

“STRONG BRITAIN IN A STRONG EUROPE”

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My case today is a simple one. It is that it is very strongly in the British national interest for the EU to develop a strong foreign policy; that to be frightened of European foreign policy is blinkered, fatalistic and wrong; that Britain should embrace it, shape it and lead it; and the passage of the Lisbon Treaty means Europe will have no more excuses for failing to develop clear strategic priorities for its role in the world. In other words, a strong Britain in a strong Europe is the best way to preserve and advance our values and interests in the modern world.

I want to start in a most unlikely place – or rather with a most unlikely person. Campaigning for a Yes vote in Britain’s Referendum in 1975 one political leader said that the case for our membership of the European Community was “the political case for peace and security...”. As she, and there is the clue, explained at the time, “The Community opens windows on the world for us that since the war have been closing”.

I never thought I would say this but Mrs Thatcher was prescient and right in this regard. More than thirty years on, I believe it is clearer than ever that the EU magnifies British influence in the world, rather than threatens it. In everything from trade negotiations to the training of the Afghan police to sanctions on Iran or the greening of our economies, the European Union helps us achieve our foreign policy ambitions.

European foreign policy is the coordinated, direct representation around the world of the shared values, shared interests and shared resources of the nations of Europe. It is not a replacement for British foreign policy, or any other nation’s foreign policy; after all it is based on a veto for all countries. Nor is it a replacement for our partnership with the US; after all every single US President since John F Kennedy has argued for a more united Europe. Nor is it a replacement for our membership of the UN Security Council; after all the UN is an organisation made up of states not regional organisations. And nor does it represent an assault on our Commonwealth ties; after all, many of our Commonwealth friends want us to be at the forefront of making their case in the EU.

Strong European foreign policy is, however, an essential element in a strong British global role. It is possible in my view to argue against Britain having a global role; but it is not in my judgment possible to argue for a strong British global role without a strong commitment to the EU.

The EU countries provide almost 40% of the UN's budget, and almost two thirds of the world's development assistance. The single market gives decisive clout in negotiations over trade, regulatory regimes and environmental standards. We have 2 million men and women under arms and 40,000 diplomats working in 1,500 diplomatic missions around the world. We adopt common positions in over 90% of the votes in international organisations, and post-colonial and trading links mean there are few corners of the world that none of us understand.

But – and it's a big but - we don't at present get commensurate value for this resource. Arrangements are ad hoc; coordination patchy; messages confused; and relationships with the great global powers lacking clarity, strategy or purpose.

So the choice for Europe is simple. Get our act together and make the EU a leader on the world stage; or become spectators in a G2 world shaped by the US and China. But I think that the choice for the UK is also simply stated: we can lead a strong European foreign policy or – lost in hubris, nostalgia or xenophobia - watch our influence in the world wane.

The Development of EU Foreign Policy

European foreign policy has grown up in fits and starts over a generation. In some areas we have sustained a consistent focus. Next year will mark the 30th anniversary of the Venice Declaration, a visionary text which set out the basis for a two state solution for Israeli-Palestinian peace, and has guided European diplomacy in the Middle East ever since.

The Treaty of Maastricht in 1992 established Common Foreign and Security Policy in a separate, intergovernmental “second pillar.” The war in Bosnia ushered in a much higher level of European political and military engagement, leading to the St Malo Declaration of 1998, which declared that “the Union must have the capacity for autonomous military action, backed up by credible military force”. This was not an attack on NATO: in fact St Malo said that European solidarity would contribute to the vitality of a modernised alliance. Full French NATO membership makes a reality of that.

The EU has launched over 20 missions bringing European policemen, judges, peacekeepers and aid workers to three Continents. In the last two years, we have launched a naval mission against piracy off Somalia, imposed sanctions on Mugabe when the UN failed, and led the fight against climate change.

The reason for this growing foreign policy role is simple. As we move into a multipolar world, power is coalescing around a few regional centres. Not just the USA, but China, India, Brazil. With a nod to Woodrow Wilson's 1919 Age of Nations, people are starting to talk about an Age of Continents.

What is clear is that in the modern world size, cohesion and decisiveness matter. A Britain of 60 million people, however brilliant our armed forces, intelligence services, and diplomats, however distinctive our business and cultural brand, is not going to be a global player of weight and power except through alliances.

In Britain, we are rightly proud of our role at the UN, in NATO and in the Commonwealth, and of our unique partnership with the US. In the G20 over the last year, the Prime Minister has shown decisive global leadership.

But our European alliance is unlike any other. We share sovereignty in key areas. We cooperate across the full range of policy issues. And Europe is our continent. The idea that the UK can maintain its influence in Beijing or Washington or Delhi or Moscow if we marginalise ourselves in Europe is frankly fanciful. In fact I would say the opposite; through leadership in Europe we augment our bilateral ties with other countries. Alone, we may be interesting; leading a group of 27 in common values and purpose, we have real sway.

What is more – and I think this is understated - much of the rest of Europe actually wants Britain to play a leading role. They say, like Javier Solana, that Britain has a “global mindset”. They value our hard-headed pragmatism. They recognise the ties that bind us to diverse countries around the world, and the range and quality of assets that we have to offer.

The trouble is that at the moment the European whole is less than the sum of its parts. Outside Europe people are confused about what we care about and what we are willing to do. Inside Europe it is not much better; different countries have pet projects, but there is not sufficient common purpose.

The Lisbon Treaty provides the opportunity and responsibility to rethink and redefine the EU's external action. The principles, the framework and the policy decisions will still be decided by unanimity, so every country retains its veto. What Lisbon does do is create the right vehicles for us to implement a

serious common policy where countries decide to do so. It strips out duplication, by creating a High Representative representing both the External Relations Council of nation states and the Commission. It ensures continuity and consistency by providing for strong leadership through a President of the European Council in office for up to 5 years, who can represent the EU at events like the EU/China and EU/Russia Summits throughout that period.

To my mind, these are self-evidently sensible, pragmatic, reforms. But alongside these new structures, we need in foreign policy to have some clear strategic priorities. That is what I want to address today – starting with the neighbourhood to our East and South, then addressing the sources of insecurity emanating from areas of conflict, notably in South Asia, and then looking at the relationships with the great powers.

Lisbon Priorities

Geographically, our first responsibility is to the Western Balkans. European membership is the only prize big enough to elicit compromise and reform from historical rivals with vested interests and entrenched views.

Frankly, we saw in the 1990s the dangers of benign neglect. The opening of the trial today in the Hague of Karadzic is a reminder of this. All 27 EU member states have made clear that EU membership is the future for all the countries of the Western Balkans, when they are ready. It provides the safe harbour for their journey from Tito's world to the twenty-first century world. Some – like Slovenia - are already among us. Some – like Croatia - are soon to join. Others – like Macedonia for example - are, the Commission judged earlier this month, ready to start negotiations. So the momentum is being sustained.

But in Bosnia and Herzegovina, while the attraction of EU membership is plenty powerful for that country's citizens, it is not, sadly, for some of its leaders, who find it easier to look back to division and conflict than forward to consensus and the EU.

The immediate challenge is to break the impasse over transitioning from the Office of the High Representative to the European Union Special Representative. While others in the Western Balkans reform and move towards the European Union, Bosnia is stuck, with the key political players unable to agree on how to make the state function - and indeed some appearing intent on ensuring the state functions as poorly as possible.

To transition, Bosnia needs to fulfil five objectives. Two of them - agreement on how to allocate state and defence property, to ensure the state has the assets it needs to function properly - are not yet met. And Bosnian leaders also need to commit to a genuine process of constitutional reform if Bosnia is to move safely down the path towards EU accession. I strongly support Carl Bildt's work on this, hand in hand with the United States.

If we can make progress on these issues, it would be a significant step in moving from a centrifugal Bosnia to a more coherent Bosnia, and so in moving the country down the path to EU membership. A new EU Special Representative would be appointed - as part of the External Action Service - and he or she would lead the EU and international community's engagement. An ESDP mission would remain. And Bosnia would then be able to advance towards the basic deal that Europe offers all the states of the Western Balkans. They modernise, improve the rule of law, democracy, governance and minority rights; and we, as the member states, offer them support in their journey towards eventual membership. Benefits along that road would include Schengen visa liberalisation, critical to the peoples of a region which was once a country and who are therefore used to freedom of travel.

From Stettin in the Baltic to Trieste in the Adriatic, the Iron Curtain of which Churchill spoke has given way to peace, prosperity and unity. But widening has not – as some suggested, and argued in the 80s and 90s – come at the expense of deepening cooperation where that has made sense. In the last twenty years the EU has more than doubled in size whilst moving ahead with economic integration and reinforcing cooperation in foreign and security policy as well as justice and home affairs. Widening has actually led to strengthening

No-one believes that in the next twenty years the EU could or should double in size again. But if we fail to use our power to break down the barriers between the EU and its neighbours, freeing up trade, investment, and travel, and welcoming new members, we will all – not just aspirant members - pay a significant price. The figures actually speak volumes here – in less than 10 years trade between the old and new member states grew almost threefold

I know there are people who are uncertain about wider membership, including for Turkey's. But I believe that most of the concerns are based on a static and frankly out of date view of what modern Turkey is. Turkey is an emerging giant on our doorstep. If we are to ensure we have more than one source of energy from the East, Turkey will be vital. If we want to tackle drugs and international crime routes we likewise have to bring Turkey into the family of EU countries. And perhaps above all, if we want to show that being European is about values not race or religion, having a Muslim country with a

secular public realm within the EU can only strengthen us. There are many issues still to resolve, and the obligations are not just on the EU, but if Turkey reached the standards we have set on human rights, addressed the role of the military and the separation of powers, it would be unconscionable, in my view, for us to turn them down for EU membership.

I know not all the countries on our borders are ready or want to join. So we should make our partnerships work.

To Europe's East, poor governance, the financial crisis, and frozen conflicts are critical causes of instability. The Eastern Partnership should be not only a stepping stone towards possible membership, but a crucial vehicle for stability, because through integration into the single market we can promote economic reform and drive economic growth; and if the countries on our east join the common energy community it will enhance not only their energy security but also our own.

The EU is already the biggest donor to North Africa and has a major strategic interest in translating the grand and inspiring vision of the Union for the Mediterranean, launched a year ago, into concrete benefits – for example energy projects that unleash the solar power potential of the Sahara or greater cooperation in tackling illegal migration.

Crisis Response

The second priority for European foreign policy relates to our ability to intervene in global crises.

The debate about EU crisis response over the last ten years has been dominated by a sterile tug of war between a NATO centric and an ESDP vision of European security. Sterile because both organisations need the other to be strong and effective. The real challenge is to secure the right resources, make the best use of the tools that we have, to do so faster and more flexibly.

ESDP has developed as a flexible instrument for working in the space where civilian and military tasks meet. The demands for post-conflict stabilisation work have grown substantially. ESDP has shown itself well-suited to mobilising expertise like police training or border monitoring which complement NATO's role. And it connects to the political and economic weight of the EU in the world.

In the next few years, the biggest priority for EU support should be South Asia.

We need to step up our efforts in Afghanistan, as individual countries, as members of NATO and as the EU collectively. Just one example: from a budget of 8 billion euros the EU still only plans to spend around a quarter of a billion euros on Afghanistan this year.

Across the border in Pakistan, the success of the current military action in Waziristan, and the success of the Government's efforts to stabilise the Swat/Malakand area following the military action there, will have a direct impact on Europe's security. Pakistan is of enormous strategic significance given its size, its location, and its links to Europe, with a diaspora of over 2 million.

At the EU/Pakistan Summit last June the EU demonstrated its commitment to the people of Pakistan, with a huge increase in EU emergency aid funding. The additional 124m euros is already helping address the crisis and assist those affected by the fighting in the North West Frontier Province. But there is much more that the EU can and should do to help with the reconstruction of towns and villages destroyed, the re-creation of livelihoods, the establishment of effective justice systems, so that the extremists cannot return. It is a damning indictment of our prioritisation that the EU spends just half a euro per person in Pakistan compared to five to ten times as much in other, more developed parts of the world, much less critical to our security.

The summit also agreed an enhanced trade dialogue, which we hope will result in improved access to the EU's markets - to the benefit of Pakistan's battered economy. And it established a long-term strategic partnership to tackle the range of other issues of concern - violent extremism, security, and democratic governance. These agreements need to be built on which is why we look forward to the next summit next year and actions arising from it.

In all crisis zones, by doing away with the institutional divide between the Commission which holds the purse strings and the Council which takes the political decisions, Lisbon promises to bring more coherence to our efforts. Working with other Commissioners and the new High Representative, the External Action Service will encompass the full range of EU experts, helping us to see synergies, spot opportunities, and use the levers we have more creatively – from trade policy to aid budgets, soldiers to police, sanctions to electoral monitoring missions.

Relations with the Other Great and Emerging Powers

The third priority is our relationships with the other great and emerging powers, because the EU will only be able to shape the 21st century if it has real partnerships in the capitals of the great powers.

Europe is the world's largest single market. China is its fastest growing economy. Each is striving for greater energy and resource efficiency. Each must reduce its dependence on imported oil and gas. Both are looking for an exit from today's crisis that accelerates progress towards the high growth, low carbon economy of tomorrow.

The opportunity should be obvious. Working together, harnessing the power and reach of two great economies to push costs down and deploy technology faster, the EU and China could drive a surge in new investment delivering energy, economic and environmental security simultaneously.

This would make British jobs and prosperity less vulnerable to the vagaries of international oil markets. We would lower the pressure of rising demand that is currently fuelling a dangerous global scramble for resources. We would be building the global capacity to deliver the commitments we make at Copenhagen. But, above all, we would be demonstrating visibly that the best way to secure national interests at a time of economic anxiety is through cooperation.

We would not be starting from scratch. China and the EU are already working together to build what will be one of the world's first full scale power plants that captures and stores its carbon emissions. China and the UK have now established the world's first low carbon economic zones, to support the development of integrated low carbon supply chains at city and regional level.

But to protect Britain's vital interests as the century develops we need to scale up further. The Lisbon Treaty gives us the capacity to build an engagement with China that is truly strategic, coherent, and transformational. We must now use it.

When it comes to the EU and Russia - where I will travel next Sunday - I strongly support hard-headed engagement across the full range of our shared interests. We should respond openly and seriously to President Medvedev's interest in a debate about European security. We should make clear our own concerns about issues like human rights. We had well publicised differences over the war in Georgia. But let me focus today on the economy and energy – the areas where we most obviously need to cooperate.

Russia's economic progress and record of high growth are due in no small part to increasing trade with the EU and access to European capital markets. We have a 1990s framework for EU/Russia relations in the form of the existing Partnership and Co-operation Agreement. But this needs modernising to reflect today's broader and deeper EU engagement with Russia. It is good that Russia is committed to taking forward accession to the World Trade Organisation; we want the new PCA framework for EU/Russia relations to be based on accession to the WTO. And we want to see Russia taking its place in rules-based international organisations which help to boost trade and restore growth.

Russia needs the EU as its major energy market and the EU will need Russia as a major supplier. The EU should press ahead with plans to liberalise our internal energy market, investing more in energy security through interconnection of gas pipelines and new routes and sources of energy. European energy companies are working closely with Russian partners in Russia and elsewhere. We need to build on this to help create a mature and predictable relationship between suppliers and consumers that builds the confidence of both.

With the US, there is a different story. Our value base, history and world view mean that the EU and US point in the same direction. The values, priorities and principles of the Obama Administration have struck a chord in Europe for that simple reason.

Europe's challenge - and it is one that America rightly lays at our door - is to become a more effective partner. There are things the US want from us. Notably they want Europe to take care of its neighbourhood, and be part of the global drive for security – across Africa, the Middle East and South Asia. And things we want from them - a stronger commitment on trade, on climate and energy, on development. If we up our game, then we can legitimately expect and insist that the US delivers too.

But there is a deeper cause to the Transatlantic relationship that deserves a lecture or debate all of its own but I only have time to mention briefly. Commitments to human rights, economic and political freedom, the equal worth of all, are not “western” values; but they do need the west to defend and advance them. If a Transatlantic relationship is not standing up for democratic governance around the world who will? Unless Europe and America put human rights alongside trade and security, who will?

A serious five year I believe strategic partnership would set out to build the inclusive global settlement which President Obama has made his trademark.

Choices for Britain

Ladies and gentlemen, this is the agenda as I see it as the Lisbon Treaty is about to enter into force.

President Klaus has yet to make his intentions finally clear, but the EU and all its 27 member governments are aching to address the challenges we face. Only in Britain is there a serious debate about whether we should live with Lisbon, or fight it. I say “debate” but actually the last thing our political opponents are willing to do is debate with me the respective positions of Government and Opposition on the future of Europe.

What we do know is that when the Shadow Foreign Secretary spoke from this platform before the summer holiday, he set out five priorities for Conservative foreign policy, he only mentioned Europe in the context of seeking alliances outside Europe; that the Conservatives have rejected mainstream Conservatism in the European Parliament because it is too ‘federalist’; that they formed a new alliance with a small group of parties outside the mainstream...most of whom it turns out actually support the Lisbon Treaty; and that they have said that if they win the general election and the Lisbon Treaty has come into force they “will not matters rest”. But what they won’t say is what this means.

Another referendum? Malcolm Rifkind calls this “absurd”. A renegotiation of the social chapter? But this needs 26 other governments to agree, and no-one has signalled that they will do so.

The truth is that there is a deception at the heart of Conservative policy. A deception of the country that you can hate Europe as it exists today and remain central to European policy making. In fact, a failed attempt to renegotiate aspects of the European Union that the Conservative Party does not like will lead inevitably to more calls for Britain to leave the European Union. The fact that one third of Conservative candidates support such a position of withdrawal is testimony to the way the Tory wind is blowing.

I know that Europe is far from perfect. It needs reform. But it needs Britain at the heart of Europe not on the fringes. And for all the unpopularity of the European Union, it is a strategic imperative for our economy, our environment and our society, as well – as I have argued today - for our foreign policy, that politicians speak up for a leading British role in Europe.

Conclusion

Next month we celebrate 20 years since the fall of the Berlin Wall. Where will we be in two decades time? I see two paths.

Either we continue to expand, ensuring not only peace and stability but economic dynamism; or we accept new walls, leading to distrust and insecurity on our own borders, and isolationism and malaise within these borders.

Either we are a crucial partner when it comes to responding to crises, a flexible worldwide operation able to deploy a range of tools to support stabilisation and uphold the rule of law; or we are a paper tiger, our influence and ability shorn by internal fracture, our promises and protestations proven empty by a lack of capacity and will.

Either we are a major player in international affairs, an integral part of the global conversation on conflict, security, economics and the environmental future of our planet; or we are simply a bureaucracy that talks to itself, impotent in the face of the challenges our new world will bring.

It is a stark choice. For Britain, we have values to extend, interests to defend, and ideas to advance. We have lived, in my view, for too long with a false choice between a strong British foreign policy and a strong European foreign policy. A British foreign policy which rejects Europe will condemn us to the margins. A strong British foreign policy which embraces Europe is the best way to project our values and interests around the world, not at the expense of our roles in NATO, the G20 and the Commonwealth, not at the expense of our relationship with the US, but as a vital partner to them.

That is the real choice. For 60 years Europe, with Britain eventually playing its part, has developed a distinctive, successful model of social market economics and liberal politics. Now we are challenged to be a global player. It is, therefore, a choice that no responsible British Government can afford to shirk.

CHECKED AGAINST DELIVERY