

ABOUT GLOBAL STRATEGY FORUM

Global Strategy Forum was founded by Michael Ancram MP and Johan Eliasch in 2006, as a membership-based open forum dedicated to the promotion of fresh thinking and active debate on foreign affairs, defence and international security issues. As such, we are an independent, non-party political organisation.

Michael Ancram delivered the Forum's inaugural lecture in May 2006, entitled '*A Fork in the Road – sorting out the UK's defence policy debacle*'. This was subsequently published as a pamphlet and distributed to a wide readership. Since then, we have held a very successful series of monthly lunchtime lectures in which we encourage bold, provocative and challenging thinking from our keynote speakers and lively debate from the invited audience during the ensuing Q&A session. As a result, our lectures are well-attended and often over-subscribed. This third compendium of our lectures from May 2008-2009 gives a flavour of the ideas disseminated under the Forum's auspices.

In 2008-2009, we have had the pleasure of hosting Sir Roderic Lyne KBE, CMG, British Ambassador to Russia 2000-2004; the Rt Hon Michael Ancram QC MP; Dr Liam Fox MP, Shadow Secretary of State for Defence; Sir Emyr Jones Parry GCMG, former British Permanent Representative at the UN; Baroness Neville-Jones of Hutton Roof, Shadow Minister for Security; Sir David Manning GCMG, CVO, former UK Ambassador to the United States; the Rt Hon the Lord Robertson of Port Ellen KT, GCMG, Hon FRSE, PC, Secretary-General of NATO from 1999-2004; and the Rt Hon Lord Ashdown of Norton-sub-Hamdon GCMG, KBE, High Representative and EU Special Representative in Bosnia and Herzegovina 2002-2006; and Leader of the Liberal Democrats 1988-1999.

During 2008-2009, we held a record number of debates. In May 2008, the Rt Hon Lord Fraser of Carmyllie QC, Mehmet Ögütçü, John Roberts and Dr. Shamil Yenikeyeff gave their thoughts on '*Pipelines and Politics: perspectives on Central Asia's role in European energy*'. In June, Sir Gulam Noon MBE, Lord Ahmed of Rotherham and Baroness Warsi took part in a discussion entitled: '*Radicals v. Moderates: does Islam in Britain face a 'war within'?*' Also in June, Minister Falah Mustafa Bakir was joined by Mike Gapes MP and Sir Hilary Synnott KCMG to discuss '*Kurdistan Region in Iraq – what prospects for the future?*' Our July debate asked "*How 'Special' is the Special Relationship?*" with panellists Professor John Dumbrell, Bronwen Maddox, Dr Nao Matsukata and Andrew Tyrie MP. In October, Ambassador Denis Bauchard, Dr Jack Caravelli and William R Polk shared their thoughts on '*Iran's Nuclear Ambitions and Energy Security*'. In November, Bill Barnard, Chair of Democrats Abroad UK and Sir Christopher Meyer KCMG took part in a discussion entitled, '*The global challenges facing President Obama: time for a new US foreign policy?*' The December debate, '*China in Africa: friend or foe?*' included Dr Chris Alden, Tom Porteous and Dr Steve Tsang. In February 2009, we held a debate on the Middle East Peace Process, entitled '*Is the Middle East Peace Process dead?*' when we were joined by Alastair Croke, Malcolm Bruce MP, Lorna Fitzsimons, and Andrew Wilson. And in March, Oksana Antonenko and General Sir Garry Johnson debated '*Georgia: better in or out of NATO?*'

In addition, we also co-hosted a seminar with the Windsor Energy Group in the House of Lords, entitled '*Britain in Iraq: business opportunities and challenges*', which was co-chaired by Michael Ancram MP, Chairman of Global Strategy Forum and Lord Howell of Guildford, Co-Chair of the Windsor Energy Group.

We regularly seek the views of leading politicians, academics and opinion formers, both in Britain and internationally. Please visit our website for further information on our activities and our 2009-2010 event series.

GLOBAL STRATEGY FORUM

President

Johan Eliasch is the first President of Global Strategy Forum. He is the Prime Minister's Special Representative on Deforestation and Clean Energy, a position to which he was appointed in September 2007. In October 2008, he published the Eliasch Review 'Climate Change: Financing Global Forests', which was commissioned by the Prime Minister. Born in Sweden, Johan is Chairman of the Management Board of H&M N.V., the global sporting goods group. He is a board member of the Centre for Social Justice, a member of the Advisory Boards of Brasilinvest, Soci t  du Louvre and the British Olympic Association. He is Chairman of Starr Underwriting Agents, Co-Chairman of Cool Earth, and a Patron of Stockholm University.

Chairman

Rt Hon Michael Ancram QC MP is the first Chairman of the Forum. Michael Ancram served in the last Conservative Government and from 2001 to 2005 held the portfolios of Deputy Leader, Shadow Foreign Secretary and Shadow Defence Secretary. He currently serves on the House of Commons Intelligence Select Committee.

Director

Jacqueline Jinks is the second Director of Global Strategy Forum. She joined Global Strategy Forum as Research Director in June 2006. From 1997-2005, she was Political Secretary and speechwriter to Lord Moynihan, a former Conservative Senior Spokesman on Foreign Affairs in the House of Lords. She has also worked for the Rt Hon Michael Howard QC MP and the Rt Hon Francis Maude MP, during their respective tenures as Shadow Foreign Secretary. She has worked in the US, most notably for the Democratic National Committee during the 1996 US Presidential Election campaign.

PRESIDENT'S FOREWORD

Global Strategy Forum's third annual collection of lectures reflects some of the many ideas disseminated during the course of our 2008-2009 events series. Over the last year, I am delighted that GSF has continued on its path of expansion and development. Its substantive events programme has succeeded in attracting both high-level speakers and attendees and I believe that GSF has now become firmly established as part of the foreign affairs landscape in London. During 2008-2009, there have been sessions on Central Asian energy security, US foreign policy, UN reform, the future of NATO, Iran's nuclear ambitions and Russia's international relations, to name but a few. Our ever-popular debate series has doubled in number since it was launched in 2007. Last year, topics covered ranged from China's influence in Africa, to the future of the US-UK Special Relationship, to the merits of Georgia's membership of NATO. Additionally, for the first time, GSF co-hosted an in-depth seminar on investment in Iraq. More such seminars, similarly devoted to specialised topics, are planned for the future.

As Global Strategy Forum's President, I continue to be a firm advocate of the importance of non-partisan, thought-provoking debate and discussion as a means of stimulating fresh approaches to current issues. At GSF we believe that this approach will ultimately produce the most effective policies and the best decisions. We do not believe in covert policy formation behind closed doors. This is why our events take place on the record and are open to all. Over the coming year, our goal is to continue to develop GSF's niche as an intellectual incubator for innovative ideas with direct policy relevance. Our political independence means that we can provide an impartial space for debate on a wide range of foreign affairs issues. Our lack of any ideological biases, other than a predilection for high quality and creative thinking, means that we are able to explore topics that others find too contentious or intractable.

As ever, we are indebted to all our speakers, authors and contributors, whose willingness to share their expert knowledge has allowed GSF to build its reputation for first-rate events. We also thank our membership, without whose sustained interest and involvement we would be unable to fulfil our remit as an open forum.

This pamphlet reflects only a small number of the activities that we have undertaken over the past year. Details of all our events can be found on our website. We hope to see as many of you as possible over the course of the next year. Should you have any suggestions for GSF's future development, please do not hesitate to get in touch.

Johan Eliasch
President
Global Strategy Forum

THE LECTURES

Is Russia a 'strategic partner' and a worthy member of the G8?

Sir Roderic Lyne KBE, CMG

Isolation and Polarisation: the West's failing international agenda?

Rt Hon Michael Ancram QC MP

General Overview of Conservative Defence Policy

Dr Liam Fox MP

Is the UN's future behind it?

Sir Emyr Jones Parry GCMG

A Conservative National Security Policy

Baroness Neville-Jones of Hutton Roof

After Bush: implications for transatlantic relations and foreign policy

Sir David Manning GCMG, CVO

Does NATO have a future?

Rt Hon the Lord Robertson of Port Ellen KT, GCMG, Hon FRSE, PC

Ashdown's Third Law: why the world will never be the same again and what we should do about it

Rt Hon Lord Ashdown of Norton-sub-Hambdon GCMG, KBE, PC

IS RUSSIA A 'STRATEGIC PARTNER' AND A WORTHY MEMBER OF THE G8?

Transcript of a lecture given by Sir Roderic Lyne KBE, CMG

2nd June 2008

Sir Roderic Lyne was a diplomat for 34 years and served as British Ambassador to Russia from January 2000 to August 2004. Before that, he was UK Permanent Representative to the UN Office and other international organisations in Geneva (1997-2000) and Private Secretary to the Prime Minister (1993-1996). He now works as a company director, consultant and lecturer, principally advising businesses on Russia and the CIS. Roderic Lyne was a co-author, with Strobe Talbott and Koji Watanabe, of 'Engaging With Russia: The Next Phase', a report published by the Trilateral Commission in 2006.

I have asked two questions in my title, '*Is Russia a strategic partner?*' and '*Is Russia a worthy member of the G8?*' You could say that the answer is entirely obvious and very brief, but I think there reasons for asking these questions at this particular time. One is that Russia is, obviously now, entering a new Presidential term and you can read a lot of differing impressions about the orientation of the new (or perhaps not new) regime in Russia, ranging from pro-western liberalism as some commentators have tagged it, to a new 'Cold War' as others are describing it.

Then we have the European Union which is deeply divided about what to do about Russia, but despite being deeply divided, it is about to open negotiations on a successor to the 1997 Partnership and Co-operation Agreement. That was an agreement which was based on an idea described in EU documents and EU official policy, that we had with Russia a genuine strategic partnership founded on common interests and shared values in particular democracy, human rights, the rule of law and market economy principles. Now, what is actually the right policy for the EU in the situation that really exists?

Thirdly, in the United Kingdom, we have endured four years of hostility in our political relationship with Russia and a freeze, or virtual freeze, at the top political levels. No Russian President has been here, no British Prime Minister has been to Moscow, no Foreign Minister has gone in either direction on a bilateral visit as opposed to G8 or whatever in the course of the last four years. Even in the Cold War we had rather more contact than that. So what is the right approach for the United Kingdom?

Then finally, the United States. They have had much more contact at the top levels in this period, but if you measure things in rhetoric, the atmosphere between Washington and Moscow has been even more vituperative than between London and Moscow. For two years, John McCain has been demanding Russia's exclusion from the G8. What are going to be the effects of the United States Presidential elections?

I want to divide what I say into two parts. Firstly, to ask where Russia is heading and then to turn to the question of what the West should do about it.

Is Russia changing at the moment? I think the answer to that is yes and no, but in the immediate

sense, more no than yes. There is one well-known pundit in Washington, who in a great gush of optimism wrote the other day that there is new hope for Russia, that Medvedev has already advanced his cause, more than Putin did during his first three years as President and that Medvedev's successful start suggests that we should expect many and substantial reforms soon.

Now I spent most of last week in Moscow and even among the liberal supporters of the new President, I do not think I found a single person who shared that ultra optimism of the Washington pundit. What do we actually know about Medvedev? Not a huge amount. We know that from the age of 24 onwards, effectively through his adult working life, he has been a wholly integrated member of Putin's entourage. We know that he had a law degree from St. Petersburg University, but so did Putin from the same faculty. We know that he was not a member of the KGB but in these 14 years he has worked very intimately with former KGB 'siloviki'. We know that he was elected, solely and wholly, as Putin's nominee on Putin's coat tails. We could surmise that Putin chose him as the candidate closest to him and most malleable by him, the only one of the likely candidates who had no independent faction, no independent power base, no previous career outside Putin's entourage, a sort of 'wholly-owned subsidiary' of Putin. The new arrangement is described officially as a tandem, but it is a tandem in which Putin is not really playing the role of No. 2. In practice, if you have a tandem in a country that has got a very Presidential system, that means a net loss to the Presidency and we see this happening. Putin has already transferred a great deal of power to the Prime Minister's office. He has made himself the leader of the party that dominates the Duma, he has changed the reporting lines of the 89 governors of the different regions. It is Putin, not Medvedev, who has recently set out the national strategy running to the year 2020.

Then we look at the personnel changes, the new line up, remembering that it was Lenin who said that 'cadres are everything'. There are very few new faces. There are very few people who are manifestly Medvedev's appointees in key positions. The nearest I suppose might be the new Justice Minister Konovalov, but how powerful is the Justice Minister? It is a very second tier appointment.

As Prime Minister, Putin has actually surrounded himself with a slew of the heaviest hitters from the 'old' administration. He has brought Shuvalov, Sobyenin, Sechin from the Kremlin, he has retained people like Kudrin, Zubkov, Sergei Ivanov, Kozak and many others and so he has left the Kremlin team much lighter in weight than it was before and than the team which surrounds him. Most strikingly, when you look at the Kremlin, the key position there under the President, the Head of the Presidential Administration, is held by Naryshkin, who is somebody closely associated with and promoted by Putin, and his two most significant deputies again are people very closely associated with Putin, namely Gromov (Putin's former Press Secretary) and Surkov who managed politics.

If you look at the top twelve in the Kremlin, only one of them can really be identified as a personal appointee of President Medvedev and that is Chuichenko, a fellow lawyer. So we do not have a new regime in Moscow, we have a continuation of Putinism, with Putin himself wielding, at this moment, more authority than President Medvedev. What we do not know is whether it is going to continue like this. Is this merely transitional? Will it change, will Putin retain the position of Prime Minister for a long time or will he, at a certain point, feel sufficiently confident to start to take a seat nearer to the back? Conversely, might he go the other way, and at some point, possibly four years' hence, return to the Presidency? These are simply unknowns. If you talk to Medvedev supporters, they say that they think it will take their man three to five years to establish his authority as President. They recall that it took Putin the better part of three years really to become his own man.

Until we reach that point, it seems to me that any judgements the pundits might make about what kind of a person Medvedev is, and what kind of administration he might really run, are simply premature. We can be encouraged that he has declared his strong opposition to legal nihilism and to corruption, that he has said that he wants to establish stronger institutions and a more independent judiciary in Russia. We can feel encouraged that he has got a think tank of many of the top economic liberals, the Institute for Contemporary Development, feeding some advice to him. But any attempt at modernisation of this kind is inevitably going to run into some immensely powerful vested interests, which at the moment hem the new President in. He depends on a corrupted and recalcitrant bureaucracy and on security organs that do not feel any natural affiliation to him and it is going to be very hard for him to move from articulation of liberal policies of the kind that he has given in his speeches to implementation, unless he is able to do so with the vigorous support of President Putin.

So what does that mean that we should expect from Russia over the next four to eight years, over the next one to two Presidential terms? I think that part of the key to this is what is going to happen to the economy. We have seen how the tidal wave of money that came from oil and gas that hit Russia in 2002/2003 put an effective end, at the time, to reform. Russia is still awash with money: GDP grew by over 8% last year. But this money, the hydrocarbon dollars, has generated a series of problems. The rouble has strengthened, sucking in imports at a very fast rate. Corruption has reached absolutely extreme levels. Efforts to increase the efficiency and the productivity of the oil and gas industry are stalling - actually their production has been falling in the course of this year and inflation is pushing up. Wages rose in Russia last year by about 27% or 28%, the headline rate of inflation is currently running at about 15% annually against the government target of 10.5% and fuel price inflation, food price inflation are higher than the headline rate and are causing quite a lot of tensions, not unlike in other countries.

The rising wealth of the past five years has concealed a failure to address a lot of underlying problems: the unreformed health and benefit system, the inadequate investment in infrastructure, the weaknesses nowadays in education and science, the consequences of high mortality and a falling population, the largely unreformed military, the widening disparities of income and the problems of the poorer regions. So if you are an incoming President or indeed an incoming Prime Minister, and Putin, let us remember, has set reducing inflation as one of his key targets, this is a pretty daunting agenda. So that is what the Russian administration is going to be grappling with over the period ahead. The easy times, as quite a number of people are prone to say in Moscow now, are behind them. They have had it very lucky for the last eight years. The next eight years are not going to be so easy.

So there is a recognition in the political class that the basis of Russia's wealth is fragile, that it is very narrowly focused on the energy sector and that social pressures need to be addressed. There is a strong desire within that class, within the more enlightened sections of it, for modernisation. There is recognition that Russia needs to diversify its economy, there is a desire to make Russia a stronger player in the global economy over the next 20 years or so, to make Russia one of the world's top five economies and more than a natural resources exporter. What stands in the way of achieving that? Well, quite a lot of things. The personal agendas of many of the most powerful people in state offices, the vested interests, the mega corruption that I spoke of, the bureaucracy and this very large state sector, added to which is the extremely weak rule of law.

Let me turn now from the economic situation just briefly, to political development, briefly because there is not much to be said about it. The network of groups and clans which has gained control

over the past eight years is clearly going to seek to retain power by whatever means, for as long as possible. That has got to be their bottom line. I think they are likely to succeed in doing so for the next decade, maybe longer, unless their grip is shaken by some internal or external shock.

We have to remember that Russia has never had democracy. It did not have democracy in the 1990s, it had something that was called democracy that got itself a very bad name, and it is simply unrealistic to think of Russia making steps towards genuine democracy over the next decade, much as we would like it to happen. I can enlarge on that if you want, but I think it is not really a point that needs arguing. It therefore does not make a lot of sense for the West to set democracy as a short-term benchmark for judging Russia. We must, above all, avoid pretending that democracy is there when it is not. It does not mean we should cease supporting the ideal or the people working for it. But while the Russian people have got equivocal views about democracy, I am absolutely certain that they would like to have a fairer and more effective rule of law and I think it not impossible that in the next decade, we will see some development in that direction and the beginnings of the growth of the stronger institutions which the country so clearly needs. Indeed, Putin himself has recognised the need for Russia to have more than one functioning institution, which is all it has at the moment.

What about relations with the outside world? There are, of course, elements in Russia (and they are no doubt well-represented in the former KGB and in parts of the military) which take a primitively hard-line view, which regard the West as the enemy and which would love to re-write the last chapter of the Cold War. These are people who would prefer isolation to integration; they would prefer confrontation to co-operation. There are, for that matter, some elements in the West (rather fewer in number) who continue to see Russia as a foe and a threat, so it is not just there. And then there are issues over which the pretty fractious east/west relationship that we have at the moment could tip into direct confrontation. This particularly applies to what Moscow calls 'the post-Soviet space,' with problems like Georgia and Abkhazia and indeed Ukraine at the top of that list of issues over which we could fall apart in a very serious way.

All of that said, I do not believe that confrontation is the prevailing intention of the Russian leadership and I do not believe that for two reasons in particular. One is that both personally as individuals in the Kremlin and nationally, they recognise that they now have a very high level of economic interdependence with the West that they do not wish to sacrifice. Secondly, despite a certain amount of bluster, despite a percentage increase in the defence budget, they know that in military terms, it would take many, many years to rebuild Russia as a great military power. It would require a huge diversion of resources and the sacrifice of living standards which I do not think the Russian population would be prepared to tolerate, unless they could see that there was a manifest threat which, at the moment, they do not perceive.

So I do not see this as a country that is bent on an old-style confrontation. When you look at the focus of external policy under Putin over the last eight years, I think it boils down to about half a dozen points. One clear objective was to reverse the humiliation of the 1990s, to restore respect for Russia, to restore Russia's position in the world and to be at the world's top tables, so getting full membership of the G8 was a very important objective. Secondly, re-establishing Russia's ability to act independently in international affairs, to be an independent power, a power which could not be taken for granted or ignored in the way that they feel that they were in the 1990s, was another key objective. Being awkward, being deliberately awkward has been one of the ways of achieving that. Thirdly, quite clearly, they are trying to leverage Russia's economic strength particularly in energy, rather than its military power. Fourthly, a large focus of their foreign policy

is on the 'post-Soviet space' that I talked of, where there is a clear desire to establish Russia's droit de regard, a zone of influence in this area and to prevent further intrusion by the West, further erosion of Russia's influence in the states which used to be part of the Soviet Union or the Warsaw Pact. Fifthly, with regard to China, I think the Russians are playing a very cautious game. They are improving the relationship, increasing trade, they are co-operating where it is advantageous to do so, including at times, teaming up together against western initiatives. But at the same time they are increasingly uncomfortable at China's rising strength, at the way that the balance of power between Russia and China has tilted and is tilting in China's direction and that makes them fearful over the long term of what their larger neighbour might do.

Finally, I think an important objective for Putin has been closer integration into the world economy, including a serious intention, eventually, to become members of the WTO and also of the OECD. Russian companies are being encouraged by the Kremlin to go overseas. There is a slightly grudging acceptance of the need for foreign investment in Russia, but mixed with a desire, to the extent possible, to control it. But part of the bottom line for Putin has been - and this has been consistent of his time in office - that he has not wanted to confront the United States of America, when push comes to shove. I think he also sees that it is not in Russia's economic interests to confront Western Europe.

I do not buy the idea which some people are promoting, that Russia is now setting itself up as some kind of an alien force with an ideology of authoritarian capitalism that is opposed to western democracy. I see Russian authoritarianism as an expedient, not an ideology. The Russians themselves actually bemoan their inability to attract people, the fact that they tend to fall back on compulsion when they are trying to move their neighbours, they cannot get them into their orbit. They are conscious that they lack an ideology at the moment, other than I suppose, nationalism underpinned by Russian Orthodoxy, which is not really a very exportable idea. And most interestingly, they continue to use the language of our ideology. They talk about democracy, they talk about European values as their values, they talk about the rule of law - they are not setting up alternatives to this.

What we are seeing at the moment in Moscow is that the volume knob of anti-western rhetoric is being turned down a bit, that quietly the Russian government (and I think this is as true of Putin as it is of Medvedev) are looking to rebuild relations with the West. I do not think that we are going to have a big honeymoon, but there is an incremental process at work there. There is a sense that they have made their point, that they have established their independence, the respect that they wanted, and that they are in a stronger position, but that if they push anti-Westernism too far, that this is going to have a negative impact on their interests. I do not think that they want to push the EU or the West generally to consolidate against Russia. I think that they are nervous of the mood in the United States and particularly nervous about where McCain might take America. It is interesting that they are looking to negotiate an acceptable outcome with the United States on the question of theatre missile defence. They privately seem to accept that deployment in Poland and the Czech Republic is going to go ahead and so they are focusing on establishing safeguards and confidence-building measures.

Let me now turn to the second part of the question, which is what the West should do. Should we be opposing Russia? Should we be treating Russia as an enemy? Or should we be treating Russia as a strategic partner or something else in between?

I think the problem with Western policy is that over the last 10 or 15 years, it has been disunited,

it has been inconsistent and it has, at times, been highly unrealistic. In the 1990s, we made a number of strategic errors. There was a naïve belief that Russia could make an instant transition which underestimated the depth and the trauma of what was actually happening following the collapse of the Soviet Union. There was a rose-tinted view of Boris Yeltsin. There was an exaggerated belief that the West could have a major influence over his administration and Russia's internal development. There was the premature and wishful assertion stemming from the notion that we were now 'strategic partners' with shared interests and common values, which clearly we were not and we still are not. And then there was the whole policy of NATO enlargement on which I will say a little bit more in a minute. The net result of this was a lot of disillusionment on both sides, what Solzhenitsyn has called the clash of illusory hopes against reality. The price of 'strategic partnership' was simply not one that Russia was prepared to pay. So what we now need is a different strategy, a strategy that is founded on a much more realistic appreciation and one which distinguishes between our long term aspirations for our relationship with Russia and what is necessary and achievable in the short term. As far as the long term is concerned, I have no problem with an aspiration to a strategic partnership founded on shared interests and common values when we can achieve it. Twenty years or so from now, we could conceivably find ourselves much closer to it, and that could embrace a much closer relationship between the European Union and Russia, but not one which we can begin to define now.

But what is realistic for the short term, for the next four to eight years? Here I will offer you ten points before I conclude.

Firstly, we must recognise that our ability to influence developments within Russia is very limited. There are certain ways in which we can have both a positive and a negative influence but they are at the margins and we cannot dictate it.

Secondly, that means that we must deal with Russia as it is, not as we would wish it to be. I believe that it is likely that the modernising forces will eventually grow in strength in Russia, but this is not going to happen very quickly and really we are not going to see it happen very much (unless I'm too pessimistic) over the next three to four years. Serious change in Russia is more likely to have to wait for the incremental emergence of a genuinely post-Soviet ruling and managerial class and that will be a process that begins to be more apparent ten years or so from now, simply for reasons of peoples' ages.

Thirdly, I see no need for us to confront Russia for the simple reason that Russia does not pose a general threat to us. Following from that, I think we need to avoid the sort of approaches which play into the hands of Russian hardliners. Isolating Russia, drawing new dividing lines across Europe, empowers those people and it removes our leverage and ultimately it is very harmful to our best interests.

Fourthly, where we find, as we do find, that Russia opposes our interests or our values, we need to be very firm in our defence and that means standing very resolutely by the sovereignty of the post-Soviet States, and it means standing very firmly for the rule of law both internationally and indeed, in this country, because it is the rule of law that has been in question in the series of events over the past five years. It has been the linking factor between those events which have created tension in our bilateral relations with Russia from the Zakayev extradition case onwards and this is not something where we can compromise.

Fifthly, I think we have a tendency, which one can see very markedly in the European Union, to

overestimate Russia's strength and to underestimate our own. Russia depends more on the European Union than vice versa. Well over half of her exports go to the EU. We should not run scared of Russian energy muscle because Gazprom's profits depend almost entirely on exports to the EU and as yet, it has no alternative export market. Russian energy companies need Western finance and increasingly, as oil and gas become harder to find in Russia, in more difficult areas and offshore, they need Western technology.

Sixthly, NATO enlargement. We have got ourselves into a box over this. I yield to no one in my support for the sovereign rights of the Baltic States and the other new members of NATO, but I question whether NATO has significantly enhanced the security that they have anyway, as members of the United Nations and indeed as members of the European Union. You can take an analogy from Saddam Hussein's invasion of Kuwait, a UN member, not a NATO member, and the reaction to it. Do we really believe that Russia would consider invading a member state of the European Union? NATO did not need new members. What NATO needed after the end of the Cold War was a new doctrine and a new rationale, which it now has. But its expansion along Russia's borders appeared to the Russians to conflict with the new rationale that they were being told that NATO had, especially as NATO leaders had given certain assurances to the Russians in the early 1990s about the stationing of forces which appear not to have been fully respected. The rush to incorporate into NATO as many former Soviet satrapies as offered themselves looked to Moscow awfully like the old zero/sum rationale of the Cold War.

The other thing that NATO needs is capabilities. To be brutally frank, the new members have not added a great deal to NATO's capabilities. We now have a situation where NATO is overstretched in Afghanistan and its capabilities are insufficient, above all, because of the failure of the richer, older, established European members, to put adequate resources into defence. We are taking a free ride on the Americans. Enlargement in all of this is a red herring.

Now we have some NATO members pressing for Georgia and Ukraine to be given Membership Action Programmes in December. Indeed they wanted it to happen at Bucharest the other day and we must ask ourselves, does this really make sense? If you set Russia's views entirely on one side for the moment, is Georgia going to enhance NATO? Is Georgia a stable, mature democracy with settled borders? Can the already overstretched NATO afford to be drawn into another unstable region and into a confrontation with Russia and into conflicts which it cannot control? What about Ukraine? Is Ukraine a stable and mature democracy? Does the Ukrainian leadership have a democratic mandate for seeking membership? Does a clear majority of the Ukrainian population support this? The opinion polls point very firmly in the other way. Is this, therefore, an issue which could actually tear Ukraine apart? Now there are two arguments in favour of Georgian and Ukrainian membership. One is that it is hard to say 'no' and the other is that we need to stand up to Russian pressure on those countries. But there are many other ways in which the West can support Georgia and Ukraine. We need to consider what is in NATO's best interests and the answer to me is pretty clear. Now is not the time. Then if we do turn to the effect on Russia, this is fissile material. In present circumstances, prospective Ukrainian membership of NATO would raise enormous risks. No Russian leadership could afford to acquiesce in it. It is not a sellable proposition inside Russia.

So I firmly believe that we need to change the terms of the debate about NATO. I think the EU should come before NATO with regard to those countries, and as the German Chancellor wisely suggested last week, a much stronger NATO/Russia relationship should precede further talk of enlargement.

Let me turn now to the European Union. The European Union needs, somehow or another, to find a way of acting together with regard to Russia, because with the partial exception of Germany, no EU member state is strong enough to pursue an effective policy on its own and this has got implications for the UK as well as for those who are prone to cut deals at the expense of the common interest. There are analysts who have identified up to five different approaches to Russia within the EU, but we have to bear in mind that when the EU has succeeded in acting together, as it did over the last enlargement in Kaliningrad and as it has done repeatedly over trade, it has proved remarkably effective in dealing with Russia. The Russians may not like EU solidarity - Putin has publicly complained about it - but they have a grudging respect for it. The EU's most glaring weakness is the absence of a common energy policy and repairing this should be one of our highest priorities in relations with Russia, not securing a new Partnership and Co-operation Agreement. A disproportionate amount of effort has gone into simply agreeing on the mandate under which the EU is going to negotiate, but what we have got to avoid is the impulse to sign an agreement at any price. We need better co-operation with Russia in many discrete areas and we need implementation of the unfulfilled parts of earlier agreements. What we do not necessarily need is a grandiose new agreement declaring a strategic partnership which does not actually exist. It would be better to have no agreement, than one which lacks realism and does not achieve tangible results.

Eighthly, the USA and the G8. I would not endorse everything that President Bush says about Russia, especially when he peers into peoples' souls, but I think he does deserve marks for continuing to engage on strategic issues, as he did at the recent Sochi and last year's Kennebunkport summits. Russia has genuine strategic concerns and these should not be ignored. Insofar as one can determine it, Senator Obama's position seems to be in favour of a continuing critical engagement with Russia. But McCain, what about McCain? He seems to me to be fascinatingly contradictory, perhaps reflecting a wider debate in the United States. He has called, as I said earlier, for Russia to be excluded from the G8 and for Brazil and India to be invited. Now the first part of that is simply not realistic. There is no mechanism for excluding a country from the G8 and it simply won't happen. The second part has a lot to be said for it: indeed we recommended it two years' ago in our report, though you would surely have to invite China as well. Now last week, McCain has veered from the right of Bush on the G8, to the left of Bush on arms control, calling for a new legally binding agreement to be negotiated with Russia to reduce nuclear arsenals, which is precisely the approach that Bush abandoned right at the beginning of his term in office. I suspect that this is a better clue than the G8 rhetoric to the approach which McCain would take if elected, but I am in no position to know.

That brings me naturally to Iran. Iran, like Ukraine, has the potential to be a show-stopper in our relations with Russia. The Russians trade opportunistically with Iran, including in the civil nuclear area and in armaments, but they are not fans of the regime and they have as many reasons as the rest of us not to want Iran to become a military nuclear power. They have essentially used their relationship with Iran as a bargaining chip with the USA and the West, but when push has come to shove they have tended to join with us at the UN. However, when you talk to them about this, they are not at all optimistic that Iran's nuclear ambitions can be blocked and they therefore seem to be inclining towards a plan B for seeking to embrace Iran in the safeguards and the international status quo. What seems absolutely clear, is that an American strike against Iran, were it to happen, would push the Russians right over on the Iranian side. They do not believe that it would achieve its objectives and they greatly fear the consequences that it would have.

Finally, wider engagement. While we wait in hope for benevolent change and modernisation in

Russia, let us not assume that everything depends on politics. Despite many negative occurrences, including the constriction of political debate, of the media, of NGOs, of the British Council and so on, there are still vast areas of western contact and engagement with Russia and with Russians of many kinds, in business, in education and in myriad personal contacts – and all of this to an extent that was simply unimaginable in Soviet times. I think we should never forget that sustaining this is something that we can do and should do and that again should be one of our priorities.

So I conclude that Russia is not yet a genuine strategic partner, whatever that may mean. If it were not already a G8 member, it is unlikely that Russia would have received an invitation to next month's summit and there are grounds for concern over a great deal that has happened and is happening in Russia, but nevertheless, we have no choice but to continue to deal realistically with Russia, as we do, say with China, and that we must factor time into our thinking.

A few months ago, the former Prime Minister in Russia, Yegor Gaidar, likened Russia's present condition to adolescence. Let us not forget that barely half a generation has passed since the Russians experienced the most sudden and dramatic upheavals to affect any large nation in peacetime, in the modern era. It is going to take much longer than half a generation for that country to settle into its new pattern.

ISOLATION AND POLARISATION - THE WEST'S FAILING AGENDA

Rt Hon Michael Ancram QC MP

14th July 2008

The Rt Hon Michael Ancram QC MP is the first Chairman of Global Strategy Forum. Formerly he has held the posts of Deputy Leader, Shadow Foreign Secretary and Shadow Secretary of State for Defence. In the last Conservative Government, he was the British Government Minister in the Northern Ireland Office who opened dialogue with the IRA. He continues to study peace processes and the practice of talking to terrorists - 'dancing with wolves', with particular reference to the Middle East peace process. He was first elected to Parliament in 1974 and is a Member of Parliament for the constituency of Devizes in Wiltshire. He sits on the House of Commons Intelligence Select Committee.

After the uneasy international equilibrium ended along with the Cold War and the collapse of the USSR, Western foreign policy by and large mirrored the hard power approach of the US, using its strength to impose its vision of world order. This worked to an extent – for instance in the Balkans - until in the fires of 9/11 the vision became distorted and the delivery counter-productive. Although there are now belated signs of readjustment, the results so far have been almost entirely the opposite of what was intended. And nowhere more so than in the region stretching from Afghanistan through the Arabian peninsula to the Levant and the Middle East. Here the West has sought openly to impose its own social and political vision – and we have got it wrong.

There are two phrases above all others that epitomise this failure: 'the axis of evil' and 'exporting democracy'. The 'axis of evil' sought to categorize the world into bad and good, a polarised world in which those who were not with us must be against us. It was at best a heavy-handed concept. 'Exporting' democracy in theory sounds respectable. Allowing people to decide their own futures is after all a desirable objective.

But the term 'exporting' proved counterproductive. It infers that the exporter's product is superior to that which it seeks to replace when in reality it can end up replacing potentially benign if non-elected regimes with often unpalatable democratic outcomes.

The 'exporters' of democracy assume that democratic processes naturally produce liberal democracies as they normally do in the West. In practice the opposite has often proved to be the outcome.

Over these last years the West's stock response to the axis of evil and its satellites has been regime change followed by so-called democracy, as seen in our continued involvement in Iraq and Afghanistan. More significantly throughout the region it has driven forward the process of categorization, vilification, ostracism, isolation and ultimately polarisation.

In almost every case where this has been applied the results have been the opposite of those intended - nowhere more so than with regard to Iran. At the turn of the century Iran had few

friends. Threatened by external Taliban influences to the east and Saddam Hussein's malign influence to the west, Iran was anyway self-isolated by its religious introversion. Uncooperative and unfriendly, it was a brooding menace - but little more. The 'axis of evil' changed all that. Condemnation encouraged Iran to flex its muscles and coupled with the unintended 'generosity' of the West in disabling the Taliban threat and removing the menace of Saddam Hussein, it gave Iran a fresh persona and stronger position.

What is more, isolating the regional 'bad guys' in some cases has brought about the almost incredible situation where Sunni and Shia are finding common cause against the US and its allies, where unlikely friendships with Iran are being created because there is no other friendship available and where even moderate Gulf states are protecting their backs by burnishing their credentials with Tehran. Western policy has given Iran a revived role in regional affairs, just as western hostility towards and suspicion of Islamism has acted as a recruiting sergeant for Islamism movements. Both are now more powerful and credible than they could ever have hoped a few years ago.

Western policy has also created disturbing anomalies. Syria in Western eyes may have been regarded as part of the regional problem. In fact it also has to be a central part of the solution. Yet it has been ostracized and isolated by America. Even when the Iraq Study Group report indicated a way in which Syria could become involved in working towards a regional solution, the US and most of the West continued to hold it at arms-length. The truth is that both Syria and the West would benefit from dialogue, particularly as President Bashar al-Assad has begun to look outwards, increasingly seeing Syria as a Mediterranean country in terms of relations with the European Union as President Sarkozy has indeed recently recognised. Syria has strategic interactions with almost every major player and country in the region. It can be either a benign or a malign force in relation to the politics of Lebanon and of the Palestinian Authority, and between the PA and Israel.

In relation to Iraq, Syria has a major incentive to become constructively involved in stabilisation, if only to expedite the return of the Iraqi refugees who are undermining the Syrian economy. Yet the US still will not talk to Syria other than on the farthest margins of other events; and it has long been against Israel doing so either. The effect of this has been to drive Syria ever closer towards Iran, which is why arguably the most important diplomatic process at the moment is the one going on between Syria and Israel, moderated by Turkey. An agreement between the two of them would change the whole regional equation and the repercussions would be momentous. While Syria would retain the friendship of Iran it would no longer be a dependent friendship. Israel would become less insecure by the shoring up one of its more fractious borders. A shift would occur in the Middle Eastern dynamic that could have a positive knock-on effect in breaking up anti-Israeli alliances between militant groups. It could make Syria less prone to interfere in the affairs of Lebanon. It could exert a benign influence on both Hamas and Hezbollah. Even if there is no agreement, the Turkish process could offer an entry to discussions on a more comprehensive resolution of the problems of the region, one which could allow others to become part of that dialogue too. This is a real opportunity to turn from isolation to engagement.

The US could have a positive role in this. Instead, through her policy of isolating and ostracizing, America is allowing herself to become marginalised not only in this regard but in other equally important and related disputes. The US is being gradually supplanted as the potentially most influential mediator by regional states, such as Turkey in the Israeli-Syrian talks, Egypt in the Hamas-Israeli ceasefire prisoner negotiations and Saudi Arabia in seeking Hamas-Fatah conciliation.

I wish the Syria/Israel initiative well. The consequences of failure and maintained western isolation are that Syria will continue to rely on Iran for support and friendship, and will give it back in return. Syria's presence at the Annapolis Conference demonstrated that they are willing to be more widely involved and this is what the West should be encouraging. The French have realised this, and President Assad's visit to Paris this week is warmly to be welcomed. It is time we in the UK set aside our obsolete inhibitions and also got involved.

The same applies in Lebanon. The Lebanese tragedy is that it has for too long been the frayed rope in a political tug of war between Iran and the US, Israel and Syria. The withdrawal of Israel without conclusive victory in the summer of 2006 was regarded as a victory for Hezbollah, one which has reverberated around the Middle East. Opponents of the US and Israel are noticeably emboldened by the outcome of the conflict. The failure of the West in general and the US and UK in particular to press Israel to cease her attack was at the time and still is interpreted as tacit support for the Israeli action in seeking to obliterate Hezbollah. Its effect was to drive Hezbollah even more firmly into the arms of Iran, which reacted predictably by helping it with the arms and welfare resources needed to claim victory.

Yet the West learned nothing. This May they tacitly encouraged the Lebanese Government to seek confrontation with Hezbollah. They have vicariously helped arm the various anti-Shiite militias thereby making Hezbollah even more reliant on similar help from Iran. They have studiously ignored the fact that there can be no constitutional government in Lebanon without the democratic involvement of Hezbollah and that isolating them will never achieve their purpose. Hezbollah's actions in early May brought all this to a head. The subsequent deal reached at Doha in mid-May underwrote victory for Hezbollah and its allies giving them most of what they were asking for. Isolation and ostracism once again achieved the opposite of what had been intended. It allowed Hezbollah credibly to present themselves as a resistance movement, as liberators and not merely defenders, and as a role model for the region. Hassan Nasrallah's allusion to a pan-Arabism and sense of 'shared resistance' is the real fruit of the Western policy of isolationism.

The solution for Lebanon has first to come from within, where the major problem is still the weakness national institutions, the inadequacy of the state, and the lack of social contract. The formation at last of a new Government of national unity, however, is very much to be welcomed. This however has happened despite rather than because of Western pressure. The West would be in a much stronger position to help if they were prepared to engage with all the elements and to stop taking sides.

The Israeli/Palestinian conflict has been another area where the politics of isolation and ostracisation have made a lasting solution more difficult. The closeness of the US/Israel relationship has of itself had a polarizing effect within the Palestinian community. For all the various peace initiatives, including the current aftermath of Annapolis, the ordinary Palestinian sees the West's failure to rein in the Israeli settlement programme or to condemn the 'barrier' as clearly partisan.

It was the US who insisted on democratic elections in the Palestinian Authority. Hamas's overwhelming victory in the Palestinian parliamentary elections of January 2006, however, was not the intended outcome. Hamas was immediately encircled by politically undeliverable pre-conditions to enable the policy of ostracisation of terrorist movements to remain intact and for the election result to be ignored. The regional effect was to destroy further the credibility of exporting democracy and once again to drive the ostracised and the isolated, in this case Sunni Hamas, into

the arms of Shiite Iran. And it took the continuing isolation of Sunni Hamas to create the current unlikely alliance with Shiite Hezbollah.

Yet engagement with Hamas remains essential because without their involvement no peace process will ever have the required legitimacy to survive. Creating Palestinian unity must be a priority both to rein in Hamas and to create a representative Palestinian organisation to take forward genuine negotiations with Israel. Local interests realise this. Countries such as Saudi Arabia, Egypt and Jordan, despite themselves being threatened internally by Islamic movements, have supported the notion of a unity government as the only way for an agreement to be reached. The West has not. We press on with the rumoured Annapolis goal of a 'shelf agreement' between Fatah and a weakened Israeli government which if achieved would in my view be positively dangerous; a coconut on a shelf for everyone to shy at.

Despite being the historical frontier of a different empire and an adversary for much of modern times, Iraq is another arena where because of the policies of isolation Tehran's growing influence is evident. Moqtada al Sadr and his Mahdi Army alienated from the West have strategic connections with Iran. The Prime Minister and the United Iraqi Alliance are Shia and despite their reliance on the West have growing ties to Tehran. The crowning moment thus far for Iran's growing influence was the visit of President Ahmadinejad to Baghdad in early March this year. It was the first by an Iranian leader since the 1979 Revolution, and the welcome was positive, high profile and warm.

Iraq is an area where the West still exercises hard power in pursuit of building democracy and it is therefore doubly ironic and revealing that 'isolated' Iran should have such ready purchase there. I have long believed that the answers to the long term stability of Iraq must involve all her powerful neighbours. But the Multi-Lateral group of Saudi Arabia, Iran, Turkey and Syria can only make headway once American polarisation ceases. Until then Iran will continue to take advantage.

Other countries which are not directly caught up in the conflicts are often and wrongly overlooked in considering the over all stability of the region. Yet the long term solidity and moderate politics of these countries cannot simply be taken for granted. Neither can their independence from Iran. The simple fact, expressed to me very recently by leaders from these countries, particularly in the Gulf, was that it was all very well for the US to call on them to back the isolation of Iran, but on the inevitable day whenever that the US left the region Iran would still and always be there – in the case of the Gulf states as a near neighbour. So a different more passive form of polarisation is occurring with the same result: the broadening of the influence of Iran at the expense of the West.

Kuwait is a good example; recent elections held in May saw the conservative Islamic Salafis achieve success at the expense of the more moderate representatives. Political and social reforms are made more difficult by the electoral victory of the Islamic conservatives. It is not surprising that in these circumstances Kuwait increasingly needs to ensure reasonable relations with Iran which might otherwise seek to exploit the situation.

The West therefore should not seek to force nascent Arab democracies into positions that are ultimately to their disadvantage in order to serve our immediate international ends. These countries have a role to play, particularly in the dialogue that holds out the best hopes for a comprehensive settlement in the region. The recent successful Doha Accord brokered by Qatar, which averted further immediate civil conflict in Lebanon, shows the enormously important role that these states

can play as long as the West does not seek to tell them to whom they can or cannot speak. Their role must be one of engagement – the antithesis of isolation.

Which brings me to my conclusion. The policy of isolation and ostracisation born of the concept of the ‘axis of evil’ has not worked. After six years, far from being weakened, Iran has become an increasingly influential power in a turbulent and dangerously unsettled region. Demonisation has given Iran an elevated status in a region already inclined towards anti-Americanism. Indeed Iran has benefited from the notion that ‘the enemy of my enemy is my friend’. While there were once disparate groups with historical antagonisms, there are now disturbing elements of cohesion to be found. Isolation and ostracisation has strengthened Iran and Syria and Hamas and Hezbollah. It has weakened the Lebanese government of Siniora and the status of President Abbas on the West Bank. It has undermined the Saudi attempts to bring the Palestinians together. It hasn’t strengthened Israel nor made her safer. It is putting pressure on our friends in the Gulf. And it has not solved Iraq or Afghanistan. It has if anything widened the disparity of these disputes at a time when they desperately need to be brought together.

It is more than time that the West turned to engagement. The old adage ‘keep your friends close and your enemies closer’ is never more applicable than in this instance. All these groups need to be drawn into dialogue. The world is facing enormous economic and resource crises, energy, water and food, from which in the end none of us are immune. There are many areas of urgent common interest, which can provide all these groups and countries with a common agenda. We should be building on that as a prelude to more focused talks on the individual conflicts that require resolution. It will not be easy to turn established policy around. But it has to be done. I believe from all the talks I have had in the region that it can be done.

Yet even now in the distance there lurks a dark cloud which could be the biggest polariser of all. A military attack on Iran by either the United States or Israel or both would not only in my view be destined to fail but it would also turn the majority of the Muslim world against the West. Such an attack would be totally divisive and unacceptable. Politics and military interests, like nature, abhor vacuums. Unless the current vacuum left by the policy of isolation and polarisation is filled, widening instability is almost inevitable. As it happens, Europe and Britain, if only we could see it, could have a real and invaluable role in this region if we can show ourselves to be both impartial and unemotional in our guidance, the antithesis of the policy of isolation and ostracisation. It is now more than ever necessary to talk not just to our ‘friends’ but to our ‘enemies’ as well. The time for engagement has come.

GENERAL OVERVIEW OF CONSERVATIVE DEFENCE POLICY

Transcript of a lecture given by Dr Liam Fox MP

14th October 2008

Dr Liam Fox has been the Member of Parliament for Woodspring since April 1992. After the general election in May 2005, Dr Fox was appointed Shadow Foreign Secretary and he became Shadow Defence Secretary following David Cameron's election as Conservative Leader, a position which he has held ever since. He is a General Practitioner, a former Civilian Army Medical Officer and Divisional Surgeon with St John Ambulance. He is also a member of the Royal College of General Practitioners.

When we are looking at international security and stability the rule that applies above all else should be: no surprises. The more predictable we are to one another, the less chance there is of an unpleasant and unwelcome shock to any part of the system of stability. Therefore, a great deal of what we intend to do, were we to win the next election, will be to try to bring some stability and predictability to what we do in terms of defence policy; and the first thing that we will do on coming to office will be to institute immediately a Strategic Defence Review which we believe is hugely overdue. We need to have one firstly because we need to assess the current geopolitical threats and not simply allow ourselves to remain where we were officially back in 1998, and secondly because of current effects on the budget of not producing a report in that time. We also intend to introduce regular Defence Reviews which will probably be on a four-yearly basis and put this into legislation to try to take Defence Reviews out of the political cycle, again to improve predictability and to diminish the chances of political forces distorting what is happening. I think that is to the benefit of both our armed forces in terms of planning, and to the defence industry.

Let me just start with the problems that we are facing with the Defence Budget and I will end with that as well. The problems with the Defence Budget in relation to the SDR are threefold.

First of all, if you are using defence planning assumptions in your baseline for the replacement of equipment that are based on the tempo of 1998, you may find yourself having a very severe effect on the core budget, and developing as a consequence, unfunded liabilities. Secondly, if we use UORs disproportionately to provide equipment for our armed forces, rather than a properly planned procurement programme, we will get initial costs in the Defence Budget but not through-life costs, and again, that has an impact on the core budget. Thirdly, the current arrangement between the Treasury and the MOD, where the costs of UORs above £900 million will be met 50% by the Treasury and 50% by the MOD can result, as it has in the past year, in the situation where, at £1.7 billion of UORs, the MOD has to make a cutback of £400 million in its Budget right at the outset before it really starts to get anything else in the system. Forcing the Ministry of Defence to make cuts in its core budget because it is getting more equipment to fight a war does not seem to me to be an ideal way of funding what we are doing in terms of our military operation.

So what do I perceive as the sort of threats that we might face? Well, I am afraid that my view is that the strategic environment is deteriorating, not improving. At the end of the Cold War everybody had an overly optimistic (as it turns out) view of what might happen in the world. In medicine we

used to say the most useful instrument is a 'retrospectroscope' and that applies equally in politics. But we did not take fully into account at the end of the Cold War what the collapse of the Soviet Union might mean. For nations where there had been a hundred years of repressed nationalism or parts of the globe where there was repression of religious fundamentalism, we did not take into account what might happen if that pressure was suddenly removed and we have seen to our cost some of the problems that have come as a consequence of that.

People will say to me, 'If you are being frank, do you think that in *Options for Change* we took a too optimistic view of the world?' and I think in retrospect, yes, we did and I think that was reflected right across the Western world for the very best of reasons - that people believed we were genuinely entering into a new world order, whereas in many places we have entered into a new world disorder and we are dealing with the consequences.

What are some of these areas? Russia clearly is one of those examples. Russia is now embarking on a 208 billion increase in its defence expenditure largely funded by its petro dollars. By 2015, Russia will have provided another 4000 tanks and APCs, 1000 fixed wing and rotary aircraft, a new submarine class and by the time we get to our new nuclear deterrent here in Britain at a lower warhead level than we currently have, we estimate that Russia will have added some 400 warheads to its land-based and 100 warheads to its submarine-based missiles. That is not a positive development.

When we look at what happened in Georgia, we can see that the Medvedev Doctrine of intervening whenever there are substantial numbers of Russian citizens is not a recipe for stability. When you combine what we have seen in Georgia with other elements of what clearly is Russia's willingness to use oil and gas as instruments of foreign policy - the movement into Georgia very quickly took control of oil and gas facilities and pipelines - and with the facilities that the Russians now have in terms of the bases in Georgia, in Abkhazia, and South Ossetia, it is clear that the ability to cut off Caspian oil and gas to the west within a matter of a couple of hours is now a very stark reality which we are going to have to live with.

We also have seen in recent times, Russia annexing or attempting to annex some 460 thousand square miles of Arctic territory. We have got sea lanes now passing through what is disputed territory, the only major trading route that I can think of globally where that happens. We have seen a number of minor instances where the Russian forces seem to be testing the Norwegians and others, and I think we simply have to understand that this may be an area where we may be probed from time to time by the Russians to test our resolve.

Now, it is not an entirely negative picture and I would hate you to come away with the impression that I am entirely a Russiaphobe. I think that what Russia requires is stability. It requires predictability, consistency and strength and I think that some of the messages that we have sent to Russia in recent years have been inconsistent and that what we showed in Georgia lacked strength. We have not made as good a job in dealing with Russia diplomatically as we might have, but however, it in no way excuses what happened. In Georgia there was a very clear breach of international law, there was an unacceptable imposition of force and an attempt to destroy Georgian military infrastructure. The situation of Russian forces on the sovereign territory of another state should, in my view, have got a sterner response from the West than ultimately it got, but great credit to President Sarkozy for the initiative that he showed.

So Russia - one to watch.

Iran is going to be an imminent problem. Now I have colleagues who say, *'well, Iran is bound to become a nuclear weapons state, we had better learn to live with it and accommodate it'*. I profoundly disagree with that for three reasons. Firstly, the nature of the leadership in Iran: when you have people like President Ahmadinejad almost certainly reflecting the Supreme Leader Khamenei, when he talks about wanting to wipe Israel off the face of the map, rhetoric or not, that sort of language is unacceptable in a civilized family of nations.

Secondly, Iran has shown itself par excellence to be a nation which will export instability and terrorism to neighbouring states, and I do not really fancy Hamas and Hezbollah being able to add fissile material into that particular equation. I do not fancy seeing dirty bombs in Lebanon as a way forward for the region. Now – and even if you do not believe that either of those two reasons are sufficient to want to stop Iran's nuclear weapons ambitions - if you think it through and Iran becomes a nuclear weapons state, then you are likely to have Egypt and Saudi Arabia and who knows which other countries in the region all wanting to become nuclear weapons states too, and surely we do not want to see another nuclear arms race with all its instability, expense and futility in the world's most unstable region? We surely want a better legacy for the next generation than that and that is something we will have to face up to and again, there is a lack of understanding in dealing with Iran about Iran's internal politics. I think we have got to the phase now with Iran where we have invested so much in hi-tech surveillance that we can read every number plate on every car in Iran by satellite, but we are not really sure who to talk to on the ground - that is, if we have got anyone who speaks Farsi to talk to them in the first place. We really do need to start again to question our priorities in terms of diplomatic policy and intelligence if we are going to get a stable environment in the longer term.

And, of course, the third major threat that we face is Al Qaeda, which, for the sake of this discussion, I will use to describe a violent anti-western form of Islamist fundamentalism. Again, we need to be very clear about what it is we are dealing with and we need to recognise that there are those out there who dislike us because of what we do, they dislike us because of what is happening in Iraq and they dislike America's closeness to Israel, but that is a group that who can be dealt with, who can be negotiated with. There are those out there who hate us because of who we are. Our system of government, our values, our way of life, they are irreconcilable, and we have to accept that those people cannot be dealt with because they have chosen to confront us and we cannot avoid confrontation with them. Perhaps we can decide whether to confront them on the Afghan/Pakistan border or the Madrid train station or the London underground or Manhattan, but confront them we will have to do, and that requires us to have a moral strength of purpose that we need to rediscover in some parts of the western world.

What about our actual deployments at the present time? Well, I was in Iraq two weeks ago. I was in Basra, on exactly the same trip that I had made just less than two years before, when we could not leave the armoured vehicles, we could not even get into the centre of the city, and when, as everyone knows, the casualty rates and fatality rates were very high. Two weeks ago, first of all we could not get into the centre of Basra because of the traffic jams thanks to the number of people out shopping with their families. We went out walking on the waterfront without body armour, without helmets, chatting to ordinary Iraqis whose concerns had moved away from security. What they worried about was their jobs, electricity supply and water supply in an utterly changed environment. There is no doubt that what has happened in Iraq has been a major turnaround, and I say this with all sincerity, that it really does bother

me that in our press while there was acres of coverage of Iraq when things were going wrong, since things have started to get better, the coverage seems to have got less and less and less. I think that it is about time that we had a bit of a debate about how we got to this beneficial position and where it might lead us from here.

First of all, I think that enormous credit is due to the countries of the coalition who were willing to stick together through thick and thin and to see Iraq through to a better period. I think General Petraeus deserves particular credit, not only for putting extra troops on the ground but also for recognising the political imperative to determine who are the reconcilables and who are the irreconcilables and to differentiate between them and to have the political pragmatism and maturity to make that US policy.

One thing that I found very encouraging when I was in Basra two weeks ago, was the fact that with the massive fiscal surplus which exists - here we are in a credit crunch in the UK and Iraq is talking about being unable to spend its 72 billion surplus quickly enough and wondering what it will do with its 90-100 billion surplus next year - you can see some of the real geopolitical benefits that a stable Iraq might bring. Down in Umm Qasr they are now talking about building a deep water facility. Given Iraq's potential railway infrastructure, it offers another means of transporting goods out of the Gulf without going through the Straits of Hormuz. It could go straight north into the Mediterranean in Turkey which of course makes Turkey a much more important player than many people have given it credit for, although I think that in the United Kingdom both our Government and Opposition should be applauded for the way in which they have stuck by Turkey and supported it when many other of our European partners have not. So I think there are potential benefits that a stable Iraq can bring us in terms of our security.

But Afghanistan, I am afraid, is an area where there are still a substantial number of question marks about exactly what it is we are trying to achieve. If I may just say something political before I deal with that, it is this: we in Britain are a liberal democracy, but we were liberal long before we were democratic. We had 150 years between Adam Smith and universal suffrage and we abolished slavery 100 years before we gave women the vote. We never extended our franchise if it affected our political or economic stability. It is no surprise that we are unable to create Jeffersonian democracies in 13th century broken states in five or ten years. We need to have an understanding of our own history to understand what we are likely to do be able to do in any predictable time scale.

We also have to get out of our heads this idea that democracy is simply the exercise of electoral mechanics. If democracy were simply the exercise of electoral mechanics, Gaza would be the beacon state in the Middle East. Democracy must sit upon the pillars of the rule of law that applies equally to the governing and the governed, a concept of economic rights and a free market system, and a concept of human rights applying equally, irrespective of gender or race or religion. We therefore need to have not only noble purposes, but realistic time scales in what we are trying to do in countries like Afghanistan. This is going to be a long term project, because to provide the institutional underpinning for the democracy that we intend to see developed there will take us time. We need to ensure that we are operating in a way where not only our own Departments in Britain - the FCO, MOD and DFID - are operating in a very clear and concerted way in the areas where we have responsibility, but also that the international community is operating in a properly coherent way and that we are all operating to the same strategy. Someone when I last visited there said, 'You know, the one thing we're

not short of is strategies.’ We have got an EU strategy, an Afghan Government strategy, a NATO strategy, a UN strategy, a British strategy, you can take your pick which strategy you want. Ultimately, however, we need to have a very single and clear view internationally of what it is we are trying to do and to make sure that our military and our reconstruction efforts are far better aligned than they have been in recent times. That is the only way that we can hope to bring stability to Afghanistan.

And as for NATO inside Afghanistan, we need to understand that this may well be an existential problem for NATO. If NATO cannot be made to operate in Afghanistan, why would it have credibility and cohesion for the future? Therefore it is essential that we find ways of ironing out some of the problems we have in Afghanistan and in particular if I can mention just one, I would say that we have a problem with the basic funding mechanism in NATO which has been made very clear in Afghanistan. That is effectively, that those who do the fighting also do the funding. So the more troops we have, the more equipment we have, the higher the bill gets to that national government. I think it is pretty unacceptable to British, Canadian, and American taxpayers in the longer term that we should be providing not only the higher risk to our military by their physical deployment, but also a higher cost to our taxpayers because we are willing to make that military deployment. David Cameron in his Chatham House speech suggested that we need now to look at a mechanism within NATO for missions that we carry out beyond Europe’s borders and create a real fund so that the countries that take part are actually reimbursed for that. Not least because it removes a barrier to some of the smaller countries, where for financial reasons they feel they cannot take part at the present time and the Alliance is weaker for that. It is something that we need to look at and it is something we have already had discussions on in Washington and Ottawa and Ankara and beyond.

Michael mentioned the military covenant. None of this is possible, none of anything that I have mentioned is possible unless we have the armed forces to actually carry out the policy. For five years I worked as a civilian with the army as an army doctor. It was, of course, the perfect relationship. I had the honorary rank of Major which meant that anyone below me had to do what I told them and anyone above, I just said ‘I’m a civilian’. Sadly it is not a luxury that very many people have in the Forces but, at that time, I really worried about some of the welfare issues that affected service families. The bottom line is this: if you want to create unhappy service personnel, the easiest way to do it is to create unhappy service families and there are a number of reasons why we have unhappy service families. The rate of deployment, the frequency of deployment, the gaps between deployments, mean that families are separated more than they were before and that has an inevitable strain.

The standard of accommodation has been much commented upon. The educational attainment for service children, the way in which the NHS takes no account of people moving around from one base to another so that if you are on an NHS waiting list in one part of the country and are required to move by the Government to another place for part of national security, you drop to the bottom of the NHS waiting list somewhere else. That is nothing to do with money, that is simply to do with bureaucracy and it should be easily sorted out, if we can make sure that when we are making arrangements in how we provide welfare services of one form or another, that we take into account the Armed Forces. Another example would be that for local authority funding, if you have got a population of travellers that comes and goes, you will get a grant to take account of that, but if you have got service children who come and go in number, you do not get a grant to take account of that. There is something very wrong in a

culture that allows that to happen. And that is simply about awareness in Whitehall of the pressures that affect the Armed Forces and their families. And we will produce at the next General Election, for the first time, a separate Armed Forces manifesto which will deal with welfare issues relating to the Armed Forces, which will deal with some of the issues I have already mentioned and which will deal with procurement plans and our outline on that, because we need to give a reassurance to the Armed Forces and their families that they are not forgotten. Unless we can do that, unless we can diminish the unhappiness that exists inside service families, we will continue with the problems of retention that we face. Simply reducing our forces in Iraq will not be enough to diminish the level of overstretch that we face at the present time. We need to keep the people in the Armed Forces that we have. We are losing too much of the quality that we have trained and given experience to, over the period.

Finally, before we enter into a debate, I want to say a word or two about procurement.

I said at the outset that we wanted to give greater predictability to the defence industry and I think that it is very important that they are not operating in an ad hoc environment. So the aims of Conservative procurement policy will be first of all, to give our armed forces what they need when they need it at a reasonable cost to the taxpayer. That must be right and it must always be number one. Secondly, as I say, to give better predictability to industry in terms of what we are likely to want to procure as a consequence of what we have perceived in our regular Defence Reviews. And thirdly, to help defend British defence jobs by seeking, as an element of policy, to want to increase Britain's share of the international defence market, by supporting defence exports which will mean reinstating DSO right back inside the Ministry of Defence and not treating defence exports as if we are exporting paperclips or candles. Defence exports are an integral part of security policy and it is only right that that is operated from within inside the MOD as part of a National Security Strategy, the structure of which we will also want to alter. We will have five tests, as I have laid out before, for any procurement project: capability, affordability, adaptability, inter-operability and exportability. These are tests which should be met as part of giving the taxpayer value for money, as well as for predictability and the strength of exports. And in all of that, it does not mean that we are going to be rushing off to the US to buy everything off the shelf or rushing outside the UK. In fact, we see very strong benefits in inter-governmental partnerships. We see strong benefits in us co-operating with the United States because of its economy of scale and the size of its defence infrastructure, but also cooperating with partners in Europe, perhaps even beyond where we believe it to be in our mutual interest to do so.

But one thing I would make very clear to you: we are talking about intergovernmental policy. We are talking about dealing on a nation-to-nation basis, not a supra-national basis, which is why we will not allow procurement policy to fall under the auspices of the European Union. We believe that it has to be independent, that the United Kingdom has to have control over what happens in terms of our procurement, and while it will not be a little Englander policy - we will be willing to co-operate with many other countries that we think may have an ability to give extra bang for the buck or capability to what we want - it has to be a policy over which we have control and therefore we cannot surrender any elements of that procurement policy to the European Union and we have made that very clear to our partners.

The very final thing I will say is this. Will the Conservatives increase the Defence Budget? Well, if anybody in this room can tell me in two hours from now what the international financial environment will look like, I would be pretty surprised, never mind what it might look

like 18 months from now. So the most ridiculous thing that anyone could possibly do now is to stand up and say, *'I know what the size of our Public Expenditure Programme will be in two years' time and I will give you a figure.*' That would be quite crass, and if we've got to get away from anything in British politics, it is promising things that we cannot deliver. There has not been a Defence Secretary or Shadow Defence Secretary probably since the war, who would not have liked a bigger budget, but as my father used to say, *'like doesn't always get'*. We will have to wait to see what the state of public finances are at the time we come to Government, and then make a judgement accordingly in terms of the priorities that we will have. To do anything else I think would be quite wrong, quite misleading, to our Armed Forces, to our Defence Industry and to the people of this country, and we will not do it.

IS THE UN'S FUTURE BEHIND IT?

Transcript of remarks by Sir Emyr Jones Parry GCMG

27th October 2008

Sir Emyr Jones Parry is a former British Permanent Representative to the United Nations and a former UK Permanent Representative to NATO. He joined the Foreign and Commonwealth Office in 1973 and during his distinguished career, he has held posts in Canada, at the UK Representation to the European Union, at the European Parliament, and in Madrid. In 2007 he was appointed Chairman of the 'All-Wales Convention'. In January 2008 he became President of Aberystwyth University.

At the weekend a lady told me she sat her final examination at Oxford in philosophy. Expecting a long examination paper, all she saw was 'Is this a question?' - and as some people agonised as to what to say and some wrote extensively, after 20 minutes she wrote very simply, '*Is this an answer?*' She got a 1st Class Honours Degree. Now I feel a bit like this looking at your question.

Let me make a confession to start with (I make it in the presence of David Hannay who has been my mentor for so long): I have been a multilateralist for most of my career. Why? Because, in today's world, no country can isolate itself from what is happening. If you believe what the Prime Minister says about the causes of the present problems, they all emanated from the United States. That is maybe a slight exaggeration, but the fact is, the present financial crisis is not capable of resolution in one member state. If you look at what happened in China some years ago with SARS, two weeks later people were dying of that disease in Toronto. Climate change is classically an issue which does not respect any national border. I was sent to Brussels in 1982, among other things to argue that the European Union should have no competence in education, environment or energy policy. But we know today that even in education, there is scope for the EU to do things. Certainly, the environment and the whole question of energy supply and how you handle energy, has to be done outside the nation state. Terrorism is the same. Collective defence, the health and prosperity of nations, international trade policy, our prosperity, are all tied up in something greater than the nation state.

Finding solutions requires states to work together to promote and understand their national interests, but at the same time to reach accommodation with others. Compromise in that sense is not a dirty word. It is a necessary element in reaching an agreement. That is no different to commercial life where, if you are going to get a deal, the parties to the deal must all see a benefit derived from it. The challenge for the multilateralists is to put yourself in the shoes of the people with whom you are negotiating. Try to understand and then try to deliver outcomes which match what you want nationally. Of course for us in the United Kingdom, NATO, the European Union and the UN are basic elements in terms of international policy.

As Churchill once said '*there's only one thing really worse than negotiating with your allies, and that's having no allies with whom to negotiate.*' So against that, how does the UN measure up? There is hardly an aspect of normal international activity in the economic sphere which is not one way or the other influenced or regulated by bodies associated with the UN: the IFIs, IATA, IMO, the

World Trade Organisation, even our postal services. Today there are 100,000 UN peacekeepers deployed around this world in some twenty countries.

The World Food Programme is in at least 75 countries. And that is not just delivering food. It is actually dealing with nutrition and the whole range of aspects associated with food production and nutrition. Coping with natural man-made disasters is another example. There are 22 million refugees today. UNICEF, the World Health Organisation, UNDP - for me in a nutshell those bodies justify the continued existence of the United Nations. Bear in mind that the UN does not do harm. It aims to do good. As it does that. It confronts a raft of challenges that are out there. There may be fewer conflicts today, and most of those are intra-state. Yet probably mostly unremarked in London, three million people have died in the Democratic Republic of the Congo since 2000.

Look at development and the essential link between development, security and human rights. They are essential to the nature of any state. Dealing with the first of those, development, we have the Millennium Development Goals, the targets recognised within the UN to cope with hunger, to improve education (especially for girls) and to combat disease. This year 500,000 women will die of avoidable deaths associated with childbirth; 2.9 million will die of HIV Aids. And a shocking statistic: 500,000 kids are likely to die, half of whom will probably die of measles, an avoidable disease. There are 1.6 million people in this world living without adequate sanitation or water. There are one billion people who live on less than \$1 a day. The targets that we have all signed up to by 2015 are clear, but they are slipping and the situation is getting worse as the UN Secretary General has reminded us in the last week. That means the developed countries have to meet their commitments, yes, and the recipients accept their obligations too, in particular to put in place programmes to implement on their territories the Millennium Development Goals.

Look at climate change. When I was living in the States, the argument was still not won as to whether there was a phenomenon called climate change. The stark reality is that it is happening, that global warming is a threat to us all and that whatever we do now, we inherit the legacy of the last century of economic activity. We require, all of us, an agreed approach which tackles on a binding basis a cap on CO2 and other emissions and which tackles the root causes of deforestation. Deforestation contributes something of the order of 18% of the problem that we have and there is a very simple double whammy, whereby if you chop down trees, there are fewer leaves to actually photosynthesise carbon dioxide and create oxygen and at the same time, every time you burn a tree you send up a huge mass of carbon dioxide. The increased access and development of clean technologies and the financing of those is essential. As Nick Stern demonstrated, the cost of doing nothing is much greater than the cost of taking the necessary action. So what is the solution? Well, there are many, many contributions to it, but the UN Framework Convention on Climate Change is essential as one of the key elements.

How do we cope with counter terrorism? I am not now going to claim that the United Nations has a huge role, but in terms of the Security Council's contributions and the three committees that it has working on this subject, the UN makes discrete and positive contributions. The essence is that for counter-terrorism and effective policies to work, it is the sum of actions which can be taken. All member states, all organisations, all multilateral organisations who can contribute to tackling that problem - they all have to contribute.

Against that basis, where are we in the UN? The UN can also, and should, address those issues which are used as a false justification for terrorism, notably the Middle East Peace Process. When we look at the conflict theatres: Darfur, Ethiopia-Eritrea, where not only is the UN engaged on the

ground, but is also required to tackle the triggers of conflict which are there and which exacerbate the situation. In this world there is far too little attention given to the prevention of conflict. It is not enough after the event to try and put in peacekeepers to maintain a peace. Tackling the spectrum of conflict from the potential to the actual and then stopping it breaking out again is quite crucial.

I mentioned disease, but I would simply like to note that for the whole series of HIV Aids, TB, malaria, from which, day by day, tens of thousands of people are dying, sensible action can help. I mentioned measles. Measles came pretty close to eradication in about 2004. Then, because of stupid decisions and the inability and unwillingness to vaccinate in one member state in Africa, the net result is that it has broken out again in Africa. It is a very, very nasty disease, especially for the poor and for the weak.

Too often, let me stress, the United Nations is blamed for the action that it failed to take, when the problem actually rests with member states who are unwilling to act. Think back to Rwanda or Sarajevo or other cases. It is the failure of nations and that is where the UN is very much like a mirror: what you see is what you get. It reflects the political will of sovereign states. There is an inherent tension and this tension is set out in the Charter between the provision which says 'thou shalt not interfere in the domestic affairs of a sovereign state'. Yet with more and more issues out there, if you believe in rights, if you want to tackle poverty, if you want to ensure political and sustained economic secure development, somebody does need actually to intervene. Look at the Mau Maus, the Zimbabwes, the North Koreas, the development of nuclear energy and what pertains to it in some countries and which is a potential threat to the rest of us.

So, in addressing those challenges, what does today's UN need? It certainly needs a great deal of internal reform. The Secretary-General should have power to act and should not be fettered by the member states. It needs to develop and accept the sense of prioritisation. It needs to be far more cost effective and it needs to look at the outputs it delivers, because the delivery of the UN is how you judge how effectively it is on the ground. In Addis Ababa today there are probably 23 UN agencies on the ground. If you are the Ethiopian Government, you can be forgiven for not actually understanding to whom you should relate on which aspect. I am all in favour of competitive discussion between agencies, but when it is a destructive competition which does not help and confuses and above all, does not deliver, then it needs a remedy.

We also need the right policies in order to be able to tackle the challenges, some of which I have tried to set out. With that goes, of course, the question of institutional change. Is the UN, as it is presently configured, with its members, effective? Does the Security Council do its job? Does the General Assembly do its? I am quite clear that the Security Council is more efficient than most of the other organs, but that is not to say that it is today representative of the modern United Nations and its 192 states.

So what are the problems for the UN in trying to move forward and tackle some of those changes that are necessary? Partly the vested interests and the influences in New York. When Kofi Annan tried to introduce a measure of a career structure three years ago for people working for the UN - much-needed because the average contract outside is probably about nine months - he was the subject of a vote of 'no confidence' by the trade unions based in New York. I thought it was one of the worst things the trade unions could possibly have done.

The distrust between G-77 and the developed countries is as bad today as it has ever been: the

lack of confidence in each other, the inability to work constructively together, the unwillingness to accept that other people have interests and to reflect those. The developed can properly be accused of not meeting their obligations, but at the same time the developing do not always respect what they should be doing. Certainly when you have a vote in the General Assembly on the Human Rights situation in Sudan and on a procedural vote, that resolution is thrown out by the General Assembly, a greater indictment of the GA there cannot be and its inability to address problems in certain countries and certain types of issues becomes very, very obvious.

The truth is that the UN does many things well. There are many things it ought to do much better, and there are things that it does not do that it ought to do. But as we look forward to the challenges that we confront, my simple contention is that the world needs to address issues multilaterally more and more and that the UN is the one body which gives full membership legitimacy and, as necessary, a legal basis for action. As such we need this UN and it therefore has a future. We do have to make sure that in that future the UN tackles the issues it ought to, that the UN is the beacon for the oppressed, the hungry and the poor, but at the same time it is an organisation prepared to change and adapt to those problems, and to do so some sixty years on in a way which reflects how we ought today to tackle these issues. Essentially for this country, the UN matters a great deal, and the economic, political, strategic and, I venture, the security interests of the United Kingdom are bound up with the United Nations continuing and making a better success of the challenges that we face.

A CONSERVATIVE NATIONAL SECURITY POLICY

Transcript of a lecture given by Baroness Neville-Jones of Hutton Roof

8th December 2008

Pauline Neville-Jones has been a Conservative peer in the House of Lords since October 2007. In the Opposition Shadow Cabinet she holds the post of Shadow Minister for Security and is also National Security Adviser to David Cameron, the Leader of the Opposition. From 2004-2007 she was Chairman of the Information Assurance Advisory Council (IAAC) and, from 2002-2005, Chairman of QinetiQ Group plc. From 1998-2004, she was the International Governor of the BBC with responsibility for external broadcasting, notably the BBC World Service (radio and online) and BBC World (television). She was chairman of the Joint Intelligence Committee in Whitehall (1991-1994). As Political Director in the Foreign and Commonwealth Office she was leader of the British delegation to the Dayton peace conference on Bosnia in 1995.

I am not going to give you a blow by blow account of what I believe Conservative foreign policy goals might be in different parts of the world, although I shall certainly say something about one or two of the major issues. I thought it would be more helpful and I hope more interesting too, if I were to try to describe what I think the objectives of our approach are - what kind of philosophy and attitude to the world will infuse a national security policy of a Conservative government, and to give you some idea therefore, of what we believe to be the consequences of those various basic standpoints.

For as long as we have had modern history, Britain has always been an outward-looking society and a country that has engaged round the world and indeed had an Empire. The fact that we no longer have an Empire has not actually reduced the level of British engagement and we have, on the whole, thrived by trade. It remains absolutely cardinal to us that the world should trade, that it should trade freely and that we should be able to influence events and profit from general prosperity. So the first point that I want to make about all of this is that we wish as a Conservative Party to maintain the engaged open society that we believe Britain is and ought to remain. Now that has huge consequences for the way in which we treat what has now sadly become another absolutely integral part of security, which is our domestic situation. We are not accustomed to having to treat our domestic scene as part of our security problem or indeed erect great apparatus for the state to make ourselves secure. But it is a sad fact that we cannot any longer neglect domestic security. It is crucial, it seems to me, that the price of remaining engaged around the world is not that we become prisoners at home. We absolutely must, as a really important part of our security policy, preserve the ability to engage abroad and the open and free society at home.

Some of the areas of difference between ourselves and the government do actually revolve around that second set of issues, which is where does the line lie? And how do you go about creating collective security on the one hand, but maintain individual freedom and generally a free speech society on the other? That, in a sense, is the modern challenge to policy makers and the fact of having to bring our domestic security scene into security policy is a development that I think that none of us appreciate and none of us enjoys. The fact of terrorism in the world creates a cloud

over both the foreign and the domestic scene, but it is one which, however, we have to combat, deal with, bring under control, mitigate, but never let triumph.

So those, I think, are the preoccupations of somebody dealing with national security policy. When Michael Clarke, who is now at Rusi, gave one of these lectures quite recently, he made some comments which I thought were very apposite which to some extent I am going to take as my text today. I would like to just quote Michael. He started his lecture by saying:-

'It seems to me that this is a very interesting time to be studying British security policy, it's a miserable time to be making it, an absolutely miserable time to be a policymaker, but it's a great time to be an analyst since there is a transition taking place between two international systems.

Then he goes on to make an assertion which is one of the assertions I want to try and test. He says that:-

'Whereas the old system was one that played to Britain's strengths, the international system of the 21st century does not. And I think we will have to look much harder for those areas of strength than hitherto in order to exploit them.'

That is quite a challenging thesis. The broad thesis being that not only that we are moving from one world to another (and that is to some extent a quite widely accepted thesis, that the patterns we understood in the Cold War have broken up and new ones are forming and they are not yet made and we do not entirely understand them) but the crucial part of Michael's thesis in that statement is that actually the trend lines are against the UK. Now is that the case? I will look at that issue and come to one or two conclusions.

I want to spend just a little time on diagnosis, not long, because I think we are all familiar with it. The outlines of the scene are fairly well understood. We have transitioned from the bipolar world which was relatively static, relatively simple and linear in construction and we have now moved into one where the identity and ambitions of large parts of the globe are no longer suppressed. Previously, we did not have to pay attention to them and they were not allowed expression anyway. And now what do we have? We have a thousand flowers blooming and frankly a lot of weeds as well. The landscape as a result is fairly chaotic and it is lacking in both alignment and stability. That is the kind of thing, of course, that policymakers do not like. What policymakers like are nice neat patterns and plenty of stability so that you are predicting, or at least having a fairly good idea of, what might happen next and it does not come too difficult. I do not think that is true at the moment at all. I think we are constantly taken by surprise, which tells us that we do not understand a great deal and we do not have a great deal of confidence in our ability to manage the scene. So words like fragility, unpredictability and vulnerability are much more the watchwords and indeed, lying behind that is a certain tendency towards being just a bit fearful.

So you can ask the question, 'What has gone wrong'? Well, part of it is just 'events, dear boy', but I also think that there are various underlying things in the world which you can point to as being gratuitous additions, which we can try and do something about. The continuing inability of many states to provide their inhabitants with a fulfilling and worthwhile existence is a source

of instability and the fact that we no longer have the repressive framework of the Cold War means that it becomes safe or much safer for ideological alternatives to ordered repressive states, such as Islamist fundamentalism and terrorism, to challenge the legitimacy of the inadequate, corrupt and repressive states. In the world where the bloc no longer exists, we do now see forces able and willing to challenge authority if it is not well-grounded and if it does not have legitimacy in the eyes of the inhabitants of the country.

I have to say that I think the incomplete Western response - and incomplete is rather a polite way of putting it - has also to some extent fed the narrative of grievance. We need to have a much fuller way and a much more sophisticated way of dealing with the challenges and with the world where we can be faced by and our efforts can be destroyed in a blow by the networks that sustain terrorism. By that I mean that we will go for the building up, painfully, of structures over time, which apparently can be swept away by a single act and we have got to get used to the idea that we will be constantly disrupted and one of our tasks is to ensure that the disruption that goes the other way is equally powerful.

And lastly, and I cannot deny this, is the credit crunch. The credit crunch has actually made quite a lot of what we are about to do, probably, if not significantly, somewhat more difficult. I think we do not yet know how deep the difficulty is, but to some extent this is a self-imposed handicap and the implosion at least in the short- and medium-term of Western capitalism, which undoubtedly saps at our confidence and in the short-term reduces our resources, does make it more difficult to deal with some of the challenges. This raises a question. I heard Lord Paddy Ashdown in the Lords saying the other day that 'a transfer of power has now taken place'. I am less clear that a transfer of power has taken place, but it is fairly clear to me that there is a much greater diffusion of power going on. I am less clear that this is yet a zero sum game, but I am clear that unless we respond intelligently, indeed there could be a transfer of power which becomes much more permanent. Even if it does become more permanent, there is a separate question that you can ask which is, 'is that necessarily a zero sum game?' Even if you do have economic resources transferred round the world and you do have others who are able to wield political influence as a result of that increase in economic muscle, does that matter? Is this always a zero sum game? Are we not better off with more prosperity around the world? I would say 'yes' to that question, but I would also say that when you look to Western leadership - and a lot of this has to do with the maintenance of Western leadership - how is it going to be achieved? You cannot go on as if that diffusion of power and resources had not taken place. You do have to manage your relationships in a way that actually recognises that something important has happened. So I would say that I do not regard this as being something 'negative', but I do think that we have got to change some of the ways we do things and in a lot of ways, what I am talking about is a change of style.

We, up to now, have been able to maintain the status quo, really since 1945 /1950, which was a time of great creation. Everybody has read their books like Dean Acheson's Present at the Creation, but something very important was laid down there which the world has lived with since, and for western countries it has had the absolutely primordial characteristic of embodying western values. It is our UN Charter, it is our IMF, it is our WTO. The institutions and the philosophy and the values that underlie them are western - individual liberties, the right of citizens, limitation of the power of the state, all of those things which carry our message round the world. Much as we may think, we often do, that the United Nations is a useless outfit and indeed the Security Council disappoints as often as it actually satisfies, in my view, to ignore it and to bypass it and not to seek use it, is a mistake because it represents a vehicle which, if

we lose it, will be a much greater loss to us than to those who would actually then be able to work round it because it no longer existed or no longer carried much influence. I do not say that I think the UN is the ideal organisation for the command of military peacekeeping, but I do think that the United Nations is important to us as a fount of political and legal legitimacy and political legitimacy is just as important as legal in my view.

Now I say all that because we have got a choice here. Do we seek to uphold that? It is one of the arguments that has been going on, perhaps between right and left in foreign policy on whether we seek to continue to uphold these institutions and whether we seek as a result of that - and I believe we should - to enlarge their membership and enlarge their influence. I think that we need (and this is not new thinking, I do not claim originality here) to understand that we have got to change the voting rights in the IMF and a lot of other places as well and all the informal bodies that have been erected as informal superstructure on the UN system partly to supplement some of its weaknesses, like the G8 (there equally, we need to enlarge and include). Inclusivity seems to me to be one of the messages. It is rather ridiculous that the Chinese are invited to accompany the G8 but do not actually belong to it. We do have to recognise where structure and influence have flowed. So I think that is important. Now does that mean that somehow, to return to my issue about whether this is this disadvantageous to us, this is going to be a loss? It certainly means that for Europeans, our voting rights will go down because we are over-represented. But do I think that somehow this represents a loss of momentum and leadership for western countries, which is one of the things that people worry about? I do not think so really. We have got to learn from the latest setback but I still believe that the powerhouses of the world and the wealth generators are technological and intellectual and that these are areas in which, frankly, the West remains in the lead. The manufacturing workshops of the world certainly profit from this, but I do not believe they are yet the primary generators of wealth, although they spread it immensely.

I think that one of things we will see emerging from this business of the transition are, if we are sensible, new economic structures. I would like to see like the UK less dependent on the financial sector and more dependent on other forms of wealth generation and I do believe, whether it happens here or not, that we will see new industrial and economic structures emerging, partly as a result of the demands that are going to be made on us by climate change. We do have to find other ways of both conserving energy and of actually of powering ourselves. That itself is going to lead to quite important changes of wealth-generating activity.

Finally, I want to say one other thing about the transition world and that is just a word on values. I started with values and values run all the way through what we need always to bear in mind. I do not believe that we in the UK or indeed we western societies should try to make our foreign policy value free. I am quite unabashed about my view that we should promote, and I mean promote, the institutions of free and open societies. I believe that to be one of the best ways of creating an antidote to the sort of challenge that I identified right at the beginning, which is the inability of some countries to satisfy young burgeoning populations. If we do promote open societies, we help provide the context for fulfilling lives for ordinary people and that has obviously to go along with a generation of wealth. I do not mean by that, the crude institution of the ballot box, which can lead to extreme nationalism or to tyranny sometimes adorned with the fig leaf of a popular election and we have seen plenty of that. You cannot do these things in haste, so it has been a mistake to try and have, after an intervention, an election within a year. You get a replication of exactly the kind of leadership that you previously did not wish to have in power, because they are still dominant figures. So we have got to learn that instituting

democracy is a matter of laying down institutions over time and that you have to work with the 'grain' of society. It is a quite different, much longer-term approach and we have written about that in the report that some of us wrote for David Cameron about a year ago and I think that that is going to be at least part of the Conservative approach.

Now, I have already ventured onto the territory of how we should go about facing up to the challenges that confront us. I am on to the 'what should we do?' And while I do not underestimate the difficulties of it, I do think we need to keep all of this in proportion, because people are very gloomy at the moment. But you know, we do not face the rubble and the ruin of 1945 and we do actually have a world capable of and knowing how to generate wealth, so I think we need to put our minds to how we overcome the immediate difficulty which the credit crunch poses, and to look now to trying to form a longer-term, sustainable strategy. I put my weight on all those words, because I think we need to not be transfixed by the short-term, preoccupying as it is, but to try and work out something which gives us a framework of the kind that we did manage to invent in the Cold War. It took us a few years and it does take a few years to understand where you need to try to go, but anybody who is as old as me remembers the Harmel Doctrine which was the twin track doctrine of both sound defence and ideological challenge for the other side. Something similar is actually what we need now and my point is that we need a strategy. How are we going to do that?

Frankly, the United States is crucial. The UK is not a country that by itself can move mountains. The UK is a country that certainly can and will, I hope, be a key player. We have certain attributes which derive from our history and geography and I would hope to see us play this role again. Everything I am about to say now in a sense makes some assumptions about continuing American power and influence in the world. I said earlier that I do not think we are in the game where we are seeing this in decline - I do not belong to that school of thought - but it is going to be indispensable for the US to actually lead. We do need to see an outward-looking leadership. People worry about US isolationism - I don't myself - but that does tell you something about the continuing importance of the US to global power.

Secondly, I would say that we do need to get on with it. I do not think time is on our side. For all that I am confident about the western strength over the long term, there is plenty going on at the moment which should tell us that we do need to get on with forming and implementing a strategy, we need to work together, we need to be inclusive, we need to bring new powers into the game of global management and we need to live by our own rule book.

I get the impression talking to people in the President elect's administration - I have not talked to people right at the top, but I have talked to quite a lot of people who have been doing a significant amount of the writing, which I think one begins to see now influencing some of the things that are being said - that the Americans are going to make a serious attempt to shift style and to do more consultation and to make a shift of emphasis from deploying hard power to more reliance on soft power. I think that is beginning to come through fairly clearly. Indeed, Obama has said that he does want to see less money in the Pentagon and more money in the State Department. I do not know how easy it is going to be to do all of this, because it takes time to shift budgets even if you manage to persuade people that this should happen, but it is certainly a different language from the one that was spoken by their predecessors.

So what ought the Europeans to be doing? I suspect that we are going to have, as people have remarked, demands made of us. If we want to have this consultative style from the Americans

that we have so often pleaded for, we are going to have to respond. There are no free lunches here. I would say that more American leadership means more European contribution, not the reverse. So we might as well gird our loins and decide that we are going to be contributors because, frankly, it is Europe's last chance too, in the sense that if we duck this, why should anybody ever come anywhere near us again when we complain about the Americans taking no notice, or not being allowed to be part of the top table? We have got to decide that we are going to do something serious as well.

I said that I am not going to talk about regional or individual policy issues, but the one area where you put your finger on it as being urgent is that swathe of territory that runs all the way from the eastern Mediterranean through to northwest Asia. I mean the greater Middle East. I think there are two big areas where we have to form policies which unite the allies and where we determine between us that we are going to take on specified roles. I am in favour of some real burden-sharing and obviously one is the Middle East Peace Process and Iran; and the second is Afghanistan, Pakistan and north-west Asia. Our histories are such that our levels of engagement and our knowledge of these areas and things differ - but that does not preclude Europeans from deciding where their strengths lie and making a contribution.

On the Middle East in particular, I get the impression (and I hope that I am right, because if I am, I certainly welcome it) that the new US administration is going to adopt an approach which is more global in the sense that an attempt will be made to shift the Middle East Peace Process and to shift the manner of dealing with Iran. I do personally believe that it is very hard to make progress in the Middle East if you deal with these issues separately and in watertight compartments. I do not underestimate the difficulty of all of that, but it is certainly important that this becomes an early rather than a second term priority, because I think the trend lines in the Middle East are, as things stand at the moment, moving in the wrong direction.

I want to turn in the last section of this just a bit to the UK. The government keeps on telling us that the UK is particularly well-placed in the current economic predicament compared with western competitors. I do not know who else believes that theory. I do not. Equally, I do not want to underplay the UK and I certainly do not want to give you the impression that the UK does not have resilience: it most certainly does, but I do worry about the increasing level of national indebtedness and the rather dramatic decline in the international value of sterling. We do have to recognise that these things have a direct effect on the resources available. So, in the short- to medium-term, I think the government may find itself fairly constrained. I do not, however, think that that should alter our sense of direction and where we try to go. So I am going to set out now the general characteristics of a Conservative approach.

One thing I want to say and I think that it is important, is that there will be more continuity than there will be difference. We do have differences with the current government, but it has been a British tradition which I think has redounded to the strength of the country and I see no reason to change it, that there is more bipartisanship in our foreign policy than there is controversy and argument. That is part of our posture of being a reliable ally. Allies on the whole find it much more comfortable to work with countries where they have some clue as to what the government is going to do next and some confidence that policies will continue across change of government. I do not think people need really seriously to imagine that there will be huge changes, but there will be some alterations and I am sure you have got some clues in some of the things I have been saying.

We will continue to have a close relationship with the US. We are accustomed to operating in coalitions and alliances and we will continue to do that. If the US has discovered that they cannot act entirely alone and without co-operation, so much more is it true for the UK.

We also have to operate with the grain of British public opinion. I think Iraq has been a fairly wrenching experience. Whatever view you took of that intervention, it was uncomfortable for those in government and the political class to see such a divide open up inside our society. It is very, very important that government is frank with the electorate and seeks to explain its policies and seeks to persuade. I object strongly to the fact that foreign policy speeches are usually made abroad by this government instead of in this country and that we have so few foreign affairs debates. It is something we must correct, particularly when the government is trying to chart a new course and trying to carry the country with it. It is very important, particularly in the wake of the distrust and mistrust that has arisen between government and governed as a legacy of Iraq and which continues to underlie quite a lot of the debate and discussion. It is very important to close this gap, particularly in the area of terrorism and I will come to that in a moment. Distrust between government and governed is extraordinarily corrosive, so it is something which we must seek actively to try and put right. As I said we will maintain a close relationship with Washington, but we will make foreign policy in London. William Hague has said 'strong but not slavish' and that is what we mean.

We will seek to maintain the open trading system and we will be pragmatic. People know that the Conservative Party does not necessarily go a bundle on all aspects of the EU, but we are going to work with our partners and we certainly take the view that one of the things the European Union should be doing is giving serious priority to making an effective effort to increase the security of our own continent. We are not really accustomed to Europe being part of the security scene. I think we have rather taken it for granted in the last ten years, that life moves on and there is not a problem in Europe any longer. But now we find, not a threat to our territorial boundaries, but tensions in our continent that we need to deal with. We have to try and find a long-term relationship with Russia which is not at the expense of the countries that border on Russia and we have to find a way of allowing those countries to decide their own future, while not submitting ourselves to the choice which the Russians seem to be putting on the table, of either 'you co-operate with us on our terms or we can have confrontation'. We have got to be cleverer than that.

One other thing I would mention is the role of our armed forces. We will wish to continue to be able to project power. Our armed forces remain absolutely vital to our security. We do take the view that you need to be able to operate abroad as well as at home in security matters. We will honour the Covenant; we will look after the soldiers. When we come to the more difficult issue of exactly what kind of strategy we are going to pursue, we are going to have to look at the books and that is one of the reasons why we are not prepared to say beforehand what the outcome of a Defence Review, which we are quite clear we will have to have, will be. I have various thoughts on the subject, but I think that we have to try and do something in the area of procurement to make it faster and less demanding on the system and also, per unit, less costly. We need to do more on commonality of procurement across defence and security which includes increasing the degree to which you use the same technologies in the armed forces as well as in the police and elsewhere. There is quite a lot that can be done to make life cheaper and more effective if we went that route. We will not be afraid to use force when we need to, although as I indicated to you, we do think that it has not proved successful to lead your security effort and your foreign policy with the military arm. That does not mean to say 'last resort

means that you wait too late', but I do think that we should return to a more traditional relationship between foreign policy and defence, with defence supporting foreign policy rather than, as has been the case recently, tending to lead it.

Turn to the situation at home, because this is the other part of life which is, in a sense, new and gives security policy a much broader definition than it had in the past and there are some consequences out of all this. When we talked about national security policy, which on the whole was a term we have not used in this country until relatively recently, what we meant by it, however, was a mixture of foreign, defence and development policy. We did not mean the internal security of the country. Well we do now and we should. Now we accept the Government's contest strategy and this audience will know what that means. It is the 4 Ps:

- Pursue
- Protect
- Prepare
- Prevent

We think this is a good framework for policy and we agree with its broad interpretation. There are areas where we would like to see an improved delivery, but we do not object to, and we will build on, the framework. For us it includes obviously, not only the internal security that we are all accustomed to being conducted by the Home Office, but it means energy policy, it means aspects of local government and it means that whole area in which there is some contest between ourselves and the government, which is domestic cohesion and national unity and national identity.

On the various Ps, very briefly - domestic resilience is a crucial part of security. It is the Cinderella of the security scene. What do we mean by that? First of all, it needs to be our ability to resist hazards, it needs to be all-encompassing - we need to be able to do both hazards and also manmade threats and you have to have consistency and compatibility of policy and standards both at home and abroad. As part of that, we need stronger border security and we need to have a perimeter which performs this function and this is where I come back to the whole business of trying to ensure that we have a free society at home. You use the border as a way of actually protecting, inside the border, as free a society as you can with freedom of movement and as little restriction as possible, because one of the consequences of having an insecure border is that you are constantly fearful that people and things have arrived in the country which you do not know about and do not wish to have. It is the unwanted consequence, so you end up having tighter security at home because you do not have sufficiently good security at the perimeter. So there is a definite trade-off here. We need to get serious and the government is at last gradually getting serious about border security. We have been banging on about this - how it is done and what it should aim at - for quite some time and I think, if I might say so, the government is playing 'catch up'.

The last thing I want to say is that our machinery of government does need altering. We do not have 'fit for purpose machinery' when we cannot bring together these disparate aspects of policy which need to be part of an overall strategy, when they are located in different departments and where there is no place where they can really be brought together. Now the government has followed us again, to some extent, in creating a cabinet committee with a complicated name to talk about these 'across the board' issues. We will set up a National Security Council, chaired by the Prime Minister, bringing the departments concerned together. We will, once the Parliament, which is the British equivalent to the every four-year period of the Americans, formulate a National Security Strategy, which will be a strategy, not a detailed

blueprint, which will then be monitored in the National Security Council, but the component parts will then be the responsibility of the various relevant Departments of State. It will be agreed by Cabinet and it will go to Parliament, so we are not going to try to bypass Parliament, we are going to continue to have collective government and we are going to put the Prime Minister in the centre, but not allow him to run it by sofa government. There will be a more coherent formal process with the ability to maintain compatibility and consistency at home and abroad and to bring in the various necessary agencies and to make sure there is accountability in the system. There is inadequate accountability in the system at the moment. I welcome the fact that the government has now at last put in place a National Security Committee as scrutiny. We also believe the ISC (the Intelligence and Security Committee) should also be strengthened and in my view, it ought to take evidence from the police in their counter-terrorist command role, which at the moment does not seem to be supervised anywhere.

We need to do significantly more about our capacity to recover from disaster and also to lay down stronger sinews of resilience in society as a whole. The Pitt Review which followed the floods of last summer was absolutely devastating. It was devastating about the inability of the UK system to act ahead. We can recover - our recovery systems are not too bad (they are not brilliant either) but we cannot plan ahead. This is a great British failing. We are not good and systematic and we do not travel back. So we have planning regulations that are inconsistent with good practice when it comes to house building, which means that you build on the flood plain, you then tarmac it over so surface water cannot get away and then what have you got? A much, much bigger flood crisis than you might have if you had actually done some sensible prevention and you had organised your system properly. Now all of that is quite complex because it is different layers of government. It requires different practices and it requires spending money up front rather than spending it afterwards to rebuild the sea wall, which everybody recognises you have to do, so then you have to produce some money. But to prepare beforehand to prevent disaster is a much harder thing to persuade people to do. We need to do something about those systems and while we would continue to wish to maintain a lot of the responsibility and accountability locally, we would want to see national standards and a national strategy set more at the centre.

In conclusion, resilience ought to be embedded and the last point I make, which is part of national security policy, odd as it may seem, is that we do need to do something about, consistent with our security in the literal sense, ensuring the creation of a more united and self internally loyal society. Multiculturalism is a mistake. It tends to separate rather than unite. We need to turn that language and those policies round and we need to make those who are relatively new incomers in our society feel part of the greater whole. I will not go on about that but I think none of us should imagine that the issue of nation-building and soft power if I might put it that way, is any less relevant to security at home than what the police and the intelligence services do for us on a daily basis.

So, should we be depressed? Should we think it is all so very gloomy? There are lots and lots of challenges. But I come back to what I said earlier on, about what happened in the 1940s and 1950s. We are not faced with a continent in ruins and the Soviet Union halfway into Germany, about to acquire the bomb and power the communist parties in western Europe and a hot war in Korea. None of those things. What have we got? We have got rather a prosperous world and one that was zooming ahead and it will go ahead again. It was Ernie Bevin, the then Foreign Secretary, who invented NATO (he does not get credit for it, but NATO was invented here) and he succeeded in putting the UK in pole position in many respects as a result. It

requires imagination and I am sure it requires leadership to invent new structures of a kind which will be as powerful as those have been in the past era. The next meeting of NATO and its 60th anniversary next April will be very important in charting a way forward for the Alliance as a whole. It should adapt in my view, but I think it is perfectly possible. But I do not see any reason why the UK should not regard this as just as much of an opportunity as we created for ourselves the last time. So I do not, on the whole, go along with the Clarke thesis that somehow the trend lines are now set against the UK and the points in the system are not going to be ones that we can deal with. I recognise the challenges, but I am sure we can deal with them.

AFTER BUSH: IMPLICATIONS FOR TRANSATLANTIC RELATIONS AND FOREIGN POLICY

Transcript of a lecture by Sir David Manning GCMG, CVO

Tuesday 20th January 2009

Sir David Manning joined the Foreign & Commonwealth Office in 1972. He served in Warsaw, New Delhi, Paris and Moscow. From 1994-5 he was Head of Policy Planning; from 1995-8 Ambassador to Israel; and from 1998-2000 he was Deputy Under Secretary of State for Defence and Intelligence and a member of the Foreign Office Board. He was the UK Permanent Representative at NATO (Brussels) from 2000-2001 before returning to London as Foreign Policy Adviser to the Prime Minister and Head of the Defence and Overseas Secretariat (2001-2003). He was then Ambassador to the United States for four years from 2003-2007.

Can I first of all say thank you very much to Sir Malcolm Rifkind, one of my former bosses, for his very kind introduction and to Michael Ancram for this invitation. I do want to take this opportunity of saying that I have always valued them as two of the best and ablest people in the public debate in this country on foreign policy and security issues - we are very lucky to have them. They are also two of the most courteous people involved in that debate.

Can I also thank you for coming? There is, as Sir Malcolm has said, a rival attraction. I am very conscious, too, that I have here an audience that is very knowledgeable and very varied. So what I hope to do is paint in fairly broad brush terms how I see the Obama election, and what it means for foreign policy, and then we can have a discussion. There are certainly lots of things that I shall miss out and there are probably lots of things you will not agree with, so I hope we can have a bit of a debate.

The place to start is, of course, where Sir Malcolm started, which is the fact that we have now, at last, arrived at the 20th January. Two years of electioneering culminate today, after millions and millions of dollars have been spent and millions and millions of words have been spoken and written. And the issue is, now that we have reached the 20th January, what does it mean for international affairs and for foreign policy; and particularly for the transatlantic relationship? And I think I have to start by saying what is no doubt obvious: the international part of this puzzle does not operate in a vacuum. We need some context. We need context because it gives shape to what will inevitably follow; and it gives us some clues as to what we may expect from the Obama Presidency and the Obama team.

The place to start with context is the election. We have read endlessly about it, but I think we need to remind ourselves of certain things about this election. Can I just say in parentheses here that I know there are Americans in the audience and I always feel slightly odd about telling Americans about their own country and their own elections, but bear with me and correct me if you feel I am wrong - all American elections are surrounded by hype, but this time I really think the hype was justified. I do think this was a mould-breaking election. The Democratic Party decided that it was going to offer America the choice of either the first black American President,

the first African American President, the first multi-racial President or the first woman President. By a very narrow margin, the Party chose Barack Obama. The Republicans decided that in McCain that they would choose somebody who would have been the oldest President ever elected to a first term; and he upped the ante by choosing Sarah Palin, which would have given the Americans, had he been elected, their first woman Vice-President.

So this was an extraordinary election. It was also extraordinary for other reasons. The mobilisation of the electorate this time was done in new ways, which I suspect will have repercussions well beyond America. The fact that you saw the internet used in the way that it was - this had been pioneered to some extent in 2004 by Howard Dean, but the Obama people really went to town. You could pick up your phone and have a text message from Obama two or three hours after something had happened or somebody had said something - this is connecting with the electorate in a new way and I suspect that in this too, this was a watershed election.

I think it was also important for what did not happen - not mould-breaking perhaps, but important - in that this was not an election about the culture wars. It was not actually an election about race. People said it might be. We heard a lot about the so-called Bradley effect, which goes back to an election in California in the 80s when there was a black candidate who was well ahead in the opinion polls when he lost on the day people thought that it was, if you like, subterranean racism. I have to say, and this is not with the benefit of hindsight, I did not feel that when I left America that this was likely to be the issue with Obama and so it has proved. But it is an extraordinary thing to think that Virginia, the heart of the old Confederacy, came out and voted for Obama in this election. That is the measure of change that this represents.

So why did he win? Throughout the election campaign, he tried to shape this as change versus experience and McCain, I think, was happy to do that. The issue was: were you going to take a punt on a new generation in power that was going to offer you a changed approach to many of the issues domestically and internationally that we will discuss in a moment or was it too dangerous a world to do that? Should you stay with McCain, an authentic American hero, a very considerable figure with enormous experience, who was able to say, *'Look, it's too dangerous to take a chance on this untried young man?'* In the end change is clearly what Americans preferred.

I think there was, well before the current economic crisis, an economic and financial component to this debate too. Throughout the time I was in the States, I was very struck by the degree to which middle-class Americans were suffering from a sort of malaise. It is a long time since middle-class Americans have felt that their disposable income has been going up. Middle-class Americans feel under enormous pressure over healthcare costs, over putting their kids through college. This is a time in America where you are able to look at statistics which indicate that the gap between the richest and the poorest is greater than it has been for a hundred years. And I think that this election was, if you like, a sort of revolt by middle-class Americans. They want the American dream back. They want to feel that however tough it is for themselves, it will be better for their children. And I don't think they felt that throughout the Bush period, particularly given the tax cuts which were aimed at the rich, not the poor.

It was also an election about competence, and of course this plays in to what we can expect from an Obama Administration. There was a feeling, particularly crystallised around Hurricane Katrina, that while the Bush Administration might have a vision of what it wanted to do, and you might or might not agree with it, it was not competent in producing results on the ground. Those days in which suddenly you saw pictures of Americans on the roofs of their houses, unrescued, in New

Orleans, visions which looked to most Americans as if they came from somewhere else in the developing world, were a huge shock. In my view this was the moment that American politics, which had been anaesthetised since 9/11, woke up. And I think it was no surprise – of course Iraq was a huge issue at the same time – that by the time you get to the mid-term elections in 2006, politics in America is a very different politics from that of 2004. You see the Democrats begin to come back in force.

The election was also about personality. People have said that we don't know much about Obama. Actually the American process of being elected is a pretty demanding one. It is two years of the rubber chicken circuit, when you get an awful lot of exposure, and when an awful lot of issues come up. Obama had been seen criss-crossing America for over two years. He also had to respond in the final weeks of the campaign to the economic crisis. He came across to many Americans, as he did to many non-Americans, as cool and articulate: there is substance, there is style; and he looks as though he is able to grapple with the issues.

And then, of course, – and I want to explore this in a moment – the issue that is key to the election is the Bush legacy. But before coming on to that, another word about context which is the fact that the Presidential election goes hand in hand with the Congressional election. There is a tendency in Britain to think that the United States is somehow a giant version of Britain and not to understand the profound differences in the way that American politics and government work.

But the fact is, we did not only see a President elected in November, we saw an enormous shift in the weight of the power on the Hill in the two Houses of Congress. The Democrats now have commanding majorities, both in the House of Representatives and in the Senate. They have fallen just short of having an arm lock on the Senate which requires 60 Senators – they have 59. My own view is that this is lucky for them, because if you have 60 you have got no excuses, if you have 59, it is easier to say, 'well, we would have done it but...' But that is a side issue. One of the ironies about the Bush period for historians is that Karl Rove, the President himself, I think, hoped the last eight years would usher in a period of Republican dominance both in the White House and on the Hill, but as the President leaves office today, the Democrats have captured the White House with a bigger majority than any President for a very long time and they have commanding majorities in both Houses on the Hill.

It is important when we look at this, for foreign policy as well as everything else, to contrast this with the British system. If you have a Prime Minister in commanding form, who has a commanding majority in the Commons, practically any legislation will be enacted. Things are different in America. When I was in the Embassy, I used to make the point that 'just because we get 'yes' out of the Administration, doesn't mean that we get 'yes' on the Hill'. And so when we talk about what Obama will do, all the time we have to remember that there is this added dimension. Initially, he should be in a very strong position to command what happens on the Hill. But we should not kid ourselves. There are a hundred independent minded people in the Senate. There is also the House, where all members up for re-election in two years' time. So although the Democrats in Congress are tied to Obama, it is not automatic that they will necessarily support everything he does. And he will have to work with that. He has a very strong team in the White House. Many of them have exposure to the Hill in a way that has not been common. It is worth saying that Obama himself is the first Senator to become President since John Kennedy – it has been fifty years.

He has also put together an extremely able team. There are a lot of prima donnas in there, but an awful lot of these people really know what they are talking about. They have got enormous

experience and they are dealing with massive problems. My sense is that Obama feels that while he is going to be conducting this orchestra, he absolutely wants these people to have the independence to get on and tackle the issues. At this stage, I would much rather give them the benefit of the doubt and believe that, even if there are big egos in there, it is much better to have great talent than to go for safety; much better to have experienced people who will not have to spend a couple of months looking for their desks before they can actually get to grips with the issues.

So what about the Bush legacy? What is it that Obama now faces? All of us who are in the foreign policy area need to remember that this comes second to the domestic legacy. It is not necessarily easy to draw dividing lines between domestic and foreign policy issues, of course. But before he can get through the inbox to the foreign policy issues, Obama is going to be faced above all with the economic and financial crisis. His Presidency will turn – the success of it or failure of it – on how he handles that issue. It is going to be an enormously time-consuming and difficult problem to get right. He has also promised the American electorate that by the time he is standing for re-election he will have got to grips with the healthcare issue. And this is immensely important to Americans – the idea that 40-50 million Americans have no health insurance, the idea of ever-spiralling health costs - this really is at the heart of what his campaign has been about. It is very tough to get it right – ask Hillary Clinton – but we should be in no doubt that he will have to spend a lot of time worrying about that issue, particularly since he will know that his election campaign starts today.

Obama has, too, promised that he will address the energy problem. This is massive for America – it is America's Achilles' heel: it is a problem that if he can get right, will transform many things. It will reduce America's energy dependency and therefore its strategic vulnerability, but it will also have an impact on the budget at home. And if he can really push the development of alternative sources of energy in the United States, America could find itself - over the next five, ten, fifteen years - leading a green energy revolution. This will itself bring about a new industrial revolution and create enormous economic opportunities.

Anybody who was listening to the Today programme this morning will have heard Jim Naughtie talking about infrastructure. And again, Obama has committed himself to doing something about America's crumbling roads and collapsing bridges. Very big bucks are involved. Again he will have to deliver on this. People don't want bridges to nowhere in Alaska, they want the bridge outside to stand up.

And finally, and less talked about, has been immigration. I thought George W. Bush was on the right side of that argument. But his party chose to take a different view from him on immigration. That helped to get Obama elected. If you look at the way in which the vote divided in November, you see this massive swing of the Hispanic vote behind Obama and away from the Republicans: a real change with 2000 and 2004. Obama is going to have to think hard about how he sustains that: what is America's immigration policy going to be? This is an important philosophical issue for America, because immigration is yeast for the extraordinarily experiment that has produced the American model. Tamper with it at your peril.

And now at last, I get to international relations, which is what I have been asked to talk about. And the first thing to talk about is style, because we will see a different style, a style that will certainly feel much more sympathetic to Europeans. That is the evidence that we have from the two remarkable books that Obama has written - I commend them to you if you have not read

them, especially the first one, which was not written with the election in mind, *'Dreams from my Father'*. We can expect somebody whose instincts are to be pragmatic rather than ideological and to be multi-lateralist – certainly in the second book, there is not much sign that Obama is much enamoured with the idea of American exceptionalism – and I think we should expect to work with somebody who is instinctively interested in finding consensus. And this is not just true for foreign policy – it seems to me to be very much where he is domestically too. If you look at his cabinet construction, the idea of reaching out to different elements of American politics and American society, is very clear, whether or not self-consciously modelled on Lincoln, does not seem to me to matter very much. This is the approach he wants to take adopt to governing America and I suspect it is very much the approach he wants to take in trying to conduct international relations. But Europeans have to be clear too that Obama is not “a free good”. European enthusiasm for him is very obvious.

Less clear, I suspect, is the understanding that if you are in a partnership with the new President, he may make demands on you that are both expensive and politically difficult. We can speculate about what those may be. But for governments and individuals who have been able in the last four or eight years to say, *'well, you know, I don't much want to help the Americans because I don't approve of George Bush'*, that excuse is about to evaporate. Obama will come to Europe in April expecting to hear that we too have an agenda for international relations, and that we are willing to make commitments and find resources to try and deliver it.

Let me turn to specific policy areas: first of all, terrorism. 9/11 was the defining moment international and security policy for the Bush administration. This was not surprising – here was a direct, unprovoked attack on the American mainland. It gave the Bush Administration its rationale and its leitmotif for the following eight years. I think Obama will approach terrorism differently, but again I would issue a word of caution. No American President can seem soft on terrorism; no American President can seem soft on national security. And remember, when you elect your President, you elect your Commander in Chief. And remember, too, that Republicans will certainly be looking at this as a possible angle of attack, so Obama will have to be very clear that he is going to be tough in dealing with the terrorist agenda. Having said that, I think he will stick to his commitment to close Guantanamo, which is enormously important in terms of America's image. Guantanamo has done enormous damage. There are some very bad people on Guantanamo, but the price of keeping them there is far too high in terms of America's reputation as a champion of freedom and human rights. Suspending habeas corpus has done America immense damage in the common law world. I think Obama will also make it quite clear that his views on where you draw the line between interrogation and torture are where the Vienna Convention says they ought to be.

Just as important as these specific and, to some extent, symbolic things, I think he will disaggregate the problem of terrorism. One of the difficulties in the last eight years has been the tendency to lump too many things under the heading *'The Global War on Terror'*. There are huge differences between the problems we face, whether in Africa, Asia, the far East. To refract everything through one prism in the way in which the Bush Administration has tended to do has made it very difficult to recognise and deal with this complexity.

As the media tell us endlessly, Obama inherits two wars. The first is Iraq. When the election campaign began two years ago, Iraq had great salience. It was a hugely important issue, but it has diminished day by day. This is not to say that Iraq does not remain a top priority for the new Administration – of course it does. The incoming President has promised that, over 16 months, he is going draw American forces right down. My own hunch is that it will be much harder to

get everybody out than it looks, but I do think that we will see a move away from front line US activity to much more training and support. Obama will want to ensure this happens. He has promised it and needs results. He also wants to shift the effort to the second war that he inherits: Afghanistan.

Afghanistan was the war of necessity – this is where 9/11 was plotted. It has a different resonance with the American electorate, than the war in Iraq. But I am sceptical that those who voted for Obama, hoping that he was going to get them out of Iraq, were also voting for a more intense war in Afghanistan. This is going to take a lot of handling. It is going to be difficult politically, difficult militarily, and difficult financially. And there are hostages to fortune here. He will need to be very energetic in developing the political dimension as well as the military dimension. This is now a regional crisis. It is not just about Afghanistan - it is about Afghanistan and Pakistan; it is about India's relations with Pakistan. There is a whole nexus of issues here. And if, as the media say Obama's technique in focusing on particular crises is to put some of the ablest American diplomats and public figures to work the issues then putting Dick Holbrooke to work on Afghanistan/Pakistan is a good illustration.

I hope that the Middle East will be at the top of Obama's agenda. There are some signs of this. Signs too, that he will be much more inclined than the present Administration has been to insist on the interconnections between the various crises in the Middle East region. I am struck by the way in which he insisted on mentioning Iran before Hillary Clinton gave her Senate testimony in her confirmation hearings. There are some signs that the new Administration will see whether it is possible to approach Iran in a different way. But, I come back to what I said about national security – Obama will have to be very careful not to appear a soft touch. But the idea that he will approach Iran to see whether a relationship in the round can be developed, so that we talk energy, security, as well as nuclear – I think that has real appeal. It will not necessarily work but we should at least try it. We might be surprised. I was one of those who was deeply sceptical that reaching out to Gaddafi would have any impact on his nuclear programme. There is a perfectly respectably hook for the new Administration to hang engagement on, which is the Baker-Hamilton report, that came out at the end of 2006. This was ostensibly about Iraq. But in fact it was a bipartisan Democrat-Republican report, arguing that America should try and approach Iraq, Iran, the whole Middle East nexus of issues, in the round. I hope Obama will also give top priority to the Middle East peace process. We have a very, very short window left to try and resuscitate the two-state solution. I hope that he is going to bring people like Dennis Ross, Martin Indyk and Richard Haass to bear on this problem. I take encouragement from what Hillary Clinton has been saying about the priority that she wants to give to it. It is absolutely vital that this is right at the top of the agenda. Obama is going to be very preoccupied with domestic issues. It is going to be essential that Hillary plus her team of experts, really go to work on this very, very quickly.

Let me touch on one or two other things before opening the debate to the floor.

China is hugely important. There is a sort of symbiotic relationship between the US and China now. America buys Chinese goods, China buys American debt. And on a massive scale. Zbigniew Brzezinski's piece in the FT the other day about the need talking about the need for the G10, the G12, the G14, but ended up by saying we need for a special relationship between the United States and China, will have found much food for thought. It is interesting to contrast what happened during the Bush period with China and Russia. When Bush came in, there were high hopes - perhaps they were misplaced – but there were high hopes, that there would be a real chance of building a close, constructive semi-partnership with Russia. China in those days was seen as the

great strategic challenge. 'Threat' may be too strong a word, but certainly no one was talking "stakeholders" or "potential partners". It has flipped right round. Bush leaves office with relations with Russia in very deep trouble. The relationship with China, despite the international crisis over the economy, is in a remarkably different place.

Which brings me to Russia. I hope that Obama will see whether Medvedev/Putin or the other way round perhaps, are willing to try and draw a line. For my money, the agenda is horribly like the sort of agenda I used to be dealing with when I was in our embassy in Moscow during the Cold War. We need a global agenda with Russia, not a Cold War agenda; and at the moment we are much more on a Cold War agenda than we are on a global agenda. Are the Russians willing to talk to the new Obama people seriously about Iran? I am amazed at what seems to be a lack of urgency in Russia about Iran. Iran's missiles are a lot closer to Russia than they are to us. What about non-proliferation? What about energy, particularly after the repeated episodes of interrupted Russian supplies? We want to be reliable clients; but we need a reliable supplier. Is there an agenda here that can move us off Georgia and Abkhazia; off Ukraine's membership of NATO? Important though those are, and they are not going to go away, is it possible to broaden this agenda, so that these things become more manageable rather than flashpoints in a relationship that is otherwise horribly stuck?

I hope Obama will look at the international architecture - it does not work now. G7/G8 seems may still have a role, but you need a broader membership to tackle the current global agenda whether a G12, or G16, or even G20. It is perfectly clear especially during a global economic crisis that we cannot manage with the old architecture.

Very important for us in Europe - I expect a real shift on US policy on climate change. This is the flip side of energy, which I was talking about earlier. I expect the Obama Administration to move the United States from the back of the queue to the front. And in saying that, it is important to understand that he has plenty of domestic support. Whatever the position has been of the Bush Administration on this, I was struck by how much opinion was moved while I was in the US. Individual States of the Union, big companies, individuals, faith groups, have moved a very long way on climate change. The Obama Administration can exploit this to move to a different position. This does not mean they are suddenly going to say the inclusion of China and India doesn't matter post Kyoto: the American President has got to be seen to be fighting for American interests. But I do think Obama will take a much more forward position on all this.

Let me end with Europe. Relations between the United States and Europe are not in bad place at the end of Bush's Administration in my view. The relationship has gone through phases: there was the extraordinary solidarity during the period of 9/11 - the *Le Monde* moment of '*Nous sommes tous Américains*'. There was then the fracturing caused by Iraq, although not a transatlantic fracturing as such - it was an internal European fracturing too. A very difficult period ensued until Bush was re-elected. As I said, nearly everything was refracted through the prism of this issue. When Bush was re-elected, the relationship improved. Bush sent Condi Rice on her first visit as Secretary of State to Europe, and he followed a few weeks later. Against the expectations of many he tucked America in behind the E3 initiative on Iran: Iran is the transatlantic crisis that did not happen in 2005-2008 in the second Bush term. We actually saw much more multilateralism in the Bush Administration in the second term. The axis of evil was supposed to be Iraq, Iran and North Korea. On both Iran and on North Korea, the Americans have spent the last four years trying to negotiate their way through the problems multilaterally.

But, having said that, it is quite clear that in Europe, there is this huge wave of enthusiasm for Obama as he takes office. That does give us a chance to think about the future of NATO as it reaches 60. I understand that Lord Robertson will be addressing GSF shortly. I hope that George does think NATO has got a future, because I certainly do! But we need to think about what it is under this new President. How does NATO conduct itself? What is it going to do about relationships with Russia? How is it going to manage Afghanistan? These are big issues and Obama will have big demands to make of us. And we have to think, too, about what the relationship is between the US and the EU. We really have no proper machinery that the European Union and the United States can use to talk about big political and strategic issues. We do it round the Council table in NATO to some extent; we do it bilaterally; we do it in the G8. But it is an anomaly that, at a time when transatlantic relations are very important for those involved, there is this curious lack of a forum to talk about big strategic things. This is why, when I was in Washington, the United States and Europe got themselves into such trouble over the issue of the arms embargo on China. There was no EU/US forum to debate it – or indeed the wider issue of the west’s relations with Beijing. There is no easy solution to this. The Americans would like the EU to push ahead with institutional reorganisation and I would also say that the Administration – and that will be true of the new one as it was of the old one – want the EU countries to develop better defence capabilities and cooperation. There are big issues here that need exploring. Because, as I have said, we can expect Obama to favour multilateral engagement, it maybe that there is real progress to be made in the transatlantic relationship.

I think that Obama really does promise change. He reminds us of America’s extraordinary capacity to renew itself. I am not one of those in the school of decline-ism about America. We are confused in this country between thinking that America is in decline and talking about the rise of Asia. Of course Asia is increasing its weight in the system, but I have not spent the last four years in the States to believe that America is somehow in terminal decline. I think Obama’s arrival on the scene is a timely reminder of that. There is a two-year moment now, and these come pretty rarely in politics, when Obama has massive moral authority at home and abroad, massive political authority at home and abroad, to tackle the really big issues. The problem for him is this huge burden of expectations: of course it is vast. Is it crushing? I hope not. Is it very demanding? Yes, it certainly is. But I would end by saying that personally, I remain optimistic.

DOES NATO HAVE A FUTURE?

Transcript of a lecture by the Rt Hon Lord Robertson of Port Ellen KT, GCMG, hon FRSE, PC

10th February 2009

Lord (George Islay MacNeill) Robertson is Deputy Chairman of TNK-BP, and Senior International Adviser to Cable and Wireless plc. He was Member of Parliament for Hamilton and Hamilton South from 1978-1999. He was appointed the United Kingdom Defence Secretary in 1997. In October 1999 he was appointed 10th Secretary General of NATO and elevated to the House of Lords. Lord Robertson was appointed to Her Majesty's Privy Council in 1997, appointed by the Queen as a Knight of the Thistle (KT), and awarded the GCMG in 2004. He is Joint President of the Royal Institute of International Affairs, and of the UK/Russia Roundtable, Co-Chairman of the Commission on National Security in the 21st Century and Vice Chairman of the Council of Management of the Ditchley Foundation.

It is a delight to be here today. This debate about NATO is going to intensify and we will see a lot of and hear a lot of it in the next few weeks as we approach the 60th anniversary of NATO's creation. Much more in my mind at the moment is the anniversary that will take place six weeks today, which will be 24th March and the 10th anniversary of the launch of air attacks in Kosovo, following the actions of Slobodan Milosevic; probably the first time that the British Armed Forces had taken action as part of a NATO Force without the cover of a United Nations Security Council Resolution, and I still remember vividly it to this day.

NATO seems almost every four years to go through a crisis of identity, with speculation about whether it is relevant, whether it needs to exist, whether it should be there or whether it has actually got a major crisis inside it. But roughly every four to five years an event comes along which proves that NATO is still important and highly necessary.

After the end of the Cold War when NATO in many ways should have disappeared, its *raison d'être* having disappeared with the collapse of the Soviet Union, it picked up the essential and important role at that time, of helping the newly emerging democracies of central and eastern Europe to manage the transition from communism to the mixed economies. And in 1995, of course, when the West decided, Europe decided, they could no longer tolerate what was going on in Bosnia and Herzegovina, they had to turn to NATO to take military action there to stop the crisis and stabilise that country. And then in 1999, in Kosovo, NATO again was the only instrument of policy to stop the ethnic cleansing. In 2001, when civil war almost broke out in Macedonia with all the telltale signs of moving to a bloodbath of Balkan proportions, it was again NATO, this time with the European Union, that stepped in there. Since then NATO has been called into Pakistan for the earthquake, Darfur to help the African Union deal with the humanitarian crisis there, Somalia where the original action against the pirates was taken, and in a host of other smaller areas where only NATO in its political form and the Supreme Headquarters Allied Powers Europe with its military logistics organisation could be called in. And of course now, in the centre of our debate, is Afghanistan: a commitment taken on around a table, by 19 countries with the support of the other aspirate members at that time. A collective, unanimous decision that the coalitions of the willing

that had applied up until then would have to be replaced by a NATO-led force. Emyr Jones Parry, who is in the audience, may well remember that particular time when the obligation was taken on, and I warned them then as many other people did, that it was not something that could be taken on lightly nor was it without major responsibilities. Sadly I think some people have forgotten that.

If you look at the world today, the world in which NATO is coming to its 60th anniversary, on the plus side there is no existential threat to our existence. There is no Soviet Union, there is no Nazi Germany, there is no Imperial Japan. There is no threat to our existence or to our way of life, and the threats that Al-Qaeda makes are not to be taken seriously. There is no Cold War. The Russians have found that they are part of an interconnected financial world in a devastating way recently, and there is therefore no daily possibility or likelihood of nuclear annihilation. So that is on the asset side of today's world but of course as time has moved on, there are new vulnerabilities, new threats, new challenges to us and some of them are pretty potent and pretty dangerous as well. I co-chair at the moment with Paddy Ashdown, a Commission on National security in the 21st century, hosted by the IPPR, but it has an assembly of bi-partisan experts. There is our interim report and if you have not seen already, it is available on the internet and will go into much greater detail about some of what I am going to say now than I can possibly do justice in these few minutes that I have got here.

The biggest of the vulnerabilities that we face in the world today is the interconnectedness of us all. The nature of globalisation that produces huge benefits also produces a multiplication of vulnerability and as if we did not know it before, the financial crisis that started just last year shows how one small step can lead to a multiplication of dramatic events. A financial crisis where we still do not know how deep it is, how long it is going to be or how far it is going to go. Maybe Ed Balls does, but the rest of us, I think, are shrouded in mystery. But it shows us that the butterfly wings of the chaos theory have really now become a reality. You see it whenever you look at each of the other challenges we face today: the number of failed states in the world, including some with nuclear potential; or risks to health - the SARS epidemic in 2003 killed 10% of all of those who contracted it and it spread to four continents in 24 hours. It is estimated by experts that if you had a 'flu pandemic of the nature we had in 1918 and 1919, today it would kill something like 145 million people and cause something \$4 trillion in lost wealth. Nuclear proliferation is another, a problem now that has gone way beyond the Permanent Five in the UN Security Council, into dirty bombs and radioactive devices that can be accessible by non-state actors as well as states themselves. And of course we face terrorism and organised crime with new global reach. And that is not to mention energy and security, climate change and this new dramatic threat we have seen in the west of Africa, of piracy on the high seas as well.

Today we need a new definition of security: a definition that goes much wider than simply military defence. We need institutions, not necessarily new institutions, but institutions that can adapt and do adapt and will adapt to this new breed of workable multilateralism that is the only answer to the kind of threats and challenges that we will face in the future. There are a number of choices, not many of which are actually debated among the public today, as to how we deal with making people safe in this era of these new threats and new vulnerabilities. Do we do it on our own and protect our own borders? There is still a substantial school of thought that thinks that and it is a substantial school of thought that still drives military budgets related to yesterday's enemies and not tomorrow's threats.

We could, of course, simply do what the Prime Minister of one Central American country said to me when I asked why they had no defence forces. They said, *'our defence policy is the telephone*

line to Washington.’ And although that might sound like a banana republic, sadly there are many parts of the world where people believe that that is the only policy and the most desirable one for them as well.

We could, apropos of Donald Rumsfeld’s famous quote, consider coalitions of the willing. Ad hoc, opportunistic coalitions dreamt up and assembled whenever any particular crisis came along. Or we could recognise the imperative of the new multilateralism required, and go for permanent, tried, tested and experienced multilateral and treaty-based coalitions of which NATO is the paramount organisation. Of course NATO has, like the United Nations and indeed the European Union, got its flaws and its problems and obsessions sometimes with process over execution, but NATO has managed the transition from the old Cold War organisation that faced the Soviet Union in its original form, into a dramatically different organisation today that is a political forum embracing Canada and the United States with all of the European countries, now stretching right across Europe with only Belarus from the old Warsaw Pact not a full member of NATO and the European Union.

So NATO is not just a military organisation and could not possibly survive if it was simply a military organisation. A military component is central. It is absolutely pivotal and must be there at the end of any diplomatic process. But it is not actually even the main business of NATO today which is to do with the politics of security globalisation. I found a quote which I think summed it up remarkably well and it comes from the head of an institute in Finland which is, of course, not at the moment a member of NATO. Mr Risto Penttilä, who is the Director of the Finnish Business and Policy Forum, picked up a sound bite of mine, that *‘NATO is not the world’s policeman’* and he said:

‘It sends a clear signal, yet it doesn’t stand up to closer scrutiny. NATO provides law and order to the peoples of Bosnia and Herzegovina. It patrols sea lanes in the Mediterranean. It provides assistance to victims of hurricanes and earthquakes. It escorts children to school in Afghanistan. It educates officers in post communist states in the virtues of democracy. It provides logistic support for the African Union. It incarcerates war criminals, it fights terrorism’. He said, ‘these are not war fighting operations, they can’t even be classified as hardcore crisis management’ and he concluded that speech by saying, ‘NATO is the only show in town.’

Spoken by a Finn - they were among my strongest supporters, it has to be said, at NATO, although they still cannot make up their minds if they want to actually be part of the organisation - but I think that encapsulates (and it was written two years ago) the range of things that NATO does today but which are largely unknown to the public as a whole.

NATO, with the growing role of the European Union in crisis management and crisis resolution, has become a relevant and important part of the whole structure that we need for the future in the European part of this globalised and vulnerable community. I notice that President Sarkozy, whom we all hope is going to bring France back into the military structures of NATO in the next few weeks, made a valuable and a very important point, not terribly original, but one which we need reminding of. He said that NATO was an alliance of European countries and not just an alliance between the United States and Europe. And occasionally, and Emyr Jones Parry will remember this only too well, the same ministers can sit in a meeting in Brussels and be the absolute proponents of NATO as a primary organisation, and then go down the road to the Justus Lipsius building to a

meeting of EU defence ministers and become absolutely part of that identity as well. It used to be said that NATO and the EU shared the same city, but different planets and that undoubtedly was true for a period. I think that was the time when Joseph Luns was Secretary General of NATO and he was once famously asked at a press conference, '*Mr Secretary General, how many people work at NATO?*' and he said, '*Well, about half*'. But both of these things are not true any more and the organisations work closely together. A very small core staff of NATO is massively overworked and living within a budget that the British Treasury and the German Finance Ministry keep ridiculously small for the kind of responsibilities that it takes on.

The arrangements called Berlin Plus will be unknown even, I think, to this expert audience. So many grannies in this room that I am seeking to teach to suck eggs! But Berlin Plus were these complicated procedural arrangements put in place to allow the European Union to use NATO assets in a crisis where NATO was not involved. That needs to come to life and maybe French accession to the integrated military structure will bring that about because the organisations need to work in tandem. They both have key strengths that are not shared by each other and in future, if we are going to be able to deal with crises, there needs to be a toolbox, there needs to be a range of measures, there has to be a package of measures that is not simply resolving the conflict, preventing the conflict, but also sorting the aftermath of conflict. We are very good both in NATO and the EU in doing 'lessons learned' exercises. They are very ambitious and they are usually done very thoroughly. What we are pathetic at doing is implementing any of the lessons learned. I came to NATO in 1999 and they showed me the volumes of lessons learned from Bosnia and Herzegovina and the embryonic piles of documents that were the lessons learned from Kosovo. Yet at every crisis you can imagine, even today, people feel they have got to reinvent the wheel and they do not feel that it is necessary to go back and look at what the lessons were. One of my aides in NATO, Mark Laity, who was the BBC's Defence Editor, has written a very small but hard-hitting report about the Macedonia Crisis of 2001 published by the Royal United Services Institute and I thoroughly recommend it to you as an example of a crisis that was solved. There are plenty of books about the crises that are ongoing and there are plenty of them getting attention today, but this was one that we actually took on and stopped and solved.

So what are the big challenges now facing NATO as an organisation? I just want to deal with three. First of all, there is enlargement. Are we actually going to hang up a sign that says, '*no entry, full up?*' Could we possibly turn our back on countries that have democratised and have changed and have adapted and say '*sorry, you can't get in?*' I do not think that that is feasible or realistic and a lot of promises have been made. Highly-publicised ones at Bucharest for Ukraine and for Georgia, but also to other countries, geographically and in many other ways. If you look at that list and you reflect on what NATO would be like in terms just of size, you begin to realise that the adaption of NATO is going to be a formidable challenge in the future. Croatia and Albania are likely to be invited into full membership in a few weeks' time at the Summit Meeting on 3rd April. Macedonia should be getting an invitation but scandalously and indefensibly, is being kept out by an obscure and ridiculous argument over the name of the country, blocked by one other country, its neighbour Greece. But Macedonia, when that is resolved as it must be resolved, will become a member of NATO. Then after that, Kosovo, Montenegro, I believe Serbia within a decade, will want to be a full member of NATO, and Moldova. That takes you up to 33 countries in the Alliance. And then if you go to Ukraine and to Georgia and possibly Sweden and Finland as well because the debate rages there over whether they should be full members of the Alliance and not just very significant troop contributors to NATO operations, then you are up to 37 countries in an Alliance that was basically designed for nine or ten countries at the beginning of the day. We have to start thinking, conceptualising, about an organisation that is like that. If they found it impossible to say 'no' at

Bucharest to Ukraine and Georgia who are nowhere near the standards and conditions that we have laid down in the past, then those other countries must fit into that envelope of NATO membership as well. And if that is the case, and that is the size and that is the range of countries, then why is Russia not seen as part and parcel of that family? Should not that suggestion, tied to the conditions that must be there for any country to join NATO, be made? Why is it not seen as part of that more global organisation that might perhaps give a lead to other parts of the world in terms of common security arrangements as well?

Enlargement is something that is going to happen. It cannot be stopped, but poses a number of thought processes that are extremely important. Not just whether the Article 5 guarantee can be given to countries like Georgia, but the Article 5 guarantee itself and all that goes along with it. NATO survived for 55 years without Article 5 being invoked, and I must say that as the person who read out the statement that day on 12th September 2001, I was halfway down reading the statement before I began to recognise just how important and how significant it was, what we had done that day.

Capabilities are at the very heart of an organisation that is involved with crisis management. We have got a lot of provisions in place for crisis prevention, together with the European Union too, but when the crisis comes, are we capable? Are the European countries, the NATO countries, capable of being able to deal with the next potential crisis of whatever nature it is? Why have we so few usable troops? Two percent of the troops that are actually on the Ministries of Defence score sheet. Two percent of the 2? million people in Europe at the present moment and actually usable in any real sense of the word. That is a scandal for any defence organisation and of course it is a huge liability as well and a waste of money. We do not have enough of the aeroplanes, we do not have enough of the mobile equipment that would be required and we are chronically short, as we see in Afghanistan, of things like helicopters and of what is known in the military as combat support and combat service support: the signallers, the engineers, the doctors, the logisticians, without whom forces simply cannot move. You cannot get anybody to a crisis and deal with any crisis unless you have got these people and yet they are in shortage of supply throughout the whole of the Alliance as well.

So the capabilities have got to be mobile and they have got to be usable. I would suggest that they have also got to include the other components for post-conflict reconstruction, because if there was ever any lesson that we learned from Bosnia and Kosovo, we are learning in Afghanistan and from all of the others, that the military piece is actually sometimes the easiest bit to deal with. It is the civilian reconstruction afterwards that poses the biggest dilemma and problems for us all. Now I just ask people to reflect, when I talk about this, on something and that is this: in the last few weeks, we have all been preoccupied by the conflict between Israel and its Palestinian neighbours. We all of us hope that with the incoming Obama administration, the appointment of George Mitchell, new emissaries, there will be a new drive, perhaps, after today's election in Israel, to stop this conflict before the cancer keeps spreading in the way that it has. We all want that. I do not think there is anybody in this room or anybody outside of this room who does not want that to happen. Yet we all know that if an agreement was reached, there would be a need for a stabilisation force that could not simply be American, that would be unacceptable to one party, and could not possibly be European because that might be unacceptable to the other. There is only one organisation in the world - and it is not the United Nations - that can actually supply multi-national forces that are capable of integrating and working in a post conflict situation, and that is NATO with the Supreme Headquarters Allied Powers Europe, SHAPE. Could we do it? Despite all the protestations of what we want to do, could we do it? And the simple answer is no, we can't.

There is absolutely no way, with only two percent of forces in Europe actually deployable, that the European countries, even with America, would be able to deliver that sort of force. So, in a way, that is the soft underbelly of the sentiment that is around. We want to will the end. We seem incapable of thinking through the means that will be required for that as well.

My final challenge that lies before us for NATO in the future is one of political will. We are at war at the moment, this country is at war. We have troops in action, dying almost weekly, out there in Afghanistan. It is our 'front line'. They are not there to defend President Karzai, they are not there to democratise Helmand Province, they are there specifically to defend us, because a post Karzai or a post-democratic Afghanistan in the hands of the Taliban is a direct threat to us and to our interests and to our peoples' safety. I used to say it, my successor has said it, the Defence Secretary says it - if we do not go to Afghanistan, Afghanistan will come to us, as it did on 11th September. Failed states harbouring Al-Qaeda and the rest of them. So that message needs to be got over.

I recently read the great John Lukacs' book, *'Five Days in London, May 1940'*, when on paper, after Dunkirk, this country was defeated. We were defeated, our resources, our military capabilities on the other side of the channel and Hitler was moving down, already occupying France. What kept us going, what led to the ultimate victory was a national resolve that we were not going to be defeated. We are at that point in history now, where governments and political leaders have got to make up their minds that we either win out there or we lose out there and if we lose out there then we are going to be fighting people over here as well. I think that requires, right across the NATO countries including this one, a much greater determination to face people with the consequences of failure in Afghanistan. I think this casualty averseness, this view that we cannot possibly accept any of these casualties in distant lands because it is nothing really to do with us and our own security or our own safety is simply not sustainable and it is not true. It is not true. The enemy may not be at the door, but in a globalised world, he can be quite far away and still penetrate the door at the same time and I think we need to do much more.

I went to the Ministry of Defence website today, which I suppose I used to own and I typed in 'NATO' and up came two A4 sheets of paper with a brief history of what NATO has done and what it is doing at the moment, but it says, 'External links: Foreign and Commonwealth Office, Terrorism and Security, NATO' so I duly clicked on that and up came this page and it said, 'This page has been archived'. After a further 10 or 15 minutes I managed to get to the Foreign Office's web page on NATO which directed me to a very fine web page from the British delegation to NATO, where a previous Ambassador set it up unknown to the public. But that is a little indication of what we need to do. First of all, we need to emphasise the importance of NATO as a unifying influence between the United States, Canada and all of these European countries; and the importance of the missions that NATO is involved in, the way in which NATO has adapted and how important that transatlantic relationship has been for these last sixty years.

NATO, I believe, has a future. Of course it has a future. If it does not have a future, we will not have a future either, but we have got to want it to have a future and we have got to be able to give it the right resources and the political support to make sure that it can do the job that we all know it needs to do in the future.

ASHDOWN'S THIRD LAW: WHY THE WORLD WILL NEVER BE THE SAME AGAIN AND WHAT WE SHOULD DO ABOUT IT

Transcript of a lecture by the Rt Hon Lord Ashdown of Norton-sub-Hamdon GCMG KBE PC

17th March 2009

Lord Ashdown served as the High Representative of the International Community and EU Special Representative in Bosnia and Herzegovina between 2002 and 2006. Lord Ashdown had served as an MP for Yeovil between 1983 and 2001. During this time the SDP and Liberal Party unified and he became leader of the resultant Liberal Democrats from 1988 to 1999. Lord Ashdown served as a Royal Marine between 1959-1971. Leaving the Royal Marines, he joined the Foreign Office where he was First Secretary to the UK mission to the UN in Geneva from 1971 to 1976. He was awarded the GCMG in the 2006 New Year's Honours List for his work in Bosnia and Herzegovina. His most recent book, *A Fortunate Life*, was published in 2009.

Clement Freud, of blessed memory to Liberals, used to say that I was the only person in the House of Commons who'd been trained to kill, because Mrs Thatcher was self taught! Some of you may remember the old song 'Dem Bones, Dem Bones, Dem Dry Bones.' You are going to hear a bit about that. You are going to hear a little bit about what I am calling, slightly tongue in cheek, Ashdown's Third Law (please don't ask me what Ashdown's first and second laws are) and you are going to hear a bit of poetry, so let's start with the poetry.

There is a wonderful poem, and if you are a literary audience you will be able to identify who it was written by, at about, I guess, the same time as this place [the National Liberal Club] was built. Written in the aftermath of a terrible defeat by a bunch of primitives with the greatest army in the world, our army, and written because the poet began to feel that things were changing. The poem goes like this - and listen to the way it changes.

*On the idle hill of summer,
Sleepy with the flow of streams,
Far I hear the steady drummer
Drumming like a noise in dreams.
Far and near and low and louder
On the roads of earth go by,
Dear to friends and food for powder,
Soldiers marching, all to die*

It is a stanza from *The Shropshire Lad* written by A E Housman, and what Housman could sense, writing actually in the dying days or years after the Boer War (and we shall return to that) was that this long sylvan period of a stable peace and a stable order in the world was coming to a close and there were dark days ahead. If you listen to Mahler's symphonies you can hear the same message. I think we are living in just one of those times. I think it happens in history that a period of relative stability gives way to a period of turbulence, and it nearly always happens, by the way, when the gimbals of power shift. In that sense I think the next few decades are likely to

be as turbulent, as dangerous, as tough and as difficult as any, probably more so, than any we have seen, certainly within our lifetimes, and arguably for the last 100 years. And there are three phenomena which seem to me to contribute to this.

The first is that the gimbals of world power are shifting. Well, that occurs from time to time. It occurred in the 18th century. The last time world power shifted on this kind of scale, just about the time Housman was writing, it shifted from this side of the Atlantic Ocean to the other. What I think you are now seeing is an even more substantial shift of world power. Put your hand over the side of the boat and you will feel how strong the tide is running, from the west to the east, from the nations gathered around the Atlantic shore board to the nations on the Pacific Rim. I am not saying for one moment that this will be smooth or without its own turbulence. I personally believe that China's rise to superpower status will be interrupted by a period of very strong internal turbulence and in China's case you should never underestimate where that will lead to. But I have no doubt that this economic crisis, to give one example, is different from the previous ones we have experienced. We will not, this time, bounce comfortably back to where we were and then continue. I think we will see the relative position of western nations significantly diminished. The relative position of the east in terms of economic power to start with, followed by state power, followed inevitably by, no doubt, military power, will be strengthened and ours will be diminished. Some of my left wing friends tell me that they think we have seen the zenith of American power and that America is now beginning to decline. I do not think this is true. You know a nation that still has a claim to being powerful by its capacity to change. It is the sclerotic, it is resistance to change which is the harbinger of the end of greatness, and of course we've seen that in Europe. America is still capable of extraordinary change. The election of Barack Obama as an example of that. If you want another, look at the speed with which the American Army completely changed its policy and attitude on counter insurgency under Petraeus. It would have taken the British Army years to make that change, but the Americans made it in a couple of years. So I do not doubt for a second that America will remain the most powerful nation on earth for the next decade, potentially longer, but the world will have changed and the context in which the United States exercises that power is going to change. Today, we are no longer living in a world dominated by a single superpower, a monopolar world. We are beginning now to see the growth of other power centres in the world and we are going to see a multipolar world beginning to emerge.

If you want a comparison, go back to the 19th century, take a look at Europe and read George Canning, the great British Foreign Secretary, who used to talk about the European Areopagiticus and the five-sided balance of power in Europe. This was the Concert of Europe, in which Britain's role was always to play to the balance. If Paris got together with Berlin, we got together with Austria to make the balance that kept the peace of Europe and kept us out of European engagements.

I think we are going to see a multipolar world in which foreign policy will have to be much more subtle and much more light-footed. Our interests as Europe will not always be tied to the apron strings of our neighbourhood superpower. We have not needed a foreign policy in the past - that was good enough for most of us, at least. I think that is going to change. I think it will change for America too. My guess is that America is going to find that they have other interests in the world, not just the Europeans. We are used to a period in which the European interest for America was the top of a pantheon of their concerns; that is no longer going to be the case. Look at what Obama has been doing in the first months and you will see that he is looking across the Pacific quite as much as he is looking across the Atlantic. I am not saying that the Atlantic won't be important, but America too will be responding to this new shape in world power. My guess, for what it is worth, is that Europe will be less important for any future US President, including Barack

Hussein Obama, than it has for every past one including George W Bush. That will have profound implications for us in Europe, if we are seeing an America with different priorities, an America that no longer provides the ready security guarantee behind which many European countries have sheltered so as to take a free ride on security without being serious about defence. By the way, there is hardly an American soldier left in Europe today, so that security guarantee does not exist. The only American soldiers left in Europe by and large are those who are servicing the war in Iraq and Afghanistan.

So, we have an America with other priorities and an assertive Russia rising to our east. My worry about Russia in the long term is not its strength, but its weakness. When Russia discovers how weak it is, that is when the really dangerous moment arrives. Nevertheless, we are today dealing with an assertive Russia, prepared to use levers like energy. We are seeing a rising East, a rising China, a rising India. And if we in Europe do not realise that the right response to these completely changed situations in which we find ourselves is to deepen the integration of our foreign policy and defence, we are bloody fools, we are bloody fools. The next ten years are going to be much, much, much more dangerous for us. I think Europe as refuge becomes a much more sellable proposition for those who are arguing the case for European integration, although those who have argued it, including me, have intellectually comprehensively lost it. Take a look and see what is happening in Iceland and in Norway and indeed, in Holland, where opinion in favour of Europe is now shifting. So that is the kind of world in which I think we are going to be living. A world in which our foreign policy is going to have to be much more subtle, and there are going to be occasions in which we have other interests rather than simply those of the United States.

The second factor is this fact: that power has now moved. It is one of the big events of our time, although little enough commented on. We created the nation state as the structure and context in which power could be contained, in which power could be brought to regulation and law. Power has now moved substantially outside the context of the nation state and migrated onto the global stage where, by and large, it is not subject to regulation, or if it is, it is too weak. And by and large, it is not subject to the rule of law until we create the institutions to do it. Of course this has been beneficial to us for a bit. Lawless spaces - and the global space is a lawless space nowadays - quite as much as Afghanistan or Iraq, are quite useful to the powerful, they can make use of it for a bit. The transnational corporation, the satellite broadcasters, Yahoo and Google - it has always been jolly useful to us for a bit. But what always happens is that lawless spaces get occupied and populated by the destroyers. That is what happened in 9/11. We suddenly discovered that we were not the only ones using the lawless spaces, so did international terrorism, so did international crime. It is not an accident that Al-Qaeda lives there, it finds it just as convenient as Afghanistan, and it uses those global spaces where power is to prosecute its ideas, to carry out its attacks using the systems of international mass transport, to move around its money. It is calculated that 60% of the money, the \$4 million dollars taken to fund 9/11, actually passed through the hands of those who were working in the Twin Towers that 9/11 destroyed. So if the phenomenon of our time, one of the phenomena, is the globalisation of power, then one of the challenges of our time is to bring governance to the global space. There is a rule of thumb dear to Liberals (of course that was what the 1832 Reform Act was about) that where power goes, governance must follow. Our capacity to be able to bring governance to the global space will, in large measure, determine whether or not these decades are more or less turbulent.

And two thoughts for you. The first, my guess is (although I do not like the conclusion) is that this is likely to be done more by the creation of treaty-based institutions than the spawning and proliferation of the United Nations institutions. The WTO - of course we all understand the failure

of the Doha round and so on - but the WTO, a treaty-based organisation, managed this very neuralgic area of world trade highly successfully for a long time. Kyoto is another example. Maybe the G20 is reaching towards those kinds of treaty-based organisations that will bring governance to the world space. We will continue to need the UN, of course, as a legitimiser of action, a subcontractor perhaps to coalitions of the willing; and above all as the framework for the development of and containment of international law, which has to develop as one of the institutions for global governance.

So, that is where we have to be going. Are we going there? Not much, it seems to me. Is there a recognition that we have to bring governance to the global space? Well dimly, stimulated by the present economic crisis, which seems to me to be a very good example of what happens if you have power in global space without regulation and without the rule of law.

And now we come to the bit that I really want to talk about, the one that I am even more enthusiastic about and here I come on to first, 'Dem bones, Dem bones, Dem dry bones', and Ashdown's famous Third Law.

The third phenomenon of our time is this: in a way that has never, ever happened before, we are now living in a completely interconnected world. Of course we always have, diplomacy has been about the interconnections and about managing those interconnections, but this is now quantitatively different from what we have seen before. Everything is connected to everything and if we did not know that before the global crisis, we certainly ought to know it now. We know perfectly well we cannot deal with this within our own nations - we have to deal with it on the global stage, because everything is connected to everything. Lehman Brothers is connected to everything and we saw that.

Imagine for a moment (and it does not just happen internationally of course, it happens locally as well) that I was a Minister of Defence and it is 15 years ago and I am talking about British security. What would I have talked about? I would have talked about the size of our army, the size of our air force, the size of our navy, and that would have been it. That was what British defence was about when I was a British soldier. Now it is about everything. Now you have to talk to the Minister of Health because pandemic disease is a threat to our national security. You have to talk to the Minister of Agriculture because food security is part of our security. You have to talk to the Minister of Industry because the resilience of our systems is part of our security and a very potent place for those who will bring it down to attack. You have to talk to the Home Office suddenly. Suddenly; security, the first thing a government has to offer, is not about our armed forces at all, it is about everything because everything is connected to everything. And what really matters is not the size of your army, air force or your navy, but the extent to which you can bring all of these together to focus on a single point. It is our failure to do that that I think that will be one of the big conclusions of the IPPR Report. It is our failure to do that that creates this massive mismatch between what we think security is about and what it is actually is about.

Here is another example. Imagine standing before you now, you have not me, but Lord Roberts of Kandahar, who was the last General to invade Afghanistan. He went to avenge my great-grandmother who left Peshawar in autumn of 1842 to go and join her husband in Kabul and only escaped because she managed to get out before the 'massacre of the snows' happened. By the way, Roberts of Kandahar was sent in on a punitive war, just like this one. It took the British thirty years to set out the second Afghan war and most of that time was spent getting the

relationships between the tribes in Southern Afghanistan right before they sent him in. We never learn these lessons, do we? He of course went in and succeeded. He won that Afghan war and if he was here telling you how he did it, what would he have talked about? He would have talked about the sepoy, the Indian soldiers, whether their boots were good enough, the uniforms, the great screw guns, the equivalent of our B52 bombers that you could strip down and take up a mountain and destroy an Afghan village in a trice. He would have talked about those a bit. He may have talked a bit about the tribal relationships in places which we now know like Helmand and Kandahar, but what wouldn't he have talked about? He would not have talked about poppy fields. They were there, lots of them. It didn't matter, in the slightest. Now they are connected right into our inner cities and to our battle against crime. He would not have talked about jihadis in a cave, a mad jihadi in a cave. He was there too, lots of them by the way, but completely irrelevant to him. But now they are connected to that terraced house in Bolton. He would not have talked about collateral damage. He knocked down lots of Afghan villages but it did not matter, because you did not get to hear about them six weeks later. It did not matter in those days. Nowadays it is directly connected, collateral damage, to your capacity to win the essential battle, the battle for public support in the country in which you are intervening and on the broader international stage.

Everything is connected to everything, and it is our complete failure to understand that, that means we cannot win in Afghanistan at present because we have not got our act together. Things are not connected, because there is not an international plan, because there is no co-ordination, because there is no unity. Seriously, the big scandal of our troops in Afghanistan is not that the fact that we cannot give them boots or helicopters. The big fat scandal is that young men and some young women are dying because our politicians cannot get their acts together. That is the thing we should be shouting about and it is an absolute disaster.

So here is Ashdown's Third Law. If everything is connected to everything and it is your capacity to bring things together, multiple disciplines and multiple contributors, to solving what is essentially a multi-layered problem, then the most important thing about what you can do is what you can do with others. You think your army unit is good if it has a certain capacity. No, it is not - unless it can connect up with DFID who will come in straight after you have taken Musa Qala, which they do not at present, to start rebuilding. It is your connections with other things that matter. The most important part of what you can do is what you can do with others. It is not your capacity as a Foreign Office minister or an Agriculture minister or a Great Britain or a British Army that matters. It is your capacity to dock with others that matters. If everything is connected to everything, then the thing that really matters is the interconnectors and here we come to a problem, because our governments and our international structures are built in vertical structures, not network structures.

Actually, just shortly after A E Housman wrote that poem, the first of the great Haldane committees sat in 1905, I think the date was. It sat precisely because of the defeat we suffered at the hands of the Boers, the primitive enemy in the faraway place that was not supposed to beat us, and it reconstructed government and it reconstructed government according to the constructs and according to the model that was successful in the Industrial Revolution. It reconstructed governments on a vertical hierarchy, with a specialisation of tasks, leading to a command centre at the top and what it did was replicate the commercial structures of the time. But if you look at modern business today, they have stripped those hierarchies down, they have now flattened them, they are now networked organisations serving an end. A government cannot do networking. In fact what you hear, the screaming of the gears you hear from

Whitehall, is essentially stove-piped organisations run by vertical mentalities of the people at the top, trying desperately to network and they cannot. They cannot network in Afghanistan, they cannot network here in Britain, they cannot bring themselves together.

Now, another Haldane committee (or Ashdown Committee, that would be a good idea) to try to reconstruct government on a network basis is an answer, but actually I do not think it is. I think it is what is in the brain. Take a look at our Foreign Office. Our Foreign Office still persists in the idea that it is an organisation populated by extremely sophisticated, clever people who write elegant telegraphs from abroad. Actually that is not the Foreign Office's job. What the Foreign Office should be doing is acting as a project manager, a manager who can bring together those other contributors to tackle an issue like Bosnia, like Afghanistan, like global warming or whatever. You see, the most important bit about what you can do, is what you can do with others. It is the interconnectors that matter most and we do not have them. We do not have them in Afghanistan and young soldiers are losing their lives as a result of it. We do not have them in our domestic policies and we do not have them internationally either. Let me just put it to you this way. The last great attempt at unilateralism was conducted by the most powerful nation on earth and still it failed. George W Bush's effort at unilateralism failed. Only multilateralism will work today and it is time we started to construct the networks that make that a possibility both externally and internally.

I am going to end now, but I am not going to end before entertaining just one more thought and a little bit of poetry. If I am right, if the really interesting third phenomena of our time is that everything is connected to everything and it is what you can do with others that matters, then something very extraordinary has also happened that we need to think about and it is this. Since time immemorial, men (and they usually have been men) have assured the security of those under them or in their tribe by the system of collective security. If you wanted to be safe in the Stone Age, you were part of a larger family or larger tribe that could collectively beat off your enemies. In the days of the nation state, the powerful nation state was able to do that and when nation states themselves were not enough, we went to NATO, a collective security organisation. But suddenly if we are now subject corporately to the same threat: the threat of weapons of mass destruction, which now can kill everything, or the threat of global warming or environmental pollution, and if we are all connected, if everyone is connected to everyone, then collective security is not enough. You have to start thinking about common security and you have to start recognising that one of the revelations of 9/11 is that we share a destiny with our enemies. We share a destiny with other parts of the world that are not connected to us. It is the understanding of the concept of common security, incidentally, which enabled me, along with others (I was a very junior member at the time) to participate and make a success of the disarmament talks in Geneva, because we realised that we shared a destiny in a nuclear age with those with whom we were negotiating and it was a win-win situation if we both stepped back from it.

The environmental threat to the world makes us all share in everybody else's destiny. Common security becomes an issue. In Ireland the revelation about the common security shared between Protestants and Catholics has enabled the peace there to continue. It enables me to sit down, by the way, with a guy who put me on the death list when I was a British soldier there, around a table in Belfast, to see if I can reach an agreement on the issue of parades, because people understand that they share a common security. It is the absence of an understanding of common security that denies Israel the capacity to build peace because they too share a common destiny with their so-called enemies, the Palestinians. It is the absence of this concept of common security,

that enables the Bosniaks, the Croats, and especially perhaps the Serbs in the Republika Srpska to continue to pursue their old war aims through the peace structures of Dayton. I am not saying common security will be the only security we have. We will have to have collective security instruments too, but some understanding of the importance of common security is absolutely necessary.

That great statement of John Donne's:

*Each man's death diminishes me,
For I am involved in mankind.
Therefore, send not to know
For whom the bell tolls,
It tolls for thee.*

For him, a moral proposition. For us, actually the beginnings of something new, it seems to me, in diplomacy and international affairs. Or, take us straight back to that famous 1879 moment, because when Lord Roberts of Kandahar was knocking down Afghan villages to avenge my great-grandmother, my predecessor as leader of this country's Liberal Party was standing up in the second Midlothian campaign to be Prime Minister of Britain, Leader of the Opposition (older by the way than John McCain) speaking to a country which was gripped in the second Afghan war, and he had the courage to say these immortal words:-

'Do not forget that the sanctity of life in the hill villages of Afghanistan amongst the winter snows is no less inviolate in the eye of almighty God than can be your own. Do not forget that he who made you brothers of the same flesh and blood, bound you by the laws of universal love, and that love is not limited to the shores of this island, but it passes across the whole surface of the earth, encompassing the greatest along with the meanest in its unmeasured scope.'

For him, a statement of morality. For us, I think, quite close to an equation for survival.

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Sir Menzies ('Ming') Campbell CBE QC MP is one of the most respected and successful politicians of his generation. He grew up in Glasgow, was educated at Hillhead High School and went on to the University of Glasgow. As a successful university level athlete Ming ran the 200m for the GB team at the 1964 Tokyo Olympics and become captain of the UK Athletics Team 1965-66. He held the British 100m record from 1967 to 1974. In his professional legal life Ming was called to the Scottish Bar as an Advocate in 1968, but continued an association with the Scottish Liberal Party which he had held since University. In 1975 he became Chairman of the Scottish Liberal Party, and in 1982 a QC. He won the constituency of North East Fife with a majority of 1,447. In Parliament he has served primarily as a defence and foreign affairs spokesman, becoming Shadow Secretary of State for Foreign and Commonwealth Affairs since 1997 and Deputy Leader of the Liberal Democrats in 2003. He served as Leader of the Liberal Democrats since from 2006-2007.

The Rt Hon Frank Field MP worked as Director of the Child Poverty Action Group from 1969-79, during which time it became one of the premier pressure groups in the country. In 1974 he also became Director of the Low Pay Unit until 1980. In 1979, he was elected Member of Parliament for Birkenhead. Between 1980 and 1981 he served as Shadow Education and Social Security spokesman under the leadership of Michael Foot. In 1990 he took up the chairmanship of the Social Security Select Committee and continued in this role up to 1997. From 1997-1998 he accepted the position of Minister for Welfare Reform in Tony Blair's first cabinet. Since then, he has served as a member of the Public Accounts Committee between 2002 and 2005. Outside of Parliament, he is equally busy and committed. In 1999 he helped set up the Pension Reform Group which he chairs. From 2005, he has also been chairman of the Cathedral Fabrics Commission which is the planning authority for English cathedrals.

Gerard Griffin runs Tisbury Capital Management, a fund management company he founded in 2003. Previously he was a Managing Director at Citadel Investment Group (Europe) Ltd. He received a joint B.A. and M.A. in Political Science from Yale in 1990, and a J.D. from Yale Law School in 1996.

Hüseyin Gün is an entrepreneur, Principal Investor & Managing Director of Avicenna Capital, a private direct investment vehicle that invests in strategic assets (oil & gas, mining, banking) with particular focus on the Former Soviet Union, Middle East & Asia. Hüseyin is British educated and has an Honours Degree in Genetics. He began his career as a commodity trader and thereafter as a banker in Merrill Lynch and Credit Agricole Indosuez. He is a member of International Institute for Strategic Studies, London. He is the former Chairman of the Advisory Board of Global Fairness Initiative (GFI) in Washington DC. GFI's Board of Directors is chaired by the 42nd US President Bill Clinton. Mr. Gun is also the Founding Member of The Iraq Britain Business Council. Avicenna Capital is one of the key and the largest investors in the Republic of Iraq.

HRH Prince El Hassan bin Talal has been at the centre of Middle East Politics and diplomacy for many decades in the course of which he has won exceptional respect. He is concerned inter alia with humanitarian and interfaith issues and the human dimension of conflicts. This is exemplified by his work with Partners in Humanity and his co-chairing of the Independent Commission on International Humanitarian Issues. Amongst the well-nigh innumerable positions of HRH Prince Hassan of Jordan, he is President and Patron of the Arab Thought Forum and Moderator of the World Conference of Religion and Peace. His Royal Highness is a founder of the recently formed Parliament of Cultures, dedicated to fostering dialogue amongst philosophers, thinkers and those exercising

power. HRH Prince Hassan is the author of seven books, which have been translated into several languages, including *A Study on Jerusalem, Search for Peace, Palestinian Self-Determination* and in 2004 in collaboration with Alain Elkann, *To be a Muslim: Islam, Peace and Democracy*.

Lord Lamont of Lerwick (Norman Lamont) was a Cabinet Minister under both Margaret Thatcher and John Major. He was heavily involved in the Thatcher reforms including privatisation that transformed the British economy. He was a Minister also in the Departments of Energy, Defence and Industry. As well as being a working Peer he is a director of and a consultant to a number of companies in the financial sector. He is a director of RAB Capital (hedge fund company), Scottish Re (a re-investment company quoted on the New York Stock Exchange), Balli plc (commodities trading house), and he is an advisor to Rotch property. He is also Chairman of the East European Food Fund and a director of a number of investment funds. He also sits on the House of Lords Economic Affairs Committee. He is the Chairman of the British Iranian Chamber of Commerce.

Jonathan Lehrle was the first Director of the Global Strategy Forum from May 2006-February 2008. Born in Britain, Jonathan spent the first eighteen years of his life in Southern Africa. Upon his return to the United Kingdom he joined the Metropolitan Police, based in West London. His route into politics was through the Parliamentary Resources Unit (PRU), where he worked for two years covering the International Affairs & Defence portfolio. In 2001 he was appointed Chief of Staff to the Shadow Foreign Secretary and Deputy Leader, Michael Ancram QC MP, a position he held until December 2005. He is now a Senior Consultant at Bell Pottinger Sans Frontières.

Baroness Neville-Jones has been a Conservative peer in the House of Lords since October 2007. In the Opposition Shadow Cabinet she holds the post of Shadow Minister for Security and is also National Security Adviser to David Cameron, the Leader of the Opposition. From 2004-2007 she was Chairman of the Information Assurance Advisory Council (IAAC) and from 2002-2005, Chairman of QinetiQ Group plc. From 1998-2004, she was the International Governor of the BBC with responsibility for external broadcasting. She was also Chairman of the Audit Committee. Prior to that, she was a career member of the British Diplomatic Service serving, among other places, in Singapore, Washington DC, the European Commission in Brussels and Bonn. She served as a foreign affairs adviser to Prime Minister John Major and she was chairman of the Joint Intelligence Committee in Whitehall (1991-1994). As Political Director in the Foreign and Commonwealth Office she was leader of the British delegation to the Dayton peace conference on Bosnia in 1995.

Sir Malcolm Rifkind QC MP has been the Conservative Member of Parliament for Kensington and Chelsea since 2005. In 1974 he was elected as MP for Pentlands and represented that constituency until 1997. In 1979, when the Conservatives were returned to power under Margaret Thatcher, he was appointed a Parliamentary Under-Secretary of State, at first in the Scottish Office and then, at the time of the Falklands War, he was transferred to the Foreign and Commonwealth Office, being promoted to Minister of State in 1983. He became a member of the Cabinet in 1986 as Secretary of State for Scotland. He was also Minister of Transport until 1992 when he was appointed Secretary of State for Defence. From 1995-97 he was Foreign Secretary. He was one of only four ministers to serve throughout the whole Prime Ministerships of both Margaret Thatcher and John Major.

