



Select Committee on International Relations

Corrected oral evidence: UK Foreign Policy in Changed World Conditions

Wednesday 24 January 2018

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Members present: Lord Howell of Guildford (The Chairman); Baroness Coussins; Lord Grocott; Lord Hannay of Chiswick; Baroness Hilton of Eggardon; Lord Purvis of Tweed; Lord Reid of Cardowan.

Evidence Session No. 1

Heard in Public

Questions 1 - 8

Witnesses

I: Dr Neville Bolt, Director of the King's Centre for Strategic Communications, King's College London; University of London; Professor Michael Clarke, Senior Associate Fellow, Royal United Services Institute (RUSI); Dr Lucas Kello, Director of the Centre for Technology and Global Affairs, Oxford University; Mr Paul Maidment, Director of Analysis, Oxford Analytica.

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Examination of witnesses

Dr Neville Bolt, Professor Michael Clarke, Dr Lucas Kello and Mr Paul Maidment.

Q1 **The Chairman:** Gentlemen, good morning. Thank you for being with us this morning. This Committee, with some boldness and ambition, is trying to bring better focus to the assertions swirling round about totally changed world conditions and international relations, and new relationships between states and non-states. We have headed it "UK Foreign Policy in Changed World Conditions", but of course we mean something much deeper. We have a string of questions to put to you. It is fine for you to come in on any question: we are not an inquisition, we want a conversation.

I will start with you, Dr Kello. You have all written considerable and deep reflections on these matters, but Dr Kello has just produced a book on them. In it, you say that the cyber revolution disrupts interstate dealings and is the perfect breeding ground for political and strategic instability, and that, from now on, we have to live in a state of what you call "unpeace", which is neither war nor peace. Would you like to elaborate on that, before we come to how it affects us here in the UK?

Dr Lucas Kello: Certainly. Without elaborating too much on what is a 300-page book, and which will provide you with all the details, let me emphasise the notion of unpeace. Here in the west, traditionally we are quite good at dealing with situations of traditional war. By that I mean not only a declared state of war, which is quite uncommon these days, but situations in which acts of war occur. These are acts that produce significant physical destruction and loss of life, whether the act be perpetrated by state or non-state actors. We are also quite good at dealing with rivalrous activity that is peace-like, such as sanctions and low-level espionage and so forth. We are not good at all at dealing with situations that I label "unpeace". This is mid-spectrum activity, the consequences of which are not overtly violent or destructive in the way that traditional acts of war are, but nor are they tolerable in the way that traditional peacetime competition is. This is one of the main novelties of security in our digital era: you can cause significant harm to a nation's political, economic and social life without firing a single gun.

Our adversaries—and here I draw particular attention to Russia—understand two things very well with respect to this notion. First, they understand that they can cause grave harm with the use of computer technology. In fact, they have done so. One of the most prominent early cases was the cyberattacks against Estonia 11 years ago. Cyberattacks incapacitated its economy and financial infrastructure intermittently for a period of about three weeks. They also did so quite recently with the hacking of Democratic Party politicians' emails at the climax of the US presidential election in 2016.

The second thing that our adversaries understand, in fact better than we do, is that as long as the consequences of that activity do not rise to the recognisable threshold of an act of war, the retaliation on our side is

likely to be less than severe. So they have been masters at manoeuvring in the middle of the spectrum between the traditionally binary notions of war and peace.

We have been caught in a situation of inaction. If we look in our playbooks for the section that prescribes how to punish these actions, we do not see any clear prescriptions. We are caught in a moment of paralysis.

Lord Reid of Cardowan: Thank you, Dr Kello. That is a fascinating opening. You have covered two things. One is cyberwarfare and the threat to infrastructure, which can do as much damage as bombs and can break the morale of a country. The second is what we might term “hybrid warfare”, which is an updated use of propaganda through technology and disruption. Both are extremely important. My question is about the third thing you talked about: the limitations on response. Let us leave aside the difficulties of attribution and so on. Is not part of the difficulty in responding that cyber has changed or has undermined, or to some extent rendered redundant, large sections of international law, because the nature or definition of war or conflict and so on is a traditional one that does not take account of technological change?

The Chairman: I will bring in Lord Hannay first. This is the first central question, and then we will see what our witnesses’ answer to your question is as well. What the cyber revolution does to international relations links to Lord Reid’s question about the law and to Lord Hannay’s question. We all have lots of questions. We have three other very distinguished authorities here. Professor Clarke, would you like a shot at this first big issue? How does it affect international relationships?

Professor Michael Clarke: Taking up Dr Kello’s point about unpeace, it seems to me that that goes hand in hand with the fact that liberal democracy is having a hard time at the moment. I worry that it is not just a blip as a consequence of the 2008 economic crisis, which did a lot of damage to the credibility of liberal democracy. We are looking at a long-term retreat in liberal democratic terms. In the cyber world that balkanises mainstream opinion all over the world. It is possible that people in the cyber domain are in echo chambers where they just reinforce their own opinions and that there is a lack of mainstream tolerance throughout the liberal democracies for things that people do not agree with. As Dr Kello says, some of our adversaries are very adept at using this situation to put our decision-makers into a quandary as to how to react.

For countries such as the UK—major second-rank countries in terms of any combination of economic, political or military power—that means that the margin of error for Governments is very small. During the Cold War, there was a wide margin of error because we were part of a big consensus of liberal democracies. The margin of error we have now is very small. We have to demonstrate what we say and what we mean. If we want to demonstrate that we can attract inward investment, or demonstrate that we care about nuclear proliferation around the world, or

demonstrate that we care about international terrorism, we cannot just say it, because what we say can so easily be undermined by these echo chambers in the cyber world. We have to be able to demonstrate it. For a second-rank power, that is extremely difficult. It is very expensive and it is fraught with danger. Our leaders' room for manoeuvre in this unpeace that Dr Kello talks about is very limited.

The Chairman: Dr Bolt, would you like to have a go at this first central question?

Dr Neville Bolt: My starting point is always not to break down different parts of the information and communication spectrum, as much as cyber has its own internal logic. A retired general, Rupert Smith, talked about the media being an unwelcome visitor in the battle space. He said, "It's like the weather. It's just something you have to put up with". I think he got it completely wrong. The media space is not inside the battle space, it is the other way round. There is now only one universal media space and all battles take place within that single global media space. That media space needs to be conceptualised as a kind of spaghetti junction. It is endless feedback loops that circulate 24 hours a day, seven days a week, without end. Whether it is traditional or legacy media, such as television, radio, cinema and the press, or digital media, such as video games or all forms of cyber and social media, they are all interconnected and they all feed off each other. The difficulty is that inside that spaghetti junction is what Michael referred to as this balkanisation and these echo chambers. But at the same time as polarisation there is a fragmentation. There are tensions that are pulling in opposite directions because of the speed of communications and information flows. On a consistent basis quite extreme discourses become normalised for an awful lot of people in the public space.

The Chairman: Mr Maidment, would you like to give us some opening thoughts on this central question before we come back to Lord Reid?

Mr Paul Maidment: Thank you. My remark points to the long-term permanence of this position and the economic drivers that make cyber war, and hybrid war in particular, extremely cheap. International relations have not been immune to the cheap digital revolution that the commercial and business world has experienced. That also means now that very small numbers of people can become international actors in international affairs in a way they never could in the past. We used to say in the publishing world that anybody could be a publisher these days, and now virtually everybody is. In the sphere of international relations and hybrid information wars that is certainly true. That has a distinct implication that means you can have state-backed and non-state actors waging cyber war in a very deniable way. That marks a large shift in the way states behave with each other and brings into question how you set up deterrents against cyber and how pre-emptive these can be.

Another point is that we should be cautious about assuming that the cyber world is universal. In the cases of China and Russia, but particularly in the case of China, they are making very strong efforts to

assert national sovereignty over the internet. To think that it is a completely open space that operates similarly around the world is something that I would caution against.

The Chairman: Coming back to Lord Reid's question, if information becomes a force in itself, does that undermine the rule of law and the making of international law?

Mr Paul Maidment: It certainly has the potential to do so, yes. It undermines a lot of the norms that support the rule of law. Once those start to become fractured, the ability to maintain the rule of law becomes exponentially more complicated.

Dr Lucas Kello: That is a very good question. In answering it, it is important to emphasise that our international legal apparatus is built primarily around restraints against violent action. For example, look at three legal instruments that we have immediately available to us today. We have NATO's Article 5, the collective defence article, which expressly stipulates a situation in which there is an armed attack. That is traditional interstate violence, or at least large-scale violence. Article 51 of the United Nations charter also imposes restraints on the use of armed attack for, for example, the purposes of self-defence. Then there is Article 2(4) on the use of force, which is a more ambiguous notion in international law and legal scholars have debated where exactly the threshold lies. We know for certain that even the most significant offensive cyber actions on the record have not risen, at least not unequivocally, to the threshold of an armed attack or even the use of force. There has been some discussion by some legal scholars that the Stuxnet operation against the Natanz nuclear facility in Iran may have fulfilled the requirement for the use of force under international law. The point is that our legal doctrines and institutions are built around restrictions against traditional acts of war.

Again, as I mentioned earlier, our adversaries understand that they can do enormous harm, including forms of harm that are more damaging than even some acts of war, while at the same time avoiding the destructive element of acts of war. This is why they are largely getting away with it.

Professor Michael Clarke: Obvious conflict in world politics at the moment—explicit violence—more or less exists in a belt that stretches from west Africa, through the Middle East to south Asia. Those are all areas that matter to us in Europe. They contain about a billion people. In a world of 7 billion people, that means that 6 billion people are not living under that particular immediate threat of physical violence. We know what the problems are in that belt of violence. Whether we can address them is a different issue, but we understand what the violence represents in terms of threats to security and to the rules-based international order. It is in the rest of the world—the other 6 billion, who are not living in that state of overt violence or threatened by it—where a lot of this hyper-competition is taking place. If it were only physical violence, at least we would understand it.

Lord Grocott: We need hardly say that the opening contributions, particularly from Professor Clarke and Dr Kello, sounded pretty alarming. Professor Clarke, you talked about the possible long-term retreat of liberal democracy and Dr Kello, you talked about our adversaries being masters of the intermediate levels of aggression.

I just put it to you that, as a matter of observation, over the past 20 or 30 years—admittedly, that is quite a long period—in Europe, in particular, it does not appear that Russia, the country you mentioned most frequently, is “succeeding”, as opposed to the West. I would have thought that, on the contrary, we have seen the growth of a large number of new states in eastern Europe. We most recently studied the Balkans, where what used to be an admittedly slightly eccentric communist country now has a number of components which are all aiming to be liberal democracies. We have seen the huge expansion of both the EU and NATO. Is it in any way fair objectively to characterise what has happened over the past 20-odd years as the decline of the West?

Professor Michael Clarke: My point was that I worry that liberal democracy may be in longer-term retreat. What I observe is a blip, and I worry that that blip may become more structural; that is my point.

Also, we see around the world the rise of strong nationalist leaders: in Modi in India, President Xi in China, Putin in Russia, Duterte in the Philippines and, in Europe, Mr Orban. We see Polish politics. There is a sense in which a strong authoritarian leader is fashionable at the moment. The danger is that our confidence as liberal democracies has taken something of a knock. My worry is that, externally and internally, liberal democracy is not as robust as we used to assume. In 1991, Francis Fukuyama famously wrote his thesis, *The End of History*. He was saying that liberal democracy is not a choice anymore, it is just a fact of life, and history will now be dominated by how quickly and easily the rest of the world adjusts to that. It turned out that that was not right.

As it happens, I think Fukuyama will turn out to be right in the long run, but so might Malthus. There is an issue as to how long this lack of confidence in liberal democracy, both externally and internally, may last. That is my real point.

Dr Lucas Kello: I agree very strongly with the statement that liberal democracy has experienced enormous successes in terms of its march into formerly captive nations in central and eastern Europe over the past 20 or more years. What is especially worrisome in the contemporary context is the asymmetry of vulnerability that open, liberal democracies face with respect to cyber and other information threats on the one side compared to the threats faced by authoritarian countries on the other.

The virtues of openness in our electoral and other democratic processes, which we rightly regard as virtues, are in fact sources of vulnerability when it comes to foreign-born information threats, because our adversaries have points of entry and influence to disrupt, for example,

our electoral systems that are not as readily available to us. They operate largely centralised information spaces, so they can impose jurisdictional controls within their domestic information space through internet surveillance and censorship that we in this part of the world would regard as reprehensible.

There is a certain asymmetry of vulnerability when it comes to information threats, and we are on the bad side of that divide—even accepting, as was stated, the very successful march of liberal democracy eastwards since 1991.

Lord Hannay of Chiswick: I do not dispute in any way the general proposition to which I think you all subscribe: that there is a huge shift as a result of cyber and that it presents us with new problems which we have not so far been all that successful in countering, or working out how best to counter.

I want to ask you whether this is really so very different from any other of the considerable number of technological and communications advances that took place during the 45 years of the Cold War, to which—although in each case, as democracies, we were a bit slow on the uptake—we finally found a response? We know what happened in the end, which was that our response was stronger than the threat. Is this different in nature and does it completely overthrow all the previous paradigms?

To take an example you gave about Article 51 of the United Nations charter, the interpretation of that by lawyers, if I have understood it correctly, is still based on a ruling in the mid-19th century during the American Civil War about the circumstances in which you can take preventive action: only when the threat is imminent. The definition contained in that case—the name of which, alas, I cannot remember, but one of you probably will—has not changed. The technology has changed hugely, the circumstances in which you might need to use coercive force have changed totally, but basically the rules have not changed very much, although the extent to which they are accepted by everyone has always been pretty moot.

Is this really a revolutionary shift, or is it the latest in a long series of technological breakthroughs which requires a little calm thought, some resources and a lot of solidarity? After all, we know—no, we believe—that most of these threats have come from Russia, North Korea or China. China has not, I think, so far been aggressive but more defensive; North Korea and Russia have both been aggressive. That does not sound like a very big deal. We already knew that Russia and North Korea were not our friends.

Dr Neville Bolt: We have to be very careful about how we define cyber: how narrowly or how widely. There has been a major shift, which has been due to the proliferation of personal, consumer digital media—the fact that, very shortly, virtually everybody on the planet will have a mobile telephone. Which I think is the most significant shift of all because

it is low cost; it is a minicomputer; it is instantly accessible; and it is trans-global.

The major shift is a reach into different populations around the world, the relationship of those populations as consumers to the very notion of information—to what degree they feel empowered by information, to what degree they feel either more part of the political process or more marginalised from it. That is a major development.

Social media has totally transformed the world of information and communications. That, in turn, subverts the old Cold War political status quo. From my perspective, we live in an information universe, and at the moment we still do not understand how to deal with that as nation states, because it has happened so quickly and was unplanned.

We are trying to catch up in January 2018. By the time we take that understanding on board, it will already have moved on dramatically.

Professor Michael Clarke: I understand exactly what you mean, Lord Hannay: we could say that this is a continuation. I think the answer is that we do not yet understand it well enough to know how structurally different it might be. There are three things that I think are most important about the cyber era in which we live.

The first is that it is a new domain of competition, which has the capacity to affect our rules-based international order because it transcends national boundaries so fundamentally that the rules of the international system, which matter so much to us and which we ourselves did so much to develop, may be undermined by the ubiquity of cybercommunication. That is one possibility. The second issue is that, because of that, the manipulation of the cyber world has the capacity to undermine mainstream politics: those mainstream trends of thinking that we have tended to take for granted, particularly in the liberal capitalist democracies.

But the third element is, in a way, more hopeful because at the moment the cyber world is dominated by some duopolies and monopolies. If you think about it, Microsoft and Apple are more or less a global duopoly; Facebook, Amazon and Google are near-monopolies. It is often pointed out that six of the eight richest people in the world are billionaires who are western people, with a strange lack of any ideological hinterland or underpinning. There is a sort of hippy-dippy attitude among a lot of them: that somehow all this is about personal freedom. I do not think they realise how politically important their view of what they produce is. But while the control of so much cyberspace still resides—at the moment—in western societies, there is a good possibility that a version of the rules-based international order could be articulated with those monopolistic elements, let us say over the next 10 years, before the control and dominance of cyberspace diversifies much more fully to Asia and other parts of the world.

Mr Paul Maidment: The control of cyberspace is already being distributed out to Asia. The largest Chinese e-commerce company is already larger than Amazon. The controls that we see inside China, and again in Russia, are there to put a framework of national sovereignty onto the cyber world. In that one aspect, this is very different from the 1950s. There are some interesting parallels if you look back. At our firm, Dr Kello and one of our Russian colleagues, who is considerably older than Dr Kello, have interesting debates comparing the way that nuclear deterrence was argued out in the 1950s and the way that cyber deterrence is being argued out now. There are lots of interesting parallels between the two.

What I think is very different is that the pace of change now is so rapid, and the number of actors involved so many in this multi-vector situation, that the space to develop those deterrence frameworks is just not there as it was in the past. It just moves on too quickly. That is a real problem for open societies such as ours, which cannot impose an authoritarian solution or point of view on that.

Dr Lucas Kello: It is important to recognise that this is not the first time, even in recent history, that in our societies and Governments we have faced a situation of technological revolution. This is the appearance of a new class of weapon that challenges some of the main assumptions of prevailing strategic theory—a class of weapon and rivalry that is difficult to regulate, even among adversaries who we assume to be perfectly rational, which of course they are not always.

One could look at a number of cases in history from which to draw lessons and insights on how to deal with such moments of technological revolution. It was rightly pointed out that, in previous experiences, strategic theory and doctrine eventually caught up with new realities. Take, for example, the case of strategic air bombing in the 1930s. In 1932, a few years before he became Prime Minister of this country, Stanley Baldwin famously warned that “the bomber would always get through.” That was true in so far as the Japanese air force was able to destroy the Chinese city of Chongqing in 1938; it was also true when the German Luftwaffe destroyed the Spanish city of Guernica. It was almost true in the skies over this country in 1940 during the Battle of Britain, except that we were able to find new, countervailing technologies—primarily radar—that allowed us to catch up in this strategic gap.

Let me identify a few of the most distinctive and worrisome features of the current context; I will do so briefly. Beyond what I have already said, one is that we are in a situation in which our most sophisticated adversaries are already inside our home terrain. It used to be the objective of security policy to keep your adversary outside. That is certainly true of conventional military doctrine. Today, in the cyber context, it has to be a starting assumption of security policy that your most persistent adversaries are already living inside your vital infrastructure, and you might not even know about it.

Secondly, I would emphasise the growing salience of non-traditional actors, which was not as true in previous technological contexts, for example the nuclear context. The legal and institutional regimes have been quite successful in locking out non-traditional actors such as al-Qaeda, which we know has had nuclear ambitions, from entering the nuclear club. That is certainly not true, as has already been alluded to, in the context of cyber technologies. This is a domain in which political activists—even lone wolves, as we have seen in some cases—can cause significant harm.

Lastly, I emphasise the sheer speed and volatility of change, which was mentioned. If one compares it again to the nuclear context, one sees that nuclear weapons today are not much different to what they were in the 1970s, largely as a consequence of legal and institutional freezes on the development of those weapon systems. In the cyber context, what was a sophisticated artefact a few years ago might seem crudely unsophisticated and outmoded today.

My concern is that by the time we catch up with the new forms of activity that we see today in the west—such as political kompromat operations by Russia—the technology and threats will have moved on to the next stage. Here I am thinking about quantum computing, to give one example. To conclude this comment, what worries me in the broadest sense is that with respect to cyber technologies, we may live permanently in a moment of lagging behind in adapting our security doctrines, in the sense that we might never catch up as we have done during previous technological revolutions.

Q2 The Chairman: I want to move on to the second big question, as we have spent a long time on this. I do not want to take opportunities from my colleagues but my name is against this question. Here we are at Westminster. We are concerned with the British Parliament and the government of this nation. How well equipped are we in the UK to meet these new conditions? Can we have a run at that and who would like to start?

Dr Neville Bolt: I think we are ill-equipped. Following on from the first discussion, I am talking not so much about the use of cyber to bring down digital networks; I am more concerned about what passes through the networks—let us call them conversations, discourses, attitudes, ideas or public opinion—and the effect of that, particularly in western democracies.

When I look across UK government, I do not see a strategic understanding of the use of information or how to position that understanding in a very dynamic climate. I suggest that what is needed is a reform of communications services across government. I do not mean putting extra staff into a press office; that is not what it is about at all. Although that is not to say that we do not need press offices—we do. It is about understanding the nature of information in our society and its function in government.

In strategic communications we tend to talk about different ways of looking at communications. Is it a set of techniques that you can get better at in trying to persuade an audience that your opinions are right and that they should change their behaviour as a result? Or is it a process? Is it just about refining administrative and managerial processes to become more efficient? Or is it about a fundamental switch in mindset so that every individual in government, either in the Civil Service or political representatives, understands that she or he is a born 24-hour-a-day communicator? Communications are constantly on. There is no off switch.

In that respect, are government departments essentially just firefighting, moving from crisis to crisis, or is there a strategic vision understood as a communicator would understand it? If you are trying to develop a policy, it is not just the policy-makers who should sit round the table and shape it, but also the communicators. At least in our generation, who are there from minute 1 shaping that policy and process. I say "our generation" because I think that the next generation, those digital natives born after 2000, have a completely different understanding of what communications and information means. I hope that ultimately, one or two generations from now, every person working in government, in every department, will see herself or himself in the act of communicating. Why is that important? Because the speed at which our democracy is being attacked and challenged by other conversations that are taking place in the global media space means that we do not have the ability to respond to it or to challenge it.

The Chairman: Would you like to come in on that, Professor Clarke?

Professor Michael Clarke: I will add to that. My own feeling is that, in a narrow sense, Britain is quite good at cyber understanding. Our cybersecurity is quite good. Whether it is good enough is an open question, but we are ahead of a lot of other countries. Our cyber intelligence is quite good, and our central organisation in government is quite efficient.

What I am much more concerned about, and this is a generational thing, is that we in Britain used to pride ourselves on having a good cultural understanding of the rest of the world. We have lost that; a lot of that has gone. If we could make one big strategic change, my sense is that in Brexit Britain we should make a shift towards those outward-facing policy areas: defence, foreign affairs and policy, the diplomatic service, the intelligence services and foreign aid. Those are the outward-facing aspects of British government, and I would like to see a strategic shift towards pressing for the vitality of those elements in order to show the rest of the world that we are not retracting and are not just shrivelling into an obsession with Brexit.

What that means in terms of cultural understanding is people power. The CGS, speaking at RUSI on Monday, said that one detachment of British troops in the Baltics was worth a whole squadron of F35s. I would extend that. F35s are £130 million each at the moment and we plan to buy 138

of them. If we bought 137 of them, £130 million would go a long way to doubling or trebling our diplomatic representation in the parts of the world that matter to us. It seems to me that a lack of cultural empathy has crept up on us over the past 15 or 20 years. If we could begin to reverse that, we would have much greater capacity for making better strategic decisions in the way that Dr Bolt talked about.

The Chairman: More manpower, more diplomats and a larger Foreign Office budget.

Professor Michael Clarke: Yes, because ultimately it is about human beings. It is the human element that feeds into a cultural understanding of the strategic stakes in any given situation.

The Chairman: That is very clear. I think we have to move on again, although it is all fascinating. Lord Purvis, do you want to open it up?

Q3 Lord Purvis of Tweed: In many respects, my question follows on from the earlier discussion. Dr Kello, you mentioned the relationship with violent non-state actors, the influence they have on states and the use of non-state actors by states. Separating out for the moment the violent non-state actors, can we come back to the general thrust? It is not just the technology. In answer to Lord Hannay's question, Dr Kello, you mentioned the comparison between that and the 1970s. When I was born in 1974 there were 34 democracies, and today there are 87. Then, just 1.5 billion people lived in a democracy and now it is over 4 billion. Therefore, individuals' expectations of their government are exponentially higher, because they are told that the social contract for living in a democracy is very different from that for living in an autocracy. It is therefore perhaps understandable that the rise of non-state actors has followed a similar trajectory with the growth of democracies. There are now well over 3,000 INGOs recognised by the UN.

My question is, in many respects, similar to Lord Hannay's: is the interaction between them and states all negative? For example, the continuity agreement between the EU and civil society is a positive, as it recognises civil society's role. Is that meaningfully different from oil barons and their relationship with Governments 20 or 30 years ago, from the military industrial complex that Eisenhower warned against in the 1950s, or from the relationship that the East India Company had with our Government centuries ago? How meaningfully different is their relationship with states and Governments?

Professor Clarke, you mentioned that the leadership is perhaps meaningfully different from that of the past, and that the relationship with politics is different. It comes back to what the UK can do.

Dr Lucas Kello: In trying to understand the impact and differences of non-state actors it is important to draw a distinction between security threats and security providers. Non-state actors are significant in both senses, certainly in the cyber context. So far we have been speaking largely about these kinds of actors as security threats—political activist groups, for example. We know from the recent historical record that

some of them work quite closely with Governments. In the case of two major cyberattacks—Estonia in 2007, which I mentioned, and Georgia the year after—we know that they were conducted largely by non-state actors serving the interests of the sponsoring state party.

With regard to your question, I want to draw attention to the importance of non-state actors as security providers. That is quite distinctive in our current context when compared to other contexts. As many of you will know, private industry, for example, owns and operates not only the vast majority of our vital communications infrastructure but the power grids. If one takes the cyber domain as a theatre of operations, you have a significant degree of fragmentation in the defensive terrain. It is no longer true, as it has been in conventional fields of battle, that the state holds a monopoly, or a near monopoly, on capabilities for conducting defence.

Moreover, one should not assume that the interests and actions of the private players in this domain will automatically align with the interests of the public good. We saw this quite poignantly in the Apple/FBI contention following the terrorist attacks in San Bernardino, California, in December 2015. Apple was served with court orders to unscramble the iPhone of a terrorist involved in the incident. Apple replied that it would not do so because it was concerned about undermining the privacy regime of the entire Apple ecosystem. For a moment at least, quite extraordinarily, you had a multinational company in a position to dictate to the largest, most powerful Government in the world which of two seemingly contending goods should prevail: privacy protection—or really, if you look at it from Apple's strict perspective, its bottom line, its commercial interest—on the one side and, on the other, security against terrorist threats.

It is important to recognise that although the private players, in particular the large technology players, often can and need to work closely with Governments because of their prevalence in this domain, one should not automatically assume that that will play out in favour of the interests of the Government. That is quite distinctive.

The Chairman: We seem to be watching power being distributed in two directions: one is that, as we heard from Professor Clarke, the new giant electronic monopolies of the world dominate; the other is that we have seen the fragmentation effect where the smaller cell, non-governmental actor, tribal group or rebel against the new elite or establishment is now empowered by cyber. Is it both? Is it a huge paradox? Is power just disappearing from our established national organisations and states?

Professor Michael Clarke: It is exactly that, sir; it is both, because there is this networked world beside the more formal politically structured world. They are contending at the moment. What we have always seen in the past is that the political world, the structured world, eventually regulates the networked world—but that may not be the case this time.

All innovations come through, first, invention, then growth—usually chaotic growth—then commercialisation, then regulation. In terms of

cyberspace, we are half way through the commercialisation phase, and the regulation phase is still kicking in. We do not know how that will resolve itself over the next, say, 20 or 30 years.

Mr Paul Maidment: We have a world in which political power is fragmenting and new nodes are beginning to form, while economic power is concentrating. You see that happening very clearly with large multinational tech companies. To the point made earlier, the commercial interests of a firm such as Apple—or, to a lesser extent, Facebook and Google, because they have been excluded from Russian and Chinese markets to a large extent—are increasingly tied to the interests of those other countries rather than to those of the country from which they originated.

The notion that all multinationals are somehow US multinationals is becoming historic.

I will make one other point about the spread of democracies. A very important phenomenon now is the rise of semi-democracies. They are autocratic nations. They still have a lot of the trappings and electoral processes that can make them look like democracies, but they have very strong centralised leaders who impose a firm and distinctive vision on them. Turkey would be a good example of that. Again, this is a new form of political entity which is opening up in the space between traditional authoritarian countries and what we would think of as a purely liberal democracy. That is one reason why Professor Clarke is concerned that liberal democracy is under threat, which it certainly is: it is slipping into this half-world of semi-democracy.

Lord Reid of Cardowan: On this very point, it is not just the case, is it, that there is real conflict between transnational, global companies and, say, the United States Government, for reasons of marketing, competition and so on—as in the Apple case? It is also the case that it is causing conflict because of the clash of national sovereignties involved in the transnational.

For instance, at the moment, as I understand it, the Supreme Court in the United States is considering the case between US agencies—the Government—and Microsoft. Microsoft is defying a request to supply information on one of its users: not, it would argue, for reasons of commerce, but because the user is not a United States citizen and his data is held on a server in Ireland, and it is contrary to Irish and European law for Microsoft to provide it.

My point is that it is not just the Chinese who are trying to enforce their monopoly on information through the internet: if the Supreme Court were to agree, the United States Government would be doing exactly the same thing.

Mr Paul Maidment: I suggest that Microsoft might be doing a bit of jurisdiction shopping there—driven, in the end, by certain commercial interests.

Lord Reid of Cardowan: I have to declare an interest. I am party to the *amicus curiae*, which, along with several others, has made a submission to United States Supreme Court asking it not to make the decision but to pass it on to Congress, because it is so deeply political that it should be made by politicians in Congress rather than by the court. That is illustrative of the potential conflict between transnational cyber and the sovereignty of various nation states which, before this, would have been effective.

Professor Michael Clarke: It is certainly the case, Lord Reid, that a lot of internet service providers find themselves caught between different national and, in the case of Europe, regional jurisdictions. They always claim that they are doing their best—but, as Mr Maidment says, they also shop around between jurisdictions.

Lord Reid of Cardowan: Of course, and that may be part of the balkanisation process.

Lord Purvis of Tweed: I want to explore a counter view. I absolutely understand the points on technology and e-commerce and the tension that exists with security. That interaction is very interesting. I was in Buenos Aires in December, at MC11, when Jack Ma from Alibaba made a speech which sent a chill through many small, less developed democracies when he called for massive deregulation of e-commerce. He said, "I know more about e-commerce and the rules that should apply to it than states and decision-making forums such as the WTO". So I understand what you are saying, Professor Clarke.

Thinking about what has happened over recent years which could not have happened before, such as the sustainable development goals and the climate change agreement, in many respects it is because Governments have interacted well with INGOs and non-state actors. The use of them both has never been possible before, but it is now.

To turn it on its head, perhaps there is a massive possibility. Is there not an opportunity for the UK, which is recognised as a liberal democracy that is set on certain values and standards? Is it not incredibly well placed to use the global network of non-state actors and civil society groups which, in many respects, do not respect territorial boundaries but are looking for global leaders for a non-statist element of policy-making? Are there opportunities for the UK there? Perhaps everybody needs to be a communicator. This is the world now; it is thematic rather than just based on the state.

Dr Neville Bolt: I agree with you. The question is not whether we should engage, or whether the state should engage, with NGOs because we are in a privileged position in this country, historically; the question is how and what we do. If we see it as a network or infrastructure for UK foreign policy and influence, what do we then put through that? Government have a very close relationship with NGOs: DfID is all but part of the same system. The question is what you do with it, especially when many NGOs see themselves, almost existentially, in a different space to, say, our

military. They do not talk the same language and are uncomfortable together in the same space. If we see issues often as a combination of security threat and our desire for foreign policy influence, that is very tricky. I am not sure what the way forward is on it but on the fact that the infrastructure is there, yes, absolutely.

Professor Michael Clarke: I absolutely agree with your point, Lord Purvis, that the United Kingdom has something to offer to this world of NGOs, INGOs and Governments. For instance, on antipersonnel landmines and certainly on climate change, you can see the influence that can be obtained. We would have some natural strengths from our image in the world if, to go back to my previous point, we were able to capitalise on them by taking a much more outward-facing and proactive diplomatic suite of measures.

In particular, climate change and environmental issues are certainly one area. There is also a good story to tell on nuclear non-proliferation and what we have contributed to the world, albeit as a nuclear power ourselves. International humanitarian law is another area in which we have a story to tell. Then there is the whole question of legal norms. It is no accident that people come to the United Kingdom from around the world to operate under UK law—for contract law, divorces and all sorts of things. The sense that we represent a law-abiding nation which understands how the rule of law might best be applied is, again, one of the value elements that we can push in the world to build on some natural strengths.

Mr Paul Maidment: One very quick point. Whether or not the UK is well-positioned to exploit that, it is actually our primary opportunity. It obviously plays strongly to our soft power skills; it also gives us an opportunity, because if the US is to step back from promoting liberal democratic values in the way that it appears to be under the current Administration, it opens up space for the UK to fulfil that role to a certain part. As I think Professor Clarke said, an important part of how we conceive foreign policy here should be by keeping our education system open to the outside world. If we are to transmit those values, the ability for people to come to this country and study at our universities and other institutions of higher learning is a really critical part of that.

Dr Lucas Kello: I agree very much with what has been said so far about the real possibilities for fruitful collaboration between the Government and NGOs for an open country such as this one. If you are the Russian Government, you do not have much access to NGOs because you do not allow them in your domestic jurisdiction. Therefore, you are blocked off from the transnational networks and communities which NGOs often represent. That can be a liability.

It is important to understand that in our society there are also limitations on the kinds of collaborations that can occur; here, I switch back to ties between the Government and private industry. This country, of course, has a system of government and economic organisation in which the line between public and private life is sharp—and normally respected—

whereas if you look at a more centralised system of government, such as Russia's, or a centralised system of economic management, such as China's, that division between public and private activity is blurred.

That gives regimes in those countries more opportunities to co-opt or coerce, for example, large native technology companies into the security apparatus of the state. It is not without good reason that, for example, the US Government recently banned the use of Kaspersky antivirus products in governmental computer systems. It was because of precisely these kinds of concerns: that because that company, despite being a large multinational, originated and is based in Russia, might have a certain relationship with the Putin regime. That may or may not be known, but there is sufficient cause to suspect that that relationship might exist. So there are limitations in our open societies and economies on achieving that kind of close collaboration between government and industry as well.

The Chairman: Let us move on to our allies and away from the UK for a moment.

Q4 Lord Hannay of Chiswick: Yes, on to the United States. I suppose there would be no dispute in expressing the view that, for the foreseeable future of 10 years or whatever it is, the United States will still be the biggest player on the international block even if, in its own estimation, it may be living in what I think the US Army department has called a post-primacy age where its relative power is shifting—and not in a particularly positive way. Add to that the era of Trump: as a President, is he an orange-coloured blip or is he a trend? It would be helpful to have your views on that. Perhaps it could be summed up in the phrase, "The international rules-based community could probably live with four years of Trump, but eight years might be a bit of a stretch". Can you address that?

Could you then factor into it how you think the UK has responded so far to the shifts in the United States' relative power and the erratic nature of Trump foreign policy in its effect on what has, for the last 70 or 80 years, been our strongest foreign-policy relationship? Looking ahead, do you think that the United Kingdom needs to adapt its attitude towards US foreign policy fairly fundamentally, or can we just muddle on—business as usual—and pray for a return, after the blip, to normal service?

Professor Michael Clarke: I will be very brief: the answer to Lord Hannay's first question, for me, is that President Trump is not a blip but part of a longer-term trend. I would personally date that from about the second Clinton Administration. Since the Balkans in 1995, you can see a greater scepticism about international rules and organisations that was pushed through during the Bush Administration. Although that Administration was very interventionist following 9/11, it did so in a unilaterally-minded way. With the Obama Administration, again, there was a sense that they were "leading from behind"—I know he hated that phrase, but in effect that was what it became. Now there is the Trump Administration. The United States is not as committed to the rules-based

international order as we conceive of it and there is much greater scepticism towards international organisations, compared to the way that we conceive of them.

I personally feel that the United States is moving in different directions, and I think that the Trump Administration will represent a spike on a longer-term trend line. If we look at the things that divide us from the United States—over the nuclear deal with Iran, the Paris climate accord, attitudes towards the Middle East—the fact is that we naturally ally ourselves more with other European powers than we do with the United States. To me, that is very significant. I do not think that this is just a difference in style but a real difference in substance which will make it very uncomfortable for Britain for the next 10 to 15 years.

In response to your final comment—can we muddle through hoping or assuming that that relationship between Britain and the United States will reassert itself?—if it does, it will be in unexpected ways. It might do by accident, but on the trends that I perceive over the past 15 years, I think we have to rethink our relationship with the United States and the world of the Pacific.

One final point is that we rightly take pride in the Five Eyes intelligence-sharing relationship. Britain is the only non-Pacific power in that relationship. The other four are all much more concerned with the Pacific. We are the only exclusively Atlantic member of the Five Eyes relationship. That, I think, will turn out to be important.

Mr Paul Maidment: On America, I certainly agree that Trump is not a blip, in two regards. First, he is the prototype for the semi-democratic leader whom we increasingly see. Secondly, as was very clearly spelled out in the national security statement released last week by the United States, there is a clear America First, realpolitik framework now for American foreign policy in which allies and international solutions will get American support only if they, in turn, support what America perceives to be in its national interest. That is a very different stance from what we have seen in the past, when there was general American support for the international values and norms that we would consider typical of liberal democracy.

The document released last week marks a significant turning point in the way both in which America views the rest of the world and in which it should be seen by the rest of the world. It puts us back into a world of 19th or 20th century realpolitik, where relations between strong nation states are about contest, conflict and confrontation, not the inclusiveness and global reach that we need to tackle many of the problems that we face in the world today, such as those we have mentioned. That is one aspect.

On the relationship between the UK and the US, a lot of the fundamentals are there, but they will need a lot of TLC as we go ahead. The relationship between our Prime Minister and Donald Trump is not the strongest of those between European leaders and the Trump

Administration. In future, one area in which we will have a lot of trouble post-Brexit is that we will have to do a trade deal with the US, given Trump's very strong position about unfair trade and the perception that if you run a trade surplus with the United States, you are an unfair trader. That is exactly the position we are in, and I think we will have a very bumpy time negotiating that trade deal.

The Chairman: How much is all this a product of the digital age? Trump rules by the tweet, by taking on the entire American and world media and by creating the concept of fake news. These are all the playthings of the new digital age: he could not have done this 20 years ago. Is that right?

Dr Lucas Kello: There is no doubt that the United States is currently experiencing an extraordinary moment of internal political convulsion and policy paralysis. I agree that much of that was made possible by the intrusion of misinformation—not just foreign intrusion but misinformation campaigns by domestic parties in the United States. This state of policy paralysis in the United States has had positive effects, in that it has prevented Mr Trump from implementing certain new policy courses that he would like to, such as reimposing sanctions against Iran for that country's suspected nuclear weapons programme. Another drastic measure which the White House would like to take is, for example, in its economic relations with its NAFTA partners. The state of paralysis has had detrimental effects insofar as it has also prevented the clear reassertion of security guarantees in certain parts of the world where they are needed: not least the members of the NATO alliance bordering Russia.

On the long-term consequences of either a four-year or eight-year Trump Administration, my sense is that, because the US system of government is primarily run by institutions, not individuals—despite the prominence of the person of the President on Fox News or Twitter—it is a country fundamentally run by institutions. Institutions have a certain inertia and can impose restrictions on certain damaging policy courses, or at least try to slow their implementation.

What this means for the special relationship across the Atlantic is that it must exist not just at the highest political level but at the institutional level. The importance of the Five Eyes relationship was rightly stressed. It will be very important for this country, in charting a course in these very uneven waters, to preserve and strengthen the institutional layers of the special relationship, especially because, at the highest political level, we will likely see increasing turbulence.

The Chairman: I want to come to global and multinational institutions in a moment, even more specifically. First, bearing in mind the time, we should move on to the other giant: China.

Q5 **Baroness Hilton of Eggardon:** Yes, we can turn to the other great power of the world, which is of course China. Traditionally, China has been more interested in trade, the economy and so on, but it seems to be flexing its political muscles much more now, and I wonder how you see

that trend developing in our technological age.

Dr Neville Bolt: You are right to identify China as perhaps the major source of concern, particularly for this country. We find ourselves faced with choices between interests and values, certainly when it comes to the Asia-Pacific, the South China Sea and in particular China, which is making enormous geo-economic statements. Just through the One Belt, One Road infrastructure project, it has committed what is said to be the equivalent of 12 Marshall Plans embracing about 4.5 billion people.

China is sucking in good will as part of commercial trade agreements, and it sucks us in as well. We need to trade with China, but at the same time there is concern across the water in Japan, which is a democracy, and caught in a very difficult moment in its life. It is having to face up to discussions on the combination of soft power and hard power in its public debates. This is in a society which, post 1945, has been built around a non-aggression understanding. I suggest that we are naturally drawn to trying to support a state such as Japan in its objectives and value statements. At the same time, the UK finds itself caught between the two. We need the trade with China, but we also need to support the values and aims of Japan. That is the difficult choice that this country faces at the moment.

Professor Michael Clarke: The belt and road initiative is a geopolitical game-changer. Most of the comments about it have been economic, understandably. As Dr Bolt said, so far the Chinese seem to have put about \$900 billion into it; that is almost \$1 trillion committed. It covers countries that account for more than 50% of the world's population and more than one-third of world trade. It is not one route but several routes, which go through south-east Asia, south Asia and so on. Will any of it work? The whole thing might work, or parts of it might work and parts of it might fail. Some of it will be good for regions and some of it might excite regional conflict. But no one can deny the fact that the ambitions of this initiative, which go back only to 2013—it is only five years old as an idea—are geopolitically significant. It is a potential game-changer, and I would be surprised if it does not become a real game-changer in regional terms.

Mr Paul Maidment: One of the underlying fundamental principles of American foreign policy throughout the 20th century was to prevent one power dominating the Eurasian land mass. We saw that with Nazi Germany in the 1940 and we saw it with the Soviet Union during the Cold War. What is happening now, especially with America's withdrawal from global leadership, is that there is open space for China to do just that: to dominate the Eurasian land mass for the first time in a century and a half. That would be a fundamental game-changer. We see that in Xi's speeches, and we read it in the policy documents that are coming out of the party and the new leadership commission around the Belt and Road Initiative.

China sees that this is its moment and opportunity to reassert itself as a super-regional, if not global, power. It really wants to take that

opportunity. It sees the Trump Administration as having opened up space. China is very determined. Everything that you read in the Chinese media at the moment is about seizing the opportunity that has been opened up.

Dr Lucas Kello: Just briefly on the belt and road initiative: many of China's partners regard the initiative and its projects as politically benign or apolitical. That is not quite correct. That initiative gives China enormous resources in terms of both coercive and co-optive power. Therefore when China is, say, selling its native telecommunications technology to a country such as Zimbabwe, it is also, perhaps less obviously, exporting its model of internet control. The Chinese understand very well that they can use commercial relationships and commercial instruments to expand their vision of what the internet governance structure should be at a global or regional level. If you assume that there is a global clash of conceptions when it comes to basic norms about, for example, internet governance, China is using these economic instruments highly successfully.

Mr Paul Maidment: I want to add one very quick point to that. You will see exactly the same phenomenon that Dr Kello has outlined around green technology and climate change technology. The principle is exactly the same.

Dr Lucas Kello: So that when we in the west say that we will not sell a certain suite of new technologies to a repressive regime such as Zimbabwe, we are also limiting our own opportunities to export the kind of values that could go with the export of such technologies.

Lord Reid of Cardowan: Just one comment. It is true that when our major communications infrastructure provider, BT, moved from analogue to digital, all the switches for the whole of its infrastructure were produced by a Chinese company.

Lord Hannay of Chiswick: I notice that in this discussion of China so far the words "Hong Kong" and "human rights in China" have not figured. Is that because, as far as Britain is concerned, that is the past and not the future?

Mr Paul Maidment: Hong Kong has become just another big city on the southern Chinese coast. It will go through its 50-year cycle and be reabsorbed.

The Chairman: It raises a question that you have already covered and that we have discussed. Has the vast impact of digitalisation—the 3 billion new capitalists, as Clyde Prestowitz described it—fragmented China or has it strengthened China? It is very hard to understand, in terms of western political thought, what the Chinese model is. It is like the bumblebee: in theory, it is not supposed to fly. China does not have economic freedom, yet it has got the microchip and it dominates the world in energy and electronic terms.

Professor Michael Clarke: China is the great political experiment as far as political scientists are concerned. If it turns out to be possible that it can run an open capitalist economy in a closed political system, we will have to rewrite all our political theory books of the last 100 years. It is not allowed: in political theory you are not supposed to be able to do that. It is a huge experiment.

Mr Paul Maidment: The only lens to look at China through is the party's ability to maintain its monopoly on power. Look at everything it does: the way it shuts down NGOs because they are potential new sources of political power; the way it runs the economy; and the way it employs its state companies overseas. That is all focused on the party's maintenance of power. The Chinese are great students of history. They have seen what happened to political institutions coming out of western industrial revolutions. They have seen what happened to Japan when it had the same sort of economic wealth but did not translate that into political power. As Professor Clarke said, this is the great political experiment. Everything in one's head says that they cannot pull it off, but one cannot be too sure.

Dr Neville Bolt: I would add that, in the case of China, it is important for us to look back not just a couple of years. The Chinese Communist Party was founded in 1921 and is about to be 100 years old. The command and control through the party has never wavered in almost 100 years.

Dr Lucas Kello: I want to add one observation about how China arrived at its current position of technological prowess. A good part of it was by robbing us of our native technological prowess, not just here in Britain but also in the United States. One of the most famous examples of this was several years ago, when Chinese agents stole through cyberspace several terabytes of data, including the stealth engine designs of the F35, the most expensive and longest-running weapons programme in the United States. China subsequently built, at a much lower cost and in a shorter time, the J31 aircraft, which, according to some analysts, is aerodynamically superior to the F35.

Whereas the Russians have been masters in the digital realm of political subversion, the Chinese have been quite different masters. They have mastered the art of digital theft. This is a very important distinction to draw between Russia and China when it comes to prevailing cyber threats.

Lord Reid of Cardowan: Maybe that was the way to reduce the £135 million cost of the F35: just wait five years and the Chinese will produce something remarkably similar at a much cheaper cost.

On a more serious point, with which I agree, you mentioned the holding of political power over the whole of the Communist Party's history by central control, while allowing a burgeoning Deng Xiaoping-style, grass-roots economic policy of certain areas of capitalism. On that political control, does that give them a distinct strategic advantage in developing cyber and in buying up rare earths, land and food supplies throughout the

world? Ultimately, will it be a self-defeating mechanism? They do not have to face elections; they can plan.

Professor Michael Clarke: Chinese international policy is not always strategically astute. They made a lot of mistakes in Africa 10 years ago. But it is coherent, in the sense that they do what they decide to do. That does not stop them making mistakes, and I do not think that China is as strategically clear or canny as we often assume. It is still exploring its role in international politics, but what it does, it does with unity and coherence, which clearly comes from the top.

Lord Purvis of Tweed: I was wondering whether or not in our relationship, not just with China but with the countries you mentioned where China is using its trade relationships on a more assertive basis, we have such a clear view of the UK's position? The UK will never be able to condone the governance of China, but is it in our interests that this political experiment succeeds? Perhaps more relevant than the Hong Kong relationship is our relationship with Taiwan. It is the uncomfortable truth for China that an alternative model can also succeed, and succeed very well. Taiwan is a functioning, open democracy. What is your view of the UK's relationship with our African friends, across the entire continent, but in particular the countries along the route of the One Belt One Road initiative? Are we being assertive enough to try to block the assertion of political power that the Chinese bring with their trade relationship? What should the UK's position be? We have very deep relationships with many of those countries, but are we being assertive enough in those relationships?

Professor Michael Clarke: Briefly, my view is that we have so far stood back from the belt and road initiative because we were not sure if meant anything. It is clear now that it does mean quite a lot. The attitude of western powers in general should not be to try to stop it happening or counteract it, but to try to influence the way in which it works. In that respect, you are absolutely right. Look at our relationships in Asia, with Pakistan and India. There is a big tension point between Pakistan and India over the belt and road initiative, but also in relation to Kazakhstan and Afghanistan and the players in western Asia.

It would make sense, in my view, for the United Kingdom to try to integrate itself into those aspects of the belt and road initiative that make sense. For example, in contract law or in offering assistance, that is in our interests as well, in the way in which infrastructure projects are designed and the way in which they may be maintained. There are lots of good opportunities here. It is surely in the long-term interests of western powers that China's rise into the world should be as smooth as possible. It is inevitable, and so the interest of the west is not to isolate China but to habituate it to the sort of rules-based order that we want to try to preserve. We are not doing a particularly good job of preserving it at the moment.

The Chairman: We have to move on again, because time is against us. The other digital puzzle of course is Russia.

Q6 Baroness Coussins: From China to Russia. You have mentioned Russia already in the context of its cyber activity. Can you put that in the context of Russia's broad range of activities, including conventional and unconventional warfare, its media activity and other forms of soft power, and its diplomatic influence on, for example, Turkey and Syria? From what one understands, the popularity of Putin is unassailable, apparently. Looking at the whole Russian package, will you give us your assessment of what impact that has had on global politics?

Dr Lucas Kello: If I may, I will start with one observation. Russia in the last 20 or so years has undergone an uncomfortable transition. For much of the Cold War period it was in a position of relative strength in terms of its conventional military capabilities, with respect to its western adversaries. What Russia discovered during the course of the various economic crises in the Yeltsin years was that its conventional military prowess significantly declined, such that today—and the Russians understand this very well—they find themselves in a position of relative weakness when it comes to conventional military forces. Therefore its capacity to project military power into places such as Syria, for example, despite certain successes that that intervention has yielded for the Russians, is quite limited compared to the ability of the United States or this country to do similarly. Russia understands this, and Mr Putin has taken certain significant rearmament steps to start to at least close the gap in conventional capabilities.

It is precisely because it understands this that Russia cannot currently, and probably not in the near future, win a conventional battle—at least not against its primary adversaries in the west—and that it has prioritised other forms of rivalry and conflict. Valery Gerasimov, chief of the general staff in Russia, likes to label this “non-linear” or “next generation” war. It is attractive to the Russians precisely because, despite the labelling, it is not war. It is a form of inflicting damage on your western adversaries by disorienting their political institutions. As I mentioned earlier, that does not require a resort to traditional violence. It is important to understand that Russia's prioritisation of information warfare and other non-violent cyber means of rivalry is rooted in Russia's understanding of its relative conventional weakness.

The Chairman: Are you really saying, as I think you are, that the cyber age has been a great equaliser? America is running round in circles about Russian influence and so on, and yet its income per head is 14 times that of Russia. It is a titchy economy, hardly bigger than that of Belgium. Yet somehow it has got into our system and has all kinds of influence and power. Are you saying that the cyber age has brought Russia into the game?

Dr Lucas Kello: Yes, absolutely. It is important here to distinguish between capabilities and doctrine. A lot of the offensive space's facts are not available to those of us in the research community without security clearances, but it is quite clear from what we can observe that Russia is, in terms of capabilities, not the foremost power. Based on what I know, I would rank the United States and Britain above Russia in terms of sheer

offensive capability. Where the Russians have been beating us is, as I described earlier, on doctrine; in other words, the principles of how to use these new capabilities against the west. That is where it has achieved astonishing and surprising effects, which we with our doctrinal frameworks have not figured out how to respond to. They understand this space better than we do.

Mr Paul Maidment: There is also an outcomes question. It has long been a tradition of Russian foreign policy just to disrupt and disconcert generally as a matter of practice. Look at the hopes and expectations for the reset of US-Russian relations that existed in Moscow before the election. They were intended to achieve some important Russian goals, notably the lifting of sanctions.

The disinformation campaign on the previous US election campaign has completely failed to deliver that. It has actually been counterproductive. As a result, relations between the US and Russia are now probably as bad as they have been for an awfully long time—so the fact that they can do this does not necessarily mean that it is very successful.

The other important thing to remember about Putin is that he is a tactician, not a strategist in the way that, say, Xi is. What he did in Syria was, I think, rather opportunistic and probably exceeded his wildest dreams, although equally it now means that essentially there can be no post-war settlement in Syria without Russia agreeing to the terms. On the other hand, Ukraine is where you can look at the potential for another opportunistic piece of adventurism abroad, but that has failed miserably. In fact, to emphasise what Dr Kello said, Russia is not necessarily as strong or as effective as perhaps we like to think, despite its various capabilities. It also has very great economic vulnerabilities, not the least of which is its heavy dependence on hydrocarbons.

Lord Grocott: I am sure that that is absolutely true. What I want to pick up on is the perspective with which we view these things, in particular what seems to someone of my generation to be a huge understatement from Dr Kello that Russia is going through a period of uncomfortable transition. That is an understatement to anyone of my generation. Moving from the Cold War to a situation where, depending on how far back you go, Russia loses large chunks of territory to its west and loses its satellite states while at the same time we in Britain are almost having a nervous breakdown because we are leaving the European Union or because Scotland nearly left our union—the scale must be considered. At the same time, the unthinkable for Russia for someone of my generation is that Albania is a member of NATO, not to mention various countries in eastern Europe. I cannot think what the equivalent perspective for us would be; probably it would be France being in the Warsaw Pact. Is that an exaggerated perspective of Russia's view of the West? Again picking up on Dr Kello's suggestion—and I hope that I am not misquoting him—the reason the Russians are getting into this kind of middle-ranking competition or potential conflict with the West is that they know that they cannot win a conventional war. Is the assumption that they were

planning that in some way or that it was something that might be imminent, but it cannot work so they are trying other mechanisms? It is a perspective that needs a bit of elaboration.

Dr Neville Bolt: Is Russia strategic or is it opportunistic? That is what everyone argues about. I suspect that it is strategically opportunistic in the sense that there is a vision of how to deal with western states, in particular Europe. No doubt you have already visited eastern European states where many people will tell you that as far as they are concerned—I use the term loosely—they consider themselves to be at war with Russia. In the Baltic states there is absolutely no question that what they are talking about is information war—being subverted by disinformation. The strategic element is an external policy that is tied in deeply with the internal policy where there is a Russian information doctrine signed by Putin in 2016. It talks about how states can be undermined, and in particular about how the Russians could be undermined. But if you take the signature off, it could apply to any state.

I think that what is happening in eastern Europe, going back to Baroness Coussins' point, is that all forms of media are being used, ranging from RT, which originally was seen as a soft power tool under Margarita Simonyan but recently has actually become just a kind of alternative CNN, right through to Valery Gerasimov. We should remind ourselves, if it is true that in 2013 he wrote this document, as opposed to it being written for him—the so-called Gerasimov Doctrine—that his was an epiphany moment: looking at the Arab spring and seeing the relationship between digital media and popular movements, then working forward from that and saying, "The future is all about hybrid war".

The strategic element of what is happening in eastern European states is that everything is being thrown at the wall. Western states, including eastern European states, have many fissures and fractures. So put a sharp stick into each of them and just wiggle it around to see what comes out. This is a kind of industrialised, systematic approach to destabilising, unsettling and making life uncomfortable, particularly for eastern European states, one or two of which are veering anyway towards a rapprochement with Moscow, and others that have high Russian ethnic populations. Think of a country such as Latvia, which is very susceptible because not only is 40% of its population Russian, it also has a small economy. A lot of its young workforce has left the country and gone west, which leaves a lot of old people. And the country generally is living with a post-1990 expectation of a new deal—a new social contract and social welfare which the state cannot generate out of its tax base. If you talk to Russian professors and strategic theorists in Russia and challenge them by asking, "Your tanks that are running up and down your western border, are they a sign of things to come? Are they going to turn left and take over the Baltics?", they say, "Why would we want to do that?" It is better just to keep those states as a kind of necklace of uncomfortable, destabilised states. Why would the Russians want to take on all those economic and social problems and responsibilities when it is better to simply neutralise them? In effect, within European discourse, by trying to

divide them and pull them away from the rest of the European Union and NATO.

Mr Paul Maidment: That stops the eastward spread of NATO as well.

The Chairman: I am going to have to plead for brief interventions if we are to get all our questions in.

Lord Reid of Cardowan: I have a brief question. At present, British relations with Russia are very frosty indeed. We need not go through the reasons, but in the past there have been occasions, particularly where a common thread has been identified, not least in the Second World War, when we have managed some form of limited relationship. You may know whether this is true or not, but recently I discovered that even on counterterrorism there is no relationship whatever between our intelligence agencies and the FSB. Are there any areas where we might have a common interest and where we need to be working, or is it the case that Britain ought to acquiesce completely to the development of what is a new cold war between us at the moment?

Professor Michael Clarke: Historically, Britain has been quite good at spotting opportunities. In the 1950s, the 1960s and again in the 1980s, the beginnings of détente were being created. Usually that détente is taken over by other powers such as Germany, which has more of substance to talk about than we have. However, we have been quite good at finding those opportunities. I understand exactly what you mean, Lord Reid, but I cannot find any at the moment. I do not see where the opportunities can arise, not even in the counterterrorism space. It is not that we have to acquiesce to the growth of a new cold war, but I think we have to accept that, while Putin is in control, Russia is a kleptocracy. A group of people has captured the state and the economy will not reform itself because it cannot do so while these people control the state. Nothing short of an overthrow of that kleptocracy—and what form that may take we do not understand—is likely to create opportunities. While we should certainly be looking for them, I would not expect to see them in the coming two or three years.

The Chairman: Lord Grocott and Lord Reid have the two final questions. Take your time; we have a few minutes left.

Q7 **Lord Grocott:** It is such a broad question to move on to at this stage of the discussion, but I will do so under the instructions of the Chair. My question is about countries that we have not mentioned so far. Let me put it straightforwardly: would you care to identify one or two obviously emerging global powers that we can expect to see emerge further in the next generation? Having done that, can you in any way identify what, if any, modifications or improvements we should make to British foreign policy, and to our embassies and related matters, to accommodate this change in the world scene? I am sorry about that; it is a huge question.

Professor Michael Clarke: I actually drew up a little list on the assumption that this might be a question. My list of emergent countries

and regionally important powers is: Iran and Turkey, for sure; Brazil, Saudi Arabia, Japan and Australia. You can tick all those as powers that will be regionally much more important in the next few years. I have put question marks beside powers that you might expect to take on that role but which may or may not. For me, they are Nigeria, South Africa, Indonesia and Mexico. That is my list of definites and possibles, all of which the United Kingdom has a good reason to try to engage with.

Baroness Hilton of Eggardon: What about India?

Professor Michael Clarke: We are excluding India, China, the United States and Russia as the obvious great powers. I am sorry.

The Chairman: This is Lord Reid's next question and I do not want to upset him, but are you talking about countries or networks? I thought you just said that the whole system was networks anyway. Why are we suddenly talking about bilateral relations in this way?

Professor Michael Clarke: Given that balance-of-power politics continues, we would expect that, within those regions, Iran and Saudi Arabia will figure more largely in regional politics in the Middle East. We would certainly expect Turkey and Japan to figure. Mr Abe's policy in Japan is part of a trend towards Japan's realisation of some of its latent power in the Pacific. Even in a world of networks, NGOs and non-state actors, as the relationships between the superpowers change, below that we are seeing the emergence of much more powerful regional players. They are not difficult to spot. The question is the timescale with which they will exert some real influence over their respective regions.

The Chairman: Lord Reid, I really stole your question, which was on international institutions.

Q8 Lord Reid of Cardowan: Yes, it is a wash-up question that takes us right back to the beginning. You have answered the first part: are the international institutions of the post-war period still effective? You have pointed out that yes they are, but that there is a certain undermining of them going on. The second part is: do new networks and organisations, such as the Asian Infrastructure Investment Bank and so on, complement the traditional or do they, like the whole of the networked world, tend to compete with the traditional and to some extent undermine it?

Mr Paul Maidment: To pick up the AIIB, that is part of a Chinese attempt to create a parallel global governance architecture that will run at a lower level but will eventually compete. At the same time, they and Russia are very much looking to increase their influence in the existing global governance architecture.

Lord Reid of Cardowan: Would you say that in this new world our inherited international organisations are still as effective as they were? Or do we have to work on the basis that they will no longer be sufficient in themselves and that the new institutions of networks, NGOs and non-state actors will become increasingly important?

Mr Paul Maidment: I think it is going to be very much on a case-by-case basis. Think of agencies such as the World Health Organization, which seems to be an incredibly effective organisation, or the UN as a whole. One area where Trump is right is that it does need some reform. It is a hugely bloated and not necessarily very effective bureaucracy—but it is not going to go away tomorrow. You have to look at these organisations very much on a case-by-case basis. Big multilaterals such as the IMF and the World Bank are changing already. Whether they are changing fast enough is another discussion, but there is movement.

Dr Lucas Kello: I simply observe that it is not so much a question of the existing institutional framework no longer being relevant or effective when it comes to the old set of questions that the world has to deal with. Organisations such as the United Nations, IMF and so forth have retained a lot of their salience and effectiveness when it comes to addressing traditional problems (such as nuclear non-proliferation).

The problem is that the agenda of issues and problems has grown drastically in scope. It is no longer about questions of nuclear proliferation, just to name one issue that dominated much of international politics during the Cold War. It is also about a new suite of problems—things such as information warfare and politically motivated hacking, the incapacitation of vital infrastructures using malware and so on. That is a realm of action in which, as we discussed earlier, these non-state actors play a prominent role.

In this country we have seen the necessity to have close discussions with representatives of Facebook and Twitter to try to understand how the Russians used these social media platforms in order to intervene and disrupt the political process in this country during the lead-up to the Brexit referendum. What concerns me about the inherited institutional framework is that it has shown itself to have a limited capacity to integrate these new kinds of threat. When you try to have a serious and meaningful discussion at the international level about questions of cyber norms and principles of cyber conduct, the question immediately arises of how to involve actors such as representatives of Facebook or Google whom that traditional apparatus does not recognise as legitimate players. There is a need for adaptation in an integrated sense.

Lord Reid of Cardowan: Hence this inquiry.

Lord Hannay of Chiswick: Could I suggest that when we talk about the reform of international organisations, we should distinguish between people like ourselves, other Europeans and many others around the world who would like to reform these institutions in order to make them more efficient and effective, and President Trump, who uses the word “reform” as a synonym for destruction? There is a difference there.

The Chairman: We have silence from the panel. I knew that this would be a marathon session and we have gone deeply into the issues—but even so, rather like the tip of an iceberg, we have hardly touched the big issue in our minds, which is how we on this island and in the United

Kingdom should react to this extraordinary global transformation in which many issues have either gone into reverse or have been turned upside down. We cannot come to conclusions now, but I draw a little encouragement from your earlier remarks that we could be agile enough to cope with all this, but we need to see some quite big changes of mindset, as you put it, to do that. I put it to each of you: is that too optimistic or do you see the whole situation sliding away into anarchy?

Dr Lucas Kello: You have identified the essence of the problem precisely, which is that it is not a problem of material capabilities but rather one of our thinking, and of our principles about how to do both offence and defence in a realm of action that is quite new to us in the West in many important respects. It is not so new to our main adversaries such as Russia, which has been conducting information warfare for at least 100 years. The Russians have a record of experience that we do not. We are not nearly as experienced in this new realm of action, so we are behind not in our capabilities but in our thinking about how to apply those capabilities.

Mr Paul Maidment: It is about mindset and management in a world where foreign policy issues touch on a far wider range of government departments than they ever have before at a time when foreign policy-making and its execution are being dispersed across government more broadly than ever before. The ability of a Government to join up all those dots and to have a strong vision of what foreign policy they want to project to the rest of the world are the key things that this Government have to grasp, especially post-Brexit.

Professor Michael Clarke: There is a window of opportunity that has been open since the mid-1990s. It is closing, but there is still a fair bit of space. We can either allow the window to close or we can seize those opportunities. Anecdotally, I am constantly surprised that when I go to meetings around the world, people still assume that the British have something a bit special to offer. I used to assume that it was our own self-congratulation which created that, but I have found, just in a personal sense, that it is the case that other countries think that Britain can do something which many other partners of our size and shape cannot do. So there are opportunities, but the window is closing. In another 10 years it might have closed.

Dr Neville Bolt: The British people are very creative and clever. Thinking about the questions you have raised, given time, we will start to make sense of the world out there and put it into some form of coherent set of frameworks. But there is an almost more difficult task. Which, as any communicator will tell you, is that what precedes strategy must always be the big vision. That big vision says that, first, we have to look into ourselves and work out what we expect. Rather than trying to impose our will willy-nilly on the rest of the world, we have to work out what we stand for, who we are, what we represent and what we actually want to be. How do we want to be seen in the world?

The Chairman: This has been a superb session. It is the first session of

this inquiry and we have been looking for guidance to set us on our way. All four of you have certainly provided that, and I want to express the gratitude of the Committee. We thank you for tolerating all our questions for more than two hours—and, as I say, for opening up a number of issues. We all have a lot of studying and thinking to do, including reading Dr Kello's book—although I am sure that you all have other books to read as well. In the meantime, thank you all for being with us.