

Commonwealth Conversation  
Brexit: Challenges and Opportunities  
Part One

Meeting of Commonwealth Organisations

Report July 2016



THE ROYAL COMMONWEALTH SOCIETY

## About this Report

This report summarises the first in a series of roundtable discussions on the challenges and opportunities for the Commonwealth associated with a United Kingdom (UK) exit from the European Union (EU), a 'Brexit'. It took place on the 26<sup>th</sup> July 2016 and was organised by the Royal Commonwealth Society and hosted by the Royal Overseas League. It was chaired by the Director of the Royal Commonwealth Society, Michael Lake CBE. The discussion sought to build understanding of how the Commonwealth might be impacted by the result of the United Kingdom's European Union (EU) referendum and the UK's exit from the EU. It also sought to develop some proposals for how the Commonwealth network could take advantage of the new foreign policy environment. The meeting was attended by representatives of organisations accredited to the Commonwealth. This included inter-governmental organisations, civil society groups and professional associations. The meeting was held under the Chatham House Rule in order to ensure a frank and honest debate, and this report provides a non-attributed overview of the discussion.

## Challenges and Opportunities

The Chairman began the meeting by outlining three broad questions which needed to be explored now that the UK population had voted to leave the EU:

1. What is the impact on and opportunities for the United Kingdom's relations with the other 52 members of the Commonwealth?
2. What are the challenges and opportunities that this creates for the Commonwealth network?
3. How does the Commonwealth want to engage with the European Union through the UK's Brexit negotiations and beyond?

Contributors to the discussion reflected on the debate before the referendum and noted that interest in the Commonwealth had spiked during and after the campaign. However, several people argued that the Commonwealth and the EU were two very different organisations and not necessarily mutually exclusive. Some suggested the Commonwealth should be seen as a non-hierarchical network rather than a regional institution. It was also noted that many Commonwealth leaders had publically urged the UK to remain in the EU. Several attendees suggested that, given that the formal withdrawal process has not begun, it was too early to understand the full implications of 'Brexit'. There was a sense around the room that the Commonwealth network needed to be ready for the associated challenges but should look positively for the potential opportunities of UK's foreign policy realignment.

## Commonwealth and International Trade

One of the biggest potential areas of opportunity for Commonwealth countries was in international trade. Contributors noted that there had been a shift in trade patterns from a historical environment of UK-Commonwealth trade to much greater intra-European trade and now an evolving trend of trade with emerging markets, many of which are in the Commonwealth. Attendees of the discussion welcomed the Commonwealth Secretary General, Patricia Scotland's, call to 'turbo charge' Commonwealth trade following the referendum result. There was a hope that trade deals could be struck between the UK and Commonwealth countries such as India, Canada and Australia as a first step. The impact on UK relations with the African, Caribbean and Pacific (ACP) countries negotiating Economic Partnership Agreements was also highlighted. It was

suggested that without access to the necessary numbers of trade negotiators these countries may prioritise trade agreements with the EU over the UK. It is also not guaranteed that they will revitalize industries such as sugar and other produce to enter a competitive UK market. A lack of trade negotiators was also seen as a problem for the UK itself and the reported offer by New Zealand to second trade negotiators to the UK was seen positively. There was a desire to ensure that whatever trade arrangements emerge with the UK post-Brexit that they are accompanied by strong safeguards for human rights and the environment. One contributor noted that for trade deals to be successful both countries need good governance, good regulatory and compliance environments and a strong, independent judiciary in order to boost business confidence. In addition to trade agreements, the opportunities of harnessing consortia of small businesses, multi-lateral trade missions and diaspora remittances were mentioned. The inaugural Commonwealth Trade Ministers Meeting, planned for March 2017, was highlighted as an opportunity for building Commonwealth trade.

## Recalibrating Commonwealth Operations

The discussion identified several areas where Brexit could potentially impact the operations of Commonwealth organisations but also how institutions and the UK government in particular could be recalibrated to make the most of the Commonwealth's advantages. The immediate concerns of Commonwealth organisations included firstly, the impact of a fall in sterling on existing budgets secondly, whether UK-based Commonwealth organisations could still access EU funding streams and thirdly, what the visa arrangements for EU-workers employed in these organisations would be. One way of mitigating the impacts on funding streams was to find new modes of partnership with the EU and organisations within it, including through Malta and Cyprus which are the only other two Commonwealth members also in the EU.

In addition to concerns about the impact on Commonwealth organisations, there was discussion about whether the UK government apparatus was calibrated to take advantage of the shifting foreign policy landscape and whether the Commonwealth was also ready to respond. A popular suggestion among discussion participants was for an expanded Commonwealth unit within the FCO or perhaps even a separate Commonwealth ministry. It was also suggested that to take full advantage of new Brexit opportunities the UK government should include Commonwealth units in the new International Trade and Exiting the European Union Departments. One participant even suggested that in order to revitalize the UK's relations with Commonwealth countries, the Commonwealth should be given a place in the Brexit negotiations alongside the devolved nations of the UK and its capital, London. Furthermore, the Commonwealth needed to consider how it was going to strengthen its representation and influence in Europe, given that the largest of three Commonwealth members is withdrawing from the EU. Malta and Cyprus were seen as crucial to this endeavor but they will need support from the Commonwealth family.

## Overseas Development

Several discussion participants raised concerns about the potential impact of Brexit on the UK's overseas development assistance. Questions were raised about whether UK contributions to the European Development Fund would simply return to the UK's overseas aid budget. There were different opinions expressed over the relationship between aid and trade. Some suggested that the UK needed to re-focus its efforts away from giving aid towards facilitating trade, whereas others suggested raised concerns as to whether this would support the world's vulnerable. There were further concerns that a re-orientation towards a narrow definition of the UK's national interest based on trade and security could be detrimental to some Commonwealth states and the UK's humanitarian efforts.

## Respect for Internationalism

There were concerns voiced by many participants at the roundtable that the Brexit result represented a rejection of globalization and international institutions by sections of the UK public, and that this posed a threat to the Commonwealth. It was also suggested that intolerance had been stoked up during the referendum campaign and that there had been an increase in reports of racist abuse in the UK. Some participants linked anti-migration populism (inside and outside the UK) with violent extremism and viewed this as a threat to the Commonwealth and its values. Others suggested that a rejection of the political institution of the EU could also lead to other countries questioning the value of international cooperation, regional integration and institutions such as CARICOM, SADC and others. While the discussion noted the possible threat to the Commonwealth, the modern Commonwealth was also seen as a potential antidote to intolerance and anti-globalisation: a cooperative, voluntary network rather than a legally integrated hierarchical institution and a network which demonstrates how people of diverse cultures and faiths and socio-economic status can collaborate in the common good. This idea underscores the need to make young people aware of the Commonwealth as a method of building a sense of global citizenship and tolerance. One contributor highlighted that the 'Commonwealth brand' had suffered a decline in awareness due to a re-organisation of UK Commonwealth Scholarships and called for a boost to Commonwealth awareness-raising initiatives in secondary and tertiary education.

## Commonwealth Visa Reform

Many discussion participants highlighted that the UK's visa regime was incredibly unpopular in the Commonwealth. They noted increasingly tight restrictions on travel for Commonwealth citizens and that visa considerations appeared to lack of diplomatic considerations. It was suggested that liberalising visas for Commonwealth nationals would help strengthen the UK's relationship with fellow Commonwealth members as it carves out a new international position post-Brexit. The Ramphal Institute's recommendation of extending the Asia Pacific Economic Cooperation Business Travel Card to senior business people in the Commonwealth was one suggestion. Meanwhile the RCS's approach of pushing for bilateral visa reforms as a first step to building ease of travel within the Commonwealth was highlighted, specifically the call for the UK to extend a two-year business and tourism visa to Indian nationals.

## Conclusion

In the view of those Commonwealth organisations present at this discussion, the UK's decision to withdraw from the EU will potentially have a negative impact on the Commonwealth but nonetheless throws open new opportunities, if grasped, as the UK re-orientates its foreign policy priorities. While it is still very early in the process of this reorientation, it is already possible to scope some of these issues. There are also the beginnings of recommendations to the UK Government and Commonwealth organisations in re-calibrating operations to meet this challenge. This Commonwealth conversation will have to evolve together with the Brexit debate and political developments. The 2018 CHOGM is seen as a particular milestone for the Commonwealth to publicise its value and to push for a more effectively connected network.