

**Speech by Lord Howell of Guildford to The Royal St. George Society, Bath,
on Friday, October 4th 2019.**

Key points:

1. The modern Commonwealth network has entered a third age, and should now assume a central place in Britain's national priorities. and policies.

2. In the digital age the web Commonwealth connections is a key part of Britain's soft power and of our links to all Asia and Africa, where much the biggest future market growth lies.

3. Britain's security is also increasingly linked up with the Commonwealth. Commonwealth co-operation on cyber security and maritime security is growing fast, especially with India, and is now a vital part of our defences.

4. The Commonwealth has a role in overcoming UK-Ireland differences

5.. Britain has been a disappointing chair of the Commonwealth since 2018 and missed many opportunities. Brexit has badly distracted us from our proper longer-term world role. We are handing on the chairmanship role to Rwanda with weakened Commonwealth institutions .

6. . Combining the enormous resources of our DFID aid and development programmes with the under-resourced FCO would create a powerful international Department which would understand and pursue all our national priorities with new vigour and commitment.

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We are now moving fast into a world of networks and supply chains of infinite complexity. To prosper, even to survive, Britain has to lay hold of every available instrument, asset and connection it can find. All along, some of us

have argued for, pleaded with, begged officialdom to recognise that one of Britain's best, but most under-used access routes into this new milieu is the vast system of Commonwealth links and ties with which (more by good luck than good planning) we happen to be embedded.

After more than twenty years, the Commonwealth is beginning to be viewed anew from London and across the nation, as it was urged to be all that time ago. The contrast between the 1990s and today could hardly be greater.

How has this extraordinary, if very belated, change come about? For some, it is the culmination of years of persistent argument, advanced through many channels to a hitherto largely disinterested media, that a great opportunity was being missed. For others the trigger has been the British decision to leave the EU. Without a doubt this has led to a sharp revival of Whitehall interest in wider global networks of which the Commonwealth is undoubtedly one, possibly the biggest.

However, in truth, the build-up to the new mindset has been taking shape spasmodically over many years, driven by a number of forces bigger than any government. As it has slowly dawned that some of the Commonwealth economies offer the fastest growing middle-income consumer markets of all times, a different message has begun to sink in. Those who had previously viewed the Commonwealth as a left-over liability, marginal to Britain's future prospects, now found they were looking at something entirely new.

Between the last century and the world today, a very different Commonwealth network has opened up. The failure to grasp this earlier had its roots not just in static political thinking but in a much deeper conceptual error. This was the tendency to assume that trade was purely about commercial dealings. In practice, trade is about trust – more so than ever today when at least

half of international transactions are in the form of services rendered, data transmitted, information shared and knowledge-filled products delivered.

In the digital age this is the part of international trade and exchange that will grow fastest. It is already doing so. Trust is generated by familiarity and reassurance, which in turn spring from such things as common language, common standards, common attitudes to the law, common educational and cultural links, common values and maybe common origins. The modern Commonwealth fits this model like a glove.

One thing that is clear is that this is not just an argument about the Commonwealth; behind it lies a much bigger story. Down the years, a case has grown for a fundamental change in Britain's foreign policy strategy and in the way Britain views itself in a rapidly changing world landscape. Long before Brexit it had become increasingly clear that it was no longer enough for Britain, in the new conditions of the twenty-first century, to see its main destiny as lying exclusively within Europe.

The staggering expansion of communications technology, the implications of the rise of Asia and the extraordinary changes in the past two decades brought about by this latest wave of globalisation all conspired, long before Brexit, to impel Britain to rethink its world position. Growing Commonwealth cooperation on cyber security and on maritime security, both crucial to our security and safety here at home, is now a central part of the new pattern.

Its potential derives not from any central authority or government strategy but from almost the opposite – namely that power now lies increasingly with the grass roots, and with the myriad impulses of markets, interests, professions, civil society groups of almost every kind, and individuals, as well as with cities, as much as it does with states.

Not Alternatives

The Commonwealth today is the newest and most dramatic example of a network in the modern sense, living and growing as all networks do. The successful expansion of free trade depends not just on World Trade Organization (WTO) rules but on trust and affinities between trading entities. That is the Commonwealth 'premium' – the estimate that the conduct of intra-Commonwealth trade and investment costs some 19 per cent less than the global average, thanks to common language and background legal, financial and general cultural affinities.

The Commonwealth summit and gathering of more than fifty heads of government in April 2018 was rated a big success. It presented a massive opportunity for Britain to set its new direction in the transformed international conditions unfolding before us in the twenty-first century. Britain's withdrawal from the European Union treaties is a part, but only a part, of this new scene. The Commonwealth network and a vibrant flourishing Europe are not alternatives. Among other things the 2018 London gathering showed growing Irish interest in the modern Commonwealth. Incidentally, this mutual interest could yet play a part in overcoming current UK-Irish differences.

But since then the degree of Ministerial backing for this opportunity has been disappointingly let slip. Inevitably Brexit had been a massive distraction.

One big mistake has been to continue seeing the UK as the centre – an outdated view which other members greatly resent, especially African Commonwealth countries of the Commonwealth.

The hub-and-spoke model of the past typically put Britain at the centre of a sort of wheel with lines extending out to all our Commonwealth partners, now fifty-three in number (with more lining up to join or associate). The network-and-cluster concept is quite different. Instead of links from a central point to the

various points on the rim, there emerges a fantastic network of linkages without any particular centre. In the case of the Commonwealth, this currently means not fifty-three connections but 1,326 individual connections – a very different story.

Is such a network possible or practical? Yes, in the digital age it is. Of course, some of the linkages will be stronger between bigger trading partners and associates and some will be thinner, but the modern network is a pattern without a dominant or dictating centre. Furthermore, because networks talk to other networks all the time, it is a continuously growing system so, unless one is deliberately exclusive, fantastic sets of linkages open up and, in effect, lead to networking the entire planet.

The Commonwealth's network characteristics make it especially suitable for focusing in the most practical ways on the specific environmental problems and fears of the many small island and coastal states who are part of the 'club' or 'family'. While climate issues are certainly being addressed (if not all that successfully) at global level, via the UN, etc., the vastly varied and detailed needs of different small communities tend to get lost in the generalities and preoccupations with the big offender nations. This makes the Commonwealth the ideal forum in which to shape responses to the precise needs of the long string of small islands around the world and the coastal ocean states of Africa, who happen to be part of the network.

Another highly relevant point is that services are the new growth area in international trade. They now make up a quarter of all trade receipts. McKinsey suggests that more than half the wealth generated by international trade comes from services and various forms of data transmission.ⁱ All the trends point to much more expansion of trade in this form, especially with the growth of digital fabrication.

It is good that the British Government is aiming for a new global services trade framework because the services aspect of the European single market has yielded very slim pickings over the years. Trust is the key ingredient when it comes to trade in services, data and knowledge products. And remember that the UK is overwhelming a services economy (83 per cent of GDP is the latest – 2018 – figure.)¹.

So, while world free trade is a powerful force for good (and, indeed, the key means nowadays of upholding a rules-based order), the key ingredient is trust and its supporting pillars of common language, common values, standards and above all, respect for the rule of law, underpinned by close affinities and feelings of fair dealings, friendship and cultural and educational exchange – exactly what the Commonwealth system delivers.

Nowadays it is called soft power. It is no surprise that China, like many other nations, is investing on a very large scale, dwarfing Western efforts, in soft power and persuasion of all kinds.ⁱⁱ

The Commonwealth has emerged in the digital age in a way that is organic rather than governmental. It is increasingly woven together not so much by governmental linkages and directives but by professions, civil society and interest networks of incredible density and power, all *outside* the governmental range.

Examples are the networks of scientists, schools and universities, creative industries, parliamentarians, doctors, financiers, farming reformers, veterinary experts, engineers, architects, environmentalists, women's groups of all kinds and all ages, energy and climate specialists, judges, lawyers, small business

¹ although always be careful of these fixed categorisations in a fluid and evolving economic process.

promoters – the list goes on and on. These are the skills and binding forces which generate trust and attract capital investment, from which trade follows.

Networks connect with other networks all the time; they never rest, sleep. Networks allow the opening of links for the United Kingdom through the Commonwealth to the great trading groups in Southeast Asia, such as Mark Two ASEAN (the Association of Southeast Asian Nations), the emerging trading groups around the Indian Ocean, the entirely new networks and clusters forming in Central Asia, in Africa and in Latin America, the Pacific Alliance, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership,ⁱⁱⁱ and to the North American Free Trade Agreement (NAFTA).

Above all, we should expect to see massive connections grow between like-minded networks of democracies (the Commonwealth again, for example) and the great China networks, clusters and global supply chains now snaking across the world. These are bound to expand with the (BRI) Belt Road Initiative and the tying up of Chinese, Central Asian and European markets as never before in history. And, of course, all this has to move forward with the necessary infrastructure of finance, trade facilitation, insurance, and so on.

These connections are already producing new levels of relationships between China and the UK and between China and the network of Commonwealth countries.

This is the new world which leaves the old twentieth-century centralised European model of integration and protection far behind. Indeed, in this new age, the Commonwealth has been described as the ‘the mother of all networks’. It may not yet be quite that but, through the energy of its peoples, the understanding of its leaders and the unstoppable powers of communications technology, that is what it is destined to become.

Above all, this massive and unstoppable exercise in connectivity means that the Commonwealth must assume a central place in our nation's overseas priorities and policies; it becomes a vast transmission system in the exercise of soft power.

To engage with other Commonwealth members, to be a really effective member, we need a much more powerful world overseas department.

Combining the enormous resources of our DFID aid and development programmes with the under-resourced FCO would create a powerful international Department which would understand and pursue all our national priorities with new vigour and commitment.

This may not be what national governments or political leaders planned or intended. Indeed, in the British case, such an outcome has been actively resisted for decades until very recent times. Positive official and governmental policies obviously assist, but with or without them the networks carry on expanding.

While, at government level, Commonwealth countries may differ and clash, beneath the media radar, the networking process continues – each new connection sparking fresh initiatives and activity, leading to further contacts with yet further networks beyond. Thus, on a 'friend of a friend' basis, entrée to the twenty-first century global system of networks and institutions truly opens up to us.

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- ⁱ McKinsey Global Institute, 'Globalization in Transition: the Future of Trade and Value Chains', January 2018.
- ⁱⁱ China has opened numerous Confucius Institutes across the world. Analysts estimate that there is an annual Chinese budget for 'external propaganda' in the region of \$10-billion. The USA spends less than a tenth of that on 'public diplomacy', aka soft power. The UK 'soft power' budget about a fiftieth. Note also that in China 'propaganda' is not considered a bad or loaded word.
- ⁱⁱⁱ Formerly called just the Trans-Pacific Partnership, until America walked out on it. Now consisting of Japan, Canada, Mexico, Australia, Peru and New Zealand. Recently, Shinzō Abe, the Japanese Prime Minister, has stated that the UK would be welcomed 'with open arms' to join.