



UK and the World Conference Transcript

The UK and the World: Rethinking the UK's International Ambitions and Choices

Session 7

The UK's International Ambitions, Priorities and Choices

14 July 2010

The views expressed in this document are the sole responsibility of the speakers and do not necessarily reflect the view of Chatham House, its staff, associates or Council. Chatham House is independent and owes no allegiance to any government or to any political body. It does not take institutional positions on policy issues. This document is issued on the understanding that if any extract is used, the speaker(s) and Chatham House should be credited, preferably with the date of the publication or details of the event. Where this document refers to or reports statements made by speakers at an event every effort has been made to provide a fair representation of their views and opinions, but the ultimate responsibility for accuracy lies with this document's author(s). The published text of speeches and presentations may differ from delivery.

Bridget Kendall

Good afternoon everyone, and welcome to this last of the main sessions at this fantastic conference, highly stimulating. My name is Bridget Kendall. I'm BBC Diplomatic Correspondent and I'm going to be your chair this afternoon, and this is a slightly different session, because it's the final one, so we're going to try and pull together in some ways some of the threads over the last few days, and think not only about what the UK's place is and might be in the world, but also a bit more pragmatically what steps and choices and imminent challenges stand ahead, and also I hope it will be a bit, an interactive discussion. We want everyone's feedback from the floor, as we try and pull some ideas together, but to start with, we're going to start off with an overview, and I'm delighted to introduce the President of Chatham House, Lord Robertson of Port Ellen, who needs no introduction here, of course.

And, I was thinking actually that you are in perfect place to give us an overview, because of the various hats that you've had, not just as MP, Secretary General of NATO, been involved in the British Council here at Chatham House, so that's the soft power side, now in business as well. We're delighted to hear from you. A warm welcome.

George Robertson

Thank you very much, Bridget, for that introduction. I work for BP at the moment. TNK BP, inside BP, so I seem to have an attraction for crises in my life, never mind soft power as well.

It's actually a good conference really for us to focus on at this moment, especially just before the Summit comes on, and while a defence review is being conducted, and before the cuts are announced in the autumn. I'm delighted to be here. I'm glad that it was kicked off today by Nick Burns. We worked closely together when I was in NATO, through a variety of crises there.

I was saying to him that the new Ambassador of Belgium to the United Kingdom was actually, there he is. Oh, he's here, was actually the Aid to the Prime Minister during the crisis of early 2003, which Nick Burns referred to this morning, where NATO almost came to the point of cracking, but where we managed to pull it back from the brink, and that was the time, of course, as Nick reminded us, and I'll come back to this in a minute, when all 19 nations, all 19 members of NATO collectively decided that we would take over ISAF in Afghanistan and conduct a mission there to ensure that the Taliban were defeated permanently and that there would be no further shelter for the likes of

Al-Qaeda there as well, and I think members of NATO need to be constantly reminded that it was their decision and not somebody else's decision that NATO took on that responsibility.

So, we're moving towards some key decisions that will affect Britain's role in the world. We can have this debate and indeed Chatham House has been the host of this kind of debate over all, over the years on repeated occasions, about whether Britain and the world...it's if you run out of any other subject, you can always go back to that one, but we know that pain and grief are going to come in the autumn, and that there will be severe constraints on the Foreign Office budget and the budget of the Ministry of Defence, and others for future years.

Frankly, I think that this is not a time for mourning. It's a time for actually establishing what we're going to do in these new circumstances. I don't think that they're going to back off it. We can make a case for the World Service, for the BBC, for the Foreign Office, for the Diplomatic Service, for subscriptions to international organisations, and it might affect things on the margin, but actually we should be focusing on what the country needs to do, and not simply what it is desirable for our country to do, at this present point in time, and that means focusing, I believe, on the strengths that we have, both in soft and hard power terms. That means focusing on those aspects of foreign policy that are multipliers for our country and the world, and for the institutions that we rely on, and we need to focus, ruthlessly on the risks and challenges that we face in the world today.

And, that is why I think the debate is so urgent at the moment. We need to get a clear head. This is the foreign policy village, circulated around the think tanks and in particular in Chatham House, and we need to be clear about where it is we want to go, and I think the debate that took place this morning, that Nick Burns led off, about whether there's a special relationship with the United Kingdom or not is a typically introverted, naval gazing type of British debate that takes us absolutely nowhere at all.

We have a relationship with the United States of America, and indeed with the other major powers which is special by any definition. We are a major power in the world. We are a major economy in the world, whatever temporary problems there are with the deficit. We are the second most significant military power on the globe, and we have leverage within international institutions that other people would give huge amounts for, and I think we've really got to start off with this word ambition, that is in the title of this conference.

Nothing stops a British think tank audience than the word ambition, personal ambition must be absolutely suspected. National ambition must be seen as something deeply uncomfortable, and we've got to play out the negative, play down the positive, and that seems to be a characteristic that we have just now, which is completely out of kilter with the position that we have and should have in the world.

I chaired last year with Paddy Ashdown, an IPPR group with a lot of distinguished people in it. I know that's a rival think tank, but the document, shared responsibilities at a national security strategy in the UK, was an opportunity for us to look at a range of the problems that face this country and what we needed to do about it. When I took it on, I said to the organisers, I am not interested in some huge analysis. We must make recommendations that will be practical, that will stick and will be relevant to the kind of environment that we will live in, and that is what I believe we delivered, and indeed, I can say in defence of that, that the new government has actually taken a huge chunk of what we recommended and put it into practice.

The National Security Council, the Defence and Security Strategic Review, a National Security Advisor, your cabinet coordination, these were all central recommendations that we made and which the then opposition adopted and this new coalition government has put into place, so I'm not going to cover all of the waterfront. I simply refer you to this report, still available on the website and even in hard copy, to give you a broader indication of where I think we need to go, and in that report, we looked at that range of threats and new challenges that we face, many of which have been gone over in these last couple of days.

Resource wars, climate changes, international terrorism and extremism, organised crime with drugs and people smuggling and gun trafficking, the proliferation of weapons from small arms right up to nuclear weapons, migration flows, failed states, escalating corruption, cyber issues and health pandemics. It is a formidable list of challenges, none of which can be encapsulated in the Soviet Threat that united us and made life so much more simple for us in the days of the Cold War, and yet at the same time, much more potent, much more direct, much more likely to influence people's lives than that huge existential threat that we prepared against, and financed against for so long.

But, no, in these circumstances, there is no state in the world, the United States included, that can guarantee its own security or its own prosperity on its own. So, international interaction is the only way in which we're going to be

able to tackle these problems, the only way in which Britain can actually have an influence in protecting and promoting the interests of its own people, but the fact is that Britain is still well placed for this dawning realisation that the world has changed and changed forever, because we are still at the centre of this spider's web of influence in the world today.

In the networks and the institutions, that alone are going to be the salvation for the international community in the light of these challenges. The European Union, NATO, the United Nations, the G20, the G8, the IMF, the World Bank, the Commonwealth, all of these are platforms for British influence, platforms for using British influence without costing huge additional extra amounts of money, and it's in these areas I think we need to be inventive, and smart, if we're actually going to make a serious difference in the world today.

Let me just make three points. One is, leadership in Europe. We have a new government, which has come to power with two in many ways contrasting and indeed competitive concepts of Europe. A Euro sceptic Conservative party and a profoundly liberal, a profoundly European Liberal Democratic party, but they are confronted with all of the issues that I've said, and the financial crisis of global proportions at the same time.

The Euro sceptic instincts are still going to be there, because the Foreign Secretary in his past life has made a whole variety of statements, as indeed has the Prime Minister, that are going to be difficult to completely go back from, and yet that gives them a huge, remarkable opportunity. The Nixon in China phenomenon is there for them, at a point in time where Europe is in a leadership vacuum.

It is quite possible for the new government to actually take a lead in the areas that I've mentioned, and the other ones that are on the horizon. I say that not in a sort of serendipity type of way, but when we came into power in 1997, the first thing that happened was the Amsterdam Summit, and Tony Blair went to Amsterdam, and we had our own particular Euro sceptic views at the time. The flavour of the time was the Euro. The flavour of Europeanism was very much the drive to a single currency, and yet we couldn't be part of that drive. We were opposed to it.

The Chancellor had put a variety of conditions in place, none of which I can remember, and I bet neither can you, but which were basically designed to put the decision off. Now, you can say that was inspired, or it was disastrous. History will tell.

And, that is why in many ways we chose on European defence, to be our European standpoint, and the Saint-Malo Declaration of 1998 turned the tables

inside Europe. This somewhat sceptical Labour government coming into power, opposed to the idea of a European defence at the Amsterdam Treaty, recognising that it was important to have a European defence that was NATO friendly, and coming out with a policy that said, we had to build up capabilities to deal with the kind of crisis that Europe would find in the future, so I think that there is a chance for this government to look at some of those critical issues in Europe, and to be European and nothing, I think, would be more important to the transatlantic relationship that has come in for such a beating up in our usual naval gazing way, than if Britain was to play a major part in the European debate that is taking place at the moment.

The second point I'd like to make is that there are going to be gnashing of teeth and the tears will flow throughout the whole diplomatic community, about the consequences of further reducing the Foreign Office budget. The embassies will have to shut, cocktail parties will have to be abandoned, the French residence will have to be sold again. I wonder how many times you can sell one residence, and that?

But, the fact is that we are going to have to look at different ways of doing diplomacy in the future. There won't be any way out of that, and I believe very strongly that we need to bring back channel diplomacy into the light. It may be against the definition of the black arts of back channel diplomacy, and yet I think that if we're going to deal with some of this myriad of problems, we need to involve more than just the same band of characters who have been involved in international negotiations up till now.

We're going to start negotiations with the Taliban, and if we are going to talk about Israel and Palestine, if we are going to look at the problems on international crime and international corruption, then there are figures, especially in our country, who are actually well suited to dealing with some of these issues, and knowing some of the characters, and our experience in Northern Ireland is an example. It's a bad day to say this, but it is still an example that we can show to the world about how that kind of determined back channel diplomacy will work, and I think that we need to do it.

An article by David Ignatius in The Washington Post last week said, where is President Obama's Machiavelli? And, pointing out the lack of a Henry Kissinger or a Zbigniew Brzezinski in the present world climate as well, and I think that talking as he was about a more creative diplomatic effort is something that we should do.

The real test, he said, will be in back channel contacts, with reconcilable adversaries. The Obama administration needs to decide what kind of outcome

it wants, and then use every element of power, overt and covert, military and diplomatic to achieve it, and I think that Britain is a reservoir of people, of institutions and of practices that I think could be of substantial help in that regard.

We've got General Jackson here in the crowd, the distinguished former Chief of the General Staff, but also a negotiator at the end of the Kosovo conflict with the Serbs, who managed to get an outcome, a peaceful outcome to the end of that. Why are we not using the kind of skills that General Jackson used at Kumanovo in a late night...

Mike Jackson

All offers gratefully received.

George Robertson

So, I offer that. There are a lot of people around with expertise, who could do it. Finally, let me just say a word about Afghanistan and psychology in Britain's relationship with the rest of the world.

If we believe that we are going to be a small, middling nation with an economic crisis off the coast of Europe, then that is what we will become. Without ambition we will achieve virtually nothing in the world today, but with some ambition and with a belief that we can make a contribution, then the institutions and the networks are there for us to do it.

In Afghanistan, if we continue to go around saying, it looks as though we're going to be defeated, everybody who has been in Afghanistan in history has been defeated, we are not winning at the present moment, and we keep saying that, then we will guarantee defeat. Of that, there is absolutely no doubt at all. Now, saying we're going to win doesn't win it, but saying we're going to lose almost certainly does lose us it, and it's really about time the country as a whole, our political leadership collectively started to say to the Taliban, to our troops, and to the domestic population that we're in there because we have to win. Not because we want to win or it's desirable to win, but our safety and security in this country is simply not going to be sustained unless we prevail in Afghanistan and produce a society that will reject the kind of terrorism that was represented by Al-Qaeda at its height, and I passionately believe that we need to electrify people, not just in this country, but elsewhere, but our responsibility is here and now, to saying that if we don't back the troops, and we don't tell the

Taliban in particular that NATO cannot conceive of defeat, then we will be defeated.

In Kosovo, in 1999, we ran press conferences here in the Ministry of Defence every day for the 78 days that that conflict lasted, and in Belgrade, as we now know from the generals who were there and watching every press conference every day, that they formed the opinion, NATO will never give up. NATO cannot afford to give up, and therefore we are the only ones at the end of the day who will have to give up, and give up is what they did. Nothing of course in history is comparable, but I simply say that psychology is much more important often than equipment and men and the material of war, and unless we get the psychology right, then the rest of these things, including a lot of very precious young people who are fighting in uniform today, are the ones who will pay the price, so I will leave that thought with you for the discussion.

Bridget Kendall

Lord Robertson, thank you very much. I want to introduce the other members of our panel, Lord Robertson has kindly agreed to stay for the rest of the session, and we're also joined now by three more. Nick Burns needs no introduction, I'm sure many of you heard him here this morning, and I'm delighted he can be with us again, as I'm sure there will be questions and comments to follow on from what he had to say this morning.

David Steven on my left, is also joining us. He's one of the co-authors of one of the key reports that was central to this conference of the Center on International Cooperation of New York University, and sadly Sir John Cunliffe, who if you've looked in the programme, you might have been expecting to see here, sadly can't be with us, so instead, nobly, Professor Anatol Levin of King's College London has stepped into the breach. Anatol always can be relied upon to be perspicacious and controversial, so we look forward to that, Anatol, and before we get on, I just wanted...I omitted to say that in your folders you have a yellow questionnaire, which I don't really want to invite you to be distracted from our discussion, but I'm told that if you fill this in by the end of this session, they will be collected, and there is a draw, and the winner gets to win this bottle of champagne, so you have a good reason to take a minute or two, perhaps at the end of the session, to fill in the form.

I want to start with just a few questions to the panel, and then open it up to everybody. The questions we've been invited to explore are very broad in this final session, about Britain's ambitions and priorities and choices, but Lord

Robertson. I wanted to start with you, and particularly with your former hat on, as Secretary General of NATO, and the question of Afghanistan, because if you are saying we should seize this moment to look for opportunities out of this moment of crisis, if you like, one question that many people have said is, well, maybe the time has come for NATO to look at itself and upgrade itself from an institution that was founded in the 20th Century to one which is now more applicable to the 21st Century, especially in this era of budget cuts, and whatever happens in Afghanistan, you say, NATO cannot conceive of defeat.

The question has to be, what happens if there is defeat? What then happens to NATO, and as a founding member for Britain, NATO has always been very important. This is a critical question for British foreign policy and security policy too. What has to happen to NATO? What does it have to do to reform itself radically in order to remain an organisation which is still relevant, and not just a political umbrella that holds Europe together with the United States?

George Robertson

First of all, NATO is not going to be defeated, and the moment you start to say, well, if we're defeated, we'll walk away and go back again in five year's time.

In the middle of the Kosovo conflict, I was asked by John Humphries on the Today programme, with that usual intellectual, smooth, diplomatic way he has of cross examining politicians, you know you've said you're going to increase the targets for the campaign. What if it doesn't work? And, I said, it is going to work. He said, I know, but I want to know what will happen if this is not enough? Then we will increase the number of targets. He said, but what if that doesn't work? I said, look, if you interviewed Winston Churchill the day before D-Day and you said, well, Mr. Churchill, if the invasion of Normandy doesn't work, what are you going to do? And, you would expect him to say, well, we'll just let the Nazi's overrun us, you know?

We're in a war against a very intelligent, very clever, highly motivated force out there, who are determined to drive us out of Afghanistan, and determined to be host again to the likes of Al-Qaeda, so I don't think you can conceive of defeat, and I think it would be extremely damaging, to put it mildly for NATO, if the alliance was to take on something and then collectively, and then could not carry it through.

The second point I would make about NATO is that NATO is a remarkably cheap organisation. The central budget of NATO wouldn't buy you one C17 aircraft. It is tiny. This is not the European Union. It's got a central staff,

civilian staff of about 300 people, and that's the number of people who are actually directly responsible to me.

Bridget Kendall

So, NATO should stay exactly the way it is? It doesn't need reform?

George Robertson

No, far from it. It needs a lot of reform, and we did when Nick Burns and I were there, we made very substantial reforms, but yes, it needs to adapt. It adapted dramatically after 9-11. It's not the NATO of the Cold War.

I once got a t-shirt that I gave this American guy a bottle of Bowmore, 70-year-old finest malt whiskey and in turn got this t-shirt, which explodes the concept of mean Scotsman, but I was quite happy because the t-shirt had the slogan, "This ain't your daddy's NATO", and it wasn't. We made big changes and there are more changes.

I was talking to the minister from the Japanese Embassy before the session started. NATO's got connections with Tokyo, with Australia, with New Zealand. It's reaching out to the Gulf States, it's got a Mediterranean dialogue.

It is dealing with terrorism and adapting its capabilities and its membership and its postures in order to do it. It will have to do more reforming and I hope that Britain can be in the vanguard of making sure that it does, but it should not be confused with the NATO of the Cold War. It's a very different animal.

Bridget Kendall

Nick Burns, as former US Ambassador to NATO, let's stick with NATO for the moment. Do you think that Afghanistan remains a test for NATO?

Nicholas Burns

Very much so. We went into Afghanistan seven years ago, and it's the first grand mission in the history of NATO. We never had to fight, thankfully, the Soviet Union because of our very strong will and deterrence, Europe and America and Canada standing together. This is a grand mission that I think we

thought might not be quite as difficult as it's become, and because it's that test, I think we must prevail, and I agree very much with Lord Robertson.

If we take the position that somehow we're establishing ourselves or waiting for the defeat to happen, I think then we will fail.

Bridget Kendall

So, when you hear the British Prime Minister say that combat troops should leave within the next five years, what's your response to that?

Nicholas Burns

I'm very hesitant on British soil to contradict an allied Prime Minister, but I'm a private citizen, so I guess I'd say this, we need to be patient in Afghanistan. I think both in the US and in Britain, there's a sense that we are failing. We have not yet succeeded.

Now, what is success? It's not going to be a conventional victory of the likes that we achieved together in May of 1945, a celebration at Buckingham Palace, a parade down Pennsylvania Avenue in Washington. It won't be that. We're fighting a counter insurgency campaign.

Success might be that the government of Afghanistan strengthens and can persist and live on its own in some point without us and the Taliban weakens and does not succeed with its own objective of overthrowing that government. We will not have the victory parades, and we need to be patient and have persistence. I look at it this way.

I remember in Iraq in 2006 and 2007, nearly everybody in all of our capitals felt that the US effort and Allied effort would fail. A general named David Petraeus arrived with a very different strategy of counter insurgency and actually turned the situation around so that it is possible for President Obama now to say, by the end of 2011, American combat troops will be out.

We have David Petraeus back in Kabul now, commander in the field, with a very new strategy that's just been put in place over the last half year. The American military build up has just crested in the last several days and weeks, and so I think we ought to give our troops and our commanders the time to succeed. Politicians need to give them that time, without beginning to make contingency plans for failure, because the consequences of failure are this vicious group, a major human rights violator, is going to take power again, and

that would be failure, and their acolytes, Al-Qaeda or their brethren Al-Qaeda, will return to have a sanctuary.

We were hit on 9-11 from there, by that organisation, Al-Qaeda. I don't think we can tolerate that. I think it's...I can't speak for Britain, obviously, but as an American I can say, we have vital interest in Afghanistan, therefore we must succeed.

Bridget Kendall

So, when we look at priorities and ambitions for Britain and the United States in the next decade, Afghanistan is number one?

Nicholas Burns

In terms of global priority, I think you have a lot, maybe in the first tier of issues, you have a lot of priorities. Climate change, and figuring out a sensible international reaction to a growing problem. Coming out of this major global recession that we're in, there's a possibility of a double dip recession, if we're not smart and watchful. That's another one, and third, certainly I think responding to this great change that we see in the balance of power in the world. China is going to be a consequential global power, as is India, as will Brazil. We talked about that a bit this morning. I understand you did yesterday.

From an American perspective, we should welcome this, and we should bring these countries into the international power structure. They're not currently in it because they've been excluded for most of the post World War Two power structures. Give them that opportunity but then ask them a question, what are you prepared to do? China, India, to help us on global poverty alleviation? Or HIV/AIDS prevention? Or help the United Nations keep the peace in difficult places? Because, we've been doing that work. Britain, United States, France, Germany for 60 years. Those countries now need to assist us, including on some of these more modern issues, like climate change and the other transnational problems, so there's plenty of work to be done, and it's a world very much in transition, but the final point I'd make is this.

I've been struck, as a non-Brit obviously, by all the conversation that Britain should somehow withdraw from the special relationship, become a middle-sized power. I see Britain, and I'm very much a friend and admirer of Britain as

a major global force. Which country in the world beyond the United States is more powerful militarily? There isn't one.

Which country has a global expeditionary capability? There isn't one beyond the United States, and I do think Britain, in terms of its culture, history, language and tradition, quite apart from the United States, has a lot of soft power in the world, so as a friend of Britain, I hope we continue to see a strong Britain, in global affairs, and including the relationship with the US.

Bridget Kendall

Britons always like to hear that they're more important than perhaps they think they are, and you often hear in foreign policy establishments the need for us to punch above our weight, but the fact of the matter is, Lord Robertson, we're on an enforced diet at the moment, aren't we? We're having to cut our budget in many different ways, so the question is, what is that weight and how much can you put priorities on an even spread, as Nick Burns suggests. Climate change on the one hand, Afghanistan on the other, or how far do you have to choose and look for several priorities that you focus on and perhaps at the risk of losing some resilience if some shock comes at you from left field that you hadn't put the priorities into? What do you think should be done?

George Robertson

I've never used the expression punch above your weight. I think you punch according to your weight, and I think we actually have a lot of weight. When I talked about back channel diplomacy, I should really have said the more unconventional diplomacy. We need to use a lot of the instruments that we have. Our universities, the BBC World Service, the British Council. Our defence diplomacy capability, which I noticed that Dr. Fox actually mentioned yesterday, was our strategic defence review, our armed forces have got a reputation and an ability that is admired across the world, and it actually allows us to use influence. So, it's finding the areas where we have influence and leveraging that in order to make the maximum use of it.

Every country is going to be cutting its budgets. You're going to have...there's nobody really increasing their budgets at all. Everyone is going to be cutting in defence, and some of them, unfortunately from a much lower level than we are as well, and they will be doing exactly the same in their foreign service and the rest of it. So, we can punch according to our weight, as long as we recognise

that we have got certain advantages that we need to focus on, and capitalise on. It's the inability to see that sometimes and to relegate ourselves that I think has the impact.

Just because we don't get to the World Cup Final, we're glorifying the fact that we had the referee, but we had the referee, and I thought he did a very difficult job very well indeed, but I think let's play to the strengths that we have, and don't pretend that we're greater than that, but our strengths are a lot greater than we sometimes like to think.

Bridget Kendall

Let's bring the other two, Anatol Lieven, what do you think about priorities over the next ten years? Afghanistan up there? Do we have to choose or can we not afford to choose? Do we have to keep broad spread in order to be resilient?

Anatol Lieven

I think we have to try to withdraw from Afghanistan with honour, if only because I think the fighting reputation of the British Armed Forces is something that has been a great asset to this country, that we need to preserve, however I would also agree with the statement of the former head of counter terrorism at the Secret Intelligence Service, Richard Barrett, that it is nonsense to believe that by fighting in Afghanistan, we are diminishing the terrorist threat to this country.

In terms of a terrorist threat to the West in general, this is now not focused on Afghanistan. It can come from many different countries, but in so far as there is a threat to this country, it comes first and foremost though not exclusively from Pakistan. I can attest with certainty on the basis of my research in Pakistan over the past two years that if there is one thing on top, I may say, of the invasion of Iraq which is contributing to radicalism within Pakistan, it is our presence in Afghanistan, especially of course among the Pashtuns, so on the one hand, now we're in there, we have to get out with honour, and yes, that is a priority, but I would say that two things. One is, in the longer run, this is a case where we have to focus on our own national security and national interest.

Secondly, it would in my view be crazy to think of repeating this experience anywhere else in the Moslem world, in terms of following America into a new counter insurgency. A), I don't believe the British public would stand for it, after

the experience of Iraq and Afghanistan. Secondly, I'm quite convinced that nothing could be more damaging to our struggle with terrorism and extremism in terms of recruiting for the other side.

Other than that, first I think one needs to recognise McMillan's famous words, events, dear boy. We don't know what will come up over the next ten years. We've had quite a few surprises over the past 20. Clearly, climate change has to remain a priority in view of its existential threat to our own whole civilisation. Clearly, equally this is something which can only be pursued in partnership with China and India.

Whether we can do something about it, I don't know, but Britain in part independently and part through Europe has played an important role, and there are others, but I would say just one thing, in response to something that Lord Robertson said, about Britain becoming a medium-sized country off the coast of Europe.

I'm always somewhat surprised when people say this, for two reasons. First, within Europe, most countries around the world, including very big countries, Russia, China, focus on their own regions first. They may have much wider interest but in the end, their priorities are in their own regions, and within Europe, we are not a medium-sized power. We are in fact a great power, on the continent of Europe. Above all, in military terms.

George Robertson

I was actually criticising the approach of saying we're a small country off the coast of Europe.

Anatol Lieven

Yes, but forgive me, but the implication is that we, that our priority, that somehow to concentrate on Europe is to accept a diminished role. I don't believe that. I don't believe that it's objectively true, because although Europe will decline in terms of relative weight, it will still be vastly more important economically, intellectually, culturally than most other regions of the world, but secondly, in Europe, we play an absolutely indispensable military role potentially.

Indeed, in some ways as important as we ever have, for the simple reason that we are one of the only two armies within the European Union that will actually

fight, us and the French, and that could be – I hope very much it won't be, but it could be of enormous importance in the Balkans again in future. Something that we failed to do, alas in the early 90s. We should have done. We didn't.

That brings me to my final point, which is that in the end, NATO is founded upon a bargain. It's a new kind of bargain now, whereby the Europeans do something for the Americans in Afghanistan now particularly, and the Americans continue to guarantee European security, and I'm sure that America will continue in the grand scheme of things to guarantee European security against...it's a fantasy at present, but further future of who knows, a Russian invasion, for example, of Western Europe, but given that so much of the European, not the British, not the Canadian, but so much of the European contribution to Afghanistan has been, let's face it, symbolic in military terms, and in terms of losses, I have to say, this hasn't in terms of fighting, this hasn't been a NATO operation. This has been a coalition of the willing between America and a couple of other countries. Given that this is so, can we rely on the United States to help, if God forbid, there is another major crisis in the Balkans? I would not like to go to the US Congress and people and ask them yet again to make a major contribution to European security in an area which the Europeans should do themselves, but cannot actually do without us, so that's why I say that being not a medium-sized but actually a great European power is not a second grade role for Britain. It is actually a very essential and honourable one.

Bridget Kendall

Before I bring David in, Nick do you want to respond?

Nicholas Burns

I just wanted to say, that I don't think that's...that's an extreme hypothetical example. I think we can assume that given the end of the Cold War, the unification of Germany, the relatively good relations with Russia, we're not facing the prospect of a 1949 situation, where we fear a Russian invasion here at all.

Anatol Lieven

Oh no, please, I said totally hypothetically.

Nicholas Burns

So, the real test is what can Europe and the United States do together on the new threats? And, the new threats are global and it does involve climate change, and drug trafficking, and criminal mafia groups. We were talking about that this morning, but that means that Europe must have a global strategic political vision. I think the EU, the commission in Brussels has a global trade policy, but I'm convinced they don't have a global strategic policy that's coherent about how our two parts of the world can work with the rising powers on a global basis.

That to me leads me back to Britain, because I very much agree with you. There are two countries in the EU that are truly global in their thinking and will. It's Britain and France in that order, and as an American, selfishly wanting to have partners with which to work, Britain is by far our most important on the European continent, especially in a modern way, looking forward, not looking back to Churchill and FDR, but looking to the next couple of decades, it will be Britain, I think that leads Europe to a more global basis, which is where Europe should be, so that's why I'm trying to argue as someone who is very much from the outside here, not a resident or a citizen in your country that I think your country's role in the world is quite significant.

Bridget Kendall

Interestingly, what I'm getting from three members of the panel is Lord Robertson's, point that in an EU leadership vacuum, Britain as a major power in Europe can reinvent itself to be a new figure in Europe. Do you agree, David Steven? What other priorities do you see for Britain, looking proactively at the next ten years of what it should do, where it should, which choices it should make?

David Steven

I think the starting point for our report for this project was globalisation is now in a long crisis, that we face a series of interlocking risks that we really have been grappling with for a decade or more now. Scarcity of resources, in which I think include climate, the instability of these very complex global systems that we're building, systems that are incredibly dynamic, that build opportunity but are prone to breakdown in a way that we've seen in the economic crisis, and also the systems that are vulnerable to deliberate disruption. We're all looking

at how these systems work and some of us are looking for the point where we can put a lever in and cause disproportionate damage, and I think what, how I'd encapsulate our problem is that this has created a mood of massive, unprecedented uncertainty about what direction to take and how to respond to these problems.

I don't think I can think of a time, a recent time when there's been so little direction, I think from any government. I mean, I think the criticisms of the lack of strategic coherence in Europe and the criticisms made of the rising powers this morning are very valid, but equally those criticisms could be turned on the United States.

We face a United States that is deeply riven internally, that has very deep domestic divisions, where it's not entirely clear when a president comes abroad that he has a mandate to take forward his commitment to overseas, when he gets back home and a country that could at the next election move in a very different ideological direction. So, I think we're in this age of uncertainty, all of us together.

In terms of the priority risks, I think resource scarcity has to be at the top or near the top of the list there. We're facing a situation now where we have highly strategic commodities, food, water, land, energy, the space for emissions that are going to become increasingly contested between countries and that has the potential to drive a period of quite extreme geopolitical conflict between the major powers. It could not. It could drive a period of sustained cooperation to solve those problems.

I think Afghanistan, I think we've been there for something like 3,200 days and the Soviets were there for 3,900 or so days before they left. I think if we are forced into a defeat and an exit, I think that will be hugely damaging for the perceptions that we as a Western Alliance know how to solve our critical problems, and the financial crisis. Nick Hobton [?], who I think is at the back here somewhere commissioned some of the work for the FCO that was the basis of the Chatham House project, and that was at a progressive governance summit just after the fall of Northern Rock, where heads of state, about a dozen of them, sat back and talked about how awful the financial crisis had been, and how we needed to learn the lessons about rebuilding and moving forward, and of course, this was before Lehman's. This was before it really had got going, and I think we're in a situation now where we're again convincing ourselves that it is over.

We've had the Euro zone crisis, but we've responded to that, but I would expect there are further ways to come, and again this is another problem

where we do not know what to do, so I think we need a more open, honesty about this deficit of ideas, a willingness to go back to the drawing board and really, as a group of powers, begin to rethink fundamental assumptions about how the world works.

Bridget Kendall

Let's open this up to the floor a bit. We've got two people on the panel here who are based in the United States, and two based in London. We're talking about, we've been talking about NATO and Europe. Perspectives from the rest of Europe here. Your views on this idea that in a vacuum, Britain might have a strategic role to play, yes? There's a hand up there. Wait for the mic and please do say who you are?

Seth Thomas

Seth Thomas, Chatham House Council. I'm speaking as a minority here. I'm a member, I work in the private sector. I'd like to thank Lord Robertson for reminding us that ambition is in the title of this conference. There's been an awful lot of handling [?] that's been going on over the past day here. It's good to understand the risks, but at the same time, we've got to understand what we need to do in the UK and then get on with it.

It's a complex world. The economic crisis is not over by any means, but we focus very much on the cost of the crisis, cutting public expenditure in the UK, the Sovereign defaults, potential Sovereign defaults in the news and so forth, but no other country in the world, with the exception perhaps of the United States is as integrated in the globalisation and the global economy. This is a huge opportunity for the UK, and for British based companies. I'd like the panel's perspectives on how you think we can take advantage of the trade opportunities and the opportunities to become more integrated with the economies.

Bridget Kendall

Okay, other hands? Yes, the gentleman here.

Mark Robinson

Mark Robinson, just a very brief intervention. I agree with Lord Robertson that you cannot go into a country like Afghanistan in thinking in the same breadth about how do we get out of here. You've got to think about how do we do the job and how do we finish it, but I wanted to ask Anatol, what on earth do you mean by leaving Afghanistan with honour? I've never heard such a rubbishy concept, and I wonder if you could defend it?

Bridget Kendall

Okay, more hands. Yes, there's a gentleman here, yes?

Martin Bond

Thank you very much. Martin Bond. It seems that the major missing piece, certainly from comments on the left hand side about, as I look at the presenters here, is coherence coming out of Europe in terms of global challenges, responses to global challenges, and what degree of cooperation can be offered or extended towards America and I wonder whether the panel can actually suggest one or two movers or shakers, not personally but aspects which will move and shake Europe into greater coherence on this front? If our conference is to some extent concerned with thought leadership, I just wonder where you think the thinking is coming from, which will push Europe into a more coherent direction?

Bridget Kendall

Thank you, I'm still hearing British voices. Are there any Europeans here who are not British? No? There are a couple, let's just take a couple more comments before we...was there someone who was volunteering themselves as non...? Yes, we'll take these two, yes, the gentleman at the back. Wait for the mic, please?

Frank Domoney

Frank Domoney. I'm an Irish European telecommunications engineer. I wanted to ask Nick Burns if he could point us at some literature that would give us guidance as to how the Chinese savings balance might be recycled into the

poverty stricken countries of Middle East and Africa, because standing in a small town in Syria, I looked around and thought to myself, I grew up in a town like this, and I know what we did with that small town in Ireland, over 30 years with some funding from the European Union. I'd be very grateful if you could point me at some of the things to read and to understand what the Chinese point of view on recycling that money would be.

Bridget Kendall

I'm sorry, of course it's the Belgian Ambassador. We'd love to hear from you. The microphone is coming.

Johan Verbeke

Well, thank you very much. I would agree with those who would say that Europe is still in transition. I think very often we too much take Europe as if it would have already been a finished house at this stage, however if you look at Europe, they're still in transition, they're still in the making, then I think we can make a couple of distinctions which may be helpful.

The first thing is that I think we as Europe, that is the European Union and I am particularly speaking about CFSP and ESEP [?], the foreign policy and security policy, we have not or perhaps not yet a common strategic culture, and that's fair enough. There is nothing to be shameful about the fact that we don't have that. We are an assembly of 27 countries. If you go over each of them, many of them simply don't have a strategic history or a history of having been in plight in the world at large.

It is clear, for instance that the UK, with its history has adept, strategic adept and a global agenda which is much more obvious than for instance the newcomers who have joined us just in 2005. Some of our countries have somewhat more strategic thinking, particularly those who had colonies. Others have less of that. That is just a reality.

My point is that we are not yet at a stage that we have brought that together and come to a common strategic culture with a common global agenda, which is a European agenda as such. Now, this is not a criticism. This is just a reality, a transitional, I hope, reality.

What does that mean, however? That means that for the time being we have to work with what works, and to work with what works, that means that we don't have to fixate on the institutional fixtures which have been established in Europe. What does that mean? The different IGC, inter governmental

conferences, from Maastricht to Amsterdam, from Amsterdam to Nice, from Nice to Lisbon, where we have been very much concentrating on the institutional fixture as if that was the only way to get to results.

Increasingly I see today that people realise that Europe will never be stronger than the strongest among them, and I agree that particularly for CFSP and even more for ESEP, UK and France are at the forefront, and increasingly there is today an acceptance in the European Union that we have to capitalise on those strong capitals and work with them, and work with their strength, and not see that as being necessarily in contradiction to those common institutional rules that we have agreed, but give them a proper place, so that Europe, instead of being a least common denominator, a rather not powerful Europe, that at least it can work on capitals like London and Paris to promote its agenda without seeing that as intrinsically incompatible with its own rules.

Bridget Kendall

Comments from the panel, Nick Burns?

Nicholas Burns

I would just, I won't try to answer all the questions. I have two that might have been at least partly directed to me, and the first one suggestions, I think, what can Europe do to be more outward looking, I just have three quick thoughts. First, Germany. Germany is the central power on the continent, the largest country and yet a very weak military power, with a declining military budget, refusing to fight in combat in Afghanistan, much to the consternation of its allies.

Some kind of reassessment will obviously have to take place over perhaps a generation about Germany returning to a sense of self confidence, that it can play a major role in the world and the rest of the world will applaud it, because I think most of us believe that Germany is insufficiently powerful, not too powerful.

A second example is the European Union itself, in addition to having a coherent economic policy, shouldn't the European Union as a political body be reaching out to strengthen its ties to India, because India is a democratic country, unlike China, and we should want to support the democratic countries in Asia for the future of that region.

And, lastly, I hope I'm not going to offend any West Europeans in saying this, I find a lot of strength in the Eastern part of Europe. A real understanding of history, a realistic assessment of Russia and of Russia's historic ambition to dominate Eastern Europe, and therefore listening to the Poles, and the Czechs, and the Estonians and Latvians, that while we need a good relationship with Russia, we also have to be strong and keep the EU and NATO doors open to new members, so that Russia won't try to dominate that part of the world, and secondly, the question on China was really a very good one.

China can be an enormous force for good in the world, with its budget surplus, and Chinese investments in Africa, and Latin America, the poorer part of South East Asia and the Pacific Islands can be transformative if the Chinese actually act in that direction. Unfortunately what we see too often is China with its concentration on minerals and energy, extracting the minerals and the oil and gas, but leaving very little behind, so a transformation on how China sees its role, and I'll be self critical.

The United States needs to get its economic house in order, no less a person than Larry Summers, the President's Chief Economic Advisor, and I'll just paraphrase this. I think he said a couple of months ago, how long can the world's largest debtor remain the world's largest power? And, I think there's a lot of truth to that, so we are not, we can't avoid our own responsibilities for having a more sensible, long term economic strategy to finance the kind of global engagement that all of us need to have, and particularly my country.

Bridget Kendall

Before I come to you, Lord Robertson, I know that Andrew Wood from the front wanted to say a word.

Andrew Wood

I just really wanted to support what his excellency has just said. I think we sometimes neglect the fact that the European Union is an enormous factor in the world, which has had particularly within Europe a huge influence. The expansion of the European Union to include the countries of Eastern Europe is a major, you could say perhaps that it wasn't planned in a way. It was a force of attraction really and it happened maybe by accident or as well as by design,

but it has been a transformative foreign policy effect within the European Continent, and I think that is a triumph which we would do well to remember.

There was a distinction drawn, I can't remember who did it, between Europe's power as a trade policy setting entity, with the implicit contrast between that and a more political. It is true that the European Union has had virtually no influence over Afghanistan and areas like that. It is also true that the European Union has not so far managed to seize and exploit the enormous opportunity being created by the possibility of enticing Russia within the World Trade Organisation, but again, that is something, once Russia is in the WTO, that has every prospect of having a transformative effect within Russia in a very liberal, and in my opinion, very much to be hoped for direction, provided that is of course, that the European Union and other powers within the WTO insist that Russia obeys the rules.

Nonetheless, the only point I really wanted to make was to support the idea that in fact so far the EU has had tremendous foreign policy influence and foreign policy success. It is a question whether it will continue to have it, but it has had it.

Bridget Kendall

Quickly, other thoughts from the panels, if you have anything to add?

George Robertson

The question was asked about what can be done about trade and about the private sector in this country, and I think we're in a somewhat transitional stage here, that the reliance on the city and on financial institutions has now been a wake up call, and I think we have to start looking again at the strengths that we have in other areas, especially in manufacturing and especially in areas where there isn't going to be direct competition from the likes of China and some of the emerging countries, and I think we need to focus on that. That's why I think that any diminution in expenditure on our universities, higher education would be a very short term, a very short sighted saving indeed.

But, what the two ambassadors down here, present Ambassador Belgium and the former Ambassador to Russia are saying is right, that we, I think, in this country, because of the nationalistic nature of the debate about Europe, have completely missed the point of the transformational drive that the European

Union and its enlargement has had on the continent of Europe, post Soviet Union.

These changes would never have happened other than through generations if it had not been for the fact that these countries wanted to be in the EU, wanted to be in NATO, and I was very much part of that. You could tell Prime Ministers, you could tell Presidents, unless you do what we say, you are not going to join the organisations that you want to join. That was a major, major, it had a major effect on the way in which they were developing and I think they need to be reminded of some of the promises that they made at that time as well.

But, as well as being transformational, some of the challenges that we have now are trans-generational, and we need to have some of the higher thinking that led to the creation of the European community and the European Union, in order to deal with some of those challenges, and that is the point at the moment. Not just well, for leadership on the financial crisis, but in some of the other huge issues that will affect future generations, unless we tackle them now.

Climate change is the most obvious one, and we need money [?], we need some of the pioneers of Europe to be recreated. Martin Bond asked who the people are? They're there, they have been there in the past, they're there now. In order to deal with issues that we will bequeath to the next generation with horror, unless we start solving them today, and I think that that's why thinking about ourselves in Europe as transitional and we haven't yet got to grips with our strength, is not enough. It's not nearly enough. We need to grow up and face the fact that these challenges are out there, and that it is only we who can actually confront them and deal with them as well, and that's why the European security and defence policy, energy security, climate change, international crime, are not things that you can just put to the side and focus on getting your deficit sorted out.

If we don't tackle these big, big problems, they will haunt generations to come.

Bridget Kendall

Anatol, quickly, yes.

Anatol Lieven

Very glad to endorse what Sir Andrew and Lord Robertson said about the transformative power of the EU in Eastern Europe. One of the things that concerned me about plans for NATO enlargement to Georgia and the Ukraine, was that that seemed to be getting far ahead of the EU's capacity to expand, but I do think realistically we do now have to ask how much further the European Union can expand for the foreseeable future.

I was disturbed to see in William Hague's statement another what seemed to be knee jerk commitment to EU membership for Turkey. That's clearly not acceptable to European electorates. To judge by patterns in the last British elections, it's probably not acceptable to our electorate, and if we recognise that, we could then start thinking about strategies for Europe's neighbourhood, not just involving Turkey but other key countries that won't get in.

I just have to respond to the point, surely this isn't very complicated. To know what's honourable, you only have to look at what's dishonourable. Dishonourable would be a rapid scuttle, abandoning our American allies, abandoning our Afghan allies, to whom we've made commitments to be massacred, and to be overrun. That I think, would be dishonourable, and it would be very bad for the name of Great Britain. Honourable would be to make at least a reasonable effort to achieve some combination of two things, one is to build up the Afghan state or in fact the army to the point where they can defend at least most of their country against the Taliban, something that by the way the Soviets achieved in the 1980s, and finally by 1989. We haven't done that yet.

And/or to seek an accommodation with all or part of the Taliban, that would allow the possibility of a more or less peaceful settlement in that country. Now, I'm not saying not...having any official capacity now or ever, I can admit the possibility of defeat. I'm not saying that we can achieve that. I think that we should make an honourable effort to achieve that.

Bridget Kendall

David Steven, briefly, you wanted to say something? A couple of comments from the floor.

David Steven

Yes, I wanted to pick up quickly on the point about China's savings and Africa. China is already recycling a lot of its excess savings into Africa and very often we don't like the results, and this is the problem of expecting others to lead. Sometimes they're going to take us off in directions that we're not wholly comfortable with, and this is something we begin to have to think about, and I want to come back onto this question of European coherence. I think another area where the Europeans have been really quite remarkably coherent is on climate change, over the recent years.

We've managed to take a fairly coherent caucused position into successive climate change talks, but it hasn't been very rewarding, and I think this is going to be the problem of dealing with many of these messy and complex issues, successes is elusive. It's going to be hard to achieve. These are problems that we're going to have to hit away at again and again, over years, possibly over decades, and I think Angela Mercer [?] was taught in Copenhagen that this is a problem that she wanted to be nowhere near at all, and I believe that she's since pulled out of being a Chair of the high level panel on climate change and development and is running back to her domestic, to get her domestic territory, so I think we have to look quite hard at this issue, that leaders are going to be asked to deal with risks that is going to win them very little political credit at home, and how do we deal with that problem?

Bridget Kendall

You wanted to say something, yes? And, a couple of comments here. Can you keep it brief, because I wanted to go onto something else, yes?

Bridget Kendall

Earlier you were asking for someone...

Can you say who you are?

Unidentified speaker

Sorry, my name is Tovar [?], from the Turkish Embassy in London, and yes, earlier you were asking for someone who is European but not British, and I

thought I should come to your rescue. I was wondering how long we could go, and talk about Afghanistan, European Union, enlargement of the European Union, European Union's foreign policy influence, Europe, that is something different from European Union of course, economy, energy, security, and not mention Turkey.

So, I was wondering if the panellists would share their views about the EU becoming a global player without Turkey, and can the EU become a global player with taking Turkey into the European Union, and where should Britain stand in terms of supporting Turkey's membership to the European Union? Well, we know and we enjoy the garments and cross party support, actually from Britain, but I'd like to hear your views.

Bridget Kendall

There are a couple of hands here. One here, and this gentleman, okay, this gentleman at the front, yes.

Alistair Burnett

Alistair Burnett, BBC. I wanted to talk about emerging powers but if you're coming onto that in a minute, I won't, I'll wait.

Bridget Kendall

Okay.

Alistair Burnett

Is that what you were going to come onto? No, maybe not.

Bridget Kendall

I wasn't actually.

Alistair Burnett

Well, I just wanted to ask a question about, Mr. Burns talked about there has been a lot of talk about the emerging powers, China, India, Brazil, the Turkey's...but is it anymore than that yet? Because, you read speeches of foreign policy establishment in the United States and Britain and they name check these countries, but when it comes down to it, I think it was a point that you were alluding to just now, has the mentality really changed?

There are key questions. When Turkey and Brazil negotiated to deal with Iran, the ink was barely dry before the State Department dissed it. Now, you could, you can argue about whether or not Iran would have honoured the agreement, but the fact that they didn't even wait made it look as if, my God, these countries are making deals among themselves. We're cut out of it.

Now, if going forward, these countries are truly going to develop powers, global reach, they might reach, globally reach out to one another and develop their own rules. They won't necessarily want to play by the rules that the US, Britain, France have developed in the last 60 years. They might not want to play by that, and how are we going to respond to that? How is Britain and the US going to respond to that?

The mindset, Lord Robertson talked about everybody's cutting defence and diplomacy. They're not. Brazil is doing a huge expansion of its diplomatic service in the past few years. Vast expansion, doubling the size in the past six, seven years of its diplomatic service. It's embarking on a re-armament programme, spending huge amounts on defence, so we...have we really, are we really accepting that the world is changing, or are we just at this stage, beginning stage of name checking it, but we're not actually factoring it into our policy making decisions in the way we would have thought?

Bridget Kendall

Thank you, apologies to other people who had their hands up, but I just want to take that point, come to you, Nick Burns, because Alistair Burnett is bringing up a question of Iran, which you raised this morning, that three or four years down, maybe less than that, down the line, we may not be able to balance on this rather difficult tightrope of on the one hand, this two track diplomacy being offered to Iran, but have to make a choice. Complicated possibly as Alistair says, by other powers in the world emerging with a different agenda.

What do you think US policy would have to be at that point, especially if, let's say, there's a US election imminent? It would be interesting to see then what you think the British government should do about that?

Nicholas Burns

I actually very much agree with the direction of the question. I think both President Clinton and President Bush and now certainly President Obama are more focused on building new relationships with China, India, Brazil, South Africa, Indonesia, Mexico, just to name a few countries, as a priority in foreign policy, than any other previous American administration. So, we very much accept that these countries have power, and that we ought to work with them, not against them, and I think that power is a two way street.

With power comes responsibility. China is a different kind of new power. It's not...it's accepting the global structure as it is. It's rising in an American, UK, European dominant international trade system. It's not trying to revolt against that system. That's very good for all of us, including China, but if China has new found currency and power and doesn't use that to help enforce global stability or global peace, then that's a problem, and it's just in my judgement that China has not yet arrived at the point where its giving money away, the way the European Union, United States have been doing for 50 or 60 years, to poorer countries.

On the question of Turkey and Iran, I think my impression is that President Obama would have been the first to congratulate President Lula and Prime Minister Erdogan had that proposal made any sense at all. That proposal made no sense. It came at the worst possible time. It was a lifeline to Ahmet Dinoshia [?]. It was a fraction of what Prime Minister Brown, and President Sarkozy and President Obama had negotiated a good, a better deal last September and October, so I really think it was a very disappointing, in my judgement entry into the world stage for Brazil, and certainly for Turkey. It reinforced doubts that in the case of Brazil, it's ready for Security Council membership.

I say that as someone who supports Brazil for Security Council Membership, so I think we're going to go through a period of time, a transition time when these countries are finding their way forward, but I don't see success for Turkey and Brazil in contesting the UN Security Council and four sanctions resolutions which they have supported in the past, which was quite surprising and quite negative in my judgement.

Bridget Kendall

But, what about this question of Iran, possibly a foreign policy crisis which will overwhelm everything else that we've been talking about, climate change,

possibly even Afghanistan in two or three year's time. Do you think that the possibility of military strike is really there, beyond rhetoric, or will the United States have to move very quickly to collaborate with its closest allies, like Britain, to develop a new policy of containment?

Nicholas Burns

I think that the present international policy very well defined is going to work if all of us support it. If countries like Turkey and Brazil deviate from the United Nations Security Council, you can't get more multilateral than that policy, then it won't work, and the same is true with the sanctions. If China continues to be the world's leading trade partner with Iran, it undercuts the sanctions.

That does have an impact on your question. My sense, my judgement is that the United States does not want a war with Iran, and will go a long way to avoid it, and will go a long way to convince Israel not to use force, but if sanctions fail because other countries undercut the sanctions, and that's exactly what Turkey and Brazil were doing, I think it gets us quicker, more quickly to the position of having to choose either a war with Iran or containment, and I do think it's important that Iran faces maximum international pressure at this point, and they're not, because too many countries are letting the government off the hook, and that's very disappointing to countries like Germany, France, the United States and Britain, who have been operating together for five years on this issue.

Bridget Kendall

So, if the possibility of military strike is left open, Lord Robertson, what implications do you think that should have for Britain's budget decisions now?

George Robertson

I think it takes me back to what I said before. I think that I agree with everything that everyone says. There has got to be international solidarity here. There is genuine solidarity between people who have previously disagreed about many other things, and it's important that we exhaust all other means before you contemplate anything that might produce a more dramatic consequence.

I think it highlights the fact that I happen to believe that we need to maintain our nuclear deterrent. We don't know what the world is going to be like. We don't know what the dangers are going to be like, whether they are state or non-state actors in the future, and that's a generational issue. If you do away, if you don't continue with Trident [?] as it is just now, then you give it up completely, but the world is going to be an increasingly dangerous place, if people like Ahmadinejad get away with what they're doing at the moment.

Having said that, I think that Iran is a place where unconventional diplomacy should be used. The green revolution last year showed that this regime is not comfortable. It is not safe. There are people there and you're looking at it from our comfortable existence, willing to take to the streets and face execution, torture, imprisonment, all sorts of horrors, in order to confront this theocracy. I don't think we do nearly enough to give them support, and to give them assistance there.

This regime is broken, but it might take some time to actually fall apart, and I think again, using the elements in that society with people who know it, understand it, and who can penetrate through to it might actually be a much better tactic than thinking about Armageddon.

Bridget Kendall

General Sir Mike Jackson, you wanted to come in?

Mike Jackson

Yes. Thank you very much indeed. It's not coming in quite on cue, perhaps but if I may do a bit of wrap up, as a practitioner, erstwhile. Can I go back to where we were about...It won't take long, I promise, but just how to lose wars is to talk yourself into losing wars, and when I say war, I use it in the general sense, a campaign, whatever it is, and battles may be lost within the course of a campaign, more often than not that is what happens from time to time, but it doesn't of itself affect the outcome, although many media commentators would have the last bomb as wrecking the strategy completely. We've got to do better than that, we really have, because the Taliban cannot defeat the coalition forces, military forces in the field, but we can be defeated politically. Remember your Clausewitz.

Could I just put in a little point. I thought there was a slight harshness about some European NATO allies. I give you Canada, Denmark and The

Netherlands, all of whom have fought with great skill and courage, and taken their casualties. May I talk about money for a moment, just picking up on that point with Iran?

I only heard to work once this afternoon. I may have missed it more often, and that word is affordable or affordability. This is a political cop out. In a country which even in today's straightened circumstances is going to spend £700 billion of taxpayer's money, 35 on defence, give or take does not seem to me to be a question of affordability. It is a question of political choice, and that word affordable, as I say, I take us into less than intellectually honest circumstances.

My last point, on the question of East Europe, Russia's attitude to it, joining both NATO and the EU, yes, I understand all of that, but let us not forget that Russia does not forget, that Russian history has seen it invaded both from and through Eastern Europe, hence a certain neuralgia about Eastern Europe, thank you.

Bridget Kendall

Thank you. Lots of hands going up. We've only got five more minutes left, and I have another subject I want to bring up, so very brief comments please, gentleman there?

Hans-Josef Beth

Another European one, Hans-Josef Beth, I'm from the German Embassy. So, there was quite a German mentioning if not to say German bashing today, and challenged by my Turkish colleague, I think I will add a few words. I think this discussion that Germany is not a global actor or doesn't have global ambitions, I think it's not very close to reality, because if you look at German positionings, if it comes to climate change questions, if it comes to energy, security, if it comes to the financial system in this world, if it comes to development aid, look at our contributions. Look at our contributions to the United Nations, where we unfortunately don't have a Security Council seat, and Mr. Burns was quite loudly not mentioning the Germans today when he talked about the candidates.

I think the have's in this world, and if it comes for example to military capabilities, to United Nation Security Council power, this means Britain and France should be even a little more forthcoming to join of course their European Partners in discussing new ways in coming up to standards in this

modern world, and again, if it comes to defining a European common approach or concept, towards Russia, towards China, I think Germany will be one of the major co-thinkers. If it comes to Africa, it might be the British, but if it comes to those countries, I think we have a big stake.

Ms. Merkel is celebrating her, I think, 56th birthday at the weekend in Beijing in China, and I think the German ambitions, talking about concepts towards those countries concerned are obvious. That's just a point I wanted to make.

Bridget Kendall

Thank you very much, yes, gentleman at the front, very briefly please?

Unidentified speaker

I wanted to raise perhaps a major point at the last moment, which just isn't ideal and that is we've talked, we've moved from talk about the special relationship, agreeing I think in the words of our last meeting, that really the important thing is to be friends, the vital thing is that we should to some extent work with each other, to take on jobs that the other one won't do. For example, one of the most conspicuous things at the moment is the fact that when we heard that excellent talk this morning from Nick Burns, he talked about every major crisis in the world except that of Israel, because in a sense, that is one of the most difficult of all.

Indeed, you can describe a lot of the problems we have with Iran to the situation of Israel, which is at the moment in defiance of United Nations resolutions. It has not ceased its settlement programme on land that doesn't belong to it, and is in many ways resisting the international community. What does the United States do? It has to be silent, because that's a major domestic issue in the United States.

Now, there's something where indeed the Europeans should be much more forthright than they've been in the past, so in some areas you need some European leadership in consultation with the United States.

Another area already mentioned is climate change, where the Europeans were given leadership throughout and I think in both cases, Israel and relations with the Moslem world, and in the case of climate change, you find that President Obama has moved mercifully far away from the positions of his previous, predecessor, but in both areas, there's a lot that Europe, if it could pull itself

together, could do in cooperation with the United States and as the friend of the United States.

Bridget Kendall

Thank you very much with that. Just to end with, if you'll forgive me for going slightly over, I just wanted to pick up a point which General Sir Mike Jackson raised, about affordability and choices, and talk about one other area of priorities, because we've talked about Afghanistan, Iran, Britain's role in Europe and broader, long term problems, like climate change, but what about the balance, as Britain thinks about making choices between hard power and soft power? There were some very nice words said earlier about my employer, the BBC and the British Council, but in this time of making choices, are those the budgets which should be squeezed in order to make sure that we have enough resilience in areas of security, and military, possible need for military action?

Let's take it along the panel, Anatol?

Anatol Lieven

With all due respect to General Jackson, I don't think you are going to get all that money.

Mike Jackson

I wasn't looking for it. I was just saying, we should be honest about the choice, it's not about affordability but it's about choosing how to spend the money.

Anatol Lieven

I entirely agree, and I think that, I have been disturbed by a certain vagueness, especially in the statements of the Defence Secretary yesterday, about the challenges out there and what we can do about them, because we do need hard thinking, and there are hard choices to be made.

One of them is obviously an attack on Iran, which of course as you said, is thank heavens a long way off, but Bridget, you said something about how even

this would have an effect on Afghanistan. It's not a question of even, it would have a direct, immediate effect on Afghanistan. In fact, it would lose us that campaign in short order, because the Iranians would immediately switch to support for the Taliban.

When it comes to of course our military spending, as is now doctrine, counter insurgency doctrine, the problem in Afghanistan of course is that talking about what we're doing is at most perhaps a third of the problem or the question. The question is can we build up the Afghan State and army to a point where they can fight basically? And, despite an awful lot of money going in there, the examples, not just from Afghanistan but from so many other state building projects around the world are pretty discouraging.

It may be that we just do not have the institutions or the culture on our side, and they don't on their side, which in many cases enables us to interact in a successful way, with or build up states in this way. So, I would advocate very, very great caution when it comes to future interventions of this kind, above all of course in the Moslem world, and I would say that we should concentrate in fact on what I would regard as also ultimately a much greater existential threat, which is that of climate change.

A threat which dwarfs that of terrorism. Finally, I would say and climate change is the single greatest example of this, that forgive me, Mr. Burns, but you are basically saying to the Brazilians, the Turks and others and other rising powers, it's my way or the highway. They don't see it that way. They will, as Turkey has demonstrated, insist on at least making very clear their own policies, and interests, and very different views of Iran and the Iranian threat, and if we're not prepared to negotiate with and accommodate those views in some way, we're not going to get cooperation, and we are going to get a great deal of trouble in the future.

David Steven

The points and the options for distributing what will probably be a limited amount of money, this is something that we do cover in detail in the report, and there's a graph on page four that sets out the cake and how it's currently sliced, and I think one of the things that you'll see in there is that the slice that we spend on diplomacy is, and on intelligence as well, is very, very small, and I think we get, we have the potential to get a lot of value out of what's a relatively small amount of money there, but particularly in the diplomatic field, that

requires quite substantial reform of what the Foreign Office currently does. We can't simply slice an even chunk of money out of a network that is currently configured.

We need to look at aligning it to the risks that we actually face, in looking for our diplomats to behave in quite different ways. It makes no sense in a complex world, where many of the bad things that happened to this country, most of the bad things that happen to this country are risks that come from overseas, not to have people out there around the world dealing with those, dealing with those risks, and secondly on DfID, I think the thing that you'll notice again, if you look at that graph, is that while we have 270,000 people or so working for MOD and the Armed Forces, and 15,000 or so working for the FCO, we only have 2,586 people working for DfID, and I think what we're going to do over the next few years is we're going to protect or maybe even increase the amount of money DfID has to spend, but we're going to cut many 25% of those staff, so we're going to place ourselves in a position where we're throwing money at a problem, but we don't have the people there to make sure the money is spent properly, and these are questions that need to be looked at much, much more carefully than I fear they are at the moment, where the Treasury is simply sending out these orders and departments are expected to respond to them.

Bridget Kendall

Lord Robertson, you already mentioned the World Cup and that Britain hadn't done very well. I suppose if you took the analogy of soft power further, you could say, you could have got a lot of bang for your buck by pouring more money into football academies, to provide us a team which would win us the World Cup, which would reach an audience far beyond the reaches of Chatham House or any diplomat?

George Robertson

I'm not sure that the winners of the World Cup necessarily had all the football academies behind them. They just had better skill than ours, and actually we've got more bangs for the buck in terms of world football, because we've got four teams eligible for the World Cup. The fact that none of them got to the last group shows that quantity doesn't necessarily get you there at the end of the day.

I think that we have to use all the mechanisms that we have in order to utilise the influence that we've got in the world today, but I think what's wrong with answering your question is that we need to have a strategic review that actually works out what it is the country needs to do. What are the major risks? What are the major strengths and where do we go?

I don't think that a back of the envelope strategic review of security and defence, that's going to be completed by September of this year will get us a coherent policy. I'm not, I've been terribly unpolitical in what I've said so far this afternoon, but I think this is crazy.

The one that I did for defence alone in 1997/8 took a year and a half to do properly, buying in everybody, looking at all of the options, and it stood the test of time. This one is not going to stand the test of next winter, I fear, and that's why, although I believe that we should utilise the British Council, the World Service, our universities, the great strengths that we have in the world, I'm not entirely sure that it won't be something that the Treasury determines, rather than the strategic interests of the country.

Bridget Kendall

Nick Burns, a final word from you?

Nicholas Burns

Yes, three quick points, and first of all, thank you for inviting an outsider into this very British debate. I've enjoyed it and it's been an honour. I wanted to make my peace with the representative of the Embassy of Germany. He made some very strong points, and I think you're right. Germany has been a global leader in climate change. The United States has not, so we can, there are things we can do to emulate what Germany has done so well. I would just respectfully say a stronger Germany in my judgement would be a Germany that would be able to act more strongly within NATO, because you would have a larger military budget to meet the tests along with the British, the Canadians, the Dutch, the Americans in Afghanistan militarily in the South and East, and perhaps a policy towards Russia. You have these great insights into Russia, you have close relations, that would serve the interest of Central Europe as well, and serve some of the fears in Central Europe, that Russia might emerge in a form of aggressive nationalism.

I think the countries would look to Germany as a protector or a bridge. Finally, when the United States was inevitably knocked out of the World Cup, I rooted for Germany, so I want to let you know that. I don't want to over dramatise this problem with Turkey and Brazil. The United States has a very close relationship with Brazil, and very successful one as well as with Turkey, and Turkey's been a great ally. I would just say we respectfully disagree with the deal that Turkey and Brazil offered. We're under no obligation to agree with ideas that we think are ill-advised and in this case it wasn't my way or the highway, it was our way.

China and Russia voted for those some Security Council resolutions over four years that were in essence undermined by this Turkish/Brazilian deal.

Finally a word on soft power. I think a lot of people said this morning, there's a direct connection between military power and soft power. You can't divorce them, and so Britain, if it wants to showcase it's soft power, has to have credibility in the world and I see that connection but I would say that I'm not just preaching to the choir. You have an enormous advantage in the BBC, in the English language, but I think that soft power is not always measured in concrete terms.

There is something that is not so concrete about the British credibility and reputation, steadfastness, integrity, a sense of strategy that British government – global strategy have had. You can't invent that and you can't buy it, but Britain in my view has exemplified that. That's soft power, but that means that Britain will remain an engaged global actor, not a smaller country seeking a regional world, but a country playing a global role, and this American clearly wants Britain to continue to play that role.

Bridget Kendall

Sweet words to end with. Let's not forget Nick Burns' is a life-long diplomat. Thank you very much. Just to end with, it's interesting, in this session, I gleaned a glimmer of more positive thoughts, that the UK is more powerful than we think, that let's not forget that European enlargement in many ways has been a triumph and it is a model of something which can be transformational, even if it's still transition. A thought that perhaps the EU should reach out to countries like India, and surely there's a role for the UK there, and that Britain might have difficulties looking forward to the future, but as Nick Burns says, it rests on a history which gives it a lot of advantages, so please join me in thanking the panel.

Robin Niblett

If I could ask the panel just to stay in their seats for one second. I know George has to go and catch a flight, but I'm going to be incredibly quick with my wrap up, because I want to say words of thanks, and I know if they stand up, you're all going to go.

And, maybe you won't, because we've got a bottle of champagne here, but maybe one of our five speakers, let me just say a quick few words of thanks and we can even get you out on time, and this whole conference will come together within one minute of the end. I want to say some words of thanks.

I want to say thanks, first of all, and I think appropriately here to the speakers, of which we have five here, and moderators. Moderators often have one of the toughest jobs around, and Bridget, thank you for doing a great job as have all your other predecessors, who have moderated over the last couple of days. Thank you for the speakers, some of you have come from close, some have come from far, we're very grateful.

I want to thank the organisers very quickly, Georgina Wright, Zuzana Feacham, who laboured hard to pull this together, Jonathan Knight and Michael Harvey, who have been the key team behind this project, and as I did right at the very beginning, just thank once again the sponsors of the project, BP, Barclays Capital, and BAE Systems of course, and BAE Systems and also Barclays Capital for helping sponsor the conference itself here today.

I also wanted just to say a couple of quick words in terms of conclusion and then I'm going to turn to the champagne. We heard a lot over these last few days, and therefore I'm not going to be able to do it any justice, but if I can just say five things. Number one, changed world. This is what we're facing and Nick, you said as well, America is going through a similar reassessment, and that's what I found fascinating about having you and other speakers from outside here as well. You're grappling with some of the same challenges as we are, and therefore we are able to think about how you're grappling with it alongside how we are, is helpful.

I heard a very good word, I think, from Jeremy Greenstock yesterday. This is a world of open competition. The competition is much more open, others are competing for influence, whether it's in Turkey or Brazil, and fighting for our place. The incumbents often find that they're weaker.

Something we heard in the panel earlier on today about the changing Britain is that we also have a growing gap between the government and the people as to interpreting how this world is changing and how we then play our hand in it, and making sure that we don't have an enclosed discussion that is not communicated at a popular level will be one of the big challenges for this government of the UK, for the US and for others.

Second point, it's all about the economy. This came over very strongly yesterday. If we're not strong at home, if we're not strong economically, then we're not going to be able to either carry our own people and our foreign policy, or be able to work and compete in this open, more competitive world.

Certainly, we talked yesterday about Britain having some strengths in that area. They're listed in the various reports you have there. But, we're clearly going to have to move from a thought leadership role to one of doing, and I thought this was very important. It came out the thought leadership panel yesterday. There's no point thinking about climate change if we're not doing climate change ourselves, and the same might work for financial regulation, the same clearly works in the securities sphere. The doing is as important as the thinking, as the leading.

The third point, and it came up a lot today. It came up this morning. Growth, economic growth which Britain depends on, open markets, which Britain depends on, also depend on a secure world, and contributing to global security not being a free rider on that global security. I think it's part of the theme that certainly motivates most of the UK thinking, I heard. I think it's certainly a perspective I heard from Zelikow and Nick Burns as well, and this gets to some of the issue about whether Europe is strategic or not.

Are countries contributing to the security that provides the oxygen for the global growth, and that is a choice one has to make, but I think we've heard some very powerful arguments for making that commitment, however we define then the mix of forces, but contributing security is something important.

Fourth point, institutions. We heard something about minilateralism, stakeholders, multilateralism, I don't know which way it's going to go. We had a lot of interesting points. The most interesting point for me was the comment, the UK can play quite well in this very uncertain world of different economic and global governance, which somebody said yesterday. We're the least incompetent government, and that's not a bad thing, in a world in which being competent and being a government in a world of a very complex, globalised open world, that the long crisis that David Steven and Alex Evans talk about is part of our reality. We're good problem solvers. Somebody said, we have a

good mix of soft power because we have a good mixture of being decorative and useful. I think it was Simon Anholt in his survey.

We were the one that had the most on the decorative list and useful list. America was good on useful, ours were good on decorative. We were good on the mix. So, that's quite helpful as well as our military power.

Fifth and last point. How to project the influence, how to project the open markets, the global security that we want? How much were the US? That's a whole discussion in itself and it's been very interesting to have that discussion, be so centrally here. I think both of our two US speakers, I'm almost surprised if I could use an American phrase, they walked into a buzz saw of I thought we were convening a special relationship, and of course we Brits go, no, we're beyond that. Don't worry, we don't need the special relationship anymore, and I think it was a surprising experience from an American standpoint, but I think it was Bob Ainsworth who put it most clearly.

It's not that we don't think the relationship with America is not possibly the most important relationship that we have, but in a way it's dangerous for us to think about the special relationship as the anchor of our entire global view at a time of such profound change. America is capable of thinking in multifaceted ways. We're trying to wean ourselves off that phrase to think more reflectively globally without letting go of our very important relationship with the US.

With the EU, and this the EU I think, was very important. As we look at British interest in energy, trade, in the climate change, in all of those big transnational challenges, working with Europe will be important. How can we help the EU think more strategically, and finally, the bilateral relationships. The emerging markets which are the big feature of the William Hague foreign policy, as espoused in the last month or two.

Clearly driven partly by economic factors. We've got to grow, we need those emerging markets, partly by an attempt to read the G20 world and keep ourselves influential beyond the Euro Atlantic area, but here the question is, do we have the reputation still to do it? Are we still strong enough to do this or not, in terms of our reputation as a soft power, and our own economic capabilities and therefore ultimately economic capabilities will be military, will mean diplomatic?

And, this will be the big question, we're going to need to find partners. Nick Mabey said yesterday, maybe we need to move to be thinking not so much about a leader, but as we've said occasionally to America, can we share leadership? Can we be involved in setting up partnership relationships and help other countries see the world as we do, and help build some of the rules

and systems that have been so beneficial for us for the last 50 years, for the world for the next 50 years, so that's my little synopsis. I'm still before four o'clock.

I'm now going to give some champagne away and I'm going to do this very quickly. Let's see. And, I'm...I did this before, I have my own rules in this. If they're not in the room, then I'm going to pick again, because I feel anyone who stayed here right to the end of a conference as long as this one deserves to take the bottle away with them, and if Arthur Scully is here? Arthur Scully, you are here. You're going to get the bottle. Congratulations.

Arthur, let me just check that you voted, you said that our panel was excellent. Hold on, so before I give it to him, reading from here, sorry, we're not meant to do this. Please summarise your overall opinion of the event, excellent. In that case, there you go.

I like that one, we'll keep that one, shred the others, we'll just keep that one but thank you very much everyone for coming. Wonderful conference, thanks for your time, for all of you spent, those who weren't here but those who stayed right till the end, thanks again to our speakers here on behalf of all the other speakers, an extra hand.