

MEMORANDUM

To: Gordon Brown
From: Alex Evans and David Steven¹
Re: Fixing the UK's foreign policy apparatus
Date: 03 May 2007

A Global Interregnum

When you take over as PM in one or two months' time, there will be no shortage of clouds on the international horizon: not only the immediate crises like Iraq, Iran, the Middle East Peace Process, and Afghanistan, but also slow burning drivers of instability like climate change, energy security, fragile states, global economic imbalances, avian flu, and HIV.

At the same time, the multilateral system is looking increasingly creaky: after a decade of the relative efficiency of finance ministers' gatherings, you may find some unpleasant surprises awaiting you. New UN Secretary General Ban Ki-Moon has 'hit the ground stumbling'. The Doha trade round remains in intensive care. G8 summits are strong on initiatives but weak on follow-up.

You will arrive as Prime Minister during a 'global interregnum'. Between mid-2006 and the end of 2008, the leadership of an extraordinarily wide range of countries and institutions changes hands: the UK, Russia, Japan, France, the United Nations, the United States and many others besides. Angela Merkel has shown how rapidly a leader can gain influence in a period of such fluidity.

You have clearly signalled your ambitions. You want the UK to lead a renewed effort to tackle the major sources of global uncertainty that threaten our stability, sustainability and security. This requires bold leadership, but also painstaking efforts to build a new international consensus and to craft the long-term frameworks needed to solve deep-seated problems.

To succeed, it will be critical for you to know you can rely on Britain's foreign policy apparatus. There's just one problem. You can't.

The problem of fragmentation

During Labour's first term, the 'joined-up government' agenda did much to break down domestic policy silos. Issues that ignored departmental boundaries, like social exclusion, were tackled by a fresh approach to public service delivery.

Similar attention is now being paid to the UK's security infrastructure. You have called for 'all means of intelligence, all tools of law, policing and our security and military resources' to be brought together in a unified mission to protect British citizens from unprecedented security threats. The new Office for Security and Counter-Terrorism will take on this task.

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Non-security risks – such as climate change, state failure, infectious diseases or financial instability – demand a similarly unified approach. These risks are global in nature, depend on international collective action for successful management, and require a response that is beyond the capability of government alone. They are strongly interconnected, both with each other and with security threats – at some stage, we may face a ‘perfect storm’ as a number of factors combine to test the resilience of the global system. They also prompt us to ask fundamental questions about our values and how they will inform an increasingly interdependent future.

British foreign policy suffers from a marked lack of integration in the face of non-security risks. Domestic departments have become used to managing their international responsibilities for themselves: potentially a positive development, but only if mechanisms are in place to co-ordinate their work. Meanwhile, DFID is increasingly aware of the global context to its development mission, while the MOD knows that it needs to take a ‘forward stance’ on global issues if it is to prevent the conflicts of the future – but neither of these departments can lead change across Whitehall. The Foreign Office could, but it remains deeply unsure of its role in this changed context.

All in all, the government is neither joined up *within* global issues, nor *across* them. Delivery remains, for the most part, reactive rather than proactive. We also face a disconnect between the security and non-security agenda in a world where it makes little sense to erect barriers between the exercise of hard and soft power.

All government departments are depending on you and your team to put in place a foreign policy architecture that makes them more than the sum of their parts. And to make matters harder, not all of them even realise it yet.

Why centralisation is not the answer

Your ability to succeed internationally will depend on whether you can catalyse a more far-sighted and integrated approach to global challenges, while ensuring effective co-ordination between responses to security and non-security challenges.

Tony Blair attempted to get to grips with foreign policy by continuing a trend set by his predecessors: centralising foreign policy decision-making in Number 10 and the Cabinet Office. As one former Cabinet Office staffer put it: “Information and analysis is faithfully reported up a vast pyramid. Then four people at the top read the Economist and make a decision.”

Centralisation works fine for knocking heads together and rallying Whitehall around an immediate policy priority, like last year's deployment to Helmand province in Afghanistan, or the 2005 London conference on Palestinian reform. But it is ill-suited to the analytically intensive work needed to develop a long-term approach to global challenges.

Some of the reason for that is the lack of capacity at the centre. Where the US National Security Council provides well over a hundred foreign policy staffers to the President and his National Security Adviser, you and your Foreign Policy Adviser will have much more limited resources at your disposal. Instead of trying to centralise decision-making still further, these resources need to be dedicated to planning and galvanising change across the whole foreign policy system.

Building an international dimension to joined-up government will also be a new challenge in that where domestic policy integration is above all about *delivery*, the international equivalent is primarily about *influence*. Success on global risks like climate change, infectious disease, fragile states and terrorism is above all about changing the perspectives and behaviour of a great many people: counter-insurgency is not the only issue that depends on ‘hearts and minds’. So Whitehall’s international agenda will need to be as much about analysis, influence and partnership as it is about raw spending. Where do you start?

Principles for reform

The following principles should underlie any reform.

- First, your new Cabinet will need to reach collective agreement on its *long-term international priorities*. Methodologies exist in the insurance industry to prioritise global issues by likelihood and severity of potential impacts. We need a similar framework, but one that uses a hard-headed assessment of what change the UK can realistically achieve as a vital third dimension.
- Second, the UK needs a real *global issues strategy*: one that sets out a long-term plan for how to achieve these priorities, what assets will be used, and how resources will be distributed. A resonant narrative will be needed to give the strategy coherence, unite government departments, and help build consensus among our partners overseas. DFID’s successful reframing of the UK’s – and the world’s – approach to development offers an example of what can be achieved.
- Third, the strategy needs to be implemented through a limited number of high-profile, well-resourced, multi-agency *campaigns*. These campaigns should point in two directions. On the one hand, a broad social engagement is needed to shape public and elite opinion around the world, reframe issues, and build pressure for change. On the other, a systematic, cross-country approach is needed to turn relationships with key decision-makers into concrete outcomes for the UK.
- Finally, radical *organisational reform* will be needed, with the aim of rebuilding mechanisms for delivering foreign policy goals. As the government has found across a range of domestic policy issues, effective action on long-term challenges requires an early and ongoing commitment to public sector reform.

Developing the strategy

The UK agreed an initial set of international priorities in 2003, in the first overarching policy document published by the FCO under the Labour government. According to the then Permanent Secretary, Michael Jay, the priorities offered the FCO a “clear and coherent framework within which to focus our policy work and manage operations effectively”.

The White Paper, however, had little buy-in across Whitehall. Although the 2006 update was based on more consultation than the original, it still does not function as a central reference point for the entire government. More fundamentally, it had two key failings. First, it prioritised everything, and therefore nothing. And second, it said too little about what the UK would actually *do* on each of the key challenges identified.

Three 'pathfinding processes' will help your team move towards a more effective strategy.

1. First, the *priorities* need to be set through a process that involves all key members of your Cabinet, with provocation from a capable 'red team'. For each priority, the deliverable should be a clear definition of what success looks like, combined with an assessment of how it can be achieved.
2. Second, these priorities should then be mapped out against a *stock-take* of current departmental commitments. This should be a 'quick and dirty' exercise (perhaps undertaken by consultants), not a full inventory, providing a picture of who is doing what on each issue, and how much it costs. You may be surprised at how little of this information is readily accessible.
3. Finally, the *global issues strategy* itself can be drafted. The core narrative should dock with the security agenda by taking the UK's overriding interest in increasing global resilience as its starting point. Cross-departmental teams, meanwhile, should be tasked to agree plans and structures for each major area of delivery.

Implementing the strategy

The new strategy should be used to drive a comprehensive re-engineering of delivery processes. A major effort will be needed to make Whitehall's departments truly interoperable with each other. At the same time, it will be politically important to balance quick wins and systemic change.

Campaigns will deliver results fast and help institutionalise the new approach. As Leon Fuerth, Al Gore's former National Security Adviser, has argued, small, flexible and networked teams – organised around a clear mission – can pull in resources from across a bureaucracy and drive action across organisational boundaries. Clearly, this approach should only be used sparingly, on those issues that you are determined to mark out as 'yours'. Campaigns will also work best when the goal is ambitious, but specific enough that progress can be expected within a three-year window.

Quick wins driven by these campaigns will act as a catalyst for the broader reform agenda, but cannot substitute for it. Your team will therefore need to make time to consider some more fundamental issues. The first is to clarify the role of the centre as a co-ordinating 'enabler', not a micro-manager. You can use the new strategy to drive a clear understanding of mission and priorities out into departments, but you will also need to set up a central *challenge function* to ensure that policy is robust and inform bold leadership from No 10. This small team could be based in the Prime Minister's Strategy Unit, if you decide to keep it.

You will also need to insist that renewed attention is paid to the interface between the UK's security, foreign policy and developmental programmes. Development is inherently political, while asymmetric security threats must be tackled, in part, through social, economic and cultural means. Structures in each of these areas must therefore share a common 'operating system', with reforms in one area not carried out in isolation from the others.

There are limits to what can be achieved through a centralised approach, however. We need to build capacity and initiative into the system, and look for new sources of authority and leadership. The most important task is to review the Foreign Office's policy role (as opposed to its work managing relationships, consular affairs or hard security).

A new architecture

There are two choices for the FCO.

With domestic departments leading internationally on their own areas of policy, the FCO can only play one role in policy on global issues. This is to forge and maintain an effective *synthesis* across issues, while planning and co-ordinating the deployment of all available tools to achieve change internationally.

If it does not play this role, then there is a strong argument for scaling its headquarters back, possibly quite dramatically. Its resources would then be focused on the 'mission-critical' nodes in its global network and its role to help other parts of government deliver.

We strongly favour the former option. While it is often reported that you don't think much of the Foreign Office, the truth is that *only* the FCO can play the crucial synthesis role across global issues: if it didn't exist, you would have to invent it. After all, the Cabinet Office Defence and Overseas Secretariat has very limited capacity, and that capacity will almost always be focused on immediate priorities – like Iran, Iraq or Afghanistan – rather than long term global issues.

But far-reaching reform is needed to equip the FCO to play this role. Eight steps will be crucial in this process.

1. The first step is for you to create a *second Cabinet level minister* in the FCO – not for Europe, as has been suggested, but for global issues. This would give the FCO a renewed sense of direction and provide impetus for a lasting shift in mindset – from 'lead department for foreign policy' to a 'platform for global issues management'.
2. Second, the new Minister will need to be backed by *strong (and united) leadership* – from you yourself, the Foreign Secretary, the FCO Permanent Secretary and his Management Board. The Treasury can also play a role, building on its work on global uncertainty and indicating that the CSR settlement is just the start of a deep-seated process of cross-Whitehall reform.
3. Third, the FCO needs a *cross-issue strategy team* with the power to direct the new agenda. FCO Permanent Secretary Peter Ricketts recently took a crucial step towards this by announcing the break-up of the old Directorate for Strategy and Information – which was over-loaded with non-essential functions – and the creation of a Policy Planning team that will report directly to him. The team's creation offers an opportunity to import new skills, while adopting a more dynamic and networked approach to the task.
4. Fourth, the FCO should begin to make greater use of *ambassadors for global issues*, while switching to a model based around regional hubs for its network of Posts. International lobbying on global issues requires professional influencers with real authority and expertise.

Heavy hitters are also needed to play a catalytic role across government. A regionalised network, meanwhile, will be easier to galvanise for major initiatives (as the re-organisation of UK Visas has shown).

5. Fifth, the FCO should develop new capacity to bring together departments to *develop, rehearse and evaluate* comprehensive responses to global challenges. We already have a government-wide exercise programme for domestic disruptive challenges, while war games are used to prepare for a range of military scenarios. Without something similar for global issues, partners across Whitehall are unlikely ever to learn to work effectively together to deliver change.
6. Sixth, all policy grade posts in FCO headquarters (though not necessarily embassies) should be *openly advertised*, bringing in applicants not only from other Government departments, but from outside the civil service too. Every interview panel should also include people from outside. For key roles, recruitment consultants may be needed to widen the applicant pool.
7. Seventh, *all* departments should follow the Treasury's lead and make secondments to other departments a central feature of the career of any civil servant working on international issues. The aim should be to build a *cross-departmental cadre* that combines deep policy expertise, an understanding of the synergies between issues, and a commitment to achieving results rather than defending departmental turf. The FCO should take this approach furthest, recognising that a porous and diverse culture is essential to effective global issues work.
8. Finally, the FCO will need to become better at asking the question: what works? The UK spends vast amounts on projecting hard and soft power internationally, but we have little idea of what is effective and lack a robust *theory of influence*. New tools will be needed for tracking influencers, mapping networks, and monitoring changes in an issue's mindshare and salience.

Conclusion

The global interregnum offers you a window of opportunity, but it will be a brief one. Equipping the UK's foreign policy apparatus to respond to the pressing global challenges will pay considerable dividends, and could act as a model for other governments and for the reform of the international system.

This investment will prove especially valuable when you face your first systemic emergency as PM. Milton Friedman gave good advice back in the 1970s: "Only a crisis - actual or perceived - produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable."

When space opens up for radical change on an issue or a set of issues, you are likely to have a clear vision of what you want to happen. But will the mechanisms be in place to allow you to deliver a comprehensive response?