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Would a New SDSR Be Needed After a Brexit Vote?

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Key Points

- A UK decision to leave the EU would be as significant a shift in national strategy as the country's decision in the late 1960s to withdraw from bases East of Suez. In these circumstances, it would be appropriate for the government to conduct a new Strategic Defence and Security Review, despite the fact that the last such Review was only completed in November 2015.
- Current plans for defence spending over the next decade might have to be revisited, especially if projected GDP growth fails to materialise in the aftermath of an exit vote.
- The end of the UK's membership of the EU could lead to calls for it to return to a more global defence posture. Yet there could simultaneously be countervailing pressures on the UK to redouble its commitment to European defence, in part to address concerns that an exit from the EU would risk undermining confidence in NATO, and in part because the UK's commitment to European defence would represent one of its few bargaining chips as it entered a period of tough negotiations on the terms of its future economic engagement with its EU neighbours.
- A UK vote to exit the EU would not necessarily increase the likelihood that Scotland would then vote to leave the UK. Indeed, a British exit from the EU would probably make it significantly harder for Scotland itself to then become an independent member of the EU. But the possibility of Scottish independence, in some form, would remain an ongoing risk to the stability of the UK's defence arrangements.

IN NOVEMBER 2015 the UK government published its latest Strategic Defence and Security Review (SDSR), setting out its national security strategy and announcing key decisions on strategic and spending priorities. Because of the political sensitivity of the subject, and the prime minister's then-ongoing negotiations on EU reforms, it did not assess the defence and security implications of a UK exit from the EU.¹

1. HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom* [SDSR], Cm 9161 (London: The Stationery Office, November 2015), p. 53.

Most of the leading participants in the referendum debate – from both sides – accept that an exit would lead to a fundamental change in the nature of the UK's future relations with its European neighbours, even if they disagree in their characterisation of what this change would be, whether it would be desirable, and what policies the UK should adopt to further its national interests.

As a result, if the UK votes to leave the EU there would be a very strong case to conduct a fresh review of the SDSR's key strategic judgements and policy choices. The exact timing of a new SDSR might depend to some extent on how long it took for the economic consequences of an exit to become clear, although it would be important for it not to be unduly delayed.

On current plans, the next SDSR is not due to take place until after the next general election, scheduled for May 2020. However, provided that a stable government had emerged, there would be a strong case to begin a new, post-Brexit SDSR process by the end of 2016, with completion by the spring or summer of 2017.

This would likely be an exceptionally busy time across Whitehall, with most government departments affected in some way by the implications of a Brexit vote. Although the final outcome of negotiations with the EU on the terms of exit may not have been completed by the end of 2016, the government would likely have a basic idea of what the broad outcomes of the negotiations might be. New national policies and capabilities would be needed, most obviously in relation to trade, EU migration and the wide range of regulatory instruments that would be repatriated from Brussels. At the same time, if current predictions prove correct, then the first years after an exit vote could see an economic downturn, calling into question Spending Review 2015 budgetary settlements that were predicated on the assumption of healthy economic growth through to the end of the decade.

A Major Strategic Shift?

A UK exit from the EU would be a strategic shift as profound as that experienced by the country in the late 1960s and early 1970s. Between 1967 and 1971 the UK withdrew the bulk of its military forces from Southeast Asia and the Persian Gulf ('East of Suez'). During the following two decades the primary focus of the UK's defence effort was its contribution to European security through forward basing in West Germany, naval deployments in the North Atlantic, and forces dedicated to the defence of the UK itself. In capability terms, this shift away from a global posture was reflected in the abandonment of plans for long-range strike aircraft for the RAF and a new generation of aircraft carriers for the Royal Navy. Within the limited budget available, this allowed the UK to maintain the size of the British Army on the Rhine, invest in new Tornado combat aircraft (a European collaborative effort), and enhance capabilities for anti-submarine warfare against a growing Soviet maritime threat.

This military pivot towards Europe was paralleled with a political and economic pivot towards the European Economic Community (EEC). In 1967, the UK failed for the second time in its bid to gain membership to the EEC. It applied for the third time in 1969 under Prime Minister Harold

Wilson and negotiations began the following year, a process that culminated in it joining the EEC, now the European Union, in January 1973. The transition from empire had, it appeared, been completed.

Some Brexit proponents now argue that an exit from the EU would allow the UK to reverse this shift, and return it to its historic role as a major global power. For example, in explaining his decision to support an exit, Crispin Blunt MP, chair of the Foreign Affairs Committee, argued that:

Britain with its unique history, culture and connections, reinforced by national economic strengths that are global not regional, could embrace a truly international identity. Yes we would lose the benefits of being part of an emerging superstate but our vision would be global as we have the weight to count, if not to command, alone.²

One of the key objectives of a 2017 SDSR would therefore be to assess the extent to which an exit from the EU could be used as an opportunity to adopt a more global posture, both in relation to economic opportunities and in relation to the shaping of defence and security policies. The SDSR 2015 has already marked a significant shift in this direction, with the building of new basing facilities in Bahrain and elsewhere in the Gulf, the planned deployment of aircraft carriers to the Indian Ocean and the Asia-Pacific, and the emphasis placed on enhanced defence engagement activities in both regions. Other government programmes – for example in relation to diplomacy and development assistance – have also placed increased emphasis on engagement with rapidly growing Asian states. As the prime minister argued in his speech in the British Museum on 9 May, the UK is already returning ‘East of Suez’.³

Since the early 1970s, sustained growth has transformed the importance of Asian countries to the global economy and to wider issues of global governance. In response, the UK is increasing its diplomatic presence in key Asian states, shifting the balance of its aid effort towards large middle-income states and investing in growing levels of defence engagement.

Yet rapid growth in levels of economic development has also meant that the military capabilities of the states concerned are of a different order of magnitude than in the 1970s: China and Saudi Arabia now have the world’s second- and third-largest defence budgets respectively; India and Pakistan possess formidable nuclear and conventional arsenals; and many smaller states also have sophisticated high-technology weapon systems.

Moreover, even today, the penalties of distance in relation to very long-range military operations are severe. UK policy-makers are therefore likely to be even more cautious than they are in a European context about taking on significant commitments without assurances of support from the US. They might hope that a more globally oriented military strategy could help to shape the

2. Crispin Blunt, ‘Only Brexit Offers a Positive Vision for Britain’s Role in the World’, *Evening Standard*, 9 May 2016.

3. David Cameron, ‘PM Speech on the UK’s Strength and Security in the EU’, speech made at the British Museum, London, 9 May 2016 <<https://www.gov.uk/government/speeches/pm-speech-on-the-uks-strength-and-security-in-the-eu-9-may-2016>>, accessed 1 June 2016.

US's approach to security in Asia and the Middle East in directions that supported UK economic and strategic interests. However, given the likely disparity between its own force contributions and those of the US and its Asian allies, the UK is highly unlikely to be able to return to colonial-era levels of influence.

As in the 1960s, the extent to which the UK will be able to increase its global military role will also depend on how far it needs to accommodate competing demands closer to home. In the early 1970s, the withdrawal from Asia coincided with growing concern over the Soviet military build-up in Europe, both on land and at sea. It also saw the start of the Troubles in Northern Ireland, which would tie up a large element of the British Army for more than two decades. Faced with these dual demands, successive governments chose to reduce the emphasis given to 'out of area' deployments and operations. Only with the end of the Cold War did the UK return East of Suez in a sustained way, with the deployment of a division-sized force to the Middle East in support of the liberation of Kuwait from Iraq in 1991.

In the event of a Brexit, the UK would no longer be part of the EU's Common Foreign and Security Policy. The new government could potentially therefore use a 2017 SDSR to distance itself from European security concerns, focusing instead on the reinforcement of its global commitments. Yet it might also simultaneously come under considerable pressure to retain, and perhaps even increase, its commitment to NATO collective defence in Europe. The UK might find that the extent of its commitment to European defence would be one of its few bargaining chips as it entered a period of tough negotiations on the terms of its future economic engagement with its EU neighbours.

The outcomes of the 2016 NATO summit in Warsaw in July are likely to further constrain the UK's room for manoeuvre, committing the UK to invest in deployments and capabilities whose main role will be to contribute to deterrence of Russia. New crises in Europe and its neighbourhood (for example in the Balkans or Africa) could also increase immediate demands on UK capabilities, especially in cases where the US makes it clear that it expects Europe to take the lead. In these circumstances, as Europe's most capable military power, the UK could not easily stand aside from the European consensus without significant risk to its reputation as a reliable NATO partner.

Nor can a resurgence of security concerns closer to home be ruled out. Assuming that the Republic of Ireland remains in the EU in the event of a Brexit, the country's border with Northern Ireland is likely to harden significantly, with serious consequences for both sides of the divided island. The referendum debate within Northern Ireland is polarised, with nationalists strongly in favour of staying in the EU and unionists strongly opposed. While the full impact of a 'leave' vote is not easy to predict, there is a real risk that it could undermine what is already a fragile political settlement in Belfast. The terrorist threat from fringe Republicans has already been raised to 'severe', indicating the continuing presence of dissident armed groups.⁴ The erection

4. Edward Burke, 'Britain's Daesh difficulty: the New IRA's opportunity', RUSI Commentary, 13 May 2016.

of new border controls and trade barriers between North and South, together with a wider reduction in cross-island co-operation, could precipitate a new political and security crisis.⁵

Finally, if a new SDSR were to be held in 2017, it would also be able to take into account the views of the new US administration, due to take office in January of that year. A shift towards a more protectionist stance might further unsettle the UK's prospects for negotiating a favourable post-Brexit trade deal with the US and other key partners. This could be exacerbated if Donald Trump were elected, given the increased uncertainty in relation to the US's commitment to NATO and the special relationship that might result.

A 2017 SDSR and the Defence Budget

A 2017 SDSR would be likely to coincide with a new Spending Review. The 2015 Spending Review was based on the assumption that GDP would grow at an average annual rate of 2.4% in real terms over the next four years.⁶ This projection, in turn, was the basis on which the government was able to approve a small real-terms increase – amounting to some 1.0% in total over four years – in the defence budget between 2015/16 and 2019/20.⁷

This assumption is already proving optimistic, and a decision to exit the EU could throw it further off course. A wide range of studies – including analyses by the IMF, OECD and HM Treasury – agree that the level of projected GDP would be reduced significantly in the short term by a Brexit as a result of uncertainty about the economic relationships that the UK would be able to establish with the EU and other trading partners. Estimates of the extent of this short-term effect vary from 1% to 8% over the first three years.⁸

Over the last two decades, there has been a close relationship between trends in national GDP and the resources made available for defence. Rapid economic growth between 1998 and 2008 made it possible for the government to increase defence spending by 30% in real terms, while also making substantial investments in many other public services. In the aftermath of the 2008 financial crisis, by contrast, the total Ministry of Defence budget was cut by 13% in real terms, with sharp reductions in both operational and core spending.⁹

A recession triggered by a vote to leave would have a direct effect on levels of government revenue and spending. Unless the short-term shock is near the lower end of current projections

5. Edward Burke, 'Who Will Speak for Northern Ireland?' *RUSI Journal* (Vol. 161, No. 2, April/May 2016), pp. 4–12.

6. HM Treasury, *Spending Review and Autumn Statement 2015*, Cm 9162 (London: The Stationery Office, November 2015), p. 11.

7. Malcolm Chalmers, 'Spending Matters: Defence and Security Budgets after the 2015 Spending Review', RUSI Briefing Paper, May 2016.

8. HM Treasury, *HM Treasury Analysis: The Long-Term Economic Impact of EU Membership and the Alternatives*, Cm 9250 (London: The Stationery Office, April 2016), p. 135.

9. Malcolm Chalmers, 'The SDSR in Context: From Boom to Bust – and Back Again?', *RUSI Journal* (Vol. 161, No. 1, March 2016), p. 5; Chalmers, 'Spending Matters'.

(a cut of around 1% in expected GDP), an emergency Spending Review – in which all the decisions announced in 2015 are reassessed – would be likely.

In such a Review some would argue that the Ministry of Defence should be entirely exempt from wider austerity measures, while others would argue that it should bear a disproportionate share of the austerity burden. Given the funding pressures on other public services (such as the NHS) after six years of austerity budgets, the most likely ‘middle case’ scenario is that defence spending would be reduced (compared to currently projected levels) in proportion to the reduction in projected GDP. The importance that the government now attaches to NATO’s spending target – whereby Alliance members are expected to aim to spend 2% of GDP on defence – makes this latter outcome more likely: if the level of anticipated GDP were to fall, the level of defence spending that would be needed to meet the 2% target would also fall.

Capability Choices

While a new post-Brexit SDSR would be justified by the fundamental change in the UK’s strategic circumstances, therefore, it might also be tasked with finding significant savings from current defence plans.

The size of the shock to the defence budget should not be overstated. If the short-term economic shock was at the upper end of current projections (a cut of 8% in expected GDP), it is possible that the core defence budget could be cut by an amount comparable to that which it suffered during the 2010 SDSR. It is more probable, however, that the required level of savings would be significantly less.

Whatever the extent of the savings that would have to be made in a post-Brexit 2017 SDSR, some key commitments would likely remain untouched, including plans for successor deterrent submarines, increased investments in counter-terrorism and cyber security, and the entry into service of two new aircraft carriers.

For the remainder, much would depend on the balance between global, European and domestic commitments. A more global focus might lead to increased investment in enhancing the credibility of the UK’s carrier strike capabilities, which are currently planned to build up gradually over time. It might also involve further investments in global basing infrastructure and in the logistical assets necessary for long-term deployments. A more European focus, by contrast, might place greater emphasis on forces – especially ground forces – able to contribute to operations closer to home, especially in relation to NATO capabilities for forward deterrence of Russia. A more domestic focus might be required if security concerns in relation to Northern Ireland increase. In the course of a Review, the Ministry of Defence would seek to use further efficiency savings to reduce the extent to which such trade-offs would need to be made. The deeper the post-referendum cuts that were necessary, the less viable such an approach to avoiding difficult choices would be.

Beyond SDSR 2017

While some short-term cut in planned defence spending is likely, the long-term impact would depend on whether the initial economic shock as a result of a 'leave' vote was followed by a longer-term deterioration in economic performance.

The Treasury's analysis of the economic impact of a Brexit is based on the assumption that exposure to international competition is one of the main drivers of productivity growth. As a consequence, it argues, any reduction in the level of economic interdependence that results from withdrawal from the EU – including reduced access to EU markets and reduced levels of foreign direct investment – would have a negative effect on levels of national income. In the event of the UK's trading relationship with its EU neighbours moving to the same basis as that between the EU and other WTO members, the Treasury projects that there would be a longer-term reduction in GDP, compared with a 'remain' scenario, which would amount to between 5.4% and 9.5% by 2030.¹⁰ It concludes that 'the UK would be permanently poorer if it left the EU'.¹¹

Many Brexit supporters argue, in contrast, that the UK would be able to pursue a more liberal approach to international trade if it were outside the constraints imposed by membership of a trading bloc. Without the regulatory constraints imposed by Brussels, they argue, the UK would be free to negotiate independent trade deals with non-EU states, free of the protectionist elements (for example in relation to agriculture) that characterise EU policy.

The longer-term consequences of a Brexit for economic growth may be less certain than either the Treasury or its main critics are suggesting. The last decade has shown, once again, the limits of current economic modelling in helping to explain the long-term drivers of growth in living standards.¹² While it has been conventional wisdom that greater openness is the primary driver of economic performance, higher levels of protectionism, both in trade and migration, might also have some beneficial outcomes. Even if the overall effects of increased self-reliance were negative, the extent of this cost might be more modest in the long term than remain advocates contend.

All this would matter for the funding of the defence budget. On the assumption that expenditure remains pegged at 2% of GDP for the foreseeable future, the economic disruption caused by a Brexit would likely lead to a one-off reduction in the defence budget. However, providing that GDP then returned to a rate of growth comparable to what it would have been if Britain had remained, the longer-term impact would be relatively modest, with a defence budget rising broadly in line with national income through the 2020s. In contrast, if Brexit led to a sustained reduction in longer-term growth, in addition to one-off transition costs, the impact on military strength would be considerably more severe.

10. HM Treasury, *HM Treasury Analysis*, p. 12.

11. *Ibid.*, p. 8.

12. Wolfgang Munchau, 'Britain's Pro-Europe Campaigners are Losing the Argument', *Financial Times*, 3 April 2016.

Wider Political Change

The implications of a UK exit from the EU would not only be economic. A vote to leave would mark the beginning of a broader process of transformation in the nature of the UK's relationships with its European neighbours. Given the UK's importance as a major European power, with the continent's strongest military and its second-largest economy, an exit could also have far-reaching implications for the European order more generally.

First, a British decision to withdraw from the EU could precipitate debates in other north European countries as to whether it would also be in their interests to do the same. At present, every developed European state is either a member of the EU or – in the cases of Norway and Switzerland – very closely bound to follow its rules. If the UK were to leave, this would no longer be the case. The more successful the UK experiment proved, the more tempted that Sweden, Denmark and the Netherlands might be to revisit their own positions. For Ireland, the terms of its own EU membership would have to be reviewed, given the depth of its economic ties with the UK and its continuing interest in the closeness of its relationship with Northern Ireland. Moreover, with the UK no longer represented in the European Council in Brussels, it would have a strong interest in deepening co-operation with these like-minded neighbours, further complicating the geography of European power relations.

Second, Brexit could make Europe more vulnerable to political shocks. Prolonged economic stagnation across most of Europe, triggered by the 2008 financial crisis but deepened by the structural flaws inherent in the Eurozone from the outset, is having profound effects on European politics. The post-war settlement delivered unprecedented levels of prosperity and security across Western Europe, marginalising extremist forces and providing the political basis for internationalist approaches to common problems. This settlement is now being threatened to an extent that has not been seen since the 1940s. The growth of populist and authoritarian political parties across much of Central and Eastern Europe, the rise of the National Front in France, as well as the continuing fragility of Southern European states (especially Greece and Italy) that are unable to generate significant economic growth, all add to the risk of political shocks. The European integration project may not be doomed, but it is wounded.

The disruption caused by a Brexit would have a negative consequence on growth in other EU member states in the short term. The magnitude of such an effect would probably not be large enough to precipitate a Europe-wide financial crisis on its own. But the UK's exit from the EU would add to a wider set of disintegrative factors which, taken together, could pose a threat to key elements of EU integration. In the absence of the necessary, but politically unacceptable, measures required for closer economic union, and the consequent political fragility of the Eurozone, the loss of even one member state has the potential to fatally undermine market confidence in the currency union.

For some Brexit supporters, a UK exit would be an opportunity for Europe as a whole to move beyond a model of supranational governance that has failed, most clearly in relation to the single currency. They argue that if the old order is breaking down anyway then there is a real

opportunity to focus on how to create a new model of European co-operation, shorn of the supranational elements which are central to the current EU project.

Yet the costs involved in managing a transition to a looser form of European co-operation would be very considerable. It would be impossible, for example, to maintain the European single market if responsibility for external trade were returned to national governments, or if all decisions had to be made on the basis of unanimity. An attempt to dismantle the euro and return to national currencies would have such far-reaching economic consequences that the pressures on EU leaders to avoid such an outcome would remain very strong.

It would be overly simplistic to suggest that a weaker EU would necessarily lead to a return to the competing nationalisms of Europe's past. The security alliance with the US is unlikely to disappear, while the challenge from Russia will continue to act as a force for unity in the rest of Europe, as it has done since the formation of NATO in 1949. Even so, if the EU were to falter at a time of heightened external pressures, it could undermine the sense of mutual dependence and common interest among its members that has been so important in underpinning their willingness to commit to each other's military security through NATO.

Whatever happens to the rest of the EU in the aftermath of a Brexit vote, the UK would still be a European country. Its prosperity and security would still be intimately linked – as they have been in the past – to events in its neighbourhood. The institutional structures which have helped ensure peace for the last 60 years would need to evolve to cope with new challenges, and to address the weaknesses that the last decade has revealed so clearly. Even from outside the EU, it would be in the UK's interest to work closely with its neighbours to help shape these structures.

Scotland

One of the arguments often made in favour of a remain vote is that a decision to leave the EU would trigger a second independence referendum in Scotland. In such a scenario, it is argued, Scottish voters – a large majority of whom are expected to vote to remain¹³ – would be so outraged at being dragged out of the EU against their will that they would choose independence from the UK in order to become once again a member of the EU.

This risk is overstated. A recent opinion poll suggests that 52% of Scots would oppose a second independence referendum even if the UK as a whole voted to leave the EU while Scotland voted to remain.¹⁴ Moreover, a British exit from the EU would probably make it significantly harder for Scotland to then become a member of the EU itself. In the event of independence, Scotland's primary foreign relationships would still be with the rest of the UK, with whom it would continue to have very close economic, cultural and personal links, for both historical and geographical reasons. During the 2014 referendum, the SNP repeatedly emphasised that an independent Scotland in the EU would be able to maintain the UK's three opt-outs – maintaining the pound,

13. Sarah Smith, 'Do Scots Really Feel More Positive About the EU?', *BBC News*, 26 May 2016.

14. *Herald Scotland*, 'Scots "Would Oppose Independence Referendum if a Brexit Goes Against Their Vote"', 22 May 2016.

staying out of Schengen, and sharing the UK's budget rebate. If an independent Scotland were to apply for EU membership after a UK exit, however, it is far from clear that the EU would be prepared to concede on any of these points. At the very least, it is hard to imagine negotiations on these points making much progress until the details of post-Brexit relations between the UK and the EU had been settled.

On the other hand, the longer-term economic disruption that might be caused by a Brexit could deepen dissatisfaction among Scottish voters sufficiently to swing the balance further against the maintenance of the Union. With a recent poll still showing 48% in favour of independence, it might not take much more of a shift to convince the Scottish government to decide to risk a second vote.¹⁵

Yet such a scenario would not be on the agenda of a 2017 SDSR. In the short term, administrative energy in Edinburgh would more likely be focused on how to manage an exit from the EU, ensuring that the devolved governments maximise their share of the regulatory authorities being returned from Brussels. SNP leaders in Scotland might also prefer to postpone a vote on independence until they were able to describe more clearly what this would mean in terms of whether or not it would involve EU membership, and if so on what conditions.

Scottish independence remains a possibility in the medium term, whichever way the UK votes in the EU referendum. It would have profound implications for the UK's defences if it were to take place. The UK would need to devote substantial resources to relocating its Trident-based nuclear forces and to helping to build the capacity of new Scottish defence and security forces, even as the tax revenues available for the UK Ministry of Defence had been further eroded. While such a risk should not be overlooked in the long term, however, it is not likely to figure in any post-Brexit SDSR.¹⁶

Conclusion

The primary driver of a UK exit from the EU comes from the demand for a reassertion of sovereignty, especially in relation to trade and migration. If the country is able to regain the ability to decide its own policies, it is argued, the short-term economic costs – including the cuts that might be needed in public spending, including defence – would be a price worth paying.

The nationalist instincts that drive the 'leave' campaign have much in common with similar resurgent movements across the Western world – from Donald Trump in the US to Marine Le Pen in France, from anti-migrant parties across northern Europe to authoritarian populists in Austria, Hungary and Poland.

Calls from these movements for a reassertion of national sovereignty over international trade and migration are often derided as being out of touch with the realities of an increasingly

15. *Ibid.*

16. For further discussion, see Malcolm Chalmers, 'Dissolution and Defence: Scotland's Armed Forces after a Yes Vote', *RUSI Journal*, (Vol. 159, No. 2, April/May 2014), pp. 30–37.

interdependent world, where countries need to share sovereignty in order to gain the economic benefits of globalisation. The counter-argument is that this model of development is an exclusive project, benefiting major corporations and transnational elites while failing to protect lower- and middle-class families from the harsh forces of international competition. Growing inward migration at a time of stagnating wages is, critics suggest, the last straw. A new approach, centred on decisive action by states to regain control of their national borders through restrictions on trade and migration, is required.

A new SDSR, initiated soon after a vote to leave, would have to take these political currents into account, and could not therefore adopt an approach that left the UK in a Norway-like dependence on the EU, bound by Brussels regulations and free movement of labour, but without a seat at the European Council.

A more plausible model might be for the UK to become a more populous version of Canada, retaining an independent foreign and security policy, clearly differentiated from that of the giant power next door, even while being sensitive to the need to maximise access to its markets and capital. The UK's lack of voice in the EU in the event of a Brexit would diminish its access to the international top table on some issues, for example in European relations with Russia. But it would retain disproportionate influence in others, especially where special national advantages – such as its UN Security Council membership, its large development budget and its strong military – allowed it to do so. In line with a more nationalist mood, the new government would seek to ensure that these instruments were more clearly tied to UK national trading and security interests.

The direction taken by a new SDSR would also have to be shaped by a revised assessment of the UK's economic and security prospects. If the new government was confident that an exit from the EU would lead to a strengthening of the UK's role as a global centre for the provision of international services – finance, education, design, and so on – it could be associated with a more confident and globalist foreign policy. As an independent foreign policy actor, the UK could use its large defence and aid budgets, as well as a reinvigorated diplomatic service, to shape debates on key global issues.

By contrast, if an exit were to be associated with a stagnant population and poorly performing economy, the pressures to turn inwards would probably intensify, with internationalist instincts weakening in the face of pressing domestic problems. A vote to exit the EU might well lend support to the belief that the government needed to do more to isolate the UK from the effects of conflicts elsewhere, rather than always feeling a responsibility to intervene. Having won the referendum on the back of anti-migration sentiment, the new government would be under strong pressure to ensure that the growing numbers of migrants moving to Europe from areas of poverty and instability – from the Middle East and Africa as well as from Eastern Europe – were stopped at the border. Echoing nationalist sentiment expressed elsewhere, a post-Brexit UK might be less inclined to get involved in African, Middle Eastern or Balkan wars except where its own security was directly affected.

Yet, the more serious the challenges to European security, from whatever direction, the harder it would be for the UK to stand on the sidelines, closing its borders and averting its eyes. A strong and continuing commitment to NATO, and to supporting its collective defence guarantees to exposed member states, would not be enough. The complex nature of modern security threats would also ensure a demand for a wider range of collective European responses – sanctions, internal security, capacity-building, intelligence-sharing – which cannot be met by NATO alone. A Brexit would give the UK more choice about how to organise such co-operation. But aspirations for a more globally oriented SDSR might have to be tempered by the continuing need for the UK to contribute to common security closer to home.

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