another Skripal poisoning, what is going to happen in practice when the United Kingdom is looking for support from other EU member states? How do you think that is going to work? Do you think it will have an impact on being able to get that degree of support in the absence of any formal relationship?

Professor Chalmers: I think it will have an impact. During the Skripal incident, when everything was fast-moving, the UK launched a major, and indeed successful, diplomatic offensive to make sure that we were not isolated in terms of the response, with the expulsion of Russian diplomats. Theresa May went to the European Council and argued that point, and her officials argued it at their level, and got a very unified response across EU member states, which might have been more difficult to achieve if we did not have that format of the leaders all sitting together, talking about a united response. It would make it more difficult, but there are other mechanisms available.

The mechanism that has already been used a lot is E3 consultations. The Foreign Ministers of the UK, France and Germany, and their political directors and officials at various different levels, are in constant contact on a wide range of foreign policy issues. If the UK can convince France

and Germany on a particular point, it has a very good chance of convincing the EU as a whole. That is not an exclusive mechanism, but it is the most important mechanism right now for the UK to influence the EU, and indeed vice versa—for France and Germany to say, "Look, you need to align". In the absence of more formal mechanisms for UK-EU co-ordination, I suspect that trilateral will be absolutely key.

Q615 **Chair:** When America wants to talk to Europe, it will not be picking up the phone to the UK, but it will be picking up the phone to the UK separately on the same issue.

Professor Chalmers: I think it will, but there are also quad arrangements, which have fluctuated in importance. Right now, the quad is perhaps relatively less important because the Trump Administration is on a different reservation. It is not always easy for it to articulate a clear policy on a range of issues, while the three European countries tend to be closer together. One can imagine in future, with a different American Administration, for example, the quad becomes more important, and the US talks to the UK, France and Germany together.

UK influence will decline most significantly in those areas of foreign policy in which the EU has a comparative advantage, which tend not to be in areas of security. They are more in areas connected with economics, like sanctions, climate and so on. There, I think the UK influence will be substantially less. In terms of more of the security aspects of foreign policy, already the EU is a relatively weak actor.

Q616 **Nigel Mills:** Good morning. Is it fair to say—I think this is still the case—that foreign policy is not an EU competence? Member states are free to set their own foreign policy as long as it does not entirely conflict with what the EU is trying to do.

Professor Whitman: A system has evolved since the early 1970s in which member states have basically tried to find areas of foreign policy in which they can reach agreement, through largely an intergovernmental arrangement. That still largely holds, but, across time, particularly with bits of the community or the Union using things like sanctions and so on, that has drawn member state collective foreign policy much closer to the community method. The bottom line is that, yes, member states can and do pursue national foreign policy that sometimes rubs up against, or rubs the wrong way against, EU policy.

A lot of foreign policy, particularly in the common foreign and security policy area, is what we could probably call lowest common denominator foreign policy. You are getting the bare minimum in terms of where you can find a consensus across what is quite a disparate group of states in terms of size, scale and interest. Certainly the system itself has also created some institutional arrangements across time, which have been ways of trying to hang on to bits of foreign policy, and to push that forward, in particular the creation of the high rep post and the European

External Action Service, which acts as a memory and an advocate for European Union foreign policy.

Professor Chalmers: Perhaps I could add to what Richard said. It is important to see foreign policy as not only being about security. Economics is a very important part of foreign policy. In those areas in which the EU has a high degree of competence, in terms of the single market and trade policy, it can, when it has a coherent policy, make a real difference, which in some measure displaces national influence. The most obvious example of that is sanctions. The sanctions against Iran, when pressure was being put on Iran to reach a deal a number of years ago, and then the sanctions against Russia in response to their aggression in Ukraine, were examples where the EU acted coherently in an area of competence.

Professor Whitman is absolutely right that, when you get to issues that are more in the security domain, the fact that the EU can only act by unanimity severely limits its ability to be decisive. A good example of that recently is the reaction to the new security law that the Chinese promulgated in relation to Hong Kong. I think the UK would have liked to have been able to put out a strong E3 statement on that, but France and Germany essentially felt that they wanted to seek EU unanimity on this question, which resulted in a much weaker statement than the UK was content with. Therefore the UK instead reached out to Canada and Australia to provide a multilateral framework for a response to those events.

Q617 **Nigel Mills:** In light of all that, it seems to me to make reasonable sense for the UK, leaving the EU, not to want foreign policy to be part of a structured agreement. That seems rather odd, given that, while in the EU, we are free to choose our own foreign policy. It would be strange then, in leaving, to try to end up with some constraints as an independent country. Does it not make sense to want to move to a bilateral position where we work together when we can agree and, if we cannot, we do not? Then maybe we can look at this when there is more time, and when there are not other tricky negotiations going on. That seems the logical way to go about this, does it not?

Professor Chalmers: That is right. One model for a healthy and close foreign policy relationship, and indeed to some extent defence relationship, would be the bilateral relationships we have developed with the United States and France over time. That is quite an ambitious objective and may not be achievable in the short term. In both those cases, there is provision for sharing of information at a very detailed level, sometimes with a significant degree of classification. There are also mutual secondments.

Under the Lancaster House agreement with France—we are now at the 10th anniversary of that—we put in place a wide range of exchanges of people. There are French officials sitting in the policy planning department in the Foreign Office in London and vice versa. There are

military officers seconded and all that sort of thing, which in no way constrains the sovereignty of either the UK or France. Similarly, the UK's special relationship with the United States does not have a big treaty where we have formal consultations, but, in practice, because we understand each other well, we are able to anticipate each other's moves, not have surprises and co-operate on the basis of sovereign equality.

Q618 **Nigel Mills:** Michel Barnier said a month or so ago that he did not understand why we were not more keen to talk about this as part of the negotiations. From what you are saying, it seems like you understand perfectly why we are not. Have we somehow thrown away a negotiating advantage by not wanting to put this on the table now, or is there nothing really we were going to give away that we could have used to buy something else that we want? I cannot see us agreeing to defence co-operation in a formal structured way to get a fishing deal or something. I am not sure if we have negotiated badly here or something, or if it is just not something we are that keen to engage with at the moment.

Professor Whitman: Part of Mr Barnier's puzzlement was because the plans for foreign security, defence and development co-operation were in the political declaration, and of course his mandate for negotiation included co-operation in that area. The EU itself has produced a draft treaty text to cover the modalities of co-operation, essentially treating the UK as a third country. Because the UK has not produced an equivalent document or set out its own position, that has caused a certain amount of puzzlement in other member state capitals, as well as in Brussels.

It is probably fair to say that it is quite difficult to leverage co-operation in this area against the trade negotiations, partly because the pay-offs from the EU side perhaps are calculated in a different way on foreign security co-operation than they are on trade. Also, the fine detail of co-operation is rather clunky, frankly, and that is quite different from the kinds of ways in which the UK co-operates with other partners.

Professor Chalmers: It may be that it is mainly about that negotiating mandate, as Richard said, but it is perhaps rather deeper than that. If you look at the negotiating directions to the Commission on 25 February, they put great play on agreement on core values and rights—commitment to the Paris climate change agreement, commitments on non-proliferation in small arms and light weapons, human rights and so on. Although it was at a level of generalities, nevertheless the reaction from the Government here is basically, "The core of the agreement that we wish for is something to do with trade and things connecting with that. Why are we making all these commitments that may mean nothing but may mean something—it is going to be in a treaty—in relation to political factors?".

Also, in foreign and defence policy, there is a wariness—perhaps particularly because the Foreign Secretary has a legal background—about

making a lot of commitments the legal import of which is unclear. That does not mean that you might not get into a situation in which the EU and UK are close to a deal on trade and regulation and the Commission feels it needs a little bit more of a concession on the political framework—the foreign policy framework—in order to get it over the line in the European Parliament. I think that is unlikely, but it is certainly a plausible scenario. There perhaps the UK Government would be willing to make concessions.

There is probably a feeling that, were the UK to put a proposal in this field on the table at this stage, it would weaken its bargaining position, rather than strengthening it. It is better for the Commission to be the demandeur and therefore, reasonably, expecting to have to make some sort of negotiating payment in return.

Mikaela Gavas: I wanted to add something from a development perspective. What Professor Whitman and Professor Chalmers said on foreign defence policy perhaps does not hold true on development. Development is characterised as a special form of shared competence, called parallel competence. This essentially means that the EU may undertake activities and conduct a common policy, which it does, through the European consensus on development, but it does not prevent the member states from exercising competence of their own in development specifically.

The key factor here is that the EU and the UK are absolutely closely aligned on development objectives. As we move into a world of increasing global challenges, Covid being the primary one at the moment, this is going to require greater collective action and collective effort. Therefore, some sort of structured relationship would seem sensible at this point.

Q619 **Nicola Richards:** What would be the advantages and disadvantages for the UK of submitting a text on foreign defence and development policy co-operation later this year or thereafter?

Professor Chalmers: From a UK point of view, one cannot exclude any possibility, but it is more likely that the UK would like to have an agreement on the core issues in this negotiation in relation to trade, regulatory alignment, fisheries and so on, or, alternatively, an agreement that there would be no agreement. We would essentially go on to WTO terms and prepare for that, get that out of the way, and then have a discussion, case by case, on areas in which there could be foreign policy or defence policy co-operation.

Those are likely to be relatively limited but, nevertheless, there are substantial things that could be done, but not as part of an overall security or foreign policy treaty—not at all, not a big framework—but specific practical things, starting with an information security agreement, without which very few other things can happen in this area. Every aspect of co-operation in foreign and defence policy has a classified aspect. It is very hard to have a meaningful conversation on the latest

developments in the world if you are unable to share anything that is not open source. That is number one.

Number two, as I said earlier, is that you can imagine a ramping up of arrangements for mutual secondments to a level that people are satisfied with. The information security group would have to be a legal agreement, but the mutual exchange is something that could develop over time. My perspective is that is the most likely scenario.

It may be that, given the wider context of a clean-break or disruptive Brexit, it will be hard to take that forward very rapidly, but that is something to aim for. Over time, both the EU and the UK would have a strong interest in doing that, not least because, from an EU point of view, a Commission point of view, it will not want a situation in which the UK is sharing a lot of information and thinking with member states on a bilateral basis, most of all with France, Germany and the UK's close partners in northern Europe, but where the Commission is not able to share that because it does not have the information security arrangements in place.

Mikaela Gavas: My understanding is that, at a civil service level, both UK and EU officials have been instructed not to discuss the future relationship. The big risk with bringing development policy into the negotiations at this stage is that it becomes a bargaining chip in the negotiations on withdrawal. As colleagues have said previously, any friction on trading or economic arrangements between the UK and the EU will most likely contaminate other aspects of the relationship, including development co-operation.

Professor Whitman: I have a couple of observations. If we do not have that kind of an agreement—I would agree with my colleagues that it is unlikely that we are going to see one—the UK would be a bit of an outlier for the EU in terms of its ideal type model for third-country relationships. What has tended to happen across time is that the kind of trade agreement that the UK is working towards runs alongside something called a strategic partnership agreement, which sets out the broad objectives for foreign policy co-operation. It is something that is quite nice to have but it is not essential for foreign policy co-operation. It is much more of a statement of intent, in terms of areas that the two sides have decided they want to prioritise for working on.

There are lower-level agreements that would facilitate all sorts of other co-operation. Malcolm has mentioned the information security agreement, which is pretty central to getting some things working at the sharp end, not least sanctions, for example. Otherwise, this is an issue that is just going to keep coming back. Whatever is in place now, the UK has walked away from a close working relationship, one that works reasonably well in terms of efficiency gains from dealing with a lot of countries at the same time. Putting that back together in some way

would be something sensible to do, but not in the timeframe we are talking about of the negotiations, or concluding the negotiations.

Q620 **Mr Sheerman:** I have found this a fascinating discussion. What an excellent group of witnesses we have this morning. Can I bring it down to some more brass tacks? I represent a constituency with a lot of defence industry in it—David Brown gears, and of course not far from me a lot of people work for Airbus. Are we exaggerating the situation? We are members of NATO. We will continue to have close co-operation across NATO. We will have a discipline even in terms of development policies, because we are all signed up to the United Nations sustainable development goals. I do a great deal of work with the WHO. The WHO will impose a discipline on all of us that will take us through the period when we leave the European Union. Can I ask our professors and our distinguished witness what they think the implications are going to be for defence procurement, particularly? Trade and defence are closely linked in many ways. How damaging is this going to be, in terms of domestic manufacturing capacity?

Professor Chalmers: You are absolutely right to say that, in relation to defence, that primary instrument for multilateral-operation in Europe is NATO, and will remain so. That is absolutely critical and mitigates the extent of the impact of Brexit, because the UK will remain a NATO member in good standing.

In relation to the defence industry, there will be some impact. It is not clear how big and it is not clear entirely in which direction, but there will be an impact. First, the effects of leaving the single market and the customs union will affect the defence industry, just as it does the civilian industry. There will be more regulation and paperwork in moving goods around. There will perhaps be, depending on what happens, some more constraint on the ability of transnational defence companies to move personnel around. MBDA, Airbus and Leonardo—a number of key defence companies in the UK—are European defence companies. That may make a difference.

There are also a number of issues in relation to the lack of UK access to the European Defence Fund. We have just seen, in the last hours, the European Council agreeing a budget for the next seven years. I do not know what defence figure has been finally agreed, but the Commission proposals were between €7 billion and €8 billion over the next seven years being spent on research and development. If the UK had still been a member of the European Union, we would be talking about spending €200 million to €300 million a year on that. We are not a member of the European Union and, although it is still being discussed, it is most unlikely that the UK will be a member of the European Defence Fund. That EDF money can only be spent by companies domiciled by the European Union in member states, so there are real questions about what impact that will have.

Let us take a concrete example. MBDA is the leading European missile manufacturer; it is a UK-French company. If that was to be awarded a contract by the EDF to work on a new EU programme, to research a new missile, it could only be the French half of the company that would be able to bid for the programme. It would not be allowed to share any of the results of that work with anyone working in the UK side of the business. We have to work those issues through.

Q621 **Mr Sheerman:** Can I push you a little on that one? When I was reading the excellent briefing we got last night, what jumped off the page was Galileo. Here was a system that involved high-level space research linked to satellites, essential to the security of our country and our allies across Europe. The issues for our involvement in that research and development programme is one of the most worrying aspects of this, is it not?

Professor Chalmers: In many ways, Galileo is now water under the bridge for the UK. There were always questions about how important Galileo was, in terms of a range of different satellite communication options. In a way, the problem we had with Galileo a couple of years ago was an indication of just how difficult it is to maintain co-operation at the same level as a member state if you are not a member state. Even before the negotiations had advanced on this, the EU took steps to ensure that UK companies were excluded. It is most unlikely the UK will rejoin the Galileo programme. There are some reports I have heard that the EU may be thinking of a revised offer in this regard, in terms of UK access to the public regulated service under Galileo.

From a UK Government point of view, the advantages of participation in Galileo were partly military-related—access to an additional source of intelligence information in addition to GPS—but they were also industrial. It provided support for UK-based space companies. The Government have made it pretty clear that they are moving in a more national direction in that regard. Yes, there are some losses in that regard, but I am not sure there is much we can do about them at this stage.

Q622 **Mr Sheerman:** Can I ask the other witnesses about that? Basically, you are all academics of one kind or another and we are talking about research and development. We are talking about the viability of high-level university research across Europe as well, are we not? Galileo was an example of that, but you mentioned, professor, the potential development of a new missile. Right across the higher education system, many of our universities are dependent on that sort of co-operation. Indeed, we can see that level of co-operation taking place at this very moment on the research on a cure for the coronavirus. Can I switch to the other two to get all three of you? How damaging is that, in terms of research and development across Europe?

Professor Whitman: Thank you for the questions. Obviously, we still do not know what kind of relationship the UK is going to have to some of these broad, cross-national science programmes, such as the Horizon programme and so on. That is still in the works. It is not going to be clear

for some time. The issues you raise are important issues for the medium term in particular. Defence, and sharing and building the European defence industry capacity, was, until the pandemic, one of the key priorities for the European Commission that came into office last year, although the sums of money are quite small at the moment and have been squeezed further in the recent budget negotiations.

The EU has not yet worked out how third countries should fit. At the moment, the European Defence Fund that Malcolm mentioned only has potential access for European Economic Area countries, such as Norway. If you look at the so-called Permanent Structured Co-operation, which is the way in which member states are supposed to be working together to pool on projects of common interest to improve defence capabilities, the EU again has not worked out how third countries are going to fit. It is not just a problem for the UK; it is also a problem for the US and others.

It is a political priority for the European Union, so perhaps we need to keep an eye on the fact that it was intended that significant resources were going to go into defence research. It is intended that those have a payoff in terms of the ability of EU member states to work together. These will not bear fruit for the medium or long term, and so are perhaps not an issue for us at this stage of where we are in working out the future relationship with the EU. They have the potential to become a more significant issue as time goes on if member states decide that they want to pursue these as priorities.

Q623 **Mr Sheerman:** Can I have a very quick response on aid? A point I made about some of the structure of aid is that it comes from the United Nations sustainable development goals, and from the WHO—from supranational organisations. Of course, we only work in terms of our aid budget. It is 0.7% of GDP. We very often have trouble spending that 0.7%, and we do it by working through intermediaries. Is that going to be affected as we leave the European Union?

Mikaela Gavas: Yes, thanks for the question. I think it will be. The UK has been recognised as an important voice in the EU, especially in global negotiations, and negotiating as the EU. It was certainly more likely to secure UK objectives than acting alone, especially given the tendency in UN negotiations to adopt a bloc approach. For example, a Team EU approach, with a burden-sharing agreement enabling individual member states, including the UK, to lead negotiations on certain issues or goals, actually paved the way for successful outcomes on the sustainable development goals, as well as the climate action agreements—the COP.

The same is true for the Team Europe approach to the Covid pandemic, where member states and the European banks are co-ordinating positions. They are supporting each other for a much better division of labour. In some countries, they are going through their other donors to deliver, where those donors have a stronger presence. I think it is going to have a detrimental effect on the UK.

Q624 **Dr Whitford:** Barry has touched on the industrial and research aspect of Galileo, but I want to look more at its capabilities, from the point of view of navigation and defence. I will start with Professor Chalmers and then bring in Professor Whitman and Ms Gavas afterwards. The Commission appeared to offer that, while the UK would have no access to EU sensitive information, they could have access to the public regulated service if they concluded a very specific information-sharing agreement. Professor Chalmers, why do you think the UK has not pursued that arrangement and that capability as an alternative to GPS?

Professor Chalmers: It is partly, as I indicated before, that, for the UK, participation in Galileo was always a combination of security and industrial benefits. Without the industrial benefit, which has largely gone as a result of the decisions now taken in relation to Galileo procurement, the UK would find it difficult to justify the expense that would be involved in the UK continuing to be a participant in this, particularly as it is not at all clear whether the governance arrangements for Galileo going into the future would give the UK an adequate voice in an arrangement that would still be a European Union arrangement. It is a microcosm of the broader concern that any arrangement in which the UK sits at the table without an appropriate weighted vote risks pulling it back into an entanglement it does not want; nor does the Commission want the complication of the UK having a vote at the table.

It is also fair to say that, certainly in my interaction with people involved in this issue—I do not pretend to be a technical expert—there is a wide variety of views as to whether Galileo is really the system for the future or is actually rather a legacy of the past. In 10 or 15 years' time, there may be a wide range of other, more secure and more cost-effective forms of military communication. The value-for-money argument for Galileo is not a strong one.

If you look at the latest Commission proposals in relation to this, the Commission still, as I understand it, is linking UK access to the public regulated service of Galileo to European Union access to future UK systems. That complicates it further, given that, as I understand it, the Commission would be asking the UK to make some financial contribution to the Galileo system, but it is not clear the Union would be giving financial compensation to any proposed UK system. That is just by way of illustrating the point that it gets very complicated very quickly. The instinct of this Government, understandably, is that they will support mechanisms for co-operation with the European Union that respect sovereignty on the one hand but also have a very strong case in favour. Where the case is a bit less clear and overwhelming, the instinct will be to stand aside.

Q625 **Dr Whitford:** The UK's Government's purchase of a 20% stake in small satellite array company, OneWeb, is being presented as an alternative to Galileo. These are quite small, low-earth orbit satellites that are designed to provide internet communication. They are not an equivalent of the

more stable mid-earth orbit—larger satellites that are required for navigation. This would involve completely redesigning the satellites. Is this really an alternative, or is it a little bit of smoke and mirrors to kind of say, "Don't you worry. We have something"?

Professor Chalmers: I do not have the level of technical expertise to comment authoritatively on that. You are clearly raising an issue of some controversy, but I cannot answer that question.

Q626 **Dr Whitford:** Professor Whitman, I do not know if you have an opinion on the reason for putting forward OneWeb, particularly as it is a bankrupt company that produces these small satellites in America. It is hard to see what the advantage is. They are not at all the same kind of satellite that you would design to put at 22,000 kilometres as a navigation satellite.

Professor Whitman: It is a puzzler, but there was obviously an opportunity there. As I understand it, one of the bits of value that OneWeb has is its access to launch capabilities, scheduling for launches, satellite design and so on. As they are currently configured, both those satellites that are in space and those that are planned do not have the global navigation satellite recognition element built within them. It would require some effort and some significant challenge to make that possible. The business model for OneWeb was to make money from providing internet services, so that may no longer be an option.

As Malcolm has alluded too, there is also a lot of work going on on future generation systems. There is interest in low-earth orbit systems providing redundancy, for example in terms of communications and so on, alongside the medium-earth orbit systems like Galileo and the traditional GNS systems, the positioning systems.

Q627 **Dr Whitford:** Is that not the problem? The low-earth orbit is either about earth observation or communication. OneWeb has only launched just over 10% of what they had proposed as their array, whereas the navigation ones are about three to four times the size. They have to carry atomic clocks. They have encryption equipment, et cetera. They are a totally different class of satellite that sits in a totally different part of space.

Professor Whitman: As you say, they were designed, constructed and launched for a very different purpose from some of the suggestions that have been made on what they might be used for now. Clearly, there is quite some work to be done, in terms of whether the satellites can be reconfigured, whether they can take those extra payloads and so on to make that kind of system possible. Even with all that, it is probably likely that they would have to act in a sort of interoperable way with the existing systems anyway, particularly for the positioning, navigation and timing bits that are the useful bits of other systems. It is not an easy fix, if you like. It is something that may have a pay-off, but it also may not, frankly.

Mikaela Gavas: This is not my area of expertise at all.

Q628 **Stephen Kinnock:** Many thanks to our panel for some really insightful analysis and views today. I wanted to ask you to do a bit of blue-sky thinking. I know that might be slightly unusual for this sort of session, but we are in uncharted waters. My point is that the West, so to speak, is facing a suite of very serious challenges. We have the rise of China. We have an increasingly authoritarian Russia. We have the possibility of the two-state solution being destroyed through annexation in the West Bank. We have chaos in Libya. Those are just a few of the huge geopolitical challenges we face.

It strikes me that whatever happens in the trade talks between the United Kingdom and the European Union, there is surely a need to protect the security of our citizens right across Europe, which is the first duty of any Government, or indeed any collection of Governments. Could I ask each of you to take a minute to sketch out what you think a new mechanism of co-ordination between the UK and the EU might look like, setting aside the questions about trade talks and how, if they go badly wrong, that could contaminate the broader dialogue? Let us hope that leaders will, nevertheless, realise the vital importance of co-ordination and dialogue across the EU and the UK. What would that mechanism look like to you? How do you think it could work? Is there a possibility of a kind of enhanced observer status—some sort of associate status for the UK to ensure that it is invited to some of these vitally important geopolitical discussions? How might that look?

Professor Chalmers: It is a very interesting question. It is going to be hard to get an agreement any time soon for the UK to have quasi-associate status in relation to the EU Foreign Affairs Council. That is partly because of UK concerns about sovereignty and not wanting to feel bound by connection to the Foreign Affairs Council. I think it is just as much because European Union member states would fear that having the UK in the room, even if we do not have a vote, would unduly shape the discussion in a direction that would weaken the authority of member states, and indeed blur the distinction between being a member state and not.

I do not think looking at that overarching framework is the most productive way to go ahead. Rather, we need to think about a range of other arrangements that can achieve a similar impact. NATO is a key overarching framework for defence issues. It does not cover every foreign policy area, but it is an important overarching framework. Within that, we have, of course, the Joint Expeditionary Force on the military side, which allows the UK to have very close co-operation with seven EU member states, as well as Norway. We have the Combined Joint Expeditionary Force with France operationally ready this year.

I suspect that one of the ways forward could well be to develop the foreign security policy aspect of JEF, although there are some sensitivities there from the EU states. Those are the states in the European Union with whom we are often closest on a range of issues. Also, the UK-France relationship is already a close one and could become closer. Alongside

that, of course the E3 is a really important mechanism for mutual shaping of policy whenever there is a crisis, even when there is not, and there is always some sort of crisis. All of the issues you have talked about, Mr Kinnock, are one square. There will have been very frequent exchanges between those three countries at ministerial level, political director level, regional director level and so on, complementing that quad that I talked about earlier.

There have been some suggestions, particularly from President Macron, about a European security council. I know there has been a lot of discussion around that to try to understand what the nature of that proposal is. At present, it does not feel as if it is going anywhere because the French have not specified what they mean. You would have to specify how that related to the European Union mechanisms, but we should continue to talk.

A lot of this will depend on the United States. The primary reason why foreign and defence policy co-operation in Europe is intergovernmental—why in the 1950s the European community did not go in a different direction in relation to foreign and defence policy—is because the US is the leader on defence policy in particular, but foreign policy in general to a large extent. It is a backstop if Europeans do not agree with each other. You asked for blue-sky thinking. If the US was to become more and more absent and less reliable in relation to security challenges in the European neighbourhood—in north Africa, Turkey or wherever it might be—there would be a risk of more nationalisation of policy among European states, including within the European Union. You can see that in relation to Libya; different states are going in different directions.

The result is not likely to be anarchy. It is likely to be more one where there is more focus on a concert of major powers of Europe, at the core of which is likely to be the E3, but others may be brought in on some issues—Italy, for example, in relation to the Mediterranean. The role of the EU as an institution perhaps will become lesser. It is also possible, of course, under a different American President, that the US will become more engaged in multilateralism in Europe. It will not be the same as it was before, because the challenges are different, but there will be more of a sense of the Americans being prepared to act as a leader and, therefore, as we have seen on a number of issues, even under the Trump Administration, pushing people in a particular direction.

We are in a worrying position on a whole range of issues. The rise of major competition in relation to China and Russia is very evident indeed. I suppose my gloomy prognosis would be that, if we were to move to a situation in which the Americans pivoted to Asia to such an extent that Europeans had to take more responsibility for their backyard, greater European cohesion could not be taken for granted, by any means.

Professor Whitman: An observation, first of all, is that, with the UK having left the EU, that means that three large European state—the UK,

Russia and Turkey—are outside the EU rather than within the EU. That raises questions about the architecture and arrangements for managing European security and diplomacy. Being frank, the EU and particularly other member states have not yet quite got to grips with the consequences of Brexit in those kinds of terms. There has been a bit of a paucity of thinking in EU state capitals, which is why ideas like the European Security Council that Malcolm raised have come out sort of malformed or have not really had much by way of a diplomatic push behind them.

Those kinds of discussions are going to have to happen sooner rather than later, and we are going to have to find some kind of mechanism for that higher-level interaction. Other forums, such as NATO for example, because of the number of states involved, do not really allow for that kind of thinking. The transatlantic relationship may well be complicated, again for the reasons that Malcolm has suggested.

I have two thoughts to add. The E3 is certainly a very interesting proposition and makes a lot of sense. With colleagues at Chatham House, we are putting out a report in a couple of weeks that looks at the possibilities for the UK of using the E3. It is there to be used, and it could be used in a more effective way.

The second point is that all the arrangements the EU has offered so far in the context of the Brexit negotiations have been pretty poor in their thinking about how you accommodate a state like the UK. They have essentially thought about the UK as a standard third country. They are along the lines of having a Norway-type deal, if you like, with the UK for foreign, security and defence policy co-operation. The EU has been very reluctant to think about the UK along the lines that it does the United States, which is that there is a higher-level, broad, overarching declaration that covers the relationship. A lot of the nitty-gritty actually happens on a day-to-day basis, on an intensive basis, outside of the arrangements that the EU has co-operation on with third countries.

The UK is a key part of the jigsaw, in terms of how we are going to manage the diplomatic order in Europe. It will obviously be for the UK—perhaps we will see more of that through the integrated review—but also other European states to think a bit harder about where they see the UK fitting, where there is of course so much by way of shared interests.

Q629 **Sally-Ann Hart:** Hello. I want to have a quick look at NATO and PESCO. Bearing in mind that the UK did not opt into PESCO, how does the closer EU-NATO co-operation fit in with PESCO?

Professor Chalmers: The UK will continue to have an interest and will support close EU-NATO co-operation. Undoubtedly, it is in the interests of the two to work together. Certainly, EU proposals for investment in increased military mobility across Europe are an example of where there is a very direct link, and where NATO military commanders have been urging an EU effort to make sure reinforcements can go from west to

east, or indeed in other directions, in a crisis. Of course, the obstacles to that co-operation are more from Turkey in relation to Cyprus, which, if anything, are intensifying, so that is a problem.

As I indicated earlier in relation to the European Defence Fund, which is the most substantial, in financial terms, outcome of that PESCO discussion, the chances of UK defence industrial participation in that are relatively limited. In a paradoxical way, although the UK normally welcomes increased defence investment by its European allies, for very obvious burden-sharing reasons, there will and should be mixed feelings about the European Union taking a direction in relation to funding defence and the EDF that could potentially undermine the prospects for pan-European defence co-operation.

We have had a long period in which, as Richard indicated, the only two major European powers that were not in the European Union were Russia and Turkey. We now have a third major European power that is not in the European Union. The UK is currently the biggest defence spender in NATO Europe, and certainly will remain one of the biggest two, whatever happens. Germany perhaps is catching up a bit. Therefore, the idea that you can have co-operation on defence in Europe without the UK intimately involved would be a significant blow to overall European capability. We share basically the same objectives.

There is maybe not an existential question. There is a real question for the EU, once the dust settles, about whether the objective of defence autonomy for the European Union may undermine the prospects for some degree of autonomy for Europe as a whole, including the UK.

Professor Whitman: I will add a little bit on where PESCO and the EDF might go. This was a bit of a watershed moment for the EU in having the EDF, in the sense that we are talking about EU money now trickling into defence, or the defence industry. Again, in the medium or longer term, we could speculate about what the consequences of that might be, in terms of giving the Brussels institutions much more of a role.

PESCO is interesting, because PESCO is the sort of thing that the UK has been quite happy to do bilaterally and trilaterally, with other individual countries. It now has a European Union wrapper around it, facilitated by EU money. For the UK, it is probably broadly a good thing that member states of the European Union would want to increase their capabilities, the rub being whether they are duplicating what already exists elsewhere and whether they are of use for NATO.

It is also a hedging strategy on the part of the European states because of their anxiety over US commitment to Europe. Although it is not framed in those kinds of terms, it is obviously intended also to provide an alternative to co-operation within NATO if there was ever any future question mark over NATO itself. Where the EU has not handled this particularly well has been with third countries. Norway is quite embedded within activities through the European Defence Agency, for example, and

sharing programmes with other member states, but the United States has been locked out of the process. That is one of the reasons why it is less attractive for the UK.

Mikaela Gavas: Maybe I could add something on a broader development co-operation point. There are precedents for either country level or regional level joint UK-EU initiatives along the lines of France's initiative in the Sahel. The Sahel Alliance, which was launched in 2017, was actually a joint initiative that aimed to address security and development challenges in the Sahel, comprising a wide range of donors. These types of initiatives could actually be the groundwork towards forging what might be a special relationship between the UK and the EU, which recognises the institutional and legislative constraints and plays to the strengths of the various parties.

I have discussed a number of proposals with the UK, with DFID, and with the European Commission about how to develop such a strategic partnership, as well as the mechanism that could be used in order to do this. That was last year and nothing seems to be on the table anymore.

Q630 **Sally-Ann Hart:** In terms of the foreign defence and development policy, when we are looking at formal participation and co-operation between the EU and the UK, where might the EU benefit most from the UK's involvement?

Mikaela Gavas: There are a variety of areas, certainly from a financial point of view. Financial contributions to some of the instruments would be beneficial to the EU. There are also aspects around peace and security, for example. Both the UK and the EU have strategies on peace and security. They recognise the importance of preventing conflict and reducing fragility, with very closely aligned overarching strategies. The EU's geographical reach extends far beyond the UK's bilateral footprint, however. That is particularly true in north and west Africa and the Eastern Partnership, where the UK has a limited presence. Working with the EU on conflict, security and justice would afford the UK influence in these geographies of strategic importance but also where the UK has limited bilateral programmes or presence.

The same goes for migration. Again, the EU has some very well-developed frameworks for dialogue and co-operation with partner countries, especially on the African, eastern Mediterranean and western Balkans routes. While the UK can continue to programme some of its spend bilaterally and have some strong bilateral relationships in some of its core countries, migration is a regional and global issue. As such, the UK would not be able to replicate networks with the leverage that working with the EU gives it.

Going back to the instruments, the EU financial instruments provide some added value by virtue of the fact that they use the EU to leverage additional investment from the European Investment Bank and the private sector, through their investment platform, the European Fund for

Sustainable Development. That is also including some of the UK's priority countries.

Q631 **Sally-Ann Hart:** There is benefit to the UK as well, mainly in Africa. Is that what you are saying?

Mikaela Gavas: There is, absolutely, of continuing to work with the EU and of contributing through the EU mechanisms where possible.

Q632 **Sally-Ann Hart:** Does anyone else want to pick up on that or add to that?

Professor Chalmers: Yes, perhaps I could come in. Across a whole range of issues and regions, it makes sense for the UK to work with its European neighbours, including the European Union where appropriate, and vice versa, as a force multiplier. Neither of us is strong enough to be decisive in many cases, and if we add our efforts, it is likely to make for more influence. Stephen Kinnock mentioned the issue of Palestine, for example, where clearly, at present, the UK is closer to its European neighbours and the European Union policy than it is to the United States. In those circumstances, it clearly makes sense for us to co-operate to maximise our leverage, such as it is; it is probably quite limited in that particular case. Nevertheless, it makes sense to work together.

I do not think we are going to have a position in which we agree to agree on every issue. Where the UK and the European Union can agree, absolutely we should work closely together, have a mechanism for information exchange—[*Inaudible.*]

Chair: Sorry to interrupt, but we are getting some sound from a colleague who has not muted their microphone.

Q633 **Antony Higginbotham:** This has been a very interesting session. Thank you. My first question is probably for you, Professor Whitman, but, Professor Chalmers and Mikaela, feel free to come in if you want. I want to unpick the options available. I wondered if there were any examples of other third countries—I am talking international players, rather than regional foreign and defence players—that have an institutional or treaty-based framework for co-operation, and what that model would look like.

Professor Whitman: The EU has a range of agreements with countries such as Japan. It has agreements with the UN and so. Probably the best comparator for the UK is the relationship with the United States. Paradoxically, that is the least institutionalised and codified, in terms of the foreign policy relationships between the EU and third countries. It has its set piece events, summitry and so on, but it also has a lot of very active working sectorally and on a day-to-day basis.

Looking at some of the relationships where things are more codified and there are so-called political dialogue commitments that the EU has with third countries, they are very formalistic. I would suggest that they tend not to lead to really significant results or effectiveness. Where you have

things like the strategic partnership agreements with third countries like Canada, Japan, South Korea and so on, for me, they are broad outline planning-type deals, which set out broadly where you see agreement between the EU and the third countries for areas where they want to work together.

Across time, the EU has struggled to find an appropriate format. There is a key rule of thumb from the EU, which is that the decision-making institutions involve member states and not third countries. That means in the places where foreign policy gets thrashed out, particularly when Foreign Affairs Ministers meet formally and informally, but also in the so-called Political and Security Committee, which is where a lot of the day-to-day work is done by ambassadors to the EU, third countries do not sit, and therefore the utility of participation within EU decision-making is not on offer to a third country in that way.

There is some value for the UK in stepping back, looking at how the relationship works with the US, for example, and contrasting it with other relationships, like the Norway relationship or the Canada relationship, and being clear about choosing the good bits, rather than being drawn into the rather mechanistic and formalistic arrangements that probably have less utility for the UK.

Professor Chalmers: I agree with what Richard said.

Q634 **Antony Higginbotham:** If you look at the broad suite of organisations that we are a part of—the UN Security Council, as a P5 member; I think you said we were the largest European NATO defence vendor; the OSCE; the Commonwealth—do you think there will be any change to our engagement with Europe through that? Do you think they see that as being of strategic value, and so is the impetus actually more on them to maintain their influence within those structures than necessarily the reverse?

Professor Chalmers: There will be challenges for both sides. Brexit will make a difference. The result of the integrated review will be very interesting—a foreign policy focused review—in part because we are at this important turning point with Brexit. You are absolutely right that a number of other mechanisms are available. As well as bilateral relations, there is also the role in the UN Security Council. NATO is absolutely critical here, but the US clearly has a major role there, which makes it a different sort of mechanism.

The fundamental point is that the interests and values of the UK and its European neighbours are very close and are likely to remain so. In some ways, they are uniquely close, for geographical reasons, but they are also close for political reasons, because we are all liberal democracies. We have our differences and disputes, but we understand each other very well. We are doomed by geography to work together in a way that we are not with countries with whom we are close but a very long way away from.

There are risks also. For the European Union, there is a risk that the centrality of the EU in many of these issues will be diminished because the UK is no longer there. It is outside the tent, not inside. There may be, as it were, a gravitational pull that the UK exercises on existing EU member states, which may look to the UK for guidance in relation to internal EU discussions, which may be a problem.

From the UK point of view, there may be some diminution of its ability to speak for Europe in other fora, whether that is multilateral fora, the UN Security Council or with the United States. Up to now, as Mikaela indicated in relation to development policy, very often you would have a UK Minister or a UK senior official acting for and representing Europe in some form. That will no longer be possible to anything like the same extent. It does not mean the American President will never call the British Prime Minister, but they will also be talking to Berlin, Brussels, Paris and so on, and perhaps more than in the past, when the UK had more of that bridge role. The bridge role will be less significant than it has been.

Q635 **Antony Higginbotham:** That was really helpful. You have mentioned the bilateral ties, which are, for some countries, very deep and longstanding. Looking at this from a member state perspective, if you are France, Germany or Poland, what are the advantages and disadvantages of using those bilateral relationships and strengthening and deepening them, versus using a European-led framework? Are there any advantages and disadvantages?

Professor Chalmers: It depends on which country you are talking about. On the security side, the most important bilateral relationship for the UK is with France. That is deepening. It is quite a bit deeper now than it was a decade ago because of the Lancaster House arrangements and everything that has followed. Actually, it goes back much further than that, to the Saint-Malo agreement way back in the early days of the Blair Government. That will continue to be important. France is rather sceptical about the role of the EU in relation to foreign and especially defence policies and is therefore quite happy to develop that bilateral relationship and the E3 relationship.

The Germans are rather more ambivalent. The Germans put a lot of emphasis on NATO as a multilateral framework. The Germans, for all sorts of reasons we understand, are more sensitive to anything that might undermine the role of the EU in a range of different areas. Therefore, there is a sense in which developing too strong a bilateral relationship with the UK might, in some way, undermine the EU.

Then there are a range of other bilateral relationships. In eastern Europe, there are UK bilateral relationships with Poland or the Baltic states and so on. There is quite a lot of appetite in those countries for that. There may be a little bit of suspicion from other European countries about too strong a relationship between the UK and eastern Europe, which those countries will have to take into account. Clearly, we have seen in this summit in the last few days quite a lot of pressure from west European countries in

relation to rule of law issues in Hungary in particular. I think there would be concern if Hungary or perhaps Poland developed a strong relationship with the UK that would somehow or other be used as a bargaining chip against Brussels or the Netherlands.

There are lots of complexities there, but that is the Europe we live in. A UK outside the EU will mean that bilateralism and mini-lateralism will become more important in European foreign security policy than it has been in the past.

Q636 **Antony Higginbotham:** If France is sceptical, Germany is ambivalent and eastern Europe or the Baltics value the bilateral relationship, where is the impetus coming from for an institutionalised framework? Is this just the Commission framework thinking that they will wrap it all up, because that is the way they deal with third countries?

Professor Chalmers: There is a model. Richard talked about this very well earlier. There are a standard set of templates in relation to aspirant members or countries that are very close to the European Union, like Norway and Switzerland, and relatively small countries. There is an attempt to apply that to the UK, which I do not think is appropriate. I agree with what Richard said in relation to the US being more appropriate. Of course, the US is not appropriate either because the US is a superpower and we are a medium power on a rough par with France and Germany, and we are a European country, which really makes a difference.

Starting with the bureaucratic models is actually not the best way to proceed. It is best to start with the interests of the countries in question, and then see how we can co-operate to pursue those interests. For middle-sized powers, it is very difficult to achieve anything in foreign policy by yourself. You need to co-operate with others and create the structures to fit the interests, rather than start with the structures and see which model works. In a way, the EU is a rather insecure institution precisely because its roles continue to change over time. There is an aspiration for them to change.

Q637 **Mark Eastwood:** Good afternoon to all the witnesses. We have covered the US quite a lot in this discussion, but I wanted to expand on that. I would like to start with Ms Gavas. What impact is the current American Administration's approach to international, foreign, defence and development policy having on UK and EU policy and the attitude of the European states? That is from a development perspective from you.

Mikaela Gavas: I do not have the strong sense that the UK or the EU takes much of a development lead from the US. However, Trump's "America first", but also China's influence. have led them to perhaps turn away from a value-based policy, with less emphasis on democracy and human rights. This is putting pressure on the EU, as a value-based partner. I believe the European development offer is distinctive because Europeans increasingly believe in the mixed economy, so a regulated

market economy focused on socialising risks and public services. This is what sets Europe apart from other actors, in particular China and the US. It helps forge this vital middle ground between purely market and state-orientated approaches. This advantage is further accentuated when looking at the immediate aspects of the US's and China's external responses to the Covid crisis, which actually highlight important systemic issues.

Q638 **Mark Eastwood:** In terms of development from a US perspective, you said they do not have that much influence. Can we expect major shifts if President Trump is not re-elected later this year? Will there be a change?

Mikaela Gavas: Certainly, to US development policy, I think there will be a very big change. I can only speculate, but I would see a much stronger movement towards multilateral approaches, and certainly less of a focus on perhaps spending foreign aid strictly for the purposes of strategic interests.

Q639 **Mark Eastwood:** Professor Chalmers, is there anything you want to add on to that from a defence and foreign policy perspective? I know we have covered quite a bit here. Then I will ask Professor Whitman if he wants to add anything.

Professor Chalmers: Were President Trump to be re-elected this November, and were we to have another four years of his Administration, there is a very substantial risk of the American-European relationship getting a lot worse. It is clear that President Trump is instinctively suspicious of European multilateralism. He is suspicious of the European Union and indeed suspicious of NATO almost as much. So far, he has been persuaded to maintain the American commitment to NATO. His opposition to NATO over the last couple of years has not been a tactical one. It has not been only about the burden-sharing. It has been deeper than that, and reflects a deeper nationalism in his approach to the world, which is mirrored by a number of his key aides in Government. We have had a President Trump who radicalised over his four years. We would have to live with the risk that he might radicalise further.

By contrast, a Biden Administration, on the basis of what he and his close aides have said so far, is likely to re-engage with allies in Europe, including the UK and European Union members. Of course, President Obama famously was clear in his opposition to Brexit when we had that referendum back then.

That would raise a number of new challenges for the UK and our European partners. Under a Trump Administration, it has been relatively straightforward to oppose American initiatives because of the chaotic way they have been put forward and the lack of consultation. A Democratic Administration is more likely to consult, and consultation of course is a way of involving you and requiring you to participate in subsequent action. I do not think it will be an easy ride, but it will be closer to the longstanding multilateralist consensus we have had, in terms of relations

between Western states, which I think would be welcomed by the British Government and our European allies.

Professor Whitman: Clearly, the United States always plays a role in making the foreign policy weather for the UK and other European states. With a change in the President, we might expect a change in the weather. One of the things that has shifted over the first Trump Administration, though, is that European Union member states, and certainly Brussels-based institutions, have got a bit more hard-headed about their international responsibilities and whether they have to be a bit more robust in terms of preserving the multilateral order.

For example, the President of the European Commission talks in terms of her Commission being a geopolitical Commission. The current high rep for the EU, Mr Borrell, says the EU needs to learn the language of power and so on. This is rhetoric, but one area where there will perhaps be less difference is on China. Here, Europeans have grappled with the Trump Administration's position on China, but the Europeans' position is shifting, but it is not necessarily shifting in a more transatlantic direction. As I think was put by the EU's foreign policy choice, the EU wants to have a policy like Frank Sinatra: "My Way". It wants to have a different China policy than the US policy.

This makes things a little bit tricky for the UK, particularly if it is trying to navigate between where it sees its values and approach broadly aligned with Europe, but there is some pressure from the US for a different position on China. There, we may see possibly a little bit more continuity between a Trump and a possible Biden presidency than might be the case in the other areas, where others have quite rightly said we might expect a change.

Q640 **Mark Eastwood:** I will go back to Professor Whitman to expand on that point. There has been much speculation and talk of the EU forming its own army. If President Trump is re-elected, do you think that makes that more likely to happen, or do you think it is not going to happen in the long term?

Professor Whitman: The language on this has changed for the European Union. From time to time, there are references to a European army, which I think are intended to create a reaction. The language shift that is worth looking at is the EU now talks in terms of a defence union, which is an arrangement for providing for defence for all of the EU member states. Remember, this is a very disparate group, when you think we have NATO members and countries that are neutral or post-neutral, small states, nuclear weapon-possessing states and so on.

Squaring all those differences is a big undertaking for the EU, but it has found a consensus around the idea that the EU is involved in conflict or crisis management. It is looking to double down on that. What will make life difficult for Europeans will be if, as Malcolm suggested earlier, there are more pressure points on NATO, questions marks against NATO or the

functioning of NATO and so on, and how they react to that. NATO is the better vehicle for providing for European defence and security, which has worked as a consequence of the US involvement. Does it work as well with a diminished involvement? Is it better to put more into NATO, if you like, or to focus more on a sort of nascent EU defence element? That is a real theological tussle on the part of member states. It is not an argument for today, but it is an argument that rattles around, particularly in the thinktank community on the continent.

Professor Chalmers: I agree with what Richard said but would go rather further. There is, from time to time, talk about a defence union, a European army and so on. The problem is that, for Europeans to co-operate on defence in a way that is credible and is a credible deterrent to others and can actually be used if the chips are down, you need much more political integration than you do in NATO. NATO is intergovernmental, and it works because the Americans are by far the dominant player, and they organise the coalition. Ultimately, they can act without some members if necessary. The Americans are key to NATO.

The European Union, by contrast, with or without the UK, does not have a single dominant power. The only potentially dominant power, Germany, is very reluctant to be the dominant power in relation to defence, for very obvious reasons. You have a situation in which you could only provide a credible deterrent if you were able to have a unified political authority. We are very far from having that in Europe today, where, for all the strong commitment to the European Union, most member states, including France and actually Germany, defend their national sovereignty very strongly indeed. I think we are a very long way away from European defence co-operation approaching anything like a credible European army.

The areas in which there are European Union defence missions under the common defence and security policy are very small-scale in nature: a bit of anti-piracy off Somalia; and the mission in Bosnia with a few hundred people, to which the UK has been contributing but will no longer be able to contribute. There is less of an EU role in defence operations than there has been in the past. That may change. There may be future such operations on a small scale, but it is likely to be backed by and closely linked to NATO, rather than something that is in keeping with that rhetoric that we have heard for many years. We have heard it for decades, but it has not materialised in any concrete sense.

Q641 **Dr Huq:** I have a couple of questions on a subject that has already been touched on in other responses, in terms of what the direct impact of the Covid-19 crisis has been. What do you think the impact has been on UK-EU foreign defence and development co-operation? Development, I think, was touched on just now by Mark.

Professor Chalmers: The most profound impact is likely to be through the impact on our economies. Clearly, at some stage, the fiscal penny is going to drop in all our countries, including the UK, but also in our

European neighbours. Indeed, in our potential adversaries and competitors, such as Russia, there is going to be a lot of pressure on defence and diplomatic budgets, and really difficult choices are going to have to be made, if not this year, then in years to come. That is one of the biggest impacts.

The other thing I would observe is that the contrast between the international response to this crisis and the international response to the financial crisis in 2008 is a rather stark one. Back in 2008, there was a strong, co-ordinated response. This time, clearly that has been entirely lacking. Given that this is one of the biggest international crises the world has seen in the last half-century, countries have responded in such disparate ways. In a way, the crisis has accelerated the competitive pressures in the world's system rather than been a source of co-operative activity. That is very worrying.

Clearly, we know that US-China tensions were already growing before this crisis. The pandemic has accelerated that and the trends towards state weakness and potential state collapse—we do not know where, but, even looking at the events in Lebanon in the week, its Covid crisis has clearly accelerated that crisis. There is also Iraq and Libya; there are a number of places where Covid is making a difference. I have not come out of the events of the last six months, really since the beginning of the pandemic crisis, feeling the prospects for international co-operation are good. Rather, there is a sense of accelerating renationalisation of foreign policy, not primarily in relation to defence at present, but these different silos are of course related. Countries are looking to their own capabilities, rather than international co-operation.

The final remark I would make is this. One of the lessons I hope we all learn from this crisis is we need to improve international health governance. We need to strengthen the WHO and so on. In our country, the most visible failures in our response to the pandemic have been in terms of our domestic preparedness. Other European countries, faced with the same lack of international co-operation, have managed to perform significantly better in terms of excess deaths so far.

Therefore, I think one of the lessons we will draw in the UK—and I am sure this will be part of the integrated review the Government is planning to bring out later this year—is putting more resources into national resilience in relation to preparing for future emergencies, be they natural, relating to future epidemic disease or relating to biological attacks of one sort or another. There is a sense, certainly in the communities that I talk to, that perhaps there has been too exclusive an emphasis on power projection; there needs to be a bit more emphasis on our ability to prepare for security threats, including epidemic disease.

Q642 **Dr Huq:** It really did feel like retreating into national enclaves, certainly at the beginning, when there was the daily press conference. It was the Covid Olympics, rather than us looking for pan-national global solutions.

Mikaela Gavas, what do you think of that question?

Mikaela Gavas: I think the current crisis will turbocharge the social debate, and even possibly reinvigorate the European social model, which has been in decline over the past decade or so. This will also have an effect on Europe's international assistance and investment, which, before Covid, was disproportionately weighted towards economic and infrastructure investment, rather than social investment. I think we are going to see a relative reprioritising of core public services versus growth and infrastructure investments. I think we are going to see a higher European donor priority to developing country disease suppression, in particular to prevent cross-border reinfection.

All this being said, as European countries deal with deep recessions, I think development budgets will no longer be able to withstand the pressure. They are going to decline quite substantially. On the R&D front, Europe needs to be seen to be contributing to the global anti-virus-related R&D basket, and they are doing so, as is the UK. They will do it even if that displaces other health spends and development goals, so it may be that they go back to the drawing board for what defines official development assistance.

Q643 **Dr Huq:** Professor Whitman, what do you think about the impact to date, and about the future possibilities for co-operation on international matters?

Professor Whitman: Both of my colleagues have provided comprehensive answers. There is one point I can make about the EU-UK relationship. Clearly, the EU struggled at the beginning, in that there was a national approach—people putting up borders and so on. They are very slowly coming together for a collective response. Within the EU's draft treaty for the UK, there is a chapter on health security. Obviously that was introduced to the document in a different context earlier this year.

That chapter now begs all sorts of questions about the relationship between the EU and the UK. We are talking about issues relating to borders. We are talking about issues of procuring when it comes to equipment, vaccine development and so on, in a context in which, as both of the other two witnesses have made clear, we have had a sort of breakdown in multilateral co-operation and seen renationalisation. There are very interesting questions as to what the format would look like for co-operation between the EU and the UK in the future. For me, what was in the EU's draft was more of a holding exercise, rather than elaborating much by way of detail. That would be something that both sides would probably want to look at quite closely now.

Q644 **Dr Huq:** I wanted to ask specifically about vaccines. Only last month, the UK held the Global Vaccine Summit, although in evidence, James Rogers said we were not part of the EU coronavirus vaccine procurement scheme. I wondered what harbingers that brings. There was the news from Oxford yesterday and the bailout this morning. Is the Global Vaccine

Summit, with countries putting up their flag or whatever, and the pledging event, a model for future EU-UK development co-operation?

Professor Whitman: It is striking that that is the stand-out event. That says something about the hollowing out of the international response. It was an important pledging event, but the fact that that has been the landmark event so far, in terms of international collaboration, says something to me about how far we still have to go in building out from that. My anxiety there would be, as often happens with pledging conferences, whether Governments follow through, particularly as the public finances get very much tighter, as they are likely to over the next few months and years.

Q645 **Dr Huq:** Is that a risky approach without an institutional framework?

Professor Whitman: We obviously have the WHO. The question there is what the impact of the US backing out of the WHO is, and whether that causes a significant dislocation in the ability of that organisation to work, but also the way that other states respond. That has to be a concern for the British Government.

Professor Chalmers: The fact that our Government have maintained their commitment to the 0.7% target is very welcome in terms of maintaining UK influence across a wide range of issues. It remains to be seen whether that will be maintained. Right now, that is critical to the UK being able to influence these various events over time. That is the only point I wanted to make.

Mikaela Gavas: Ad hoc approaches like the Global Vaccine Summit and the Covid summit are an example of close engagement, but I do not think these ad hoc approaches actually work. If you look at the GAVI experience with the EU four initially, which then died a very early death, it is somewhat akin to the UK's one, in terms of lack of consideration of value and risks, and lack of ability to converge and co-ordinate with others specifically around it. There are opportunities for these approaches in terms of flexibility, but the big risk here is punching below their weight, in terms of both the EU and the UK.

Q646 **Chair:** I have one final question, and I require only a one-word answer from each of you. Thinking about Britain's influence in the world, are the matters—Brexit and the things you have been describing today—going to result in us having more influence, or less, or the same, or different? If you could pick just one word to describe the impact on Britain's influence in the world, what would it be?

Mikaela Gavas: Diminished.

Professor Chalmers: Different.

Professor Whitman: Another vote for "different".

Chair: As you can tell from the interest from members this morning, this

has been a really excellent session. We are very grateful to all of you for the answers you have given, and for giving up your valuable time to share your insights and expertise with the Committee. That brings the session to a close.