



# **Global Britain, contested spaces, and the UK Overseas Territories**

**A report on the existing and future relationship between the UK  
and its Overseas Territories**

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## Summary

Since the decision of the UK to leave the EU, the UK Government has established and promoted the idea of ‘Global Britain’. Perhaps the clearest, but still largely unrecognised, manifestations of Global Britain are the UK’s Overseas Territories. The Territories provide the UK with significant global reach. However, the UK’s sovereignty over several of them is contested.

The purpose of this report is to consider two key questions. First, what are the central aspects of the relationship between the UK and its Territories and how can they be enhanced? Second, how can the Territories support and enrich Global Britain? The report does this by focusing on the most important aspects of the relationship, highlighting the existing state of affairs, and proposing changes or suggesting further avenues of enquiry, which the authors believe would be beneficial to consider. Due to the diversity among the Territories and the differential relationships between them and the UK, the report does its best to recognise the divergencies and nuances of policy and approach, but on some occasions, where apt, generalisations are made.

Because of Brexit and the notion of Global Britain there is an increasing amount of chatter, at least in some Territories, about what opportunities there might be for constitutional reform. The report argues that an open and wide-ranging approach should be taken, although there is need for confidence-building measures and a recognition that the UK might become less involved if further autonomy is secured. The report also suggests that changes can be made in the ways in which Westminster and Whitehall oversee and engage with the Territories. Under the umbrella of more effective governance the Territories should consider how Belongerships and the role of local legislatures can be enhanced. In relation to economic matters, there are significant vulnerabilities and development challenges in many Territories. More should be done to explore options for diversification, particularly in relation to climate change and environmental protection. Also, media and telecommunication links, including with the BBC, ought to be rethought.

The environment is a key consideration because 94% of the biodiversity within the UK is located in the Territories. The report argues that the UK Government could play more of a role in supporting the critical environmental challenges facing the Territories. Similarly, in the area of social policy, the UK could take a more active role in supporting Territory efforts to strengthen education and training opportunities, job creation, and tangible and productive links to the diaspora. Issues related to human rights, particularly in the Caribbean Territories, are more contentious, but there are opportunities for more effective co-operation between the Territories and UK. Finally, security and defence matters. These are clearly an important component of the relationship, but there are threats too. The UK’s exit from the EU has made its position less secure when it comes to the sovereignty of Gibraltar, the Falkland Islands, and even the Sovereign Base Areas in Cyprus, and further steps need to be taken to bolster the UK’s diplomatic standing.

## Introduction

1. Since the decision of the United Kingdom (UK) to leave the European Union (EU) in 2016, the UK government has promoted the concept of ‘Global Britain’. As the think-tank ‘UK in a Changing Europe’ suggested, Global Britain “was intended to signal that the country would not become inward-looking after Brexit, but on the contrary would have a global outlook that went beyond Europe”.<sup>1</sup> The most significant attempt to set out what is meant by Global Britain is contained within the March 2021 Integrated Review: ‘Global Britain in a Competitive Age’. The government argued that it is a “comprehensive articulation of the UK’s national security and international policy”, and “sets out a vision for Global Britain”.<sup>2</sup> The Review was subsequently updated resulting in the ‘Integrated Review Refresh 2023’.<sup>3</sup> Interestingly the term Global Britain is not used in the updated Review, but it nevertheless articulates the UK’s international priorities. It identifies four objectives to:

1. Shape the international environment
2. Defend, defend, and compete across all domains
3. Address vulnerabilities through resilience
4. Generate strategic advantage

The government has argued that the UK’s newly articulated global vision is taking shape. Examples include trade agreements with countries such as Japan, the Trans-Pacific Partnership, and the Aukus security pact with the United States and Australia. However, there remains much to do to formalise the UK’s global presence and role.

2. Within this context there is a strong argument that the UK should make the most of the territory it does have across the globe, and that is embodied most clearly by its Overseas Territories. There are 14 UK Overseas Territories: two in Europe (Gibraltar and Sovereign Base Areas of Akrotiri and Dhekelia); five in the Caribbean (Anguilla, British Virgin Islands, Cayman Islands, Montserrat, and Turks and Caicos Islands); three in the South Atlantic (Falkland Islands; South Georgia and South Sandwich Islands; and St Helena, Ascension and Tristan da Cunha), and four that stand alone (British Indian Ocean Territory, British Antarctic Territory, Bermuda, and Pitcairn). The Territories include thousands of small islands, vast areas of ocean, but also, in Antarctica, land six times the size of the UK. They provide the UK with global reach, and offer other benefits, including strategic assets, economic and financial opportunities, natural and environmental resources, and diverse populations.
3. In the 2021 Integrated Review there are seven mentions of the Territories in general, and occasional references to particular Territories. The key issues highlighted in relation to the Overseas Territories were:

- The common bond between them and the UK offering the latter “an advantage in an increasingly competitive global environment and a distinctive and influential voice in the world”.<sup>4</sup>
  - The UK’s responsibility to ensure their security, with armed forces in Gibraltar, Falklands Islands, British Indian Ocean Territory (BIOT), and Sovereign Base Areas of Akrotiri and Dhekelia.
  - Environmental considerations, particularly promoting sustainability, marine protection, and biodiversity conservation.
4. Although these are key areas of cooperation and have potential for promoting a Global Britain brand, issues one and three are very broadly drawn, whilst issue two creates risks for Britain’s global reputation due to the fact that Spain, Argentina, and Mauritius claim Gibraltar, Falklands Islands, and BIOT, respectively.
  5. Interestingly, in the 2023 Integrated Review Refresh, the focus on the Territories is slightly less. There is a statement that the Territories should be free from coercion, protected from harm, and able to maximise their economic and social wellbeing. There is reference to the Overseas Territories in the South Atlantic and Southern Ocean in relation to Antarctica, and there is mention of the importance of protecting the Territories’ biodiversity.
  6. The UK has ultimate political and constitutional control over its Overseas Territories, but the Territories have significant autonomy of action and sometimes there is a blurring of responsibilities. Generally, the UK, via a Governor, administers defence, external affairs, internal security and the police, and the public service, whilst the Territories are responsible for the economy, environment, education, health, social security, and immigration. Over the last decade or so some responsibility for external affairs has been delegated to several Territories. So, for example, in Montserrat and British Virgin Islands (BVI) the constitutions require the Governor to delegate certain powers relating to external affairs to locally elected politicians. Others, such as Falkland Islands, work more closely with the UK, but local opinions remain important.
  7. Thus, when considering how to further the aims of Global Britain the newly delegated role of some Territories, and the interests of others, must be recognised and incorporated into the narrative. With Overseas Territories having more responsibility for foreign relations the idea of ‘paradiplomacy’ is important and was originally coined by Soldatos as an abbreviation of ‘parallel diplomacy’.<sup>5</sup> Bartmann defines it as “the outreach of non-sovereign jurisdictions to actors beyond their own borders and the frontiers of their metropolitan relationship”.<sup>6</sup> Connell and Aldrich note that this form of engagement has enabled the Territories to “become more involved in global affairs of various kinds”.<sup>7</sup> Therefore, any consideration of the advancement of the Global Britain agenda must consider the role and views of the Territories.

8. The purpose of this report is to consider two key questions. First, what are the central aspects of the relationship between the UK and its Overseas Territories and how can they be enhanced? Second, how can the Territories support and enrich Global Britain? The report does this by focusing on the most important aspects of the relationship, highlighting the existing state of affairs, and proposing changes or suggesting further avenues of enquiry, which the authors believe would be beneficial to consider. Due to the diversity among the Territories and the differential relationships between them and the UK, the report does its best to recognise the divergencies and nuances of policy and approach, but on some occasions, where apt, generalisations are made.

## The UK Overseas Territories

9. The 14 UK Overseas Territories are scattered across the globe (see Figure 1). The number of inhabitants range from 68,000 in Cayman Islands to around 40 in Pitcairn, although four have no permanent British populations. Akrotiri and Dhekelia (the Sovereign Base Areas) have a resident population of 12,000 Cypriots and 3,000 UK service personnel, alongside 4,000 family members.

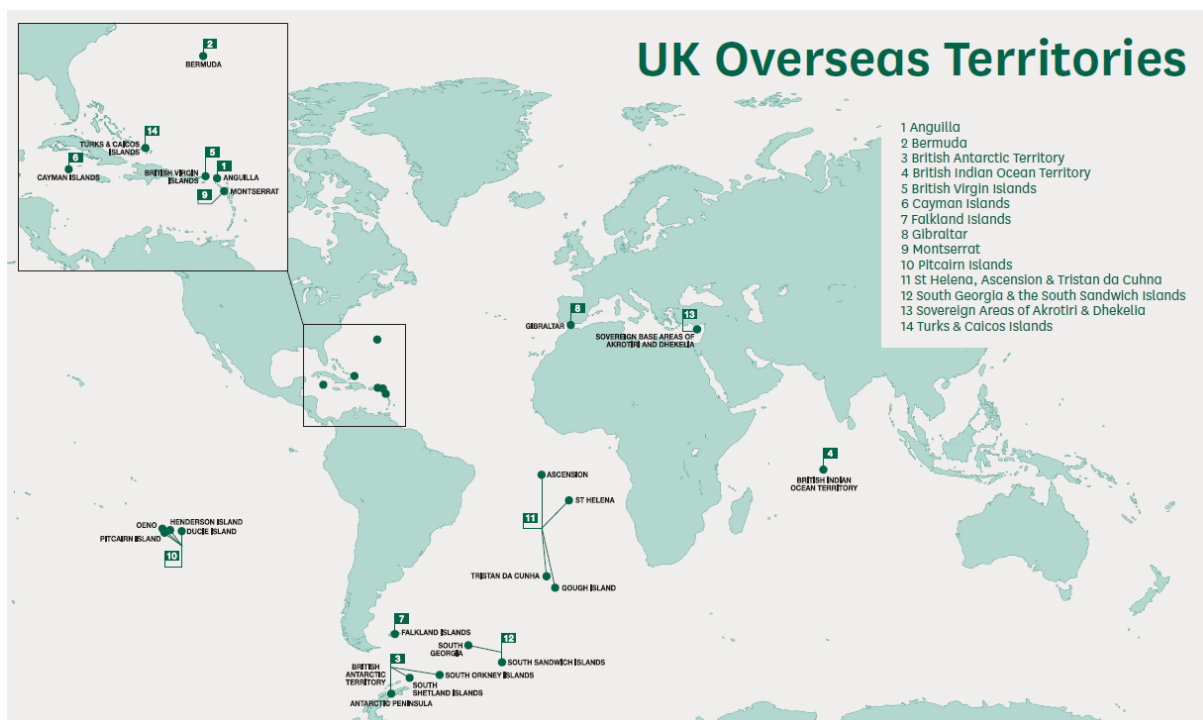


Figure 1: The United Kingdom Overseas Territories<sup>8</sup> (Contains Parliamentary information licensed under the Open Parliament Licence v3.0.)

10. The vast majority of the Territories are economically self-sufficient and have interests in a range of economic sectors (see Table 1). Bermuda, BVI, and Cayman Islands have significant financial centres and are highly successful tourism destinations. The Falkland Islands economy is based on fisheries, tourism, and agriculture, while Tristan da Cunha has a successful lobster fishery. Gibraltar's main sectors are financial services and gaming. Despite

their success the economies are open and vulnerable because of their dependence on a small number of sectors; and for some geographical isolation is also a limiting factor.

11. The Territories are well known for their natural environment and associated biodiversity. They are home to many habitats and species not found anywhere else in the world. Indeed, it is estimated that over 94% of the biodiversity within the UK is located in the Territories. They contain over 500 globally threatened species, and many undisturbed habitats of international significance. For example, Henderson Island (part of the Pitcairn Islands) is the best example in the Pacific of a large, raised coral atoll and is an important breeding ground for seabirds, while Falkland Islands has around 70% of the world population of black-browed albatrosses. Ascension is home to many endemic species and has globally important populations of seabirds and turtles, and Cayman Islands has 25 endemic species of plants and reptiles, and over 200 species of birds. Further, seven Territories have large Marine Protected Areas (MPAs) that align closely with their Exclusive Economic Zones (EEZs).
  
12. Due to their strategic locations, several of the Territories are home to permanent UK military forces. Falkland Islands has over one thousand military personnel from the Army, Royal Air Force and Royal Navy, supported by several hundred military contractors. Their main objective is to maintain the security of the Falklands and neighbouring South Georgia and the South Sandwich Islands. The Falklands is the UK's only territorial presence in the region. It also serves as a link to the British Antarctic Territory, where the British Antarctic Survey maintains three UK scientific research stations. Gibraltar is the location of 395 military personnel (of which 154 are Regular and 81 are Reservists for the Royal Gibraltar Regiment) employed by the Ministry of Defence (MOD), 29 UK-based (deployed) civil servants and 528 locally employed civilian personnel. They are stationed across four sites, providing maritime security around the strategically vital Straits. Also, as noted previously, the Sovereign Base Areas, Cyprus, have 3,000 UK service personnel, plus around 1,700 contractors (mostly Cypriot) and a further 1,000 or so Cypriots directly employed, which have supported UK military operations in Iraq, Libya, and Afghanistan. Finally, there is BIOT, on which a joint US-UK military facility is located, but only around 40 UK military personnel are stationed there.

<b>Territory</b>	<b>Population</b>	<b>GDP per capita (US\$)</b>	<b>Key industries</b>	<b>Official Development Assistance (ODA)</b>
Anguilla	16,000	18,300	Tourism, construction, financial services	No
Bermuda	64,000	127,000	Financial services, tourism	No
British Virgin Islands	31,000	53,100	Financial services, tourism	No
Cayman Islands	68,000	99,000	Financial services, tourism	No



Falkland Islands	4,000	98,000	Fisheries, agriculture, tourism	No
Gibraltar	33,000	87,100	Financial services, gaming	No
Montserrat	4,500	15,800	Construction, tourism, sand mining	Yes
Pitcairn	40	N/A	Subsistence fishing, horticulture, and sale of honey	Yes
St Helena, Ascension & Tristan da Cunha	5,000	11,370	Fisheries (Tristan lobster exports), Tourism	Yes (excluding Ascension)
Turks & Caicos Islands	45,000	23,500	Tourism, construction, financial services	No

Table 1: Key statistics for the UK Overseas Territories<sup>9</sup>

## Constitutional Issues

13. The constitutional relationship between the UK and the Territories is underpinned by several Acts of Parliament. The British Settlement Acts 1887 and 1945 provide the statutory legal basis for the constitutions of some Territories (Ascension, British Antarctic Territory, Falkland Islands, Pitcairn, South Georgia and the South Sandwich Islands, and Tristan da Cunha). There is also the St Helena Act 1833, which was originally named the Government of India Act 1833. But all parts of the original act have been repealed except for the section dealing with St Helena. For the Territories in the Caribbean the relevant legislation is more recent (West Indies Act 1962). The Act remains today the foremost provision for four of the five Territories. The fifth, Anguilla, was dealt with separately owing to its long-standing association with St Kitts and Nevis. Finally, Bermuda is overseen by the Bermuda Constitution Act 1967, and the Sovereign Base Areas by the Cyprus Act 1960. That leaves Gibraltar and BIOT, whose relationships with the UK are defined by Orders in Council made exclusively through Royal prerogative power.
14. Due to the Territories' unique histories, legal ties to the UK, and key events such as natural disasters (e.g., in Montserrat) and breakdowns in good governance (e.g., Turks and Caicos Islands, TCI), there are differences in the constitutions and the balance of power between each Territory, the Governor, and the UK. New constitutions were established for most of the Territories about 15 years ago, and the majority gave greater autonomy to the Territories.
15. As noted above, each constitution allocates responsibilities between the Crown (the UK government and Governor) and the Territory. However, there are differences in the level of autonomy afforded to each territory. For example: in both Bermuda and Gibraltar the Governor does not chair the local Cabinet; in St Helena the Governor also oversees finance

and shipping, and in some Caribbean Territories aspects of international finance; in Bermuda it is much more difficult to legislate by Order in Council (other than in relation to the constitution); and in some such as Cayman Islands and Gibraltar the constitution confers a special legislative power on the Governor – although there is variation here too in terms of the scope and procedure for the exercise of this power. In short, each Territory has its own (and sometimes particular) constitutional relationship with the UK, with Bermuda having the most autonomy and Pitcairn and the Territories without permanent populations the least.

16. A further issue that complicates matters is the lack of clarity that sometimes exists between the UK (and the Governors) on the one hand and the Territories on the other when it comes to decision-making. There are several reasons for this. First, the constitutions provide many opportunities for turf wars between Governors and local ministers. Second, the UK authorities are often reluctant to use their full powers, even in areas where they have responsibility – rather, consensus and persuasion are preferred. The UK is aware of the importance of maintaining good relations with democratically elected governments, and this is particularly true when Territories are no longer in receipt of UK government funding. Third, the powers of the UK through the Governors are in reality quite limited. As the National Audit Office argued in 2007, “Governors have few intermediate levers between ... influence on the one hand and the constitutional power on the other, despite the responsibilities they must discharge”.<sup>10</sup>
17. Because of these factors there is sometimes friction between the UK/Governor and the Territories, with accusations of ‘constitutional overreach’ from the latter about the former. One example was the UK Parliament’s decision to extend to the Territories the Sanctions and Anti-Money Laundering Act 2018, and more particularly the requirement for them to have publicly accessible registers of company beneficial ownership. Several Territory governments criticised the decision, and their concerns have been heightened by the fact that similar legislation in the EU has been recently struck down by the European Court of Justice because of concerns that it breached the right to privacy.<sup>11</sup> A second was in 2020 when Cayman Islands Governor used his reserve powers to approve legislation that introduced same-sex civil unions, despite the opposition of the local parliament. A third, from 2022, was when the Governor of Bermuda “received an instruction” issued on “Her Majesty’s behalf, not to assent to the bill as drafted” that would have decriminalised the recreational use of cannabis. The UK argued such a change would have clashed with its obligations under international drug control treaties. The Bermudan government felt this infringed its powers.<sup>12</sup> Due to these examples and others, some Territories are agitating for further constitutional reform.
18. When considering the options for constitutional reform, it is important to focus both on process and the changes that could be made. In terms of process, there are two main approaches that have been followed in the past, which offer reasonable ways forward. The first views the Territories as a whole (or at least a sizeable number of them) and enacts constitutional reform en masse. This approach was taken by the Labour Government in the 2000s. Although each Territory constitution was considered on its own terms and changes

were made to accommodate local demands, a common set of expectations was laid down by Whitehall. The second approach that has been seen more recently is a more nuanced one considering constitutional reform as and when it is required, for example in 2019, with the constitutional changes in Anguilla.

19. We believe, on balance, that the second approach is the better one. The ‘big bang’ approach taken by the Labour Government was needed as many of the constitutional relationships were in a state of disrepair. Although, there is some fractiousness at present it is not comparable to the situation at that time. Thus, as required, individual Territories and the UK government should pursue bilateral reviews and renegotiations of the constitutions. By doing this, there may well be a better managing of expectations, on both sides, in terms of what changes are feasible and achievable. The proposed changes are likely to be considerably different for Bermuda compared to Falkland Islands and for BVI compared to Pitcairn. Greater bilateralism and distinction should offer the Territories a clearer way forward in shaping more bespoke and effective constitutions.
20. Of course, in tandem with process the actual constitutional changes that could be made need some consideration. Within this report, there is not the opportunity to undertake a detailed analysis of the reforms that could, and perhaps should, be made. However, there are some key areas that ought to be reflected upon in future constitutional discussions. For instance, whether the role of the Governor in chairing the Cabinet should end; whether the reserve powers of the Governor, e.g., in policing and the public service, should be devolved to the Territories; whether the law-making powers of the Governor should be removed (only in Bermuda, Montserrat and St Helena is the Governor unable to make laws); whether the power of the Governor to block legislatures from passing bills on issues such as money, tax, debts and public salaries (e.g., in the Falkland Islands) should be eliminated; whether the role of the Governor in appointing judges should be reformed; whether entrustments (authority to a Territory to direct its own external affairs) should become more regularised, i.e., from ad hoc, or one-off, entrustments, to general entrustments offering more stability and continuity (N.B. there is a general entrustment for Tax Information Exchange Agreements); if more Territories should be granted entrustments, e.g. Gibraltar; and whether local mechanisms for ensuring effective democratic oversight, such as statutory bodies, are properly embedded within the constitutions. These suggested changes would advance the Territories’ constitutional maturity and allow them to play a more engaged role in international affairs.
21. In order for these reforms to be made, there needs to be a step-change in two key respects. First, the UK government, through the Overseas Territories and Polar Directorate (OTPD) of the Foreign, Commonwealth and Development Office (FCDO) should undertake some further research into the advantages and disadvantages of more fundamental constitutional reform, and whether greater progress towards ‘Free Association’ is possible. The United Nation’s definition of free association, which it considers to be an appropriate form of full decolonisation, is that it:

... should be the result of a free and voluntary choice by the peoples of the territory concerned expressed through informed and democratic processes ... The associated territory should have the right to determine its internal constitution without outside interference ...<sup>13</sup>

At the present time, the Territories do not have that right and are therefore categorised as Non-Self-Governing Territories under Chapter XI of the UN Charter: “Territories whose people have not yet attained a full measure of self-government”. (N.B. the Sovereign Base Areas are not considered a Non-Self-Governing Territory.) New Zealand’s approach with Cook Islands and Niue is worthy of consideration. The House of Commons Foreign Affairs Committee (FAC) broached the topic in its evidence gathering for the 2019 report on the UK Overseas Territories,<sup>14</sup> but asked the New Zealand government the wrong question. The FAC asked about New Zealand’s Overseas Territories and the reply focused only on Tokelau, as Cook Islands and Niue are considered to be states in free association with New Zealand. It is unfortunate that an opportunity was missed to interrogate the New Zealand model in more detail, but that work should be done now in order to inform the upcoming constitutional discussions between the UK and the Territories. Free Association might not be viable immediately, but the options for reform may be more generous than before.

22. Second, for more significant constitutional reform to be enacted there needs to be a greater level of trust between the UK and some of the Territories in relation to how local government is conducted, and probably a commitment on the part of the Territories to take more of the liabilities that the UK presently holds (as a guarantor of last resort). On the former point, a key consideration is, does the FCDO have sufficient reassurance about how government is undertaken in particular Territories to relinquish some of its levers of influence and control. Of course, if a more differentiated approach to constitutional reform is enacted then greater progress could be made with certain Territories, but still the general issue of governance standards will pervade the discussions. It is important to note that several high-ranking Territory politicians, including premiers, have been forced from office in recent years because of allegations of corruption and mismanagement, most prominently in the BVI and TCI. Further, such allegations occur on a fairly regular basis. It will not be easy to entirely remove the threat of such breaches but through constitutional, political, and economic changes some key improvements can be made, which in turn would build greater trust and ease the way to the Territories gaining more autonomy of action. On the latter issue regarding liabilities, the UK has in recent years contributed to the costs of natural disasters and of meeting various international obligations; funding liabilities and deficits in Territories’ public finances; and the need to bolster regulation in vital areas like transport safety and security. If further autonomy was on the table, there would have to be a quid pro quo, with the Territories assuming greater responsibility for these liabilities.
23. Up until now there has been a rather narrow range of options for constitutional reform as set out by the UK government: either largely retaining the present constitutional status-quo or moving towards independence. Or putting it another way, ‘stay if you want, leave if you want’. Although for some Territories, such as Gibraltar, independence would only be an

option with Spain's consent. Therefore, we would argue that a broader constitutional debate should take place with a reconsideration of the steps towards greater autonomy but recognising that trust needs to be strengthened between the UK and certain Territories for that full discussion to take place, together with an acceptance by the Territories that they assume greater responsibility for certain liabilities. And for the smaller Territories, such as Montserrat, Pitcairn, and St Helena, who also rely on Official Development Assistance (ODA) from the UK, significant constitutional reform is unfeasible but that should not discount improvements to their constitutional arrangements too.

## Political Relations

24. Beyond the constitutional relationships, there are other, more 'political', networks that help frame the ties between the UK and the Territories, in particular within Westminster and Whitehall. The Territories, including via the United Kingdom Overseas Territories Association, have strong links with several UK government departments, including the FCDO, the lead department for the Territories. (The exception is the Sovereign Base Areas, administered by the MOD.) However, there is debate over whether the FCDO is the most appropriate department, and whether the Cabinet Office, for example, is better placed to manage relations. As the FAC noted, some feel it is "inappropriate for a department responsible for foreign relations to also have responsibility for governing British Territories".<sup>15</sup> Further, the Territories are neither foreign nor Commonwealth, nor in most cases in any need of development assistance. Nevertheless, there is little appetite for change and no clear or better alternative. The FCDO has a vital international perspective, which is useful when working with Territories that are logistically and geographically distinct.
  
25. But this does not mean that the relationship between the FCDO and the Territories is without its problems. For example, there are concerns over the high turnover of civil servants and ministers with responsibility for the Territories that leads to at times inconsistent policymaking and a lack of understanding about the differences between the Territories. Further, government ministers do not have the Territories as their sole responsibility. At present, there is a Minister of State whose remit includes the Overseas Territories (excluding Gibraltar), the Commonwealth, Energy, Climate and Environment, and a Parliamentary Under Secretary of State (Europe) who has responsibility for Europe (including Gibraltar), Eastern Europe and Central Asia, UK-EU relationship, including the Northern Ireland Protocol, national security, defence and international security (except export controls), and conflict, stabilisation and mediation. Not much can be done to reduce the turnover of civil servants and ministers, although one benefit is that those with experience of the Territories who move elsewhere can share their expertise across government. However, we do propose that serious consideration is given to having a single Minister for the Overseas Territories covering all the inhabited Territories and having no, or far fewer, other responsibilities within their portfolio. The Territories deserve as much ministerial attention as possible.

26. There are some other issues related to the efficacy of political relations. One is the coordination of policy and support across the different government departments of Whitehall. Efforts are made to ensure this happens, and the OTPD is a proactive interlocutor in ensuring other parts of government recognise the interests of the Territories. Further, Prime Minister Rishi Sunak has asked for a responsible Minister from each Department to cover the Overseas Territories, and has also asked the FCDO Minister of State (Lord Goldsmith) to chair a small ministerial group meeting to convene the responsible Ministers on matters impacting the Territories. These proposals are to be welcomed, but there should be further attention on reinforcing cross-Whitehall awareness of, and engagement with, the Territories.
27. This aligns to another issue, that on occasion a paternalistic attitude in Whitehall remains. Rather than being seen as partners the Territories are often ‘managed’ by civil servants. This should be guarded against, as often the most significant fallings-out occur when consultation either does not happen or happens too late. Nonetheless, there are cases of effective consultation and partnership working, for example, climate change mitigation and environmental protection, the application of sanctions on Russia after its invasion of Ukraine, and technical support from the UK Treasury when the Territories are required to meet international financial standards.
28. Away from Whitehall, there are important political links between the Territories and Parliament. There is a committed group of parliamentarians that take an interest in the Territories. They do this individually, and also in parliamentary groups, such as the British Overseas Territories All-Party Parliamentary Group, Falkland Islands All-Party Parliamentary Group, and All-Party Parliamentary Group for Bermuda. As of May 2023, there are 11 All-Party Parliamentary Groups (APPGs) that cover the Territories. Overall, the individual APPGs work well and demonstrate to others, particularly in Parliament, that the Territories are all unique places that should not be treated in the same way. Also, the number of APPGs allow a range of MPs and Peers from across the political spectrum to engage with the Territories. However, there is a risk that the impact of the APPGs is diluted due to their large number. Indeed, some struggle to operate effectively. Further, concerns have been raised about some parliamentarians enjoying their trips to the Territories, but not always following through on their interest when they return to Westminster. We recognise the significant role of the APPGs, but suggest a review of how some are constituted and managed.
29. In regard to other ways in which Parliament engages with, and provides oversight of, the Territories, we recommend that more regular debates in both Houses of Parliament are held. Annual debates are undertaken on The Commonwealth, but the focus on the Territories is less frequent. An annual or biennial debate would be ideal. Also, Parliamentary inquiries into the Territories are rare and are often provoked by something going wrong in one of them. Prior to the FAC report in 2019, the previous one considering the Territories as a whole was published in 2008; though it is the case that in the intervening period other reports, including by other committees, were produced on certain Territories and/or issues. Nevertheless, the FAC is the lead parliamentary committee with oversight of the Territories

and so more regular consideration of them should be undertaken; not necessarily full-blown investigations, but certainly biennial ‘temperature-checks’. If these were coordinated with Parliamentary debates, then coverage and understanding in Parliament would be improved. However, it is welcome that the Public Administration and Constitutional Affairs Committee will investigate the status of the Territories later this year.

30. Another aspect of political relations is whether the Territories should have formal representation in the Houses of Parliament. The most vocal calls for this to happen have been articulated in the right-wing British media, particularly *The Telegraph* and *Express*, and by several Conservative MPs. The argument is that such representation would strengthen the profile of the Territories and give them a say on issues that impact them. This is not a new debate, and the fact that limited progress has been made over several decades highlights the problems of securing this outcome. Difficulties include how to fairly organise representation for the Territories; what promises they would have to make, e.g., on taxation, if representation was realised; and whether more UK legislation would have to be adopted. It also risks downgrading the Territories’ own democratically elected parliaments. For these reasons, and others, there is limited appetite for formal representation on the part of the Territories. Perhaps the strongest voices for representation are in Gibraltar, including from the Representation in Westminster Movement, but there is a general consensus that formal representation is not the way to go. The Territories believe that the existing avenues of influencing UK politicians are appropriate, and there would be a risk of compromising those points of access if the Territories had their own MP or member of the House of Lords. We share this view. A credible case has never been made for formal representation at Westminster and within the context of some Territories agitating for greater autonomy, asking for an MP or a seat in the House of Lords seems to be somewhat contradictory. For those who have called for direct representation, we suggest that their efforts might be better used in strengthening and streamlining existing avenues of influence.
31. So far, this section has focused on Whitehall and Westminster, but there are vital aspects of the political relationship that lie with the Territories themselves. In the section on Constitutional Issues there was a consideration of how the constitutional relationship could be change, but political reforms can also be made to enhance their autonomy and performance. Three are considered here. The first is improving cooperation amongst the Territories themselves that may in turn reduce reliance on the UK as often the first port of call. There are examples of this already, in relation to working together on disaster management, Attorneys General meeting to share good practice, Bermuda taking the lead in bringing together the Territories’ military units for training and other activities, and Gibraltar convening discussions between the Territories to see where common positions might be possible prior to the annual Joint Ministerial Council with the UK. These forms of collaborative working are excellent and should be expanded to help further the Territories’ growing political maturity, irrespective of any constitutional change that might be possible.
32. The second issue is ‘Belongship’, which is equivalent to local Territory citizenship. Belonger status (the term is used in a general way as Territories use different terminologies)

is given to those individuals who are seen to have particularly strong links to a Territory. In the main, the only ways to become a Belonger are by birth, descent, adoption, by marriage (after a qualification period), or being the dependent child of someone who becomes a Belonger by marriage. Also, Belonger status can be granted based on the time spent in a territory or the social or political contribution made. Being a Belonger is highly prized, and the privilege strongly defended. This is because there are a range of benefits that Belongers have, which non-Belongers do not. The benefits vary between the Territories, but usually they include the right to live without immigration restrictions, better employment opportunities, the right to own property without the need for a licence, and important political rights, chiefly the right to vote and to stand as a candidate for election.

33. Over the past two decades with good levels of economic growth, a high demand for labour, and relatively open immigration policies, the populations of many Territories have grown rapidly, but the number of Belongers has not. So, there has been an increasing imbalance between total population size and the number of Belongers. This is particularly true for the TCI, where only about one-third of the population are Belongers, but it applies to other Territories too. This in turn has implications for the size of the electorates, as the right to vote is dependent on Belonger status. The registered number of voters in the TCI amounts to around 20% of the population. In other Territories, such as the BVI and Cayman Islands, registered voters are also in a minority.
34. The restricted franchise, as a result of the tight controls over Belonger status, is an issue that should be considered when evaluating the quality of democracy and civic engagement. Due to the small size of the Territories, there are challenges in relation to democratic accountability and transparency, with significant power and authority vested in a small number of people, which could be improved if the franchise was widened. In addition, a more representative electorate would enrich discussions regarding the future political status of each Territory. Elected representatives would be obliged to reflect a broader range of views when changes are considered. Further, a greater formalisation of the process for the awarding of Belongerships would reduce the possibility of abuse, which has been seen in several Territories in recent years, for example, see the BVI Commission of Inquiry.<sup>16</sup>
35. Increasing the number of residents who have Belonger status is, however, a sensitive issue and there are good reasons why it should be dealt with in a delicate manner. Belongers are fearful of losing their identity and position within society, with influential ex-pats on the one hand and recent large-scale labour migration on the other. Further, it is important to recognise that any changes are in the gift of the Territories, and this power is a key illustration of their autonomy. However, this should not mean change does not happen, in a carefully managed way. Residents, including from the UK or other Overseas Territories, who have lived in a Territory for several years and have made a significant contribution to it should be given an easier and more transparent route to Belonger-status.
36. The third issue, which is linked to the second, is the effectiveness of local parliaments in holding the Executive to account. There are concerns that some legislatures are not robust



enough to ensure accountability over decision-making and spending. Some excellent work has been undertaken by the Commonwealth Parliamentary Association in identifying weaknesses and potential solutions in several Territories (Anguilla, Montserrat and St Helena);<sup>17</sup> also, the BVI Commission of Inquiry identified where flaws existed. Issues of concern include legislatures insufficiently free of executive influence and control; legislatures meeting infrequently; ministers outnumbering other voting members (although in smaller Territories such as Falkland Islands the system operates differently); parliamentary officials being employees of the executive; inadequate resources for standing committees to assume their role; and poor oversight of budgets and spending more generally. It is important for the Territories, where these problems exist, to address them. If mitigated, it will contribute to greater trust and confidence-building between the Territories and the UK, which in turn may facilitate further political and constitutional autonomy to be secured. The Commonwealth Parliamentary Association should continue to be supported in its work, and although it is a sensitive area, the UK should provide support to allow key reforms to be enacted.

37. Political relations between the Territories and the UK government, primarily through the FCDO, and the UK Parliament are well established and operate quite well. However, there are changes that could be made to further strengthen them. Although little can be done to address the high turnover of civil servants in Whitehall, the position and remit of the Overseas Territories Minister should be enhanced. Similarly, some of the mechanisms in the UK Parliament, such as committee oversight and role of the APPGs could be improved; though the debate over whether the Territories should have representation in Parliament should be put to one side. Finally, the Territories can take further steps to enhance their own standing by working together more often and enriching their democracies, where required, to ensure decision-making and debate is as effective, transparent, and representative as possible.

## **Development, Aid, and Infrastructure**

38. As illustrated in Table 1 the economies of the Territories share several similarities but some notable differences too. The majority are dependent on a small number of industries, most of which are vulnerable to external shocks, such as the global financial crisis of 2007/08, COVID-19, the Russian invasion of Ukraine, and to a lesser extent Brexit. Further, financial services are often buffeted by international regulatory changes, and in the case of the soon-to-be-applied publicly accessible registers of beneficial ownership, by the UK itself. So, although many of the Territories have high GDPs per capita, they have a soft underbelly with a narrow tax base, and this means there can be dramatic year-on-year changes in economic performance. In addition, there are significant pockets of poverty, not helped by limited social security cover. Of course, there are four islands that require ODA to survive, and they have ‘first call’ on the UK’s aid budget, and in 2022/23 Montserrat received £24.1 million, Pitcairn, £4.3 million, and St Helena and Tristan da Cunha together, £31.8 million. These funds cover the majority of their recurrent budgets. There is little prospect that the Territories will move to greater economic self-sufficiency in the short- to medium-term.

39. Indeed, there is a more general issue for the Territories (and the UK government) in regard to their development strategies. Due to their small size the opportunities for diversification are extremely limited; also, because their existing industries are generally so important and well-established this also acts as a barrier to change. Trying to launch a globally, or even regionally, competitive industry requires significant capacity both in terms of planning and investment, and there are doubts over whether the Territories have enough of either. There are certainly some possibilities to explore, for example, sand mining and geo-thermal energy in Montserrat. There should be a greater focus on climate change and environmental protection across all the Territories, with a consideration of the economic benefits. The example of Samsø might be one to follow. Samsø is a Danish island municipality, with a population of 4,000, which has become the world's first renewable energy island. With limited funding from Denmark, Samsø is now carbon negative, has 100% local ownership of renewable energy investments, and significant socio-economic benefits from the energy transition. Finally, and relatedly, many of the Territories (e.g., St Helena, Tristan da Cunha, Pitcairn) have large Exclusive Economic Zones (EEZs). More could be done to utilise and exploit at least a small part of the EEZs aligning with the Blue Economy agenda, for instance, fisheries, shipping and transport, renewable energy, deep seabed minerals, and genetic resources.
40. Economic development and planning are the responsibility of the Territories, with the UK offering some technical advice and financial support as required. However, we would argue that cooperation should be strengthened to ensure genuine possibilities for diversification and development are explored as much as possible. A key aspect of this is the UK government's approach to the allocation of financial support, not just ODA, to the Territories. There are several other funding streams available for thematic programmes, which total around £20 million. However, the value and nature of EU funding was sizeable, and that gap has yet to be filled by the UK. There were several financial instruments. Total EU bilateral funding for the Territories via the 11<sup>th</sup> EDF (2014–20) was €76.8 million. Some regional funding was also available, together with resources from the European Investment Bank and the EU's general budget, e.g., via its horizontal programmes for sectors such as research, environment, education, and innovation and competitiveness.
41. There were tangible benefits from EU funding, which so far have not been fully replicated by the UK. For example, under the EDF, Falkland Islands benefitted from some budget support, while Pitcairn and Tristan da Cunha received support for several key infrastructure projects. There were also regional funds which linked the Territories to the EU's other Overseas Countries and Territories (OCTs) in the Caribbean and Pacific, in relation to economic diversification, competitiveness and investment. Further, funds were available to deepen links between the OCTs and neighbouring sovereign states. There was also the BEST (Biodiversity and Ecosystem Services in Territories of European overseas) scheme, which encouraged regional cooperation and sharing of good practice. EU funding was welcomed by the Territories for three reasons. It was a substantial additional source of funding; much of the funding was focused on cooperation across Territories at the regional level; and funding was allocated over several years, thus offering stability and certainty. We

recommend that the UK government does two things. First, to make good the loss of funding and mirror the EU's focus on regional cooperation and forward planning. Second, to consider if the UK can re-enter certain EU programmes that might offer useful additional benefits to the Territories, e.g., the EDF and/or INTERREG programme that enables cross-border cooperation. The Territories' ability to further their development goals would be enhanced if some or all of these measures were enacted. Presently, there are limited pots of funding available with an internal bidding system in place, which pits one Territory against another. Further, the Territories are trying to find ways of re-engaging with the OCTs, such as via a new Memorandum of Understanding, but without a strong underpinning foundation it is proving difficult to achieve.

42. Another opportunity for developing and supporting the Territories is through engagement with UK local authorities and the Crown Dependencies. There is considerable expertise, at the right level, in a range of policy, administrative, and service areas. In short, such connections focus on the nuts and bolts of getting things done. In the past one of the most high-profile examples was between the BVI and Hertfordshire County Council. A Memorandum of Understanding was signed covering several areas, such as the fire service. But these earlier initiatives were largely driven by specific UK Governors, and so did not continue once those Governors stepped down. Today, the UK government is facilitating more sustainable connections. For example, to improve the safeguarding of children in the Territories, 'practice partnerships' were developed between high performing social services departments in the UK and their Territory counterparts; this was then expanded to include UK police forces. St Helena has a relationship with Hampshire County Council in improving educational outcomes, while Montserrat has had links with Essex and now Suffolk county council. Also, various UK police forces, including the Metropolitan Police, Hampshire Constabulary, and Surrey Police, have offered help and advice to Territory police forces. We recommend that the UK government does more to foster such relationships, enhancing the infrastructure in Whitehall to source, oversee, and where suitable, help fund such cooperation.
43. A further consideration is in relation to infrastructure and communication between the UK and the Territories. One aspect is the potential role of the British Broadcasting Corporation (BBC) in strengthening the understanding and awareness of the Territories, e.g., by providing them with TV and radio services, and having a designated news page on the BBC News website as is the case for the Crown Dependencies. The latter would certainly enrich the UK public's understanding of the Territories. However, at present that potential involvement is not possible as the BBC Charter does not extend its public sector responsibilities to the Territories; further UK broadcasting legislation does not incorporate the Territories. However, the Crown Dependencies since 1949 have been able to access BBC services. So, we would encourage the BBC, the UK government and Territory governments to explore the options for bringing the Territories more into the BBC's fold.
44. There are two particular considerations here. First, funding. The BBC is funded in large part through the licence fee; could the Territories contribute through a similar mechanism?

Second, connectivity. Some Territories have poor and/or expensive internet connectivity. There are ongoing attempts to address this, for example, the Montserrat Subsea Fibre Optic Project with funds from the UK government and Digicel Group; a new broadband agreement between the Falkland Islands Government and Sure (South Atlantic); plans for Elon Musk's Starlink satellite broadband service to be extended to Pitcairn; and the soon-to-completed installation of a fibre optic cable link to St Helena. However, more work needs to be done in overcoming the technical constraints in better linking the Territories to the outside world and the UK. In a similar vein the Falkland Islands losing its only ATM because the network provider was not authorised to operate outside of the UK mainland and the Channel Islands, and the basic banking services in several of the Territories, including the Falkland Islands and St Helena, illustrates a broader issue that should be given more thought: how communication links and services can be offered more reliably across the UK Realm.

45. Development, aid, and infrastructure have important synergies that need further investigation. On first look most of the Territories seem to be in good financial shape, but this hides significant vulnerabilities. Today, a small number of industries sustain them, but those Territories with sizeable financial services sectors often receive vocal criticism. However, and this relates to the other Territories not in receipt of ODA, economic self-sufficiency is held up by the UK government as a central plank of the relationship. If those industries did not exist, what would take their place? The obvious answer is more ODA, but it is unlikely that the UK taxpayer would accept that. So, when it comes to the economic profile of the Territories, that fundamental point needs to be appreciated. Despite that, more should be done to explore options for diversification, particularly in relation to climate change and environmental protection. Alongside this, the UK's approach to aid for the Territories needs to be reconsidered, at least in part, and a debate about how the Territories can best be supported to re-engage with the OCTs should be initiated. Further, contacts with local authorities (and other non-state actors) should be deepened; so too media and telecommunication links across the UK Realm, including with the BBC.

## **Environment**

46. As noted previously, the environment is a key aspect of relations between the UK and the Territories, and is one of the clearest manifestations of Global Britain. This section focuses particularly on two issues. First, the implications of the Territories hosting more than 90% of UK biodiversity; and, secondly, the extent to which the oceans around the Territories allow the UK to claim carbon sequestration in relation to its climate change commitments. A third, overlapping issue, concerns the implementation of the Comprehensive Test Ban Treaty, and is covered in the Security section. In the Integrated Review several pledges are made in relation to biodiversity, including that the UK will lead by example, protecting 30% of its own land and sea by 2030; that it will lead in the global efforts to reverse biodiversity loss; and continue to enhance marine protection in the Territories, including across the 4.4 million square kilometres of marine environment already protected via the Blue Belt

programme. In the Integrated Review Refresh, there is a similar commitment to protect and re-establish critical biodiversity in the Territories.

47. Although the land mass of the Territories is relatively small, the marine area is significant, covering 2% of the world's surface. Over the last decade or so, a number of Territories with the support of the UK have established Marine Protected Areas (MPAs), including Pitcairn Islands, St Helena, Tristan da Cunha and Ascension Island. In most cases the MPAs match their Exclusive Economic Zones (EEZs) and have a focus on conservation and protecting biodiversity. Despite making very little contribution to climate change, the Territories are highly susceptible to its effects, which include marine acidification with an impact of fisheries, flooding, tainting of water supplies, land loss, both for farming and habitation, and for Pitcairn risks to its extensive tropical corals. Climate change also enables invasive species, which have a detrimental impact on pristine island environments, though endemic plastic pollution is making them less pristine.
48. Whilst the Territories have devolved responsibility for environmental matters, the UK government, via the Department for Environment, Food and Rural Affairs (Defra) and the Department for Energy Security and Net Zero (DESNZ) in particular, does have obligations to them. For example, Defra's 25-year plan (2019) makes a number of references to the Territories. These include action to protect coral reefs, the management of biodiversity, and the ongoing implementation of the Blue Belt programme.<sup>18</sup> Also, the Territories are a key part of the UK's ambition to ensure that 30% of the world's oceans are protected by the end of 2030.<sup>19</sup> In addition, the UK shares responsibility for meeting international obligations with Territory governments, because the latter do not have responsibility for international treaties. Finally, Defra has a joint UK-Territory biodiversity strategy in development.
49. Efforts are ongoing to deepen cooperation between the UK and the Territories, for example, via inclusion in UK delegations at environmental summits (such as the CoP climate change conferences) and collaborating with key stakeholders. For instance, in 2022, the Cayman Islands Government worked with the UK Hydrographic Office and the Joint Nature Conservation Committee to undertake a seabed mapping survey. However, Pienkowski et al. argue, the UK government has "lost interest" in anything beyond the most basic monitoring of the environmental actions.<sup>20</sup> Similar concerns have been articulated by some Territory governments in the past. More particularly, there are worries that the MPAs are being undermined by limited funding to manage them, patchy knowledge of ecosystems, and weak enforcement capacity. In an effort to address the latter, the UK has created the Blue Shield Programme (now named the Blue Belt Ocean Shield Programme) to improve monitoring and surveillance in identifying illegal fishing and unlawful marine activities. However, given the commitments made by the UK to safeguard the environment in the Territories some greater engagement via monitoring and technical and financial support should be considered. Indeed, better monitoring of Blue Belt initiatives could be of economic use to the Territories as skilled roles would be needed.<sup>21</sup> If this could be supported to build the capacity of local communities, there would be the twofold benefit of effective monitoring, alongside enhanced employment opportunities. The required hardware could also bring

extra benefits. For example, Tristan da Cunha argues for a vessel that would combine enforcement with lifeline passenger/freight capacity and also help develop eco-tourism. It should be noted that policy ‘overreach’ is something to which the UK is sensitive and does limit its engagement in this area.

50. Climate change is inextricably linked with biodiversity. The Territories contribute 94% of the known unique/endemic UK species. These species are at direct risk through climate change, and the associated factors outlined above. The UK government is keen to highlight the biodiversity of its natural habitats, although of course a number of these lie far away from domestic shores. The UK is a signatory to the UN Convention on Biological Diversity, which has been extended to six Territories, and may find it easier to meet these commitments via the Territories than through its own domestic biodiversity. As Farran notes with regard to MPAs and the protections they offer for biodiversity, it is perhaps easier to make the compromises required of environmental responsibility overseas, without coming up against the interests of those in the developed world.<sup>22</sup>
51. The UK government also relies in no small part on the Territories for its elevated presence on the UNESCO World Heritage list, with at least four separate sites (an eighth of the UK total) being named including the Goram’s Cave Complex in Gibraltar; Gough and Inaccessible Islands in the Tristan da Cunha archipelago; and Henderson Island, which is one of the three islands constituting Pitcairn. Gough, Inaccessible and Henderson have no permanent populations, although Gough hosts a meteorological station which maintains a small year-round staff. Whilst these islands are famed (and UNESCO listed) for their bird populations, they experience significant problems from external sources: Gough has an invasive mouse population, which is decimating seabird stocks, while Henderson is cited as having more ocean-plastic pollution than anywhere else on the globe.
52. One aspect where the Territories do certainly benefit from their relationship with the UK is with regard to funding for environmental schemes. A number of these are provided for through the CSSF. This has included environmental workstreams, but also those aimed at responding to disasters (such as Hurricanes) and to the Covid-19 pandemic. The Blue Belt programme was also formerly delivered via the CSSF (now fully funded by the FCDO’s international programme). Other sources of funding include Darwin Plus, which is a grant scheme working to support environmental initiatives in the Territories; funding was up-lifted to £10 million given the loss of EU funds. There is also the Blue Planet Programme, although this is only open to ODA-eligible Territories. However, extra sources of funding for environmental initiatives (such as BEST) came from the EU and are no longer available to the Territories.
53. Finally, there is carbon capture. Mainland UK supports carbon capture via woodlands and peatlands, but at least a quarter of UK carbon capture is via the ocean and marine habitats, including coastal mangrove areas, which are seen as highly promising for this type of sequestration.<sup>21</sup> Needless to say, mangroves are not indigenous to mainland UK, but are present in a number of Territory environments. A sizeable proportion of UK carbon

sequestration in the Territories comes through the Blue Belt project. This constitutes “one of the world’s largest enclosures for marine conservation, involving a network of seven BOTs”.<sup>23</sup> Howson argues that the Blue Belt commitments are an easy way for the UK government to make good on a number of environmental streams whilst having a minimal impact on UK mainland residents. Further, the Blue Belt puts restrictions on the use of local seas by Territory residents, though Territory governments are able to decide whether MPAs are highly protected or allow for sustainable activities. This is part of the UK’s commitment to ‘Clean Growth’, but which limits the ability of those in the Territories to pursue development in the same manner as those in the UK. As Harmer states, having MPAs in the waters of Territories helps states “meet international pledges on marine ecological protection and boost their blue-green credentials ... where small populations and smaller fishing lobbies offer little resistance to such initiatives”.<sup>24</sup> Further, funding for Blue Belt initiatives has come, in some instances, at the expense of those for terrestrial conservation, in as much as the already limited resources for Territory conservation have been redirected from land based conservation to the promotion of MPAs, which do little for land based biodiversity, or, as discussed elsewhere, the livelihoods of islanders.

54. This section has considered the relationship between the UK and its Territories in terms of the environment. The much-vaunted statistic that the Territories make up 94% of the UK’s endemic biodiversity was discussed, alongside the ways in which the Territories help the UK to meet its commitments regarding carbon sequestration. Despite some funding coming from the UK, it seems that the contribution of the Territories to the UK’s broad environmental pledges outstrips the support given to them in return. This is certainly the case in the post-Brexit landscape, which has seen the removal or withdrawal of EU funding without (notwithstanding promises) further or alternative funding having yet been forthcoming.

## **Social Policy**

55. Issues of social policy are not necessarily highlighted to the same degree in public discourse when compared to some of the other topics included in this report. Nevertheless, they play a key role in shaping the Territories. This section is not intended as a comprehensive survey of all issues, nor do the issues apply equally to all Territories; nevertheless, there are synergies between different Territories and impacts are often similar. Key issues within the orbit of social policy, are education, skills and the transient nature of populations and working with diaspora communities. These are addressed in turn below.
56. Many Territories are faced with ageing and shrinking populations, and an increase in non-communicable diseases as western diets and lifestyles replace more traditional ways of eating. Education systems in small Territories also encourage young people to move away from home as they lack secondary or tertiary education institutions. Many young people, having seen other ways of living as they study abroad are then reluctant to return home, especially due to the lack of skilled work.<sup>25</sup> Where the UK government or other stakeholders have created skilled employment opportunities in the Territories, these are frequently

filled by outsiders who have specific skill-sets relevant to specialist science and technology roles. This is particularly the case with meteorological and seismic monitoring stations, which have been established, but are mainly staffed by overseas technicians, as well as investigative roles for extractive industries for example in the Falkland Islands.<sup>26</sup> Government jobs are also frequently filled by those from the UK who make a career moving from one island to another, without necessarily bringing benefit or stability to their host territory.

57. The UK government could better support the Territories, for example by facilitating tertiary and higher education in the Territories, and by encouraging islanders to return by the provision of meaningful and well-paid jobs. Until recently, there has been a disparity between which Territory residents are allowed to access UK higher education as domestic students with, for example, Falkland Islands young people being allowed to access UK universities as domestic students, but those from BVI having to pay international student fees.<sup>27</sup> Although this has now been resolved, this has resulted in a large number of people in the Territories who were denied a university place on these grounds, and there remain administrative iniquities around, for example, the provision of Maintenance Loans for Territory students coming to the UK. Addressing and growing local capacity could also be encouraged, for example, through apprenticeships and similar schemes which can bridge the gap between low-skilled, manual roles in tourism and agriculture, and more specialised, technical roles in government, financial services, compliance or future energy. At present, a disproportionate number of residents are engaged in the former, while the latter are staffed by incomers from overseas who do little to build the capacity of island communities during their brief tenures.<sup>28</sup> Bringing workers in from overseas is often presented as the UK acting as a ‘benevolent patron’ but when those workers leave with the intellectual capital they have extracted, it is not viewed with such benevolence in the Territories themselves.
58. In Territories with large diaspora communities, there is additional potential for returning islanders to bridge the skills gap with knowledge gained overseas. There is some evidence of this with young Falkland Islanders obtaining a wide range of education and skills, which enable them to return with a profession, and something similar could be encouraged among those who left Montserrat after the volcanic eruptions. However, in the case of Montserrat, the infrastructure of the island is irreparably damaged, and this has added to the challenge for those who wish to return. Returning is also a highly contentious issue for the Chagosians, who, as yet remain unable to even visit their homeland. When resilience of small territory communities is considered, it is often those who stayed behind who are discussed. Resilience rarely considers the voices of those who have, for assorted reasons, left the territory.
59. The question of constitutional overreach has been considered elsewhere in this report, but there is a clear link to social policy. As stated previously, Bermuda’s decision to decriminalise the recreational use of cannabis was blocked by the UK, and despite opposition from the Cayman Islands legislature, the Governor used his reserve powers to approve legislation that introduced same-sex civil unions. In regard to Bermuda, there was local unhappiness that the UK was contradicting an aspect of domestic policy. Also, the decision was viewed



as ignoring the nuances behind the policy. The attempt to legalise cannabis was not just a simple drugs policy, but also sought to address increasing levels of gun violence, in some part precipitated by illegal drugs, and the flow of weapons coming from America. The ruling from London was seen as counterproductive in Bermuda's domestic attempts to tackle both drugs and violence and undermined the process of government more generally. Whilst concerns around the legalisation of cannabis are less pressing to other Territories, of more concern was the precedent the decision set. Similar sentiments were directed at the decision of the Governor in the Cayman Islands regarding same-sex civil unions. On the other hand, however, the UK government has been criticised for not doing enough to help defend the rights of disabled people in the Territories. Ratification of the Convention on the Rights of People with Disabilities does not extend to the Territories. To an extent this is due to the Department for Work and Pensions taking responsibility for the issue domestically but having no remit for the Territories, and the FCDO not having the resources to cover disability issues. Balancing the domestic policy wishes of the Territories and the international commitments and reputation of the UK is clearly difficult. However, as remarked earlier, more timely and effective communication may well help to ameliorate many of these challenges in the future. Further, it should be noted that the UK has largely taken a hands-off approach to same-sex marriage and civil partnerships, despite campaigners in the UK and the Territories, and the 2019 FAC report, calling for a more interventionist position.<sup>29</sup>

60. The issues in relation to social policy are undoubtedly complex and constitutionally largely sit within the responsibilities of the Territories. However, their capacity and resource constraints mean that their ability to strengthen education and training opportunities, job creation, and tangible and productive links to the diaspora are constrained. Thus, if relationships are strong and responsibilities are clear, the UK might be able to contribute more deeply to enhance the coherence and vibrancy of Territory societies. Issues related to human rights, chiefly in the Caribbean Territories, are more contentious, but here again there are opportunities for more effective cooperation between the Territories and UK. Change across the English-speaking Caribbean regarding gay rights and civil partnerships etc. is certainly being seen, and the Territories, preferably via their own political and legal mechanisms, should help to reinforce this change.

## Security and Defence

61. During the last few decades, the conceptions of security and defence have evolved and expanded. Traditionally, they were mainly understood in national terms, limited to the territorial scope of the State. Now the role of non-state and sub-state actors are being increasingly recognised, as new threats and challenges make necessary an update of this approach. In the UK Government's Integrated Review and Integrated Review Refresh there is a focus *inter alia* on national and global security in many of its forms and the Territories have a prominent position and role to play. There are obvious benefits to the UK of having the Territories located across the globe, but there are also risks and vulnerabilities.

62. The most obvious manifestation of the Territories' contribution to security and defence are those Territories, which have a UK military presence. In Gibraltar, there are roughly 400 military and 500 locally employed civilian personnel, and it plays a vital role in maritime security around the strategically vital Straits, offers a location for training exercises, and a base for UK operations, e.g., in Libya. In the Sovereign Base Areas, Cyprus, there are approximately 3,500 UK military personnel, and similarly to Gibraltar supports UK military operations, for example in Iraq and Afghanistan. In the Falkland Islands there are 1,300 military personnel and support staff and it offers a base for wider engagement and defence cooperation in an area of increasing geopolitical importance, including Antarctica. In addition, there is Ascension, a key stopover-point for the South Atlantic air bridge, and the Caribbean, where there is an important Royal Navy presence.
63. More generally, the Territories can help to satisfy the interests of NATO and the US. The Integrated Review and the Integrated Review Refresh point out that, as a NATO member, the UK needs to continue to be the leading European Ally within the organisation. In this sense, some of the Territories can play a prominent role in helping to maintain control over NATO regions and serve as a basis for future NATO operations in Europe and the South Atlantic. Further, BIOT hosts a US military facility on Diego Garcia, and although only a small number of UK troops are stationed there, it remains a vital part of the Anglo-American defence relationship. Also, the maritime zones of the Territories amount to some 2.3 million square miles (excluding British Antarctic Territory), and the security of these zones contributes to the resilience of international trade and tourism. Further, the travel links between the UK and the Territories facilitated the effective distribution of Covid-19 vaccines to each of the Territories, even the most isolated.
64. On the other hand, there are two considerations that limit the Territories' contribution. First, there is some dissonance between the UK's geo-political priorities and the location of the Territories. For example, the Integrated Review Refresh emphasises the Indo-Pacific 'tilt' and the Gulf. The only Territories located in these regions are the small and isolated Pitcairn and the contested BIOT. Indeed, the issue of sovereignty links to the second consideration: disputes over sovereignty create risks and vulnerabilities to the security and defence of the UK and the Territories. The most high-profile claims are on the Falkland Islands by Argentina and Gibraltar by Spain. Whilst the UK disputes these claims, pressure is often placed on Falkland Islands and Gibraltar, at times making things difficult for them. This is chiefly the case for the Falklands with many Latin American countries and China supporting Argentina's claim. These pressures do limit the Falklands' pro-active strategic importance to the UK. Gibraltar's position is stronger, but there remains significant uncertainty over the future of the Gibraltar-Spain border, and whether a post-Brexit deal will be agreed to keep it as open and frictionless as possible. If there is no deal then its economic, political, and strategic position will become more difficult.
65. Then of course there is BIOT/Chagos. The territory was established in 1965 when the British detached islands from the Colonies of Mauritius and of Seychelles to create BIOT. A joint US-UK military facility was established on Diego Garcia. Those still living on these

islands in the late 1960s were removed and resettled in Mauritius and Seychelles by 1973. Since then, both the sovereignty of the territory and removal of its population have been contested, and over the last few years the UK has faced increasingly serious challenges to its position. In November 2022, the UK and Mauritanian Governments began negotiations to resolve “all outstanding issues”.<sup>30</sup> It is possible that sovereignty will be passed to Mauritius, consequently weakening the UK-US relationship in the Indian Ocean and the UK’s presence there.

66. The growing question marks over the UK’s sovereignty of BIOT has reignited to a degree discussion about the UK’s sovereignty of the Sovereign Base Areas in Cyprus. For example, in 2017 Cyprus supported a UN General Assembly bid to produce an advisory opinion on the legal consequences of the separation of the Chagos Archipelago, the only EU state to do so. There are key differences between the two cases,<sup>31</sup> but the BIOT dispute is opening up the opportunity to discuss some of the other Territories whose UK sovereignty is questioned. Finally, there is the British Antarctic Territory, claimed by Argentina and Chile. The claims were suspended by the signing of the Antarctic Treaty in 1959, but it is due for renewal by 2048. So again, for BIOT, and to a lesser extent the Sovereign Base Areas and the British Antarctic Territory, sovereignty pressures are building, which may have significant impacts on the UK’s global reach in the future.
67. The report now considers the commitments arising from the UK’s membership of the Comprehensive Test Ban Treaty Organisation (CTBTO). The Comprehensive Test Ban Treaty was opened in September 1996 and since been signed by 186 states. The UK was a founder signatory of its predecessor (the Limited Nuclear Test Ban Treaty) and has been instrumental in the promotion of this newer iteration. To meet its goal of preventing nuclear explosions, the CTBTO has a network of over 300 monitoring stations worldwide. These include radio nuclide testing stations in BIOT, St Helena, Tristan da Cunha, and Halley in the Antarctic, hydroacoustic stations in BIOT and Tristan da Cunha, and infrasound stations in BIOT, Tristan da Cunha, Ascension, and Bermuda. These extend the UK’s global and geopolitical reach, enabling them to cover territory far greater than the British Isles, and incommensurate with its domestic size and population.
68. Monitoring stations fulfil a number of functions, providing information not just on nuclear activity but also on seismic and meteorological events, as well as acting as a signifier of benevolent, global reach. This potentially makes them politically more palatable than the single nuclear focus, but does also provide a useful function, for example, in issuing earthquake/eruption warnings. Other benefits could perhaps be spread more widely than they are. On Tristan da Cunha, the CTBTO station’s electricity needs help moderate the cost of power for the whole community, and its permanent staffing brings expat spending power to the island. Elsewhere the stations are fully automated systems, and there may be little or no associated economic or environmental benefit to the island. Staffed monitoring stations would have a greater economic benefit to their island hosts, bringing additional residents and their resources, or providing an opportunity to upskill and employ local people. As

such, the reach of monitoring stations under the CTBTO allows the UK to benefit, without offering gains to many host Territories.

69. The strategic role of several of the Territories is important and offers the UK global reach when it comes to matters of security and defence. Conversely, the presence of UK forces helps to maintain the Territories' sovereignty, security, and integrity. However, what is also clear is that the UK's position is being increasingly challenged and that is likely to grow over the next 10–20 years. This in turn does constrain the role that the Territories can play in supporting the UK's security and defence. One factor that has undercut the UK is Brexit. EU membership provided a holding pattern for the disagreement with Spain over Gibraltar, and above all provided a significant degree of security in terms of border fluidity, and ensured EU states recognised (via the Treaty on the Functioning of the EU) the Falkland Islands as an Overseas Territory of the UK. That is no longer the case. To a lesser extent EU membership also helped to reduce sovereignty pressures with Cyprus. So, the UK has less diplomatic cover and support for its sovereignty over several Territories. This must be recognised, and greater diplomatic efforts made to boost the UK's position, including with the EU.

## **Conclusion**

70. This report has provided a wide-ranging survey of the present relationship between the UK and its Territories and future prospects. Because of the complicated and nuanced ties between them relations can sometimes be messy and often difficult. The three-levels of governance involving the UK Government, primarily the FCDO, UK-appointed Governors, and locally elected governments and parliaments do require significant work and when lines of communication breakdown problems can occur. More generally, because of Brexit and the notion of Global Britain there is an increasing amount of chatter, at least in some Territories, about what opportunities there might be for constitutional reform. The report argues that an open and wide-ranging approach should be taken, including a discussion of whether Free Association might be ultimately possible in certain cases. However, confidence-building measures are needed, chiefly in some of the Caribbean Territories, to reassure the UK that further autonomy would not be an error. In addition, the Territories might have to take on more of the liabilities that the UK presently holds. So, a quid pro quo between more autonomy and more liabilities. The report also suggests that changes can be made in the ways in which Westminster and Whitehall oversee and engage with the Territories, although establishing direct representation for the Territories at Westminster is likely not one of them. Under the umbrella of more effective governance the Territories should consider how Belongerships and the role of local legislatures can be enhanced, as well continuing to strengthen links amongst themselves.

71. In relation to economic matters, the Territories on first look are seemingly in a strong position, however, the reality is less rosy. There are significant vulnerabilities and development challenges with which many Territories are struggling, not just those in receipt of UK

ODA. A small number of industries sustain the Territories and those with sizable financial services sectors often receive vocal criticism. However, if those industries did not exist, what would take their place? The obvious answer is more ODA, but it is unlikely that the UK taxpayer would accept that. So, more should be done to explore options for diversification, particularly in relation to climate change and environmental protection. In addition, the UK's approach to aid for the Territories needs to be reconsidered, contacts with local authorities (and other non-state actors) should be deepened, and media and telecommunication links across the UK Realm, including with the BBC, ought to be rethought.

72. The environment, as already mentioned, is a key consideration because 94% of the biodiversity within the UK is located in the Territories and every territory is highly vulnerable to the growing effects of climate change. At the moment, the Territories take the lead (as a devolved responsibility), and the UK offers aid and advice where possible. There have been some high-profile initiatives, including the MPAs, but the report argues that more needs to be done, and if possible, the UK Government should play more of a role in supporting the critical environmental challenges facing the Territories. The report then considered social policy and how the vibrancy of Territory communities can be best supported and here again the UK could take a more active role in supporting Territory efforts to strengthen education and training opportunities, job creation, and tangible and productive links to the diaspora. Issues related to human rights, especially in the Caribbean Territories are more contentious, but there are opportunities for more effective cooperation between the Territories and UK. Change across the English-speaking Caribbean regarding gay rights and civil partnerships etc. is certainly being seen, and the Territories, preferably via their own political and legal mechanisms, should help to reinforce this change. Finally, security and defence matters. These are clearly a critical component of the relationship, but there are threats too. The UK's exit from the EU has made its position more complicated and challenging when it comes to the sovereignty of Gibraltar, the Falkland Islands, and even the Sovereign Base Areas in Cyprus. This must be accepted, and greater diplomatic efforts made to boost the UK's position, including with the EU.

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