

interview

by Charles Grant & Mark Leonard

MICHAEL JAY

The Lebanon crisis has once again shown that foreign policy is made in Downing Street, not the foreign office. The recently retired head of the diplomatic service tries to explain why the FCO matters

THIRTY YEARS AGO, the foreign and commonwealth office (FCO) acted as Britain's gatekeeper to the world, defining its interests and cementing links with its allies. Today it is often overshadowed by 10 Downing Street on diplomacy, bypassed by domestic departments on European policy and global economic issues, and outspent by the department for international development (DfID). Like many foreign ministries around the world, the FCO is facing budget cuts, low morale and a crisis of purpose. The war in Lebanon has highlighted the FCO's uncomfortable role within the government: on the key strategic issues, British foreign policy is driven by the prime minister rather than the FCO.

Faced with these challenges, the strategists of King Charles Street have been trying to reinvent the FCO as the department for globalisation. More parochially, they are placing a new focus on "delivery," partly to forestall what Gordon Brown might demand when he becomes prime minister. Brown's name certainly invokes some trepidation in the FCO. His comprehensive spending reviews in recent years have not been generous to the department, and when he travels around the world, he often stays in hotels rather than with ambassadors as other ministers do.

IN A rare interview on the eve of his retirement at the end of July, Michael Jay, head of the diplomatic service, talked to us about the attempt to modernise the FCO. A taller and ganglier version of his more famous cousin, the journalist Peter Jay, he seems slightly awkward in the cavernous office that

Charles Grant is the director and Mark Leonard is the foreign policy director of the Centre for European Reform

he redecorated five years ago to show off the best design and paintings of the Cool Britannia era.

Jay denies that his reforms were designed to make the FCO "Brown-proof," and instead moves on to the big issue: "What we have tried to do in the last five years is answer a question: what are foreign offices for?" His answer has been to stake a claim on the international aspects of domestic issues: "It is wrong to look at the role of the FCO as just doing traditional foreign policy—it is also about globalisation, climate change, organised crime and drugs."

In 2003, Jay asked his officials to craft a strategy for the future of British foreign policy. Based on an assessment of global trends and the British national interest, the document offered eight strategic priorities. It married traditional concerns, such as maintaining close relations with the US and the rest of the EU, with a new agenda—terrorism, environmental problems, migration and so on.

Earlier this year, the FCO came up with another strategy document, this time with nine priorities, but within weeks of publication Margaret Beckett was appointed foreign secretary. Does her appointment mean that there will have to be yet another new strategy? "No, but there will be a greater focus on certain issues, and in particular on climate change." (The authors of the 2006 document failed to mention climate change, the issue Beckett ranks number one. She ordered the shorter, four-page version of the strategy document to be reprinted, now with ten priorities.)

When Jay took over as head of the FCO in 2002, he felt that the department was too reactive and concentrated too much on building close relationships with other countries for their own sake. He is implicitly critical of his predecessors: "The foreign office has never really been managed in the past. It has been administered." As Jay saw it, the old structure of the FCO did not fit the modern world: "I kept on coming across issues that could not be easily pursued because there was no one in the office responsible for them."

Jay decided to strengthen the FCO's "functional directorates"—which deal with matters such as energy, the environment, nuclear proliferation and human rights—at the expense of the traditional geographical departments, which manage relationships with other countries. At one point there was even talk of closing down the latter altogether, but Jay shrank them instead, asking them to focus on regional issues—leaving relationships with individual countries to ambassadors: "We have brought embassies into the business of giving advice to ministers. For example, our high commissioner in Islamabad is central to making policy towards Pakistan."

Jay argues that Whitehall turf wars must be a thing of the past if the FCO is to secure its future. This would mark a departure for a department that has often been at loggerheads with others. "Our relations with DfID are pretty good now. But there were

certainly some rocky moments when Clare Short was development secretary," he says. "And when I first arrived, FCO people said, 'the home office are doing this and haven't even told us.' I said, 'Why should they?' We need to convince them that they need us." Jay is glad that the home office came to the FCO to ask it to negotiate deportation agreements with countries like Algeria, so Britain has assurances that deportees will not be tortured.

But Whitehall turf wars cannot be wished away. Climate change, for example, may be the issue closest to Margaret Beckett's heart, but surely it is the job of the secretary of state for the environment, David Miliband, to negotiate a successor to Kyoto?

"Margaret Beckett and David Miliband will work closely together on climate change. David Miliband is clearly in the lead overall." So who will sit around the table in the post-Kyoto negotiations? "I don't know." Who will lead the discussions with China and India on delivering the reductions in carbon emissions that were agreed at Gleneagles? "These things still need to be worked out."

NEXT YEAR will mark the 30th anniversary of the year the foreign office might have been shut down. In 1977, an infamous report by the Central Policy Review Staff (CPRS), the Downing Street think tank, recommended that the foreign office merge with the home civil service. Foreign policy would be delivered by a "unified foreign service group" drawn from the old diplomatic staff and domestic government departments. The idea was to focus not just on the old agenda of security, but also on trade and economic issues. The CPRS proposed training civil servants from domestic departments to be diplomats, so that the foreign service could draw on a wider range of skills. In the event, the CPRS itself was closed rather than the foreign office.

And yet some of those CPRS ideas have been resurrected by Michael Jay himself. "In the future there will be more FCO people working in other government departments, international organisations and the private sector." He cites Andrew Cahn as a model. Cahn, who had a high-flying career in the old ministry for agriculture, the cabinet office, the European commission and, finally, British Airways, has been recruited to manage international trade at the FCO. He had never served in the FCO before.

Jay thinks that the top diplomats of the future will no longer be today's Oxbridge graduates whose analytical minds make up for their lack of management experience. "In the future you will find it hard to get a

good job without consular and management experience. It will be more challenging than when I joined."

The measurement of success in foreign policy is notoriously hard. For domestic departments, success can often be quantified in lists of targets met, institutions created or laws passed. For the FCO, success is more often measured in terms of disasters avoided. (Jack Straw likes to say that his proudest moment as foreign secretary was his part in preventing a war between India and Pakistan in 2002.)

Yet there is now far more focus on service delivery—things like visas and consular work. "This takes up as much of my time as policy—this is the public face of the FCO to foreigners and to the British public," says Jay. He adds that the FCO learned from its mishandling of the aftermath of the Bali bomb in 2002. "Now we have rapid-deployment teams, ready to go wherever Britons are in trouble."

As with any organisational change, some staff have become unsettled. Jay rejects the idea that morale is low, quoting from opinion surveys of the FCO's 8,000 staff to reinforce his point. "77 per cent of staff are proud to work for the FCO; 83 per cent feel they are doing something worthwhile; and 91 per cent say they go the extra mile." The language of these surveys—more Tesco than Lord Palmerston—is an indication of how far Jay has tried to change the foreign office culture.

Most senior posts are still occupied by white men, but under Jay and Jack Straw, more top jobs have gone to women—Nicola Brewer as Europe director, Anne Pringle as head of strategy and information and Mariot Leslie as director of defence and strategic threats.

Jay has also made a priority of building relations with Britain's ethnic minority communities. "We explain what we are and what we do, so that we understand each other better. And we hope that more people from ethnic communities will want to join us."

The FCO has done well at recruiting Britons of Indian origin, though less well with other south Asians, and

those from African and Caribbean communities.

But is there not a danger that Britain could move towards the situation in the US, where Cuban-Americans, Jewish-Americans and so on have a big influence over foreign policy? Some American commentators believe that Britain has already gone down this route, arguing that Britain is too critical of Israel because of the influence of Muslim voters. There is little evidence for this. After all, Tony Blair took Britain into war in Iraq despite the opposition of almost all British Muslims, and he has ignored their views in his refusal



Are foreign secretaries redundant?
Anthony Eden in the 1930s

to back calls for an immediate ceasefire in Lebanon. On the other hand, Straw has been heard to link his firm line on ruling out military intervention in Iran to the need to listen to his Muslim constituents in Blackburn. Jay does not see a danger here: “We won’t let interest groups make foreign policy, but we should listen to them and engage with them.”

TO MANY observing British policy on the Israel-Hizbullah conflict, the discussion of FCO restructuring is a sideshow. The Lebanon crisis has, it seems, once again revealed the FCO’s inability to set foreign policy. In fact, the trend for prime ministers rather than foreign ministers to dominate foreign policy has been apparent for a long time. It has been amplified in Britain because Blair has so much experience on global issues. But his attitude on the transatlantic relationship—that London should not publicly criticise Washington on the big strategic issues in order to maximise private influence—unsettles many British diplomats. They worry that Britain’s association with a seemingly uncritical line on Israel has weakened our influence in the middle east—and undermined the EU’s attempts to forge a common policy.

During the run-up to the Iraq war, FCO doubts about the No 10 line were well publicised. But there were only a

few resignations, such as legal adviser Elizabeth Wilmshurst. At that time Blair did appear to gain some sway over American tactics on Iraq, but not its strategy. Unkind observers would say that the foreign office’s influence was at one further remove, influencing British tactics but not British strategy.

Jay’s defensive answers do little to dispel this perception: “There was a big role for the FCO in the months leading up to the conflict. Straw talked to Colin Powell and was also busy at the UN security council, as was [UN ambassador] Jeremy Greenstock. We also played a role in forming a coalition of EU countries. We did the negotiation of resolution 1441 in autumn 2002 and the attempt to obtain a second resolution in early 2003.” Jay noticeably does not claim that the FCO was involved in strategy.

When we ask him about the perception that the FCO was against the Iraq war but overruled by No 10, he becomes even more defensive: “I don’t want to go into that.” Was he surprised that there were not more resignations from the FCO? He looks startled and says nothing. Did he ever think about resigning? “No. I never seriously considered my resignation.”

He refuses to criticise Blair’s approach to the US, but does not give it a ringing endorsement either: “This is a conscious decision of the prime minister. It is a personal decision and a judgement call.” Has it

worked? “We do have influence, but we lose it if we shout about it. Over the years there has been influence on US policy on the middle east...” he pauses and thinks “...over Africa and climate change.” He points out that the government has criticised the US on climate change and Guantánamo. And, he adds, there is nothing new about prime ministers taking over foreign policy in time of war. “Who can remember who was foreign secretary during the second world war, Suez or even the Falklands conflict? In a crisis, prime ministers take over.”

He accepts that the way in which the EU has developed, with a growing role for the European council, has tended to suck prime ministers into European issues. “On the big EU issues, yes, reporting lines go ultimately to the prime minister, who is our representative on the European council, not to the foreign secretary or the permanent secretary. But the key people involved are all FCO people.” In any case, he points out, on some key diplomatic issues, such as Iran’s nuclear ambitions, the FCO remains in the lead.

There have been suggestions that EU policy should be taken out of the FCO altogether and put in a separate department under a cabinet minister reporting directly to the prime minister. The idea would be that such a minister and department would do a better job of co-ordinating the various

ministries’ European policies than the current combination of the FCO and cabinet office.

During the cabinet reshuffle in May, such a structure seemed close to being created. The news agencies reported that Geoff Hoon, the new Europe minister, would be in the cabinet alongside the foreign secretary Margaret Beckett. But later it emerged that Hoon would not be in the cabinet. What happened? Had the FCO mounted a last-minute campaign to prevent the emergence of two rival centres of authority over British foreign policy?

Jay cannot explain the confusion, but says that he would not oppose a Europe minister in the cabinet, just as there are two treasury ministers in the cabinet. But he is hostile to the idea of a separate Europe ministry. “If there was a Europe ministry outside the FCO, there would be constant tension between it and the FCO, and the other ministries.”

The foreign office has probably changed more during Michael Jay’s five years as permanent under-secretary than in the previous 30 years. His successor, Peter Ricketts, has pledged to continue the reforms. Some of the old guard will never forgive Jay for bending to the demands of the treasury. But most of Jay’s reforms were long overdue and the critics who now grumble about managerialist excess may one day thank him for them. ■

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