

SECURITY INSIGHTS



A Secure Brexit? UK Security and Defense and the Decision to Leave the European Union

By James K. Wither

At a time when together we face a serious threat from our enemies, Britain's unique intelligence capabilities will continue to help to keep people in Europe safe from terrorism. And at a time when there is growing concern about European security, Britain's servicemen and women, based in European countries including Estonia, Poland and Romania, will continue to do their duty.

~ Prime Minister Theresa May, 17 January 2017

Introduction

Prime Minister Theresa May has insisted in speeches and policy statements that there will be continuity in British defense and security policy during the Brexit process and after the United Kingdom (UK) has formally ceased to be a member of the European Union in 2019. Successive governments have claimed that the UK is a medium power that punches above its weight in defense and security matters by virtue of its military capabilities, strategic nuclear deterrent, close intelligence relationship with the United States, and global diplomatic experience. Prime Minister May's government has stated that this tradition will be maintained and insists that post-Brexit Britain will remain a key member of NATO, one of Europe's two nuclear powers, and an essential partner in the fight against international terrorism.

This article outlines the defense and security context for Brexit before, during and after the referendum in June 2016 and analyzes the claims made by the government regarding UK defense and security continuity post-Brexit. Conclusions are of course caveated by a recognition that the formal Brexit process has just begun and the full economic and political impact is as yet unknown.

British Security and Defense Policy 2010 - 2016

In the wake of the financial crisis, the UK's 2010 defense and security review was dictated by fiscal austerity rather than strategic analysis. The defense budget was cut by 8%; the number of personnel serving in the armed forces was reduced; the navy's only operational aircraft carrier was decommissioned; and many equipment purchases delayed or cancelled. The review included a number of statements about the UK's continuing international posture and Britain's global responsibilities and ambitions, but the perception was that the UK was a declining military

power reluctant to take a leading role in the various crises affecting European security.¹ The 2010 strategic review prioritized terrorism and cybersecurity at the expense of conventional warfighting capabilities. However, subsequent events in Syria, Libya, and especially Ukraine forced a rethink and, along with an improved financial outlook, led to a revised and much more ambitious strategic policy paper in 2015.

Current British security and defense policy is outlined in the UK's *National Security Strategy and Strategic Defence and Security Review 2015* (SDSR).² This clumsily titled but wide-ranging and comprehensive review was produced by former Prime Minister David Cameron's government in November 2015. It struck a post-austerity, upbeat tone and promised significant investment in the armed forces following the cuts announced in 2010. SDSR detailed government security policy for the next five years and identified the following priorities: deterrence of state-based threats; counter terrorism; cyber security; and the capability to respond rapidly to crises. The review made an unambiguous commitment to maintain a UK defense budget of 2% of GDP and promised £12 billion of additional spending on equipment. SDSR also discussed the UK's "soft power" assets; the role of diplomacy; development aid; international trade; and information services that helped to give Britain global influence and enhanced the country's overall security and prosperity. The re-emphasis on a global role was epitomized by the decision to set up a Gulf Strategy Unit and establish a naval base in Bahrain, the first permanent British military presence in the region since the 1960s. The optimistic tenor of the strategy paper was underpinned by the government's belief that the UK had largely recovered from the financial crisis that dominated strategic thinking in 2010. However, increased investment in defense and security was predicated on the UK remaining one of the fastest growing economies in the developed world.

The UK has always resisted EU security developments that might undermine or duplicate NATO's position as the core element in Euro-Atlantic security. But SDSR included several references to the UK's security relationship with the EU and in particular the key European powers, France and Germany. The defense and security relationship with France, for example, was described as "exceptionally close,"³ covering a range of activities including cooperation to maintain nuclear stockpiles, equipment development and procurement, and the creation of a Combined Joint Expeditionary Force. As the British have consistently argued that any EU defense initiatives must be complementary to NATO, it was hardly surprising that SDSR described efforts to foster closer cooperation and coordination between the alliance and the EU as a "national priority."⁴ SDSR made no reference to the EU's Common Security and Defence

¹ See for example: Anand Menon, "Littler England: the United Kingdom's Retreat from Global Leadership," *Foreign Affairs*, November/December 2015, pp. 93 – 99 and Daniel Keohane, "Is Britain Back? The 2015 UK Defense Review," *CSS Analyses in Security Policy*, No. 185, February 2016. Accessed April 21, 2017. <http://www.css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/pdfs/CSSAnalysen-185-EN.pdf>.

² HM Government, "National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom," Cm. 9161, November 2015. This document merged the hitherto separate National Security Strategy and the Strategic Defence and Security Review for the first time. Accessed April 21, 2017. <https://www.gov.uk/government/publications/national-security-strategy-and-strategic-defence-and-security-review-2015>.

³ Ibid, p. 52.

⁴ Ibid, p. 53.

Policy (CSDP), which was not considered a vital component of the UK's national security. Inevitably, the review also emphasized the importance of Britain's longstanding "special relationship" with the United States (U.S.) and listed the contributions that the UK made to the relationship, which included its ability to influence European security policy. There was no discussion as to how this "influence" would be retained if Britain voted to leave the EU. In fact, SDSR made only one reference to the planned referendum on EU membership. There was no analysis of the implications of a Brexit, although it was already government policy that a referendum would be held before the end of 2017. Meeting in July 2016, the Parliamentary Select Committee on the National Security Strategy expressed disappointment that this had not been addressed and accused David Cameron's government of putting political expediency above national security interests.⁵

National Security and the Brexit Decision

National security was a significant theme during the referendum campaign, but only for senior officials, defense commentators and members of the political establishment. Defense and security issues appear to have had little impact on public voting intentions, although allies and leaders of international security institutions declared their support for the Remain campaign. Both the Secretary General of NATO and the Director of INTERPOL, for example, stressed that Britain's security was enhanced by EU membership. But such interventions made little impression. It did not help that the atmosphere leading up to the vote on 23 June 2016 was ill-tempered, with sloganeering, claim and counter claim, and misleading newspaper headlines. There was little in the way of serious debate about the key issues involved in such a critical national decision. Supporters of Brexit mainly focused on immigration, employing dubious statistics to demand more control of the UK's borders. The "Remainers" made ill-judged efforts to frighten the public with dire predictions of economic ruin following Britain's departure from the Union.

During the referendum campaign, prominent members of the Leave campaign, such as former mayor of London Boris Johnson, played down the security role of the EU and argued, with some justification, that it was NATO that guaranteed peace in Europe. The EU's significance to national security was a much more important theme for those commentators and officials who wished the UK to remain a member.⁶ One of these was Theresa May, who as Home Secretary in David Cameron's Conservative government, supported Remain. Although May was perceived as a lukewarm supporter of the EU and as Prime Minister has inclined towards a "hard Brexit," her speech to Conservative supporters in April 2016 made a powerful security case for remaining in the Union.⁷ She claimed that Britain would not be "as safe" if it left the EU because of the potential loss of access to counter terrorism measures such as the European Arrest Warrant (EAW) and the Passenger Named Records Directive (PNRD). Another significant pro Remain intervention involved former heads of the armed services. Retired Chiefs of Defence Staff and other former senior military officers sent a joint letter to *The Telegraph* newspaper in February

⁵ House of Commons, Joint Select Committee on the National Security Strategy, 8 July 2016, paras. 89 – 93. Accessed April 21, 2017. <https://www.publications.parliament.uk/pa/jt201617/jtselect/jtntatsec/153/15306.htm>.

⁶ See for example: House of Commons Hansard Accessed April 21, 2017. <https://www.publications.parliament.uk/pa/cm201516/cmhansrd/cm160225/debtext/160225-0002.htm>

⁷ Theresa May's speech on Brexit: Full Text, 26 April 2016. Accessed April 21, 2017. <http://www.conservativehome.com/parliament/2016/04/theresa-mays-speech-on-Brexit-full-text.html>.

2016 in which they strongly advocated continued EU membership. The letter concluded that “Britain’s role in the EU strengthens the security we enjoy as part of NATO, adds to our capability and flexibility when it comes to defence co-operation and allows us to project greater power internationally.”⁸ The House of Commons held a major debate about the security implications of the EU referendum in February 2016. It was led by Philip Hammond, the foreign secretary, who argued that his experience in both foreign and defense ministries had taught him the benefits of working closely with EU partners to address common security challenges such as Putin’s Russia. Although a self-confessed “Euro-skeptic,” he acknowledged that EU membership made Britain stronger and safer, especially as regards threats from crime and terrorism.⁹

Although the issue of national security was not high on the public’s agenda, some defense and security analysts in the UK and abroad took the implications of Brexit seriously. Malcolm Chambers, Deputy Director General of the Royal United Services Institute (RUSI) argued that Brexit would be a profound strategic shift, one as significant as the decision taken in the late 1960s to withdraw military forces from Southeast Asia and the Persian Gulf.¹⁰ Chambers predicted that a vote for Brexit would likely be followed by a reduction in GDP, resulting in a government spending review that would necessitate a new SDSR. An essay in *Strategic Comments* raised specific concerns about the impact on intelligence gathering, warning that “The withdrawal of the UK – Europe’s intelligence superpower – from EU information-sharing and police liaison arrangements would weaken operational synergies developed over decades ... degrading the security of both the UK and the continent.”¹¹ Although successive U.S. administrations have supported British membership of the EU, most analysts did not view Brexit as a serious threat to the UK-U.S. security partnership, but not all commentators were sanguine. An article in the *Christian Science Monitor* in June 2016 warned that Brexit would diminish the value of the special relationship between the U.S. and the UK because the British would no longer be able to act as an advocate for American policies in Europe.¹² President Obama said much the same during a visit to the UK in April 2016 although his perceived “interference” did not help the Remain campaign.

The vote to leave the EU in June 2016 surprised and alarmed most members of the political elite; 75% of parliamentarians had indicated support for Remain before the referendum. Immediately after the vote, Prime Minister David Cameron resigned and the pound plunged to thirty year lows against the dollar. National security issues were not top of the immediate post-Brexit political

⁸ Letters to *The Telegraph*, 24 February 2016. Accessed April 21, 2017.

<http://www.telegraph.co.uk/comment/letters/12170385/Letters-In-an-increasingly-unstable-world-Britain-cant-afford-to-lose-the-security-provided-by-the-EU.html>. The impact of the letter was somewhat undermined when General Sir Michael Rose stated that he had not been consulted about the letter and asked for his name to be removed.

⁹ House of Commons, Hansard Debates for 25 February 2016 Col. 489. Accessed April 21, 2017.

<https://www.publications.parliament.uk/pa/cm201516/cmhansrd/cm160225/debtext/160225-0002.htm>. Philip Hammond was appointed Chancellor of the Exchequer when Theresa May appointed her Cabinet in July 2016.

¹⁰ Malcolm Chambers, “Would a New SDSR Be Needed After a Brexit Vote?” RUSI Briefing Paper, June 2016. Accessed April 21, 2017. https://rusi.org/sites/default/files/chalmers_Brexit_sdsr_final_.pdf.

¹¹ “The UK Brexit vote and its potential strategic impact,” *Strategic Comments*, Vol. 22, 9 April 2016.

¹² Howard LaFranchi, “How Brexit Could Transform America’s Special Relationship with Britain,” *Christian Science Monitor*, June 22, 2016. Accessed April 21, 2017. <http://www.csmonitor.com/USA/Foreign-Policy/2016/0622/How-Brexit-could-transform-America-s-special-relationship-with-Britain>.

agenda, but even so officials were quick to downplay the impact of the referendum on Britain's defense commitments and relationships, stressing a "business as usual" approach. At the Warsaw NATO Summit in July, the UK declared its willingness to be one of the four framework nations for the new battlegroups to be deployed on NATO'S eastern flank. Defence Secretary Michael Fallon held meetings with his European counterparts to reassure them of Britain's continuing support for existing military commitments. U.S. and British defense officials also stressed that their bilateral military relationship would be largely shielded from the economic and political turmoil in the wake of the Brexit decision.¹³ Business as usual on defense and security was still the British message in January 2017 when Prime Minister May made her first major policy speech on her Brexit plans. During the speech, she claimed that Britain would continue to work closely with its European allies in foreign policy and defense even while leaving the EU.¹⁴ She also reminded listeners that the UK's armed forces were a crucial part of Europe's collective defense and implied that they would be an important bargaining tool in forthcoming negotiations with the rest of the EU.

Britain's Defense and Security Relationship with the EU Post-Brexit

Security is not normally a controversial issue in Britain's relations with Europe. The EU's provisions for collective security and foreign policy, namely the CSDP and the Common Foreign and Security Policy (CFSP), are conducted on an intergovernmental basis. This means that Britain, like other EU states, continues to pursue its own independent foreign and defense agendas, but can coordinate with other EU members through Brussels when national interests align. CSDP is designed to enable EU member states to intervene in conflicts where NATO as an alliance chooses not to become involved. By 2016, there had been thirty-five such operations and the UK, as the EU's foremost military power and biggest defense spender, had played a major operational role.

Although the UK, along with France, was instrumental in creating the European Security and Defence Policy (ESDP, later CSDP) in December 1998, the British have always opposed closer EU military integration, which they believe could undermine NATO. One of the specters raised by the Leave campaign, for example, was the unlikely prospect of Britain being forced into a "European Army." Brexit now removes the main member state barrier to closer EU military cooperation. In autumn 2016, the EU agreed to establish a joint command HQ for EU military missions and an increase in the budget for the European Defense Agency (EDA), both measures that the UK had opposed. The EU Lisbon Treaty allows a self-selected group of countries to push ahead of others in cooperation and integration in a given policy area. At the Berlin Security Conference in November 2016, ministers from France and Germany, the obvious leaders of such a self-selected group, called for greater EU military and industrial defense cooperation. Nevertheless, both countries simultaneously stressed the continuing primacy of NATO.¹⁵ Despite British fears, there seems little prospect that increased EU defense integration poses a threat to

¹³ See for example: Missy Ryan, "U.S. military ties with Britain are sheltered from Brexit storm, officials say," *The Washington Post*, June 28, 2016. Accessed April 21, 2017. https://www.washingtonpost.com/world/national-security/us-military-ties-with-britain-are-sheltered-from-Brexit-storm-officials-say/2016/06/28/0bc05fd6-3d33-11e6-80bc-d06711fd2125_story.html?utm_term=.21a819f711c5.

¹⁴ "Theresa May's Brexit Speech in Full," *The Telegraph*, 17 January 2017. Accessed April 21, 2017. <http://www.telegraph.co.uk/news/2017/01/17/theresa-mays-Brexit-speech-full/>.

¹⁵ Gareth Jennings, "Germany and France seek closer EU defence co-operation to counter growing existential threats," *Jane's Defence Weekly*, 29 November 2016.

NATO, not least because of patchy support for such a policy across the Union, especially in Eastern Europe. It is also significant that the leading powers, France and Germany, do not necessarily share a common strategic goal for the EU. In particular, Germany appears to be far keener on defense integration as a political project than France.¹⁶ If the EU wants to continue, as seems likely, a strong defense relationship with the UK post-Brexit, closer military integration might not be as high a priority as keeping the British directly involved in EU military missions. It is assumed that the EU would welcome continued British peacekeepers in Bosnia, anti-migrant smuggling patrols in the Mediterranean, and counter-piracy operations around the Horn of Africa. Boris Johnson, the current Foreign Secretary, has already stated that the UK would be prepared to continue military cooperation with the EU as long as this does not weaken NATO.¹⁷ In April 2016, the House of Commons Foreign Affairs Committee had concluded that the UK would still be able to participate in CSDP missions after a Brexit as other non-EU countries took part in operations through crisis management cooperation measures that the Union had in place with NATO and the UN.¹⁸ As defense is not an activity that is covered by EU law, it should be easier to negotiate continued British involvement in foreign and defense policy than the UK's future relationship with the EU's single market and customs union. Prominent commentator François Heisbourg has asserted, "In the narrowest terms, European security and defence are areas in which a British exit from the European Union would have comparatively little effect."¹⁹ Writing in *The World Today*, the Director of Chatham House, Robin Niblett described Europe post-Brexit as "Britain's essential relationship."²⁰ Some analysts believe that Brexit may even force a European strategic re-think and provide a catalyst to rejuvenate the European pillar of NATO led by a German-UK-French-Polish partnership.²¹

Collaborative defense procurement should not be significantly impacted by the Brexit decision. Existing joint programs are either handled bilaterally or through the Organisation for Joint Armament Cooperation (OCCAR), which is not an EU institution. Fears that Britain's defense industry could be damaged by the loss of EU research and development opportunities have been largely dismissed by aerospace companies, although the majority supported Remain. Paul Everitt, the CEO of Britain's ADS Group, the national trade association for aerospace

¹⁶ See, for example, Daniel Keohane, "Constrained Leadership: Germany's New Defense Policy," *CSS Analyses in Security Policy*, No. 201, December 2016. Accessed April 21, 2017. <http://www.css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/pdfs/CSSAnalyse201-EN.pdf>

¹⁷ Patrick Wintour, "Defence Cooperation Talks with EU could delay Brexit process: UK officials increasingly recognize it would be a mistake to sever all defence, foreign policy and security links with bloc," *The Guardian*, 18 November 2016. Accessed April 21, 2017. <https://www.theguardian.com/politics/2016/nov/18/defence-cooperation-talks-with-eu-could-delay-Brexit-process>.

¹⁸ House of Commons Foreign Affairs Committee, *Implications of the Referendum on EU Membership for the UK's Role in the World*, Fifth Report of Session 2015 – 16, HC 545, 26 April 2016, p. 27. Accessed April 21, 2017. <https://www.publications.parliament.uk/pa/cm201516/cmselect/cmfa/545/54502.htm>.

¹⁹ François Heisbourg, "Brexit and European Security," *Survival*, Vol. 58, No. 3, June-July 2016, pp. 13 – 22.

²⁰ Robin Niblett, "Europe is now Britain's essential relationship," *The World Today*, Vol 72, Iss. 6, (Dec 2016/Jan 2017), p. 17.

²¹ See, for example, Graeme P. Herd, "In Brexit's Shadow: Germany and the United Kingdom" in Matthew Rhodes (Ed.), *Germany's New Partners*, forthcoming, and Daniela Schwarzer, "What do the Experts think about Brexit?" Global Dynamics Team/Financial Times, 29 November 2016. Accessed April 21, 2017. https://ged-project.de/topics/international-trade/future_of_eu_single_market/Brexit/what-do-the-experts-think-about-Brexit/?etcc_cmp=Brexit+Feb+20+2017&etcc_med=STC_CC_ATTR_VALUE_SOCIAL&etcc_grp&etcc_par&etc_ctv&etcc_plc.

companies, appeared relatively optimistic when interviewed in July 2016. He noted that Canada and Israel, non-EU countries, were nevertheless part of the EU Horizon 2020 framework program for research and development.²² Industries in the defense and cyber security fields appear most concerned about whether they will still be able to retain access to the EU's highly skilled labor market which is critical to these sectors.²³

As noted above, Britain's most important bi-lateral defense relationship in Europe is with France. The UK and France are committed to the creation of a Combined Joint Expeditionary Force and have even discussed sharing aircraft carriers. Immediately after Brexit, commentators were confident about continuing close bilateral cooperation. However, concerns were raised that in the medium to longer term, political changes at the top in both countries could weaken the resolve for the closer cooperation and integration outlined in the Lancaster House Agreement of 2010.²⁴ There are certainly potential areas for discord. One issue that made the headlines briefly in January 2017 concerned the possible loss of the UK's Deputy Supreme Allied Commander (DSACEUR) post in NATO. As DSACEUR directs NATO assets made available to EU missions under the Berlin Plus agreement, some states, notably France, had argued that the post should be transferred to an EU member. No decision on this matter has been taken at the time of writing, but UK defense officials were not concerned at least in January 2017 that Britain's status in NATO would be undermined.²⁵

There is undoubtedly a danger that tough negotiations over tariffs, trade, migration, budget contributions, and a myriad of other details may mean that defense and security issues do not receive the attention that they deserve, especially given the tight two-year deadline for talks now that Article 50 has been invoked. Some politicians have suggested that the UK's role as the leading European military and intelligence power can be leveraged during Brexit negotiations to extract commercial concessions.²⁶ Such an approach would be dangerously divisive and might suggest that British defense and security guarantees were conditional on European good behavior and therefore ultimately unreliable. It was hardly reassuring that Prime Minister May threatened to withdraw cooperation with the EU on security during a row with France and Germany over Britain's Brexit "divorce bill" in March 2017.²⁷

²² Interviewed in: Tony Osborne, "Brexit Dilemmas: Damage Control Plans for UK Aerospace and Defense," *Aviation Week & Space Technology*, 4 July 2016.

²³ "Brexit: industry reacts," *Defence Online*, 25 January 2017. Accessed April 21, 2017.
<http://www.defenceonline.co.uk/2017/01/25/Brexit-industry-reaction>

²⁴ See, for example, Agence France-Presse, "NATO Says UK to Stay Strong Ally despite Brexit," *Defense News*, June 24, 2016. Accessed April 21, 2017.
<http://www.defensenews.com/story/defense/international/europe/2016/06/24/nato-uk-Brexit-eu/86328596/>

²⁵ See for example: Lizzie Dearden, "Brexit: UK could lose its most senior military position in NATO to France after departure from the EU," *The Independent*, 10 January 2017. Accessed April 21, 2017.
<http://www.independent.co.uk/news/uk/home-news/Brexit-latest-news-uk-lose-most-senior-nato-military-position-eu-european-union-deputy-supreme-a7519196.html>

²⁶ See discussion in Malcolm Chalmers, "UK Foreign and Security Policy after Brexit," *RUSI Briefing Paper*, January 2017, p. 4. Accessed April 21, 2017.
https://rusi.org/sites/default/files/201701_bp_uk_foreign_and_security_policy_after_Brexit_v4.pdf

²⁷ Laura Hughes, "Theresa May triggers Article 50 with warning over security as EU leaders rule out key Brexit demand," *The Telegraph*, 30 March 2017.

Intelligence and Counterterrorism Cooperation

Core intelligence exchanges remain the preserve of individual nation states in Europe. They are outside of the EU and therefore also outside the jurisdiction of the European Court of Justice (ECJ). Thus these exchanges should not be affected by Brexit. The UK government is proud of what Theresa May has referred to as its “unique intelligence capabilities.” These stem from its traditional, close partnership with the U.S. and its membership in the so-called “Five Eyes” intelligence alliance of Anglosphere nations. No other European countries, including France and Germany, have the capability and reach of the UK, especially in the field of digital intelligence.²⁸

Britain also has a prime role in counter terrorism policy in Europe. The UK drafted the EU Counter Terrorism Strategy in 2005, which is modeled on the British national strategy. At the legislative level, the UK has strongly influenced some important EU initiatives such as the Europol Counter Terrorism Centre (CTC) and the PNRD.²⁹ The UK has also taken the lead with its intelligence-led counter terrorism policing concept. This integrates the intelligence agencies with the police in order to start investigations into terrorist plots as early as possible in the attack cycle.³⁰ The intelligence and police functions are normally kept separate in continental Europe, which can limit the timely exchange of vital information and slow down the investigation process. However, the UK has definitely benefitted from EU counter terrorism activities and agencies. The EAW, for instance, has greatly increased the speed of extraditions between EU states. Cases that previously took months or years are now resolved in weeks. Europol is valuable for police liaison and cooperation and Eurojust plays the same role for judicial cooperation. Britain has also joined the Schengen Information System, which allows police to share information on suspects and provides a network for sharing DNA, fingerprints, and vehicle registration documentation.³¹

There is no evidence that the referendum decision has had a negative impact on the UK’s counter-terrorism activities, at least so far. It is assumed that EU states will wish to continue close counter terrorism cooperation with the UK after Brexit, while Britain will also want to retain access to EU law enforcement databases and data-sharing platforms. The UK will presumably remain a member of the Counter Terrorist Group (CTG). CTG is a non-EU body where the heads of intelligence agencies of EU countries plus Norway and Switzerland meet to encourage members to share intelligence and facilitate operational cooperation. But this informal group is not yet a substitute for direct cooperation through the EU agencies identified above. After Brexit, the UK will have to negotiate new arrangements for all of these, possibly through a series of bilateral sharing agreements with individual states. Australia and the U.S., for example, have association agreements that allow them to have liaison officers at Europol. Nevertheless, officials acknowledge that there will be some practical limits on what can be achieved in comparison to the pre-Brexit situation. At the moment, there is no precedent for a non-EU

²⁸ Nigel Inkster, “Brexit, Intelligence and Terrorism,” *Survival*, Vol. 58, Iss. 3, May 2016, pp. 23 – 30.

²⁹ David Anderson, “The Terrorism Acts in 2015,” *Report of the Independent Reviewer*, December 2016, pp. 21 – 22. Accessed April 21, 2017. <https://terrorismlegislationreviewer.independent.gov.uk/wp-content/uploads/2016/12/TERRORISM-ACTS-REPORT-1-Dec-2016-1.pdf>.

³⁰ Peter Clarke, “Intelligence-Led Policing in Counter-Terrorism: a Perspective from the United Kingdom” in James K. Wither and Sam Mullins ed. *Combating Transnational Terrorism*, (Sofia: Procon Ltd.) 2016, pp. 149 – 161 and David Omand, “Keeping Europe Safe: Counterterrorism for the Continent,” *Foreign Affairs*, September/October 2016, pp. 83 – 93.

³¹ Omand, “Keeping Europe Safe,” p. 92.

country to plug directly into the Europol information system and the legislative framework for the EAW exists under ECJ jurisdiction that the UK will leave.³² The negotiation process, even if conducted with a mind to mutual security benefits, will at the very least hinder Britain and Europe's efforts to create more powerful and mutually beneficial networks to fight terrorism. Sir Julian King, the EU Commissioner for Security Union, put the issue succinctly: "Because everybody agrees that you should do something does not mean that it is necessarily straightforward and easy to do..."³³

British government negotiators will be focused on trying to retain all the benefits of close counter terrorism cooperation with continental Europe. Meanwhile the government may face a renewed terrorism threat on another flank as the Brexit decision could exacerbate tensions in Northern Ireland. The UK government assesses the threat of terrorism in Northern Ireland as "severe" and low level attacks by republican fringe groups have continued unabated despite the peace agreement signed in 2007. Up to 80% of the republican Sinn Fein supporters and other nationalists are believed to have voted for Remain.³⁴ The potential renegotiation of the Common Travel Area Agreement, which could affect the current open border with the Republic of Ireland, and the loss of EU funding for Northern Ireland infrastructure projects, may increase nationalist sentiment. These developments may encourage violent republican dissidents to step up their campaign if they can build the necessary grassroots support. This was evidently lacking when such groups tried to exploit the centenary of the 1916 Easter Rising, but the complexities and uncertainties associated with Brexit in Northern Ireland may yet provide the support for renewed violence that has hitherto been absent.

Brexit Defense Funding Challenges

The effect on the economy is the key Brexit concern for the UK. Clearly, defense and security will not be immune from any negative impact. The UK Office for Budget Responsibility (OBR) produced a pessimistic economic forecast in November 2016, predicting that Brexit would lead to "...lower trade flows, lower investment, lower net inward migration, hence lower potential output."³⁵ In February 2017, an economic forecast by the European Commission acknowledged that the UK economy had performed better than anticipated despite the Brexit vote, although it forecast that continuing uncertainty would deter investment and push down GDP growth by late 2017.³⁶ A further economic challenge could arise from the "exit bill" presented to Britain on its departure from the EU arising from legal financial obligations made by the UK whilst still a member. This figure could be as high as €60 billion and may inflame potentially tense Brexit negotiations and increase economic uncertainty.³⁷

³² House of Commons, *Home Affairs Committee Oral Evidence: Police and Security Issues*, HC 806, 28 February 2017, Q 130 and Q 132. Accessed April 21, 2017.

<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/home-affairs-committee/eu-policing-and-security-issues/oral/48082.html>.

³³ Ibid. Q87.

³⁴ Otso Iho, "Brexit divisions elevate impact and likelihood of UK terrorism in the short term," *Jane's Terrorism & Insurgency Monitor*, 6 July 2016.

³⁵ HM Government, *Office of Budget Responsibility: Economic and fiscal outlook*, CM 9346, November 2016, p. 6. Accessed April 21, 2017.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571921/Nov2016EFO.pdf.

³⁶ EU Commission, *Winter Economic Forecast – The United Kingdom*, February 2017. Accessed April 21, 2017. https://ec.europa.eu/info/files/winter-2017-economic-forecast-united-kingdom_en.

³⁷ "The Multi-Billion –Euro Exit Charge That Could Sink Brexit Talks," *The Economist*, 11 February 2017.

As noted above, the SDSR was predicated on continued growth in the UK's economy and included some optimistic assumptions about efficiency savings in the existing defense budget to help fund new equipment. SDSR announced planned expenditure of £178 billion on equipment for the period from 2016 – 2026. Much of this expenditure is for equipment purchased from outside the UK. It includes an increased number of F35s, P8 maritime patrol aircraft, and elements of the strategic nuclear deterrent to be purchased from the U.S. In July 2016, a House of Commons Joint Select Committee noted that under SDSR, UK defense spending was set to increase by 3.1% in real terms in the four years to 2020. The committee expressed concern that a post-Brexit stagnant or contracting UK economy would actually mean a reduction in defense spending in real terms, which would inevitably have an impact on the ambitions and capabilities outlined in SDSR.³⁸

A report by the UK's National Audit Office (NAO) in January 2017 was also pessimistic. Amyas Morse, the Head of the NAO commented, "The affordability of the Equipment Plan is at greater risk than at any time since its inception. It is worrying to see that the costs of the new commitments arising from SDSR 2015 considerably exceed the net increase in funding for the Plan."³⁹ Among the detailed analysis and statistics in the report was a telling comment on the impact of the Brexit decision. The NAO stated that changes in exchange rates could pose a "significant risk" to the equipment plan's affordability and noted that in January 2017 the pound was 21.4% below the dollar exchange rate and 4.2% below the euro exchange rate used in the Ministry of Defence's (MOD) planning assumptions.⁴⁰

Unless there is a significant improvement in the value of the pound, especially against the dollar, procurement plans may need revision and may even force a strategic re-think. If the MOD funds exchange rate variations from the wider defense budget it may hurt broader defense capabilities including pay and conditions for personnel in a challenging recruitment and retention environment.

Brexit and Scottish Independence

Defense is not one of the powers devolved to the Scottish parliament. Therefore, the UK government in Westminster controls defense spending and priorities as well as bases and military activities in Scotland. The Scots voted overwhelmingly for Remain in the referendum. Scottish Nationalist Party (SNP) leader Nicola Sturgeon has capitalized on this and already obtained Scottish parliamentary approval for another independence referendum.⁴¹ The prospect of a so-called "hard Brexit" means that this time the SNP might win. A vote for independence would create a crisis in UK defense and security policy, primarily because the nuclear deterrent is based in Scotland and the removal of all nuclear weapons and facilities has been longstanding SNP policy.

³⁸ Joint Select Committee on the National Security Strategy, 8 July 2016, op cit. paras. 65 – 66.

³⁹ NAO, *The Equipment Plan 2016 – 2026*, NAO Website. Accessed April 21, 2017.

<https://www.nao.org.uk/report/the-equipment-plan-2016-2026/>.

⁴⁰ NAO, *The Equipment Plan 2016 – 2026*, HC 914, Session 2016 – 17, 27 January 2017, pp. 9 and 31. Accessed April 21, 2017. <https://www.nao.org.uk/wp-content/uploads/2017/01/The-Equipment-Plan-2016-2026.pdf>

⁴¹ A constitutionally binding independence referendum requires the consent of the UK Government. It cannot be authorized by the Scottish Parliament alone.

In 2016, the UK parliament voted to replace the current nuclear submarines and maintain Britain's strategic nuclear forces. The UK's Trident nuclear missiles are currently carried on four submarines based at Her Majesty's Naval Base (HMNB) Clyde at Faslane, about twenty-five miles from Glasgow. Spare warheads are also stored at a nearby naval base at Coulport. A further complication is that the UK also plans to station all its nuclear powered hunter-killer submarines in Faslane. Investment in the creation of a UK Submarine "Centre of Specialisation" started in 2009 and the first two attack submarines will move to the Clyde in 2017. In the event of independence, these nuclear powered submarines would also probably have to vacate Faslane. A report by RUSI in August 2014, prior to the first independence referendum, estimated that Trident submarines and warheads could be relocated to Devonport and Falmouth in England⁴² at a net cost of between £2.5 and £3.5 billion, spread over a decade or longer.⁴³ The authors of the report acknowledged that costs could be significantly higher, but concluded that "In the context of a total nuclear deterrent programme worth around £80 billion over twenty-five years, however, it is hard to see the costs of relocation (in themselves) being a primary factor..."⁴⁴ Much would depend on a deal being struck with the new Scottish government to allow for the temporary use of UK military facilities in Scotland, including Faslane, so that relocation could coincide with the introduction of the first of the successor submarines to the current *Vanguard* class in 2028. However, relocation from Faslane would involve more than unbudgeted economic costs. The process itself would take at least a decade and create uncertainty as the UK's nuclear deterrent would initially be based in a newly foreign country following a yes vote for Scottish independence. Devonport is not as strategically desirable as Faslane, not least because it would take the submarines longer to reach deep water to start their patrols. Local opposition to the arrival of nuclear weapons can be anticipated, particularly in Falmouth, the likely future location for Trident warheads. It is uncertain to what extent local objections could delay the projected timetable for relocation, which would create additional political and strategic headaches for the British government.

The future of the UK's nuclear deterrent is the major defense concern. But the broader political and economic uncertainty involved in Scotland's departure from the UK, coming on top of ongoing Brexit negotiations, could lead to a lengthy period of relative strategic paralysis while new defense and security arrangements are agreed and implemented. UK defense is fully integrated. Negotiations to carve up money, bases, infrastructure, equipment, personnel, and training would be lengthy, complicated, and potentially acrimonious.⁴⁵ Arrangements for intelligence gathering and cyber defense, for example, would need to be negotiated as a matter of urgency if UK-wide protections against terrorism and organized crime were not to be weakened. The SNP manifesto prepared for the first independence vote in September 2014 stated that Scotland would be "a non-nuclear member of NATO...contributing excellent conventional

⁴² Other sites in the UK were not considered for political, strategic, economic, or environmental reasons.

⁴³ Hugh Chalmers and Malcolm Chalmers, "Relocation, Relocation, Relocation: Could the UK's Nuclear Force be Moved after Scottish Independence?", RUSI Occasional Paper, August 2014, p. 19. Accessed April 21, 2017. https://rusi.org/sites/default/files/201408_op_relocation_relocation_relocation.pdf.

⁴⁴ Ibid. pp. 19 – 20.

⁴⁵ See for example: Claire Phipps, "Scottish Independence: how would Scotland defend itself?" *The Guardian*, 4 September 2014. Accessed April 21, 2017. <https://www.theguardian.com/news/2014/sep/04/scottish-independence-scotland-defence-trident> and Peter Dominiczak, "Scottish independence would damage Britain's defence," *The Telegraph*, 14 April 2014.

capabilities.”⁴⁶ But Scotland as a new, small state with economic challenges may adopt a security model similar to Ireland’s with minimum military engagement outside of UN peacekeeping operations. Such a stance would force the rump UK armed forces to devote more resources to the territorial defense of the British Isles, which would stymie plans for a post-Brexit global military posture.

There are some mitigating factors that balance this gloomy forecast. Current commitments in the defense sector in Scotland are worth hundreds of millions of pounds and involve thousands of jobs. The HMNB Clyde alone is projected to employ 8,200 by 2022.⁴⁷ Scotland would also face considerable transaction costs in setting up its own armed forces and intelligence agencies. It is not unrealistic to assume that a newly independent Scotland would want to continue to cooperate with the UK’s defense sector as much as possible, at least in the medium term, to ease the military, economic, and social impact of separation. Although the SNP plans another independence referendum, the situation is not necessarily favorable for a yes vote despite Brexit. The Scottish economy is performing worse than the UK overall and North Sea oil revenues are depressed. Scotland would also have to apply for membership of the EU as a new state, which may be resisted by some members that face internal separatist demands. Recent opinion polls in Scotland also give some grounds for optimism. Despite the referendum, the majority of Scots still appear to oppose independence although, of course, their intentions could change as the Brexit process proceeds.⁴⁸

Conclusions

Brexit is a geopolitical blow to Western cohesion in the face of growing political challenges. Its timing could hardly have been worse for the already stressed liberal democracies of the West. The “end of history” moment has long passed and democratic norms, rule of law, personal freedoms, and market-based economies are all under pressure. The U.S. and its European allies appear to be losing global power and influence to autocratic regimes like China and Russia that advocate illiberal values. Western states are increasingly distracted by domestic problems, the latter not least, as Brexit demonstrated, because a growing percentage of the population feel left behind by globalization and are disillusioned and angry with the political establishment. The election of President Trump in November 2016 was an even greater shock than Brexit. It may further weaken Western solidarity and resolve as the new president has questioned the value of NATO, scorned the EU, and, at least initially, seemed keen on rapprochement with an aggressively revisionist Russia.

The UK will no longer be able to leverage EU membership to pursue its national security interests and will have to work more effectively through other international institutions like NATO and the UN Security Council. But Europe will remain the UK’s essential security focus and EU states its principal security partners. With uncertainties surrounding the current U.S.

⁴⁶ Scottish Government, *Scotland’s Future*, 26 November 2013, p. 10. Accessed April 21, 2017. <http://www.gov.scot/Publications/2013/11/9348/10>.

⁴⁷ HM Government, *Scotland analysis: Defence*, Cm 8714, October 2013, p 7 & p. 12. Accessed April 21, 2017. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/248654/Scotland_analysis_Defence_paper-FINAL.pdf.

⁴⁸ Chris Curtis, “Why have polls not shown a shift towards Scottish independence,” *YouGov.uk*, 27 January 2017. Accessed April 21, 2017. <https://yougov.co.uk/news/2017/01/27/why-have-polls-not-shown-shift-towards-scottish-in/>.

administration's relationship with Europe, the UK's continuing close security relationship with the U.S. may still allow Britain to act as an intermediary between America and the major European powers. Such influence is by no means guaranteed. If there were to be significant reductions in the UK's armed forces following an economically damaging Brexit, the so-called "special relationship" in security would be gravely weakened. Given the range of common threats facing European states, it will remain important for Britain to support the enhancement of the European pillar of NATO. A more unstable and divided EU would certainly not be in the UK's strategic interests.

Promoting prosperity was one of the core objectives of SDSR; the document treated economic security and national security as two sides of the same coin. The achievement of continuing prosperity as well as more specific defense and security goals will ultimately depend on the longer term impact of Brexit on the British economy. If the UK's post-Brexit economy thrives, then Britain should be able to provide the security posture necessary to be a credible and capable partner of the U.S. and EU. It will also to some extent be able to meet the aim of projecting Britain's global influence, which was another core objective of the SDSR. On the other hand, economic uncertainty, a run on the pound, or a failure to find a deal over trade could all undermine the UK's aim of achieving defense and security continuity post-Brexit. These factors could also arguably trigger the breakup of the UK with Scotland and possibly Northern Ireland seceding from the Union. These developments would arguably represent a far greater longer term defense and security challenge for the Britain than its departure from the EU. The Brexit process takes the UK and EU into uncharted territory. Despite British government assurances, it would be naïve to conclude that an event as significant, complex, and divisive as Brexit will not have an impact on security relationships with close allies as well as on the assumptions and aspirations outlined in the SDSR in 2015.

About the Author

James K. Wither is Professor of National Security Studies at the GCMC, where he has been a member of the PTSS faculty since 2008. He is a retired British Army Officer and former researcher in Twentieth Century Warfare at the Imperial War Museum, London. He has taught or presented terrorism-related subjects at a wide variety of institutions, including the FBI Academy, the UK Defence Academy, the NATO School, the Geneva Centre for Security Policy, and the Afghan Army Staff College. His publications include papers for *Small Wars and Insurgencies*; *Studies in Conflict and Terrorism*; *Global War Studies*; *European Security*; *Prism*; *Connections*; and *Parameters*. Professor Wither is also co-editor of the book, *Combating Transnational Terrorism*, which was published in February 2016. His areas of expertise include contemporary armed conflict and terrorism; the organization, structure, and role of armed forces; national security and defense strategy; theory and practice of negotiations; and professional military education.

The George C. Marshall European Center for Security Studies in Garmisch-Partenkirchen, Germany, a German-American partnership, is committed to creating and enhancing worldwide networks to address global and regional security challenges. The Marshall Center offers fifteen resident programs designed to promote peaceful, whole of government approaches to address today's most pressing security challenges. Since its creation in 1992, the Marshall Center's alumni network has grown to include over 12,000 professionals from 152 countries. More information on the Marshall Center can be found online at www.marshallcenter.org.

The articles in the *Security Insights* series reflect the views of the authors and are not necessarily the official policy of the United States, Germany, or any other governments.



Unit 24502, APO AE 09053 (U.S. address) or
Gernackerstrasse 2, 82467 Garmisch-Partenkirchen,
Germany
Email: GCMCpubssecurity@marshallcenter.org