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The Select Committee on Soft Power and the UK’s Influence

Inquiry on

SOFT POWER AND THE UK’S INFLUENCE

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Witness: Roger Gifford
Members present

Lord Howell of Guildford (Chairman)
Baroness Armstrong of Hill Top
Lord Forsyth of Drumlean
Lord Foulkes of Cumnock
Baroness Hussein-Ece
Lord Janvrin
Baroness Morris of Bolton
Baroness Prosser

Examination of Witness

Roger Gifford, Lord Mayor of London

Q236 The Chairman: Lord Mayor, thank you first of all for being with us today. This is much appreciated. I have just a formal statement to make. You have in front of you the list of the interests that have been declared by the Committee to give you an idea of where we are all coming from—I think that is an important bit of information. As you know, we are a Committee formed to examine so-called soft power and British influence overseas, how it is deployed at present, what the potential is and what we can do in the future to make it more effective in delivering the goods and gaining the benefits for this country. That is our scene. You have spoken on and been involved in these matters in immense detail, so we will value your comments. I am going to start with the obvious first question, and my colleagues will probably come in, which is: why on earth is London such a magnet? Why are we so successful in the financial services field? Twenty or 30 years ago, it was said that it was London, Tokyo and Wall Street. Time has gone on, the financial world has been through appalling trials and paroxysms, and London has not been immune from those. Yet today we have the feeling—maybe it is not supported statistically—that London is actually pulling ahead and that we are the financial hub of the world. This is remarkable. Can you explain why? What is the secret?

Roger Gifford: A small question, Chairman. I agree with you that things seem very to be very much in London’s favour at the moment. I am not saying that that cannot change, but they are in favour, absolutely. As to the reasons why, we would point to the good old values of the rule of law, respect for the independence of the judiciary and the fact that that has produced an international contract law that is essentially English law and is viewed the world over as a gold standard. I think that the UK is viewed overseas as a very attractive place to come to and invest in and to run a business. The tax regime is seen as reasonable. That, with years of investment by the authorities into making the system work well, has stood us in good stead. Today, there are special features that mean that London is seen as a safe haven for funds. When geopolitical problems come, inevitably New York, Singapore, Hong Kong and London benefit—and in this latest round, London has benefited hugely, not only from money from the Gulf states but from Greece and Cyprus. I think that we are up at around £5.5 trillion of funds under management now, which was only £3.5 trillion to £4 trillion five
years ago. There has been a move towards safety by many international investors and there is a large element of soft power about that. I wish I could say that the City of London and the Lord Mayor take all responsibility for it, but that would not be quite accurate.

The Chairman: A large element of soft power? Elaborate a little. What do you see as soft power? We are looking at this great concept. It is quite hard to get hold of.

Roger Gifford: For sure. It is the intangible that makes London an attractive place and gives us a good brand name. The City brand, I think, is very powerful. The City of London Corporation, which for centuries has been in the game of building up its international contacts and seeing London as an international trade centre, has done a huge amount to help that. The combination of lifestyle, the culture, the West End, the fantastic living conditions that people see here, plus benign trading and investing environments, have made it a good place to come. The English language, too, has played a part. If you like, it is a combination of factors. The English language is a soft power, I suppose, but it is hugely beneficial to what we do. It is the international language of finance. Where better to come than New York or London to do it? New York is a great place. It is a great financial centre, but from an international perspective London has benefited hugely.

The Chairman: Is the sheer chance of our geographical position and the timing zone part of it as well?

Roger Gifford: People say that, but I sometimes wonder why that does not apply to Frankfurt, Paris or Luxembourg. It certainly helps. The centre of East and West is very much in this time zone, in Europe. You cannot go to the middle of the Pacific Ocean, which would be the other place to do it, and run a finance centre.

Q237 The Chairman: Those are the positive things, but you began quite rightly—or you put into your first answer—with the caution that we have to work to hold it that way because it could not stay that way for ever. What are the rocks beneath the water that you see? What are the dangers?

Roger Gifford: Europe is undoubtedly a rock that we are standing on, and if we were to sever ourselves from it, that would be bad news for the City of London. Many firms have said over and again that they base themselves in London because that is where they can do their European operations from. These are time-zone operations. The American banks are some of the biggest employers in London. When I travel, I frequently take JP Morgan and Citibank with me. They are London employers. They base a lot of their international activity out of London. They do their American business out of New York. They do their international business, including in the Middle East and Africa, out of London, so they are terribly important to us. The international aspect is a key part and geographical location is very powerful.

The Chairman: And yet it is not all sweetness and light with the rest of the European Union, is it?

Roger Gifford: No, it is not. There are aspects, if we were to leave, about still being in a single market and a single trading bloc. I am sure that it could be made to work, or it might be made to work, but the risks and downsides are so great that we would hugely caution against it and say, “For goodness sake, let’s find reform within the European institutions. Let’s get the euro back on track. Let’s make it a stable banking system. Let’s get the single supervisory mechanism in place. We want to be part of helping that to happen. Let’s consolidate the market into a real single market—it is only a patchy single market today—and let Britain be part of it”.
**The Chairman:** My colleagues must come in, but is there a single market in financial services at all at present?

**Roger Gifford:** Yes, there is. In some areas of banking, there is a reasonably single market. You have the eurozone and the non-eurozone, but that is effectively related to the capital and to the currency. In banking, we can sell services to any country from London. You can do retail products, you can do investment products, you can lend money anywhere within the EU without any withholding taxes or other distinction. In some of the securities markets, there are some difficulties in trading but the MiFID, the latest round—the market and financial instruments directive—is addressing a lot of that. It has yet to come in fully, but it is coming.

**Lord Forsyth of Drumlean:** I just wonder about this argument on Europe and that we have to look to Europe rather than globally. The arguments that you are deploying about having to be in there and the rest are the same arguments that the City deployed when joining the single currency was going to be inevitable. I think you would probably agree that had we joined the single currency, we would be in something of a mess now. I wonder whether this focus on Europe is not missing the opportunity for us to use our traditional global relationships to look beyond Europe, because although you are right about it being an open market, the business and the growth are elsewhere.

**Roger Gifford:** That is absolutely right, but the euro argument and Europe are very different. When arguing to create the euro, we were looking at a system of currency that we thought from the very beginning was flawed politically in terms of fiscal and monetary policy. We did not believe that a currency that did not have the union of the Governments behind it would work, and I think we have been shown right on that. The discussion about Europe is quite different and is about whether we are part of the group.

**Lord Forsyth of Drumlean:** Are you saying that at the time the euro was created the City was campaigning against it?

**Roger Gifford:** The City was very unsure about the euro.

**Q238 Lord Foulkes of Cumnock:** A slightly off the wall question: when you turn up in one of your overseas missions, are any of the people you meet surprised that you are not a somewhat eccentric, blond haired, tousled fellow?

**Roger Gifford:** They are.

**Lord Foulkes of Cumnock:** How do you explain that there is a mayor and a lord mayor?

**Roger Gifford:** It is not difficult. The mayor is the mayor of the 32 boroughs of London. He looks after the infrastructure of the London metropolitan area. My primary role is that of a promoter of financial and professional services for the whole of the United Kingdom—we (myself, the last Lord Mayor David Wootton and the next Fiona Woolf) are just back this morning from Leeds, talking to Leeds Legal and Leeds and Partners. It is very much the whole industry rather than just the geographical segment that is London.

**Lord Foulkes of Cumnock:** You were talking earlier about the West End. It must be very difficult for you just to stick to talking about the financial aspect of the city. People must want to engage with you on other issues as well.

**Roger Gifford:** Oh, indeed. As we are talking about soft power, I think that we talk a lot about the other bits of the city that give the financial proposition such value. Culture and the arts—the Barbican, the LSO and the GSMD—we are hugely proud of. The City of London is the third or fourth largest funder of the arts in the country. We are proud of that. That, plus
emphasising the diversity, through to the churches and the buildings, is a very strong message. Of course, at the same time, we have great assets in the West End, and the National Theatre and the South Bank and so on as well.

**Lord Foulkes of Cumnock:** Perhaps I can widen the question a bit. Alex Salmond is in China at the moment—I do not know who they think they are meeting. I agree with you on Europe 100%, but does our current constitutional situation within the United Kingdom, where we have three devolved Administrations, England with a difficult constitutional arrangement and London with quite a lot of devolved powers not to the City but to the whole of London, create a confused image of who represents what one is travelling overseas or talking with people from overseas?

**Roger Gifford:** I have not felt it. I know the confusion with the Mayor of London, but in practice it has never been an issue of any substance. On the Scotland/Wales/London/Britain discussion, I am not sure that people outside Europe really care or even notice very much. I have spent the whole year expecting to be attacked about the “British” financial crisis, but it has just not happened. People, for whatever reason, see Britain as a homogenous entity. It was very interesting being in Leeds. One of the main questions in Leeds was, “Why aren’t people coming up to Leeds? Why aren’t they coming and seeing us?” I am not sure that people see a difference between London and Leeds when you work a thousand miles away.

**Lord Foulkes of Cumnock:** Does the same apply to Edinburgh? Do they see the difference? I see you were born in St Andrews.

**Roger Gifford:** Yes, I was. I think that Scotland is seen as a separate issue. Scotland, England, Britain—they take a bit of explaining.

**Q239 Lord Forsyth of Drumlean:** Just falling on that point about the financial crisis, you do not think that that has caused a reduction in Britain’s soft power? In one of our earlier sessions, the British Council listed all the things that it thought were great about Britain—we had the BBC and the theatres and so on—but it did not mention the City. When I challenged it on that, it said that the banking crisis had affected things. Do you think that we have been damaged?

**Roger Gifford:** I think there has been pause for thought about financial services in every country in the world. No one has been untouched, even if some countries have come through it rather well. Canada, Australia, Scandinavia, Japan and the Gulf states have come through pretty okay, but each of those also had the questions at the time: are bankers over-remunerated? Is the structure right? What should the capital levels be? Do we have a liquidity problem? Every country has been aware. When I said that I expected to be attacked about the financial crisis, with London seen as leading the way down to the pit of despond, it just has not been that; in fact, it has almost been the opposite. There is no comment about the banks that have been taken over by the Government, but there is on the whole admiration for the UK authorities for trying to get it right, trying to take the longer-term approach towards regulation and finding a 30-year solution rather than a quick fix.

**Lord Forsyth of Drumlean:** Do you think you get enough support from organisations such as the British Council and others?

**Roger Gifford:** I would love to see a bigger British Council. I would love to see a British Council that did much more with the brand, the asset that we have. It does a lot in English language teaching. I would love to see it pushing culture and arts more than it does. Does that mean more money, or does it mean using the money that it creates from English language teaching more effectively? I would support that for sure.
The Chairman: After the Lehman crisis, there was a lot of talk—indeed, there still is a lot of talk—about rebalancing the economy, implying that we were too reliant on financial services and that somehow we should do things, and by unspecified means, to change the balance more in favour of manufacturing and non-financial services. It is a paradox that you are before us tonight saying very confidently and rightly that financial services seem to have gone on the path to recovery and seem to be more dominant, if anything, than ever. So what do we say about rebalancing?

Roger Gifford: I would say two things. I think that financial services have decreased in level since 2007, but in the City as a whole the job levels are now back to where they were in 2007. We see fewer in structured derivatives and financial instruments but many more lawyers in the City. We estimate that something like 200 to 250 foreign law firms are now based around the City. You might wonder what they are doing [laughter]. There is a huge increase in arbitration and dispute resolution in that sector, but possibly fewer in the traditional banking area. The financial and professional services together are back up to the levels they were at, and that is not bad, of course. It is largely international business that they are doing rather than domestic business.

When it comes to rebalancing, as the Prime Minister said today, we would like to see a north-south rebalancing as much as a financial services rebalancing. Are we taking people into financial services who could arguably have gone into engineering instead? I am not sure I see that.

The Chairman: I have forgotten the number of Lord Mayor that you are.

Roger Gifford: The 685th.

The Chairman: For most of that time, London has been the magnet—the centre—of this kingdom, so when we talk about the north-south divide, are we really trying to defy the natural tendency for there to be one great wen, one great attractive centre, which London is and always has been, and probably always will be?

Roger Gifford: In this day and age of better communication, videolinking and the like, we absolutely believe that Scottish financial services, law in Leeds, maritime in Liverpool, whatever it might be, have been very useful to London as adjunct services, to the extent that the Bank of New York Mellon, State Street and Citi all have major operations in southern Scotland. They are efficient, but they have also developed their own expertise and they have really good people coming out of Scottish universities and working for them there. That is a strong part of the City financial message. We would like to see more firms nearshoring, onshoring, with operations outside London. London is an expensive place to be, and if you are a major bank you might want to save costs today. JP Morgan is the largest non-government employer in Dorset. It has a fantastic operation down there, with good, dedicated and loyal people who love JP Morgan, and we would like to see more of those around the country. Cardiff has done pretty well, Leeds is doing okay, Liverpool has been promoting itself tremendously, and Scottish financial services are great, they really are. They are thriving.

Q240 The Chairman: I have one more question. Would anyone else on the Committee like to come in? Just looking ahead a little, we say that we have all this wonderful soft power in Britain and that we can deploy it successfully, and therefore that we may be a little complacent. Our feeling on the Committee is that there is a danger there that we want to point to and we want to see what things the Government should be doing to make sure that that danger is headed off and that we strengthen our position rather than weaken it. Do you
have a little shopping list of things that you would like the Government to be doing that they are not doing?

**Roger Gifford:** I would love to see ETQ—education, training and qualifications—given more prominence, as well as more business visas and getting people in more or facilitating that. We have a great brand-building ability through training people at our universities, and all around the world somebody is terribly proud to have been to a business school in Manchester or a university at Salford or wherever. British education is valued very highly. If we could promote more of that and get more people coming over, that would be a really good thing to do.

Equally, we have in this country some of the best cultural and arts institutions in the world and at a higher concentration than Germany, France or America. If we could bring more international people in to give performances and be given training, that would be fantastic. We have started a new charity this year called the City Music Foundation, which is exactly for bringing people from overseas into London to train them and then send them home again, giving them performance opportunities in the UK. That kind of initiative will, I hope, lead to greater international through-put and more influence of our institutions around the world.

I would love to see more people coming in, and I would love to see more training, more qualifications assistance and more school places made available. Education is very very powerful. This is always given as the example, but the King of Bahrain or the Emirate of Kuwait went to Sandhurst. It has lived with them for the rest of their lives, and it is tremendously useful for defence contracts later down the line, if I am allowed to say that. These are very useful contacts.

**Q241 Baroness Morris of Bolton:** I have to declare an interest. I have just been to Jordan with the mayor, where I saw at first hand the very great soft power of the institution of the lord mayor. Can I just say that I agree with you entirely on education? The very first time I went to Kuwait I kept meeting people who said that they loved Dundee. I could not understand why they loved Dundee, not that there is anything wrong with Dundee, of course. It was just that they had all been to university in Dundee, and of course when they started to have their own companies they started to trade with Dundee and had a wonderful time.

**Roger Gifford:** Dundee, by the way, has a fantastic new waterfront development plan, if you have not seen it. That soft power investment will be enormously valuable to that part of Scotland. It will be really powerful.

**Baroness Morris of Bolton:** You just mentioned the British Council and that you would like to see it doing more. In our previous sessions, people talked about UKTI and that perhaps it concentrated too much on large companies and not enough on SMEs. Probably more than any other witness we are going to have in front of us, in your year as Lord Mayor—I do not know how many countries you have been to—you will have seen at first hand the workings of the British Council and UKTI, and I wonder what your general overall feel is of whether we have the support that we need. Could we perhaps arrange it in a different way?

**Roger Gifford:** I have been to about 30 countries this year, of which maybe 20-ish are emerging markets as opposed to 10 being European or Japan/Korea. The British Council and UKTI are very separate entities. I will take the second one first. UKTI is doing a fantastic job in many countries. In Lagos, Istanbul, Colombia and Mexico, for instance it was absolutely
first class. The determination to find deals, to do them, to communicate, to connect, to push people has been really impressive. In one or two other countries, it has been less impressive. I would say that it is occasionally patchy, but on the whole it is a million times better than I remember it 15 years ago when I lived in Japan and was travelling around a bit then. I really think that government Ministers engaged in travelling, beating it (UKTI efforts) up wherever it goes and saying, “Come on”, have really motivated a new UKTI, and I think it is doing really well. It could be better in some areas, yes, but on the whole it is doing really well.

The British Council, I feel, is just rediscovering itself a little. It is rolling out a new agenda, a new strategy, which is centred around English language teaching and then moving into other areas. I would love to see all grist to its mill. It was stronger perhaps, but now it is coming back, following the new Foreign Office approach overseas—becoming more engaged. I would love to see the British Council used more. In some areas, such as Nigeria, it is one of the primary educators of the English language. It would be great to see that everywhere.

Q242 Lord Janvrin: It is perhaps slightly unfair to ask you this, given that your focus is on financial services, but we have heard endlessly that we have great soft power assets—better than the Germans et cetera—but we still struggle to be the competitive exporting nation that we aspire to be. I know that the financial services are in a slightly different box here, but you have been saying how useful the soft power assets—the BBC, the English language, the British Council, culture et cetera—are. Why, then, do we still struggle to be really competitive in the world?

Roger Gifford: I completely agree with you. The financial services are in a different category. We have the Prudential, Standard Chartered and HSBC all over the world. We have an English-based law firm in every city around the world—everywhere they can be. They can do better, they can do more, but on the whole they know what the market is and they are doing pretty well. When it comes to the trade side, we have also had the comment everywhere that British companies could do more and that there could be more of them. There are always one or two large ones. There is always Arup, Balfour Beatty, maybe Atkins and one or two others, but we have 10, 15 or 20 companies that do a lot of activity, whereas the Germans have 50 companies do a lot of activity. I think the answer is that we just keep beating on their doors and persuading and encouraging them to go abroad and do more. That, in combination with the soft power asset of people liking the UK, should be more powerful. I do think that we are already seeing a change and that it is different from even four or five years ago. There is a focus on this area and getting companies out more, UKTI is more focused on what it is doing, and I think that we will look back on a better export performance and see the results of the investments that are being made. But it is frustratingly slow.

The second point I would make is that I do not think that the export figures always show the full picture. Jardines and Swire, for instance, are all over the Far East and are doing very successful business in Indonesia, Malaysia, Hong Kong, Vietnam and Taiwan. You do not see that in the export figures. It is not there, because they are not directly part of a UK export. We should not discount the effect that many old fashioned trading companies have. It is probably not a major factor in the overall scheme, but it is definitely there.

I am not sure I fully answered your question about why, with all the soft power that we have, we are not more competitive.

Lord Janvrin: I do not know what the answer is. I am not sure there is an easy answer. I just wondered, looking from your unique perspective and having travelled a lot and seen the
use of soft power, why we still struggle to complete with the Germans, who allegedly do not have the soft power assets that we have.

**Roger Gifford:** Or indeed some of the Koreans. We really have to get better at it. There is no other answer. Have we been lazy? Have we been slow? Have we been reactive rather than proactive? All those are true.

**Q243 Lord Foulkes of Cumnock:** I think the Lord Mayor’s comments on Dundee are very interesting and something that we should follow up. The waterfront has changed dramatically. The games industry is now centred in Dundee. “Grand Theft Auto”, which is taking the whole world by storm, comes from Dundee, and Abertay University is a world-class university, as well as Dundee and St Andrews, of course. Dundee has also been put forward to be the City of Culture. I think there is a lag in perception; people still think of what it was like 10 or 20 years ago. But I want to ask you something completely different. Could we learn anything from Sweden?

**Roger Gifford:** Yes, I think we can. I think we have learnt quite a bit from Sweden. The “Northern Forum” that has been established (by the Prime Minister) in the last few years has been really productive and really interesting. It is nice to look at a successful socialist-capitalist country and ask whether we could be more like them. They have developed this over decades and have very specific reasons for the way they are, but there are aspects to look at, prisons for instance.

Sweden has a very low prison population, because offenders are put back out into the communities. That is really interesting. Could we not emulate that more?

**Lord Foulkes of Cumnock:** But in terms of soft power?

**Roger Gifford:** In soft power we beat them hands down, but they have some tremendous assets: health, the cleanliness of the country, clean tech. If you want an environmentally correct energy company, you can find it in Sweden. That might not be completely true, but that is what I would say.

**Lord Foulkes of Cumnock:** And IKEA.

**Roger Gifford:** And IKEA, and Ericsson, and Volvo—“the safest car in the world”.

**The Chairman:** Do you feel that the financial services part of the City is sufficiently geared up to conquer new pastures? Government leaders are talking about Islamic finance and Sharia procedures for governing finance. Our Chancellor is talking about making London the offshore centre for the development of the renminbi, as it gradually becomes an international currency. These are huge further areas to conquer. Do you feel that we are equipped to do that?

**Roger Gifford:** Yes I do, absolutely. London does half the world’s global foreign exchange, so it is the perfect place to do RMB, and Luxembourg will not hold a candle to that.

On Islamic finance, we have a very good opportunity as a country that can draw together the best practice from the Gulf states and from Malaysia and Indonesia to try to make an international model on it. The problem with a lot of the Islamic finance in the Gulf states, and in Turkey and Egypt, which do quite a lot of it too, is that there is a lot of argument about what is exactly the right kind of law, what is Sharia law and what is not, which Malaysia does not have; Malaysia has a single Sharia board for the whole country. Between us and Malaysia, we can bring a standard and a way of doing Islamic finance that is acceptable to everybody and that could become a gold standard of how to do it. There is an opportunity there. It is still a very small part of the market. We are very hopeful and very optimistic, and
it could grow significantly, but today it is still small, so we want to encourage it and see it
grow. Let us watch that space.

What for me is very attractive about Islamic finance is the discussion about healthy
capitalism and moral banking. There is a lot in Islamic finance that is about participation,
sharing profits and sharing risks, even if in practice it comes over a bit more like
conventional banking actually. I said this to one Islamic banker recently, and he said, “It is just
like conventional banking really”. But the discussion around it is very good. You discuss
participation with your client, which is good and right and is one of the most attractive parts
of it. Certainly if you speak to somebody who does Islamic banking, they are passionate
about their relationship with the customer, and that has to be a good thing. I think we can
learn from that.

Q244 Baroness Armstrong of Hill Top: That brings me to my anxiety about the
influence of the City. How can I put this? I am not against a successful banking industry.
However, following the crash and what went on then, the City of London has a bit of
catching up to do. I do a lot in the voluntary sector. I remember that one of the leaders of
one of the collective voluntary organisations suggested, when there was all the row about
bonuses, that maybe the bankers would do a little bit better if they gave some of their
bonuses to—I do not know—the homeless. I cannot remember the exact proposal. They
got the most vitriolic series of telephone calls and e-mails, which were abusive, quite
honestly. You just sort of wondered where this culture had got to. Soft power depends on
relationships at the end of the day and the nature of the relationships that you build. How
do you find that, and how do you see people in the financial services industry tackling that? I
like what you say about Islamic banking. I have some very good friends from Mombasa who
talk to me about this a lot and how much our financial services would have benefited if they
had had some of the humility that you have to have if you are going to say, “A tenth of my
income has to go to the poor”, or whatever. That is what a good Islamic household would
say.

Roger Gifford: They do say that. They do not pay income tax. Taxes versus philanthropy is
one of the major discussions of the past year. It is a really interesting relationship. Warren
Buffett famously pays 18% income tax and he thought that he ought to pay 20% like his
secretary—it was a few extra hundred million. You think, “Well, okay, if I was paying 18%
income tax, I might have a different approach, too”. Leaving that aside, I completely agree
with you about humility, about tackling the culture and about the need to reconnect with
clients. The City is serving; it is not an end in itself. Adair Turner was right when he talked
about socially useless instruments that were there for their own sake because they were
theoretically and mathematically possible rather than being useful to the client. I completely
agree. I am really sorry to hear about whoever it was who gave the charity an earful about
bonuses. The response of the City has been completely to restructure the remuneration
side, to the extent that it goes into future shares in the business and not just towards cash. I
must say that I am hugely impressed by the number of banks and companies that come along
the whole time and say, “This is what we’re doing in charity. This is the volunteering we’re
doing”, and they put on a bit of paper the amount of things that they are doing for charity.
Now, does that represent a culture change in itself? No, it does not, but the more language
we have around this, the more we can show the changes that have happened. There have
been changes in management, in governance, and in capital and liquidity structures. There
have been huge changes in remuneration structure which we think are producing a change in
culture, too.
Baroness Armstrong of Hill Top: Because that is what in the end will help your soft power.

Roger Gifford: Yes, I agree. Soft power is about relationships and trust. If you lose trust, you lose a relationship and you lose the soft power.

The Chairman: Do you think, Lord Mayor, that the Commonwealth and our membership of it have any additional contribution to make in this whole field?

Roger Gifford: Yes, I do. I have been to four or five Commonwealth countries this year. I know that my predecessors went to six countries last year, and about six or seven the year before. The affinity that they feel with Britain is clearly a good thing. I think we could do more to focus on a Commonwealth trading, sales and export strategy. We have discussed it with the Commonwealth organisation and we always try to include a number of Commonwealth countries wherever we go. Nigeria and Ghana are good examples—I have been to Malaysia this year. There is always that feeling of inclusion and a willingness to do business. We could do more.

The Chairman: You particularly mentioned trust, which is obviously a quality.

Q245 Baroness Hussein-Ece: I would like to ask the Lord Mayor a slightly different question, although I was fascinated listening to the previous discussion. Do you think the financial institutions, or these very powerful people in the City, do enough to give back? The United States has a great tradition of philanthropy in the arts, of sponsorship and of giving the arts more of an opportunity. The arts in this country are huge. We have already heard about the artists, musicians, writers and screenwriters. We export a lot of that around the world hugely. We are a centre, a real hub, for that. Do you think that the financial services could do more to support that as a way of promoting soft power?

Roger Gifford: Yes. They can always do more. It is very hard to sit as a judge in a moral sense of whether somebody gives enough. I do not think that that was the meaning of your question, but I think that it is very hard for anyone in the City of London Corporation to say whether you should be giving more. We can try to present the opportunities for giving and make it as attractive as possible to do so. In that respect, Americans are often held up as the pinnacle of giving. They pay much lower tax rates and have much better tax incentives to give, particularly in inheritance taxes. One should not look at this just in money terms, but there is that angle that makes it attractive to give. I find JustGiving a fantastic incentive to give. We can develop more ways of giving like that which will be helpful to people. Do the wealthy in our society give enough? Certainly, the figures suggest that arts organisations rely hugely on many people, banks and organisations in the City for their funding. We are very actively trying to encourage more. We have the Heart of the City organisation, we have the City philanthropy trust, we have had philanthropy seminars all year encouraging people to do more—crowdfunding, crowdgiving. I do not think that we are in a bad place. I think we can hit ourselves over the back too much on this. We are not in a terrible place, but of course we will try to do more. It is part of the changing culture that we want to see people being demonstrably involved in charity work.

The Chairman: Lord Mayor, we have been put in a bad place as a Committee because under the law of Sod there is a Division, which means that we have to end the hearing. I know that you have to go at 5.45 anyway. By the time we got back, it would be past your time here and we have placed great demands on you. We have had 40 minutes of your extremely illuminating comments. I personally would like to say that it seems to me that, as Lord Mayor, you have presided over a year of staggering improvement in your area where
there have been many tribulations in the past. I suspect that you have played a key part in that, so we should congratulate you. We note that in a few days you will be passing the baton to the second lady Lord Mayor, I think, in history. We would like to wish you well. We apologise for a slightly curtailed meeting but we have to go and vote, and you have to go to other business.

Roger Gifford: If I may, we have some material to send in which might illuminate some of the points more.

The Chairman: That would be very helpful.