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**20 April 2015**

**The Rt Hon Lord Wallace of Saltaire, Liberal Democrat Peer, House of Lords, will outline his party's defence policy in advance of the General Election and subsequent Strategic Defence Review.**

The Speech

I want to talk about security as much as defence – for three reasons.

First, many of the threats that Britain is likely to face over the next 5-15 years are not primarily susceptible to a military response, which raises some difficult questions about the most appropriate mix of military and non-military instruments in the provisions we make for national security.

Second, security is about national identity, national survival in the broadest sense: and the United Kingdom is deeply confused about its national identity, its appropriate role in the world, the meaning of national sovereignty, and who are its closest partners and allies. It's virtually impossible to formulate a national strategy without a degree of consensus on national identity and international role – let alone to make a strong case for spending money on military capabilities without understanding what objectives they are intended to serve.

Third, provision for defence, forces and equipment, should follow from a careful assessment about likely threats to British security – which has not been the case in the way that most major procurement decisions have been made since the end of the Cold War. Defence decisions have too often been based instead on arguments – or assumptions – about the preservation of Britain's international status, or efforts to preserve our position as America's closest ally.

What threats do we face?

Most of the tier one and tier two threats identified in the 2010 National Security Strategy are not conventionally military in nature: international terrorism and the rise of radical anti-Western movements, cross-border criminal networks, cyber attacks, natural disasters (partly generated by the effects of climate change), pandemics spreading from other continents. Many of us would now put even more emphasis on the 'risk of major instability, insurgency or civil war overseas', as not only breeding extremist movements but also generating surges of refugees, exploited by human traffickers in their efforts to reach the sanctuary of our shores. We have also become more acutely aware that civil conflict and state collapse spill over frontiers, to destabilise neighbouring states, and to jeopardise resources and trade routes.

Conflict prevention, stabilization and state reconstruction are on the edge of conventional military duties; they require a mix of civil and military skills, including knowledge of local cultures and languages, which Whitehall has downgraded in recent decades and now needs to rebuild. Liberal Democrats therefore argue for a Single Security Budget to underpin the next SDSR: a broader envelope to

underwrite the multiple assets needed to meet these challenges. The Conflict, Stability and Security Fund established in 2013 has taken us a step in that direction.

The protection of Britain's security thus demands resources far beyond those traditionally assigned to defence: police and international police cooperation, investment in assistance for international emergencies and disasters, state-building and social and economic development in other states, biomedical research to complement mobilisable medical teams, even energy conservation – to reduce dependence on insecure and potentially hostile sources of supply, as well as to limit climate change. Some of these tasks are of course familiar to British forces, from their long experience of imperial and post-imperial engagement in weak states; successive responses to different emergencies in Sierra Leone have shown this at its best. Others require a gendarmerie approach to stabilization, which is much less within the British tradition – and some other tasks are clearly civilian, the responsibility of DfID and other departments in Whitehall.

None of these threats is to Britain alone. So it makes no sense to talk as if we should meet them on our own – as some in the British media continue to suggest. The only hard threats that Britain might face on its own in the foreseeable future are to a small number of our remaining overseas territories, above all to the Falklands; which suggests not only that we have to maintain some high-end capabilities for that purpose, but also that it must be a long-term objective of British diplomacy to reinforce international acceptance of their continuing autonomy.

There are potential indirect threats to British security – and to those of other Western democracies – from states in Asia, the Middle East and Eurasia. The re-emergence of a Russian threat to the stability of Eastern Europe has evident implications for the UK, requiring deployable forces to reassure our EU partners and to deter further Russian adventurism: I emphasise, a threat to Europe, not to Britain. Beyond these, most credible threats come from non-state actors, beyond the reach of conventional military responses. In responding to the ambiguous warfare of 'hybrid conflict' that Russia has embarked on, we should of course exploit our advantage in hybrid warfare – targeted sanctions – as well as strategic communications, coordinated with our allies, in combatting Russian information warfare.

We have painfully learned in Iraq and Afghanistan, and in assessing Russian actions and intentions in its 'near abroad', that local intelligence and knowledge are essential to successful planning and operation. That indicates that the rebuilding of FCO expertise, alongside that of the intelligence services, is also a security priority. It was a huge mistake to cut the size of the diplomatic service abroad, and to neglect the language and country expertise of the British civil service as a whole. It's a priority in the forthcoming SDSR to rebuild this expertise, within the military as well as within the civil service.

We've also learned that threats spill over our borders, in a globalised world in which diaspora communities link the domestic politics of different countries, the super-rich from authoritarian states buy properties in London, and financial flows from oil-rich countries and China accumulate stakes in the UK economy. That means that civil rights within Britain, the treatment of exiles from overseas living

here, inter-faith dialogue within the UK involving our Muslim, Hindu and even Buddhist communities, are closely linked to foreign and security policy. This takes us a good distance away from military defence; but it is all part of the messy insecurity with which our incoming government must cope.

What role do we seek? What international responsibilities should we shoulder, and with whom?

The UK is in a state of utter confusion about its role in the world – drifting, since the Cold War ended and Margaret Thatcher stepped down, through a succession of governments which have avoided the necessary political leadership. We are, at present, within the European Union, and cooperate closely with the armed forces of other EU states. But the Ministry of Defence still judges itself against Washington first and foremost, and Conservative politicians and the media look to the USA more than our neighbours on the continent. Michael Fallon spoke last week of our ‘commitment to a strong defence’, but did not explain why the UK should contribute more than others to combatting indirect threats; Vernon Coaker proclaimed that the UK must continue to ‘project global power’, but did explain why that is necessary.

Liberal Democrats welcome Labour’s recent recommitment to EU membership, though without an explicit recognition so far that the EU is – and has always been – a security organization as well as a single market and a developing economic union. As we withdraw from Afghanistan there are those who are determined to build up our forces in the Gulf, to ensure that we remain, alongside the Americans, a power with global reach – 50 years after a Labour government took the strategic decision to withdraw from East of Suez. Some still talk about Britain as uniquely a global trading power, with a particular responsibility to keep open the global sea lanes – regardless that those sea lanes now carry Chinese exports in Korean-built ships, or that German trade with Asia is four times that of the UK. It is symptomatic of the confusion of our public debate that the party with the strongest commitment to defence – UKIP – has the least idea what it wants defence forces for.

Liberal Democrats within the coalition were unable to persuade the Prime Minister to open a public debate before the election on future security and defence priorities, by publishing a green paper; No.10 held to the line that we are still focussed on pursuing the priorities set out in the 2010 SDSR. The question of Europe has, of course, been the elephant in the National Security Council room: indeed, I am told that the NSC has devoted more time and attention over the past five years to discussing Gulf strategy than European strategy. Without a European policy the UK has neither a security policy nor a defence policy.

The Conservative manifesto writes about the transatlantic alliance and NATO as an alternative to European security commitment – in terms that would have been instantly familiar to British politicians of 50 years ago. But in Washington the term ‘NATO’ is used almost as a synonym for America’s European allies, and the expectation that those allies will get their act better together in terms of effective cooperation. There is no reference in any Conservative pronouncement I have seen to

‘European NATO’; but there IS a mention in the Conservative manifesto of the threat of a ‘European Army’, a fantasy beloved by some within the ‘Brussels bubble’ but scarcely considered beyond Luxembourg.

Liberal Democrats have been repeatedly frustrated within the coalition by the refusal of our Conservative partners to inform Parliament, to publicise more widely – let alone celebrate – the extent to which our armed forces now cooperate with our European partners, above all the French. Fear of disturbing the nostalgic vision of the Telegraph- and Mail-reading public trumped consideration of where Britain’s long-term security interests lie. Sadly, our Conservative partners have fudged this fundamental question – and their fundamental internal divide – by promising a referendum, without indicating which answer they would recommend.

Liberal Democrats welcome, and have actively supported, the development of closer European military cooperation, with the Nordic and Baltic states as well as with the French, Belgians, Dutch and Italians. We welcome the commitment to a Very High Readiness Joint Task Force, to reassure our East European allies. But we deplore the absence of an international strategy to justify and support this developing cooperation. It makes no sense for the UK to claim to be America’s leading European ally, to spend more than any other European country on defence, and yet to leave the management of Europe’s security relationship with Russia to Germany and France, as we have done in the response to the Ukraine crisis. And it makes no more sense to leave the management of migrant surges across the Mediterranean to Italy and others. Our shared intervention in Libya contributed to the problem; and many of those who succeed in reaching Italy will hope to move on towards the UK.

Liberal Democrats see Britain’s international role as rooted in European NATO. These are the countries with which we most closely share political and security interests and values. We also share these values with the United States, Canada, Australia and other liberal democracies, though their interests and priorities – and their perceptions of their priorities – differ, particularly in their orientation to the security of the Pacific region. We accept that the UK shares with its partners an active and continuing interest in state-building and socio-economic development across the African continent, and political and social transition across the Middle East. But we do not anticipate that the UK will wish to be involved in major expeditionary forces in these regions. We are sceptical that significant UK forces should continue to be based in these regions, even – as in Bahrain – at the insistent invitation of the host nation regime. We have learned, from Afghanistan and Iraq, that Western intervention too often provokes greater resistance than cooperation; that local conflicts require local resolution; and that Western assistance, and training, to local forces is more constructive than in-your-face Western leadership. We expect to work in these regions with different partners and groups of partners, as we already do – with France in the western Sahel, with Norway, as a major aid donor, in attempting to build a state within Southern Sudan. And we expect to deploy a blend of military and civilian capabilities in each case.

I realise that in stating this I am not far from describing what UK forces now do. But I am very far from the public understanding of what they do. Liberal Democrats have deplored the deliberate

downgrading, in the presentation of defence policy, of the multilateral and European dimension of British defence since Tony Blair backed away from the UK-French Agreement of 1998 three years later, to follow President Bush instead. We see it as a vital part of the debate that leads up to the SDSR to close that gap.

Confusion over sovereignty also dogs the British debate about defence and security. Article 5 of the NATO treaty, in an absolute sense, compromises British sovereignty. Almost every military operation that British forces have been engaged in for decades has been shared with other forces, often under joint command. A million British troops, after all, served under overall French command in 1918. Yet commentators who are relaxed about Gulf ownership of British ports, Chinese investment in key electronics production, and Russian ownership of Premier League football clubs, insist that British forces cannot be subordinated to foreign command – at least, to non-American command. Of course there are problems of accountability and integration as we move further into shared operations, shared ISTAR and logistics; but they are manageable, and have been successfully managed. That's another wide gap between perception and reality that we need to close.

What forces and equipment do we need to fulfil our responsibilities?

Peter Hennessy remarked in a recent discussion on British defence that there is a risk that we subside into the position of a 'pocket superpower': a state with a claim to global status, with a nuclear deterrent and two aircraft carriers, but without the effective capability to contribute to real crises with usable forces and equipment. The saga of the aircraft carriers provides a warning about military procurement driven by status more than careful assessment of need, and without a realistic calculation of overall cost. How on earth did the procurement process drift into a situation in which it was financially impossible to install cats and traps in 2010, when Liam Fox rightly attempted to switch to a system with which it would be possible to share platforms with the French, and more capable aircraft with the RAF? Why did we need such large carriers if the intention was to place STOVL aircraft on them, which will fly from much smaller US marine carriers?

There is a similar risk that the UK will drift into a like-for-like replacement of the Trident nuclear missile force, which will consume up to a third of the MoD's procurement budget, without considering the underlying rationale for renewing a system designed for the Cold War, or addressing the opportunity costs of a full four-boat CASD system. Liberal Democrats in the 2010 coalition agreement secured a delay in the main gate decision until 2016, to allow a new Parliament to hold a serious debate on the options. We have tried to encourage the Labour Party, in opposition, to take up that challenge; but their manifesto has ducked it. We recognise that there is a case for maintaining a minimum-level nuclear capability, to guard against the unlikely but severe threat of a direct threat to Western Europe emerging within the next 15-30 years; it's virtually inconceivable that it could be to the UK alone. There is no such threat at present, in spite of Russia's sabre-rattling, or in the near future. We may need, and be able to afford, a minimum capability, assessed by much more modest standards than the 'Moscow

criterion'. Liberal Democrats will continue to argue the case for an end to the needless continuous patrol of the high seas, which will enable the UK to procure fewer Successor submarines, thus reducing procurement and lifetime costs significantly.

Michael Quinlan in his last published work addressed the issue of the opportunity costs involved, in writing that

If domestic political or economic exigencies had so strained the defence budget during the cold war that a choice had to be made between a substantial nuclear capability and a substantial NATO-committed land/air contribution on the European mainland, I should have advised in favour of the latter. (Thinking about Nuclear Weapons, Oxford 2009, p.123)

Rear-Admiral Chris Parry is quoted in The Times of 16th April 2015 as saying that, 25 years after the Cold War ended, 'our current thinking is just not fit for purpose.' We should not reach the Main Gate decision before an informed public debate has been held.

If we accept that the most frequent responses to instability outside Europe will no longer be US or UK-led, but will require American or European provision of logistical and ISTAR support to local forces, then we will need to invest more in transport planes and helicopters, signals and intelligence capabilities, and training teams, with the bulk of our armed forces at home in reserve for the less likely but more severe threats that we cannot now foresee. That includes new armoured vehicles for land forces, as well as UAVs for surveillance and, increasingly, for offensive operations. We arguably need more limited-capability ships for the Royal Navy, to accompany our top-of-the-range frigates and destroyers; we do not need equipment which can cope with the most acute attacks to patrol the Mediterranean against migrant ships, or the West African coast against pirates.

For the first time almost since 1750, the vast bulk of our armed forces will shortly be based in Britain: a revolution in British military deployment to which we have not yet fully adjusted. The right balance between forces in being, capable of mobilisation at short notice, and reserves to reinforce them in an extended crisis, needs further study. But it's clear that we need to invest enough in our revived and enlarged reserves to ensure that they offer an effective second-line capability, at significantly less cost than regular forces in being. We should also consider how Britain, with some spare capacity in its home-based forces, might contribute more significantly to UN peacekeeping forces, again focussing on logistical support, command and intelligence systems most of all. And we must pursue further cooperation with our neighbours, sharing facilities, training, weapon systems where we can to maximise our overall effectiveness.

I have deliberately not answered the question of the size of the defence budget over the next five years, or the proportion of our GNP which it should meet. It is up to all of us, including the defence establishment, to justify to the British public the cost of defence and the objectives it serves, in a situation where the public appear to support the armed forces but do not want them to venture very far abroad, and show no enthusiasm for paying more for them if that means either higher taxes or cuts in

health and education. And we will only succeed in persuading them – and of course, the Treasury too – if the SDSR process starts from a considered debate on the hierarchy of threats we face and the share of international responsibilities we are willing to shoulder, with others, in responding to them.

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The Rt Hon Lord Wallace of Saltaire is a Liberal Democrat spokesperson in the House of Lords for the Cabinet Office and Whip responsible for the Foreign and Commonwealth Office. He was raised to the peerage in 1995 and served as his party's spokesperson for various departments from 1997 until joining the Government in 2010. He co-authored the 1979 and 1997 Liberal Democrat election manifestos. Lord Wallace began his career as an academic at the University of Manchester and subsequently held positions at Oxford University and the London School of Economics, where he remains an Emeritus Professor of International Relations. He read history at King's College, Cambridge and holds a PhD from Cornell University and an MA from Nuffield College, Oxford.