



Select Committee on International Relations

Corrected oral evidence: UK Foreign Policy in Changed World Conditions

Wednesday 31 January 2018

10.30 am

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Members present: Lord Howell of Guildford (The Chairman); Lord Grocott; Lord Hannay of Chiswick; Lord Jopling; Lord Purvis of Tweed; Lord Reid of Cardowan; Baroness Smith of Newnham; Lord Wood of Anfield.

Evidence Session No. 2

Heard in Public

Questions 9 – 14

Witness

I: The Rt Hon Lord Hague of Richmond.

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Examination of witness

Lord Hague of Richmond.

Q9 The Chairman: Lord Hague, good morning and welcome. Thank you for being with us. I am obliged to say formally that these matters are on the record. There will be a transcript, which you can alter or edit afterwards if you wish. We are all obliged under the rules to declare our interests in relation to this session, which is focusing on our current inquiry into UK foreign policy in changed-world conditions. Perhaps I should declare an interest of my own: I had the honour and pleasure of serving under you in the Foreign and Commonwealth Office some years ago. Those are the formalities. Anyone else who has an interest can state it when they speak.

As you know, we have chosen quite a big canvas to look at. Of course, we cannot cover all of it but we are conscious of the enormous changes that are taking place in the world and the impact these are having on international relations and on the distribution of power, both within and between nation states and regions. You made a very interesting speech seven and a half years ago now, urging the reappraisal of the conduct of our foreign policy in these new conditions. Could we have your opening take on how you see the situation now and whether we are meeting these challenges, and whether the changes we all see are exaggerated or perhaps even bigger than we fear?

Lord Hague of Richmond: Thank you, Lord Chairman. I should declare that I am chairman of the Royal United Services Institute. Thank you for mentioning my speech of seven or eight years ago. This is an enormous question. What is my take on that now? I will begin by saying that the speed of change in the way international relations are conducted and the way events can happen in a way that could not have happened 10 or 20 years before has picked up and increased still further in the time since I gave that speech and became Foreign Secretary. Part of that is because of the arrival of digital technology.

One of the earliest and most obvious examples of this was the Arab spring at the beginning of 2011. I was the first western Foreign Minister to visit Tunisia in the days after its revolution and I was taken to meet revolutionaries. These turned out to be very peaceable-looking young people, mainly young women, who had not left their homes in the course of the revolution. They had operated on their computers. They had co-ordinated their activities in a way no intelligence agency had ever anticipated, among hundreds of thousands of people, leading to revolution on a particular day. That would have been impossible to do 10 years before, before the rise of Facebook. Maybe a revolution would have happened in some other way at some other time but it could not have happened in that way or with that speed.

There are many other examples of other political leaders arising, such as President Trump, who probably could not have been elected without social media, and the rise of ISIL, or Daesh, with a global franchise of

terrorist activity, which would have been impossible to run 10 years before. The speed of change in international relations has picked up. I should probably respond to specific questions rather than give my entire dissertation on the opening question.

The Chairman: That is fair enough, because it was a very general question. You have given an overview answer. What does that do to our positioning? Many of us who grew up in the post-war world and the 20th century more or less assumed that it was easy to describe Britain's position as a close ally of the United States, working for the strength of the UN. Some said that we had a destiny in Europe, or that we had to be at the heart of Europe—there were various phrases—and that was it. The vast growth of the non-European world, the huge explosion of Chinese power, Asian power and so on—none of these things really came into the picture. Do you feel now that we need to reposition our thinking and have a new mindset about how we conduct our international affairs?

Lord Hague of Richmond: I do think that and in the speech that you kindly referred to, which I gave shortly after becoming Foreign Secretary, I argued for a shift in diplomatic priorities and resources, which to some extent we then brought about. We reduced our diplomatic presence in Europe and sent many more diplomats to China and India. Looking back on it, we probably undervalued the second tier, if you like, of emerging powers—Mexico, Indonesia, Nigeria and one or two other countries—in our efforts and should have given even more resources in that direction. My argument in that speech, which I still strongly believe in, was that in a networked world the United Kingdom has to be present in as many as possible of the key networks, which includes being physically present. That was why my approach was to open additional embassies, despite constrained resources, so that we were in all the ASEAN states; we reversed a decline in British attention to Latin America; we reopened embassies that had been closed in certain African states; and we positioned ourselves as being in contact with and representative of as many of the global and international organisations as possible.

That is the right policy for the United Kingdom: to be present at the heart of as many networks as possible. Of course, we are currently busy withdrawing from one of the important networks of the world, so that is a reversal of that policy. But we have to be present in enough of them that we can still move the dial in global affairs. A test of British foreign policy is: can you operate globally outside Europe? Can you change the course of events in a way that safeguards our national security and that of our allies, and extends our values? To do that, you have to use the full range of networks—being in the UN, the EU, the Commonwealth and many other overlapping groups of friendships among countries that have now arisen in the world.

Lord Hannay of Chiswick: Could I just try a counterfactual without contradicting at all—it would be very silly to do so—your broad analysis that there has been a huge shift, as you said, in Tunisia and other places, with social media picking up and so on? But there are counterfactuals;

Egypt was a very good example of that. A lot of us thought at the time that the overthrow of the then President of Egypt was due largely to those same developments in social media, but it turned out that the counter-revolution was rather stronger and now you have had a pretty classical military takeover. There are other examples, such as China, which is now clamping down on the availability of social media. But the question I would like to ask you is: to what extent do you think that this undoubtedly continuing development in communications and so on ought to affect the conduct of diplomacy? Does it fundamentally change the way we practise diplomacy, or is it just another in a whole range of technological innovations which have to be taken on board by diplomats but do not change their whole method of operation?

Lord Hague of Richmond: That is another vast question. I agree with you that the state has woken up to these threats. Now, when people take to the streets, such as in Iran a few weeks ago, the authorities know to disable social media as rapidly as possible. Authorities in other countries use social media for their own purposes. The digital world is used by insurgents and rebels in many situations, but it is now also used by states. It works both ways. It is not a permanent advantage for either side. So it is a change in how affairs are conducted, but its resources are available to powerful states. States such as Russia and China invest a great deal in manipulating and dominating social media in their own countries—in the case of Russia, intervening in the affairs of other countries as well. You are right that it is now harnessed by authorities as well.

Has it led to a wider change? I think it has opened up new types of action in international relations, in some areas, blurring the distinction between war and peace, for instance. Here, Russia is the obvious case again. Russian operations in eastern Ukraine can be a combination of deniable military actions, non-attributable social media operations and cyberattack, in which it is quite difficult to say whether or not it is a state of war. It is easier to create that situation now than it was 20 or 30 years ago. So it is throwing up new problems and challenges in international relations, and the additional problem of it making it easier to intervene in the affairs of another state. I have no reason to doubt the conclusions reached by American intelligence agencies over Russian intervention in the US election, and I would be surprised if there had not been some Russian intervention or efforts in connection with every significant political event, election and referendum in the European Union, including in the UK, over the past two or three years. That, again, complicates international relations and opens up a new front in relations between states.

Lord Reid of Cardowan: Welcome, Lord Hague. You may have just answered this question: to what extent do you think the transnational nature of digital communications undermines the effective sovereignty of nation states? You mentioned that nation states can use it; they can also use it through proxies, rather in the way that the British Empire was built at least partly thanks to pirates, who were deniable. This is the modern

equivalent of that phenomenon. I am interested in the general level—I am not talking about a specific area—and to what extent the transnational nature of that globalisation of communications undermines the sovereign powers of individual states.

Lord Hague of Richmond: The answer is similar to the answer that I gave to Lord Hannay's question. It can undermine their sovereignty, but it can be used by states to further their national and international policy goals, if they choose to give themselves strong cybercapabilities at the national level and if they choose to use it to strengthen the authority of the state and to be able to deploy it against other nations. In western societies we have a very open approach to this. We allow every form of social media in our countries. We have not, in my view, given sufficient attention to the security of all the systems that we are adopting. That has a negative effect on the classic concept of sovereignty.

I know you asked a general question, but it is hard to answer it without giving specific instances. In the case of China, which insists on different social media platforms and is developing methods of incentivising citizens to act in a certain way in order to receive certain rewards in life through social media, this could be seen as strengthening its sovereignty and ability to maintain its national unity and cohesion. Indeed, that is why it is doing it. It depends on the approach. There is this vast range of new tools available to Governments and other political actors. The effect depends on who uses them and how.

Lord Jopling: You talked about vulnerability to cyberattacks. There is another aspect to this that I would like you to comment on. I do not know if you have seen the paper on undersea cables which was produced by your successor as MP for Richmond, Rishi Sunak.

Lord Hague of Richmond: Yes, I have.

Lord Jopling: He points out: "The truth is that 97% of global communications travel not through our skies, but along a network of just 200 fibre-optic cable systems running along our oceans' floors ... Thin as hosepipes, these cables carry some \$10 trillion of financial transactions a day and underpin the operation of every computer in the world". When I read this—I had never thought of it before—I was horrified. Are you aware that anybody is doing anything to try to deal with the vulnerability of these systems? It seems to me that they are wide open for anyone who wants to upset the world order.

Lord Hague of Richmond: I agree with you about the report. It is a very good report. It is interesting and well written and it is a wake-up call about this issue. Those of us who have been in government in recent years are aware of our reliance on such cables and of their vulnerability. I do not know what is being done at the moment to protect them. There are some interesting proposals in the paper about what could be done around onshore facilities by laying more cables so that there is greater redundancy and resilience in the system and, of course, through naval protection. To defend them in the future, it will be important to take

many of those measures. The figures just quoted about our economic reliance on such cables are true, so if more is not being done, it needs to be done urgently. As chairman of RUSI, I have heard Chiefs of the Defence Staff and others refer to the importance of this and their consciousness of it, but the Committee would have to ask serving Ministers what they are doing about it now.

The Chairman: You have spoken about how you want to see more of our presence in many countries. Indeed, one could even say that we need a presence in almost every country. That is presence, but what does it do for our interest and alliances? I know that Lord Hannay wants to pursue the obvious point, which is our alliance with America.

Q10 **Lord Hannay of Chiswick:** Could we look at the American issue? Perhaps we could start, if that is all right, with a comment from you on how the American role has changed since President Trump took over. What effect has that had on global leadership and what impact has putting America first had? Perhaps then you could say a little about what impact, given our close relationship with the United States, that has had and will have on us. Is this just a blip or is it a continuing trend? That is an important point to analyse. How could or should the UK adapt its foreign policy, not just in its relationship directly with the United States but in its handling of world problems? In the past, we have often been in close harmony with the United States, but that is less evident now, in a period when we are on opposite sides on Iran nuclear, on Jerusalem, on climate change and on trade policy.

Lord Hague of Richmond: I think that it is probably a trend rather than a blip, unfortunately. I do not see President Trump as a revolution in American foreign policy. Of course, he has done some important things already, which most or all of us in this room would probably disapprove of—withdrawing from the Trans-Pacific Partnership and the Paris accord on climate change, renegotiating NAFTA and announcing that the United States will move its embassy in Israel to Jerusalem. But he has also been redefining, as he goes along, what “America first” means, saying just a few days ago that it does not mean “America alone”. He has done quite a bit of reassurance since he came to office about NATO and the commitment to Japan and South Korea in the face of the crisis in relations with North Korea. He has been prepared to increase the American commitment in Afghanistan and to take military action in Syria in a way that is different from how he described what he would be like in his election campaign. Overall, he is accelerating rather than inventing some of the changes in American foreign policy.

Clearly, he identifies China as a strategic competitor in blunter terms from a President than was the case in the past, but the Obama Administration began the pivot to Asia. This was already an understandable trend in American foreign policy. President Trump is less polite than President Obama about the need for NATO allies and others to pay more for their own defence, but those of us who were at meetings with President Obama remember the polite but forceful version in

previous years. That is an understandable emphasis in American foreign policy.

There is a growing strategic divergence from Europe that I think comes from energy independence in the United States, while Europe is in a very different situation. Europe is likely to be increasingly preoccupied with the affairs of Africa and the Middle East, given the vast growth in population there, to a greater extent than the United States will be. There is a gathering strategic divergence between the US and Europe. I see President Trump as an accelerator of these things.

How to handle this is an important consideration for the United Kingdom. In a tactical sense, President Macron is giving a good display of how to handle these things and how to have a relationship that is close but frank at the same time. I hope that that is how the United Kingdom Government can operate. My phrase as Foreign Secretary was to be "solid but not slavish" with the United States, but there are now many more subjects on which to be not slavish. That need not be fundamentally damaging to an overall alliance with the United States, since so many of our interests will remain the same.

I believe that our need for the American alliance will increase not decrease, given the way the world will change over the next 20 or 30 years. The arrival of artificial intelligence and quantum computing, if that takes off, will become of enormous strategic significance. A small but clear lead in those areas will be an overwhelming advantage in military affairs, cyberspace and so on. It is impossible to conceive of western nations having an advantage in that area without extremely close co-operation with the United States. I think that the coming decades will accentuate our dependence on the United States even while major differences arise. Political leaders will need to craft that frank but still close relationship and still do a great deal of work on trying to influence the policies of the United States. I do not think that I can come up with a better answer than that, but it is a big problem.

Lord Hannay of Chiswick: Do you have any thoughts on how the policy differences, which you agree exist and will continue to exist within an overall co-operative framework, can best be handled in dealings with the United States by the European countries? How will they do it when we are no longer in the European Union? We have seen the Foreign Secretary going off with his French and German colleagues to lobby on the Hill about Iran nuclear. That was very welcome and to some extent it was a successful short-term operation, but how is this to be orchestrated when we are no longer in the European Union?

Lord Hague of Richmond: It would be highly advantageous to the UK and the European Union to create new structures in co-operation in foreign and security policy. I do not think that that would cut across any of the red lines expressed by the Government about Brexit. For instance, the British Foreign Secretary will no longer attend the monthly Foreign Affairs Council of the European Union, but it should be possible to institutionalise meetings that are not just about everyone having

breakfast together now and again, on the back of some new creation of institutional co-operation, such as a permanent status for the UK in the Political and Security Committee of the EU Foreign Affairs Council.

There was a good paper on this a year or so ago by the former chairman of the Commons Foreign Affairs Committee, Crispin Blunt, which Members have probably seen, about possible new structures of foreign policy co-operation after Brexit, which could include the UK being able to opt into CFSP missions, of course to share intelligence where appropriate, and to have the first right of refusal, as it were, to take part in European foreign policy initiatives. Some thinking on this and some proposals on this will be an important part of negotiating a satisfactory Brexit over the next 14 months.

The Chairman: That is one superpower, as it were, if this is an age of superpowers at all, but what about the other one?

Lord Reid of Cardowan: May I ask a supplementary question on the US? Lord Hague, you made a fascinating point about the kernel of the relationship with the United States, despite superstructural policy differences, possibly lying in, among other things, the development of and partnership on artificial intelligence, quantum and so on. I find that interesting, because if there is a special relationship, historically it is embedded in the exchange of signals intelligence, which is where it started, and this is a sort of modern version. Are we in a strong enough position in the field of AI—the modern signals communication intelligence—to merit that form of partnership with the United States?

Lord Hague of Richmond: The United Kingdom is home to a great deal of work on AI and high technology in general. This is likely to be an enduring strength of the UK even after Brexit. The number of technology start-ups being funded in the UK last year was several times more than in France, Germany or Italy. Many of the major technology companies base headquarters and development work here. We are the home of fintech, of technological innovation in the financial services industry. There is every potential for the UK to be a close and important partner of the United States.

Q11 **Lord Jopling:** You mentioned China in passing, but could you tell us how you read China's ambitions to play a more significant part in world affairs? So far, it is probably true to say that its economic and investment activity has been stronger than its political activity. How do you read China's ambitions developing and how do you think the UK should react to that?

Lord Hague of Richmond: We can now actually read those ambitions, as of last October. The speech of President Xi Jinping in October to the Chinese Communist Party Congress was the most important political event of last year—of recent years. I would strongly recommend reading its full three-and-a-half-hour content. This is an entirely different speech, as some Members of the Committee will be aware, from anything delivered by a Chinese leader in modern times—in centuries. He declared

that in two stages, to 2035 and then to 2050, China will take centre-stage in world affairs, with not only the economic muscle but the corresponding military and political prominence, with world-class military forces and a system of government, defined as socialism with Chinese characteristics, in a moderately prosperous country—I think I have got that terminology right; presumably it does not translate very well—and a system of government that is suitable for adoption by other countries. The assumption of the 1990s in the West that everybody was going to turn into a liberal democracy is hereby formally challenged. There is another system, and China is absolutely not moving to our system. This is important. Of course, China might not succeed in achieving all the economic expansion to bring this about, but it is already quite close to being the biggest economy in the world. It is growing at nearly 7% a year. So even if it slows down dramatically, it will still become the biggest economy in the world. It now has military and political plans to follow that up.

This should not all be seen as a threat; there is a great deal that is positive to work with in the same speech. Part of our approach and the American approach to a much stronger China should be to find the right areas of partnership and as many areas of partnership as possible, including the development of other countries and climate change and many areas of economic and trade policy. This inevitably raises very important strategic questions, because at some stage, probably in the next decade, a President of the United States will have to decide whether to accommodate the rise of China or confront it, as a succession of island chains in the Asia-Pacific become untenable for the United States Navy to pretend it can operate in freely or ever protect. Just as there are areas of partnership which are important to expand—the Prime Minister is there this week, no doubt attempting to expand them—there are clear areas of rivalry as well, where we should be clear that we want to retain a lead.

Going back to my earlier comments about the United States when Lord Reid asked about artificial intelligence, I would argue that since this speech also declares very clearly the Chinese ambition to be a leader in this field and with a very different vision of politics and society and how it should be used, it is vital for western nations to remain in the lead in this area. This could become as important by the 2040s, say, as being ahead in developing an atomic bomb in the 1940s in terms of strategic advantage or security in the world. I am sorry, that is a long answer, but in a way it is the biggest of all subjects in international relations. Finding the right mix of partnership and competition in our approach to China is crucial and I fear that President Trump is not getting that mix right at the moment, in that he is regarding areas of natural partnership as areas of competition, without necessarily positioning America to win the crucial areas of competition.

Lord Wood of Anfield: In your answers on America and China, in very different ways but on a similar theme, you said something fascinating, which is that in the Cold War world we had relations with countries in our own sphere, which shared our political values, and we had deeper

economic relationships with the countries with which we shared political values, but in the past 10 or 15 years that has all changed. Both in the case of the United States and more profoundly in China, you are talking about a world in which we have deeper economic relationships with countries with which we may disagree profoundly on political, security and military issues. Of course, we have deepening relations with countries such as Saudi Arabia, where there is a similar challenge with that disconnect. Is that just part of the new world, this disconnect between our economic interests and our political values and the alliances we forge, or is trouble brewing if we ignore that at this juncture?

Lord Hague of Richmond: I think it is broadly part of the new world. Since so much of the world economy will be in countries that are not perfect western democracies, inevitably we will have a greater economic reliance on countries whose politics or foreign policy we do not necessarily approve of. This in a way is an inevitable characteristic of the networked world we talked about earlier, which is more about overlapping areas of concentration and working together in some areas while being rivals in others than about being part of a bloc, as we might have seen the world developing 30 or 40 years ago.

One thing to qualify is that it is never likely to be a clean economic and political split. Just because there are areas of rivalry with China that I see coming in the future does not mean that there cannot be many areas of political and diplomatic co-operation. I hope there can be more. The headquarters of Operation Atalanta, the anti-piracy operation in the Indian Ocean, are here in the UK. British ships took part—Chinese ships took part. It would be very welcome if Chinese forces took part in more such international operations in the future.

One of my activities now is chairing, for the Duke of Cambridge, a task force of airlines and shipping companies on the illegal wildlife trade. Involving China in that is very important to us, for obvious reasons. I am pleased to say that when China changes its policy on something such as that and decides to close its ivory market and so on, the change is dramatic. The whole system changes and we need to work with it on things such as that.

It is not just a case of economic interest against political priorities. There may be many political priorities on which we work with countries where there is nevertheless a strategic rivalry—and more differences, as we discussed in relation to the United States, with countries with which we are utterly bound up strategically. We will have to get used to that, and in a way President Trump is teaching us to get used to that. Behaving, as he does, without much of a filter, he actually acclimatises the world to rough language, even in the context of co-operative relations.

The Chairman: You are talking about a constantly shifting and overlapping pattern of alliances.

Lord Hannay of Chiswick: That last remark brings us up against a question which I am sure you have seen canvassed by the very

distinguished American academic, Graham Allison, about what is called the Thucydides trap, which considers whether or not there is a clash coming, possibly of a military kind, between China, a rising power, and the United States, which in relative terms is ebbing. Where do you think that leaves the United Kingdom? For example, do you take a pretty relaxed view about China extending its influence in Africa and the Middle East? These are very difficult questions which probably are not susceptible to clear-cut answers, but it would be very good to have your thoughts.

Lord Hague of Richmond: Again, this is a very important question. Of course, there is not that much the United Kingdom could do, even if it wanted to, to resist the growth of Chinese influence in Africa and the Middle East. Before the recent turn of events in Zimbabwe, when President Mugabe left office, it is quite clear the head of the armed forces in Zimbabwe went to Beijing, rather than any western capital, to check that it would be okay to bring about a change. I do not think there is any way round that kind of influence growing. Again, it underlines the need to find the right partnership as China pursues this very ambitious Belt and Road Initiative which is extending energy and transport links all across central Asia—a major change in world affairs. There will be many opportunities for the United Kingdom to collaborate with that and for British companies to support it. Since it involves the better economic development of the countries across central Asia, complete hostility to that can surely not be our approach, although a little bit of ambivalence, given what it means for India, is inevitable.

It places the UK in an awkward position and European countries in general very much at the mercy of a divide and rule policy from China, which China is very skilled at, as we know from whenever any European leader meets the Dalai Lama. This has happened in the case of France, the UK and Norway. China is extremely effective at taking diplomatic measures against that country without other European countries batting an eyelid or bothering to do anything. There is no solidarity. This is not the fault of the European Union. This is the lack of political will of individual European states. The EU now finds it difficult even to pass a resolution about human rights issues in China at all because of Chinese economic interests in Greece, for instance. I am not advocating a policy of confrontation with China across the board, but the EU finds it difficult even to state its position and certainly would find it impossible to back up a tough US approach in the South China Sea in any meaningful way.

So where does that leave the UK? I do not think I have the perfect answer to that, except that the UK has to do its best, notwithstanding leaving the EU, to keep UK and EU policy partly aligned; for instance, sales of high-tech weaponry to China are still under an EU embargo and the UK should argue for that to continue. We will have less influence in doing so now. We should maintain our own bilateral commitments where possible—but it is only on a small scale—to Asia-Pacific countries and pursue what I think of as a balanced policy which bears in mind the interests of Japan, Australia, the Philippines, Singapore and India, as well

as the need for partnership with China. It is a difficult balancing act and it is going to get more difficult. The UK should not abandon the United States, I think, in what will become a central fault line in world affairs.

The Chairman: That is a very clear message. Lord Purvis, we are getting into the area you wanted to talk about.

- Q12 **Lord Purvis of Tweed:** It is not an issue of confronting China and its more assertive position within potentially the most exciting and emerging continent in the world in Africa; it is that it is in many respects filling a diplomatic vacuum and perhaps the UK has been less assertive or not active enough across that very broad and disparate continent. For example, the trade activities of China, backed up with nearly \$200 million of support for the African Union, including defence training and security, present a strategic challenge to the UK and our relationships with many African countries, but we have pulled back in many of those areas. There is even the dynamic of what they hear from Beijing compared with the language of "shithole" from the President of the United States. Where does the UK fit within that? Surely we should be clearly calling out the racist language and being more assertive to make sure that there is not a vacuum that the Chinese can fill.

Lord Hague of Richmond: Well, there are several parts to that answer. I do not think there is any way of stopping the growth of that Chinese influence. There are ways of balancing it through our own efforts. Of course, China has far fewer qualms about what it funds. You can go around Africa repeatedly sitting in presidential palaces and foreign ministries that have been built by China without any questions being asked about the human rights record of those Governments, whereas there would be uproar if we did the same with our DfID budget. So of course China finds it easier to extend its relationships in Africa.

I would quarrel a little with any assumption that the UK has dramatically pulled back in recent years.

It is very different from 1960. We have nothing like an imperial presence, and we still suffer from perceptions of Empire whenever we try to give clear advice and guidance. There is quite a lot of, "You keep your nose out. You ran us for a long time". We always have to understand that. That will diminish over time.

We have vast development efforts in Africa. The UK and Germany are the European countries that do the most to encourage good development in Africa. What the UK provides in Ethiopia, for instance, or Tanzania in development aid is colossal. That is not a pulling back from Africa. We were doing too much pulling back diplomatically. I did my bit to reverse that as Foreign Secretary and opened up new embassies in Madagascar, Côte d'Ivoire and one or two others around the continent, which is symbolically and sometimes practically important. I hope that will be maintained.

I mentioned the anti-piracy operations earlier. When international conferences come together on Somalia and the international community co-ordinates passing UN resolutions to set up a legitimate Government in Mogadishu, funding Ethiopian and Kenyan forces to take on al-Shabaab and putting together the anti-piracy naval operations, the UK is at the heart of all that. That is the UK using the networked world.

It is very important that we are able in future to do that sort of thing. I do not think there has been as much of a retreat as may be thought. There certainly must not be in future because I believe that the biggest influence on European affairs in the next 20 years will be events in Africa, more than anything generated inside Europe, because a doubling of population will have a dramatic effect beyond the borders of Africa, particularly in accentuating the rise of populism and nationalism in Europe.

For European countries, including the UK, support for development, nutrition, women's rights and education in Africa is a fundamentally crucial foreign policy priority.

Lord Purvis of Tweed: That leads on to a point you mentioned before with regard to other emerging powers. I noted that in the speech you made in 2010 you said, "In recent years Britain's approach to building relationships with new and emerging powers has been rather ad-hoc and patchy, giving rise to the frequent complaint from such governments that British Ministers only get in touch when a crisis arises or a crucial vote is needed". In your answer to the Lord Chairman's first question, you said that, looking back, perhaps you undervalued the second-tier emerging powers such as Nigeria and Indonesia. Is the position markedly different from 2010, when you had that analysis?

Lord Hague of Richmond: I hope it is a bit better. We set up in the coalition Government formal structures to look at this, including a sub-committee of the National Security Council, the emerging powers sub-committee, where we looked frequently and systematically at 30 countries. Of course it is arbitrary how many countries are emerging powers in the world, but it came to about 30. I chaired that as Foreign Secretary and we set about increasing ministerial visits, trade links, political and diplomatic agreements on many different issues. I think we succeeded in making that felt in some countries. For instance, the ministerial visits to Brazil tripled, and Brazil could feel that Britain had really woken up again. That is one example.

Having been out of government for nearly three years now, I do not know how the current Cabinet organises itself on this issue, but I hope such concentrated work on relations with emerging powers, looking at them across government, will be maintained or revived in future.

Lord Grocott: We are doing a bit of a world tour, but as this is close to being topical, perhaps I can briefly mention the Commonwealth, with the Commonwealth Heads of Government Meeting in a couple of months here in London. In this new set of international relations we are talking about,

where do you see the Commonwealth, which is so different from most other international organisations? Is it an organisation which in Foreign Office terms remains important but in pretty much the same position over the decades, or is it changing, not least because our relations with other European countries are changing, although perhaps not as dramatically as might have been thought? From time to time, the issue is raised of whether there may be more trade with the Commonwealth as we may develop a more independent trading policy. I am really just asking where you see the institution and our relationship with it as part of the wider picture we are painting.

Lord Hague of Richmond: The Commonwealth is an extraordinary network. A quarter of the countries of the world are in it, so it is not something to neglect or allow to die away.

It is quite difficult to turn it into something with a united political impetus or trading purpose. You have strong views about this, Lord Chairman, and you did a lot of work on it when you were a Minister. I remember at the Commonwealth summit in Perth in 2011 it proved so difficult to agree a communiqué on a range of issues that Foreign Ministers sat for 24 hours, including all night, and I as Foreign Secretary decided that the Lord Chairman here would sit through the night since he was so fanatical about the Commonwealth and that he would negotiate it. He did, I am glad to say, but it took until about 7 in the morning. It can be very difficult, particularly in this case on issues concerning Zimbabwe, to reach a political consensus. You soon come up against the limits of the political and diplomatic purposes for which you can use such a disparate group from so many continents.

Therefore, its value is really as an extraordinary network. Within that context, expanding trading links, links between universities and the myriad of civil society links really has to be the way to go. As the Commonwealth does include countries such as India, it is a growing share of the world economy, not because of what it does as a Commonwealth but because of its individual components. We should be able to use that common membership of the Commonwealth to extend those trading, educational and other links, but I in no way see it taking the place of the European Union or the Trans-Pacific Partnership. It is not going to be able to get to that level, and I think we all understand that.

The Chairman: So our institutions are one network. Lord Reid, would you like to go on to others?

Lord Reid of Cardowan: I want to take you back for a moment to technological change. Here, following the example of the Chairman I should declare that I am executive chairman of the Institute of Strategy, Resilience & Security at University College London, which deals with this type of issue.

On technological change, you have been, Lord Hague, if I might say so, commendably consistent. The Chairman referred to your speech of some seven years ago. Last Monday you were mentioning the effect of artificial

intelligence on warfare, but of course it is also on employment, social media, politics, diplomacy and so on. What do you think the effect has been on international organisations—I am talking about the UN and others—in encouraging informal networks, allowing regional groups, nation-to nation-discussions, and so on? Has it supplemented them or lessened their potency as international organisations?

Lord Hague of Richmond: Certainly it supplements them. It is leading to more informal contact between Heads of State and Foreign Ministers. It was becoming the normal thing when I was Foreign Secretary to send texts to other Foreign Ministers around the world. That would not have happened 10 years before. This is very alarming to civil servants, of course, because they do not know what you have texted and they are constantly having to ask what the French Foreign Minister said in his or her text. Now this is going to a new level, which is texts that are securely encrypted, even against intelligence agencies. I am speculating here but I think we can be confident that when President Trump is in touch with certain other leaders around the world, he is on WhatsApp. There, he is doing something that Ronald Reagan could not have done. If Ronald Reagan wanted to talk to a Middle Eastern leader, he could not have done so without his officials and the State Department knowing what he had said. President Trump can do that now. When American policy gets confused over relations between the Gulf states—the recent events in Qatar, for instance—I wonder whether these informal networks are competing with the formal official networks. So it is making a difference to how relations are conducted.

Of course, there is something much more profound as well, which is that technological change is bringing a vast multiplication of the number of connections between states—between business, military and political leaders and so on. This goes back to our earlier point about Russia's use of social media in the elections of other countries, but of course, there are innocent versions of this as well. When I was Foreign Secretary I started doing question-and-answer sessions on Twitter with people from all over the world. So someone sitting in Pakistan or South Africa or wherever could directly ask questions of the British Foreign Secretary. I think that is a good use of social media. It is a two-way use but it means that you are in direct contact with the citizens of that country in a way that would have been very hard to do other than in an occasional public meeting.

Lord Reid of Cardowan: I take it Sir Humphrey was filtering the questions.

Lord Hague of Richmond: In that case you do have a civil servant sitting next to you, saying, "We're not going to answer that one because it would be diplomatically embarrassing. Why don't you answer this one?", so, yes, there is still some control over that. But there are so many areas where there is no longer that control. I think it is changing the way international organisations operate on an hour-to-hour basis, but there is a wider, long-term crisis of the international institutions, of

course, which is: what legitimacy, authority and power do they have for global governance when that power has become much more diffuse in the world? I set off in government strongly believing in our traditional British line of, "We must reform the UN Security Council to make it more relevant", and I still think that is true but I also realised within a few weeks that this was completely impossible to bring about at any point in the foreseeable future and therefore not worth pursuing.

Q13 Lord Reid of Cardowan: That leads me neatly to my next question, which is: are the international institutions of the post-war period still effective and what progress has been made in the various efforts to reform them?

Lord Hague of Richmond: The UN Security Council, which is the one I have the most experience of in terms of reform, is a case in point. Of course, it is easy to say, as successive UK Governments have said—and Lord Hannay will be even more of an expert on this than I am—that there should be a seat at the UN for Japan, Brazil, Germany and India, and two African seats. As soon as you get three minutes into a conversation with the other Foreign Ministers at the Security Council, you realise that you can forget this for the next 10 or 20 years. The Chinese Foreign Minister will be very polite about it but will say, "We're not at all sure about Japan, or India for that matter". Other Latin American Foreign Ministers will say, "Well, why Brazil? How do you know it should be Brazil, not Mexico?". Once you start with the Africans on which two countries it would be and discuss that with Egypt, Nigeria and South Africa, the chances of ever agreeing on two are infinitesimal. So it is worthy but by the time anybody managed to bring it about, the correct countries to bring in probably would have changed.

So I am not very optimistic about this but I do not think that it has as yet destroyed or seriously undermined the legitimacy of the UN Security Council, but it will over time. If we reach 2045 and the structure is still the same as the one agreed in 1945, it will be losing its authority and legitimacy. Some new vision is called for and it would be most convenient if somebody else would come up with it.

Lord Hannay of Chiswick: I entirely agree with your judgment that you were breaking your teeth on a rock with this idea of reforming the membership of the Security Council, not because it is not desirable but because it is unattainable, as you have described, and likely to remain so, through no fault of ours. I assume you are saying that it should not be a very high priority in British foreign policy but that we should continue to support it. But my question is: do you not think that in a way, this issue has been promoted so it becomes a kind of weapon of mass distraction from other much more important but less glamorous aspects of making international organisations work better, not just the United Nations, although that is very important, but the World Trade Organization and various other groupings which fall roughly within the category of the rules-based international order? How are we going to sustain that rules-based international order in the future when one of the biggest players, the United States, seems to have not the slightest interest in doing so?

Lord Hague of Richmond: This is a very good point. Basically I agree with the argument implicit in Lord Hannay's question. We should try to do so. But it is doubly difficult. The United States, certainly under its current leadership, is hostile to those objectives. China is not always easy to accommodate, although we should have done more accommodation of China over the past decade or two, particularly into global financial institutions. I mentioned earlier the importance of finding the right areas of strong partnership with China. When China is not given the weight in global institutions it has now earned through its economic progress, it sets up its own institutions, such as the Asian Infrastructure Investment Bank, and global governance is further fractured by that. We should be hoping to work with a future US Administration, China and others on reform where we can of such institutions, but we have to have an approach ready on the assumption that this will not work and that over the next few decades global institutions will steadily lose more of their ability to solve the world's problems. That will increase still further the need to be present in every network and to have a mass of relations around the world that gives resilience to our own relationships and influence. That is not a very hopeful answer, I am afraid.

The Chairman: Following Lord Hannay's question, are there other organisations of the 21st century which we should somehow be connecting up with? We have been very good at 20th century organisations and international affairs in all these institutions. Is not a new pattern of networks and organisations emerging, and should we not be more in them?

Lord Hague of Richmond: We should be. Compared to other countries we are not bad at all at being in most of the networks, and we are invited to nearly everything, even the Pacific Islands Forum, which is never very difficult to persuade a junior Minister to attend. Of course, there are some important new organisations which are regional but open to global participation.

One that is topical is the Trans-Pacific Partnership, since it is being reinvented without the United States as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership—a longer title but the same thing without America. It seems to be clear that you do not have to be in the Pacific to be part of the Trans-Pacific Partnership. As we leave the European Union, joining such organisations for trade links could be meaningful and important. We would probably find in countries such as Japan a good deal of support for that.

The Chairman: We have kept you for a long time, so we want to move on to the big question: are we in this island equipped to meet these entirely new conditions? We have new audiences, a different kind of diplomacy and distribution of power, no longer state-to-state but often state to other interests—all the things we have described. Are we equipped for all this? Baroness Smith wants to pursue this.

Q14 **Baroness Smith of Newnham:** I think, Lord Hague, that the Lord Chairman has mostly asked the question, but perhaps I may finesse it

slightly more, picking up on a couple of things you said. It would be much nicer if someone else could have the vision for reform for the UN Security Council, and so on, but, given that the Brexiteers wanted the UK to go global and the current Foreign Secretary has talked about returning east of Suez, where do you think the United Kingdom should be in this networked age? As you said, we should be in as many networks as possible. You opened new embassies. Do we need to be opening more embassies, strengthening our diplomatic presence in European Union states, or doing something else?

Lord Hague of Richmond: We need to be doing all of those, unfortunately. No doubt the Committee will think that I am just part of a trade union of ex-Foreign Secretaries when I say that it would be a good idea to give more resource to the Foreign Office for that. It is actually not expensive to do that. Global presence diplomatically is not expensive. Of course, it is militarily. Tiny amounts of money were saved when we closed a lot of embassies, but having them makes an enormous difference.

As we are setting aside in the Budget, I think, £3 billion for the contingencies of Brexit, a very small fraction of 1% of that would boost our diplomatic effort and send the signal that we are global. It makes it very important to retain deployable defence capabilities, deployable out of our region. I have no way of knowing who is right between the Treasury and the Ministry of Defence about where more money can be extracted—Lord Reid would have views about that—but I do know that we should not be reducing amphibious capability, marines and paratroopers, since these are exactly the sort of things we are more likely to need in future. We should not send a signal to the world that we are a diminishing global presence.

The resources required to do so are small compared to overall budgetary decisions. All Ministers say that, but it is particularly true in this case. I am not arguing that we should open an embassy everywhere but I felt, for instance, that it was important to be present in all the ASEAN states. That is a part of Asia we have not talked about but, taken together, it is a vast part of the growth in global GDP. So I went and reopened, after a 20-year gap, an embassy in Laos, for instance. Wherever there are those decisions, we should err on the side of being present, so that we can say, "Most European countries are not in all the ASEAN countries, but we are". We should be distinctive in having that global presence. I know it is a cop-out in a way to say that we need more resources. It is one of the luxuries of no longer being in government that one can move everybody else's money around in one's mind.

Lord Wood of Anfield: I have just a quick follow-up to that. We speak on a day when the Foreign Office has announced that it has sold its Bangkok residence for £420 million. Your consistent message is that we need to be present more strongly in existing networks and new networks increasingly, but resources seem to be going the other way. At the margin, do we prefer presence in a non-diplomatic sense, or is the diplomatic presence essential to this? At the moment, resources suggest

that your vision will not be possible for the next few years, do they not?

Lord Hague of Richmond: The diplomatic is one important part of it. By the way, I am not suggesting that we never sell a valuable embassy. Sometimes it is sensible management to sell one building and buy another. But the diplomatic effort is an important part of this. Of course, what the citizens of another country feel, more than that, is an economic connection, an educational connection—the British Council being there and with universities, the opportunity to come to live, work and study in the United Kingdom. That all matters to them much more than whether there is an embassy there, but if there is no embassy there, some of those things do not happen or are not given priority. It is an essential foundation of this effort to have a diplomatic presence, and therefore I would put a little more resources in. The Foreign Office has not done as badly as people think. The biggest change in its budget was removing the World Service from the Foreign Office budget and putting it on to the licence fee, which makes it look like the budget crashed down.

In these circumstances, where it is clearly essential to upgrade bilateral diplomatic links in Europe, it is a great mistake to try to pay for that by reducing presence elsewhere when our message is meant to be that we are global Britain.

The Chairman: Of course, there is one department close to the Foreign Office that does have a lot of funds, and that is DfID. Do you think the role of our now very expansive development policy will be influenced by the newly developed trends that we have been talking about?

Lord Hague of Richmond: It is. The need for it is very much there, if it can be used. I made the argument earlier about the crucial importance of the development of Africa to European security and politics, including British interests. I do not think the need for that will go away. There are sensible changes in the rules about how that money can be spent, some of which have happened and some of which ought to happen, but that is at the margin.

It is very disappointing that the UK's setting a strong example internationally by spending 0.7% of GDP on development, by agreement across all the political parties, has not produced many countries following our example. In fact, the trend is in the opposite direction. In European countries and most Western countries, the trend in the share of GDP going to that is down.

I suspect that if we look 10 years ahead and that remains the case, it will be harder and harder to justify the British budget, but the strategic need for it is not going away. I would not fund the things I have just been talking about by reducing the development budget.

Lord Purvis of Tweed: Looking back at the Foreign Office annual report, even stripping out the reforms to the estate and the World Service, as you rightly say, there has been a reduction in staff, both UK and in-country staff. As you know, in many respects, in-country staff provide

such a valuable role, because that is a network in itself. From when you assumed office in 2010, there has been a marked reduction. Doing more with less is simply not tenable when the demands are more complex, as you outlined. You have argued that the reductions should stop. If it is not to fill a Brexit gap, where do you think that the best value for increased resource would be, given what you have said to us about emerging countries and new networks? Where do you think that UK assets should be deployed, looking into the future for the next decade or 20 years? Should they be in informal soft power staff such as the British Council, or more in our diplomatic presence?

Lord Hague of Richmond: I will make just a couple of comments before coming to my main answer. It is important not to confuse number of staff with capability, since there is a good argument in that part of government, as in many others, to have fewer, better people. I have an enormous regard for the officials at the Foreign Office, as I have often expressed, but that does not mean they are all brilliant. A smaller Diplomatic Service but of very high quality is not in itself a reduction in capability and can be an improvement, at times. That is why when I was there, I initiated the Diplomatic Academy and reopened the language school.

Secondly, you are right that nearly all government departments, except DfID, have had lower budgets over the past seven or eight years. In the case of the Foreign Office, it is now protected against exchange rate movements, whereas before 2010, we had the rather ludicrous situation where, if the exchange rate went down, we had to close embassies, but if it went up, we could open them again, which did not really allow for sensible planning.

Those qualifying factors have to be borne in mind, but on the question of where to put extra resource, if I were choosing at the moment, in line with what I said in answer to one of the earliest questions, it would be more in the second and third tiers of emerging nations. We have put a lot more resource into China and India, and you reach a point where you are not going to achieve a lot more in such countries, but I would say that there is still a long way to go in Latin America and south-east Asia to make it clear that Britain is expanding and wants closer links. Diplomatic presence is one part of that, as we have discussed. I would put that into the soft power areas that you mentioned.

In Europe, as bilateral embassies are built up once again, I would put more of it into the hard power area because there is this need, again as we discussed earlier, to strengthen the foreign policy and defence and security links in general with European countries as we undertake Brexit. Having a stronger network of defence attachés across Europe, for instance, could be an important priority.

The Chairman: Lord Hague, we have kept you for one and a half hours, very patiently answering our questions. This is the last one. Would it not be ironic if, as we leave the European Union, after 40 years of being sniffy about European defence co-operation, we end up getting more

involved in it? That would be a curious twist to the pattern of history.

Lord Hague of Richmond: It sounds like a funny twist but in fact there is quite a good argument for it. It might be easier without the problem of being caught up in the EU's internal institutional arrangements. Successive British Foreign Secretaries, including me, strongly opposed establishing an EU military headquarters. Whatever we are short of in Europe, it is not headquarters. This was a long-running argument.

As soon as the UK leaves, I am sure that there will be an EU military headquarters. We can be more relaxed about that from the outside and say, "Well, fine, you have chosen to do that. We can second someone to it, and if you are running a security operation for years to come along the Mediterranean, British ships can be part of that". The UK might be more easily reconciled to that approach from outside than inside—a little bit of optimism, perhaps, to conclude with.

The Chairman: That is a fascinating note on which to end. You have opened up all sorts of new thoughts for us about hard power, soft power, mixed power, smart power, sharp power and all the rest. We are extremely grateful to you for sharing your experience, knowledge and current insights with us. It will be a great help to us in our studies. I thank you very much on behalf of the Committee.