

A Very British Tilt

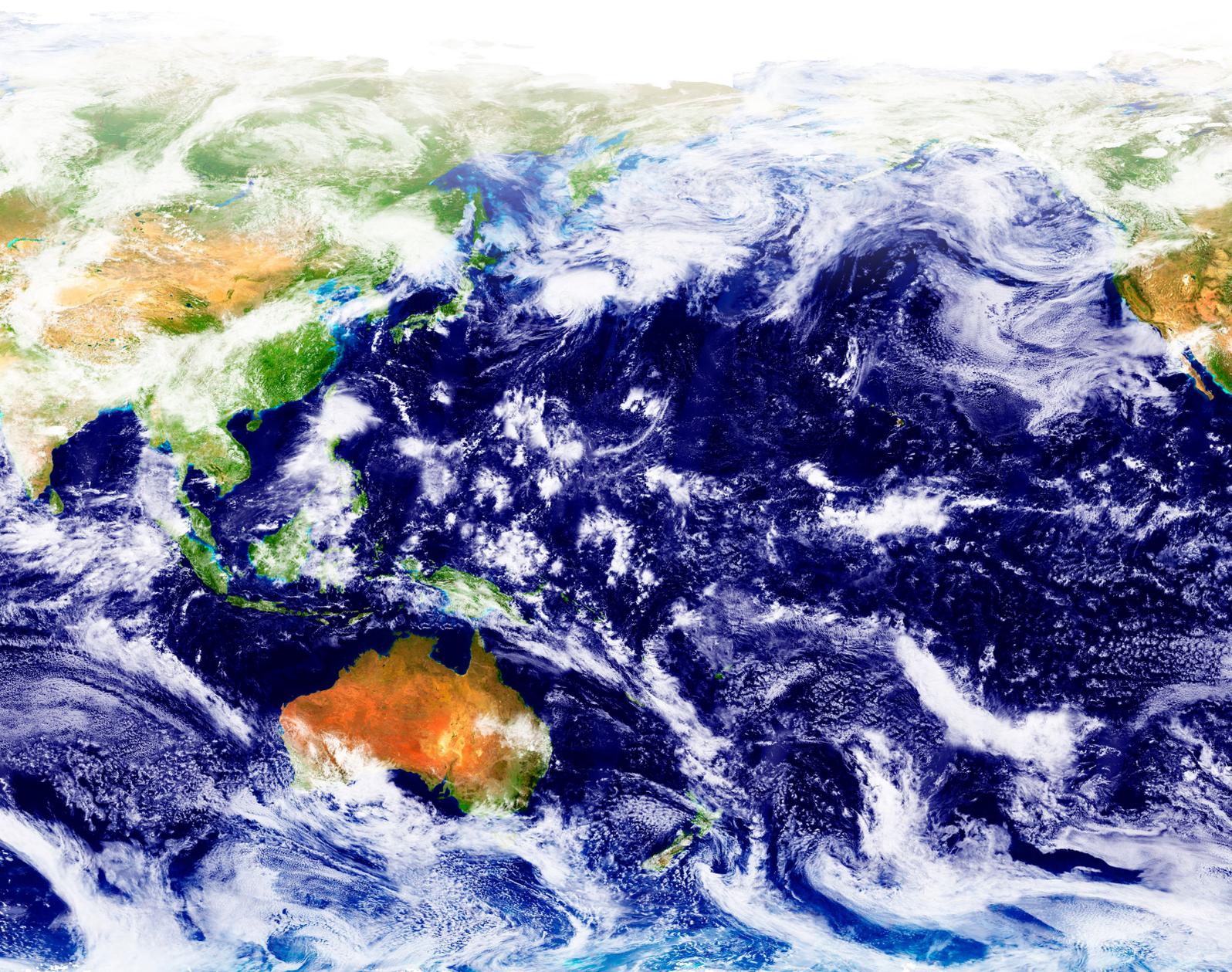


Towards a new UK strategy in the Indo-Pacific Region

An interim report by Policy Exchange's Indo-Pacific Commission,

Chaired by Rt Hon Stephen J Harper

Foreword by Hon Shinzō Abe



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Rt Hon Stephen J Harper, Chair

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About the Indo-Pacific Commission

Policy Exchange has convened a distinguished international commission of current and former political leaders, military leaders, and thought leaders to help frame the scope of what a new UK strategy in the Indo-Pacific should be. Chaired by Rt Hon Stephen J Harper, the 22nd Prime Minister of Canada, the Commission represents the UK, Canada, the US, Australia, New Zealand, Japan, South Korea, India, Sri Lanka and Indonesia. Each commissioner brought their particular expertise and experience to the Commission's discussions and drafting, and this report reflects a broad consensus of views on Britain's role in the Indo-Pacific region.

Thematically, the Commission's work stretches across three broad policy areas:

- A. Indo-Pacific **trade, economics and technology** developments, including novel issues of supply chain diversification, intellectual property (IP) protection, digital standards, and technology and science policy.
- B. Indo-Pacific domestic and international **politics** and diplomacy, particularly as regards community formats and summit mechanisms to reinforce the rules based international order.
- C. Indo-Pacific **defence and security** issues, ranging from "hard power" and strategic stability to information/political warfare, cyber security and renewed concerns about biological weapons and health security.

List of Commissioners:

- Rt Hon Stephen J Harper (Canada: 22nd Prime Minister) – Chair
- Michael R Auslin (US: Payson J Treat Distinguished Research Fellow in Contemporary Asia at the Hoover Institution, Stanford University)
- Lt Gen (Ret.) In-Bum Chun (South Korea: former Commander, ROK Special Warfare Command)
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- Nadia Schadlow (US: former Deputy National Security Advisor)
- Yahya Cholil Staquf (Indonesia: General Secretary of the Supreme Council of the Nahdlatul Ulama, the world's largest Muslim organisation)
- Koji Tsuruoka (Japan: former Japanese Ambassador to the UK; Japan's chief negotiator for the Trans-Pacific Partnership)
- Hon Ranil Wickremesinghe (Sri Lanka: former Prime Minister)

Summary of recommendations

- This paper offers a **new vision for a reinvigorated community of free and independent nations** with one overriding goal in mind: **to reinforce a sustainable rules-based order in the Indo-Pacific region (IPR) that is resilient but adaptable to the great power realities of the 21st century.**
- The principles of an “**Indo-Pacific Charter**” should provide the anchor for a new approach to regional stability and prosperity.
- The Government should establish an **Indo-Pacific Sub-Committee** on the National Security Council chaired by the Prime Minister. In addition, the Prime Minister should consider creating a **Special Envoy for the Indo-Pacific** as a political appointment based in the Foreign, Commonwealth and Development Office (FCDO), reporting jointly to the Prime Minister and the Foreign Secretary.
- The UK Government **should promulgate a standalone “Indo-Pacific Strategy”** laying out its comprehensive approach to engaging with the region.
- The UK’s enduring interests in the Indo-Pacific region should be advanced through a **twin-track engagement approach:**
 - First, a “**Prosperity Agenda**” focused on Indo-Pacific **trade, economics and technology** issues, including recently raised questions of supply chain diversification from China, intellectual property, digital standards, science cooperation, sustainable development and environmental protection.
 - Second, a “**Security Agenda**” seeking to reinforce regional security and the resilience of domestic socio-political institutions in the most vulnerable countries across the IPR.
- These two agendas translate into specific policies across five priority areas: a) trade and technology, b) diplomacy, c) governance cooperation, d) climate change and environmental protection and e) security cooperation.
- In trade and technology:
 - Pursue membership in the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP);
 - Conclude digital free-trade agreements;
 - Establish an **Indo-Pacific Investment Mechanism** to support emerging US and regional-led economic and development assistance initiatives;
 - Create an Indo-Pacific multinational investment treaty to protect investors from discriminatory practices and allow

- investors to enter into arbitration under international law;
- Encourage more Indo-Pacific companies to list on UK and allied Stock Exchanges;
- Establish a **Strategic Resilience Initiative (SRI)** to reduce supply chain vulnerabilities. One immediate priority area for the SRI should be medical supplies such as personal protective equipment, pharmaceutical products, key medicines, and complex equipment, such as ventilators.
- Develop an IPR **Financial Technology Growth Platform** to help deliver fintech resiliency and cooperation;
- Propose a **Free and Open Internet Initiative**, to promote the concept of an open internet based on the free flow of information;
- Lead a new **Space Technology Alliance** to pool resources (on the European Space Agency model) and allow member countries to pursue, jointly, ambitious space projects.
- In Diplomacy
 - Aim at one **annual IPR tour** by the Foreign Secretary, Chancellor of the Exchequer and Defence Secretary, while a new Special Envoy for the Indo-Pacific should make regular trips during the year;
 - **Ring-fence** a specific proportion of relevant institutional budgets for IPR activities within the Foreign, Commonwealth and Development Office (FCDO), British Council, Wilton Park, etc.;
 - Expand the **International Partnership Programme** run by the UK Space Agency and funded by the Overseas Development Assistance budget.
 - Seek participation in the **Quadrilateral Security Dialogue** between India, Australia, Japan and the US;
 - Obtain Dialogue Partner status with **ASEAN** with a view to joining the ASEAN Defence Ministers Meeting Plus (ADMM+) and the Association of South East Asian Nations (ASEAN) Regional Forum;
 - Strengthen UK engagement with the **Pacific Islands Forum**;
 - Support **Hong Kong's** autonomy and freedoms under the 1984 Sino-British Joint Declaration; mobilise alliances and partnerships within the IPR and beyond to deal with the effects of the National Security Law imposed on Hong Kong;
 - Pursue greater practical cooperation with **Taiwan**, especially on global issues such as health and cyber security.
- In Good Governance:
 - Establish a formal **Indo-Pacific Public Integrity Forum** to promote and strengthen democratic values in the IPR and uphold the clear, concise and rigorously defined principles articulated in the thirty articles of the Universal Declaration of Human Rights;

- Establish a **Conference on Strong Societies** to engage mass, grassroots organizations across the IPR and foster consensus regarding shared values essential to sustaining a rules-based order in the Indo-Pacific;
- Establish an **Indo-Pacific Good Governance** initiative focused on anti-corruption training, police training, judicial reform, strengthening primary and secondary educational systems, and promoting environmental protection;
- Facilitate the creation of new financial instruments to assist IPR nations raise necessary funds for tackling development and infrastructure challenges in the region;
- Contribute to the US-led “Blue Dot” development assistance network;
- Focus on “regulatory diplomacy” to encourage the setting of regional standards for data flows, reinsurance, and actuarial services.
- In Climate Change and Environmental Protection:
 - Aim to create a **clean version of the Belt and Road Initiative** together with regional partners, supported by **Green Funds**;
 - Create an **international, commercial division of the UK’s Committee on Climate Change** to help develop institutional capacity in IPR countries which want to establish their own systems of “carbon budgets”;
 - Support energy transitions throughout the region through partnerships, trade in clean technologies and knowledge-sharing programmes; create **fast-track UK Export Finance clearance procedures for British clean tech companies** that can provide clean energy and other services in the Indo-Pacific region, tied to UK overseas aid programmes;
 - Support the development, with the Space Technology Alliance, of **Earth Observation satellite capabilities** for environmental monitoring;
 - Work towards a **multilateral waste management and monitoring treaty**;
 - Work with Indo-Pacific partners to support a network of **research centres** to develop understanding of nature-based landscape management solutions in tropical climates;
 - Support **humanitarian assistance and disaster relief hubs** in the region;
 - Promote the UK “**Blue Belt**” model of marine environmental protection.
- In Security:
 - Establish a (civilian) 3-star Indo-Pacific Directorate-General in the Ministry of Defence;
 - Expand the regular presence of UK military assets in the IPR;
 - Seek reciprocal access and base support agreements with key partners;

- Enhance the UK’s involvement in the Five Power Defence Arrangements (FPDA); promote more regular working-level FPDA meetings and commit more resources to an expanded programme of FPDA military training exercises;
- Explore new areas of cooperation in information sharing and maritime capacity building;
- Uphold the principle of free navigation in international waterways;
- Propose an Indo-Pacific Security Initiative focused on building capacity of IPR nations in maritime domain awareness, civil-military training, and joint training; as well as countering threats from non-state actors such as piracy, terrorism, human smuggling, drug smuggling and illegal fishing;
- Establish an Indo-Pacific Cyber-security Partnership to develop and institute best practices in cyber-security across the region, particularly in intellectual property protection and corporate security.

List of recommended UK initiatives and regional integration activities

Initiative / Organisation	UK Role	Priority IPR Partners
Indo-Pacific Investment Mechanism	Lead	No particular priorities
Strategic Resilience Initiative (SRI)	Lead	US, Japan, Australia, South Korea, Malaysia, Indonesia, and India
Financial Technology Growth Platform	Lead	Canada, Japan, Singapore, India, South Korea, Australia, and New Zealand
Free and Open Internet Initiative (FOII)	Lead	India, Australia or Japan
Space Technology Alliance	Lead	Canada, Australia, New Zealand, India, Japan and potentially South Korea
Indo-Pacific Public Integrity Forum (IPPIF)	Lead	Southeast Asian countries, especially Indonesia
Conference on Strong Societies	Lead	Southeast Asian countries, especially Indonesia
Indo-Pacific Good Governance (IPGG)	Lead	US, South and Southeast Asia and the Pacific Islands
Indo-Pacific Security Initiative (IPSI)	Lead	Japan, Australia, Canada, India, South Korea, Taiwan; plus Southeast Asian countries
Indo-Pacific Cyber-security Partnership	Lead	Australia, Japan and South Korea

Green Funds	Partner	India
Multilateral waste management and monitoring treaty	Partner	No particular priorities
Humanitarian assistance and disaster relief hubs	Partner	No particular priorities
ASEAN (Dialogue Partner status)	Join	ASEAN
Quadrilateral Security Dialogue	Participate	Japan, Australia, India, US
Pacific Islands Forum	Enhance relationship	Australia, New Zealand
Commonwealth	Enhance relationship	IPR Commonwealth members
Blue Dot Network	Join	US, Australia, and Japan
Fintech Bridges	Partner	Australia, Singapore and South Korea (to date)
APEC	Join	(when current moratorium is lifted)
Regulatory diplomacy dialogues	Partner	Japan, South Korea, Canada, Australia, Singapore, and New Zealand
Reciprocal access and base support agreements; naval cross-servicing agreements	Partner	Japan, India, Australia, Singapore
Community of maritime interests (informal)	Partner	France, India, Australia, Japan
FPDA	Expand exercises	FPDA plus: Japan, India, US

Foreword

The Hon Shinzō Abe, former Prime Minister of Japan

The pace of modernization in the Indo-Pacific region continues to increase, bringing both opportunities and challenges to the countries of Asia. Indeed, when I first began discussing the concept of the “Indo-Pacific,” in 2007, the region was far less integrated than today. Over the past generation, millions of ordinary Asians have been lifted out of poverty while the nations of the region increasingly have taken their place in the global economic and political order. As we enter the third decade of the 21st century, the Indo-Pacific is now truly part of the wider world, as well as a region that more and more shares a common identity at the “confluence of the two seas,” as I put it over a decade ago.

Stability and prosperity in the Indo-Pacific will only be assured when all nations seek to work together, sharing common aims, and enjoying the fruits of common efforts. Capitals from Tokyo to New Delhi, and from Beijing to Canberra have great opportunities to resolve common challenges, so as to ensure a bright future. It is vital that we defend the rules and norms that have helped enrich the countries of the Indo-Pacific over the past two generations. In doing so, we should not only build on the efforts of all Asians over the past several decades, but welcome new partners to this cause.

That is why I warmly welcome this report from the Policy Exchange Indo-Pacific Commission. In charting out a path of renewed British engagement in the region, this report points the way towards a truly globally cooperative era in the Indo-Pacific. A leading global power, Great Britain has a major role to play in the Indo-Pacific. As the world’s sixth-largest economy, increased trade between the UK and Indo-Pacific nations will contribute to overall economic growth. Britain can also work with countries throughout the region on upholding democratic values and supporting the multinational institutions that have developed in recent years. On the security front, the British military, and the Royal Navy in particular, will be a welcome presence in the seas of the Indo-Pacific.

The partnerships between the UK and Indo-Pacific nations envisioned in this report will help usher in a new era of innovative thinking, expansion of economic opportunity, and strengthening of stability. I strongly endorse the findings and proposals of this report and look forward to their adoption by Britain and its new partners.

Introduction: Why the Indo-Pacific?

A Geostrategic Construct

The Indo-Pacific region (IPR) is a relatively new geostrategic construct rather than an established, geographical notion. Conceptually anchored in the two great ocean spaces, the IPR is bounded more by political realities than by strictly geographic imperatives. Countries located on the American or African/Middle Eastern rims of the Pacific and Indian Oceans are technically “littoral states” of the IPR considered in its maximalist form, but their relationship to the Indo-Pacific as a geostrategic arena is – excepting in the case of the global superpower – markedly different compared to that of “inner” IPR nations. It is largely in this last sense, focused on the central, or inner part of this half-section of the world, that the “Indo-Pacific Region” is construed in this paper for the purposes of strategic analysis.

The “inner” IPR stretches, therefore, from the Indian sub-continent, up through Southeast Asia to China and the northeast Asian countries of Japan and the Koreas, and it encompasses continental, peninsular, and archipelagic landforms. Its waterways, comprising most of the Indian and Pacific Oceans, along with the inner seas and vast bays, form the integrated pathways vital to the global economy, linking Europe and the western hemisphere with the world’s workshops. Indeed, the Indo-Pacific now accounts for close to half of global economic output and contains more than half the world’s population. It contains the world’s two most populous nations, China and India; the world’s second- and third-largest economies, in China and Japan; the world’s largest democracy, in India; and two of the world’s largest Muslim populations, in India and Indonesia. It is a region through which the world’s most critical sea lanes pass, in the Malacca Strait linking the Indian Ocean with the South China Sea, and at the same time it is riven with innumerable maritime and continental territorial disputes, reminiscent of 19th century power politics. The Indo-Pacific – as per USINDOPACOM’s definition – also contains some of the world’s largest and most sophisticated militaries, and nuclear powers in the PRC, India, and North Korea. It is, in short, a region vital to the peace and prosperity of the entire globe.¹

In recent times the “Indo-Pacific” construct has increased in prominence as a result of a transformation in geographical imaginations, itself a product of the economic, geo-political and diplomatic trends of recent decades. Whereas in the not too distant past this part of the world used

1. See, for example, Michael R. Auslin, *The End of the Asian Century: War, Stagnation, and the Risks to the World’s Most Dynamic Region* (New Haven: Yale University Press, 2017).

to be referred to as the “Asia-Pacific”, the term “Indo-Pacific” entered the mainstream after Shinzō Abe’s landmark 2007 speech to the Indian Parliament entitled, “The Confluence of Two Seas”.² On that occasion the Japanese Prime Minister stated that:

“The Pacific and the Indian Oceans are now bringing about a dynamic coupling as seas of freedom and of prosperity. A ‘broader Asia’ that broke away geographical boundaries is now beginning to take on a distinct form.”

Abe went on to outline a new vision for region:

“By Japan and India coming together in this way, this ‘broader Asia’ will evolve into an immense network spanning the entirety of the Pacific Ocean, incorporating the United States of America and Australia. Open and transparent, this network will allow people, goods, capital, and knowledge to flow freely.”

Since then, this geographical confluence has accelerated. The US Government formally recognised this shift in May 2018 by changing the name of United States Pacific Command to “US Indo-Pacific Command”. In then US Defense Secretary Jim Mattis’s words, the change in nomenclature was a “recognition of the increasing connectivity between the Indian and Pacific oceans”.³ 2018 also saw Prime Minister Narendra Modi outlining “India’s Vision for the Indo-Pacific” in a landmark speech delivered at the Shangri La Dialogue in Singapore.⁴ A year later, the Association of Southeast Asian Nations, or ASEAN, was similarly recognising the centrality of the Indo-Pacific region to international politics, further emphasising how this geographic confluence also represented a geopolitical opportunity to promote greater inclusivity and address challenges to development and stability.⁵

It should come as no surprise that the ways in which the “Indo-Pacific” is conceptualised in the US, Australia and Japan – Britain’s closest regional allies – differ considerably;⁶ yet, these constructs reveal four shared assumptions that are crucially relevant to a UK Indo-Pacific framework:

- A. They are all maritime-centric frameworks. Geographically, the term “Indo-Pacific” draws upon an emphasis on the maritime connectivity linking the Indian Ocean to Northeast Asia, through the South and East China Seas, and the South Pacific.
- B. They all stress the importance of a rules-based order. In terms of values, the “Indo-Pacific” as a geopolitical notion centres on the current security and legal order as a guarantee of the region’s stability and prosperity.
- C. They all emphasise the return of state on state competition, particularly in the traditional maritime domain. From a security perspective, the “Indo-Pacific” is a notion that recognises the use of the sea as a space for the exercise of dominion, to assert control as much as to project power within and beyond the region’s confines.
- D. They all recognise the deepening of engagement with India as

2. Ministry of Foreign Affairs of Japan, “Confluence of the Two Seas” - Speech by H.E.Mr. Shinzo Abe, Prime Minister of Japan at the Parliament of the Republic of India, 22 August 2007 <https://www.mofa.go.jp/region/asia-paci/pmv0708/speech-2.html>

3. USPACOM, “Pacific Command Change Highlights Growing Importance of Indian Ocean Area”, DOD News Report, 31 May 2018 <https://www.pacom.mil/Media/News/News-Article-View/Article/1537107/pacific-command-change-highlights-growing-importance-of-indian-ocean-area/>

4. Indian Ministry of External Affairs, Prime Minister’s Keynote Address at Shangri La Dialogue (June 01, 2018); <https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018>

5. ASEAN, ‘ASEAN Outlook on the Indo-Pacific’, 23 June 2019, https://asean.org/storage/2019/06/ASEAN-Outlook-on-the-Indo-Pacific_FINAL_22062019.pdf.

6. Cf. Australian Government, 2017 Foreign Policy White Paper (Canberra: Ministry of Foreign Affairs, 2017), 1, 25-27 <https://www.dfat.gov.au/publications/minisite/2017-foreign-policy-white-paper/fpwhitepaper/index.html>; Shinzo Abe, ‘Address at the 73rd Session of the United Nations General Assembly’, 25 September 2018, https://www.mofa.go.jp/fp/unp_a/page3e_000926.html; Mike Pompeo, ‘Remarks on America’s Indo-Pacific Economic Vision’ 30 July 2018, <https://www.state.gov/secretary/remarks/2018/07/284722.htm>

fundamental to an evolved geostrategic architecture in the Indo-Pacific.

These assumptions are relevant to the way in which the UK should approach its engagement with the IPR. Geopolitically, an Indo-Pacific framework conceived according to the principles outlined above plays to the strengths of the UK as a maritime power and a post-war co-author of the international norms and rules that underpin today's global connectivity and prosperity. Therefore, a British view of the Indo-Pacific that builds on these principles also points to a new understanding of Britain's role in the world more broadly, one in which national ambitions align firmly with the expectations and objectives of its closest regional allies. These focus strongly on maintaining stability in the maritime commons through respect for the rule of law and preventing the erosion of the international order essential to favour global trade and prosperity.⁷



USINDOPACOM Area of Responsibility

Against this evolving conceptual background, the time is ripe for Britain to shift the weight of its strategic policy towards the Indo-Pacific as it reviews its role in the world. In doing so, Britain could take the above principles one step further. Maritime connectivity is, and is likely to remain, a central pillar of regional prosperity and interdependence. But today, connectivity also has a digital dimension – one that links the maritime context to future growth through technology and telecommunications. Concepts currently employed to pursue maritime stability must now be integrated with new domains, notably cyber and space, which have now become a stage for great power competition in their own right. A UK Indo-Pacific concept should therefore ensure that these new areas of competition do not

7. Admiral Sir Philip Jones, 'Keynote Speech at First Sea Lord's Sea Power Conference, Royal United Services Institute, London, 15 May 2019, <https://www.gov.uk/government/speeches/rusi-sea-power-conference-15-may-2019>; John Bew, 'UK Strategy in Asia: Some Starting Principles', Policy Exchange, 04 September 2017, <https://policyexchange.org.uk/publication/uk-strategy-in-asia-some-starting-principles/>

undermine the openness and inclusivity that are essential to free exchange and the rule of law.

Today, global stability is at risk from opportunistic and illiberal actors, often using the most advanced technological means of threatening and destabilizing nation-states, economic entities, and international institutions. While not every danger can be addressed, it is the common responsibility of all nations, but especially of those who traditionally have provided global public goods, to counter the threats that strike at the pillars of the post-1945 international system of norms and rules—the system in whose creation Britain was essential and whose demise would adversely affect the country’s security and prosperity. Despite tightening budgets and the economic challenge posed by the COVID-19 global pandemic, policy-makers should not undervalue the skills, experience, and capabilities that this country can bring to bear on global challenges: Britain’s friends in the Indo-Pacific certainly do not.

The Rise of the Indo-Pacific

In recent decades, the Indo-Pacific nations have greatly expanded their share of the global economy while also moving up the production value chain. This process has gone hand in hand with high-end technological development and economic growth across the region.

Although first posited in the 1980s, the “Asia rising” narrative that emerged from the early 2000s has too often emphasised the role of China at the expense of the rest of the Indo-Pacific region (IPR). A China-centric view often obscured the fact that this epochal transformation is a wider enterprise whose development was driven by contributions from all players in the area: from Japan, Taiwan and South Korea, to India, the Association of South East Asian Nations (ASEAN) and Australia. A complex regional system has emerged with its own distinctive diplomacy. This is new, and strategically significant.

Finally, the growth of Asia in general – Indo-Pacific included – is also a story about growth in military capabilities across the IPR and an increase in territorial disputes.⁸ This has largely been driven by China’s military build-up, but increased power across the region generates new national interests and ambitions – and new possibilities for strategic balance, and prudent diplomacy.

Even before COVID-19, Asia’s story, writ large, was about a new order beginning to emerge – increasingly shaped by China’s rapid growth and rise to regional primacy. The pandemic will inevitably accelerate events. It is already bringing unexpected urgency to critical questions about globalization, global supply chains, and how to handle Beijing in the longer term, as countries across the West and the Indo-Pacific try to balance their responses to the Coronavirus with their policy on China.

8. *Military and Security Developments Involving the People's Republic of China 2020 Annual Report to Congress*, Office of the Secretary of Defence, 21 August 2020, <https://media.defense.gov/2020/Sep/01/2002488689/-1/-1/1/2020-DOD-CHINA-MILITARY-POWER-REPORT-FINAL.PDF>

Why a British Tilt to the Indo-Pacific?

Britain's encounter with the Indo-Pacific world stretches back centuries, from trade competition with the Portuguese and Spanish in the 16th century, through the voyages of discovery by Captain Cook, to the colonisation of India and beyond into the 20th century. Since the Second World War, the UK's decolonised relations with Indo-Pacific nations have been broad-based, as has its trade and cultural exchange.

The decision to pull back East of Suez in the late 1960s curtailed much, but not all, of the UK's security presence in the Indo-Pacific. The UK is present in almost every country in the IPR, including some where the United States is absent, such as the Maldives and Seychelles. The UK-owned base at Diego Garcia, leased to the US, was strategically important during the Cold War, and will become increasingly so for protecting the rules-based system into the 21st century, as it sits astride crucial maritime trade routes that have seen a dramatic increase in naval traffic from China, India, Japan, and the United States. And while it possesses only the small and remote Pitcairn Islands as sovereign territory in the South Pacific, Britain shares the Head of State – in the person of the Sovereign, Queen Elizabeth II – with five other countries in the region and remains involved in Oceania's diplomacy, alongside France and the United States.

The UK has, however, failed to publicise its role in the Indo-Pacific region or to articulate its goals and the ways in which it interacts with nations in the region. Yet in recent years, thanks to growing trade with the People's Republic of China (PRC)⁹, on the one hand, and the efforts of former Japanese Prime Minister Shinzō Abe, on the other, Britain's engagement with key nations of the Indo-Pacific has deepened.¹⁰

The fate of the Indo-Pacific bears directly on that of the West. Our destinies, as free and independent states from different hemispheres, are intertwined. Our strategies should be aligned. Reinforcing its commitment to a rules-based international order, the United Kingdom can provide a platform to forge a new international consensus on first-order questions. Moreover, there is a surprisingly large scope for the UK to take the lead in tackling a variety of unaddressed issues and capacity gaps in the region via joint projects with like-minded partners.

Brexit has created new pressures for enhanced engagement with the rest of the world – under the banner of “Global Britain”.¹¹ As the UK Government increasingly recognizes, Indo-Pacific affairs will inevitably have a major impact on Britain's strategy post-Brexit, just as it is having a major impact on global security and economic prospects.¹² Important aspects of Britain's outlook are tied to the Indo-Pacific – for example, the region is home to over 1.5 million British citizens.

9. *Statistics on UK trade with China*, Briefing Paper Number 7379, House of Commons Library, 14 July 2020 <http://researchbriefings.files.parliament.uk/documents/CBP-7379/CBP-7379.pdf>

10. 'Britain returns to the Indo-Pacific,' John Hemmings, 18 December 2018, <https://www.policyforum.net/britain-returns-to-the-indo-pacific/>

11. 'Global Britain: delivering on our international ambition,' gov.uk, 13 June 2018, <https://www.gov.uk/government/collections/global-britain-delivering-on-our-international-ambition>

12. *National Security Strategy and Strategic Defence and Security Review 2015 A Secure and Prosperous United Kingdom*, HM Government, November 2015

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/555607/2015_Strategic_Defence_and_Security_Review.pdf

Britons in the Indo-Pacific

Australia: 1,200,000	
South Korea: 8,000	
Taiwan: 2,398	
Japan: 17,943	
Malaysia: 16,000	
Singapore: 50,000	
New Zealand: 217,000	
Philippines: 10,000	
Hong Kong: 33,733 (3 Million including BNOs)	
Thailand: 55,000	
India: 36,000	
China: 36,000 including Hong Kong	
Indonesia: 11,000	
<hr/>	
Total = 1,693,074	

Note: These are the best available figures but represent a conservative estimation and in many cases are likely out of date, especially in relation to India. Current total numbers of UK passport holders resident in the Indo-Pacific are expected to be significantly in excess of the approximately 1.7 million noted above. The figures above exclude BNOs.

Sources: see footnote¹³

13. For Australia: Australian Department of Home Affairs, <https://www.homeaffairs.gov.au/research-and-statistics/statistics/country-profiles/profiles/united-kingdom>; for South Korea: FCDO, <https://www.gov.uk/guidance/living-in-south-korea#:~:text=Contingency%20planning,Introduction,benefits%2C%20residence%20requirements%20and%20more>; for Taiwan: Taiwan National Immigration Agency, <https://www.immigration.gov.tw/5475/5478/141478/141380/236086>; for Japan: Japan Home Office (interview); for Malaysia: British High Commission Kuala Lumpur, <https://www.gov.uk/world/organisations/british-high-commission-kuala-lumpur#:~:text=With%20nearly%2016%2C000%20Britons%20living,living%20in%20and%20visiting%20Malaysia;for%20Singapore:Online%20Schooling%20Asia%20Pacific,https://myonlineschooling.co.uk/news/moving-to-singapore-5-tips-for-british-families-2/#:~:text=Singapore%20is%20a%20popular%20living,British%20expats%20currently%20living%20there> and BBC Brits Abroad, [http://news.bbc.co.uk/1/shared/spl/hi/in_depth/brits_abroad/html/asia.stm#:~:text=84%2C000%20British%20citizens%20live%20in%20Pakistan%2C%20India%20and%20Bangladesh;for%20New%20Zealand,China%20and%20Indonesia:see%20IPPR,“Global%20Brit”%20report%20\(2010\)%20https://www.ippr.org/files/publications/pdf/global-brit_2010.pdf;for%20Philippines:Manila%20Bulletin,http://mb.com.ph/node/319698/philippine;for%20Hong%20Kong:Hong%20Kong%20Census,https://www.bycensus2016.gov.hk/data/16bc-summary-results.pdf;for%20Thailand:Pacific%20Prime%20Thailand,https://www.pacificprime.co.th/blog/british-expats-thailand/;for%20India:IPPR,op.cit.and%20according%20to%20BBC%20Brits%20abroad%20\(see%20source%20for%20Singapore\),84,000%20British%20citizens%20live%20in%20Pakistan,India%20and%20Bangladesh.Figures%20exclude%20BNOs](http://news.bbc.co.uk/1/shared/spl/hi/in_depth/brits_abroad/html/asia.stm#:~:text=84%2C000%20British%20citizens%20live%20in%20Pakistan%2C%20India%20and%20Bangladesh;for%20New%20Zealand,China%20and%20Indonesia:see%20IPPR,“Global%20Brit”%20report%20(2010)%20https://www.ippr.org/files/publications/pdf/global-brit_2010.pdf;for%20Philippines:Manila%20Bulletin,http://mb.com.ph/node/319698/philippine;for%20Hong%20Kong:Hong%20Kong%20Census,https://www.bycensus2016.gov.hk/data/16bc-summary-results.pdf;for%20Thailand:Pacific%20Prime%20Thailand,https://www.pacificprime.co.th/blog/british-expats-thailand/;for%20India:IPPR,op.cit.and%20according%20to%20BBC%20Brits%20abroad%20(see%20source%20for%20Singapore),84,000%20British%20citizens%20live%20in%20Pakistan,India%20and%20Bangladesh.Figures%20exclude%20BNOs)

Furthermore, the critically-important **Special Relationship** with the United States is increasingly affected by American grand strategic decisions and concerns related to China, whether directly as with the Huawei case, or indirectly as a consequence of new US military-economic policies that focus on a “free and open Indo-Pacific”. This, coupled with the inherent opportunities that the Indo-Pacific presents, must be factored into any future agenda.

An uninterrupted free flow of goods through maritime trade routes in the Indian Ocean is central to the UK’s future prosperity and that of its trading partners in Europe. Ensuring that sovereign nations in the IPR can choose their own economic and political destinies is essential to maintaining stability in the world’s most populous and dynamic region. Britain is therefore looking to recover at least part of its much older role as one of the custodians of a multilateral consensus on regional order, in conjunction with IPR partners.

As a UN P5 member and the world’s 6th largest economic power, Britain is invested in the future of the Indo-Pacific – not only in a narrow, economic sense as it seemed in the early 2010s, but in a deeper strategic sense. This realisation offers a basis for Britain complementing existing multilateral institutions like the ASEAN Regional Forum as a dialogue partner, and joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP, which links Canada, Australia, Brunei, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam) or the informal Quadrilateral Security Dialogue involving Japan,

India, Australia and the US. The UK also has the opportunity to begin new initiatives and create networks where none today exist.

Most importantly, and in contradiction with some of the prevailing narratives about Britain's assumed post-Brexit irrelevance, friendly countries from across the IPR are eager to see more UK involvement in their part of the world. To fully globalise Britain, the Indo-Pacific region, stretching from the eastern Indian Ocean to the western Pacific and Oceania, must become a priority in the UK's overall foreign and security policies. The UK should embrace the integrated political, economic, and security space that is now widely seen across world capitals in terms of a coherent Indo-Pacific sphere.¹⁴

14. 'UK Defence from the "Far East" to the "Indo-Pacific"', Alessio Patalano, Policy Exchange 2019, <https://policyexchange.org.uk/publication/uk-defence-from-the-far-east-to-the-indo-pacific/>

Strategic Vision

This paper offers **a new vision for a reinvigorated community of free and independent nations**, with one overriding goal in mind: **to reinforce a sustainable rules-based order in the Indo-Pacific that is resilient but adaptable to the great power realities of the 21st century.**

A strengthened rules-based Indo-Pacific order requires an enhanced form of association and communication that builds and improves upon existing regional institutions, like the East Asian Summit mechanism, as well as creating new ones where there is an obvious need for an enhanced, rule-governed level of regional coordination. Stability and prosperity in the region cannot be achieved without dialogue leading to agreed norms of behaviour. The necessity of a coordinated regional and indeed global response to Chinese disinformation around COVID-19 is but one recent iteration of this principle. These are values shared by all independent nation states – not just democratic ones – which have a sovereign interest in being able to freely choose their trading and security partners.

The UK national interest thus requires a strategy towards the Indo-Pacific region as a whole that avoids a too narrow focus on China. This means a Prosperity Agenda – subsuming “macro” questions such as trade and supply chain security – as well as a regional Security Agenda which hinges on solving military, security and wider resilience problems. In a world in which power competition defines systemic dynamics in international affairs, there is no prosperity without security.

Finally, in upholding its values, Britain recognizes the increasing strategic competition between two competing visions of regional order, offered by China and the United States. The UK does not seek any new cold wars, but it will defend its interests at home and abroad. At the same time, the UK Government cannot take a value-neutral position between Beijing and Washington, nor should it see itself as leading a new “non-aligned” movement of smaller states in opposition to the two great powers of the region¹⁵. Britain should defend global cooperation, openness, respect for law, and adherence to accepted norms of behaviour in concert with the United States and like-minded nations in the Indo-Pacific and beyond.

This is the reason why the UK should articulate a clear statement of the guiding principles that will shape British strategy in the Indo-Pacific region. These should be the essence of a manifesto of what a Global Britain looks like in the 2020s and beyond.

15. *Britain's Foreign Secretary Visiting Washington at an Awkward Juncture*, New York Times, 15 September 2020, <https://www.nytimes.com/2020/09/15/world/europe/britain-dominic-raab-us-trip.html>

An Indo-Pacific Charter

Regional countries should take the lead in shaping a clear set of mutually-shared aspirations for the future of Indo-Pacific relations that other major global players like the UK can support. There is an opportunity here for creating a consensus around a jointly-accepted declaration of principles that can be as significant in the 21st century as the Atlantic Charter¹⁶ was to international affairs in the 20th century.

The latter document, agreed nearly eighty years ago in very different circumstances, represented the first iteration of what became known as the post-war order. Its ideas remain central to international cooperation and underpin international law. While they have been honoured in the breach as often as in the observance, they nonetheless persist as the goal of a peaceful and prosperous global society. Ultimately, it is the principles enshrined in the Atlantic Charter that provide the basis for cooperative security actions to uphold freedom of navigation and overflight, which in turn have enabled economic modernisation throughout the world, not least in the Indo-Pacific.

These principles also reflect goals and convictions endorsed and often expressed by the majority of nations in the Indo-Pacific today: from India, the world's largest democracy; to Japan, the world's third-largest economy; to Fiji, a small member of the Commonwealth. Decision-makers must ensure that our ever-more interconnected world is guided by these shared norms of cooperative conduct, where capable nations like Britain shoulder more of the burden of maintaining stability.

The vision of an Indo-Pacific Charter must have regional buy-in and be driven by regional players. But British diplomacy should also clarify the need to put a new age of Indo-Pacific strategic relationships on a solid basis from the beginning, one that can withstand geopolitical crises.

From a political standpoint, therefore, a willingness by IPR nations to take the initiative and back an Indo-Pacific Charter at this point in the history of the region would be, first of all, a powerful signal of their firm intent of cooperating with each other. Similarly to the post-1945 European context, this step would, in turn, establish powerful foundations, long-term alliance-building in the region with a major involvement of external partners including the UK.

The following principles might therefore be hoped to form the basis for a regional consensus of views whose purpose would be to secure the freedom and independence of all nations in the Indo-Pacific Region, and build a peaceful and prosperous future.

16. "The Atlantic Charter" - Declaration of Principles issued by the President of the United States and the Prime Minister of the United Kingdom, 14 August 1941 https://www.nato.int/cps/en/natohq/official_texts_16912.htm

The Charter's provisions included:

the "desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned";

"[respecting] the right of all peoples to choose the form of government under which they will live; and [the] wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them";

"[endeavouring] to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity";

the "desire to bring about the fullest collaboration between all nations in the economic field";

the "hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want;" and

to "enable all men to traverse the high seas and oceans without hindrance."

Principles of an Indo-Pacific Charter

First, that no country in the Indo-Pacific seek territorial or other aggrandisement;

Second, that no territorial changes occur in the Indo-Pacific without the freely expressed wishes of the peoples concerned, nor by the use of force;

Third, that no nation be prevented by any other from free and full access to the high seas/global commons of the Indo-Pacific, for any peaceful purposes, including trade;

Fourth, that no nation utilise technological means to interfere with the domestic political, social, or economic order of any other nation;

Fifth, that no nation by overt or covert means unlawfully take digital IP information, whether public or private, from the government, businesses, or citizens of any other nation;

Sixth, that the use of telecommunications technology such as the internet and submarine cables remain free and open between Indo-Pacific nations and to all their citizens;

Seventh, that all economic agreements, including financial aid and trade, between nations of the Indo-Pacific adhere to the highest global standards of transparency and fair lending practices, so as to secure the economic and political sovereignty, advancement and well-being of nations and peoples of the Indo-Pacific.

Britain should apply its strategic heft in support of its regional friends and allies who back the principles in this Charter as the foundation for an updated vision of peaceful and cooperative relations between Indo-Pacific countries, leading to the maintenance of a stable geopolitical order and a free and open region.

General Commission Recommendations

Guiding Considerations

Calibrated ambition

The need for a robust UK strategy in the region is driven first and foremost by its own national interest as the Indo-Pacific becomes ever more important to it from a geopolitical and geoeconomic point of view. At the same time, working with and through allies is part of the very fabric of British strategy and position in the world. British policy may be independent in the sense that it advances sovereign aims; but these very aims include supporting allies and acting alongside them as a force multiplier for security and a driver of prosperity: independent but not alone.

Any discussion of a new British approach to the Indo-Pacific must therefore be grounded in a realistic appraisal of the strategic landscape – and must start by acknowledging the leading role that the United States plays as the main external strategic player in the region – the indispensable allied great power of the IPR. Britain certainly can and should upscale its involvement and craft a significantly stronger, more expansive and coherent strategy for the IPR that reflects UK interests, and it should even aim to take the lead on specific initiatives as this report suggests. But this new level of ambition should keep in firm view the overarching principles of UK’s re-engagement in the IPR: those of **burden-sharing** on security and of **enabling** and **supporting** Britain’s regional allies and partners. Britain should avoid setting out overly-ambitious leadership aspirations that others in the IPR might interpret as a form of overreach and thus result in a loss – rather than gain – in credibility.

The key to a successful UK IPR strategy is therefore striking the right balance between:

- A. **signalling a major and enduring UK commitment** to the region, together with prominent and credible new UK-led projects and initiatives; and
- B. **being realistic** about the existing configuration of forces, interests and national perspectives in the area.

The question is not about how to craft a distinct or exclusive regional-

systemic leadership role for the UK, but how to integrate the UK's key strengths within a geo-strategic space whose stability (in particular, east of the Indian Ocean) is ultimately underpinned by the US – both through its “network” model of regional security as well as its more traditional “hub-and-spokes” approach.

The unique capabilities the UK brings to this part of the world are often those lacking, underdeveloped, or underutilized by Indo-Pacific nations or even the United States. In some cases, what may seem an ambitious goal requires simply a powerful, capable, globally active power with the vision and the willingness to harness the self-interest of independent IPR nations in mutually beneficial initiatives. Strategic cooperation among independent states that respect sovereignty is the guiding light of the strategic approach proposed in this paper.

Firm commitment

The UK's renewed engagement with the IPR must be rooted in a credible new commitment to the entire region. For too many years the IPR has been a secondary priority for UK policymakers, and since the early 2010s too narrowly focused on trade with China. In the case of relationships with other countries in the region, years of quiet diplomacy and partnership were underplayed, leading to the mistaken impression that Britain had completely disengaged from the Indo-Pacific. The lack of a coherent UK Government strategy focused on the Indo-Pacific reinforced the sense that the Britain was not a significant actor in this space. Sporadic engagement or working quietly and unseen is no longer sufficient; rather, the British Government must clearly articulate its interests in the IPR, define its level of ambition, and lay out its strategy for playing an important role in the region's future.

Regional partners are eager to see the UK Government make a firm commitment to the IPR; this is likely to make a major difference to how Britain is perceived. It is recommended that:

- The Government should publish a formal **UK Indo-Pacific Strategy** – both in short form as a distinct chapter within the Integrated Review and as a more elaborate standalone document accompanying the Review.
- The Government should establish an **Indo-Pacific Sub-Committee** on the National Security Council chaired by the Prime Minister, given the cross-departmental requirements of a comprehensive new UK IPR approach. This Sub-Committee should be provisioned with appropriate high-level official support. In addition, the Government should consider creating a **Prime Minister's Special Envoy for the Indo-Pacific** as a political appointment. This non-ministerial role should have responsibility for overall policy coordination and oversight of the Government's trade, diplomatic, and security activities in the IPR, reporting jointly to the Prime Minister and the Foreign Secretary.

Indo-Pacific Strategies

The need for a formal British strategy document focused on the IPR is made more present by the fact that not only the United States but also France and Germany have released white papers or guidelines to frame their Indo-Pacific policies.

The *United States Strategic Approach to the People's Republic of China*¹⁷, released in May 2020, is the first top-level US document laying out Washington's vision of Sino-American relations, frankly acknowledging the strategic competition between the two actors. This document followed on from the US Department of Defense's June 2019 *Indo-Pacific Strategy Report*¹⁸ and the December 2017 *US National Security Strategy*.¹⁹

The current cycle of French strategy-making towards the IPR began in 2016 with a defence-oriented document, *France and Security in the Indo-Pacific*,²⁰ that largely focused on French territorial possessions in the Indian Ocean and South Pacific. This was followed in 2019 by a capstone paper, *French Strategy in the Indo-Pacific: For an Inclusive Indo-Pacific*,²¹ whose geographic scope ranged from the west coast of Africa through to French Polynesia.

Most recently, in September 2020, Germany released its first *Guidelines for the Indo-Pacific*, subtitled *Germany–Europe–Asia: Shaping the 21st Century Together*.²² Acknowledging the importance of Asian supply chains and Indian and Pacific Ocean maritime routes, Berlin centred its strategy on enhanced EU engagement with the region and gave particular emphasis to increased German-Indian relations, while identifying freedom and security, open sea routes, and open markets and free trade as core interests.

Coordination with the United States

It is particularly important for the UK to consult with the US on IPR affairs, given America's prominent role in the region. At the same time that it pursues its other partnerships, the UK must:

- consistently engage the United States on enhanced cooperation in the IPR;
- identify issues and areas where Washington is either less engaged, uninvolved, or in need of further support; and
- aim at a stronger partnership with the United States to ensure greater stability across the IPR.

Coordination with pivotal allies and partners

Beyond the United States, a robust UK approach to Indo-Pacific affairs should identify up-front those allies with whom the most effective and extensive coalitions can be built around key issues. Britain's clearest and most natural partners for these pivotal coalitions include its Five Eyes allies in the region – Australia, Canada and New Zealand – plus Japan and India.

17. 'United States Strategic Approach to the People's Republic of China,' The White House, May 26, 2020

<https://www.whitehouse.gov/articles/united-states-strategic-approach-to-the-peoples-republic-of-china/>

18. *The Department Of Defense Indo-Pacific Strategy Report Preparedness, Partnerships, and Promoting a Networked Region*, Department of Defense, June 1, 2019 <https://media.defense.gov/2019/Jul/01/2002152311/-1/-1/1/DEPARTMENT-OF-DEFENSE-INDO-PACIFIC-STRATEGY-REPORT-2019.PDF>

19. *National Security Strategy of the United States of America*, The White House, December 2017 <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>

20. *France And Security In The Indo Pacific*, Ministère des Armées, 2019, <https://www.defense.gouv.fr/layout/set/print/content/download/532754/9176250/version/3/file/France+and+Security+in+the+Indo-Pacific+-+2019.pdf>

21. *FranceAndSecurityInTheIndoPacific*, Ministère des Armées, 2019, https://jp.ambafrance.org/IMG/pdf/french_strategy_in_the_indo-pacific.pdf?27051/2765a0ffd0fab0010aa4d-96b5ad7419e73f67dea

22. *Leitlinien zum Indo-Pazifik*, Bundesregierung, 1 September 2020, <https://www.auswaertiges-amt.de/blob/2380514/35e5c739e-1c9a5c52b6469cfd1ffc72d/200901-indo-pazifik-leitlinien--1--data.pdf>

- The UK and **Australia** share deeply-held values that make them natural partners. The two countries have strengthened their defence and security relationship in recent years – Australia will be procuring a variant of the British T26 frigate – and are closely linked in the security field through both the FPDA and Five Eyes. The annual Australia-UK Ministerial meeting of foreign and defence ministers provides a high-level bilateral forum for consultation on strategic issues.
- **Canada** and the UK similarly share core values as well as strategic interests both in the Atlantic and Pacific Ocean areas. They are the only two nations to be, at the same time, members of the G7, the Five Eyes intelligence alliance, NATO, and the Commonwealth. Importantly, the UK and Canadian armed forces enjoy an especially high level of interoperability²³ – with the Royal Canadian Navy also set to buy modified British T26 frigates.
- **New Zealand** and the UK also share core values and are not only Five Eyes and FPDA allies, but have a shared interest in working more closely on issues related to Pacific island-nations, especially those that are also Commonwealth members, such as Fiji and Papua New Guinea.
- As noted in the UK Government’s 2015 Strategic Defence and Security Review²⁴, **Japan** is Britain’s closest security partner in Asia, and is poised to become an even more important trading partner, after the signing, in September 2020, of the UK-Japan free trade agreement. The UK and Japanese governments have a history of cooperating in counter-piracy operations in the western Indian Ocean, and on disaster relief operations regionally and globally. Additionally, the two countries have already initiated high-tech defence industrial collaboration while the Royal Navy and Japanese Maritime Self-Defense Forces have deepened joint cooperation with the US Navy.²⁵
- Britain’s relationship with **India** is complex, given past history, but New Delhi is reassessing its traditional strategic policy and there is scope for a major UK-India “reset”. This would be a necessary and timely development. As the bulwark of South Asia and the major power sitting astride the Indian Ocean, India has the potential to be a major trade partner – especially in technology – as well as a security partner in the IPR.²⁶

23. As noted in SDSR 2015, the two countries’ Armed Forces work “seamlessly together.” *National Security Strategy and Strategic Defence and Security Review 2015 A Secure and Prosperous United Kingdom*, HM Government, November 2015 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/555607/2015_Strategic_Defence_and_Security_Review.pdf

24. *National Security Strategy and Strategic Defence and Security Review 2015 A Secure and Prosperous United Kingdom*, HM Government, November 2015 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/555607/2015_Strategic_Defence_and_Security_Review.pdf

25. *CNO Gilday Signs Trilateral Cooperation Agreement with U.K., Japan Navy Heads*, USNI News, 20 Nov 2019, <https://news.usni.org/2019/11/20/cno-gilday-signs-trilateral-cooperation-agreement-with-u-k-japan-navy-heads>

26. Britain’s 2010 SDSR called India a “key partner”. See *Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review*, HM Government, 2010, p.67 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/62482/strategic-defence-security-review.pdf

This “CANZUK-J-I” grouping comprises four of the “Five Eyes” members, three of the most militarily capable nations in the Indo-Pacific (Japan, India and Australia), as well as the IPR’s most established and largest democracies. This should be the group of nations to whom the UK can propose the most ambitious joint initiatives and to which it looks for developing the most extensive engagement across the region, the ones that can “bear the load.”

Britain can also explore areas of common interest and activity in

the IPR with some of its European partners, starting with France. This applies particularly in the military domain, in areas like training and joint deployments – given France’s sovereign presence in the region²⁷ – one example in recent years being UK personnel deployed with the French Navy’s “Jeanne D’Arc” task force in 2017.

Flexible partnerships

A UK IPR strategy must perform a balancing act in its regional engagement activities. To start with, there are the more advanced and successful liberal democracies which should be regarded as Britain’s **primary partners** in the region. But no less important, in aggregate, is UK engagement with other geopolitically-aligned countries that value their integrity and continued independence and a rules-based order through which to pursue their national goals. Britain should aim to anchor its IPR efforts in these priority partnerships (with **Australia, Canada, New Zealand, Japan** and **India**, plus **South Korea, Singapore, Malaysia, Indonesia** and **Sri Lanka**), while developing a **flexible cooperation and openness** to emerging and strategically important partners (for example **Vietnam**, but also **Thailand** and the **Philippines**) all of whom play key geopolitical roles in the IPR. A “variable geometry” of larger and smaller states around common interests will foster new options for linking together governments committed to strategic cooperation.

UK strategy should aim at a free association of partnerships in the Indo-Pacific. Britain must engage both with more advanced democracies, and with non-democratic but geopolitically aligned countries that value their sovereignty, continued independence, and which support strategic cooperation in pursuit of their national goals. The FCDO and MOD should be looking to work with IPR nations on a wide array of initiatives in its priority areas, flexibly engaging different partners on different issues and causes.

A Twin-Track Approach

For too long, Britain has neglected to clearly articulate its goals in the Indo-Pacific region, let alone to construct a full-fledged strategy for action. This work must now start from first principles and establish the basic foundations of a new strategic approach. The UK’s interests in the Indo-Pacific region should be advanced through a **twin-track engagement**.

Prosperity Agenda

The first track of Britain’s engagement in the IPR should be a “**Prosperity Agenda**” focused on **trade, economics and technology** issues, including recently-raised questions of technological “decoupling” from China, intellectual property, digital standards, science cooperation, sustainable development, climate change and environmental protection. Another issue that merits more attention is the rise of the digital form of China’s currency, the renminbi, coupled with the implications of China’s drive to circumvent other Western payment and transaction systems.

27. France has significant interests in the Indo-Pacific, as its territories incorporate 1.5 million French citizens, 150,000 French expatriates, 8,000 military troops, and 7,000 subsidiary companies, as well as its large exclusive economic zone (EEZ), which accounts for 93 percent of France’s global EEZs. See *France And Security In The Indo Pacific*, Ministère des Armées, 2019, https://jp.ambafrance.org/IMG/pdf/french_strategy_in_the_indo-pacific.pdf?27051/2765a0ffd0fab0010aa4d-96b5ad7419e73f67dea

Security Agenda

Simultaneously, a broadly-defined **“Security Agenda”** would reinforce regional security and the resilience of domestic socio-political institutions in the most vulnerable countries across the IPR. Potential UK security contributions range from “hard power”, supporting the regional strategic balance, to addressing information/political warfare, cyber threats or renewed concerns about biological weapons and health security. Finally, as one of the world’s major diplomatic powers with global connections, Britain can add important weight to various regional forums and summit mechanisms to buttress alliances, raise the diplomatic costs for potential transgressors of international norms, and strengthen a rules-based Indo-Pacific order.

In shaping a strategy and policies to deliver these two inter-related agendas, the UK will play an enhanced role in helping Indo-Pacific nations address some of the most pressing challenges to them, and it will also increase its own economic well-being and international prestige.

Specific Recommendations in Priority Areas

Britain's priorities should be to promote economic development, help maintain stability, and create a shared strategic vision in the IPR. More specifically, a credible Indo-Pacific strategy should be based on a framework of partnership-based engagement based on the following priority areas:

- I. trade and technology
- II. diplomacy
- III. governance cooperation
- IV. climate change and environmental protection
- V. security cooperation

These are areas in which the UK has an established record of accomplishment and global competencies, which in some cases are not adequately provided in IPR. Coincidentally, these are areas in which IPR nations are actively looking to partner with outside actors.

Trade and Technology

The UK's new era of engagement in the IPR is underwritten by trade and economics. Trade is strategy, not just money. A core element of the Government's "Global Britain" project is the ambition to secure free trade agreements (FTAs) covering 80% of UK trade within the next three years, including with the United States.²⁸ The most important region for expanding UK trade post-Brexit is the Indo-Pacific, which accounts for close to 50% of global economic output.²⁹ Sceptics claim that the value of these agreements in strictly economic terms would be less than expected (given the benefits already reaped under WTO rules in recent decades) – but it is important to stress that successful FTA negotiations also perform a strategic and geopolitical function.

Despite significant headwinds from the COVID-19 global pandemic, the IPR remains the world's most dynamic economic area. Moreover, the confluence of COVID-19 and the Sino-American "trade war" positions the broader Indo-Pacific region for a new era of economic diversification and growth, as the world's over-reliance on Chinese manufacturers begins to wane. According to Natalie Black, UK Trade Commissioner for Asia-Pacific, annual UK trade across the Asia-Pacific region is worth more than £113.2 billion, excluding China.³⁰

28. 'Free Trade Agreements with the Rest of the World,' UK Parliament, 6 February 2020, <https://questions-statements.parliament.uk/written-statements/detail/2020-02-06/HCWS96>

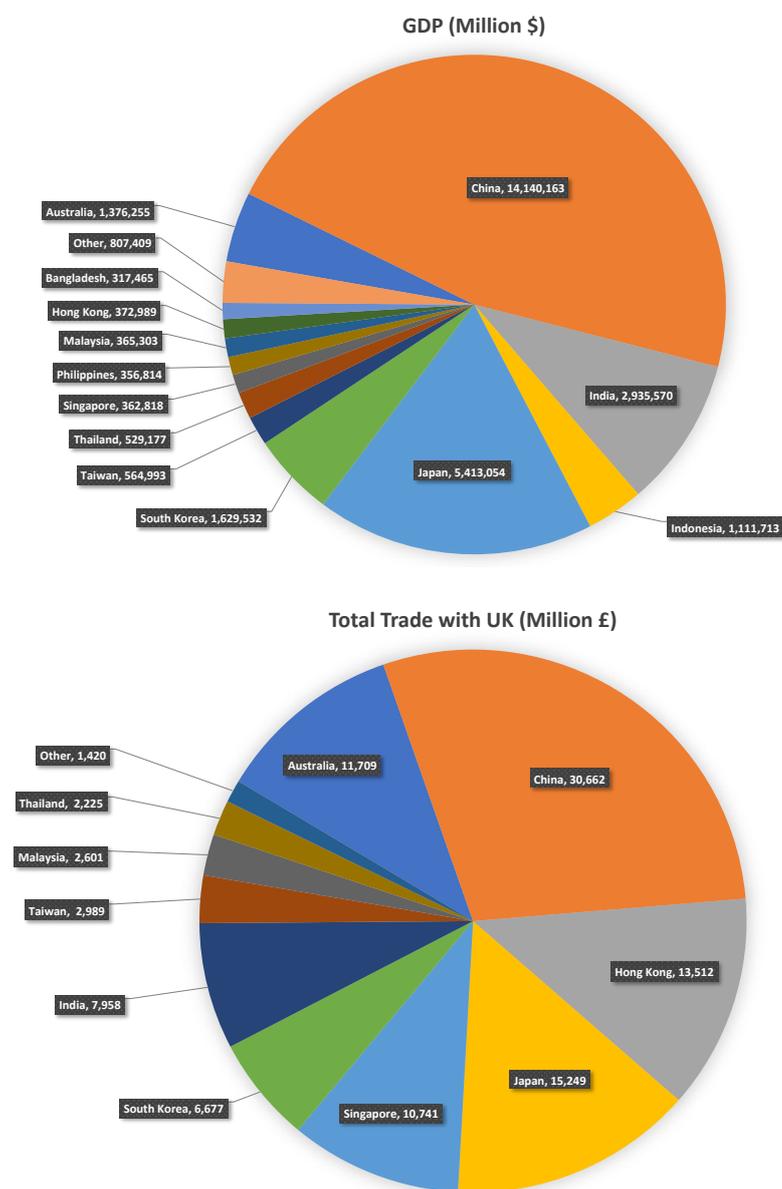
29. GDP long-term forecast , OECD, <https://data.oecd.org/gdp/gdp-long-term-forecast.htm>

Long-term macroeconomic forecasts Key trends to 2050, The Economist, 2015, https://espas.secure.europarl.europa.eu/orbis/sites/default/files/generated/document/en/Long-termMacroeconomicForecasts_KeyTrends.pdf

30. 'UK faces long road in 'ambitious' post-Brexit trade push into Asia,' Nikkei Asian Review, 6 February 2020, <https://asia.nikkei.com/Economy/Trade/UK-faces-long-road-in-ambitious-post-Brexit-trade-push-into-Asia>

Agreements with IPR nations – for example Singapore – following the model of the one that UK has recently agreed with Switzerland.

A robust UK trade presence in the wider Asia region will help to counter-balance China’s Belt and Road Initiative (BRI), which seeks to build a trade and investment network centred on Beijing that often involves ignoring global standards and offering cheap debt for strategic access.³³



Britain’s main trading relationships in the Indo-Pacific Region³⁴

Indo-Pacific Investment Mechanism and Treaty

Britain is well positioned to establish an international **Indo-Pacific Investment Mechanism (IPIM)** as a long-term alternative to both the vast amount of Chinese investment in the IPR, and to Beijing’s methods of

33. See, for example, ‘How will the Belt and Road Initiative Advance China’s Interests,’ <https://chinapower.csis.org/china-belt-and-road-initiative/>; Andrew Chatzky and James McBride, ‘China’s Massive Belt and Road Initiative,’ <https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative>; OECD, ‘China’s Belt and Road Initiative in the Global Trade, Investment and Finance Landscape,’ <https://www.oecd.org/finance/Chinas-Belt-and-Road-Initiative-in-the-global-trade-investment-and-finance-landscape.pdf>; Peter Cai, ‘Understanding China’s Belt and Road Initiative,’ <https://www.lowyinstitute.org/publications/understanding-belt-and-road-initiative>;

34. Sources:

UK total trade: all countries, non-seasonally adjusted, ONS, 23 July 2020 Link

Asia-Pacific Countries GDP, IMF, World Economic Outlook Database, October 2019, Link

deploying these capital flows. A key goal of the IPIM should be to establish an Indo-Pacific multinational **Investment Treaty** to protect investors from discriminatory practices and allow investors to enter into arbitration under international law. The **London Court of International Arbitration** can become a hub for Indo-Pacific—related arbitration procedures. Once established, the IPIM would:

- boost investor confidence, thereby creating incentives for enhanced FDI in the region from Western-aligned financial players;
- encourage more Asian companies to list on the London Stock Exchange; and
- encourage central banks in the UK and elsewhere to ease capital requirements for lending towards IPR-related business projects, especially once a collective investment treaty is signed.

This initiative should be used to generate solutions for transparent reporting on investment/debt, to track BRI and other infrastructure projects, subsidised loans and other forms of financial activity in the region.

Strategic Resilience Initiative

As the entire world is increasingly learning – particularly from the experience of COVID-19 – there is an ever-closer dependency between economic prosperity and resilience writ large, both at the national and the transnational level, across different sectors. This opens the possibility for the UK to also play an important role in supporting IPR’s economic future through an indirect, resilience-focused approach, with mutual benefits.

In this sense, the UK should explore options for establishing a more formal “**Strategic Resilience Initiative**” (SRI) with key IPR partners, including Australia, India, Indonesia, Japan, Malaysia and South Korea. This should be done in close consultation with the United States, which is already developing its own initiatives in this domain.

For example, in the area of **national health systems** resilience, SRI priorities could be medical supplies such as personal protective equipment, pharmaceutical products, key medicines, and complex testing or life-support equipment. Another example is **infrastructure development** that supports national resilience goals, where SRI can look to partner on shared projects with the “Blue Dot Network” run by the US, Australia, and Japan.

In this context, the fallout from COVID-19 has highlighted the importance of reducing UK and allied **supply chain** vulnerabilities tied to overreliance on Chinese manufacturing.

Fintech Growth Platform

As a world leader in financial technology, Britain is well placed to support the development, adoption and expansion of fintech innovations in the IPR nations to combat the entrance of new competitors backed by Chinese technology giants. To achieve this, the UK must collaborate with

IPR nations to remove the barriers to entry for Western fintech firms attempting to establish operations in IPR nations and partnerships with firms based in the IPR, and vice-versa. Such barriers are the major obstacle to investment and cooperation.

The UK has already signed ten so-called “Fintech Bridges” (bilateral agreements between two national governments and their respective relevant regulatory bodies to encourage development of fintech), including with a number of IPR nations such as Australia, Singapore and South Korea. The UK should seek not only to expand the scope of existing FinTech Bridges but also to establish new ones with other IPR nations and to upgrade its current FinTech Dialogue with India.

Furthermore, a new UK-led **“Financial Technology Growth Platform” (FGP)** should draw on British financial, technical and regulatory expertise to spread regulatory best-practice and to support the regional growth of the API ecosystem, i.e. the data access rules and programming protocols allowing digital apps to interact with each other. The FGP could also be used to support cooperation with IPR countries on tackling corruption, fraud and money laundering.

The FGP could be of particular value to developing countries throughout South and Southeast Asia, as well as Oceania, that need access to fintech for microfinancing and for integrating more fully and effectively with the global financial community. Furthermore, across the IPR, small- and medium-sized enterprises will see higher growth once they have greater access to mature and secure digital financial networks. IT powerhouses such as Canada, Japan, Singapore, India, South Korea, Australia, and New Zealand, should – and likely would – work together with the UK to ensure the most transparent fintech systems are developed and spread, so as to improve accountability throughout the region’s financial networks.

Free and Open Internet Initiative

The British Government should propose a “Free and Open Internet Initiative” (FOII) to promote the concept of an open internet based on the free flow of information. This initiative is required in order to prevent further countries in the IPR from passing cyber security laws, which require search engines to block specific terms or which require Internet Service Providers to hand over user data when requested. Such an initiative is a necessary corrective to recent attempts by China to export to its neighbours the technological expertise that enables the Chinese Communist Party’s surveillance and censorship regime.

The UK can work with key partners and like-minded nations such as India, Australia or Japan to build “coalitions of the willing” that can promote best practices in Internet usage and development. The Initiative could work on issues such as data privacy, anti-censorship platforms, expanding digital infrastructure to underserved communities, internet access for civil society groups, and developing Internet portals for local businesses to stimulate economic activity.

Finally, an important component of the FOII should be to educate

national governments on Internet freedom, and to discourage the use of the Internet for greater surveillance of citizens, civil society organizations, religious figures, and other dissenting individuals or groups – while at the same time retaining appropriate mechanisms for combating genuine online harms and criminal activity.

Space Technology Alliance

A new global space race is underway, and it is particularly intense in the Indo-Pacific given the increasingly acute regional strategic competition. Britain possesses world-class space technology skills and capabilities, but in this domain it has traditionally been over-reliant on European cooperation through the European Space Agency (ESA).

ESA is not an EU body, but most of its major projects are EU-funded and therefore out of the UK's reach after Brexit. With the EU now building its own space agency in pursuit of full “strategic autonomy” – a cornerstone of EU's strategy – there is a growing long-term risk that ESA will be gradually hollowed out as key functions and expertise transfer directly under EU control. Britain thus faces an extremely uncertain space future as it confronts diminishing returns from its main vehicle for space development, ESA. This opens up an opportunity – and arguably a necessity – to seek alternative solutions.

One possibility would be to establish an ESA-like organisation – a new UK-led **“Space Technology Alliance”** (STA) – grouping space agencies from select IPR-linked countries including Canada, Australia, New Zealand, India (which is second only to China, in the IPR, by volume of space launches), Japan and potentially South Korea. Although substantively IPR-focused, given the global interconnectedness of space affairs this initiative should also be open to other Commonwealth countries such as South Africa, as well as, potentially, to Gulf states like the UAE.

STA would pool resources (on the ESA model) and allow member countries to pursue, jointly, much more ambitious space projects than they could individually, across both scientific applications (including space exploration), civil applications (for example, state of the art Earth Observation systems for environmental monitoring, or broadband connectivity), and across defence and security. The scope for defence/security space collaboration should include global navigation satellite systems, space surveillance infrastructure, and a variety of other sensitive space systems that could be shared among trusted sovereign nations, including solutions dedicated to protecting assets in orbit.

Diplomacy

The main challenge facing Britain in upgrading its posture in the Indo-Pacific is to demonstrate credibility and substance to regional partners. This means demonstrating both a new commitment to the region (backed up by hard resources and clear positions on key issues) and a deeper understanding of the region's complexities and sensibilities.

Personal leadership from the Foreign Secretary

Credible diplomatic engagement with nations in the Indo-Pacific must start with **regular top-level ministerial visits**, taking as their model Foreign Secretary Dominic Raab’s early-2020 trip to Australia, Japan, Singapore, and Malaysia. The Foreign Secretary must lead through more frequent visits to the IPR and through a new **Special Envoy for the Indo-Pacific** appointed by the Prime Minister. The Envoy would be the point person in government on IPR strategy delivery, coordinating policies across all relevant departments. There should be at least one annual tour of the IPR by the Foreign Secretary, visiting all major partners, in addition to any occasional visits for summits or other special meetings; while the IPR Envoy should have a much more intense annual travelling schedule to the region – in effect being “forward-deployed” and able to engage closely with partner nations of all sizes. These FCDO-led efforts should be reinforced by annual tours of key IPR allies by the Chancellor of the Exchequer and the Defence Secretary .

Delivery

The IPR is in many respects a “blank canvas” for UK strategic thinking in the age of Global Britain; there may therefore be a tendency to over-promise and over-commit to too many or too resource-consuming initiatives. This must be guarded against, as regional partners will closely interrogate the UK’s ability to deliver on its stated ambitions. There is already scepticism in the region regarding UK diplomatic capacity – particularly in areas like FTA negotiations – given its many decades of EU membership. It is therefore essential that UK proposals are **realistic and credible from a delivery standpoint**. To this end, the Government should:

- Attach a high resourcing priority to achieving concrete results in the Indo-Pacific in the near term;
- **Ring-fence** a specific proportion of relevant institutional budgets for IPR activities. For example, the FCDO, British Council, Wilton Park, and other government bodies could commit 15% of their resources to developing specific IPR-focused programmes;
- Use the **foreign aid budget** to fund new UK programmes in support of counter-terrorism and other forms of security training, as well as non-military technology initiatives such as **fintech and space** technology projects. For example, the 5-year “International Partnership Programme”,³⁵ run by the UK Space Agency and funded (more generously than any singly domestic UK space programme) from the Overseas Development Assistance budget, seeks to apply space solutions to specific development challenges in developing countries. This **Programme could be expanded** and realigned with IPR priorities.
- Publish clear, funded plans – a roadmap – for **increasing UK diplomatic capacity** in the coming years, in order to reassure foreign partners that Britain’s ability to deliver is being brought firmly back on track.

35. See *International Partnership Programme*, <https://www.gov.uk/government/collections/international-partnership-programme>

Regional diplomatic priorities

The Indo-Pacific is seeing a rise in new **multi-lateral dialogue mechanisms** – a recent one being the Australia-India-France trilateral dialogue at foreign minister level.³⁶ Given its global relationships, the UK is uniquely placed to contribute to these emerging layers of IPR strategic architecture.

British diplomacy is already engaged in re-building relationships and forming new ones across the IPR. But a number of priority diplomatic “targets” stand out:

- Seek participation in the Quadrilateral Security Dialogue between India, Australia, Japan and the US.
- Britain should continue to try to obtain its requested **Dialogue Partner status with ASEAN** with a view to joining the **ASEAN Defence Ministers Meeting Plus (ADMM+)** and the Association of South East Asian Nations (**ASEAN) Regional Forum**.
- Britain should seek participation in the **Asia-Pacific Economic Cooperation (APEC)** forum when the current moratorium on new memberships is lifted.

Relations with regional **Commonwealth** nations should be a central plank of British strategy in the IPR, for diplomatic, economic but also practical reasons. Britain has been in the Indo-Pacific for five centuries and many of the national institutions of the littoral states are based on the British models. It is also estimated that by 2050, six of the thirty leading global economies will belong to the Commonwealth members in the Indo-Pacific grouping. In contrast, the EU will have five.³⁷ Finally, the delivery system of Britain’s international political and development initiatives in the Indo-Pacific can be further strengthened by utilising the Commonwealth institutions. For example, the Commonwealth Parliamentary Association, the Commonwealth Lawyers Association, the Commonwealth Human Rights Initiative, or the Commonwealth Local Government Forum can bolster some of the projects recommended in this report, such as the Indo-Pacific Public Integrity Forum and the Indo-Pacific Good Government Initiative described later in this document.

Although lower on the UK’s priority list, it should be observed that the small states of **Oceania** are rapidly increasing in geostrategic importance. This is an area where Britain already has considerable standing and can add disproportionate value, particularly in countries like **Vanuatu, Samoa or Fiji** (where China is increasingly active). Some of these island nations are facing catastrophic environmental damage from rising water levels and destruction of marine ecosystems. Britain, as a global leader in fighting climate change, is well placed to assist through its foreign aid resources as well as by promoting UK models of environmental protection such as the “**Blue Belt**” (a large marine conservation zone around the Pitcairn islands).

Diplomatically, in a sign of growing UK involvement in the South Pacific, two British High Commissions have been recently re-established

36. *The Indo-Pacific: 1st Trilateral Dialogue between France, India and Australia*, France Diplomacy, 9 September 2020 <https://www.diplomatie.gouv.fr/en/country-files/australia/news/article/the-indo-pacific-1st-trilateral-dialogue-between-france-india-and-australia-9>

37. PwC, “The Long View: How will the global economic order change by 2050?” (2017), <https://www.pwc.com/gx/en/world-2050/assets/pwc-the-world-in-2050-full-report-feb-2017.pdf>

- Build an **international contact group** that serves as a network for multilateral and bilateral interventions around China's ongoing aggressions in Hong Kong.

Taiwan

Britain should expand diplomatic relations and cooperation with Taiwan. As a thriving democracy with an open trading system, Taiwan is a model for Indo-Pacific nations. As former Foreign Secretary Jeremy Hunt has pointed out, a Chinese military “solution” to Taiwan would upend the post-1945 global order.³⁹

The Government should:

- Pursue greater practical cooperation with Taiwan – especially on global issues like pandemics (recognising Taiwan excellent response to COVID-19);
- Engage in regular ministerial-level relations with Taiwanese officials;
- Explore a free-trade agreement with Taiwan;
- Indicate support for Taiwanese participation in multilateral forums designed to provide best practices and technical responses to economic or security issues;
- Involve Taiwan in future British-led IPR initiatives where appropriate, especially in areas like medical resilience, Internet regulation and cyber-security;
- Explore working with Washington on joint UK-US initiatives with Taiwan, thereby normalising daily contact and cooperation.

Regulatory diplomacy

The UK should encourage setting new standards for data flows, reinsurance, and actuarial services, in order to promote greater cross-border business opportunities. After its successful recent trade deal with Japan, Britain is well positioned to launch new multi-lateral dialogues with Japan, South Korea, Canada, Australia, Singapore, and New Zealand on setting industry standards – particularly for handling cross-border digital traffic, including regulations governing the routing and storage of information.

Britain is already taking a leading role in trying to achieve international consensus on “a common set of global principles to shape the norms and standards that will guide the development of emerging technology”.⁴⁰ Given the pace of technological, economic and geo-political change (particularly in the IPR Region), the UK should embrace “regulatory diplomacy”, focusing in particular on the norms and standards adopted by IPR nations when it comes to emerging technologies.

The UK has already made positive steps forward in this regard. In June 2020, the UK launched the Global Partnership on Artificial Intelligence to oversee the “responsible” development of Artificial Intelligence. Membership from Indo-Pacific Nations includes Australia, Canada, Japan, India, New Zealand, the Republic of Korea and Singapore.⁴¹ The UK

39. 'China's hostility to Taiwan threatens the global order,' Jeremy Hunt, The Times, June 04 2020, <https://www.thetimes.co.uk/article/chinas-hostility-to-taiwan-threatens-the-global-order-t8299kpk0>

40. *PM speech to the UN General Assembly*, Gov.uk, 24 September 2019 <https://www.gov.uk/government/speeches/pm-speech-to-the-un-general-assembly-24-september-2019>

41. Joint statement from founding members of the Global Partnership on Artificial Intelligence, Gov.uk, 15 June 2020, <https://www.gov.uk/government/publications/joint-statement-from-founding-members-of-the-global-partnership-on-artificial-intelligence/joint-statement-from-founding-members-of-the-global-partnership-on-artificial-intelligence>

should develop further such collaborations, focusing, in particular, on international data standards and regulation.

The UK is well-placed to lead such a regulatory-diplomatic effort due to its extensive research collaboration with IPR nations. The UK Science and Innovation Network has over 100 offices across 47 countries, including in Australia, Japan, India, Malaysia, New Zealand, Singapore, South Korea and Taiwan.

As recently advised by the Wellcome Trust, the UK should explore whether the **Regulatory Horizons Council** – which advises on the regulatory reform required for the rapid and safe introduction of new technologies – should have a more international focus,⁴² particularly on the IPR region. As the UK looks to extend research collaboration in the IPR region, following the publications of the UK Research and Development (R&D) Roadmap (2020), The Smith-Reid Review (2019) and International Research and Innovation Strategy (2019), the FCDO, Department for International Trade and the Business, Energy and Industrial Strategy Department should work together to **ensure that research cooperation is dependent upon the adoption of common regulatory standards.**⁴³

Additionally, in 2021 the UK will assume the G7 presidency and the Chair of the UN Climate Change Conference. This will provide the perfect opportunity for the UK to push for further convergence on environmental regulations.

Governance and Development

The UK should use its experience and abilities in infrastructure financing to become a major contributor to the US-led “Blue Dot” network.⁴⁴ This alternative to China’s Belt and Road Initiative is designed to offer transparent aid packages for infrastructure development and other public services. In addition, the UK should join with partners such as Japan and Singapore to identify further requirements for strategic development assistance across IPR that are not covered by the Blue Dot Network.

Indo-Pacific Public Integrity Forum

Irrespective of circumstances, Britain will remain a global exponent of liberal democratic values, but in the process of crafting a strategy for a complex region like the Indo-Pacific the UK government should take particular account of the old British tradition of “**ethical egoism**” identified by Henry Kissinger.⁴⁵ This approach to world affairs avoids proclaiming moral absolutes while recognising, pragmatically, the strategic benefits that come from being acknowledged as a champion of freedom for all nations.

It is in this sense, and through a realist lens, that the UK Government should devise a calibrated approach to values-related matters in the IPR, that ensures “buy-in” among both governing elites and the broader publics they represent from across the very diverse range of partner nation states in the region. These goals should be pursued in a collaborative manner that roots policy within the legitimate aspirations and moral values of

42. Wellcome Trust, *The UK’s role in global research: How the UK can live up to its place in the world*, pp. 21, October 2020, <https://wellcome.org/sites/default/files/uk-role-global-research-report.pdf>

43. *UK Research and Development Roadmap*, Gov. uk, 1 July 2020, <https://www.gov.uk/government/publications/uk-research-and-development-roadmap>

Changes and Choices, gov.uk, July 2019, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844488/Changes_and_Choices.pdf

UK International Research and Innovation Strategy, Gov.uk, 2019 <https://www.gov.uk/government/publications/uk-international-research-and-innovation-strategy>

44. ‘The Blue Dot Network,’ US Department of State, <https://www.state.gov/blue-dot-network/>

45. See John Bew, *Realpolitik: A brief history* (London: Oxford University Press, 2015)

local populations.

One specific proposal here – to be developed in keeping with the principles outlined above – is for the UK to champion a new **“Indo-Pacific Public Integrity Forum” (IPPIF)**, which would be the first such multilateral initiative dedicated to promoting and strengthening accountability and civil liberties in the IPR. The Forum would also hold to the clear, concise and rigorously defined principles articulated in the thirty articles of the Universal Declaration of Human Rights. The IPPIF should become the marquee gathering of democratic and civil society actors in the Indo-Pacific region. It should aim to promote best practices in electoral security, government transparency, political pluralism – and it could provide an instrument for leveraging Commonwealth links among Indo-Pacific nations for cooperating on a broadly defined human rights agenda in the region. Fostering the institutions that ensure the operation of the rule of law, democracy and human rights should be one of key areas in which the Commonwealth can make a particular difference, with the UK playing a special part in this regard as the home of the Westminster parliamentary model.

Conference on Strong Societies

The Indo-Pacific region enjoys strong, locally derived traditions of religious pluralism, tolerance and respect for human dignity. Of the three most populous nations in the IPR—China, India and Indonesia—two are democracies. Consequently, policy programs that do not reflect the interests, values and beliefs of electorates will face rejection at the ballot box and cannot achieve region-wide support.

Building stable, sustainable geostrategic coalitions in the IPR will require, in the long term, working towards higher degrees of societal consensus within and between the nations of the Indo-Pacific regarding shared values that enjoy mass support and are, consequently, strong enough to withstand electoral cycles and survive the vicissitudes of domestic politics.

To facilitate the emergence of societal consensus, the UK should help establish a **Conference on Strong Societies**: a dialogue mechanism that would engage mass, grassroots organizations across the IPR in a process to determine the “highest common denominator” regarding shared values upon which regional agreement can be found. This, in turn, will mobilize public support for a sustainable rules-based order in the Indo-Pacific that is resilient and adaptable to the great power realities of the 21st century.

By consulting widely with deeply rooted mass organizations and aiding in the emergence of a regional consensus that truly represents the beliefs, interests and values of the IPR’s diverse peoples, Britain may come to be perceived as a welcome, legitimate and vital regional partner.

Indo-Pacific Good Governance Initiative

The IPR faces a formidable array of issues related to good governance. As a leader in protecting the rule of law and establishing world-class regulatory systems, the UK can provide expert assistance on a wide variety of broadly defined socioeconomic, governance and developmental issues.

FCDO resources from the cross-government Conflict, Stability, and Security Fund can be utilised as seed funding to launch an **“Indo-Pacific Good Governance” (IPGG)** initiative focused in particular on South and Southeast Asia and the Pacific Islands. This project should be developed in cooperation and consultation with other key allies, primarily the United States. Areas of priority for the IPGG should include anti-corruption training, police training, judicial reform, and assistance with strengthening primary and secondary educational systems.

Britain has more niche areas of excellence, such as **road safety** or **e-governance**, that can make a disproportionate impact in the region. Covid-19 is also leading to a rapid digital transformation of the NHS, which raises the prospect of **“e-health”** potentially becoming a UK export and a development tool. For example, in the future IPR nations could participate in or link with UK digital health initiatives.

Finally, the **British Council** has the capacity to become one of the most successful British initiatives in the IPR by expanding its programmes on English and Arts. This initiative could be supplemented by the Commonwealth of Learning and the Association of Commonwealth Universities (ACU). The ACU can also be a vehicle for cooperation between the UK and IPR Universities.

Climate Change and Environmental Protection

The UK is a world leader in environmental policy. This comes from a combination of economic power, strong institutional frameworks and access to technology and related expertise. It should support the development of similar capacities throughout the Indo-Pacific region through project partnerships, trade and direct aid.

Climate change and the loss of functioning ecosystems threaten disruption to agricultural and marine-based economic systems, the breakdown of water systems, large-scale and permanent flooding, and natural disasters. These in turn create mass-migration, stranded assets, increased costs for governments and many other impacts. The economic and geographical profile of many Indo-Pacific nations makes them particularly vulnerable to such changes. For example, large parts of South-East Asia face severe flooding. Some low-lying island nations, such as Tuvalu, face an existential threat.

With these developments already taking effect in some parts of the region, environmental action can be a key area of collaboration with the UK. It also represents an opportunity for economic development in the region. Britain can help to build cleaner, more advanced infrastructure for Indo-Pacific energy, transport and industry. China is rapidly using its Belt and Road Initiative to develop such assets (albeit not always with an

emphasis on “clean”), which are financially and technologically dependent on Chinese institutions, thereby extending Chinese values and influence. Environmental policy therefore has an additional geostrategic element. The UK’s environmental objective in the region should be to create a **clean version of the Belt and Road Initiative**, together with regional partners. Such a project could be supported by bilateral or multilateral **Green Funds**, the first of which might be established for example with joint British and Indian participation, with green investments run from London and New Dehli.

The UK should view its environmental work in the Indo-Pacific in three categories:

- **Addressing climate change:** Working alongside Indo-Pacific states to support pathways to clean carbon.
- **Reversing ecological decline:** Developing sustainable land and marine management systems and protection regimes.
- **Building climate resilience:** Helping the region, especially its poorest states, to build capacity to protect against future impacts of climate change, whether floods, extreme weather or disease.

Addressing Climate Change

Just as the UK has commercialised the world-leading Met Office and Behavioural Insights Team, it should **create an international, commercial division of the UK’s Committee on Climate Change**⁴⁶. This would work to advise and support countries with less developed institutional capacity but which want to establish their own systems of “carbon budgets”, on policy recommendations to meet these budgets. The UK should also support and share the best environmental practices in traditional energy development and use. Similarly, **Ofgem’s** (Britain’s national energy regulator) **expertise in liberalised, advanced energy markets could be leveraged to support energy transitions throughout the region through partnerships, trade in clean technologies and knowledge-sharing programmes**. This work should be aimed towards modernising, connecting and liberalising energy markets to attract private investment into their green energy assets.

Britain led the world in oil and gas exploration and production. The UK oil and gas industry exported this expertise, then built on it with decommissioning services. Now Britain is leading the development of carbon capture and storage, offshore wind, interconnectors and hydrogen production. **These services should be promoted by the Business, Energy and Industrial Strategy Secretary of State through a biannual tour of Indo-Pacific states, alongside British business leaders in these sectors.**

The UK has steadily built regional diplomatic offices throughout the Indo-Pacific region in recent years. British officials in these centres should be able to contact experts and businesses in low-carbon industries easily. To support this, **the FCDO should curate an up-to-date catalogue of British clean tech companies** (e.g. renewables developers or green project finance) that can provide clean energy and other services in the

46. The Committee on Climate Change (CCC) advises the UK Government on emissions targets and reports to Parliament on progress made in reducing greenhouse gas emissions. CCC is an executive non-departmental public body, sponsored by the Department for Business, Energy & Industrial Strategy. It was established under the Climate Change Act (2008).

Indo-Pacific region, which should be used whenever British overseas aid is spent on environmental outcomes. **Companies on this list should also receive short-cut clearance for UK Export Finance.**

Preventing Ecosystem Loss

The pandemic has created political conditions to address ecologically disruptive behaviours. With a large population situated in tropical regions, a high incidence of wildlife trading and multiple economies transitioning from “backyard” farming to commercial farming, the IPR is at higher risk of zoonotic disease outbreaks. **The UK should work with Indo-Pacific nations to build local monitoring, research and inspection capacity to prevent high-risk, ecologically-disruptive behaviours, e.g. training veterinarians.** The UK is a world leader in overseas aid and agricultural research and should put these specialisms to use in preventing another pandemic.

As set out in the trade and technology section of this report, the UK should lead an international alliance to develop space technologies. **This should include Earth Observation capabilities that actively support nations in monitoring, protecting and investing in their natural environments.** A good example is the UK’s Spatial Finance Initiative,⁴⁷ which helps investors to perform due diligence on remote assets. Earth Observation capabilities should be used on land and at sea to monitor illegal exploitation of natural resources, such as super-trawlers.

The Indo-Pacific region is the recipient of most of the world’s exported waste. Often, low-grade waste that is ostensibly recyclable is dumped on countries that lack the capacity to process it properly. **The UK should work with relevant countries to create a multilateral waste management and monitoring treaty,** in which waste-importing and waste-exporting countries respect a common arbitration mechanism. This would allow the UK to hold its own waste exporters to account if recipient countries, such as Indonesia, raise specific concerns about the quality of waste. It would also support monitoring to ensure the sustainable disposal of wastes. Effectively, it would disincentivise dumping of unprocessable waste. This is in line with the UK’s principle of “polluter pays” and its work on Extended Producer Responsibility.

Resilience and adaptation

The UK’s world-leading overseas aid work includes managing problems linked to climate change. A major element of this is the promotion of nature-based solutions, such as flood meadows and upland afforestation to prevent flash floods downstream. However, these are typical solutions used in temperate settings. The UK should work with Indo-Pacific partners to support a **network of research centres to develop understanding of nature-based landscape management solutions in tropical climates.**

Using its technological assets and funding streams, the UK should place additional emphasis on disaster relief in regions that face increasing climate-related stresses. It should continue to build local and regional

47. Spatial Finance Initiative, <https://spatialfinanceinitiative.com/>

capacity, such as local equipment and training, potentially helping to establish **permanent humanitarian assistance and disaster relief hubs in the region.**

Defence and Security

As a P5 member of the United Nations Security Council, the UK has a special responsibility to help maintain global stability. Committing to a larger security presence is key to the UK's credibility in the region and will be an important factor in tilting the IPR towards openness and security. Britain maintains one of the world's most capable militaries, with the ability to act globally across the full spectrum of conflict.⁴⁸ Yet the British Armed Forces have only retained a very small military footprint and level of activity in the Indo-Pacific Region from the 1970s until a South China Sea overflight by RAF Typhoons in 2016 followed by a flurry of Royal Navy visits in 2018.⁴⁹ The naval deployments that year made the UK the only nation other than the United States to conduct freedom of navigation operations⁵⁰ in the South China Sea, which highlights Britain's ability and willingness to take risks in upholding international law and regional order.

Persistent presence

The UK Government should expand the deployment of Royal Navy assets, RAF aircraft and Army (including Special Forces)/Royal Marines personnel to achieve uninterrupted, year-round UK military presence in the IPR (both on operational and training missions). This is important to signal Britain's commitment as a first step in restoring UK credibility after many decades of effective military disengagement from the region.

UK-US defence cooperation in the region deserves particular attention in view of the wider Special Relationship between the two countries, including in NATO. Despite the 375,000 personnel of the US Indo-Pacific Command and dozens of US embassies and consulates spread across the region, the sheer size of the Indo-Pacific means that allied military forces and diplomatic missions need to stretch as much as possible. Even with a rebalancing of US foreign and security policy towards the Indo-Pacific, the US is hard-pressed to maintain a consistent presence in some areas like the Indian Ocean or the South Pacific.

Britain should therefore substantially expand its military and security contributions particularly across the southern parts of the IPR – namely, the geographic region covering roughly the eastern areas of the Indian Ocean through Oceania, thus stretching across parts of Southeast Asia through Australasia, to the smaller Pacific islands of Polynesia. At the same time, whenever possible, British forces should cooperate with US counterparts in the South and East China Seas, and particularly in trilateral activities with Japan and Australia.

Even relatively small contributions by the UK military could make an important difference. Mere presence can have an outsized effect by taking some of the burden off IPR powers and the United States, and materially contributing to the creation of an environment in which global norms of

48. UK Defence in Numbers 2019, Ministry of Defence, gov.uk, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/869612/20200227_CH_UK_Defence_in_Numbers_2019.pdf

49. 'HMS Argyll Sails On Far East Deployment,' Royal Navy, 18 June 2018, <https://www.royalnavy.mod.uk/news-and-latest-activity/news/2018/june/18/18018-hms-argyll-sails-on-far-east-deployment>

50. 'Exclusive - British Navy warship sails near South China Sea islands, angering Beijing,' Reuters, 6 September 2018, <https://uk.reuters.com/article/uk-britain-china-southchina-sea-exclusive/exclusive-british-navy-warship-sails-near-south-china-sea-islands-angering-beijing-idUKKCN1LM00V>

maritime and overflight freedom are strengthened.



Commonwealth nations (blue) / US military presence (green)

Basing

To enable an enhanced posture in the IPR, UK strategy should aim for **reciprocal access** and **base support agreements** with key partners from Japan to India. Such a “places, not bases” approach would meet MOD’s requirements for sustaining a continuous presence across the IPR and it would enhance meaningful cooperation in maintaining regional stability.

In addition, expanding the UK Armed Forces’ current naval **cross-servicing agreements** with the US⁵¹ and Japan⁵² can increase the viability of regular Force deployments and visits to the IPR. The UK should explore similar arrangements with Australia and Singapore, building on logistics facility at Sembawang-British Defence Singapore Support Unit.⁵³

Finally, the UK Government should and explore the idea of **pre-positioning logistical support materiel** in the region taking inspiration from the US-Australia agreement regarding the use of facilities at Darwin⁵⁴.

Through a more regular presence in the region, UK Armed Forces will be able to train and exercise with their counterparts and be a visible part of a network of public security providers in the regional commons of the East and South China Seas, Indian Ocean, and western Pacific.

51. Memorandum of Understanding between the Department of Defense of the United States of America and the Ministry of Defence of the United Kingdom of Great Britain and Northern Ireland concerning Acquisition And Cross-Servicing Arrangements, 8 Jan 2007, <https://2009-2017.state.gov/documents/organization/88508.pdf>

52. UK and Japan strengthen defence ties, Gov. uk, 26 January 2017 <https://www.gov.uk/government/news/uk-and-japan-strengthen-defence-ties>

53. ‘UK and Japan strengthen defence ties,’ gov. uk, 26 January 2017, <https://www.gov.uk/government/news/uk-and-japan-strengthen-defence-ties>

54. US, Australian forces get the nod in defence agreement, Financial Review, 29 Jul 2020, <https://www.afr.com/politics/federal/us-australian-forces-get-the-nod-in-secret-agreement-20200729-p55gho>

UK Security Agreements in IPR	Partners	Date
Five Powers Defence Arrangements (FPDA)	AUS, NZ, Singapore, Malaysia	1971
Five Eyes	AUS, NZ, CAN, USA	1941
Defence Logistics Treaty	Japan	2017
Defence and Security Cooperation Treaty	Australia	2013
Arrangements for a United Kingdom Force in Negara Brunei Darussalam	Brunei	2015
Defense Cooperation Memorandum of Understanding (DCMOU)	Singapore	2018
Defence Equipment Memorandum	India	2019
Protection of classified military information agreement	South Korea	2009
Memorandum of Understanding (MOU) on Defense Cooperation	Philippines	2017
United Kingdom-Thailand Strategic Dialogue	Thailand	2012
Memorandum of Understanding on defence-related cooperation	Vietnam	2017

The Permanent Joint Operating Base on **Diego Garcia**, in the British Indian Ocean Territory (BIOT), is an ideal location at which to build up Royal Navy and Royal Air Force units in the region. Diego Garcia, utilised primarily by US Navy and US Air Force units, can allow the UK to conduct security operations in the IPR with US forces operating either from that island or from other US bases in the region. The Government should take the necessary steps to ensure a long-term UK presence on Diego Garcia, and to avoid the prospect of any UK-US disagreement over the island’s future, so that operations can continue uninterrupted.⁵⁵

Diego Garcia’s location astride critical Indian Ocean maritime routes links it naturally with France’s Reunion Island situated east of Madagascar and with Australia’s Christmas and Cocos Islands, in the eastern Indian Ocean. The UK should seek to create a **community of maritime interests with France, India and Australia** – and potentially Japan, which is increasingly active in the Indian Ocean – committed to freedom of navigation, counter-piracy, and other types of security cooperation.

Capabilities

Outside major deployments such as the expected IPR tour of the new HMS Queen Elizabeth aircraft carrier, Britain’s defence contribution will be limited – but it can still add significant value, not least by affecting the deterrence calculations of major potential IPR adversaries. Deployable UK capabilities that can have such an impact – and that are also areas of

55. Mark Rosen, ‘Diego Garcia is America’s Next Overseas Challenge,’ <https://nationalinterest.org/feature/diego-garcia-america-s-next-overseas-challenge-166817>, *The National Interest*, 16 August 2020; for an extremely critical view, see Peter Harris, ‘A Footprint of Unfreedom: The Future of Naval Support Facility Diego Garcia,’ *Journal of Indo-Pacific Affairs*, 8 June 2020, <https://nationalinterest.org/feature/diego-garcia-america-s-next-overseas-challenge-166817>.

excellence for the UK military – include:

- A. ISR (Intelligence, Surveillance and Reconnaissance)
- B. Component parts of IADS (Integrated Air Defence Systems) and BMD (Ballistic Missile Defence)
- C. Naval surface and subsurface warfare including ASW (Anti-Submarine Warfare)

Command

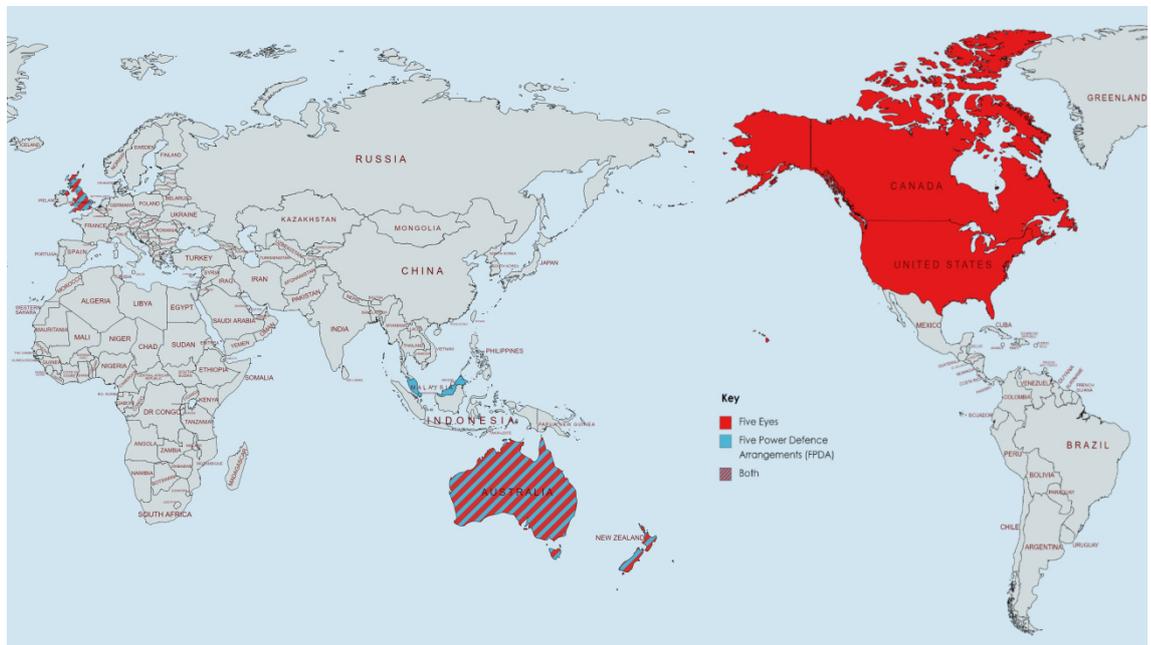
The MOD should establish a civilian-led 3-star **Indo-Pacific Directorate-General** in Main Building to bring full coherence to UK’s defence and security (including defence engagement) activities and policy across the entire region, and as a statement of intent. This directorate would also be the main point of contact with the US Department of Defense Assistant Secretary for Asian and Pacific Security Affairs, as well as with US Indo-Pacific Command; for the latter, a 2-star British general officer should be permanently detailed to Camp H.M. Smith in Hawaii. The new Directorate-General would also allow for a more streamlined liaison channel with France’s existing regional command and potentially spur new cooperation with French forces in the IPR.

One particular strength of the UK, in a strictly military (rather than political) sense, is its capacity to provide an alternative world-class defence organisation or platform for specific multinational activities, like training. This set of skills and operational capacity – to support deployed headquarters, for example – can be an attractive option for smaller countries who, for various reasons, seek high-level operational experience, but with a partner closer to them in size rather than a global superpower. This British strength can be leveraged further in the context of existing political frameworks for defence cooperation such as the Five Powers Defence Arrangements (FPDA). The UK-Brunei relationship is one practical example of this in the IPR, which could perhaps be replicated elsewhere. NATO has used a similar concept of a “framework nation” for a number of years to enable defence cooperation and practices such as “pooling and sharing” military assets. The Government should factor this experience into its long-term planning for Britain’s military posture in the IPR, not least in view of NATO’s increasing interest in IPR affairs.

Five Powers Defence Arrangements

The UK should seek to build upon its strong multilateral profile and **enhance the UK’s involvement in the Five Power Defence Arrangements** with Australia, New Zealand, Malaysia, and Singapore. As the FPDA nears its 50th anniversary, the UK should seek to expand working-level FPDA meetings to develop a better reciprocal understanding of the security landscape in the IPR, as a way to deepen FPDA relationships. It should also explore new areas of cooperation in the realm of information sharing and maritime capacity building, as well as defence procurement. Most importantly, the UK should commit more resources to an expanded programme of FPDA

training exercises, beyond the annual Exercise Bersama Lima.⁵⁶ The MOD should also explore with FPDA partners the possibility of inviting other nations to the exercises, such as Japan, India, and the United States.



Indo-Pacific Security Initiative

Britain should propose an “**Indo-Pacific Security Initiative**” (IPSI) focused on building the capacity of IPR nations in maritime domain awareness, civil-military training, and joint training. The other component of IPSI should concentrate on capacity-building for countering threats from non-state actors – for example piracy, terrorism, human smuggling, drug smuggling and illegal fishing. Ideal partners for the conventional-domain aspects of IPSI would include Japan, Australia, Canada, India and South Korea, along with Taiwan; plus Southeast Asian countries – especially FPDA allies – with regard to non-state threats. **UK Special Forces** can play a significant role in training regional special operations forces – in cooperation with US counterparts – and increasing interoperability over time, while the British Army’s Jungle Warfare Training School in Brunei could be used as a starting model for developing more non-traditional security training, such as counterterrorism, jointly with ASEAN nations and/or India. Furthermore, subject to political agreement with the host country, the Gurkha battalion at British Forces Brunei⁵⁷ could be considered for wider deployments throughout the region to exercise and operate with partner forces, providing the UK a more visible security presence.

MOD should employ British expertise from the **Defence Academy** and **Royal College of Defence Studies** to partner with regional military institutes in training leader and senior noncommissioned officers, co-running regional workshops and programmes.

Finally, British expertise in protecting **critical national infrastructure** (CNI)⁵⁸ – including technology and best practices for securing undersea

56. ‘Closing Ceremony Held for Exercise Bersama Lima in Malaysia,’ Royal Air Force, 21 October 2019, <https://www.raf.mod.uk/news/articles/closing-ceremony-held-for-exercise-bersama-lima-in-malaysia/>

57. ‘The British Army in Brunei,’ <https://www.army.mod.uk/deployments/brunei/>

58. Centre for Protection of National Infrastructure, <https://www.cpni.gov.uk/>

cables or space-dependent systems – could also be deployed in the IPR as a niche but valuable contribution, particularly in key strategic locations such as Sri Lanka or Malaysia.

Finally, working with Five Eyes partners Australia, New Zealand, and Canada, the UK can help regional nations develop better information-gathering capabilities and explore initiatives to **share security-related information** related to transnational threats, maritime stability, counter-terrorism, etc.

Cyber-Security Partnership

With its cyber expertise, Britain is ideally placed support a new **“Indo-Pacific Cyber-Security Partnership”** to develop and institute best practices in cyber-security, and also to provide a **cyber-security training centre or capacity building programme for regional militaries**. The MOD’s National Cyber Force as well as the National Cyber Security Centre could support this effort in partnership with UK industry. Australia, Japan and South Korea should be primary partners in this endeavour, which will help to further develop their own cyber defences.

Conclusion

As it contemplates its global interests post-Brexit, the UK could and should play a significantly larger role in the Indo-Pacific Region. Specifically, it should aim to foster a community of free and independent nations committed to upholding peace, stability, prosperity, and access in the region. By offering a vision of a common strategic future built around shared principles and focused on shared challenges, whether domestic or across borders, Britain can add to existing defence, trade, and political relationships and inspire new approaches. Such an expanded role for the UK represents a hard but realistic task, both from a delivery and from a resources point of view. The UK's existing relationships should be employed to launch a focused set of policies that position Britain as an engaged actor committed to the region's stability and prosperity.

A credible commitment to the region is based on a clear set of prioritised policy proposals. The UK retains global competencies in economic development, digital and financial technologies, a globally-deployable military, extensive diplomatic mechanisms, and best-of-class governance practices. A new UK strategy should be structured around these issue areas, proposing a limited, yet high-impact number of policy initiatives.

The twin-track approach that structures Britain's engagement with the IPR includes a "prosperity agenda" and a "security agenda". These translate into specific policies in five areas: expanding trade, sharing technology, security cooperation, diplomatic engagement, and promoting good governance and development. Working with like-minded partners, the UK can propose a concrete, achievable set of initiatives based on shared norms and accepted rules. On security matters, while partnering with the United States and key nations like Japan, India and Australia, the UK should focus its efforts in particular across southern parts of the Indo-Pacific, stretching from the Indian Ocean through the South Pacific. Such a focus will complement US activities in northeast Asia and the western Pacific Ocean, as well as Japanese efforts in eastern Asia. An "Indo-Pacific Charter," inspired by the Atlantic Charter of 1941, can provide a set of guiding principles informing Britain's own approach but also – in time, subject to buy-in from regional stakeholders – in leading to stable and prosperous regional relations.

These recommendations will require significant investment by the Government. Britain should seek to deepen and enhance its relations with existing partners in the Indo-Pacific and create new working partnerships with other IPR nations. At the same time, it should prioritise working more closely in the Indo-Pacific with the United States.



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Policy Exchange
8 - 10 Great George Street
Westminster
London SW1P 3AE

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