BRITAIN’S GREATEST EXPORT

MAKING THE UK A 21ST CENTURY GLOBAL DEVELOPMENT LEADER
Introduction

The COVID-19 pandemic has shone a spotlight on the interconnectedness of our global world. Through international travel the virus spread quickly to almost every nation on earth, touching all our lives in some way. The pandemic is also a reminder of our responsibilities to the world’s poorest people, and an illustration of how meeting these responsibilities is firmly within our national interest.

The epidemiology is simple: if we fail to ensure that the vaccine and medical treatments to protect against COVID-19 are accessible to all, we risk prolonging the pandemic, putting more lives at risk both at home and abroad. This would undermine the significant sacrifices the country has made throughout 2020 and delay a much-needed global economic recovery. The IMF predicts that for each month the pandemic persists $500 billion is lost from the global economy.¹ One sure way to protect the economy and ourselves from COVID-19 is by ensuring that our neighbours in the poorest countries have access to a vaccine. Recent ONE polling has shown that the UK public want vaccines to be available to people everywhere² and that the UK government should strive to make sure Britain is a force for good in the world.³

A generous and outward looking approach towards our poorer neighbours is enshrined into UK law through the International Development (Official Development Target) Act 2015, which commits the UK to spend 0.7% of its Gross National Income (GNI) on development assistance. This legislation is the result of a Private Members’ Bill that enjoyed cross-party support in both Houses of Parliament. It is the legal enactment of a promise that Britain and other rich countries have made to the poorest people. The 2020 Spending Review saw the UK Government announce that in 2021 UK aid will be cut from 0.7% to 0.5% of GNI.⁴ The effect of this decision will be a proposed cut to the aid budget by 30%, or £4bn. The cut represents just 1% of the UK’s budget deficit, but it is equivalent to the entire bilateral aid budget for health, education, and humanitarian assistance.⁵

The decision is a strategic misstep. Cutting the UK’s aid budget in the middle of a global pandemic is akin to cutting funding to the Royal Air Force during the Battle of Britain. More than ever, we know that global crises require global solutions. Officials across Whitehall are still conducting an integrated review of the UK’s defence, security, foreign and development policies, and making decisions about Britain’s place in the world. We believe there is an important role for UK leadership at this crucial moment for the international community. The UK’s extensive diplomatic networks, cultural institutions, aid budget and multilateral partnerships, mean that we are well placed to help find the solutions to many difficult and global challenges.

In 2021 the UK will host world leaders for two important international summits: the G7 and COP-26, the next major global climate conference. In partnership with Kenya, the UK will also host the replenishment conference for the Global Partnership for Education summit. The best way for the UK to set the right tone for these conferences is by reversing the proposed cut to the 0.7% ODA spending target. This action would help maintain credibility with governments from the seven countries joining the G7, and the 195 countries expected to participate in COP-26. These conferences provide the UK with an incredible opportunity to put the vision for a ‘Global Britain’ into practice, by setting the agenda on global issues, and building international support for bold and transformative change.
Our greatest assets: values, institutions, and development assistance

The UK consistently ranks in the top-three countries in indices measuring soft power.\textsuperscript{xi} The tools in the UK’s armory of influence include its extensive diplomatic networks, its reputation as a leader in international development and its strong cultural institutions. Examples of the UK’s global influence include:

- **The Premier League:** a market leader in global reach and engagement, which is broadcast in 188 countries around the world.\textsuperscript{xii}

- **The BBC World Service:** an ODA funded cultural institution which reached 426 million people weekly, in 42 languages, in 2019.\textsuperscript{viii}

- **World class education institutions:** remarkably, in 2017 the UK ranked first in providing the education that shapes leaders the world over, with almost one in six serving heads of state having attended college or universities in the UK (58 out of 377).\textsuperscript{xix}

- **Global leadership in diverse sectors such as finance and the creative industries:** from the industrial to the digital revolution, the UK’s innovation and influence has helped drive the global economy, creating prosperity for billions.

- **World-leading science and research institutions:** in 2018 the UK produced 7% of the world’s scientific publications and 14% of the world’s most ‘highly cited’ publications.\textsuperscript{x}

- **Large and diverse diaspora communities:** if properly engaged and supported these communities could provide an important bridge between the UK and future strategic partner countries.

The UK’s support to the poorest countries through aid and development, over the past two decades, is also a significant soft power asset. Development is a key pillar of a global influence strategy. A 2017 British Council study, conducted by the University of Edinburgh, found that foreign aid has a positive influence on the influx of students, tourists and Foreign Direct Investment (FDI), as well as increasing a country’s political influence.\textsuperscript{xii} Another survey of 20,000 young people from across the G20 showed support for global development as the greatest driver of trust in the UK Government.\textsuperscript{xii} Research from the British Council with young engaged citizens from 78 countries, shows the vast majority consider the UK an influential country, with diplomacy and international aid seen as the most significant areas for UK influence.\textsuperscript{xiii}

Conversely, countries that have not prioritised development assistance find themselves struggling on the world stage. For example, in June 2020 Canada failed in its bid to secure a temporary seat on the UN Security Council, losing out to Norway, which exceeds the UN target for development spending, and Ireland, which recently committed to reach 0.7% of GNI allocated to aid by 2030.

How aid is spent also matters. The UK must be careful to avoid an ‘own goal’ by undermining the global goodwill earned over the past seven years, with a new approach that undermines the principles of what makes aid spending effective. A values-based system would see the UK lead on aid spending on programmes that are proven to be poverty-focused, effective, and transparent. ONE’s Charter for Real Aid\textsuperscript{xiv} calls for a commitment to these principles.
The UK has a long and proud tradition of leadership on the global stage

The UK has a reputation as a global health super-power. Over the past 30 years the UK has been at the heart of the global response to health crises and emergencies around the world. The UK’s leadership was evident in the creation of the first HIV treatment and the first malaria vaccine\textsuperscript{v}, and the UK is the second largest contributor to global health.\textsuperscript{xvi}

When Ebola struck Sierra Leone in 2014, British soldiers-built field hospitals in Freetown, and NHS doctors and nurses stepped forward, at great personal risk, to work alongside Sierra Leoneans to treat Ebola patients.

The UK’s contribution to the Global Fund to Fight Aids, TB and Malaria, will help to save 2 million lives between 2021 and 2023.\textsuperscript{xvii} The UK’s direct contribution to Gavi, the Vaccine Alliance, will help to protect up to 75 million children from deadly diseases between 2021 and 2025.\textsuperscript{xviii} and help save 2 million lives.\textsuperscript{xix} The UK has also demonstrated impressive diplomatic and convening skills as the hosts of the replenishment conference for Gavi, and helped to mobilise pledges of at least $8.8bn to support life-saving vaccination programmes in the world’s poorest countries.\textsuperscript{xx}

Vaccines create healthier workforces and prevent time lost through illness. Aid spent by the UK and other donors through Gavi, has helped to generate more than $150bn in economic benefits globally since 2000.\textsuperscript{xxi}

British world class R&D is at the forefront of the race to find an effective and safe vaccine, exemplified by the work of Oxford’s Jenner Institute and Imperial College London. In addition, the trials providing dexamethasone’s effectiveness as a drug to reduce death in COVID-19 patients came from the UK, with Oxford University playing a prominent role. The UK has made strong and early financial commitments to the ‘Access to COVID-19 Tools Accelerator (ACT-A)’, whilst also becoming the first country in the world to approve the use of the Pfizer/Biotech coronavirus vaccine. This marks the beginning of a journey to end the pandemic, but only if the UK ensures that it does not monopolise supply and supports mechanisms that facilitate the transfer of any surplus vaccines to ensure health workers and vulnerable people in all countries have access.

As hosts of the G7 in 2021, the UK Government has rightly recognised the importance of investing in education as well as prioritising global health security. The pandemic has caused both a global health crisis and an education emergency. At the height of the pandemic 90% of the world’s children were out of school. Britain’s strong leadership and its convening power will be crucial in ensuring access to an equitable vaccine, as well as supporting 12 years of quality education for girls.

Investment in development makes us all safer

Security for UK citizens is indeed the government’s first responsibility. The UK has committed to spend 2% of its GDP on defence, alongside 0.7% of GNI on development. Recent announcements mean that the UK will exceed the spending target for defence while failing to meet the commitment on development, with the aid budget cut to just 0.5% of GNI.\textsuperscript{xxii}

Investment in development makes us all safer. War zones are poor zones, and countries with poor state capacity and limited opportunities for young people are breeding grounds for extremism. The global economic cost of conflict and violence was estimated to be $14.5 trillion
in 2019, an amount equivalent to 10.6% of global GDP, or $1,909 per person. Development enables the UK to address the root causes of many of the challenges that lead to instability and terrorism and helps save the future economic costs of conflict. The Institute for Economics and Peace estimates that $1 of peacebuilding would lead to a $16 reduction in the cost of armed conflict. Investments in long term strategic goals help the UK to achieve its foreign policy objectives, and improve both global and national security, while retaining its leadership role in the global effort to reduce conflict and fragility. Education is vital to this long-term strategic goal, it reduces the likelihood of violence and conflict by 37%.

**A new partnership in Africa**

UK ministers and trade envoys are now working hard to strike new trade deals around the world. But the UK cannot rely on historic relationships alone, it should seek to build new and modern partnerships that are relevant to 21st century realities.

In recent years leading global powers including China, France, and the USA, have sought to build stronger partnerships with Africa. By 2030 Africa will be home to more than a quarter of the world’s young people. Given the right skills and opportunities these young people will drive the global economy of the future.

In January 2020 Prime Minister Boris Johnson hosted the UK-Africa Summit, where the UK Government outlined ambitions for a new partnership with Africa based on trade, investment, shared values, and mutual interest. However, the UK is currently behind other G7 nations in terms of investments in Africa; a strong focus on Africa should emerge as a geographical priority if the UK is to achieve its aims. Ahead of the G7 in 2021 the UK Government should outline a clear road map explaining how it will become the largest G7 investor in Africa by 2022.

The UK should lean into the opportunity to forge a new partnership with Africa, utilising the aid budget to support countries in the immediate economic recovery. Longer term investments would create jobs for young people and develop the infrastructure that will drive growth and opportunity. Support and partnership in this moment could yield dividends both for the UK and African countries in years to come. The continent is set to become a growing and important market that, through partnership in development, could become the UK’s next generation trading partner.

Foreign aid is quite reasonably in the UK’s long-term national interest, and it is fair to suggest that using ODA will yield great economic and diplomatic benefits to the UK. An ODI study in 2017 found that for every $1 of direct bilateral aid from the UK, exports increased by $0.22, creating approximately 12,000 jobs domestically in 2014.


Source: FDI Intelligence and EY Africa Attractiveness Report, 2019.xxvii

**Growing Poverty and Inequality**

COVID-19 has complicated the trajectory of growth and opportunity across Africa. The continent has not been spared from the economic fall-out from the pandemic.xxviii The World Bank estimates that on average the economies of African countries will contract by 3.3% of GDP this year and the continent is set to experience its first recession in 25 years.xxx The impact of the pandemic means countries must choose between making payments on their loans or addressing the health and social impacts of coronavirus. In Nigeria, for example, falling revenues as a consequence of the pandemic have resulted in the government spending 99% of the federal budget in the first quarter of this year on debt service.xxx The UK should support a suspension of debt payments for the most vulnerable countries, as this will help struggling governments address the crisis more adequately.

**Reshaping the global economy to work for everyone**

Britain has shaped the global economy. As an open trading nation, it has contributed to a system that has helped create prosperity for billions of people. But inequality threatens the sustained success of this model. The UK’s institutions must support economic policies for the public good – both for people living in the UK and abroad.

The City of London is well placed to lead this charge as one of the world’s premier financial centres. The UK Government should work better with the City of London, by encouraging transparency, and further investments into emerging economies. Britain has the power to champion and promote innovative financing for development, which goes beyond aid.

**The case for strong multilateral partnerships for trade and beyond**
The COVID-19 pandemic has laid bare the crisis in the international system. As the virus spread across borders many countries looked inwards and were too slow in supporting a strong, co-ordinated, global response. The pandemic has exposed what were already weaknesses in the international system, with increasing competition between powerful countries and consistent violations of international humanitarian law.

Today there is an opportunity for the UK to step forward, to help provide the values-led leadership the world needs. This should be done by working closely with international partners, including the forthcoming Biden Administration. The announcement from President-Elect Joe Biden, that the USA will re-join the Paris Climate Agreement, is a welcome boost to the UK’s effort to secure an ambitious new climate agreement in Glasgow next year.

Recommendations

The UK should work with partner countries to herald a new era of responsible global leadership. Leaders should be willing to step forward and play a central role on the global stage, working with the UK’s international partners to deliver a cleaner, greener, more equal, and just world. As a matter of priority, the UK should:

1. **Reverse the planned cuts to the aid budget.** The UK Government should publicly recommit to the 0.7% aid target and should not proceed to enact on any planned cuts to the aid budget.

2. **Protect aid spending on health, education, and social sectors.** The UK should build on its legacy of leadership in response to the ongoing health and education emergencies. A smaller aid budget means it is even more important that spending on the social sectors - the true success stories in development, is prioritised. The UK should protect 15% of the aid budget for education and 20% of the aid budget for spending on global health.

3. **Ensure global access to a COVID-19 vaccine.** The UK was among the first countries to recognise that in our global village none of us will be protected from COVID-19 until we are all protected. The poorest countries will need support for their public health responses, social and economic recovery. The UK must continue to champion global access to vaccines for COVID-19, through support to Covax and similar initiatives.

4. **Support the people worst hit economically with a financial support package, including debt suspension for the most vulnerable countries.** Some low-income countries, particularly in sub-Saharan Africa, are facing a new debt crisis. They are confronted with impossible choices between providing vital public services during the pandemic, or servicing debt. Working with partners in the G20, and as the hosts of the G7, the UK should support these countries by advocating for an extension of the G20 Debt Service Suspension Initiative (DSSI). In addition, the UK should work to establish a new ‘Common Framework’ for debt treatments beyond the DSSI, that involves all lenders, including UK registered banks and financial institutions, either suspending or restructuring debt payments during the pandemic.
Endnotes

i COVAX: CEPI’s response to COVID-19. [https://cepi.net/COVAX/](https://cepi.net/COVAX/) (Accessed 05/01/2021)


iii Polling conducted by Comres on behalf of the ONE Campaign. Sample taken on 4th December 2020. For more information, further details can be shared at request.


ix UK is (just) number one for educating the world’s leaders. Nick Hillman. 5th August 2017. [https://www.hepi.ac.uk/2017/08/05/uk-just-number-one-educating-worlds-leaders/](https://www.hepi.ac.uk/2017/08/05/uk-just-number-one-educating-worlds-leaders/) (Accessed 05/01/2021)


xix Gavi replenishment lives saved figure is cited here: https://www.gavi.org/vaccineswork/why-global-vaccine-summit-so-important and the UK contribution amounts to 25% as seen here https://www.gavi.org/investing-gavi/funding/donor-profiles/united-kingdom (Accessed 05/01/2021)

xx World leaders make historic commitments to provide equal access to vaccines for all. GAVI. https://www.gavi.org/news/media-room/world-leaders-make-historic-commitments-provide-equal-access-vaccines-all (Accessed 05/01/2021)


