

# Global Britain Briefing Note

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## The Commonwealth: Neglected Colossus?

*“The Commonwealth's structure is based on unwritten traditional procedures, and not on a formal constitution or other code... the Commonwealth is a voluntary association of independent sovereign states, each responsible for its own policies...”*

*Declaration of Commonwealth Principles, Singapore, 22nd January 1971*

### A User-Friendly Alternative to EU Membership?

The rejection of the proposed EU Constitution by the French and Dutch electorates is symptomatic of a European Union in crisis. Whether the EU experiment in transnational governance will survive is one question. Another question is whether it is in the interests of the British people to belong to the EU at all.

**Continental EU's population and share of world trade and output are projected to decline in the next 45 years.**<sup>1</sup> In sharp contrast, the population of the Commonwealth is projected to increase by 60 per cent over the same period, its share of global population increasing from 31 per cent today to 35 per cent in 2050 (Table 1 overleaf). Many analysts believe that the most populous Commonwealth country, India, will be one of the three biggest economies in the world by mid-century, alongside the USA and China.<sup>2</sup> Other Commonwealth countries are already experiencing strong growth and are likely to continue to do so.

The **Commonwealth**, a British-inspired association of independent sovereign nation-states, is philosophically and structurally **the antithesis of the EU**. Might the Commonwealth, with fifty-four members spread over six continents, whose working language is the global *lingua franca*, English, offer its members a more congenial and effective framework for their trade and investment worldwide than the various regional groupings to which many of them belong? Its economic principles are liberal; its reach is global; its *modus operandi* is flexible, adaptable, consensual, informal. It is also extraordinarily inexpensive to run: over **seventeen hundred times less** than the **direct** cost of running the EU.

For the UK to conduct its trade and investment worldwide under the Commonwealth umbrella could well be preferable to membership of a regional bloc in marked decline - the EU - characterised by top-down, prescriptive, highly-regulated, directive-driven processes increasingly determined by majority voting. The proposition that a Commonwealth-type structure, despite not being specifically-designed for the purpose, is particularly well-suited to the globalised “weightless” economy of the next fifty years, while the EU-type structure is already fifty years behind the times, merits consideration.

All of the Commonwealth's fifty-four members are members of the 191-nation United Nations; forty-six are members of the 148-member World Trade Organisation (WTO); nineteen are members of the 30-member OECD. *The Edinburgh Commonwealth Economic Declaration (Promoting Shared Prosperity)* of 1997 is an economically-liberal blueprint for Commonwealth objectives in respect of: **Trade** (within the WTO framework); **Investment; Development** (including the Sub-Saharan debt problem and micro-credit schemes); and the **Environment** (including support for Kyoto and disaster relief). Given political will (particularly in the UK, by far the Commonwealth's biggest economy), Commonwealth members could translate the Edinburgh Declaration's objectives into action and in so doing play an even more influential role in the UN and the WTO. Not least, they could convert the current rhetoric about “lifting Africa out of poverty” into reality.

### The Commonwealth in Brief

- Founded 74 years ago in 1931, with the UK, Australia, Canada, New Zealand and South Africa
- Present on six continents: nineteen Commonwealth countries are in sub-Saharan Africa; thirteen in the Americas; eleven in Australasia/Pacific; five in the Indian sub-continent; three in South-East Asia and three in Europe.
- Twelve African Commonwealth countries, stretching from Uganda and Kenya in the north to South Africa in the south, form a continuous land area of 6½ million km<sup>2</sup> (just smaller than Australia) with 197 million inhabitants
- Seventeen Commonwealth countries have land-areas bigger than the UK's, ranging from Canada to New Zealand; another seventeen, starting with the UK, have medium-sized land-areas; the remaining twenty, starting with Cyprus, are small or very small
- The Commonwealth's combined 2005 population is 2 billion, 31 per cent of world population (Table 1), more than four times that of EU-25
- Its five most populous members, India, Pakistan, Bangladesh, Nigeria and the UK, account for 81 per cent of Commonwealth population (Table 2)
- Its combined 2003 GDP was \$4½ trillion, 12 per cent of world GDP (more than Japan's, over half of the Eurozone's) (Table 3)
- Its five biggest economies, the UK, Canada, India, Australia and South Africa, account for 87 per cent of Commonwealth GDP (Table 4)
- The Commonwealth consists of seven countries with high GDP per capita (including the UK), twenty-three developing countries and twenty-four poor and very poor countries
- Between them, the fifty-four Commonwealth countries use twenty-five currencies as national currencies
- Membership is open to any democratic country, including those without historic links to the UK (for example Mozambique). Members are free to leave and rejoin; some are occasionally temporarily suspended
- The Queen is head of state of sixteen Commonwealth countries, & recognised as Head of the Commonwealth by all members
- The Commonwealth Secretariat, based in London, the main inter-governmental agency of the Commonwealth, has some 290 staff and an annual budget of £38 million (one thousand seven hundred and thirty-nine times smaller than the £66 bn annual budget of the EU).<sup>3</sup>

**Tables: (note that “C-54” denotes the 54-member Commonwealth)**

**Table 1: World Population Growth 2005 - 2050**

Grouping	Population 2005		Population 2050		Increase/(Decrease)	
	Million	%	Million	%	Million	%
World	6465	100	9076	100	+ 2611	100
<b>C-54</b>	<b>1976</b>	<b>31</b>	<b>3159</b>	<b>35</b>	<b>+ 1183</b>	<b>45</b>
USA	298	5	395	4	+ 97	4
Continental EU#	425	7	398	4	(27)	(1)

Source: UN: *World Population Prospects: The 2004 Revision: Medium Variant*  
# EU-25 plus Bulgaria & Romania, less the UK and Ireland

**Table 2:  
Commonwealth Population in 2005**

Countries	million	%
India	1103	56
Pakistan	158	8
Bangladesh	142	7
Nigeria	132	7
UK	60	3
<i>"Top Five"</i>	<i>1595</i>	<i>81</i>
South Africa	47	2
Tanzania	38	2
Kenya	34	2
Canada	32	2
Uganda	29	1
Malaysia	25	1
Ghana	22	1
Sri Lanka	21	1
Australia	20	1
Mozambique	20	1
<i>"Middle Ten"</i>	<i>288</i>	<i>15</i>
Other 39 countries	93	5
<b>C-54</b>	<b>1976</b>	<b>100</b>

Source: UN: *World Population Prospects: The 2004 Revision: Medium Variant*

**Table 3: World & Regional Gross Domestic Product**

Region	GDP in 2003: \$ bn	%
World	36356	100
USA	10882	30
Eurozone	8175	22
<b>C-54</b>	<b>4508</b>	<b>12</b>
Japan	4326	12

Source: *World Bank Development Indicators Database, Sep 2004*

**Table 4: Commonwealth: Gross Domestic Product**

Country	GDP in 2003 \$ bn	%
UK	1795	40
Canada	834	19
India	599	13
Australia	518	11
South Africa	160	4
Malaysia	103	2
<i>"Top Six"</i>	<i>4009</i>	<i>89</i>
Singapore	91	2
New Zealand	76	1
Pakistan	69	1
Bangladesh	52	1
Nigeria	50	1
<i>"Middle Five"</i>	<i>338</i>	<i>7</i>
Other 43 countries	161	4
<b>C-54</b>	<b>4508</b>	<b>100</b>

Source: *World Bank Development Indicators Database, Sep 2004*

**References & Sources**

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2. Wilson, D., *Dreaming with BRICS: The Path to 2050*; Global Economics Paper No 99, Goldman Sachs, Oct 2003 [www.gs.com](http://www.gs.com)
3. Table 2A, *European Community Finances: Statement on the 2004 EC Budget*, April 2004, HM Treasury, Cm 6134 [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)
4. Projections of the *United Nations Department of Economic & Social Affairs, Population Division* allow for the incidence of the AIDS epidemic in African countries [www.un.org/esa/population/publications](http://www.un.org/esa/population/publications)

Other information in this paper comes from the web-site of the Commonwealth, [www.thecommonwealth.org](http://www.thecommonwealth.org); *The Commonwealth Yearbook 2004*; and the World Bank [www.worldbank.org](http://www.worldbank.org)

Due to rounding, columns may not sum.

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