

ISSUE BRIEF

Global Britain: An American Review

OCTOBER 2021

BEN JUDAH & LIVIA GODAERT, Editors

Introduction

What is happening to Britain in the world? Since 2016, when Brexit began with the United Kingdom's shock "leave" vote to quit the European Union, the conversation has become almost impossible to have without entering into a fierce and polemical debate surrounding the country's departure. Britain's foreign policy debate, once a calm corner of Westminster for researchers, former senior officials, and engaged politicians, turned as bitterly divided as the rest of the country between so-called Remainers and Leavers. Emotional, vituperative, and campaigning rhetoric established itself as the norm amid Britain's struggle to negotiate its exit.

Brexit and the tempestuous debate that followed did not only divide London: it was apparent, from a vantage point at the Atlantic Council, that it divided Washington too. After Trump's 2016 presidential victory on the heels of the UK's June vote, it became commonplace inside the Beltway for Democrats to see themselves as Remainers and for Republicans to see themselves as Leavers—especially as Trump frequently announced himself a Brexit supporter. Eclipsed in all this has been cool-headed, nonpartisan, strategic analysis about Britain's position in the world or how it is remaking its foreign policy after cutting itself loose from the bloc. Events, especially the new AUKUS defense agreement between Australia, the United States, and the UK, are now outpacing the conversation.

This is the debate that the Europe Center at the Atlantic Council is engaging in with this project, "Global Britain: An American Review." The project began as a series of expert roundtables and think tank briefings from senior UK officials seeking to explain Britain's new agenda as outlined in *Global Britain in a Competitive Age*, the country's March 2021 integrated review of security, defense, development, and foreign policy. Following these briefings,

The **Europe Center** conducts research and uses real-time commentary and analysis to guide the actions and strategy of key transatlantic decisionmakers on the issues that will shape the future of the transatlantic relationship and convenes US and European leaders through public events and workshops to promote dialogue and to bolster the transatlantic partnership.

invited participants and colleagues engaged in a review of post-Brexit British foreign policy. This brief brings together the voices of fifteen experts from five US institutions, each offering a review, a grade, and a policy suggestion for Her Majesty's government (HMG).

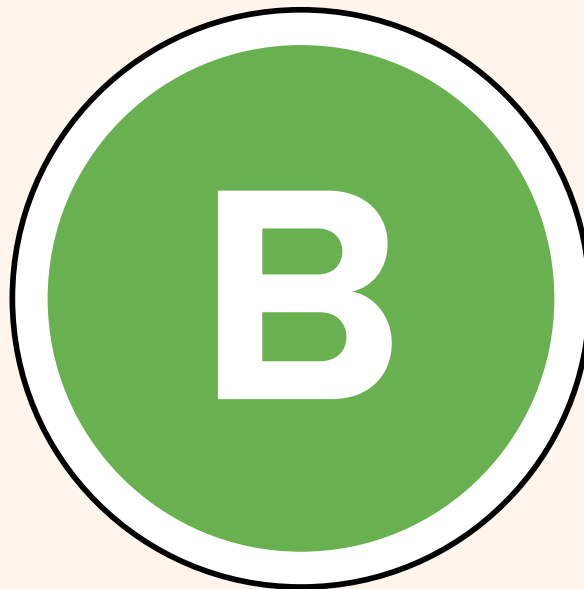
This project represents one of the first scholarly efforts to assess what Washington thinks of the Global Britain agenda: from its broadest strokes to the nuts and bolts of its various components, from climate and trade to cybersecurity and ties with China. It seeks to advance the con-

versation in London and Washington about Britain in the world after the divisions of the referendum and exit, with clear-eyed and frank analysis concerning China, COVID-19, AUKUS, Afghanistan, trade deals, and grand strategy, not only for Britain but also the United States. We hope this brief, "Global Britain: An American Review," can play a part in a new transatlantic debate: where next?

Ben Judah

*Nonresident Senior Fellow, Europe Center, Atlantic Council
September 27, 2021*

Average Grade of the Integrated Review:



REPORT CARD AVERAGE GRADE: B

Max Bergmann
Senior Fellow
Center for American Progress



Grade: B

Topic:
Rollout of the Integrated Review

"The fundamental priority should be getting the UK-EU relationship right."



Peter Rough
Senior Fellow
Hudson Institute



Grade: B+

Topic:
Rollout of the Integrated Review

"The policy focus should now be on implementation."



Rachel Ellehuus
Deputy Director and Senior Fellow, Europe, Russia, and Eurasia Program
Center for Strategic and International Studies



Grade: B

Topic:
Rollout of the Integrated Review

UK must "set priorities from the IR and defense command paper."



Livia Godaert
Nonresident Fellow,
Europe Center
Atlantic Council



Grade: A-

Topic: The Integrated Approach

"Keep the IR at the forefront of public consciousness."



Leah Scheunemann
Deputy Director, Transatlantic Security Initiative, Scowcroft Center for Strategy and Security
Atlantic Council



Grade: A

Topic: NATO

Highlight "investments in cyber, missile, and nuclear capabilities" and "commit to increased presence on the ground in Europe."



Safa Shahwan Edwards
Deputy Director, Cyber Statecraft Initiative, Scowcroft Center for Strategy and Security
Atlantic Council



Grade: B+

Topic: Cyber Capacity Building

"To build resilience domestically and abroad, the UK must build on existing alliances and partnerships."



Margaret Jackson
Former Deputy Director for Climate and Advanced Energy,
Global Energy Center
Atlantic Council



Grade: B

Topic:
Climate Change and Biodiversity

"The government should increase financing to help vulnerable populations."



Olivier-Rémy Bel
Nonresident Senior Fellow,
Europe Center
Atlantic Council



Grade: B-

Topic:
UK-EU Defense Cooperation

"Insulate the foreign policy and defense relationship from frictions arising in other domains."



Damir Marusic
Senior Fellow,
Europe Center
Atlantic Council



Grade: B+

Topic: UK-EU Relations

"Some high-level summary is in order."



Jörn Fleck
Deputy Director,
Europe Center
Atlantic Council



Grade: B+

Topic: US-UK Relations

"Keep Brexit debates with the EU as constructive as possible."



Yakov Feygin
Associate Director,
Future of Capitalism
Berggruen Institute



Grade: B

Topic: Global Finance

"Focus on being an intermediary of capital, not money."



Nate Sibley
Research Fellow,
Kleptocracy Initiative
Hudson Institute



Grade: A (innovation) +
E (enforcement) = C

Topic: Anti-Kleptocracy Initiatives

"Britain must summon the political will and resources needed to massively strengthen enforcement of its own existing laws."



Julia Friedlander
C. Boyden Gray Senior Fellow and Deputy Director,
GeoEconomics Center
Atlantic Council



Grade: B

Topic: International Trade Policy

"The UK is well-positioned to shape how Western powers navigate the often fragile line between national security and national economic interest."



Fran Burwell
Distinguished Fellow,
Europe Center
Atlantic Council



Grade: A (effort) +
D (strategic perspective) = C+

Topic: International Trade Policy

"Focus on implementing the TCA."



James Batchik
Program Assistant,
Europe Center
Atlantic Council



Grade: A-

Topic: The Indo-Pacific Tilt

"The UK should harmonize transatlantic engagement in the Indo-Pacific."



Max Bergmann
Senior Fellow
 Center for American Progress



Grade: B

Topic:
Rollout of the Integrated Review

“The fundamental priority should be getting the UK-EU relationship right.”



The integrated review lays out a promising vision for how the UK can continue to play a critical role in global affairs. The review is clear-eyed about the challenges, outlining a competition between democracy and authoritarian systems, the need to reverse austerity when it comes to defense, and the importance of the Indo-Pacific region, climate, and new technology. In fact, what is

striking is not just the alignment with the strategic outlook of the United States but with the European Union’s as well. The key question is whether Washington, London, and, critically, Brussels can address the threats and challenges outlined in the strategic review in a unified way.

The review gets a B (and not an A) because it is disappointing when it comes to UK-EU relations. Ultimately, there will be no so-called Global Britain if it is consumed with seemingly petty fights with the EU. As much as London will enjoy needling Paris over the AUKUS submarine affair, a further rupture in UK-EU relations will only distract Britain from its global role. This was evident at the Group of Seven (G7) meeting. Despite the UK being front and center on the world stage, a dispute over sausages and Northern Ireland distracted from an otherwise productive summit. Thus the fundamental priority should be getting the UK-EU relationship right and rebuilding trust. Doing so would position the UK to be both a global leader and a leader in Europe. The UK can be nimble and push the often slow and plodding EU to act—whether in responding to Russian abuses, China’s crackdown on Hong Kong, or climate change. Thus for Global Britain to work, the UK will need to stop pretending the EU is irrelevant and treat it as the critical global actor and partner that it is.

Recommendation: The fundamental priority should be getting the UK-EU relationship right and rebuilding trust. Doing so would position the UK to be both a global leader and a leader in Europe.



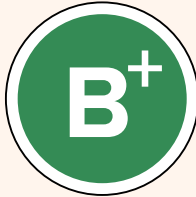
Prime Minister Boris Johnson with President of the European Commission Ursula von der Leyen at the G7 Summit in Cornwall. June 11, 2021. Leon Neal/Pool via REUTERS

Peter Rough
Senior Fellow
Hudson Institute

Grade: B+

Topic:
Rollout of the Integrated Review

“The policy focus should now be on implementation.”



The UK’s integrated review reads like the natural outgrowth of Brexit. It seizes on qualities like nimbleness and flexibility: “to move swiftly and with greater agility [as] the determining characteristics of the UK’s foreign policy following our departure from the EU.” Self-assured and confident, the integrated review marries Britain’s existing strengths to global ambitions.

It also covers new terrain that captures the spirit of the times. There are dozens of references to biodiversity and long discussions of climate policy. Most of all, the integrated review focuses on the UK as a technology superpower. Already “a world leader in applied innovation and transformative tech,” it identifies advanced technologies as

“the foundation of our approach.” As in the United States, this has tempted traditionally free-market Britain to consider industrial policy and “accept more risk in our public investments [to] back breakthrough technologies.” Relatedly, London also is betting its growing defense budget on a high-tech fighting force of tomorrow (while shrinking the size of the British Army).

Herein lies a seeming incongruity. The command paper complementing the integrated review calls for cuts to the army while the review identifies Russia as “the most acute direct threat to the UK.” In this field, like in all others, London hopes to fill the gap through increased agility (and lethality).

Finally, in what has captured headlines, the integrated review calls for a tilt toward Asia, where the UK holds high hopes for the relationship with India and other members of the Commonwealth, and recognizes the conundrum of Beijing. “China and the UK both benefit from bilateral trade and investment,” the review argues, “but China also presents the biggest state-based threat to the UK’s economic security.”

All in all, the integrated review is forward-looking and futuristic, and deserves good marks. The policy focus should now be on implementation: to ensure government is fit for purpose. It is one thing to call for agility, but another to demonstrate it. As Sino-American competition unfolds, the UK will need cross-Whitehall mechanisms, overseen by the National Security Council (NSC), to execute the integrated review, but also make adjustments when necessary.

Recommendation: The policy focus should now be on implementation: to ensure government is fit for purpose. It is one thing to call for agility, but another to demonstrate it. As Sino-American competition unfolds, the UK will need cross-Whitehall mechanisms, overseen by the NSC, to execute the integrated review, but also make adjustments when necessary.



Prime Minister Boris Johnson delivers a speech at the Vauxhall car factory. July 6, 2021. REUTERS/Phil Noble

Rachel Ellehuus
Deputy Director and Senior Fellow, Europe, Russia, and Eurasia Program
 Center for Strategic and International Studies



Grade: B

Topic:
Rollout of the Integrated Review

UK must “set priorities from the IR and defense command paper.”



HMG deserves credit for a smooth rollout of the integrated review and defense command paper, *Defence in a Competitive Age*. The review is comprehensive and contains a good analysis of the security environment. Prime Minister Boris Johnson also succeeded in weaving a persistent (if not entirely credible) Global Britain narrative throughout his meeting with President Joe Biden, the G7, and the NATO Summit. There was significant engagement with the US government throughout the integrated review process, such that Washington was onboard with

the public messaging upon its release. The United States craves and needs a globally minded ally that is willing to be active in the world, so is willing to embrace and temporarily support the UK’s ambition. Examples of this include the recent AUKUS security agreement between the United States, UK, and Australia to provide subs for Canberra, and the January 2021 US-UK agreement to form a joint carrier strike group around US Marine Corps F-35s and the UK’s *Queen Elizabeth 2*. Nevertheless, doubts remain as to how realistic the Global Britain vision is over the long term given the decreasing size of the UK armed forces, anticipated gaps in key enabling capabilities (e.g., strategic lift), and the impact of COVID-19 on UK finances. The UK’s diminished influence in EU economic, trade, and technology policies post-Brexit also is a concern as these, combined, will be a major tool in meeting the China challenge. The rollout gets an overall grade of B. Regarding policy actions the UK can take, it should set priorities from the integrated review and defense command paper; clarify roles and responsibilities within HMG; and address concerns about resourcing. For example, there is concern that, because much of the budget is needed to fill existing holes in UK defense, few new capabilities will be fielded before the second half of the decade. Finally, there is more work to be done in rationalizing how a force posture that is persistently deployed and distributed around the globe still allows the UK to lead in NATO on the Russia fight.

Recommendation: Regarding policy actions the UK can take, it should set priorities from the integrated review and defense command paper; clarify roles and responsibilities within HMG; and address concerns about resourcing.



F-35s sitting on the deck of the HMS Queen Elizabeth, a sign of US-UK defense cooperation. May 27, 2021. REUTERS/Bart Biesemans

Livia Godaert
Nonresident Fellow,
Europe Center
 Atlantic Council



Grade: A-

Topic: The Integrated Approach



“Keep the IR at the forefront of public consciousness.”

The integrated review outlines an ambitious agenda for post-Brexit Britain. The new strategic framework sets out four objectives for Global Britain: establishing science and technology prowess, shaping open international systems, ensuring security and defense both in the UK and overseas, and ensuring resilience against risk in a changing world.

Many of the priorities in the review will not come as a surprise—climate change, international trade, NATO, science and tech investment, critical infrastructure—but the ap-

proach is unique among strategic reviews. The priority is on integration and collective approaches: among allies and partners, across the government, and throughout sectors and policy areas. We are now in an era of blurred lines, where concerns like climate change or COVID-19 transcend borders, national infrastructure and economic security are national security issues, domestic and foreign policy are intertwined, and urgent crises require faster, more nimble decision-making. An *integrated* approach is the right one—and if implemented correctly, it can be a model for other democracies wrestling with these problems.

The integrated review rollout merits an A-. It’s a bold, ambitious undertaking that—while not comprehensive—provides a vision for a post-Brexit Britain that remains active and engaged with allies and partners in solving global crises. There is still much to be done, as the UK implements this strategic framework, and much of it will require the buy-in of British citizens. The government should keep the integrated review at the forefront of public consciousness in the UK, articulating the progress of the review and its impact through traditional and social media, with a focus on telling success stories and providing action items to citizens to engage with their own national security (see the Swedish Civil Contingencies Agency’s 2018 brochure titled “If Crisis or War Comes” as one possible model for giving citizens a stake in their own security as part of an integrated approach).

Recommendation: The government should keep the integrated review at the forefront of public consciousness in the UK, articulating the progress of the review and its impact through traditional and social media, with a focus on telling success stories and providing action items to citizens to engage with their own national security.



A woman takes a picture of giant QR promoting the NHS COVID-19 app in Milton Keynes, Britain. September 25, 2020. REUTERS/Andrew Boyers

Leah Scheunemann

Deputy Director, Transatlantic Security Initiative, Scowcroft Center for Strategy and Security Atlantic Council

**Grade: A****Topic: NATO**

Highlight “investments in cyber, missile, and nuclear capabilities” and “commit to increased presence on the ground in Europe.”



The UK’s commitment to NATO remains at the top level: A. Though the Indo-Pacific tilt will necessitate defense-posture adjustments, the UK reaffirmed its commitment in the integrated review to critical efforts like

Recommendation: The UK should articulate how its necessary cuts will enhance deterrence of Russia, including highlighting its investments in cyber, missile, and nuclear capabilities, and additionally should commit to increased presence on the ground in Europe to enhance conventional deterrence.

the NATO Readiness Initiative and the Enhanced Forward Presence mission. NATO also benefits from the UK’s continued focus on freedom of navigation in the critical Black Sea as well as the UK’s ongoing support for Ukraine. As the United States strategically prioritizes the Indo-Pacific region and countering the threat of China, the demands could grow for Britain to increase its focus on deterring Russia in Europe. Even though the integrated review has reaffirmed, on paper, the UK’s focus on Russia as its primary strategic threat, London will cut certain conventional capabilities seen as integral to a land-based conflict including tanks, infantry fighting vehicles, and overall army end strength (i.e., personnel count). These cuts will lead to a smaller UK fighting force and could also lead to a less credible or capable force in the face of Russian aggression in Europe. The UK should articulate how its necessary cuts will enhance deterrence of Russia, including highlighting its investments in cyber, missile, and nuclear capabilities, and additionally should commit to increased presence on the ground in Europe to enhance conventional deterrence.



British troops stationed in Estonia during a tactical exercise with the NATO enhanced Forward Presence battle group. June 18, 2020. REUTERS/Ints Kalnins

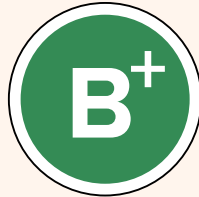
Safa Shahwan Edwards
Deputy Director, Cyber Statecraft Initiative, Scowcroft Center for Strategy and Security
 Atlantic Council



Grade: B+

Topic: Cyber Capacity Building

“To build resilience domestically and abroad, the UK must build on existing alliances and partnerships.”



Margaret Jackson
Former Deputy Director for Climate and Advanced Energy, Global Energy Center
 Atlantic Council



Grade: B

Topic: Climate Change and Biodiversity

“The government should increase financing to help vulnerable populations.”



The recent integrated review of the UK, which has a positive track record with cyber capacity building, highlights the importance of capacity building and its links to cyber diplomacy. While workforce development remains a government priority, it must be reciprocated by industry. The UK’s ability to achieve its objectives will ultimately be determined by its ability to build a robust cyber workforce, and it will take more than just government to make this a reality.

The UK has devoted resources to capacity building, with a special focus on Africa and the Indo-Pacific region, tying these to broader diplomatic efforts. While this is a positive development, the UK will have to balance this with capacity-building efforts within existing frameworks, such as the Five Eyes intelligence-sharing network, NATO, and the European Union. The cyber workforce of tomorrow will be international: to build resilience domestically and abroad, the UK must build on existing alliances and partnerships.

Recommendation: The cyber workforce of tomorrow will be international: to build resilience domestically and abroad, the UK must build on existing alliances and partnerships.

Tackling the dual challenges of climate change and biodiversity loss is the UK’s leading international priority, as stated in the integrated review. Though it lacks specific economic and diplomatic policy actions, the strategic document gives a broad overview of how these two significant problem sets will shape the UK’s engagement with global partners across the spectrum of finance, emissions reductions, resilience, and science and technology, as they work together to solve more complex transnational security threats induced by a changing natural environment.

The UK has emerged as a global climate leader through an ambitious suite of domestic policies, notably included in the *Ten Point Plan for a Green Industrial Revolution* and in the targets outlined in its nationally determined contribution, its pledge as a Paris Agreement signatory. In addition to being a leader in the shift away from coal-fired power to clean energy sources like offshore wind and nuclear power, the UK also is foremost in the deployment and adoption of advanced technologies, such as carbon capture and hydrogen production, and setting bold objectives for the electrification of the transportation sector. However, in a global context, the recent dramatic cuts in international aid are at odds with the UK’s ambition to fight climate change and extreme poverty. The government should increase financing to help vulnerable populations that already bear the highest human and economic costs of global warming.

Recommendation: The government should increase financing to help vulnerable populations that already bear the highest human and economic costs of global warming.

Olivier-Rémy Bel
Nonresident Senior Fellow,
Europe Center
 Atlantic Council



Grade: B-

Topic:
UK-EU Defense Cooperation

“Insulate the foreign policy and defense relationship from frictions arising in other domains.”



The integrated review was a good sign: Global Britain means London is not turning its back on Europe. The absence of a foreign policy and defense framework in the December 2020 EU-UK agreements was certainly a missed opportunity for close collaboration. However, the review provides an optimistic vision of Britain’s relationship with Europe and opens the door somewhat for renewed cooperation. The language, notably on pages 21 and 72, is careful yet provides a hook to expand on: “cooperate with the EU on matters of security and defense as independent partners, where this is in our interest.” Key bilateral European relationships, notably with France (see pages 60 and 77) and Germany (page 61), also are emphasized.

Recommendation: In future it would be wise for the UK and the EU to try to insulate the foreign policy and defense relationship from frictions arising in other domains. Maintaining familiarity between officials and ensuring strategic understanding, for instance through track 1.5 discussions, will be essential to lay the groundwork for a close-knit relationship.

As argued in *Toward a Future EU-UK Relationship in Foreign Policy and Defense*, an Atlantic Council report, the EU and the UK have much to gain in working together on foreign policy and defense. They still share the same strategic environment and face the same challenges, which might require deploying together. Cooperation on capability development also entails a deep network between British and European industry.

While a comprehensive agreement is probably still further down the road, the relationship can be sustained and even built up through a network of bilateral cooperation and ad hoc formats, from the European intervention initiative to the Joint Expeditionary Force and the E3 group (France, Germany, and the UK). Operations alongside European partners including the British deployment to Mali (as part of the United Nations Multidimensional Integrated Stabilization Mission in Mali, known as MINUSMA), are a good way of working together and maintaining those ties.

In future it would be wise for the UK and the EU to try to insulate the foreign policy and defense relationship from frictions arising in other domains. The AUKUS deal has strained the relationship with France and raised further questions about the UK’s European positioning. Building on linguistic hooks for European cooperation in the integrated review is therefore more necessary than ever. In particular, maintaining familiarity between officials and ensuring strategic understanding, for instance through track 1.5 (i.e., back channel) discussions, will be essential to lay the groundwork for a close-knit relationship.



German Defence Minister Annegret Kramp-Karrenbauer with British Secretary of State for Defence Ben Wallace and French Defense Minister Florence Parly, in Germany. August 21, 2020. REUTERS/Kai Pfaffenbach

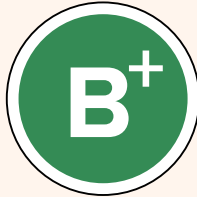
Damir Marusic
Senior Fellow,
Europe Center
Atlantic Council



Grade: B+

Topic: UK-EU Relations

*“Some high-level
summitry is in order.”*



Still, glaringly absent from the review is any mention of how to approach rebuilding bridges with Brussels. While it is understandable that the initial focus would be to find alternatives to previous arrangements, Britain must remember that above all, it remains a European power. Washington will continue to be obsessed with crafting a durable approach to China, and while Britain can and will play an important role in the Pacific theater, it should not lose sight of where both its immediate interests lie, and where it can exert greatest impact.

As emotions subside in the wake of the contentious AUKUS announcement, an opportunity exists for Britain to reinvent its relationship with the EU. Indeed, policy makers in Washington are likely to welcome efforts from London to rebuild a new and lasting security arrangement with the Continent as its own focus inexorably drifts east.

Recommendation: To reboot the relationship, some high-level summitry is in order. UK-France and UK-Germany meetings should happen first, leading up to a broader UK-EU meeting.

The release of Britain’s integrated review, aptly titled *Global Britain in a Competitive Age*, marked a post-Brexit milestone. It set a necessarily ambitious agenda for charting a new course outside the limiting strictures of the European Union.



Prime Minister Boris Johnson and President Joe Biden at the G7 Summit in Cornwall. June 12, 2021. Leon Neal/Pool via REUTERS

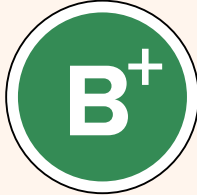
Jörn Fleck
Deputy Director,
Europe Center
Atlantic Council



Grade: B+

Topic: US-UK Relations

“Keep Brexit debates with the EU as constructive as possible.”



The US-UK relationship is on a decent footing, and US officials should be pleased with the UK’s alignment on the Biden administration’s priorities.

The G7 summit and Johnson’s recent White House visit both provided an opportunity for Biden and Johnson to showcase their ability to lead on global challenges. The UK will host climate change talks in Glasgow, known as COP26, and the integrated review featured combatting climate change prominently in line with the Biden team’s increased focus on

Recommendation: Keep Brexit debates with the EU as constructive as possible and carefully manage the situation in Northern Ireland to protect the Good Friday Agreement.

the green transition. Britain’s support for protesters in Hong Kong and a joint US-UK charter against authoritarian influence also reveals an increasingly firm posture against China from the strategic ambivalence of previous UK governments. Finally, the surprise AUKUS deal fully aligns Britain with the United States in the Indo-Pacific region.

On the other hand, the consequences of Brexit will be one of the biggest uncertainties for US-UK relations. AUKUS aside, the United States is unlikely to step in the middle of UK-EU rows over trade. The Johnson government also should be concerned about the politics surrounding the Northern Ireland Protocol, given the UK’s departure agreement with Brussels, and US concerns in particular. The issue is carefully watched in the halls of Congress, the State Department, and the Oval Office, and Biden himself directly warned Johnson against upsetting the balance in Northern Ireland. Meanwhile, given the way Biden played down prospects for a free trade agreement—a UK priority for its US engagement, as identified in the integrated review—British policy makers should be realistic about what to expect from the United States on areas of free trade.

To make a Global Britain’s US relationship a success, it should keep Brexit debates with the EU as constructive as possible and carefully manage the situation in Northern Ireland to protect the Good Friday Agreement of 1998.



Demonstrators wave the Union Jack at an anti-government protest in Hong Kong. October 23, 2019. REUTERS/Umit Bektas

Yakov Feygin
Associate Director,
Future of Capitalism
Berggruen Institute



Grade: B

Topic: Global Finance

*“Focus on being an
intermediator of capital,
not money.”*



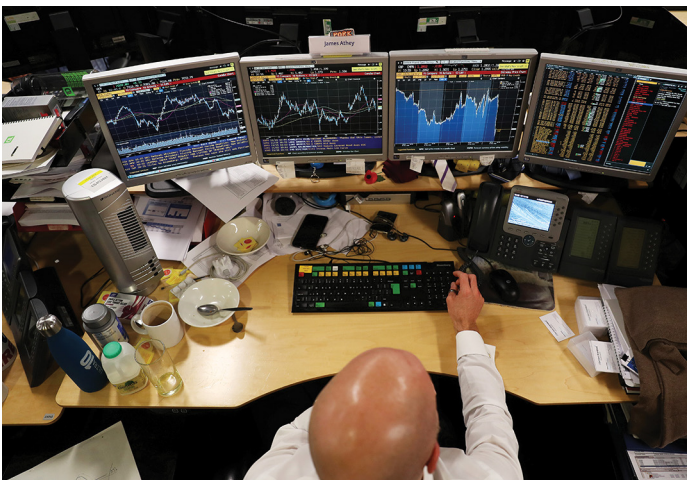
In the post-Brexit environment, the UK is attempting to be a responsible stakeholder in the global financial system—while not only maintaining the City of London’s centrality as a money market but expanding its importance as an intermediary of global capital. Can these goals be met at the same time? The division of labor between London and New York has traditionally been a money market versus a capital market. In other words, New York’s market is focused on the funding of real assets such as corporate bonds and stocks, whereas London is the market for money itself. It is that money that funds the New York market. London had two advantages in this division of labor. First, it sat between the United States and the European Union (and still does), and was able to work in both markets. Second, the common law courts were particularly well suited to conducting international legal arbitration. This latter capability also is tied to

offshore, low-tax jurisdictions in overseas territories. Brexit removes the first of these advantages, which requires the UK to lean on the second of these advantages to sustain London’s competitiveness. In other words, regulate even less. There are two problems: it is inimical to responsible stewardship of the international financial system, and will put the UK at odds with both the United States and the European Union.

Moreover, the European markets are themselves becoming more sophisticated. This is particularly true of the vaunted “green bonds” that UK bankers claim to have pioneered, but are now more often issued in Amsterdam or Frankfurt. After all, these are actually capital-market instruments. This means the UK’s long-term advantage will be network effects and human capital in the money markets. However, if one were to venture into futurology, governments will likely have to tamp down on international flows a bit, making such a role more difficult. The UK should focus on switching its role from being an intermediary of money to being one of capital—to stimulate internal production rather than global flows. That would require a large state-led investment regime that may well disquiet the Johnson government. It also means reorienting the US-UK relationship from one that sees security as an exercise in hard power to a joint process of economic world building. Creating that world means signing up for a global development regime and accepting the Biden administration’s push for a global minimum tax.

To date, there are no signs of radical thinking about the UK as a steward of the global financial system. Given the challenges, though, the posture rates a B.

Recommendation: The UK should focus on switching its role from being an intermediary of money to being one of capital—to stimulate internal production rather than global flows.



An investment manager in the UK. The UK’s role in the capital market is still uncertain. November 15, 2018. REUTERS/Simon Dawson

Nate Sibley
Research Fellow,
Kleptocracy Initiative
 Hudson Institute



**Grade: A (innovation) +
 E (enforcement) = C**

Topic: Anti-Kleptocracy Initiatives

“Britain must summon the political will and resources needed to massively strengthen enforcement of its own existing laws.”



Julia Friedlander
*C. Boyden Gray Senior
 Fellow and Deputy Director,*
GeoEconomics Center
 Atlantic Council



Grade: B

Topic: International Trade Policy

“The UK is well-positioned to shape how Western powers navigate the often fragile line between national security and national economic interest.”



The UK undoubtedly has one of the strongest anti-money laundering and anti-corruption regimes in the world, on paper at least. It also has generally done a good job of keeping anti-corruption efforts on the international agenda, engaging partners to promote vital reforms such as corporate transparency.

Boris Johnson’s apparent lack of interest relative to his predecessors, however, has delayed implementation of several key measures. Above all, repeated failure to enforce existing laws—not only effectively, but often at all—has been deeply harmful to the UK’s credibility. In particular, the City of London and several overseas territories can still be counted among the most prominent and dangerous global money-laundering hubs.

As President Biden and the 117th Congress launch a rare bipartisan push to target foreign kleptocracy, the UK, despite its achievements, is in severe danger of being shown as a paper tiger by its closest ally. To retain global anti-corruption leadership and remain a trusted partner for the United States in its war against corruption, Britain must summon the political will and resources needed to massively strengthen enforcement of its own existing laws—or anticipate increasingly awkward conversations with US counterparts in the months to come.

Recommendation: To retain global anti-corruption leadership and remain a trusted partner for the United States in its war against corruption, Britain must summon the political will and resources needed to massively strengthen enforcement of its own existing laws—or anticipate increasingly awkward conversations with US counterparts in the months to come.

Investors, regulators, and governments are waiting to see how the UK will ultimately define post-Brexit trade, particularly when it comes to financial services. The role of the City of London is in question, with many firms organizing a move to the Continent or at least hedging their bets. By not answering key questions regarding EU regulation and standards, the UK risks bifurcating global markets further as tensions with China rise, depressing domestic growth, and reaping fewer benefits from any potential flexibility that Brexit provides.

In line with the integrated review and expanding legislative remit in the area, the UK is well-positioned to shape how Western powers navigate the often fragile line between national security and national economic interest. That means helping to define how to use defensive instruments such as investment security, export controls, and other market restrictions while not erecting trade barriers or impeding on fair global competition. Defending free markets and core national security equities (i.e., interests) do not have to be conflicting priorities.

Recommendation: The UK is well-positioned to shape how Western powers navigate the often fragile line between national security and national economic interest. That means helping to define how to use defensive instruments such as investment security, export controls, and other market restrictions while not erecting trade barriers or impeding on fair global competition. Defending free markets and core national security equities do not have to be conflicting priorities.

Fran Burwell
Distinguished Fellow,
Europe Center
Atlantic Council



**Grade: A (effort) +
 D (strategic perspective) = C+**

Topic: International Trade Policy

*“Focus on implementing
 the TCA.”*



The UK integrated review sets out an ambitious international trade agenda for the new, post-Brexit Britain: negotiate trade agreements; reinvigorate the World Trade Organization; influence global rules and standards; promote exports; and create jobs across the UK. This agenda was reinforced by Britain’s leadership of the G7 this year, which also saw a critical agreement on global tax emerge. The UK renegotiated many trade agreements in-

herited from its time in the EU, as well as gaining a new one with Australia. This is a remarkable achievement, especially given that four years ago the UK had no capability in trade negotiations at all.

This record cannot, however, be evaluated in a vacuum. The irony is that Britain’s most important decision in trade policy—to leave the EU—has resulted in the creation of many **new** trade barriers between the UK and its biggest trading partner. Is that a recipe for leadership in creating an open global economy? The challenges facing British fishing, the cumbersome creation of a UK equivalent of the CE trademark (signaling conformity with regulations), and the perils of paperwork faced by small British exporters, all demonstrate the British government’s willingness to sacrifice free trade on the altar of party politics. Britain’s new trading partners must be watching the constant re-interpretations of the EU-UK Trade and Cooperation Agreement (TCA) with trepidation. In part because of uncertainties over the TCA, the UK has failed so far to achieve a US-UK free trade agreement and is unlikely to see one anytime soon. Perhaps most importantly, as a leading member of the largest trading bloc in the world, the UK would have had much more heft and influence on this critical agenda.

Recommendation: London must focus on implementing the TCA, including the Northern Ireland protocol.



A Unionist sign condemning border checks in Northern Ireland. February 12, 2021. REUTERS/Clodagh Kilcoyne

James Batchik
 Program Assistant,
 Europe Center
 Atlantic Council



Grade: A-

Topic: The Indo-Pacific Tilt

“The UK should harmonize transatlantic engagement in the Indo-Pacific.”



The integrated review’s Indo-Pacific tilt is worthy of praise. It brings a clear-eyed vision of both the Indo-Pacific’s strategic importance and the UK’s role to play in the region. The biggest feat of Britain’s Indo-Pacific tilt is of course the AUKUS deal. The deal deepens Britain’s alignment with a US focus on China, brings likely lucrative contracts to build Australia’s nuclear submarines, and even potentially allows British subs to base in Australia for extended deployments. Cooperation with other regional al-

lies is also crucial to the success of Britain’s Indo-Pacific tilt, and the HMS *Queen Elizabeth 2* participating in joint exercises and stopping in Japan, for example, are welcome signs of intensified military engagement.

On trade, Britain has made some progress on the integrated review’s objectives. It became an ASEAN Dialogue Partner and concluded a trade deal with Japan and one in principle with Australia. Talks on Britain’s accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership are also set to begin in the fall. Britain, however, will still need trade agreements with New Zealand and India, in particular, to be successful.

The Indo-Pacific tilt deserves an A- and not an A for its framing of Europe’s role. While identifying France and Germany as partners, the integrated review defines its ambitions relative to Europe’s, declaring Britain’s goal to be “the European partner with the broadest and most integrated presence.” Treating its European neighbors as competitors instead of natural partners who share similar interests will only diminish Britain’s effectiveness. Instead, the UK should harmonize transatlantic engagement in the Indo-Pacific. It should propose engaging Indo-Pacific partners in a Quad +2 format with France as a sign that Britain is global, independent, but cooperative with its neighbors.

Recommendation: The UK should harmonize transatlantic engagement in the Indo-Pacific and propose engaging Indo-Pacific partners in a Quad +2 format with France.



Prime Minister Boris Johnson and Australian Prime Minister Scott Morrison in London. Australia was the first free trade agreement for the UK after Brexit. June 15, 2021. Dominic Lipinski/Pool via REUTERS

Conclusion: Two Difficult Questions

The expert reactions in this piece show a higher confidence in Global Britain from the United States than might be expected at this juncture. Across defense, diplomacy, global finance, and international cooperation, Global Britain receives passing—if not excelling—marks.

It's time to put away the wounds of Brexit: an ambitious, confident, and outward-looking Britain is in the interest of the European Union and the United States. Yet at the same time, as shown by the fallout with France over the AUKUS deal and the crisis in Afghanistan, it is important not to create new ones. As the United States turns to engage Global Britain, two questions about priorities and trust remain: one for Washington and another, more difficult one for London.

While the decision of the United States to double down on cooperation in the Indo-Pacific region with the UK and Australia through the AUKUS deal has significant strategic value, the fact that it damaged relations with France is a grave misstep. Washington must ask itself this question: is there value in elevating one European relationship at the expense of another in the Indo-Pacific region? The correct answer is no—rather, the United States should find ways to promote both Britain and France in the region, maximizing their unique advantages while prioritizing improvements in the relationship between the two. As a first step, the United States should quickly move to promote Britain and France as observers to the emerging Quad grouping in the region.

The Western alliance can hardly afford internal divisions. Both a Global Britain and a Global Europe are necessary to make it strong.

A more difficult question now remains for London: what of Britain's confidence in the United States? The uncertainty of this was revealed in rather brutal fashion by the withdrawal crisis in Afghanistan.

In the House of Commons on August 18, former Prime Minister Theresa May, a member of Parliament (MP), called the Taliban takeover a “major setback,” saying: “We boast about Global Britain, but where is Global Britain in the streets of Kabul?” Tom Tugendhat, MP and chair of the Foreign Affairs Committee in the Commons, said in his own address that the UK can set out a vision with European partners “to make sure that we are not dependent on a single ally.” Though this review shows confidence in Britain's ability to be global, it did not address Britain's ability to define and pursue its international objectives independent of the United States. In the case of Afghanistan, the UK tried to influence the situation without success: along with Italy and Turkey, the UK advocated that a NATO coalition remain in place, but was unable to sway Washington from the withdrawal.

Both AUKUS and Afghanistan demonstrate that Global Britain is an incomplete project—there is still work to be done as it transforms from rhetoric to reality.

As London considers a future in which there will be more crises beyond direct competition with China, a future in which Washington may be disengaged from London's own priorities, HMG needs to ask itself how to engage Europe—and in particular France—to secure its interests without Washington. The path to a truly successful Global Britain, in an uncertain security environment across Eurasia, North Africa, and the Indo-Pacific, must inevitably run through Paris, Brussels, and Berlin and will require reconciliation.

In practical terms, how can the UK and the United States move forward from here together? London should take President Macron's call for proposals to reboot the relationship seriously, and Washington should firmly encourage it to do so. Bolstering more autonomous allies should be a key objective for US policy makers.

Livia Godaert

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September 27, 2021*

Ben Judah is a nonresident senior fellow with the Atlantic Council's Europe Center. He is a foreign policy writer based in New York, with his current research focus on the foreign policy of the Biden-Harris Administration, transnational kleptocracy, and Britain's attempts to reset its diplomatic posture after Brexit.

In Washington DC, he has worked closely with the offices of Democratic senators, including Senator Sanders and Senator Whitehouse, seeking to develop a global anti-money laundering agenda as a central plank of American foreign policy.

He has been a fellow at the Hudson Institute in Washington DC, leading research on the institute's groundbreaking Kleptocracy Initiative, the European Council on Foreign Relations in London, and the European Stability Initiative, in Istanbul.

He has interviewed and profiled global figures including French President Emmanuel Macron, Pakistani Prime Minister Imran Khan, UK Chancellor Rishi Sunak, and most recently First Lady Melania Trump. As a journalist, he has reported on the Russo-Georgia War, unrest in Central Asia, the Arab Spring and British, French and American elections.

He is the author of two acclaimed books, *Fragile Empire*, a study of Vladimir Putin's Russia, and *This Is London*, on the British capital. In 2021, he will release his third book with Picador Macmillan.

He has been Highly Commended for British Feature Writer of the Year at the British press awards, been selected as a Forbes European 30-Under-30, and most recently was a finalist for the 2019 Ryszard Kapuściński Award for Literary Reportage.

Livia Godaert is a nonresident fellow and former assistant director with the Atlantic Council's Europe Center, where she managed portfolios on the European Union, the United Kingdom, Southern Europe, and the Western Balkans. She was also responsible for the Europe Center's communications strategy and digital content, and she edited the weekly EuropeWatch newsletter. She joined the Europe Center team as a Program Assistant in February 2019. Previously, she worked as an intern at the Center for a New American Security within their Transatlantic Security Program, and she interned with the Atlantic Council's Millennium Leadership Program. Livia has a BA in Political Science from Pacific Lutheran University in Tacoma, WA.

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