Members present

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

Witnesses

Professor Michael Cox, Professor of International Relations, Head of Programme for Transatlantic Relations, Co-Director of LSE-IDEAS, London School of Economics (LSE), John Micklethwait, Editor-in-Chief, The Economist, and Lord Williams of Baglan, Chatham House

Q23 The Chairman: Gentlemen, thank you very much for coming to talk to us. We value your presence and ideas very deeply. I will go through a couple of formalities. You have in front of you a written declaration of the interests of all the Committee Members around you. That will give you a rough idea of where they are coming from, or where they are not coming from in some cases. Secondly, Lord Williams, I believe you indicated that you would like to make an opening statement. Professor Cox and Mr Micklethwait, feel free to do so or not, according to your inclination. Lord Williams, you got the first bid in, so please go first.

Lord Williams of Baglan: I just wanted to declare some interests. I am the international trustee of the BBC. I am also a governor of the School of Oriental and African Studies at the University of London, and a member of the council of Swansea University. Finally, I am a member of a Carnegie-endowment project on political change in the Middle East, which has taken me to Istanbul, Cairo and Beirut in the past two months. Finally, if I may, I will refer to my role as a trustee of the BBC. It is perhaps relevant to what the Committee is looking at that later this week we will announce that the BBC has reached its highest ever global audience. We have surpassed the figure of 250 million, which was the target for 2015. I am particularly pleased, given the tumult in that part of the world, that the audiences for the Arabic service and the Farsi or Persian service have grown substantially.

Q24 The Chairman: Thank you very much. That is a very telling statistic. I hope that this Committee will have the opportunity to speak with your BBC colleagues—in fact, we will—as well as with other parts of the global information network in due course. That is a very significant sign. Thank you for making that comment. Your interests confirm my view that we are very lucky to have you here, and that you are ideally equipped to share your views with us.
I will start with what sounds like a general question. As a Committee, we are anxious to corral this very broad subject and ensure that we do not just end up with generalities but focus on what is going on and what the major changes are that public policy should take account of. Are we just looking at diplomacy in new forms, or is there some new factor, possibly connected with the cyberworld and the informational revolution, that means that the whole analysis of soft power becomes much more relevant to the activities of government, to the priorities of the country and to public diplomacy generally? That is the first question, and it gives you plenty of scope. I will start with the economist. Mr Micklethwait, you are an editor who oversees the world every week. Please give us your views.

**John Micklethwait:** Well, I, too, should declare an interest. I am a trustee of the British Museum. In some ways that affects some of these things in the same way as the BBC.

I think that something has changed in terms of soft power. I do not think that it has changed dramatically in terms of diplomacy, which still continues to be a business of people talking to people. In terms of the way that things are projected, there has been a change in soft power. I will use the British Museum as an example. You can reach a vast number of people, all the way round the world, much more easily via digital forms than ever before. You can also see that with the *Economist*. You have ever more means of distributing knowledge and, by extension, to some extent soft power, right the way round the world. In our case, the big change is, first, the internet, and secondly, particularly from our point of view, the rise of tablets. Each week, for example, you have the choice wherever you are between receiving the *Economist* in print, on a tablet or in audio form. The German Chancellor listens to it on audio and then complains about it afterwards, or Jimmy Carter receives it on his iPad at lunchtime in Plains, Georgia, and then receives his print edition a couple of days later. That is obviously an extended commercial for my own institution. However, beneath that there is a change in soft power, which is much more immediate and direct in terms of its ramifications.

Until recently—Mick might be particularly good at putting this across—it tended to be cumulative. You collected soft power by the general extension of your actions. Now in the digital world, there has been a change—although not a complete reversal—whereby soft power can also be achieved dramatically and immediately through that digital reach. Wherever they are, people are able to see things. You can see that in the news today, and in the immediate reaction to quite small things that affects the way countries are perceived. So that opens up another avenue. The question for government is whether that is a completely new and different way of reaching things, and something that needs to be tackled in a wholly different way, or whether most of it is simply doing what you do anyway, but applying a slightly digital edge to it. I suspect that it is probably slightly in the second category.

**Q25 The Chairman:** You have put the question back very clearly indeed. It is the question of whether the Government, in the organisation of its interface with other countries and its dealing in international relations, has to revise its procedures in this age of total connectivity.

**Professor Michael Cox:** I do not think that I have any interests to declare, other than that I have been a professor at the London School of Economics for 11 years, Aberystwyth for seven and Queen’s University for what seems like the previous 20. I take a rather different view to John’s. We did not rehearse this and I do not suppose you would want us all to sing from the same hymn sheet, so I will make it a bit more interesting. I think soft power is not something you can put on and off like a shirt, or polish up like a pair of shoes to get ready for a job interview. It is something more structural. Joe Nye is the reason we are all sitting
here in this room. In the original sense, I think he meant “soft power” as a structural concept. It is what a system possesses other than its hard military or economic power. It is the message about itself that it sends around the world. That is not the same thing as propaganda. It is the image of a particular country, held by a fair number of people, for good or ill. Structurally this building is the embodiment of a political idea. That is soft power. Over the weekend, I visited Kelmscott, William Morris’s wonderful house in Oxfordshire, and was struck by how many overseas visitors were there. I did not immediately think, “Ah, I will be talking about soft power on Monday”, but it struck me that this is structural, and part of the deeper essence of what you might call the British way of life. I half go along with John on the movements and changes that have taken place, but there are some more fundamental structural—although I would not say unchangeable—things that are embodied in civil society and the way we do things, such as having lots of bookshops and critical students, and overseas academics coming to study here. Those kinds of things are much more structural.

The second thing I would add to that is that it is very important not to make a sharp separation between hard and soft power. Sometimes we think that hard power is real power and soft power is the fuzzy stuff. Quite a lot of soft power derives from hard power. If your economy does not work, which is part of hard power, you are not going to have a great deal of soft power. If your soldiers misbehave overseas, that will weaken your soft power. If your soldiers behave well overseas, that will strengthen your soft power. I often see a kind of a Chinese wall put between the two concepts, whereas we should think of it as a totality in which one very much depends on the success of the other. By the way, when Joe Nye, who is a friend of mine, tried to formulate this idea in a modern context for President Obama, he said, “Let’s not talk about hard or soft power, let’s call it smart power”. Secretary of State Clinton picked up on that. It is interesting to see the two coming together. Going back to the original point, there is something more structural about it than something that can be easily changed and moves from week to week.

Lord Williams of Baglan: This is a difficult question and a very broad one. It seems that soft power has had more effect on the governance of states than on international relations per se. There is a difference there. The chief actors in international relations are now almost the same as they were 500 years ago: namely, states. Of course, the number of states has proliferated. There are some non-state actors and there are international organisations such as the UN, NATO and the EU, but essentially it is about states. Where soft power has had the greatest impact is on the governance of states, whether they are rich or poor, large or small. Frankly, in some ways it has made the task of governance, whether in countries with long democratic traditions such as ours or newly independent states elsewhere, for example in Africa, more difficult. It has forced Governments to react at a far quicker pace than they would have done not 50 years ago but 10 or 20 years ago. Collectively, we have seen this in our own political experiences and careers over the past 20 to 25 years. That is an issue.

There is also the issue that in some ways soft power, as well as informing populations, has enabled challenges to government to come at a quicker pace, sometimes in a more unorthodox manner and sometimes in a more challenging if not threatening manner. I think of the rioting in London and other cities two summers ago, and the way that the tools of soft power such as Facebook and Twitter were used by those who were so obviously discontented. It is somewhat different, but I can see something similar—I found it striking—in two of the BRICS, the fast-developing countries, Brazil and Turkey, within a month of each other. Seemingly small disputes, over a hike in bus fares in one case, in Sao Paulo, and over the Government of Turkey wanting to take over a park, were bread and butter issues of local politics, but all of a sudden, through soft power, became challenges to government. That is an issue. There is an issue for foreign ministries. They have to bring this into their
diplomacy—that is a considerable challenge—and use all the tools such as the internet, Twitter and Facebook. I am not speaking particularly of the FCO, but foreign ministries generally have been one of the more traditional pillars of government, if I might put it that way. They have not had to respond to their citizens in the way that domestic departments such as health, education or law and order do on an almost daily basis. So it has produced challenges and difficulties for foreign ministries, and it is something that increasingly they have to get on top of.

**Q26 Lord Forsyth of Drumlean:** Lord Williams, every time I think about what soft power is, it slips away like jelly. You appear to be describing as soft power the ability of people to communicate with each other and organise themselves through the internet and the various devices that can be added to it. Is that really any different? I can see that it changes the way people co-ordinate direct action, but we have had direct action since Peterloo and the Chartists. The fact that people can communicate and that things can be made more widely known is a technological development, but is it really soft power? Are we confusing the media with the message?

**Lord Williams of Baglan:** I see your point, and you are right that in essence it is technology, but it produces a soft power that was not there before. If it was not for technology in Sao Paulo and Istanbul, would people, not in their thousands but in their tens of thousands, have taken to the streets over an increase in bus fares or moves to close a park?

**Lord Forsyth of Drumlean:** I see that, but I would regard that as direct action rather than soft power. To me, it is the opposite of soft power.

**Professor Michael Cox:** I will jump in here. I think to be fair to Nye, soft power in the way he uses it is not a jelly-like concept. I think that he meant it in three general senses. First, it is the broad model that a society has, and whether it has appeal beyond the borders of that society. Sometimes systems that you dislike may have an appeal beyond their borders. The old USSR had a message of liberation, socialism and industrialisation that had an appeal way beyond its own borders. It is not primarily the means of communication but the story you tell about yourself. Nye meant the things that any society does at any one time that cannot simply be grouped into hard military or economic power, such as bookshops, the level of tolerance, the rule of law, how you deploy your power, and how fair or unfair you seem as a society. It has a jelly-like quality, and I agree that it is not the means of communication or even the message but the story you have to tell about your society. Quite often you do not have to tell it. Joe Nye says there is a massive distinction between propaganda and a soft power story. Propaganda is what you have to sell hard. Soft power—I get back to my structural argument—is what you have. Sometimes even not selling it is a good form of soft power, because you do not have to keep boasting and shouting about it all the time.

**Q27 Lord Foulkes of Cumnock:** That is what I wanted Professor Cox to tell us a bit more about: what we say about ourselves. Michael Forsyth might have a different vision from me of the United Kingdom and what he wants to project. You mentioned this building, which is actually crumbling—you should go down the corridor and hope for the best. I would like us to abandon it and move into a modern, effective building that could be more efficient, but that is another matter. You have clarified that there are two things. One is how we see ourselves and the second is how we get that over to whoever we want to get it over to, how we get it to them and so on. Is that right?

**Professor Michael Cox:** Yes. This may make it very amorphous, but it is not just a utilitarian concept, whereby you have a department of soft power and a Minister of Soft
Power, as opposed to a Minister of Defence, for example. It does not quite work like that, which gets back to the jelly-like quality mentioned by Lord Forsyth. It is rather more amorphous, like jelly, to that extent. Often it is not something you have to sell. This is why I made the point with John earlier; it is more about what your society and system are.

Lord Foulkes of Cumnock: We need to define that, for example as democracy and the rule of law.

Professor Michael Cox: Often others will define it for you, without you doing very much about it—although we have lost certain parts of the world and will never get them back.

John Micklethwait: Lord Forsyth is right. You can make this point about the whole of society and the way in which digital ideas are distributed, as happened—and is still happening—in Brazil and Turkey. Certainly what Joe Nye was talking about was a Government’s ability to project power, sometimes within its borders but on the whole beyond its borders. I would advise the Committee with great respect to stick to that issue, which seems the most relevant. Mick and I are to some extent arguing over the edge of a pin, because I certainly agree that most of this is cumulative. It is the building, and the things that Britain has done in the past. But there is something new, to do with the interaction of these new things, that makes a difference. The bit I would argue about is that you are seeing some places making a deliberate attempt to project that. China has its Confucius Institutes, which are half-successful. They are deliberate soft-power organisations. They do a bit and give the idea that the Chinese are interested in things. The Chinese are trying to put across the idea that state capitalism is a good idea. But the main way in which China has increased its soft power—going back to what Mick first said—is entirely to do with the fact that its economy has done really well. It is much easier to use this to persuade the leaders of Russia or African countries, or any of the people you meet on an irregular basis. They are lured to China not by the Confucius Institutes but because the economy is doing well and they believe that their self-interest lies there.

From a British point of view, the reasonable question to ask is that we are generally seen—certainly Joe Nye would put this to you—as having been extremely good at soft power. We have good diplomats, the advantage of the British language, the BBC, the British Museum or whatever. We have vast panoply of things. The question now is whether we are still good at it, and I would argue that we have become lazy at it. That is the main thing that comes through to me. I will use the British Museum as an entirely self-interested example. We were looking at why the British Museum should rightfully and brilliantly continue to receive nearly the same amount of money from the Government as it currently does. I should add that the British Museum gets less money in real terms than it did in 1997, and the National Health Service gets twice as much. You can read into that something about the efficiency of states, which Lord Williams was talking about. The point is that I imagined that if you took the wide array of culture represented on this panel and asked any government Minister where they saw the future of Britain and Britain’s strength, they would tend to come back and talk about learning, education, the media and museums. They tend to see all those things, but there is no organisation that even puts together a number for how much those industries are worth, let alone begins to campaign on their behalf. Britain generally is rather lazy on all those things. In some ways it is staggering how little we do.

The Chairman: What is it all for? The judgment surely depends on what the outcomes are. If we have grown soft and sloppy about our soft power, does that reflect the fact that we have grown soft and inefficient about our prosperity, trade and international security, because that is what it is all about?
John Micklethwait: I should let the others come in, but I will quickly say yes: it is, by definition. If you persuade students to come here and study regardless of your views on immigration, they tend to be people who are putting money into the economy. If you encourage people to come here to see the museums, watch television programmes, study or go for courses, that is all part of the same thing. It is a huge thing. If you ask most economists what the sources are of Britain's competitive advantage, they come back with the City, the high-tech end of manufacturing and various service industries. Then you come back with this wide array of culture through to learning, I suppose, in which a lot of people are employed already. There is no really cohesive attempt to look at that abroad.

Q28 Baroness Hussein-Ece: I was interested when Lord Williams was talking because I was thinking about what had has happened in Turkey and Brazil over the past few weeks in relation to what we are doing in this Committee. I am particularly interested in Turkey: my family background is there. It struck me when Lord Williams was talking about soft power and the way that a message had gone across to mainly young people who were disengaged with the Government and what the Government were doing. What also struck me was the Government's inability to adapt and respond to those who were demonstrating. They seemed to be completely out of step. In fact the Prime Minister started condemning Twitter and social media as evils that were disrupting the country and that it was all a big plot. Ironically, he is a very enthusiastic user of these social networks to get across his own message.

Do you agree that the sort of new soft power of digital and social media networks reach way beyond the borders of a country and a society and holds up a bit of a mirror, as it did in Turkey and Brazil, to the particular society and its institutions? That is especially so in Turkey where there is secularism versus a conservative Islamic government. I wanted you to comment on that because we use these sorts of new network very effectively. When something like that happens, how do we respond now compared with 20 years ago? Are we using these tools appropriately to get across the right messages to help some parts of the world—some of these younger democracies—become more democratic, tolerant and to adopt some of these principles? Are we using them effectively?

Lord Williams of Baglan: Us as the UK? I think on the whole we are. One of the extraordinary things about this country that I always took great pride in when I lived in Asia, the Balkans and so on is the generally favourable way in which the UK is seen. There are an enormous number of reasons for that. People have referred to the BBC. There are our universities. In the top 50 universities in the world, seven are British. That is not bad. There are obviously many American universities, but when you look at the rest of Europe, only three are in the top 50—two Swiss and one German, if I am correct. Our NGOs have played an extraordinary role. Save the Children was established in 1919 just after the First World War. Oxfam was established in the middle of the Second World War, in 1942. Amnesty International was established at the height of the Cold War in 1961. Many other NGOs dedicated themselves to the care of the disadvantaged within the UK. But what is interesting is that these organisations—Save the Children, Oxfam and Amnesty International—from the beginning, looked overseas. You find very few European competitors like that. That has something to do with the tradition of governance in the UK compared with Europe, where in many countries there were strong traditions of authoritarianism that have not allowed for a full ripening of civil society. I think that we can be proud of our heritage with regard to soft power and proud too that it still makes an enormous impact across the globe. You mentioned the BBC. John is the editor of an international newspaper: its headquarters is here in London. We also have the Financial
Times, which is another global newspaper. Now you can go anywhere in the world and get the FT on the day of publication. Our assets are extraordinarily rich. Whether there is more that we as the UK and the Government can do in supporting this and bringing wider attention to it may be something that the Committee could look at.

Q29 The Chairman: Professor Cox?

Professor Michael Cox: I visited Turkey recently. I was in Istanbul a week before the riots—no connection. One of the things that I lectured on to a group of businesspeople—not Turkish but international—was the question of soft power. It is obviously the case that we are now witnessing a series of disturbances in a number of urban centres across Turkey—in Istanbul, Ankara and one or two others. But what is striking about AKP—a Government with which I do not have massive ideological sympathy—is that none the less it has been hugely successful. It won one election and then it won two more. What it did, which is what a lot of Governments do not do, is increase its vote as it went along. One of the reasons that it did that, quite clearly, was the economy. The same argument that John gave for China works equally well for Turkey. GDP has gone up two or three times. Living standards have gone up by an equal amount. Living standards in poor Anatolian regions have come up. New business groups have come in from Anatolia. It is not dominated by the European elites as it once was. Erdogan himself is very pro-European, and in formal terms, in some senses, remains so. If you look at Turkey in its own region, as opposed to how it is being reported in the West, although I do not know what impact the riots and disturbances have had, it was quite striking. Turkey had an enormous amount of soft power in its own region. There were opinion polls in Egypt and right across the Middle East. You know this, John. You had some in your own journal.

What was very interesting is that Turkey emerged with an approval rating of about 75% as a model of a dynamic market economy in that region of the world which can, importantly, combine some form of Islam culturally and politically with an appearance to democracy. What is interesting about Turkey is the speed with which one can lose soft power as well. The real danger for Erdogan or his AKP Government is the speed at which he may now be losing some of that soft power. Way before, he had enormous amounts of it. That soft power for Turkey was frankly quite an advantage for this country. It was quite a strong advantage for the West. If I can put it straightforwardly, one thing that we do not have very much of is a decent model of how you combine economic development from a religious state and democracy within that particular region of the world. Therefore, what happens in Turkey does not just have Turkish significance, it has huge ramifications for the region and for us.

John Micklethwait: I was going to say almost exactly the same thing. The interesting thing about Turkey is that you go to Egypt and all these different areas, many of which, we should not forget, did not view the Turks with huge enthusiasm. But in the Arab spring everyone who saw it as a glass half full has seen Turkey as the model to which they are going. You have the various Muslim brotherhoods who have some links. What intrigues me is the idea of whether what has happened in the past two or three weeks has hurt that soft power. What is also interesting is that although you might expect it to be that way, at least some of the evidence of what Erdogan has been doing—economists have definitely felt this—is that you get attacked repeatedly as being part of the western media who are stirring up trouble and interfering in the life of Turkey. If he can pull that off, to some extent, by saying, “Look. I am the person who represents most of Turkey. I’m a democrat”, he might be able to hang on to some of that soft power. The lesson for most countries is that soft power only really works if it is broadly in accordance with what you stand for anyway. If you try and claim that
you are something you are not, it is like one of those advertising campaigns: it does not really work. Turkey on the whole—and we have probably all been to Turkey recently—is broadly correct. Turkey is a democracy and it has been reasonably tolerant in different ways. It has helped with the army and done various things. That is not a bad image to project across the Arab world at the moment, even allowing for the really rather awful things that are happening at the moment. So my instinct for Britain, which I agree is a very long jump from Turkey, is that we are strongest when what we are trying to project in terms of soft power is something that is inherently true.

The Chairman: Credible.

Baroness Hussein-Ece: There is a danger. Sitting in Parliament here, we have questions about that region, and we tend to look at it from the western perspective and do not quite see it in the way that Professor Cox described. People from that region or different parts of the world see things in a different way from the way that we do. Incidentally, Turkey uses soft power, as we see from their own soaps, with their own history, which have a huge following and are followed enthusiastically all round the Middle East. Apparently, they have been so successful with people tuning into their programmes. They have used it very effectively in the way that we have been doing for a long time.

Q30 Lord Ramsbotham: I have been reflecting on two things that Michael Williams said. If I can reflect a little before that, I was thinking about the projection of the image and back to the Falklands war when, thanks to a technological accident, as it were, television was not available and everything had to come out by radio. It was very interesting how much better informed people were by the radio than the television, which was presenting a very isolated image. That leads me on to reflect on the image as presented by television because of thinking about the people who are going to receive it. They receive a flickering something, but not a picture. Therefore, if it is going to be used as a weapon for the projection of something, it is almost a propaganda tool. The reason I mention that is because—thinking about Michael’s point about whether this should be co-ordinated, and all three of you have mentioned various disparate aspects of the soft power—last week, when we were talking about it with officials here, the National Security Council came into play as being a co-ordinator. The one thing we are not talking about is security. We are talking about other things. My question is: do you think this is something that can be co-ordinated and, if so, by whom?

Lord Williams of Baglan: Certainly not the NSC. I think John might have some objections to that. It is a difficult question that you pose. What we have done successfully is that NGOs and institutions such as the BBC, the British Museum and others have thrived in Britain in a way that puts us at a considerable advantage, even with regard to many of our European neighbours, so we are getting something right. That is something we should be proud of. We need to create an environment where these sorts of organisations continue to grow and to flourish. I am a little hesitant about co-ordination, although there might be some cases where that might be helpful. Perhaps, for example, with regard to universities and higher education, there needs to be some co-ordination. With regard to the press and broadcasting, not at all, John would say, and I suppose John is right on that. NGOs are feisty little organisations, and the last thing they want is a degree of political control. Maybe there is more that government can do in creating an enabling environment, both domestically and internationally. We should want to see from Governments tolerance for British soft power, which there is, and the ability for our NGOs to operate in Africa, Asia or wherever it might be.
Professor Michael Cox: I said earlier that the idea of a Ministry of Soft Power or whatever strikes me. This is where the Confucius Institutes go wrong, and a whole bunch of things that China does simply go wrong because it just looks like government and state propaganda and therefore, by definition, people do not believe it. It has to be bottom-up.

There are two ways I think about this—or one way maybe. Always ask the question: what impact has a policy we pursue had on something that we vaguely understand to be jelly-like soft power? We know there is something out there called our image, our reputation, our whatever. We know there is something out there, even if we cannot be very precise about what it is. Ask the question: what impact on this rather vague, nebulous concept are our actions, policies and even our words going to have on the world out there because we live in a world where things go viral very quickly?

I can think of two things, without getting party-political on this, because that is not what you want. First, visas in higher education is a classic case. The policy was pursued, no doubt for good reasons to do with public opinion, immigration and students. We know all about that stuff. The consequence is that out there in the world, in countries such as India and other countries, particularly the rest—and we are talking about the rest later—it does feed in. I have been asked in many countries in the world: “Why have you got such rotten visa regulations?” It makes the country look more closed than it really is. Secondly, it is going to have impacts on recruitment in higher education. It is the unintended consequence. Nobody asked the question, that is what I am saying.

The other thing—I can say this without any interest in my career on the BBC, if it comes to that—is the impact of this now huge soft power institution, particularly of the World Service, but many of the other aspects. Did anybody ask the question? Maybe somebody did and nobody thought it was a very interesting question. It is asking that question: what are going to be the consequences? The worst thing that often happens in most policies is the unintended consequences. Nobody sets out to do things that are counterproductive, but they often are, as we well know. This is true of universities as much as it is of government. It is just asking that question: “What effect do you think it is going have?”, however vague this concept may well be.

Q31 The Chairman: John Micklethwait?

John Micklethwait: Again, I had almost exactly the same notes. I think that visas are just a crime. I am very happily party-political. It is economically suicidal. It is possibly one of the most bananas policies we could humanly have. All you need to do is to talk to businesspeople or, indeed, students in any other country who want to come and spend money here. It is bitterly resented. It is completely useless in terms of recruiting people. You look at something like the recent visa kerfuffle in Brazil. We have just spent a huge amount of money sending government Ministers out there. We then made it virtually impossible for Brazilians to come here, and whatever small plus point there was with all the money going to Brazil was completely wiped out overnight. At least the very first thing that Governments should try to do is do no harm.

There is a second point. There is some element of co-ordination that Governments can do. I was generally staggered by the fact that there was not really any sense of how big were what might be described as Britain’s soft power industries—although I was not looking through that particular lens. You could rapidly get 200,000 or 300,000 people being employed in them without even spending more than half an hour on Wikipedia. That is considerably bigger than a lot of industries that receive a lot of government attention.
I suspect that it comes as no surprise to readers of the *Economist* that I am not pro state subsidies in a massive way, but it is interesting that these institutions tend to get cut more than other ones. So at least from that perspective I would take the attitude that that is part of Britain not thinking about these things. You can go the other way and say that France takes a very positive attitude towards these things and does not always get it right, but if you were trying to look at any long-term version of British competitiveness—not just to do with projecting soft power but also in terms of economic competitiveness—you would at least be trying not to do harm to these industries. That alone would be a mild plea from my end.

In terms of security, it strikes me that if you give the issue of visas to the security people, then, on the one hand, I cannot imagine them being in a rush to grant visas to young Arab students at this precise moment but, on the other hand, in terms of Britain’s soft power, that would be a big and wonderful thing.

There is one tiny thing on Turkey that I should like to come back to. I should have said that a large part of Turkey’s soft power within the region has been the fact that under Erdogan it has got considerably more hostile towards Israel. If you look at the way in which soft power is built by some powers but not necessarily by Britain, it is in large part in the definition of hostility towards other people. A lot of China’s soft power in Asia comes from its hostility to Japan. You could follow that in different areas, and that is another way in which you encourage it, although I am not necessarily recommending that you go down that route.

**The Chairman:** Is it also about who your friends are? Turkey having moved somewhat away from America, would you say that the same applies to us?

**John Micklethwait:** That is a very good question and I will give you a personal answer. From the *Economist’s* point of view, I think we have always had a mild advantage over American competitors in terms of the coverage of foreign events. If you are an American news magazine, you run the risk that America always has a dog in every fight. There is no issue anywhere in the world where America is not heavily implicated one way or the other. There are some areas where we get criticised, and no doubt the BBC does as well. Very occasionally you get the aspect that you are trying to reintroduce colonialism or whatever, but on the whole most people do not see us in that light. So I think that there is an advantage for Britain in this area because we are not seen—however reluctantly by your Lordships—as a global superpower. We are seen as a kind of cultural force, and one which is close to America but not having exactly the same goals.

**Q32 Baroness Prosser:** Can I go back to the business of digital communications? While I agree, of course, that the use of such tools has been hugely beneficial in co-ordinating activity, it seems to me that the most important thing that has come out of such development is the ability of people in quite remote and often relatively underdeveloped areas of the world to find out what is going on in many other areas of the world. There are lots of situations of which people would have been completely ignorant a number of years ago but they now know about them almost immediately. That must impact on the way that such people feel they are being treated. Why do we not have the opportunity to speak about all those kinds of things? Given all that, what do you think the impact is on ways in which we should be delivering and developing soft power from this country? Thus far, we have listened in the main to people from government departments. They have been very knowledgeable but, personally, I did not think that they were hugely imaginative about ways in which we could develop such programmes. I do not know what you think. Professor Cox, you said that soft power can come quite quickly but can speedily be lost. What do you think the impact of all this is on ways in which we ought to move forward?
Professor Michael Cox: To be perfectly honest, I had not thought of the way in which we—the UK—or government should respond to this. Perhaps my colleague can say something on this and I can think of some other things. Going back to the original question, certainly the impact that this is having on, say, economic development, is remarkable. After all, in large parts of the world you do not have laid down cables everywhere; you have to go through cellular phones and mobiles. Communication therefore becomes very important. A huge amount of entrepreneurialism, both potential and real, is emerging in countries such as those in sub-Saharan Africa, and it has emerged largely through new digital forms of communication, including cell phones and mobiles phones. More and more business and more and more transactions will happen in that way.

The downside of that is that Governments then do not feel that there is any onus on them to develop infrastructure. That is a negative. How this country could develop this I will leave up to others who know much more about it. The other day I was having a very interesting discussion with somebody about what the British economy is. I am not an economist—I am at the London School of Economics and Political Science. It was quite interesting. We got into a discussion about what the British economy is per se, and yes it is the financial sector, which we know about, and yes it is the service sector, but what we now think of as industry is actually high tech—it is the new technologies. You have only to travel in and around Cambridge and many other parts of the world. Yesterday, I drove past Harwell. This is very advanced, and we are in the forefront of these areas. I do not quite know how government or departments have thought about this but we have a massive advantage here.

There is another thing that falls into both soft power and economic power. For reasons that I have never fully understood, this is a hugely creative country. We are supposed to have a rigid class system but somehow or other it got bypassed. There is the creativity of the music industry and the arts. London is an exciting city to be in. Others are maybe more beautiful and more classic, without naming names, but London is very exciting and innovative, and part of this goes back to the question of innovation technologies and nanotechnologies, and music. Young people like coming to this city and they find it very exciting precisely in those kinds of areas. Again, I shall leave this to others to think about. Given those advantages, are we taking enough care of this? Are we developing it? Could government do more to facilitate that? Frankly, at the moment I suspect that we are not. This is something that comes from the bottom up in a fundamental sense.

Lord Williams of Baglan: I will echo if I may John Micklethwait’s statement with regard to visas and so on. Universities are such a critical part of this country’s infrastructure, nationally and internationally. We are putting at stake our present, very strong position. We have more universities in the top 50 and the top 100 than all of Europe put together, and this cannot be sustained with the present visa regime. People will eventually go to their second and third choices if they cannot get in.

Q33 The Chairman: I do not want to get into hot issues on this side at this moment, but how does that compare with your impressions of what happens in America, France, Germany, Japan or Italy? Are we notably tougher and more awkward? Are our numbers falling rapidly faster than those of other countries, or is this just a sort of sui generis argument?

Lord Williams of Baglan: Others will know more, perhaps Michael in particular, because he is an academic. Certainly, in the US it is easier to get in. In certain subjects, for example in the sciences, if you get a PhD that automatically puts you in line for a green card and citizenship. Am I right, John?
John Micklethwait: To be fair, America has problems as well. The high-tech companies have, quite correctly, gone crazy about some of the problems that they have had there. They also have a nativist element, if I can put it that way, which has caused them substantial problems, as you can find from anyone in Silicon Valley. The truth is that our rules are tougher than those of most European countries. So it is true that it is easier to go and study in Germany or France. But, for the reasons so ably spelled out, the figures are that out of the top 20 universities in the world three or four are British and the rest are all American. A century ago, if there had been a list of universities, you would have found, at the very minimum, four or five of the big German or French ones. People do not want to go to those places. The added problem at the moment is that, if you are in India, you face at least some degree of more competition from domestic institutions. You can get more engineering degrees, for example. China is building universities like anything. All those things represent different versions of competition.

I would perhaps be more positive and say that, if you look at the world at the moment and guess at industries going forward, at least some of the evidence is that, after about 20 years of it supposedly happening, the influence of technology on education, which has previously always been exaggerated, is one of those areas that seems to be just beginning to take off in a substantial way, particularly in America. It is not just British universities but British private schools that are doing fantastically well around the world, and are seen generally as being of an incredibly high standard. How people make money out of that is a difficult question for the Committee, which I can give a vague economic answer to. London is a large part of this, and the difference between London and the south-east and the rest of the country matters enormously. The fact that London is so cosmopolitan is another reason why people want to come to this country. That makes a big difference, to the extent that government policy is steered by that.

Professor Michael Cox: Without going into too much detail on the facts and figures, I did an analysis last year of the Times Higher Education top 500 list of universities around the world. My goodness, that was pretty dull. What was amazing, though, was that the fundamentals are, if you take the top 100 institutions in the world today, 89 of those are definably in parts of the world that we would call the West, with the United States a long way ahead of anyone else with about 49 of them. We have about 17 in the top 100. The English-speaking countries do pretty well. Canada and Australia also do well here. Continental universities the other side of the channel do not do too badly—the northern Europeans, largely. What is remarkable is that soft power is also about language; it is a linguistic power. There is no way around that. Linguistic power is part of our advantage.

The Chairman: Did not I read at the weekend that the Times index of universities put the Japanese, Hong Kong and South Korean universities at the top of the list? So things have changed.

Professor Michael Cox: Let me be absolutely precise. Only two of mainland China’s institutions rank in the top 100, and both are in Beijing. Only two of Japan’s universities rank in the top 100. That gives you four of the Asian universities. All the rest come from Hong Kong with three, Singapore with two, three in South Korea and one in Taiwan. In other words, all the countries in Asia that have done particularly well in higher education, using these criteria of excellence in research and teaching, along with globality, tend to be in those parts of Asia that have had the longest links with the West. This is not a political or post-colonial point. It is remarkable that the Asian countries that have done so well economically do not do very well in measurements of international higher education. This one does
remarkably well, for all sorts of reasons—but having the language is a significant part of soft power.

**Q34 Baroness Goudie:** I wanted to come in on a quick point on the question of whether we are getting lazy. I thought that we were on the basis of evidence that we had last week and the other week. People said, “Don’t worry so much. We’ve got 10 years extra, on the back of the Olympic Games”. This I do not agree with at all. I felt that it was making some departments sit on their laurels and not really do anything. We know that a number of emerging countries are working very hard and that we need to work much harder because we are living in the past, not in the future. I know you have touched on that a bit this afternoon, and I have found your evidence a breath of fresh air.

**Professor Michael Cox:** I think the success of the Olympics was almost an accident—let us be blunt. Prior to the Olympics, everybody was talking it down; nobody said that it was going to succeed—they said that everybody would be stuck at terminal 5 for three days. There was a real talking down of the thing. Then bit by bit we discovered that we had done something rather good. It started with the opening ceremony, then we started winning medals and people started to really enjoy it. There was the wonderful set of volunteers all over London, making London such a great place to be—and I love London generally. It is total nonsense, because an Olympics is a one-off, and what followed was a one-off. It was great, but it will not last forever.

**Baroness Goudie:** That is why we have to move on.

**Professor Michael Cox:** Definitely.

**Lord Foulkes of Cumnock:** I have found what has been said very interesting and eloquent. The only problem is that it has not helped us to narrow this down. It has only indicated how wide the area is. Can you help us by narrowing down where we can add value and be useful if we pursue it further? We have hundreds of potential witnesses, but it would be really helpful if you could tell us the areas in which something might be said and done, and we could follow that through.

**John Micklethwait:** I will go first, although I am going to sound a bit repetitive. Basically, you have to look at this from a global perspective. Britain comes to this with a huge number of assets; it is not just the English language. I will use a tragic British Museum example, when it sent the Cyrus cylinder to Iran, and 1 million Iranians go to look at it. That makes a complete transition in the way in which people think. The digital thing makes it different, and this is true of quite a lot of British cultural assets in soft power. In the old days you could ask why London had this collection of things for the world which the world cannot go to see, but now two things are happening. First, those assets go round the world, pretty much constantly. Secondly, people can come through digital means to see it. So there is an element whereby we come with all these things and this huge history of democracy, and there is a vast amount of that sort of thing that Britain has. That would be one argument—that you open that up. The second one, where I am going to sound repetitive, is that you tell government to get out of the way, when it is doing things that are fundamentally deleterious to that long-term thing.

**Q35 Lord Forsyth of Drumlean:** You have emphasised our cultural heritage—democracy and all the good things about Britain—but everyone has said that China is a good example of a country that uses soft power because its economy is strong. I can think of fewer examples of countries where democracy, the rule of law and human rights are less in
evidence than China. So what are we saying here? Is it about projecting our values, or about using the assets and comparative advantages that we have to advance our economic position, which is what China is doing? I am with Lord Foulkes. We have to be clear about what our objective is—and if it is just to make people feel good. You gave the example of providing these artefacts in the museum, and how 1 million people came to see them. I wonder how many of them thought, “How did the British get these and why are we not getting them back?” There could be a double-edged benefit there. So what is the answer to Lord Foulkes’s question? What should we be doing? To my mind, it is about working out where we have a comparative advantage and using that to get business and trade. Is that too narrow?

John Micklethwait: That is a bit narrow. At the very minimum, what we are saying to you is: “For God’s sake, do that”, because you are not doing it. That is the point. You are not even beginning to use the mentality of the people who deal with this is not to think about these assets that we have and which make a difference to soft power. If you look at the soft power around the world—this is not my shtick—and if you look at what we are doing with visas for students, that makes a big difference. We have by any measure an outsized education capacity in this country and people who are willing to come here and spend a lot of money either on pre-university education or university education. To quite a large extent, we have a Government who make that very difficult. That goes for both parties. From the point of view of projecting soft power, that would seem to be not an altogether helpful starting point.

From the point of view of the rest of these things, I think it is to some extent a matter of government realising what is there. Government comes at this very much from the perspective of thinking of our industries, such as car making. It is from that angle. The strengths of the British economy have moved, and I do not think government has. I am not pleading for more money or anything like that. I am pleading for some degree of ability to recognise where they are from. At the moment, the Department for Culture, Media and Sport is seen as a place where you spend a bit of money; is not actually seen as a profit centre. I would argue that it is a huge profit centre for this country.

Q36 Baroness Morris of Bolton: This has been touched on, but I still think there are some interesting answers to come out of this. John said that we come to this with a huge number of assets, but we have become rather lazy, to pick up what Baroness Goudie said. Around the world, a lot of our old friends think that we have rather taken those friendships for granted while at the same time there have been new players coming into the market who have been very active and effective. I wonder to what extent traditional powers are being confronted by a rise in the rest in terms of rival states.

Lord Williams of Baglan: There is quite a lot to that. The question to my mind is more that the UK and others are being challenged by the rise of the rest, the likes of China, India, Brazil, Turkey and South Africa. It is not because of those countries’ capacity with regard to soft power; that is a small element. It is largely and overwhelmingly because of their extraordinary economic development, and with that has come political and military power for some of those countries, particularly China and India, which are both nuclear powers. It calls into question things like the Security Council of the United Nations which essentially has not changed in 70 years, since the Second World War, and whether that is a model that can endure indefinitely. There was one minor change in 1965 when the number of non-permanent members went up from six to 10. How much longer can one go on without countries such as India, which is the most populous country after China, and Japan, which
pays about 2.5 times the funding that the UK contributes to the UN? How much longer can they be excluded from the halls of power, as it were?

**Professor Michael Cox:** There is a long and a short answer, but you want the short one. “The rest” is a term that Fareed Zakaria coined in his book some time ago. The rest constitute largely non-western powers, and that is the challenge. Many of the countries we define as part of the rest are countries that either stood outside the world order, challenged it or were even fundamentally opposed to the world order, if you think of China and Russia and India, in a certain sense because of the socialist traditions and, historically, its admiration for Soviet-style planning. The challenge—rather than confrontation—of the rest in this loose sense, including Turkey and others, is that we are dealing with countries that are, in a sense, in large part, although not completely, joining up to an western economic order but are still non-western powers. Therefore, they have certain ways of looking at the world which are not western in any simple sense. China is the most obvious example, but it is equally true of India, it is certainly true of Russia and it is even true of Brazil. It is certainly true of Turkey. All those countries are coming at us or coming towards us with a different set of assumptions about how the world ought to be organised. This was the original point of Jim O’Neill’s notion of the BRICs. It was not that there are countries which are growing economically, but that we will have to change the foundations of governance in order to accommodate them. That is the challenge.

The other point I would make about the rest, which are changing international relations economically, is that I still find it interesting that once you start doing some of the straightforward analysis, much of what I would call power—military power, soft power largely and even a large part of the economic power—still resides in that part of the world that we call the West. I am not sure how we answer this question; it may be too academic. It is really quite remarkable how much speaking up of Asia there has been—if I might put it like that—and talking up of the Asian 21st-century idea, when, in fact still today the greatest amount of economic activity occurs transatlantic. If you are looking at foreign direct investment, it is still primarily transatlantic. If you are looking at some of the biggest corporations in the world, they are still 65%, 70%, 80% transatlantic. The question is how you marry or bring together—maybe John has some thoughts on this—the notion that we are living in a world that is changing, evolving, moving towards the rest but where power in those sorts of senses still remains very much embedded within more traditional western power. The trick is how you draw those countries in, how you give them incentives to cooperate to become part of this order and ensure that they have fewer and fewer incentives to stay outside of it. How you play that game with them and what role we play in that is a much larger policy question.

**John Micklethwait:** My answer would be that the rise of the rest is inevitable, that we are bound to lose soft power to them to some extent, and that that is a good thing. Sadly, the single most amazing thing from the past 25 years, when historians come to write about it, will not be the various things that happened in the West but the fact that a billion people jumped out of extreme poverty in parts of the rest of the world. That was the biggest thing that happened in all our lifetimes—or the lifetimes of most of us. We may dispute it, but that is bound to happen. From a geostrategic point of view, if you are Barack Obama, by the time you have left the White House, if you have not cemented Brazil, India and above all China into some version of the world order, you could argue that you will have failed. It is possible, if they do not bring China into the system, that it will be much harder going forward. There is a big thing there, and Britain could play a role, although you could not claim that we are the people pulling it: that will always be the Americans.
The question to ask, now that the debate is moving from what Britain does at home in order to increase its soft power to what it does with diplomacy, is not whether we are shedding power to these people, because the answer is yes, we are bound to, because power to some extent has to reflect economic reality. The question is whether we are doing as well as we could. When you look at these powers—Mick pointed towards this—they are not challenging us in the way you might expect. It is not just to do with the West having more powerful soldiers and better armaments. The Pentagon’s budget is still colossally bigger than anything even the Chinese have on offer. It is still noticeable that the Chinese are still very scared of the Japanese navy, whatever they say about the islands. China, at least to itself and largely to the outside world, is still so focused on what is happening at home that its ambitions to go global are linked slightly to its need for resources, but not much more than that. It has never had a vision of itself that extends much beyond its region. One can read Henry Kissinger on that.

India, again, is a pretty regional power. I heard a statistic, which I hope is correct, that India has fewer diplomats than Singapore. It does not project power in a particularly hefty way. Brazil is a very regional power, if that. It does not throw its weight around, even in Latin America. South Africa is the same; it operates very much within Africa. That leaves Russia, which is an old-style European power. If you put the other four against Russia, you do not see a diplomatic challenge in terms of soft power. I would argue that in the way in which we treat ourselves against those powers, we should be more circumspect than just saying that they do not want to invade our space that much to begin with. The answer is that they do not want to invade our space that much to begin with. We should certainly ask ourselves big questions about why we, out of all the powers around the world, sell so little to China.

Q37 The Chairman: Are we losing out on the power to convey our message? What about Al-Jazeera and all the new organisations springing up? You painted a picture of the system and them not coming into it, but are there other systems that we are not going into? I am quite surprised that you feel that it is still such a western-dominated world when all these new realities are emerging.

John Micklethwait: We are all arguing that the balance is changing, but even in the purely economic way in which it is changing, you have to query the numbers. Yes, China is on course to become a bigger economy than America, and that will make a difference, depending on how you measure it. But by any measure of income per head, China is going to be behind for 30 or so years. Just the other day, I was reading a book by someone who is extremely good at soft power, whatever his other attributes, namely Lee Kuan Yew. He makes the point, despite spending a lot of his life warning the West that it is decadent and running out of time, that China will spend the next 20 or 30 years trying to catch up with America on the pure economic side. He is extremely close to the leaders of China and his view is that they take the same attitude. So it is a more nuanced picture in terms of political power than it is in terms of purely economic power. If you look at the British viewpoint going into that—I am almost clinically trying not to look at things from a British point of view—yes, we do have superb diplomats and very good soldiers and a network throughout much of developing Asia that many people are highly envious of. But you could then ask how much power we wield, why Lee Kuan Yew has influence in places where we do not seem to have it, and why other people are able to sell so much more to China when we have this huge heritage there. Those are decent questions to ask from a soft power point of view.

Baroness Hussein-Ece: Given our networks and institutions, and the historic influence we have had, do you think we are now waning, and that the way we are doing things is not
keeping up with the new changes in the world order, with the emerging powers and people coming together in the Middle East, the South Pacific and South America? Are we failing to adapt and make the most of our soft power? Professor Cox said earlier about the success of the Olympics that it was an accident. It seems to be a national pastime that we talk ourselves down all the time. We do not promote ourselves in the way that we should. We seem to have lost confidence. If a Martian landed and looked at our media, they would think from reading the headlines in some of the newspapers that we were all going to hell in a handcart. Are we just talking ourselves down, or have we not moved on and adapted?

The Chairman: I will add one more question on that theme. I was asked at the British Council the other night whether I thought the GREAT Britain programme of self-promotion round the world was a good thing or a bad thing. Being a politician, I gave an ambiguous answer. What does our panel think about GREAT Britain, given what Michael Cox said earlier about the dangers of drifting into self-puffery, boasting and propaganda?

Professor Michael Cox: I lived for four or five years of my life in Scotland, 20 in Ireland, seven in the great nation of Wales and I am now back in London. We have the upcoming referendum and devolution and various issues like that. This brings us to the area of the role of history. What is the story we want to tell about our own history? It is an extraordinarily important part of power. What is our narrative about ourselves? This is where we may have lost some of our confidence—and maybe for good reason. The history we used to tell ourselves was somewhat self-congratulatory.

Baroness Prosser: Lord Chairman, were you talking about the GREAT Britain campaign?

The Chairman: Yes.

Professor Michael Cox: I am linking it to a larger question. If we are to have a campaign about Great Britain, we have to know what we think Great Britain is. Part of that has to be defined by the history that we tell ourselves about these islands and the various parts of this island nation. Having lived in different parts of this conglomeration—this kingdom—I find that very different stories are told. This is why I have grave doubts about putting a single narrative back into this. Telling multiple narratives about a complex, multinational structure we call the United Kingdom of Great Britain and Northern Ireland is far better, warts and all. That is equally important. If we tell a Putinistic history—which he is constructing quite deliberately in an almost Stalinoid attempt to rewrite the whole history of imperial Russia—people will not believe it, and it will tell against us in the end.

Q38 Baroness Nicholson of Winterbourne: I should declare my interests, so go to sleep for a minute. I chair the AMAR International Charitable Foundation, which is an NGO, separately registered, working in the UK, the USA, Iraq, Lebanon and Yemen. I chair the Iraq Britain Business Council, again as a volunteer. It is an NGO in Iraq and a not-for-profit charitable company in the UK. I chair the Booker Prize for Russian Fiction, which is an NGO registered in Russia. I am President of the Caine Prize for African Writing, which is a charity registered here, and a Vice-Patron of the Man Booker Prize for English Fiction. I am the chairman elect of the supervisory board of the Joint Leasing Company, Azerbaijan. It is a fee-paying post that is just about to start. I chair—again, this is unpaid—the Asociatia Children’s High Level Group of Romania and Armenia. I am a high representative for Romanian children. I am a board member of the strategic development board of the Durham Global Security Institute and a board member of the Global Warming Policy Foundation. I think that is enough for the moment. Could I possibly ask a question now?
I am looking for some definitions of Britain’s success. If the term “soft power” has any validity, it should enable us to clarify how we see Britain being more successful than we are at the moment. As Mr Micklethwait said, the City is one of our trump cards, and I would suggest that the soft power that Turkey has been exercising comes from its very strong membership and former secretaryship of the Organisation of Islamic Co-operation, and also from its 10% growth rate in recent years. One definition of success in the use of soft power might be the building of international trust. When push comes to shove and there is a problem, it is the country that trusts you and has confidence in your judgment that will come to your aid—or you will go to theirs. Inherently, I suggest that this is where Lord Forsyth’s example of China gives us a pointer. The trust of the Chinese in the country in which they are investing is not desperately high, whereas when Britain and some other western nations come, we employ locally, build locally and engage in institution building, which shows that we have the good of that country at least partly in our hearts. I suggest that education and universities are something that you can identify very clearly, because our ethics and values are well demonstrated in our tertiary education system. I suggest that is why it is so popular. I question whether at the moment the NGO world can be seen as helpful in governmental policy terms in this way. Lord Williams pointed out with some pride the splendid record of the UK. Of course, it is not a unique record. Ahead of us in per capita giving is the Netherlands. The terrific volunteering ethic of the USA outstrips us in many ways. They are much better grounded in that sense. There is much less government intervention and much more big society in the USA than in anywhere else I know on the globe.

On top of that, the Nordic Alliance is absolutely superlative. Of course, the western nations other than the USA began their NGOs at the same time—or earlier, in the case of Switzerland—but these were then pushed out by the First and Second World Wars, particularly the Second World War. Now NGOs are seen by a number of countries—Russia is a clear example, but there are others—as having become merely a weapon of foreign Governments and funded by them. I wonder whether our use of NGOs in the UK as a soft power tool is any longer good and wise. The communication revolution seems to be the heart of this: smart power rather than soft power. As for definitions of success, have we done anything at all on this in our foreign policy? I do not think so. The Government have rightly put trade and aid at the heart of our policy, but is the communication world not the exact tool that we should be working on? Could we not be sharper in judging ourselves, and make some goals that we could try to meet through the use of soft power, with the purpose of making Britain more successful in every way we can?

**Lord Williams of Baglan:** I go back to my initial points. We are very strong in soft power, whether we are talking about the NGOs that you referred to, the universities, the media, or arts and culture. They are not only of global renown, but our soft power has global reach. There is no comparable soft power in Europe. Of course, we are aided by the fact of the English language. You are right to talk about countries such as Norway and Switzerland, with their own proud heritage in this regard. But their work is in the NGO field, and that is just one part of our cluster of soft power. This is something to be recognised. We ought to think about what more can be done to reinforce it. We raised the practical issue of the universities, for example, and the effect of the visa regime. Our weaknesses, of course, are in large part economic. When the Security Council was formed and met for the first time in Methodist Central Hall in Westminster, in January 1946, Britain was the second economic power in the world. Now I think that we are the seventh largest power, which is still pretty high, but we do not have the economic strength that we had in the past. Moreover, there is something peculiar about our economic strength. John alluded to this. Why do we export
twice as much to the Republic of Ireland as to China? Why have we consistently failed to be an economic power of global reach? That is a broad statement, and there are several outstanding international companies that are British based, but there is a real issue to be recognised. There is also a political issue in the period ahead. We face the probability of not just one referendum but two in the space of four or five years. That will be very distracting to the projection of British power, whether soft or hard, in the world.

Q39 The Chairman: That is touching on some very much wider areas that we will have to address. The Committee will call witnesses to deal with where soft power and hard power forces and flows meet, particularly in dealing with military interventions against irregular warfare and terrorist activity. Obviously the Americans are giving the same sort of thought to that, and suggesting that civilian power should be at the forefront and should spearhead all military operations. It is a revolutionary thought. We will come to that.

Professor Michael Cox: I will make two quick points. Some of this is slightly repetitive. I think that there is a correlation, although I am not sure where the causal link lies, with why Britain is such an attractive place for foreign direct investment. It may be that our workers work harder than the Germans and speak more languages than the Norwegians, but, going back to our vague notion of soft power, here it includes the rule of law. It is a relatively safe and stable country to be in. British people by and large—although sometimes less large these days—tend to be quite polite and nice to foreigners, strange though that may sound to some people. And we have fairly good schools. Frankly, that is why foreigners—not just poor ones but rich ones who want to invest here—want to come here. Forty per cent of US foreign direct investment in the world, a good part of which comes to Europe, comes to the UK. Between 250,000 and 300,000 French people now work in and around London. These are measures of success, and they are not just because we have better labour laws or because our workers work harder. There is an environment in which people want to live, and to which they want to bring their wives and children. That it what I would call soft power, and we have been pretty good at it. Our education system we have talked about. I do not want to sound self-congratulatory, but the statistics and facts speak for themselves at various levels. Paying a compliment to John, we have the two publishing outlets in the world that are deemed to be not British but global, namely the Financial Times and the Economist, which have no significant competitors. These are measures of success. It is not just a question of economics. Part of the success in attracting foreign direct investment, productive immigrants and productive business people to this country must correlate with the underlying structures of the civil society and the kind of society that we have created.

John Micklethwait: I shall try to answer the questions of the two Baronesses. I apologise for not doing so earlier. I will try to list the bits of soft power. There is diplomacy and the military, and education and the arts. The media comes in somewhere, and the whole element of democratic institutions—into which, arguably, some of the NGOs fit, as being part of the institutions of politics. I will say one quick thing about economic power. There is one way in which we beat ourselves up too much. A lot of the world comes to London to do business. Law is a very good example. It is not just the City. It is also the case that Britain has more influence in Asia. For instance, Jardine Matheson is by some measures Indonesia’s biggest manufacturer. That would not appear anywhere in our export figures, although possibly they may not thank me for saying that. Our problem with exporting is the lack of a mittelstand. We do not have enough medium-sized companies that are good at exporting. That seems to be the core of it.

On the softer versions of soft power, we have three bits. The first is that we have a much more international mindset than most other countries. Yes, there are elements of British life
that are incredibly local, but in general we have always been more interested in the outside world than most people, for reasons of our maritime history or whatever. The second is that we have generally been liberal with a small "l", and a safe haven for people on the run from different places—not, sadly, American leakers at this precise moment, but we have been in the past. One of the things we stand for in the world, and certainly in Europe, is a liberal economic outlook in different ways and shapes. The third point is trespassing on what you said. We are seen, on the question of whether we are close to America or part of Europe, as being conveniently close to both those things. People very high up in China will give you a long lecture about how awful the Europeans are, with the exception of the Germans. They include the British not as honorary Germans, sadly, but as somehow not quite part of Europe. To that extent, the Channel is quite a wide ocean, and it gives Britain a distinctive feel.

On the question of how you measure this, the answer must include some elements of economic trade and foreign direct investment. Secondly, there must be an element of popularity, which is simple to poll. The third one is somewhat less easy to measure but I suspect is still to some extent analysable. It is our ability to get people to do things that they would otherwise not want to do, and which they are not just doing for reasons of hard power—in other words, it is not just because our gunboats are appearing in their harbour but because they think that it is generally in their interest to be nice to us. That is the hard edge to diplomatic soft power. There is some element at the end of this of access around the world to British institutions. If we have these assets and do not use them, it is a negation of soft power. This is where the visas come in. What is interesting about soft power at the moment is that there is some element of recalibration because of digital technologies that allow you to reach people in ways that you did not before. I see it in my industry and in various other institutions that I have looked at, possibly including this one.

Q40 The Chairman: I will ask our expert panel to give some final comments. The message seems to be that we have all these assets and are extremely good at soft power. We are top of the soft power index and our influence is everywhere. Considering that we have invaded practically every country on earth, we are still remarkably popular. But somehow we are not quite achieving it. Our inward investment is excellent, but our trade performance is not up to what it has to be for us to survive, and our influence around the world in some areas—for example, in persuading the Russians to do things or other countries to see our point of view—is not as good as it should be. That seems to be the point.

Baroness Armstrong of Hill Top: I wanted to ask how the UK might find a workable balance between hard and soft power, but you have sort of answered that. However, it seems that what you were saying before about the state or the Government not causing problems is a huge part of this. Actually, it is a bit more than that. Now, so many people internationally—thinking about people who use social media—want a channel that is not the state. They want to operate in different ways. This is where I disagree with you about the Olympics. It was a perfect example of where the state had to be centrally involved, but it was successful because the state representatives knew that they could not be seen to be in the forefront. They had to make sure that the structures were there and that the stadiums got built, and they appointed people to do that, but then, quite bravely, they gave over to Danny Boyle, who did the opening ceremony, and others to give a view of Britain that was quite challenging to the state. I think that the Committee has to come to a balance between hard and soft power, and how the Government enables soft power to get further to the
front, but without losing control totally. That is the space we have to come into. Perhaps in your summing up you would think about that.

The Chairman: That is an excellent final summary question. It could not have been better. Could we have your expert views?

Professor Michael Cox: Perhaps I can jump in on that one. When I said that the success of the Olympics was an accident, perhaps I used the wrong word. Possibly it was “unforeseen”.

We did not realise that it would be quite so successful. I was walking around this city for two or three weeks beforehand, and Londoners seemed to be leaving London rather than staying for the Olympics. The more significant point that we will agree on is that the image of Britain—this gets back to the history question I mentioned earlier—presented at the Olympics, through Danny Boyle and subsequently, was perfect soft power, to put it bluntly. It was self-critical. It did not look too establishment. We had nurses jumping up and down on National Health Service beds. The Chinese did a very different kind of soft power in their Olympics. It was a projection of state power. Ours was a very self-critical reflection. It was a combination of Dickens. Afterwards, a lot of my Chinese friends said to me, “What the hell was that all about?” It really was quintessentially British. I could not imagine the French doing it in the same way, for rather different reasons, and I could not imagine the Americans doing it like that. What was distinctly British was that it was self-critical. It slightly came from below. Here we do agree. The Government did put a lot of money into it. It led from behind, almost, and in the end it turned out to be a massive success. When I said it was an accident, I did not mean that in a pejorative sense. Many people were taken by surprise that it was so successful. In my answer to the other question on the Olympics I said that we cannot build on that and say that it will be the be all and end all.

I will make two final summary points. Lord Howell raised the point about balance. You cannot be successful using soft power alone. Joe Nye never thought that soft power was a substitute for other things. I will not go into the background academic stuff, but he was having a debate with a man called Paul Kennedy—who had written a book saying that America was in decline. Joe came back and said that America was not in decline, that it had a lot of military power and strong economic power, and that it had something else that we do not talk enough about, which is soft power. He always believed that soft power was not a substitute, but had to be related to and connected to the other two forms of power. He was saying something else as well. It is difficult to define because you cannot measure it in terms of military budgets and GDP, but it makes a fundamentally important contribution to aspects of hard power. In other words, if you want to do military things abroad, it makes it easier if you have good soft power. If you have good soft power, it will help you grow economically. Nye is trying to bring all those things into a complex analysis that is not easily measurable.

Q41 The Chairman: Lord Williams?

Lord Williams of Baglan: I agree very much with what Michael said there. It is not just a question of economic power and soft power. Germany is a much stronger economic power than the United Kingdom. That is simply a fact. But has Germany had the influence that the United Kingdom has had globally? I would say not. By a considerable mile, we are in advance through the array of institutions that we have talked about, including the media, NGOs, universities and so on. That is something we should do our best to try to protect. It has been difficult for us as a panel to answer the question put by Baroness Armstrong about how a Government should enable soft power. We have identified one particular issue, which
is the visa regime. It is a rather draconian regime that has been placed on some of the world’s best universities. Wider than that, I am grasping to find recommendations for how government could enable soft power. Almost by definition, soft power is and should be independent of government. I welcome the fact that within six months, the BBC World Service will be free of the Foreign Office and will be funded directly from the licence fee—which, incidentally, is how it was funded for its first six years. It was only because of the Second World War, for very good reason, that in 1938 the Foreign Office took on the World Service.

John Micklethwait: I will go back to the concept of soft power. Lord Williams is absolutely right: it is a non-governmental force in general, and its impact comes through best if it is not seen as pushed by government. On the West Bank, for instance, you will find the influence of Hollywood and Silicon Valley considerably more useful for America’s image in the world than troops. When I said that we were lazy with soft power, I was referring to an accumulated complacency, for all the reasons we have gone through. If this gathering were in Paris, I guarantee that there would be a vast number of people pushing every available thing, because the French have to work really hard at this. I see it from the British Museum’s point of view in the vast amounts of help that the Louvre gets. The French have to work hard because they do not have the advantage of the English language, or the same ability to sometimes piggy-back off the Americans. Trying to define yourself against that is quite difficult. In terms of things that government can do, we have all mentioned visas. The sort of things that fit in to soft power are things such as broadband. If everything we say is correct, broadband must make a difference in access to education, the arts and culture, and our ability to sell these things everywhere. Heathrow and other British airports make a huge difference. We are not talking just about students. The people who get angry with our soft power are people trying to get in. The Chinese who are cross about trying to visit this country, and the tourists who do not come here, do not come because we are not part of Schengen. Our inability to work out some accommodation on that with the Chinese strikes me as a straightforward piece of self-defeating inefficiency. There must be some degree of co-ordination. I have tried to say that a couple of times, but there simply is not. There are three people here and we have been able to put across a vague idea of the different ingredients of the cultural complex—I was about to say the military-industrial complex. American and European politicians think we have a much firmer grasp of these things than we do. In fact, we have virtually no numbers and no real co-ordination. We should be prepared to stand for a liberal point of view. That is worth something, and part of what we are. I have a hunch that London is absolutely crucial. What it stands for more than anywhere—by some measures more than New York now—is that it is a multicultural, cosmopolitan city. That helps the new version. The Olympics thing sort of worked, although I talked to South Koreans who found bits of it completely unintelligible. The bit that came through rather strongly was that Britain was not the same as before. Some of Blair’s Cool Britannia stuff, whatever its many defects, carried the same message. People come to London and realise that it is not like the Sherlock Holmes movies. That has changed considerably. On what you do about soft power, we are all slightly grasping around this digital idea. Where is digital technology colliding with those areas that we talked about as being part of our soft power? It is colliding with defence and security. This is where you get into cyberwarfare. It is certainly—I should have pushed this harder—beginning to collide with education. There is now a real opportunity for people. The teachers of the future will possibly be closer to being tutors, with most of the teaching done across computers. That is beginning to happen in America. If we are so good at education, why are we not more prominent in that? Digital technology colliding with the media is something that I have to
deal with. In a variety of different institutions the means of doing things are colliding with them, and the ways in which government can help may be illustrative. That is the best I can do.

**The Chairman:** Right. You have given us enormous food for thought—plates and plates of it. We are very grateful to you. We now have much more work ahead. This was an excellent second session and you have been extremely helpful. Thank you all very much.