

# British council – additional written evidence (FPW0028)

## 1. Official Development Assistance

1.1 The British Council manages Official Development Assistance (ODA), as defined by the OECD, through its core grant-in-aid (via the Foreign and Commonwealth Office) and through contracts and partnerships with government, including with DFID, DCMS and BEIS. Increasingly the core grant-in-aid is focused on ODA. In 2016/17 £119m out of a total grant of £158m was ODA funding. By 2019/20 all our grant – £167m – will be ODA funding. It is a critical source of funding for the British Council to deliver its cultural relations programmes, which result in developmental benefits in ODA countries and also support the UK's long term prosperity, security and influence globally.

1.2 ODA can be spent in countries listed on the DAC List of ODA recipients<sup>1</sup> on activities in those countries which result in developmental benefits. This results in three challenges for the British Council's work:

- As an increasing proportion of our grant is ODA funded, this leaves a challenge in terms of ensuring the financial sustainability of our work in non-ODA eligible countries such as the European Union and developed Commonwealth nations. These can only be funded from the surplus generated from the British Council income-generating activities.
- As economies in various countries grow and cross the High Income Country threshold according to the World Bank, they graduate from the DAC list, meaning we are no longer able to spend ODA in these countries, and need to spend very limited non-ODA funding in these areas. The British Council must, at this point, significantly reduce its spending in these places or re-prioritise its funding. Chile, Seychelles and Uruguay were the most recent countries to be removed from the list on 1 January 2018. China is forecasted to graduate in 2024<sup>2</sup>.
- A large proportion of the British Council's work in these countries is ODA-eligible, but there are activities that we believe are important for building UK soft power, but do not deliver developmental benefits. Arts showcasing is an example of this work.

## 2. Impact of soft power activities

2.1 The British Council builds the UK's soft power through a cultural relations approach, which develops people's trust in and attraction towards the UK, its values and people. This trust often underpins decisions to do business with, study in, invest in and visit the UK, while those who have had a positive cultural or educational experience in the UK may go on to be leaders and influencers in their home country.

2.2 Cultural Relations is distinct from Public Diplomacy – direct influence of people in other countries by governments. It is based on the important principle of people working together for mutual benefit – enabling people and institutions both in the UK and the countries around the world to

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<sup>1</sup> <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm>

<sup>2</sup> Sedemund, J., OECD - An outlook on ODA graduation in the post-2015 era – 2014 - <https://www.scribd.com/document/201565993/Study-of-economic-growth-forecasts-and-how-that-affects-the-qualification-for-aid>

directly benefit from taking part. Because Cultural Relations places emphasis on a two-way exchange of ideas, it is more effective at fostering understanding between cultures, mutual trust, long-term relationships and an appreciation of different values and ways of living. There is a growing body of research evidence that demonstrates the impact of cultural relations and soft power on trade, inward investment, tourism, international study and diplomatic influence.

2.3 While being strategically aligned with the UK's international priorities, the British Council is able to deliver soft power through cultural relations most effectively for the UK because of its mutual approach, long term engagement and operational independence from government. This delivers great long term benefit for the UK and is an effective long-term means of delivering HMG priorities. The Cultural Protection Fund that the British Council is delivering for DCMS shows the value of the British Council acting as a strategic partner for government, helping to deliver a key ministerial priority in an operationally independent and expert way.

2.4 Cultural relations is associated with an enhanced willingness to trust the UK and its people. Participation in cultural activities with the UK is associated with an increase in trust. In a study of 10 strategically important countries, the average level of trust in the UK was 16 percent higher amongst those who had participated in cultural relations activities than amongst those who had not, and 24 per cent higher for those who had participated in British Council cultural relations activities. Trust manifests in a greater likelihood to visit the UK as tourists, study in UK universities and do business with UK companies.<sup>3</sup>

2.5 Trust also passes between generations as families pass on stories and connections with other countries to their children, with clear potential benefits to the UK's soft power over the long term. British Council research has shown that on average, people whose parents or family members learned English with the British Council have higher trust in the UK than those whose family did not.<sup>4</sup>

2.6 Research shows that 49 per cent of international students favouring study in the UK over other destinations have had some engagement with the British Council. Using British Council services means they are 15 per cent more likely to choose the UK as their destination of study.<sup>5</sup> An independent, academic study suggests that, after 'word of mouth', the British Council is the most important prompt for postgraduates deciding to study in the UK.<sup>6</sup>

2.7 As well as bringing billions into the UK economy, this also creates a long-term bank of soft power. Fifty five current world leaders studied in UK universities, giving the UK a long term advantage in global diplomacy.<sup>7</sup>

2.8 Research has found that for every 1 per cent increase in the number of countries covered by a state's cultural relations institutions, there is an almost 0.66 per cent increase in FDI for that country

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<sup>3</sup> British Council – Trust Pays – 2012 - <https://www.britishcouncil.org/organisation/policy-insight-research/research/trust-pays> and British Council - Culture Means Business – 2013 - <https://www.britishcouncil.org/organisation/policy-insight-research/research/culture-means-business>

<sup>4</sup> British Council, 2012 – Trust Pays - <https://www.britishcouncil.org/organisation/policy-insight-research/research/trust-pays>

<sup>5</sup> British Council Student Insight Survey 2012

<sup>6</sup> Hemsley-Brown, J. (2013) 'The Best Education in the World: reality, repetition or cliché? International students' reasons for choosing an English university, *Studies in Higher Education*, 38 (2)

<sup>7</sup> Higher Education Policy Institute – UK is (just) number 1 for educating the world's leaders - 2017 <http://www.hepi.ac.uk/2017/08/05/uk-just-number-1-educating-worlds-leaders/>

and 0.73 per cent increase in international students.<sup>8</sup> This corresponds to a US study that has found that a 1 per cent increase in soft power of a state leads to a 0.8 per cent increase in exports.<sup>9</sup>

### 3. Perceptions of the UK

3.1 British Council research found that the UK is attractive to people due to its cultural and educational assets, among others. The most attractive asset was the UK's cultural and historic attractions with 42 per cent of respondents saying they make the UK attractive to them. 39 per cent were attracted to the UK's cities, 36 per cent to its arts, 30 per cent to its language, 30 per cent to its people and 22 per cent to its education systems and institutions<sup>10</sup>. In a survey of young people from across the G20 following the EU referendum result, 71 per cent of people thought the UK has world leading universities and academic research, 67 per cent thought the UK has world leading arts and cultural institutions and attractions (e.g. theatres, museums and galleries); 63 per cent thought the UK respects the rule of law; and 60 per cent thought the UK has good public services<sup>11</sup>.

3.2 Trust in people is high, and remained so following the EU referendum vote, with 61 per cent of the young people surveyed across G20 countries saying they trusted people from the UK. Trust in institutions was also high, with 59 per cent saying they trusted UK institutions. As is consistent with previous British Council research, trust in the UK government was lower, with 53 per cent saying they trusted it.<sup>12</sup>

3.3 Commonwealth: In the same research, G20 Commonwealth countries typically revealed 8-10 per cent higher levels of all dimensions of trust than the G20 average. The UK is perceived particularly well by them in terms of how well it supports and upholds important global values. More than 50 per cent of people surveyed in the G20 Commonwealth countries of India, Australia, Canada and South Africa thought the UK upheld values well, often at a similar level to how well they thought their own country upheld values. Belief that the UK upholds those values was 14 per cent higher in the Commonwealth countries than in the G20 overall, and 25 per cent higher than in the EU countries.

3.4 Across a range of areas, the UK was perceived as particularly attractive to young people in Commonwealth nations. For instance, the UK was the top study destination for young Canadians, and second for other Commonwealth countries. Canada and Australia were also rated very highly as attractive study destinations by young people from the other Commonwealth countries. The UK was also ranked highly as an attractive source of culture, with around 30 per cent of young people from the major Commonwealth countries finding it attractive. These results are largely mirrored by the perceptions of young British people about those Commonwealth countries and those countries about each other.

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<sup>8</sup> University of Edinburgh – Soft Power Today: Measuring the Influences and Effects – 2017 - <https://www.ed.ac.uk/news/2017/soft-power-can-bring-nations-concrete-benefits>

<sup>9</sup> Andrew Rose, Like Me Buy Me: The Effect of Soft Power on Exports – 2015 <http://www.nber.org/papers/w21537>

<sup>10</sup> British Council – As Others See Us – 2014 - <https://www.britishcouncil.org/sites/default/files/as-others-see-us-report.pdf>

<sup>11</sup> British Council – From the Outside In – 2017 - [https://www.britishcouncil.org/sites/default/files/from\\_the\\_outside\\_in.pdf](https://www.britishcouncil.org/sites/default/files/from_the_outside_in.pdf)

<sup>12</sup> British Council – From the Outside In – 2017 - [https://www.britishcouncil.org/sites/default/files/from\\_the\\_outside\\_in.pdf](https://www.britishcouncil.org/sites/default/files/from_the_outside_in.pdf)

3.5 The Commonwealth nations and the UK have much stronger people-to-people connections than the G20 average. Around a third of people had friends in their country who were from the UK. This was as high as 36 per cent in Australia (a quarter of whose young people had visited the UK), against a G20 average of 18 per cent. Again, a very high proportion of people in the Commonwealth had family either living in or from the UK. This was as high as 40 per cent in South Africa against a G20 average of 15 per cent.

3.6 Furthermore, the EU referendum result had a significant net positive effect on the UK's perceived attractiveness in the G20 Commonwealth countries of India, South Africa, Australia and Canada; with 33 per cent of young people surveyed in those countries describing a positive impact on their views of the UK's attractiveness, as opposed to 20 per cent reporting a negative impact. There was a significant positive impact on their likelihood of visiting the UK, studying here, making friends with British people, or consuming British arts and culture.

3.7 When asked whether the referendum decision would make people more, about the same or less likely to engage with the UK across a range of areas, those from the Commonwealth countries answered, on balance: more. In Canada, Australia, South Africa, and India, 6 per cent, 8 per cent, 19 per cent, and 28 per cent respectively said they were more likely to trade with the UK.

#### **4. Cultural institutes around the world**

4.1 China: Since 2008, and the Beijing Olympics, the Chinese government has boosted its support for the promotion overseas of its key soft power assets (culture and education), increasingly harnessing state media and alumni networks to do so. In December 2016 the state broadcaster rebranded its international media arm as the China Global Television Network (CGTN). The investment in CGTN is specifically aimed at competing with global services such as the BBC, CNN and Al Jazeera. CGTN can be received by more than 85 million viewers in over 100 countries and regions. It includes six channels in five languages, including a 24-hour English-language news service and a documentary channel.

4.2 The scale of China's ambition and soft power expansion is impressive. There are over 500 Confucius Institutes in 140 countries, promoted by the Ministry of Education. These offer language classes, and in some cases provide opportunities to experience Chinese culture including calligraphy, dance and gastronomy. Many of those in the UK are hosted by UK universities, and increasingly there is a preference for "specialist" institutes, for example in sports. China has also set up more than 1,000 Confucius Classrooms globally with foreign schools, with the aim of helping more children at a younger age gain proficiency in Chinese.

4.3 Many capitals around the world now also play host to (Chinese) Cultural Centres, which are funded by the Ministry of Culture with the main aim of cultural exchange and promoting Chinese arts. China is also using its unique festivals and celebrations to reach out to new audiences. For example, in 2017, the Ministry of Culture sponsored some 2,000 Chinese New Year celebrations in 140 countries to mark the Year of the Chicken.

4.4 Student mobility is also an important attractor for China. More international students than ever are being encouraged to study in China, increasingly as part of government to government programmes. For example, launched in 2012, The African Talents Program trained an estimated 30,000 African

professionals in China between 2013 and 2015. A further 18,000 African trainees benefited from full scholarships to study at Chinese universities under the arrangement.

4.5 Russia: Founded in 2007 the Russkiy Mir Foundation has offices in over 80 countries, including its newly opened centre in Tehran. Its purpose is to promote the Russian language, heritage and culture, and support Russian language teaching programmes abroad.

4.6 Rossotrudnichestvo was founded in 2008 and aims at the implementation of the state policy of international humanitarian cooperation and the international promotion of an objective image of contemporary Russia. The institute is represented in 80 states of the world by 95 representative offices - 72 Russian centres of science and culture in 62 states plus 23 representatives of the Agency serving in Russian Embassies across 21 states. The priority of Rossotrudnichestvo is cooperation with the state-members of the Commonwealth of Independent States - each state has a Russian science and culture centre. It also offers short-term study visits to the Russian Federation of young representatives of political, public, scientific and business fields of foreign states under its New Generation programme.

4.7 Russia is also investing in cultural and educational initiatives, such as courses in Russian language and literature, international celebrations of Pushkin, Malevich, cosmonauts and contemporary Russian film, and high-level strategic dialogues

4.8 There is a real demand for Russian media in the Russian neighbourhood and Russian language services are an important source of news. Russia Today's YouTube channel is popular - it was the first TV news channel on YouTube to reach one billion views, reaching significant audiences.

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