UPDATING SECURITY AND DEFENCE POLICY

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Executive Summary

Threats to the security of the UK are evolving with the changing nature of conflict and balance of power in the world. They are multiple and fragmented, and domestic and online as well as overseas in nature: principally state-based threats such as posed by Russian activity; terrorism; cyber-attacks; and serious organised crime. To respond, the United Kingdom will need flexible capabilities aimed at fostering infrastructural and societal resilience as much as conventional defence. Above all, the UK needs to focus on maintaining, promoting, and defending the international rules-based order, as represented by the UN and NATO among other institutions.

The UK possesses significant assets to these ends, including its continuing status as one of eight acknowledged nuclear powers – a status that it should not abandon unilaterally; permanent membership of the UN Security Council; membership of the 'Five Eyes' intelligence community; and its internationally respected armed forces.

But effort and resources are required to support these commitments, for example in helping to encourage other European states to spend more on defence; in contributing to UN peace-keeping operations or other collaborative overseas actions; and most of all in ensuring that army and navy manpower is rebuilt. Two per cent of GDP is no longer sufficient for the proper defence of the nation. Even allowing for the demands of other parts of government, the target for defence spending should be raised in the next review to 2.2 per cent.

The principal focus will need to be on efficiency and redeployment of resources as the current equipment-heavy procurement cycle comes to an end. In particular, investment needs to continue to be rebalanced towards new capabilities such as drone technology, offensive and defensive cyber and intelligence manpower.

But, to avoid any weakening of the country's security, priority should be given to negotiating a new agreement on security and intelligence cooperation with its European allies to replace the arrangements it had within the EU.

Introduction

The first duty of government is to protect its people. That means defending the homeland, British nationals at home and overseas, and the interests of the UK and its allies. Defence strategy, and the policies that feed it, should be determined by a careful analysis of the threats the UK faces, and involve a balance between self-sufficiency and mutual support of allies. But national security ultimately depends on economic security and vice versa. The UK's defence and security policy therefore cannot be divorced from wider economic policy, including when it comes to the allocation of resources. It is also closely connected with the overall strategy for a 'global' Britain. (This matter is addressed in the previous paper, Reorienting foreign policy.)

Thirty years after the end of the cold war, global stability depends primarily on the future relationship between the US and China. That relationship is in a transitional

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https://doi.org/10.1177/002795011925000116 Published online by Cambridge University Press

phase that could last many years; and its impact on the post-Second World War international order is not yet clear. It is in the UK's interests for that transition to be as orderly and peaceful as possible.

Against that background, the UK faces a wide range of security threats and challenges in a rapidly evolving environment made even more uncertain by Brexit. Building maximum flexibility and resilience will therefore be essential.

The threat environment

As the global balance of military and economic power shifts from the dominance of the US and the West to include China and the East, increasing both competition between states and the risk of conflict, so the threats to the security of the UK and its interests are changing character. While the traditional threat of direct foreign military attack on the UK mainland is at an historic low, the country is facing multiple fragmented threats. The line between war and peace has been blurred, as has the distinction between overseas, domestic, and on-line threats. To respond to this modern state of 'hot peace' or 'hybrid warfare', it will be important both to develop flexible capabilities and responses and to build infrastructural and societal resilience.

The main security threats facing the UK over the next decade will fall into one of four categories:

- ***State-based threats and the risk of instability.*** The threat from Russian activity and from state-driven cyber attacks is clear, but there will also be pressure for the UK to get involved alongside allies in regional conflicts and to prevent instability on Europe's borders, particularly in the Middle East and North Africa. The UK needs a robust defence posture, high technological capability, and an active stance alongside NATO allies to minimise these threats. The foreign policy component of overall strategy will require innovative and hard headed diplomacy.
- ***Terrorism and extremism.*** The primary threat comes from jihadist terrorists who, following the defeat of the so-called Islamic State caliphate in Iraq and Syria, now target both the UK mainland and UK nationals overseas. Preventing the radicalisation of British nationals in the UK, including in our prisons, has to be a top priority. But the threat from dissident Irish republicanism has not gone away, and right wing extremism is also on the increase.
- ***Cyber attacks and technology.*** The threat comes from both state (Russia, China, Iran, and North Korea) and non-state actors. Businesses and individuals are now more at risk than government systems, so policy needs to be geared to raising awareness of the threat and encouraging robust cyber security. The development of new technologies, including AI and robotics, will further increase the UK's vulnerability to cyber attack. This will become an arms race of growing significance.
- ***Serious organised crime,*** including drugs and human trafficking. More British nationals are being killed by drugs (2,500 per year) than as a result of conflict, terrorism, and cyber put together. A holistic response is required, involving a complete review of domestic drugs policy, together with stronger enforcement at the national border and diplomatic/development action in production and transit countries.

Underlying these four threats is a wider strategic risk – the erosion of the Rules-Based International Order established after the Second World War. The combination of global institutions, such as the United Nations (UN), International Monetary Fund (IMF), World Trade Organisation (WTO), World Bank, and Organisation for Economic Cooperation and Development (OECD), together with treaties and norms, such as the Universal Declaration of Human Rights and Non Proliferation Treaty, now covers almost all international transactions. It has helped to keep the peace and promote prosperity over the past 75 years. It is a liberal order based on free trade, democracy, and human rights. For an open, democratic, trading nation like the UK, it is the sea in which we swim and its preservation is vital to our future security and prosperity.

Global support for this liberal order has been undermined in recent years by a number of factors, including unpopular western military interventions in e.g. Iraq and Libya, the 2008 financial crisis, which damaged faith in the ability of leaders to manage global capitalism, and geopolitical shifts linked to the rise of China. China's model of 'market authoritarianism' is now widely admired in the developing world, and occasionally imitated. Blatant violations of the rules-based order, such as Russian annexation of Crimea, Syrian use of chemical weapons, and Chinese militarisation of the South China Sea, are on the rise. So are populism and nationalism, fuelled by an increasing number of authoritarian regimes in all regions of the world.

Unfortunately, at this critical time, the traditional champion of the liberal international order, the President of the United States, does not himself believe in it; he has

https://doi.org/10.1177/002795011925000116 Published online by Cambridge University Press

attacked the 'ideology of globalisation', and has taken various measures which actively undermine it, including withdrawing from the Trans-Pacific Partnership, the Intermediate Nuclear Forces Treaty, and the Iran nuclear deal. He has blocked the appointment of judges to the WTO, and imposed trade tariffs on both China and some of America's allies.

As a result of these developments, for the first time since the Second World War the ultimate success of economic liberalism and democracy must be placed in doubt. It is vital for the UK's long-term security that the UK actively engages in defence of the rules-based order. The UK cannot impose its liberal values on the rest of the world. But it can, and must, persuade by example and dialogue.

Strengths and weaknesses

The UK has significant strengths to help combat these different threats. It is one of only eight acknowledged nuclear powers. Renewal of the nuclear submarine fleet will guarantee that status for another 40–50 years. Although the UK's nuclear force is already at the lowest credible deterrence level, it remains an extremely expensive commitment and is politically divisive. But in an increasingly uncertain world, the UK's nuclear status remains a powerful ultimate deterrent against potential enemies and a statement of the UK's global power; to give it up would be widely seen as a sign of weakness and indicate that the UK planned a diminished role in world affairs. The UK should vigorously advocate for faster multilateral nuclear disarmament, work with its allies to preserve the Non-Proliferation Treaty, so preventing more countries from acquiring nuclear weapons, and strengthen its bilateral cooperation with France on nuclear issues. But it should not go down the route of unilateral nuclear disarmament.

Policy Proposal

- *Work to preserve the Non-Proliferation Treaty, but avoid the path of unilateral nuclear disarmament.*

NATO membership will remain the bedrock of the UK's territorial defence. It has proved a remarkably resilient military alliance, binding North America and Europe together in defence of each other's territory and values. But current geopolitical trends may widen the transatlantic gap, so it will be important both to encourage other European members of NATO to meet their commitment to spend at least 2 per cent of GDP on defence (which only five, including the UK, currently do) and to press ahead with reform of NATO's focus and capabilities. This is the most certain, perhaps only, way of keeping the US firmly committed to the defence of Europe.

Policy Proposal

- *Remain fully committed to NATO, but raise the pressure on allies to meet the spending target of 2 per cent of GDP.*

Deterrence against Russian and other hostile attack should remain the central core of NATO's purpose, but it needs also to expand its role in stabilising Europe's neighbourhood and in promoting cyber security for its members. In particular, it should play a role in developing a collective cyber security strategy.

Policy Proposal

- *Help develop an alliance cyber security strategy.*

At the same time, NATO, with the UK playing a leading role, needs to establish a cooperative relationship with the EU's emerging defence aspirations. Although these aspirations are born partly out of concern about the future of America's commitment to European defence, they should be encouraged rather than blocked. But the UK's aim should be to ensure that the EU's future defence policy focuses on enhancing military capabilities, rather than on new organisational structures; and that there is full transparency and interoperability between the EU's capabilities and NATO's.

Policy Proposal

- *Liaise closely with the EU in their development of a capable defence policy, but one compatible with NATO's.*

The UK benefits significantly from its position as one of five permanent members of the UN Security Council. This gives the UK a voice and a role on all international conflict and security issues. Whilst continuing to advocate expansion of the UNSC better to reflect current geopolitical realities, the UK should robustly defend its own right to a permanent seat – a right that is unaffected by Brexit. To enhance its global status further, the UK should be prepared to offer more British troops to UN Peacekeeping operations – its contribution is largely limited at present to peacekeeping missions in Cyprus and South Sudan. Greater UK participation in managing and resolving international conflict serves two other purposes: it helps preserve global stability and uninterrupted trade; and it

https://doi.org/10.1177/002795011925000116 Published online by Cambridge University Press

gives UK officers and troops the opportunity to acquire valuable direct experience in conflict areas at a time when overseas training sites for the army are under pressure.

Policy Proposal

- *Raise the UK's contribution to the UN's peacekeeping and conflict management efforts.*

The UK is also respected internationally for its active engagement in promoting wider security objectives in areas such as conventional arms control, modern slavery, human trafficking, and enhancing the role of women in peace and security. It will be important for the UK to remain a leader in these fields, as well as being at the forefront of efforts to create an international framework to establish new norms for cyber warfare, internet use, drones, artificial intelligence, space activity, and other new technologies that will have a profound impact on global security over the next ten years.

The UK's armed forces, and particularly its special forces, are respected around the world. But numbers have dropped below the target of 82,000 set for the army in 2015; and the Navy is struggling to recruit and retain enough men and women to operate the two new aircraft carriers and frigates that are coming into service. Overall levels have fallen too low, and the nation will come to regret these cost-savings as the world grows more unpredictable and dangerous.

Urgent priority therefore needs to be given to improving the pay and conditions of key service personnel, especially at more junior and specialist levels, so that those minimum targets can first be met and then raised. At the same time, immediate action is required to increase the number of soldiers that can be deployed overseas at any one time – it is striking that, with a smaller budget and similarly sized Armed Forces, France is able to sustain a much higher number of troops overseas than the UK (though this may be at the cost of a lower logistical capability). The Joint Force 2025 project is designed to remedy this, by enabling the deployment of a tri-service force of up to 50,000, but this should be considered only the first stage of a more ambitious review of troop numbers and deployability.

Policy Proposal

- *Halt, and in time reverse, the decline in UK troop numbers.*

Another key enabler of UK security is membership of the 'Five Eyes' intelligence community, under which the UK, US, Australia, Canada, and New Zealand share intelligence reporting and analysis. The UK's three main intelligence services, MI5, MI6, and GCHQ, are highly respected within this group. The US will continue to provide the biggest intelligence input, but the UK's niche capabilities – particularly at GCHQ – and overseas defence facilities offer significant benefits to the US. Although there is likely to be resistance from the US, it is worth considering inviting France to join the 'Five Eyes' group, not least because they have better intelligence coverage in a number of areas, such as the Sahel.

Policy Proposal

- *Find a way to connect France to the 'Five Eyes' intelligence community.*

The new National Cyber Security Centre (NCSC) has become the main interface between Government and the private sector, acting as a resource for businesses to seek advice on strengthening their cyber defences. As it becomes more established, there is scope for the centre to become both an incubator of essential cyber skills in the UK and a vehicle for assisting allied countries to strengthen their own cyber security systems.

The UK is developing an autonomous offensive cyber capability. Though there will be times when this capability is used in conflict, e.g. against terrorist groups, one of its prime functions will be to deter cyber and other military attacks against UK interests. To make this deterrence credible, the UK will need to develop, and communicate to would-be enemies, an effective doctrine of deterrence, based partly on declaration and partly, perhaps, on demonstration of use. This needs to run in parallel with discussion of international norms and guidelines on offensive cyber.

Policy Proposal

- *Contribute to the development of an international cyber deterrence doctrine.*

While the UK remains a leader in defence research and innovation, including in chemical, biological and radiological weapons, the UK's industrial base has shrunk considerably, and it now relies significantly on the US and other allies to source much of its larger defence equipment. But it will be important to retain a strong domestic defence industry, capable of meeting at least some of its essential military needs, including for

https://doi.org/10.1177/002795011925000116 Published online by Cambridge University Press

warships. This may mean offering greater protection to certain sensitive sectors and, in some cases, privileging procurement from British companies. At the same time, the UK should seek a way to continue collaboration with its European allies on military research and development, including through the European Defence Fund.

In order to sustain a viable defence industry, the UK will need to continue to export military equipment. This will inevitably require difficult choices, not least when it comes to its most important markets in the Middle East. But to compete effectively, the Government will need to offer industry its full support, except where such sales and their end use would clearly not be in the UK's wider national interest.

As an island, the UK benefits from greater natural border security than most other European countries. In addition to its primary function of control, the UK border needs to act as a facilitator of movement for people and goods and act as a first 'showcase' for the country. The UK should use technology, including electronic gates and facial recognition, as much as possible in order to achieve this necessary balance. Wider immigration policy might also be reviewed, putting the UK's economic wellbeing front and centre.

Policy Proposal

- *Devise a new immigration and border control policy that better balances the UK's security and economic interests.*

Resources

There is no doubt that increased resource leads to greater capability, and thereby to more security. There is therefore a legitimate debate to be had about the appropriate level of defence spending for a country with the size and ambition of the UK. But clearly the level of spending on defence will need to be considered alongside other pressing Government priorities.

Against this background, it is worth noting that the UK already devotes significant resources to defence. At 2 per cent of GDP, with in-built yearly increases, the UK has the fifth largest defence budget in the world, and the largest in Western Europe. Despite this, the defence budget is under constant strain, made worse in recent years by cost overruns on new equipment programmes and Brexit-induced devaluation of sterling against the dollar (and euro) – much new military equipment (F35 fighters, Apache helicopters, Maritime patrol aircraft, drones etc.) being priced in dollars. To help bridge the gap, the Ministry of Defence (MOD) should be held firmly to the cost savings elsewhere in the budget to which they committed in the 2015 Defence and Security Review.

As important, however, as the level of defence spending is the distribution of that expenditure. The UK is going through a particularly intense period of acquiring large and expensive new equipment, including nuclear submarines and two aircraft carriers. Having embarked on these projects, they should be followed through. At the same time, it is important that smaller, but vital, battlefield kit, such as body armour, assault rifles, troop carriers, and tactical communications equipment is not forgotten – they, together with pay and conditions, have a more direct impact on soldiers' effectiveness and morale than the big-ticket items.

It will also be important to follow through on the rebalancing of defence expenditure towards the Counter-Terrorism and Cyber areas that was agreed four years ago. This means continuing to invest more in drone technology, offensive and defensive cyber and manpower in the intelligence services and CT police.

Given the seriousness of the threat environment and the fact that the UK has chosen a more independent path for itself into the future, 2 per cent of GDP is no longer sufficient for the proper defence of the nation. Even allowing for the demands of other parts of government, the target for defence spending should be raised in the next review to 2.2 per cent.

Policy Proposal

- *Raise the target for UK defence spending to 2.2 per cent of GDP, with a view to enhancing the UK's capabilities in an increasingly uncertain global context.*

Impact of Brexit

On the face of it, Brexit should have less effect on the UK's defence and security than on many other areas of Government policy. Whilst it is true that the 2009 Lisbon Treaty agreed "the progressive framing of a common Union defence policy", individual member states have retained national responsibility for their external defence and security. For the UK, this means that membership of NATO and the 'Five Eyes' Intelligence community, as well as permanent membership of the UN Security Council and bilateral arrangements such as the Lancaster House treaty with

https://doi.org/10.1177/002795011925000116 Published online by Cambridge University Press

France, are all more important for its defence and security than membership of the EU.

Having said that, in combatting threats such as terrorism and serious organised crime, UK security cannot be divorced from European security. Hitherto, the UK has been able to access a range of EU-owned enablers and data bases, such as the European Arrest Warrant, EUROPOL, the Schengen information system and the 'Prum' database of DNA, vehicle registration and fingerprints. This automatic right of access will be lost after Brexit, and UK security will be weakened unless a replacement agreement is reached that ensures continued cooperation with European allies and allows the UK's intelligence and law enforcement agencies real time access to the information contained in the data bases. That should be a priority UK objective once negotiations on a future relationship begin.

Policy Proposal

- *Promote post-Brexit coordination with European security agencies.*

The UK will also need to decide whether to continue to participate in the EU's Common Defence and Security missions, such as Op Atalanta combatting piracy in the Red Sea, Op Sophia on illegal migration in the Mediterranean, and Op Althea promoting stability in Bosnia. These missions are open to non-EU member states, and the UK should be ready to participate when it is clearly in its security interests to do so, even if it no longer has such a direct say in establishing the missions' mandates.

Essential relationships

The US will remain the UK's foremost partner in security and defence. Close American cooperation on nuclear, intelligence, defence equipment and operational issues is indispensable for its security. That will remain the case, even when, as now, there are very significant policy differences between the two governments. The UK should not consider a major overseas military intervention without US support. Despite US appreciation of the contribution that the UK makes to American security (somewhat diminished as UK deployable numbers have dropped), it will inevitably remain an unbalanced relationship. The UK should do everything necessary to sustain it, even if that means having to compromise on some security-related policy issues.

After the US, France will remain the UK's closest security partner, including on the UN Security Council. The 2010 Lancaster House Treaties set out a range of areas for closer cooperation, including nuclear testing, missile technology, and unmanned future aircraft. The UK should look to expand the range of that cooperation further after Brexit. In particular, it should try to identify a longer-term 'iconic' project (on the scale of e.g. the Channel Tunnel, Concorde or Eurofighter) – not necessarily in the defence field – that would bind the UK to France and, if possible, Germany for the next two decades.

Such a project would constitute an important symbol of the UK's future commitment to the European continent.

Policy proposal

- *Identify and pursue at least one iconic infrastructure or procurement project with France and/or Germany*

Given the primary importance of these two defence and security relationships, the UK should actively encourage more use of the P3 format (UK, US, France), both for threat analysis and operational activity.

The new aircraft carriers and Force 2025 gives the UK the capacity for greater power projection, but it is too ambitious to believe that a truly global defence posture can be sustained. The proposed deployment of a British aircraft carrier in East Asian waters would carry no more than token importance (and some risk given the shortage of escorts); and the UK has struggled to protect its interests as tensions rise in the Gulf. The UK should focus its core strategic capabilities on the Atlantic, Europe, the Mediterranean, and the Gulf/Sea of Oman. To the extent that occasional deployments further east are necessary, Japan should remain the UK's principal security ally. It could also consider maintaining forces on a more permanent basis in Africa, as France does. In this context, the UK should be open to establishing wider defence agreements with countries, particularly in the Commonwealth, which look naturally to the UK for support.

Policy Proposal

- *Focus the UK's force projection capacity primarily on Europe, the Mediterranean shores, and the Gulf region.*

https://doi.org/10.1177/002795011925000116 Published online by Cambridge University Press

Organisation

Recent changes in security governance, such as establishment of the National Security Council and the post Iraq separation of Intelligence assessment and policy formulation, have significantly improved the process of policymaking in the defence and security field. The three intelligence agencies now operate under a single departmental plan, and cross-Whitehall funds, such as the conflict and stability fund, have fostered closer cooperation and purpose between the different government departments involved in national security.

A post-Brexit Defence Review is nevertheless advisable, given the changing nature both of the global environment and of the UK's international posture. It is only against the background of a full new assessment that the judgements in this chapter can be tested.

At home, the welcome trend of interdepartmental working should be encouraged further at more junior levels in the civil service, with greater scope for mutual secondments between departments, both to avoid isolation and to promote greater diversity of thinking. Greater effort should also be made to retain specialist skills, particularly technical and cyber skills, across government, including through additional allowances, similar to language allowances for diplomats. Overseas, given the increasing importance of defence engagement, the role of Defence Attaches should be accorded greater weight in MOD human resource planning, with such postings better integrated into a fast track military career.

Parliamentary oversight of defence and intelligence is crucial, and welcomed by both intelligence agencies and the MOD. But there will be times when the executive may need to take limited military action alongside the UK's allies at short notice. In such circumstances, parliamentary convention currently constrains UK Ministers much more than is the case for the country's closest allies. The balance of Parliamentary oversight and executive freedom might therefore usefully be reassessed as part of a wider defence review.

Policy Proposal

- *Carry out a comprehensive post-Brexit Security and Defence Review.*

https://doi.org/10.1177/002795011925000116 Published online by Cambridge University Press