

Navigating global challenges: speech by Laura Clarke

E ngā mana, e ngā reo, e ngā iwi, e rau rangatira mā, tēnā koutou, tēnā koutou, tēnā koutou katoa. Mālō e lelei. A very good evening everybody and a big thank you to NZIIA and IPANZ for convening us this evening.

This is billed as a speech on foreign policy and global challenges, but I would like to start, if I can, with a bit of a mihi to Auckland and all Aucklanders, for hosting such a fabulous Americas Cup. And a huge congratulations also of course to Team New Zealand and New Zealand as a whole for its success in defending the Cup.

I was lucky enough to go out on the water a number of times and I just loved the atmosphere out on the water. I loved the – normally friendly – rivalry and banter between the teams and their supporters, and particularly, of course, the rivalry between the UK and New Zealand.

And I'm completely delighted that the UK has been confirmed as the official challenger, and that the race might – just might – return to the Isle of Wight, where it first started with Queen Victoria in the audience. And of course all these years later, we still live in hope that the UK might at one point win the America's Cup, something that has alluded us to date.

The America's Cup, in all its modern technological glory, is the latest iteration of the great sailing and seafaring traditions in both our countries, and in the Pacific region as a whole. Our ancestors and tipuna navigated these oceans, these moana, with enormous bravery, skill and teamwork – contending with mad storms and seas, with often hostile forces – but fixing on the Southern Cross, at least in this part of the world, and navigating their way through.

And it occurred to me that the critical ingredients of success in sailing, and navigating our oceans, are not dissimilar to those that we need to navigate global challenges.

So take the success of the America's Cup. There are, I would say, four main ingredients:

First, you need to understand the elements: the conditions in which you are trying to navigate. The prevailing wind, the currents, the sudden changes of weather, the intent, capability and tactics of your competitors and rivals.

Second, you need a plan: you need to be 100% focused on what you're trying to achieve, and where you're trying to get to.

Thirdly, you need the right capability: the right technology, the right boat – and of course the right investment in that technology – and the right skills.

And fourthly, finally, you need the right team: you need the right relationships, both on the boat, and beyond.

I think that those four ingredients of America's Cup success can also be applied to how we navigate the global challenges of our age.

So if you'll humour me, I'll structure my comments into two main sections:

Firstly, I'll talk about the elements in which we find ourselves: what are the prevailing winds, what are the storms coming at us across the horizon, what are the threats to our security and way of life?

And then secondly, I'll talk about our plan of how we're navigating the seas in which we find ourselves: what our priorities are over the next ten years, and the sort of actor the UK aspires to be on the world stage.

And as I talk about our plan I will also talk about what that means in terms of:

Understanding the elements

So first: to understand the elements.

My generation grew up in an era of almost unprecedented peace, prosperity and progress. It wasn't quite the End of History – but there was a sense of inexorable progress: in tackling poverty and all kinds of inequality, in preventing large-scale conflict, in democratisation and respect for human rights.

Take for example our progress in poverty reduction: the World Bank tells us that back in 1981 44% of people were living in extreme poverty, but by 2019 that had fallen to 8.23%. That is, by any measure, an extraordinary achievement.

Of course there was still plenty to keep us worried (terrorism, climate change, conflict), and I'm not looking back with rose tinted glasses. But the overall sense was that liberal democracies had won the battle of ideologies and that countries could work together – imperfectly – to address the challenges facing the world.

I think there was also a sense here, at least until a decade or so back, that New Zealand was, by virtue of perhaps size, geographic location and perhaps policy settings, more or less protected from many of the dangers facing the rest of the world.

And – for all of us – there was a clear distinction between the domestic and the foreign.

I'm not sure that any of that is true today. Progress is not linear, the challenges facing us are increasingly transnational, respecting neither borders nor distance, and our domestic security and resilience can't be separated from what happens overseas.

So it's in that changing context that the UK has just mapped out the big challenges facing the UK, and the world, over the next 10 years. It paints a complex, dangerous and rather daunting picture, with implications for all of us – whether we are in London, Auckland, or somewhere in between – in terms of our security, prosperity, and way of life.

And I'm going to summarise those challenges as follows:

Firstly, there is an increasing competition between states over interests, norms and values. Authoritarian states and malign actors are seeking to undermine the democratic systems and openness that underpin our way of life. We see that democracy can retreat just as easily as it advances.

In this decade the combined GDP of autocratic regimes is expected to exceed the combined GDP of democracies.

Now that has implications far beyond the domestic, or the freedoms of those living in each system. Authoritarian regimes are more likely to house or sponsor terrorists, to go to war, to commit mass human rights abuses, trigger large scale flows of immigration, or interfere in other countries democratic processes.

They are more likely to breach international norms. Consider, for example, the use of chemical weapons in Kuala Lumpur airport; on a flight from Tomsk to Moscow; on a street in Salisbury; or in a residential neighbourhood in Syria. All breach the long-held norms on the use of chemical weapons.

Authoritarian regimes are also far less likely to want to engage multilaterally, and in good faith, to solve the world's problems. So the international order which has served us well – if imperfectly – to date is under great pressure.

And why should we care enough to make a stand on this? Because British people expect their government to stand up for freedom, democracy and the rule of law – both at home and overseas. It's in our DNA, and I think it is in New Zealand's DNA too. The flouting of international norms challenges the freedom and safety that we each hold dear.

The second challenge is the overwhelming array of global challenges facing us right now.

The existential challenge that is climate change – threatening the very existence of Pacific Island states in this neighbourhood, and playing havoc with our weather systems.

The crisis in biodiversity: and if you haven't watched David Attenborough's A Life on Our Planet, I encourage you to do so.

Pandemics, organised crime, terrorism. The list goes on.

These are challenges that don't respect national borders, that have a direct, local impact on us as individuals, and can only be solved by countries working together.

The third set of challenges is what I would describe as the as yet unregulated wild west that is space, and cyber space, and the rapid technological change which brings both opportunities and threats.

The blurring, for example, of the boundary between war and peace. Let me pause on that one. We all know what war looks like when one country's troops cross a border, and invade the sovereign territory of another. But if a country or even a non-state actor conducts a cyber operation that brings down another country's financial system, or health system – is that war?

States and non-state actors everywhere are grappling with these challenges – how to protect themselves from threats, how to use them to their advantage – and it is our assessment that science and technology will be a driver of competitive and strategic advantage in the world, whether through AI, quantum tech, or engineering biology.

The fourth set of challenges is the geopolitical and geoeconomic shifts: the growing importance of the Indo-Pacific to global prosperity and security, and China as a systemic competitor. We assess that China's increasing power and assertiveness internationally is likely to be the most significant geopolitical factor of the 2020s.

And all this, of course, in the time of Covid, which still has a long way to play out- and adds further complexity to the challenges facing our world.

Part Two: The plan

So it's all a lot to take in, and navigate – and the temptation of course is to say it's all too difficult. Not to venture out in the dangerous oceans, but to keep our boats, our waka, safe on the shore. To hunker down, and look after our own.

But looking after our own – whether it's my Mum in rural Essex, or my in-laws here in Parnell in Auckland – means engaging internationally.

Resilience begins abroad, and our day to day lives are impacted – whether it's Covid or the Ever Given adding to already disrupted global supply chains, spiking shipping prices and hurting export profits; whether it's the health and economic impacts of Covid; the increase in online extremism; the drugs sold to young people on our streets; cyber attacks on local government: local problems often have global roots.

So we have to dock out, and begin to navigate these stormy seas – to protect our way of life, our freedoms, our prosperity and to keep ourselves and our friends safe. That's of course when you need a plan, a Southern Cross, to help navigate these global challenges.

And that is where the UK Government's Integrated Review comes in. It sets out – in the context of global disruption and competition – the Johnson Government's vision for the UK on the world stage, following our exit from the European Union, and how we're going to navigate the waves ahead.

It comes in what is a big and no doubt testing year of leadership for the UK in the world, as we take on the Presidency of the G7, and host COP26, the big climate change conference in partnership with Italy, and as we host the Global Education Summit in partnership with Kenya. It's also of course a big year for New Zealand as the host of APEC.

So what can you expect from the UK? Well as the good High Commissioner that I am, I'm going to quote my boss, the Foreign Secretary, who said that our concept of Global Britain is, to be "a creative disrupter willing and able to challenge the status quo but in the cause of good order and future stability. A mould breaker, but also a rule-maker and one which strives and yearns to build bridges".

So, what is "our plan" to achieve that?

The Review focuses on five broad priority areas for the UK over the coming 10 years. And I would like – if you'll permit me – to go through each five.

First, it's about solving global challenges

The UK wants to be a burden-sharing nation, bringing our strengths and global reach to play, and working multilaterally to solve global challenges.

I'm going to give two examples: climate and COVID.

Tackling climate change and biodiversity loss is our top international priority, and that's set out very clearly in the Integrated Review.

At home we have committed to reaching net zero by 2050, and to do that we have to reduce our emissions by 68% by 2030, which is no small task.

Internationally, we are hosting COP26, in partnership with Italy, we're working to drive up global ambition to address this existential threat. And we have committed £11.6 billion to international climate finance to help other countries mitigate and adapt to climate change.

We are also clear that all our Overseas Development Assistance needs to be delivered in line with our Paris Agreement commitments.

We know that New Zealand shares our analysis of the scale of the problem, and shares our ambition to deal with it – and is already providing leadership.

New Zealand is the first country in the world to implement mandatory climate risk reporting in line with the Task Force on Climate-related Financial Disclosures' recommendations.

You are growing innovative industries such as agritech to help reduce emissions, and you are spending millions more on foreign aid for climate change, supporting the wider-Pacific neighbourhood.

UK – New Zealand collaboration in this space is crucial – both bilaterally, in the region, and in raising ambition globally to meet Paris agreement commitments.

Secondly: COVID, or rather, strengthening our global health.

Of course the immediate task is helping the world to beat Covid-19 by accelerating equitable access to vaccines, therapeutics and diagnostics worldwide.

The UK has driven a collective international response to increase global access to vaccines through a mechanism called COVAX. We have committed up to £548 million to help provide up to 92 developing countries with more than one billion doses of the vaccine in 2021 – including here in the Pacific.

We were the biggest funder until recently when – thankfully – the Biden Administration got involved.

The development and rollout of a vaccine, in unprecedented speed and time, is a victory for investment in research and development, and for international collaboration – whether on the science, the logistics, or the funding.

But we can't rest there. We need to be better prepared for future pandemics and disease. So we are using our G7 Presidency to drive international action; we are increasing our funding to the World Health Organization by 30% – over £340m over four years; and crucially, we are using our Overseas Development Assistance to support more resilient populations in developing countries through transformative global health investment.

Our Foreign Secretary, Dominic Raab, has just been in Indonesia talking with the Government there about using our G7 Presidency and their G20 Presidency next year so that the world is better prepared for the next pandemic. Because no one is safe until we are all safe.

Acting as a force for good in the world

The second theme, and very much linked to global challenges, is the UK's desire to act as a force for good in the world and – through our actions – demonstrate that a fairer, just, open world is also a safer and more prosperous one.

We aim to defend democracy and human rights, support the vulnerable, and uphold the values that we – in the UK and New Zealand – hold dear.

Just as is the case here in New Zealand, our values run through our diplomacy.

In the past few years we have – for example – introduced a new system of autonomous 'Magnitsky' sanctions to target human rights abusers around the world.

When China imposed a regressive national security law on Hong Kong, we offered British Nationals (Overseas) the right to live and work in the UK.

We have introduced a package of modern slavery measures to ensure that British organisations are neither complicit in nor profiting from the human

rights violations, including those happening in Xinjiang. I note that the question of modern slavery is a live topic here in New Zealand.

We have championed media freedom, through the Media Freedom Coalition of 46 countries which together advocates for the safety of journalists and media workers at home and abroad, recognising that media freedom is a critical underpinning of proper functioning democracies.

So I am delighted that Foreign Minister Nanaia Mahuta announced at the end of March that New Zealand has now joined that coalition.

We are also working to tackle poverty, and late last year we appointed our first Special Envoy for Famine Prevention and Humanitarian Affairs, pledging £180 million to tackle food insecurity.

Looking ahead, we are working through our new merged Foreign, Commonwealth, and Development Office – which brings together our diplomatic and development heft – to ensure that we have the greatest possible impact on priority issues.

We will spend £10 billion this year on poverty reduction, education, humanitarian assistance, gender equality, good governance, and freedom of religion and belief.

And we are using our global networks – from the Commonwealth to our COP Presidency – to raise awareness of the issues facing Small Island Developing States – for example access to climate finance for South Pacific States.

Trade

The third topic is trade, and we will champion the free flow of trade, capital and knowledge as the best way to drive economic growth, and the recovery from Covid.

And in many ways the UK's post-Brexit independent trade policy is starting right here, in New Zealand, as we are negotiating our first post-Brexit FTA with New Zealand, and of course with Australia and the US.

That bilateral free trade agreement, which is about to enter its fourth round of negotiations, is part of our plan to have trade agreements with countries covering 80% of UK trade by the end of 2022. The FTA should also form the foundation for a strategic UK-NZ partnership on global trade issues.

We are looking, for example, to join the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), of which NZ is the depository state.

We want to work with New Zealand on reform of the global trade system, to ensure that it works fairly for everyone.

And we want to combine the UK's scale and global heft – as the sixth largest economy, and member of the G7 – with New Zealand's track record in innovating in trade policy.

Right now for example we're particularly interested in the NZ-led Agreement on Climate Change, Trade and Sustainability, which seeks to use trade to advance our shared objectives on environmental protection.

Trade is about more than creating wealth. Our security and our prosperity are mutually reinforcing. And trade can be a driver for positive change.

We see trade as a global good, and not just in economic terms: it also enhances bilateral relations and ensures a level of co-operation and interdependence that reduces the risk of conflict. It can reduce inequality. And the link to our domestic resilience and security is strong: whether that's about diversifying trade partners to avoid over-reliance on a particular partner or vulnerability; or ensuring resilient supply chains, or open shipping routes.

Science and Technology

Fourthly, we're focused on investing in science and technology and acting as a responsible cyber power.

The rapid pace of change in science and technology is transforming many aspects of our lives, fundamentally reshaping our economy and society and unlocking previously inconceivable improvements, such as in global health and prosperity.

It is also therefore an area of competition, and we have to make sure that the ethics and standards around the use of technology keep pace with the speed of change, and align with our values.

Maurice Wilkins in genetics and Ernest Rutherford in physics were two Kiwi Nobel prize winners who won their prizes for work undertaken in the UK. So we have a great legacy of science collaboration, and there's a lot that we're doing in this space.

Take Space, for example. It has become fundamental to our way of life. We rely on space for our sat nav, predicting our weather, our critical national infrastructure – and in New Zealand, supporting Search and Rescue Operations as far afield as the Ross Sea. Yet Space is becoming increasingly congested and contested. So the UK, working closely with New Zealand and other partners, last year initiated a UN process to establish what constitutes responsible behaviour in space. The UN Secretary General will issue a report later this year.

So we will be investing in our national science and technology capability and strengthening our international partnerships to stay at the forefront of new technologies and help us shape international rules on technology, cyber, digital and data that protect freedom and security.

And we've given that work the rather exciting term of "Regulatory Diplomacy". What Regulatory Diplomacy is, is about how you shape the norms, how you uphold standards, and drive for better regulation. Regulation that enables us to embrace and harness the technologies of the future.

We are doing this Regulatory Diplomacy by prioritising engagement with International Organisations and bilateral discussions to influence decisions around regulations, standards setting, and norms.

The Prime Minister's ambition for 2030 articulates this: he wants to have the UK "at the forefront of shaping the global debate on cyber, tech, digital, and data", and he wants us to be "at the heart of a network of allied states committed to upholding global norms and human rights".

And in peer-reviewing the UK's approach to International Regulatory Cooperation with the OECD, both Canada and New Zealand remarked on the innovative and proactive approach we are taking to this.

Security and Deterrence

My fifth, final, topic is security and deterrence.

We need a more robust approach to security and deterrence. To be a "force" for good globally, we and our friends must be secure and resilient at home. We use the word "force" – because without power, economic, military, diplomatic, cultural clout, we can't do anything.

Because those who do not share our values, and those who might do us harm are increasingly powerful and assertive and willing to flout international rules.

So that is why we are increasing our investment in defence to 2.2% of GDP, with over £24 billion to reform and renew our Armed Forces, including at least £6.6 billion for next generation capabilities and research, especially in cyber and space. And we are prepared to take risks and make difficult decisions to further strengthen the UK's strategic technological advantage.

Shipbuilding investment will double over the life of this Parliament to more than £1.7bn a year, and over £1 billion over the next decade in new autonomous Mine-Hunting Capability, with equally ambitious plans in air and land forces.

We are also reaffirming our commitment to NATO and supporting its adaptation to new threats. NATO is a bedrock of European security, a group of democracies working together in an alliance, which is unique and powerful in both its military capability, but also its values, voice and influence.

We are committed to strengthening global arms control disarmament and counter-proliferation.

And we're committed to ensuring that we can protect ourselves and our Allies by the continued operation of a minimum, credible, independent nuclear deterrent based on a continuous at sea deterrence. And that includes increasing the limit of our overall stockpile to no more than 269 warheads.

Now I want to pause for a moment on the UK's nuclear policy. Because the UK and NZ have a theological difference on nuclear, a longstanding difference on nuclear, and some argue that the announcement that we are lifting the ceiling

on the number of war heads is inconsistent with our commitment to global disarmament and counter-proliferation.

But I want to be clear that the UK remains fully committed to the long-term goal of a world without nuclear weapons, we all want to live in a world without nuclear weapons.

And we're fully committed to the full implementation of the Treaty on the Non- Proliferation of Nuclear Weapons.

But disarmament needs to be multilateral, not unilateral. And the threats facing the UK and our allies are increasing in scale and complexity, with nuclear-armed states ignoring international norms of behaviour.

So we believe that the best way to protect ourselves and our allies is to maintain a credible nuclear deterrent.

Cyber

I want to talk now a bit about cyber.

In a more contested world, remaining simultaneously open and secure requires a more robust position on security and resilience. The changing nature of threats facing the UK, be it state threats, cyber attacks or terrorism, require a response that goes well beyond the traditional view of defence.

I would like to highlight the inexorable rise of malicious cyber attacks on the last decade as one example of the rapidly shifting nature of trans-national threats.

The UK and NZ collaborate extensively on cyber threats and mitigations. As you will expect, much of that collaboration is undertaken behind very closed and secure doors, but we have joined together publicly to call out and attribute cyber attacks carried out by state actors. For example, the instance of malicious cyber incidents attributed by the GCSB to the Russian Government in 2018, were called out in tandem with the UK.

That the UK is a responsible cyber power is referenced throughout the Integrated Review. We are committed to a progressive and proactive approach to shaping the future frameworks that govern cyberspace, upholding existing rules and building consensus on positive norms of behaviour.

But as the third most powerful cyber nation, according to Harvard University's National Cyber Power Index, we are also strengthening our policies to protect the UK in cyberspace, address cyber attacks and protect critical national infrastructure.

A tangible outcome of this new approach to UK security is the creation of the National Cyber Force (NCF) which began operations in April last year. The NCF is a defence and intelligence partnership that conducts legal, and ethical cyber operations to disrupt state threats, terrorism, and organised crime in support of the UK's national security priorities.

I'll give you some examples of the NCF operations to date:

- Interfering with a mobile phone to prevent a terrorist being able to communicate with their contacts;
- helping to prevent cyberspace from being used as a global platform for serious crimes, including sexual abuse of children and fraud;
- keeping UK aircraft safe from targeting by hostile weapons systems;
- training and recruiting at scale, to help fulfil the UK's cyber skills aspirations;
- and investing in the research and development required to establish and maintain world leading cyber capabilities.

UK and New Zealand in the Indo Pacific

I've been talking big picture about the world and its challenges. And I want now if I can, to zoom in – at least a bit – to talk about the Indo-Pacific.

Because all of the threats, challenges and opportunities that I have been talking about this evening are playing out in this region, in the Indo-Pacific.

The Indo-Pacific is home to half the world's population, 40% of global GDP, 6 members of the G20, 17.5% of the UK's global trade.

It is also of course the scene for intense geopolitical competition, trade co-operation and competition, as well as a range of choke points for international shipping routes, climate and biodiversity impacts, poverty, challenges to democracy and human rights, rapid technological change – it's all happening in this part of the world.

And that is why the UK is increasing its engagement in the region, strengthening relationships from India to the South Pacific; bringing our economic and military heft and global reach to bear, and increasing co-operation on shared priorities.

New Zealand is a key partner in this 'Indo-Pacific tilt'. Whether that's supporting our application for ASEAN Dialogue Partner status; as depository state for the CPTPP; supporting our increased engagement in the South Pacific, where we have doubled our diplomatic presence in the last couple of years and are co-located with New Zealand in three out of our six High Commissions in the South Pacific.

Defence is an essential part of the UK's integrated offer to the Indo-Pacific region and we will work with partners to build resilience and capacity, tackle shared security challenges and uphold freedom of navigation and international law.

The deployment of HMS Queen Elizabeth, leading the Carrier Strike Group, joined by several international partners later this year, underlines the UK's global ambition and leadership as an inclusive, outward-facing and free-trading nation, assertive in defending our values and interests and a champion of international rules.

This high profile naval deployment marks a significant focus for this year, but with more to follow as we sustain our engagement.

Offshore patrol vessels will remain in the region providing a greater maritime presence, and we will increase our capacity building and training with key allies and partners and expand our Defence Attache network by a third. And we will provide a bigger and more consistent contribution to the Five Power Defence Arrangements.

We will work closely together with other like-minded countries in responding to the systemic challenge that China poses to our security, prosperity and values, while also co-operating on shared priorities such as trade and climate change.

And we will work closely with the US which, under the leadership of President Biden, is showing positive leadership in the world, and in this region: whether on climate change, global health policy, or security.

Closing: 2021 as the year of UK leadership.

So, to conclude, 2020 was – frankly – a pretty terrible year for pretty much everyone.

And I strongly suspect that 2021 will be no less challenging: we have no idea how long this pandemic will last, and I think that we need to guard strongly against optimism bias that we're on the way out. And as I have articulated at length this evening, we have no shortage of things to worry about.

But for the UK, after four years of EU transition, and after a terrible Covid year last year, it feels like we have entered the exciting stage of what next.

Our vaccine rollout is going really well at home, with 47.5% of people having had at least one dose, and we are driving work on global vaccine provision.

Our trade negotiations are underway, our Pacific Posts are up and running, and we are charting the new normal.

And for those who feared that Brexit meant that the UK was turning inwards, I hope it's clear that the opposite is the case. Our Prime Minister speaks of the UK being a 'problem-solving, burden-sharing nation with a global perspective', and we will bring that to bear this year, with leadership of the G7, with a focus on prosperity, health, sustainability, and open societies. And with our Presidency of COP26, in partnership with Italy. There are synergies, too, with New Zealand's APEC Presidency, and we are committed to working together to drive progress on the issues that matter.

Ladies and gentlemen, the UK and New Zealand are on opposite sides of the world. We are oceans apart. But ours is a friendship built on shared history, shared values, a shared analysis of the world and its threats, and a shared vision for the future.

We don't always agree on the prescription – and that's the value of different

perspectives – but we are committed to working together, both bilaterally and multilaterally, to tackle global challenges, and promote global goods.

At all critical times in our history we have relied on our friends. In two world wars, during the cold war, as founding partners of the UN back in 1945, in conflicts in the Middle East and beyond, we have worked as one team, sharing expertise, experience, people.

That relationship as important as ever: in responding to the pandemic; in our trade partnership and shared prosperity; in defending our security; in upholding democracy and human rights; and in navigating the shifting geopolitical currents – both in the Indo-Pacific, and beyond.

We are all in this together. He waka eke noa. So here's to navigating these moana together. And to the UK one day – finally – winning the Americas cup.

Tēnā koutou, tēnā koutou, tēnā tatau katoa.