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REDEFINING INFLUENCE

THE UK'S STRATEGIC ROLE
IN A CHANGING WORLD
ORDER

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Redefining Influence:

The UK's Strategic Role in a Changing World Order

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Sophia's research explores how best Britain can advance its core strategic interests, reinvigorate its closest alliances, and harness its instruments of national power to respond to the disruptive influence of authoritarian states like China and Russia. Sophia advises the British Government as an external challenge partner and policy expert, and trains civil servants on geopolitical capabilities.

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Introduction

This short paper will explore how developments in the economic, security and strategic domain are fundamentally altering the geopolitical for advanced democracies, and affecting their capacity to respond effectively to them. It will propose opportunities for British leadership to address these challenges, including the United States' recalibration of its international role, which harness the UK's unique national strengths, instruments, and relationships.

The Recalibration of America's Global Role

The most significant contemporary shift to the UK's strategic outlook is the recalibration of the United States' regional role in the Euro-Atlantic and its conception of its moral mission on the global stage. This new conception of America's interests and responsibilities reflects long-term structural influences from both internal and external sources, and must be understood as a fundamental reconfiguration of American power projection.

The United States is pursuing a strategic prioritisation of the Indo-Pacific, with China framed as the primary strategic competitor and the single greatest threat to America's economic and military dominance. This focus on China is driving a new expression of raw American power, with military, economic and diplomatic instruments seeking to both compete with and displace China's disruptive and coercive influence. The two primary implications of this strategic prioritisation are that the United States is relegating Europe to a secondary theatre, and that it will seek to demand alignment on China strategy as a price for its engagement with its allies. This presents a complex paradigm in which a nation like the United Kingdom is required to drive significantly higher resources into the European security theatre, but also continue to achieve relevance and influence in Indo-Pacific frameworks that align with America's primary mission.

The United States is also withdrawing from multilateral frameworks, and a sense of both moral responsibility and practical interest in global conflicts and humanitarian crises. This will

dramatically affect the balance of power in international institutions, and create profound new challenges for allies which continue to feel compelled – whether for practical or values-based reasons – to contribute to regional stabilisation, crisis response and peacekeeping operations.

There are also significant direct impacts towards America's most established relationships. The Trump administration is pursuing a much more transactional approach towards its alliances, and framing them in economic terms, demanding reciprocity of resources, investment, and trade. This recalibration captures the degradation of the principle that American power is amplified and projected through its alliances, and rather posits the concept of the United States as a patron and benefactor with expectations for a lateral return on investment. As such, America's rising economic nationalism and its pursuit of strategic decoupling extends as much to allies and partners as to its adversaries. American trade and supply chain policy is evolving from an emphasis on 'friend-shoring', to prioritise sovereign self-sufficiency, and its industrial policy explicitly intends to achieve distortive effects on global markets.

These shifts towards a more independent, transactional, self-interested United States, ruthlessly focused on the prosecution of its competition towards its primary adversary, may be perceived to be incongruent with the contemporary understanding of America's international role and footprint. However, it could be argued that the United States has frequently been a reluctant, or absent, presence in international affairs, and the high points of its global activities could be regarded as the exception to the rule. In part, because many of these periods of hyper-engagement, and the ideology and practical interests that fuelled them, produced costly and protracted military entanglements with implications for decades to come. The cost of engagement is now assessed as a gateway to catastrophic entanglement.

Ultimately, America's allies have had ample warning of this developing conceptual prism in Washington and the erosion of the post-War American leadership doctrine, and have consistently failed to accept its implications for their own responsibilities.

Wider Structural Trends

The United States is not only driving structural trends, but responding to them. The first significant structural constraint is the fragile economic outlook facing most advanced nations. Protectionism, volatile markets, supply chain fragmentation, and disruptions to energy provision, are all constraining exports, investment, and access to finance. These economic factors are further compounded by demographic trends in advanced societies, as ageing populations and collapsing productivity render the existing welfare state model unsustainable.

A low-growth economic period presents fundamental challenges to the political settlement between governments and the citizens they serve, and elevates the questions of 'fairness' and which groups of citizens are 'deserving' of the support of the state. In such an environment, the scale of mass migration which has accompanied the contemporary economic and socio-political model over the past twenty years becomes untenable, as citizens and politicians demand the affirmation of the sanctity of the nation's borders, identity, and culture. This relationship between poor economic growth and fragile social cohesion must be understood as one of the primary underpinnings of the political instability gripping Western nations, and shaping the choices that governments make on the international stage.

The second fundamental trend pertains to the collective efforts to mitigate climate change through the pursuit of a green energy transition and the associated technology and infrastructure required to facilitate this. The net-zero transition reach its zenith before Russia's invasion of Ukraine, which precipitated a regionally and globally significant shock to energy prices and a dramatic spike in inflation, which directly affected citizens in most advanced nations. European powers, most exposed to the disruption to Russian energy provision made necessary by sanctions application, have sought to achieve greater resilience in their energy mix. While some nations continue to pursue a rapid transition towards renewable energies, others have retreated towards a more balanced structure, primarily involving new sources of gas and the emerging favourability of nuclear energy. The inflation crises and disruptions to energy supply have fostered disquiet amongst groups of citizens, and there is a

rising degree of political pressure to slow the pace and ambition of the net-zero transition.

The third structural trend is the vast acceleration of technological innovation, and its central role in both civilian and military activities, which has precipitated the centralisation of technology at the heart of economic and strategic competitiveness between states. Technological and economic power have always been mutually reinforcing, however the compression of the innovation cycle and the centrality of technology to all aspects of domestic and international performance has heightened the need for nations to secure and demonstrate advantage.

The Twentieth Century was largely a story of American and allied dominance of both mass production and technical advancement, culminating in the out-pacing of the Soviet Union in the Cold War. China's admission to the World Trade Organisation in 2001 subsequently enabled Beijing to secure dominance of mass production and, more recently, through both espionage and ingenuity, technical advancement. This displacement effort remains contested as the United States reorients towards a ruthless focus on competition. Given America's size and resources, China's dominance over such a large proportion of the manufacturing and technological base has arguably had an even more significant impact on the economic structures of America's allies.

A fourth trend is the rising and proliferating threats to the vital national security of advanced nations, which has forged a more complex and multifaceted threat profile for governments to address. The scope of the threats has also widened through rising adversarial cooperation, with China, Russia, Iran and North Korea jointly amplifying their individual impacts. Cyber-attacks have escalated in frequency, scale, and sophistication, with state actors, criminal organisations, and hacktivists targeting critical infrastructure, core industries (energy, finance), commercial operations, and citizens' data. The 'grey-zone' threats of hybrid warfare combine conventional military tactics with cyber operations, disinformation campaigns, economic pressure, and covert actions, which have resulted in a fundamental degradation of national resilience. Coupled with the profound supply chain vulnerabilities being experienced as a result of geopolitical tensions and

deteriorating security environments across multiple domains, it is clear that the West is no longer in a time of peace.

All advanced democracies are impacted by these trends, but the United Kingdom is particularly exposed due to a number of structural factors. Britain has experienced more than 15 years of constrained growth since the financial crisis in 2008, and the decision to pursue austerity in its aftermath led to a fundamental degradation of public services, and a fracturing of the political contract culminating in the Brexit vote. The failure over the subsequent decade to address the core drivers of public dissatisfaction has forged a deeply unstable political settlement. Sluggish economic growth makes it challenging for the Government to address domestic problems, and even more difficult to uphold the mushrooming international responsibilities Britain finds on its desk. Areas of established leadership, such as in climate policy, are now under pressure as the short-term costs of the net-zero transition to industry and citizens alike become more visible, and Government has fewer resources to compensate for them.

Britain's unique historical role, its abundance of international assets and instruments, and its truly global purview, means that the burden of expectation to step into the spaces vacated by the United States falls more heavily on its shoulders than for others. However, it is also true that many of the structural trends facing all Western allies are issues about which Britain has something meaningful to contribute, if it can successfully navigate its domestic travails. Hence, while the UK's Strategic Defence Review, an external review of the nation's threats and capabilities delivered in early June 2025, outlines this grave landscape, it also emphasises that the UK is uniquely placed to adapt and even find areas of competitive advantage in such an environment.

Responding to a New Landscape: Leading by Example

The UK's ability to exert influence, defend allies, and protect liberal democratic norms is directly tied to its economic vitality. Without a renewed and relentless

focus on meaningful and strategically aligned growth, Britain's geopolitical bandwidth will shrink, and its relevance in an era of great-power competition could diminish. The pursuit of economic strength is therefore not only a domestic imperative, but a strategic one.

Sustained economic growth boosts tax revenues, reduces debt ratios, and provides the fiscal room to fund defence, innovation, and infrastructure. Economic dynamism also underpins diplomatic leverage, soft power, and the ability to set international norms in economic and institutional forums. Strategic autonomy and resilience in vital fields such as semiconductors and energy provision, and emerging fields like Artificial Intelligence, requires long-term state-backed research and development, industrial scaling, and access to capital. Weak growth undermines the ability to support innovation ecosystems, match partners' investments, or protect critical industries from foreign acquisition. In addition, economic growth supports social cohesion, funds public services, and reduces populist pressures that can constrain foreign policy choices.

This direct relationship between prosperity and security underpins the framework of the UK Government's National Security Strategy, published to coincide with the NATO Summit in June 2025. Genuinely addressing these challenges will require the UK Government fully committing to a pro-growth and pro-innovation economic strategy, developing a fund for national security investment, and embedding economic statecraft more concretely in the UK's geopolitical and diplomatic activities. The UK Government must also have a coherent plan to address the challenges of social cohesion, falling trust in institutions, and perceptions of the limitations of state efficacy, which make it difficult to secure public consent for its international activities. This will become increasingly important as the Government needs to make difficult decisions around domestic spending priorities to support the short-term demands for greater defence spending, and as the need to ensure that citizens are active participants in the frontline of national resilience towards growing threats. The necessary foundation of an active, consistent, and ambitious British foreign policy is a well-functioning democracy, society, and economy at home.

Britain in 2025 in many ways represents a microcosm of the structural trends affecting all advanced democracies, and it is also deeply and uniquely exposed to an evolution of the United States' international posture. Britain is also, however, in possession of many assets and attributes which means it is uniquely placed to respond to them. The first task must be to identify where Britain should seek to lead, where it should seek to convene, and where it should seek to burden-share. Each of these approaches will require the UK becoming more confident and assertive about its national strengths and the value it offers to the international community, while retooling its geopolitical instruments to be more political, dynamic, and tactical. As well as a cultural change, the UK will need to reorganise its institutions to reflect the intersectionality of issues, and the need for greater porosity between the civil service, industry, finance, technology, and citizens.

Below are several suggestions of practical areas in which the UK can seek to lead, alongside its allies, meaningful responses to the structural trends shaping the geopolitical landscape for Western allies. These focus on four areas where the UK holds particular strengths – securing free trade and resilient supply chains, European regional security and strategic coordination, global governance and development, and technological competitiveness.

Opportunities for British Leadership

Securing Free Trade and Resilient Supply Chains

As a small island nation, the UK has always held a vital interest in free trade and global supply chains, and was a founder and champion of the establishment of global trading norms.

The UK must lead conversations where allied nations accept one another's relative strengths, and agree to delegate delivery to those best-placed to do so. This will be essential to preventing the duplication of efforts, and ensuring that governments' scarce resources are able to be directed to where they are most impactful. This will include determining where blocs such as the European Union are most appropriate to lead, and

where the pace and agility of smaller, more informal groups, are more suited to drive urgent priorities.

The UK should pursue an allied supply chain mapping exercise, to identify weaknesses and support economies of scale. Achieving scale will be vital to building collective resilience around industrial production, manufacturing, supply chains and stockpiles for mass products, services, and capabilities. This will be particularly relevant for green technology components, defence industrial production for traditional assets like missiles and artillery, critical minerals, batteries, pharmaceuticals, energy sources, and telecommunications infrastructure.

The UK should champion the formation of democratic trade coalitions, in order to uphold the international trading system and support principles of openness in a protectionist era. The UK can champion greater cooperation between the European Union and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trading bloc, which will support the development of a more coherent trading framework for open societies without the distortive effects of the United States or China's presence. In addition, the UK should also support the creation of more flexible trading coalitions, to align tariff preferences, regulatory standards and optimal supply chain practices.

European Regional Security and Strategic Coordination

The UK has earned the right to claim a prominent leadership role in European security, through its forward posture and sustained commitment to Ukraine, its unique breadth of partnerships, its outstanding intelligence capabilities, its robust and textured industry, its special relationship with the United States, and its new commitments to rapidly scaling up defence investments.

The UK must harness NATO as a means of both maintaining an American presence in Europe and supporting NATO's integration with the EU. The UK should continue to lead in shaping the integration of the EU defence industrial planning with NATO's strategic planning infrastructure, to support the creation of a defence base that meets the need for both mass of scale and pace of

innovation. It must also secure the legitimacy of NATO in Washington, by working closely with the Secretary-General to drive allied accountability on defence spending, supporting the participation of Indo-Pacific allies like Japan, and demonstrating awareness of the threats posed by China. This may prevent the bifurcation of the allied defence industrial base.

The UK has an important role in play in supporting the stability of several European regions which fall outside of the EU's sole purview. One of the most important of these in security terms is the Arctic and the High North. The UK should champion a greater NATO role and purview in this region, tackling the dual threats posed by Russia and China, and the implications of climate change for the security environment.

The UK should accelerate planning to support Ukraine's reconstruction, recognising that its future prosperity serves a vital deterrence function during the ongoing conflict. Ukraine's economic and societal reconstruction will be a crucial determinant of peace and security in the European region. The UK has already been asked by Ukraine to lead the reconstruction of its most economically and politically significant region, and should work with the EU to advance planning on its infrastructure, financial system, and creation of sustainable and high-functioning institutions.

Global Governance and Development

The UK should act as a convenor of democracies and open societies, establishing new forums for high-level dialogue on shared challenges and emerging governance frontiers. The UK should focus on the G7 (Group of Seven forum) as the core mechanism to advance this endeavour, ensuring the '+3' (Australia, South Korea and India) are invited to each Summit, and the EU remains an active partner. A G7+3 format enables allies to advance vital objectives of shared concern, without all needing to move at the same pace, and without requiring American strategic leadership to consistently drive initiatives.

The UK should advocate towards the EU in favour of flexible minilateralism, enabling individual EU Member States to collaborate effectively as nations with non-EU and Indo-Pacific partners. While the UK should and will seek deeper EU collaboration, and

welcomes its increasing relevance as a defence industrial coordinator, there will be areas for which it is not the best vehicle through which to achieve outcomes requiring pace and flexibility.

For example, the Weimar Plus format (Germany, France, Poland, Britain, and sometimes Italy or Spain) could be revitalised as a lean, adaptive, and capability-driven nucleus for European strategic leadership. With the UK at the table, this grouping extends from a geographic triangle into a geopolitical fulcrum. In addition, Britain's leadership, alongside France, in the Coalition of the Willing endeavour, demonstrates how action-oriented missions can allow like-minded allies to overcome institutional and geographical barriers. Finally, the UK can also act as a gateway to support heightened cooperation between Indo-Pacific partners like Japan and Australia with collections of smaller European states, including the Baltics and Nordic nations.

The UK will need advance the reform of multilateral institutions, ensuring they are not displaced by alternative Chinese initiatives, and pursuing alignment with broad goals acceptable to the United States. For instance, the UK could harness its own domestic reforms around development to propose that that development aid and trade rules advance both prosperity and good governance. The UK should also coordinate better with allies to secure key leadership positions in global institutions.

The UK should lead the conversation on development burden-sharing, bringing together coalitions of nations with the specific expertise required for different humanitarian, conflict, and climate-adaptation scenarios. The UK has a long history of providing world-leading development assistance and partnerships, and is an established champion of global health and climate mitigation. It is self-evident that domestic fiscal constraints and the need to invest urgently in defence spending has made international development less affordable as a national mission, and it is right that development is better integrated with national strategic objectives. Burden-sharing will enable allies to maintain their constructive global impact in the face of these new realities.

The UK should scale up the BBC World Service and the British Council to support the dissemination of high-quality journalism, English language provision,

and constructive cultural content in line with British values. In both these institutions, Britain has tremendous assets which support the interests of all allies. Especially as America's strategic communications instruments are subject to re-evaluation, it is vital that the UK capitalises on its own unique toolkit, focusing on environments vulnerable to disinformation and the influence operations of adversaries. The UK could also support the establishment of a G7+3 media literacy fund to counter authoritarian propaganda and support local journalism initiatives.

Technological Competitiveness

The UK possesses many national assets which affords it a credible leadership role in technological competitiveness, including the strength of its financial marketplace, the effectiveness of regulatory instruments, the UK's expertise in standards-setting to balance both commercial and national aims, world-leading universities, and a dynamic private sector innovation ecosystem.

The UK and its allies must significantly accelerate the development of advanced technology research and commercialisation processes, including the institutional adoption of higher tolerance for risk and support for 'moon-shot' frontier technologies. The West's dominance in technological capability has been a vital underpinning of both prosperity and strategic power, and it is vital that this is reinstated through the development of a coherent allied innovation framework, which enables the collective amplification of expertise and output. The primary focus of such a framework must be to enable high-quality innovation to take place at speed, removing the duplication of efforts, barriers to information-sharing, talent mobility and financing limitations.

The UK should pilot agile approaches to the regulation of new frontiers like AI, which support thriving innovation environments while upholding democratic and social values. The UK has a long history of leading by example as a policy incubator, and through its successes in these areas, it will earn the right to contribute to standards-setting, and to influence other advanced nations and developing partners in their infrastructure design and provision. The Commonwealth may be a useful framework through which the UK can support the

advancement of resilient, secure, and open digital infrastructure in the developing world.

The UK must champion greater alignment in the export control and investment screening ecosystem of allied nations for advanced technologies with security dimensions.

Improving coordination will help to close the gaps in technology transfer to adversaries, and support collective resilience and competitiveness. The UK should also pursue joint mapping exercises to capture vulnerabilities in technology supply chains amongst allies, to provide greater visibility between the partners, and support the redirection of vital component sourcing to achieve economies of scale.

British-German Bilateral Opportunities

Personalities continue to play an important role in shaping the scope for cooperation between different nations, and there will be considerable gains to be made through a continued investment in bilateral partnerships. Under Keir Starmer's premiership, the UK Government has deepened its friendships across the European continent, forging productive new areas of collaboration while also being explicit about the unrivalled importance of Britain's relationship with Washington. So too have changes in allied leadership presented opportunities. Despite belonging to different political parties, the election of Chancellor Merz in Germany has energised the efforts between the governments in London and Berlin to secure a more ambitious Anglo-German settlement.

Chancellor Merz is a pro-business, Atlanticist conservative with a strong focus on economic competitiveness and fiscal discipline, and the pursuit of a more assertive security policy. These instincts align closely with the core principles of the Starmer Government, and present several areas for productive potential collaboration. For example, Britain and Germany could work together on deepening their defence industrial competitiveness, through the creation of a British-German Defence Technology Accelerator project, which would build on the success of their established defence firms and seed the next generation of innovators, through a public-private platform for joint research and development. Britain and Germany could also partner together to form a Strategic Raw Materials Compact, supporting the co-financing of projects

and supply chains to secure vital industrial inputs. Given their shared expertise in development and their shared interest in diminishing irregular migration flows, Britain and Germany could also pursue a targeted joint economic investment and migration deterrence programme in specific regional locations.

The minilateral opportunities discussed in this paper may also be best advanced through the initial development of bilateral initiatives, which demonstrate a proof of concept and create an efficient core. Britain and Germany share considerable interests in maintaining a liberal trading system, reforming multilateral institutions, advancing global health and scientific research, and supporting a global climate agenda.

Britain can also drive policy consistency between the United States and Europe by extending the principles of some aspects of its cooperation with Washington to bilateral partnerships on the continent. For example, under the current leadership, Britain and Germany could develop common standards for some elements of economic security policy pertaining to China, such as outbound investment screening, telecommunications infrastructure security, and technology transfer policies within academia. Such forms of strategic policy alignment would demonstrate to the United States that European powers can also serve as constructive amplifiers of its global missions.

Britain is well-placed to serve as Germany's strategically aligned, extra-EU partner of choice under Chancellor Merz: committed to a Transatlantic focus, pragmatic, agile, committed to free and open trade, and capable of harnessing its instruments of national power in service of shared goals.

Conclusion

Liberal democracies today face a wave of intertwined crises, from anaemic economic growth and shocks to supply chain resilience, to great-power rivalry and technological disruption. These trends, and the implications of America's reconfiguration of its global role, pose specific challenges for the United Kingdom, which is also

grappling with profound domestic strains in both the economic and social spheres. Nonetheless, Britain's wealth of assets, instruments and relationships in the international domain are unmatched amongst its economic peers. It possesses the capability and legitimacy to lead and coordinate responses with both European and Indo-Pacific allies to many of the most pressing issues demanding collective attention. In particular, the UK's long-standing role as a bridge between Washington and Europe, and its complementary role in supporting the United States' historical leadership in global governance, means the UK is best-placed to address the consequences of America's recalibration of its international role.

The leadership opportunities and responsibilities presented by this environment will only be feasible for the UK to seize if it can first lead by example in addressing the barriers to its economic, social, and democratic performance. In particular, pursuing bold institutional reforms to reconfigure the state to drive growth and support greater geopolitical dynamism, and addressing the issues of social cohesion that stand as a barrier to securing robust public consent for the Government's international ambitions. For this reason, the UK Government must doggedly pursue a heightened level of confidence and purpose in both its domestic and international postures, recognising that its successes in both domains will be achieved in mutual reinforcement.



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