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**ORTHODOX CONSERVATIVES GROUP**

**REPORT**

**TOWARDS A NEW  
COMMONWEALTH  
SOCIETY**

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# TOWARDS A NEW COMMONWEALTH

The world is changing at such an accelerated rate that many of us are having a hard time keeping up. With the rise of China and the other BRICS – Brazil, Russia, India, China, and South Africa – in the 2000s, most commentators have correctly concluded that we are moving into a world where wealthy Western democracies will share a stage with countries that have historically been much poorer and much less influential. Most assumed, however, that this would be a gradual process; likely one that would play out over the course of decades. In the past few months, we have seen this process accelerate dramatically, however.

In the weeks and months after the invasion, a multitude of things happened that were without precedent. Firstly, Russia, which had been isolated by Western sanctions, started to sign trade and energy agreements with other BRICS countries – especially China – at a historically unprecedented rate. Secondly, the BRICS opened itself to new membership bids and saw a raft of countries express interest; these include: Iran, Argentina, Turkey, Egypt, Indonesia and, to the surprise of many, erstwhile Western ally Saudi Arabia. Thirdly, the Western powers – most notably America – seized Russia's foreign currency reserves which has given rise to promises from the new BRICS+ group to issue an alternative global reserve currency. There have been other developments accompanying this surprising new development, including the new payments systems that do not use the Western-centric SWIFT system being tested out in India, China, and Russia, as well as major countries no longer using US dollars in bilateral trade deals.

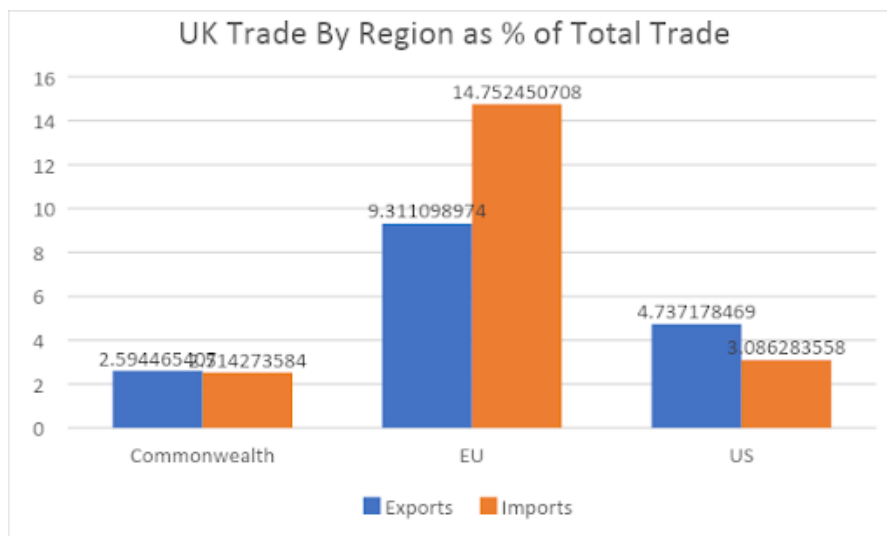
If history is anything to go by, once a genie like this has been released it seems unlikely it can be put back in the bottle. Before the Russian invasion of Ukraine, it looked like the world was lurching toward a multipolar system. After the invasion, it looks like the world is sprinting to achieve this goal.

These new realities face Western nations with one of two possibilities. Either they can band together, hunker down and try to insulate themselves from the outside world through isolationism and autarky. Or they can try to use all the resources at hand to engage this new world on the best terms possible. History teaches us that countries and alliances that revert to isolationism tend to collapse or decay: just look at the Soviet Union or contemporary North Korea. Especially in a globalised world, engagement with other countries and powers is key.

Due to its historic position as a former leader of a global empire, the United Kingdom is very well-placed to engage with the world in a new way. By retooling its commonwealth arrangement, which still contains 54 countries across the globe, the United Kingdom can pave the way in a bold new approach to geopolitical relations.

## The Economics of the Commonwealth

While diplomacy is useful and admirable on its own terms, in modern times useful international relations are typically trade relations. For this reason, it is worth carefully studying the basic features of the commonwealth from an economic and trade perspective. Most relevant in this respect is the amount of trade that the United Kingdom does with its commonwealth partners. The chart below shows British exports and imports to the commonwealth as a percentage of total British exports and imports. The chart also includes export/import share to both the United States and the European Union to get a more intuitive sense of the magnitude.



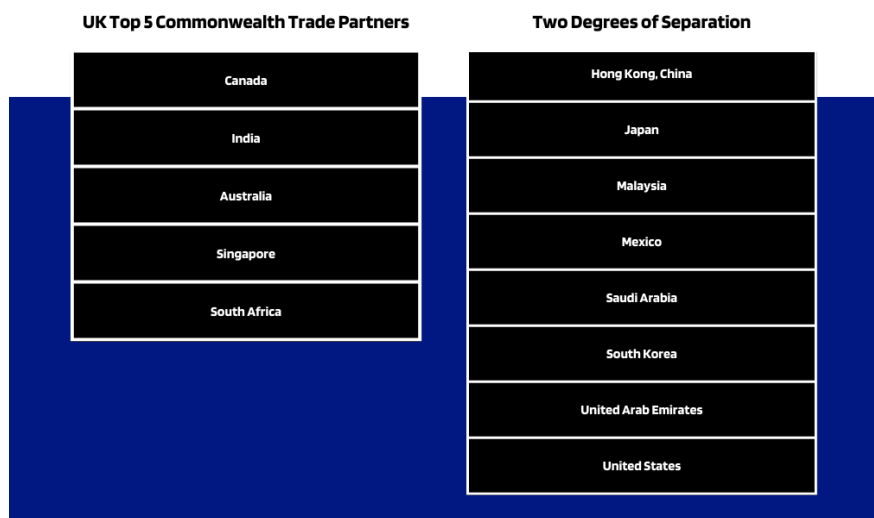
Source: WITS

Several points stand out from examining this chart, the most important of which are:

- Trade with the commonwealth is not as large as trade with the European Union – unsurprising given the geographical proximity to the latter – but it is in the same ballpark as trade with the United States.
- As with the United States – although not with the European Union – the United Kingdom runs a trade surplus with the commonwealth; this means that the United Kingdom is already approaching the commonwealth in trade negotiations from a position of relative strength.

We should be cautious with interpreting these numbers too literally, however. Many of the commonwealth countries are developing markets and these markets are seen as having much more potential for growth than developed markets. According to Mill Street Research, between 2012 and 2022 developing economies had an average economic growth rate of 4.2% while developed markets only had a growth rate of 1.8%. Having a more than double rate of growth, developing economies are set to make up a far larger part of the global economy as we move into the future – and hence a far larger part of British trade. The commonwealth economy should be looked at in this light.

We should also look at who these trade partners are and who they in turn are partnered with. When brokering trade deals, it is often useful to leverage trade with one country to triangulate with another country that trades with the first country and thereby create a multilateral trade deal. The table below shows the top 5 commonwealth trade partners of the United Kingdom and their top 5 trade partners – i.e., those countries with two degrees of separation from the United Kingdom via the commonwealth.



Running some simple calculations shows that the United Kingdom's top 5 commonwealth trade partners make up 10.2% of global GDP: an impressive number. If we count those countries with two degrees of separation from the United Kingdom via the commonwealth, we find that they make up 47.6% of GDP.

Overall, then, the commonwealth is an impressive economic bloc in its own right. It has an extremely bright future as many of its members are developing economies that we can expect to grow much larger as a share of the global economy in the coming years. The challenge for the United Kingdom is to engage these countries in an organisation that they will be happy to see themselves as being a part of.

# The New Commonwealth Society

The commonwealth is an extremely valuable asset to the United Kingdom. Yet this does not mean that turning it into a tool for diplomatic engagement and trade negotiations will be a simple one. The commonwealth grew out of the British Empire, the legacy of which is contested in much of the world today. Today the commonwealth is approached from the viewpoint of soft diplomacy. The website of the Royal Commonwealth Society pitches itself as "a network of individuals and organisations committed to improving the lives and prospects of Commonwealth citizens across the world" through "youth empowerment, education and high-level advocacy". All of these are admirable goals, but to approach the commonwealth with a more hard-headed motive requires a different type of organisation. Yet it also requires one that does not seem to be imposing the will of the United Kingdom on other countries.

The reality is, however, that even if the United Kingdom wished to approach the commonwealth from a position of superiority, it could not. Many of the countries within the commonwealth have grown too powerful and those that have not still have a multitude of different options on the table when it comes to diplomacy and trade negotiations. What is needed then is a new type of commonwealth society where member nations can meet and engage in diplomacy and trade negotiations. Such a society should have as its *modus operandi* a more universalist ambition.

In fact, such an organisation existed in the past – and although it is now mostly forgotten, at the time it counted many prominent members amongst its ranks and was quite influential. It was called The New Commonwealth Society and it was founded by Georges Barnes and Baron David Davies in 1932.

Its members included David Lloyd George, Winston Churchill and its international director was the German journalist and diplomat Ernst Jäckh. The ideational driving force behind The New Commonwealth Society was the recognition that, after the First World War, the world order had irrevocably shifted and that countries needed to be flexible in how they pursued their diplomatic relationships.

Although The New Commonwealth Society never engaged the commonwealth and was more focused on European politics in the 1930s, we believe that its basic vision is the correct one for the United Kingdom in the 21st century.

## Policy Direction

As with Europe in the 1930s, the world in the 2020s will change beyond all recognition. Those countries that engage in isolationism will wither and die. Only countries that adapt to the new realities will prosper. We advocate for a reestablishment of The New Commonwealth Society with the explicit goal of engaging with an emerging multipolar world through the well-established commonwealth relationships already available to the United Kingdom. We believe that such relationships can be nurtured in such a way that they are undertaken in the most profound mutual respect and to everyone's benefit.

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