



## Transcript

# Coalition Foreign Policy - an Assessment and Labour's Approach to Opposition

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### **Yvette Cooper MP:**

It's very good to be here today. After two months in post as Labour's Shadow Foreign Secretary this is a good moment to set out some key points on Labour's approach to foreign policy in opposition.

As Ed Miliband has said, Labour will be developing new ideas about the foreign policy challenges we face over the next decade as part of our policy review. That will include in the New Year reflecting on the experience of 13 years in government as well as the new challenges of the future.

However, the business of opposition cannot wait for long policy reviews. Therefore I want today to set out the approach we will take as Her Majesty's Opposition right now – the areas in which we will support the government, but also the areas where we will disagree and challenge them.

Eight months into the Cameron/Hague foreign policy agenda, we should cast a constructive and critical eye over the government's policies. And whilst in individual areas there is much we can agree with, I have strong concerns about their overall approach.

William Hague has made his three priorities for the Foreign Office security and terrorism, the economy and trade, and consular services. His introductory speeches as Foreign Secretary purport to set out 'a distinctive British foreign policy,' and in particular focus on trade with emerging economies and building bilateral relationships.

Meanwhile the Prime Minister used the annual Lord Mayor's Banquet, usually a defining foreign policy moment, to make a surprisingly defensive speech aiming to prove in his own words that Britain is not 'shuffling apologetically off the world stage.' He argued that the economy is central to his foreign policy – and explained this meant pursuing trade as well as domestic deficit reduction.

Beyond the rhetoric, key foreign policy events over the last eight months, in addition to our continued mission in Afghanistan, include the trade delegations to India and China, the French defence treaty and the Irish loan, a Defence review, two G20 summits, Cancun and legislation on the EU referendum lock.

At the level of individual decisions or regional policies, there remains much in what the coalition has done which I agree with. We support the trade delegations to emerging economies. The French defence treaty is sensible, and though it remains unpopular with the Conservative party, George Osborne's decision to provide extra support to the Irish economy was the right one – Britain has far too much to lose if the Irish economy goes under.

Similarly we agreed with the government's strong criticism of Israel's response to the Gaza flotilla, and the continued pressure for the release of all the Burmese political prisoners. We welcome the continued strong relationship with the US – still our closest and most important ally – as well as the continued mission in Afghanistan, with the plan to handover to the Afghan security forces over the next few years. Ministers are also right to continue to support Turkish entry into the EU. And we expect to continue to agree with the overall approach to counter terrorism and protecting our security in the world. The latest suspected terrorist attack in Sweden reinforces the need for continued vigilance and enhanced cooperation on a scale we have never before seen.

In his Guildhall speech the Prime Minister said that he had 'always made clear to foreign leaders that there was a great deal of common ground between the policies of the Government and the opposition. That is a strength of Britain's foreign policy'.

And that remains the case. Where we agree with the government we will say so, and we will support the action they take to defend Britain's security and promote Britain's interests in the world. This country has some of the best diplomats, armed forces, aid workers, NGOs, and businesses with international reach, and we will support their excellent work across the world.

However there remain many areas of concern. The strategic defence review has been badly received at home and abroad as too rushed and lacking in proper strategic vision. Engagement by the Prime Minister with the G20 and Cancun has been weak and underwhelming. And in Europe, the government's policy has been chaotic and confused – opting out of sensible directives, substituting budget grandstanding for a serious engagement with Europe's economic problems, and pandering to the Euro-sceptics with clumsy legislation.

And looking more broadly at the government's approach to foreign policy as a whole, even at this early stage we have a series of significant and growing concerns.

I want to discuss four of those today:

- First the flawed economic policy that they are putting at the heart of their foreign policy and the consequences of that at home and abroad;
- Second the risks of a reduced focus on human rights, climate change and international poverty;

- Third the growing government focus only on bilateral relationships at the expense of multilateral action
- And fourth the growing sense that the Prime Minister's foreign policy is driven by narrow short term domestic political considerations that will not be in Britain's long term interest.

I want to take each of these in turn and then consider – in this the week of what should be an extremely important EU Council – how these concerns come together particularly in the government policy towards Europe and the serious problems that will pose for the future.

But I want to start with the focus the Prime Minister and Foreign Secretary have placed on the economy within their foreign policy approach.

The Foreign Secretary said in his early speeches this year, 'British foreign policy needs to support the UK economy to a greater degree... We will make economic objectives a central aspect of our international bilateral engagement...' For William Hague, the emphasis has been on increasing the role of the Foreign Office in pursuing trade.

The Prime Minister made a slightly different argument in his Guildhall Speech. He said: 'Economic strength will restore our respect in the world and our national self confidence. So the faster we can get our domestic house in order, the more substantial and credible our international impact is going to be.'

Now I think it is right to make economic policy central to foreign affairs. So many foreign policy concerns have economics at their heart. Be it battles for economic resources over the centuries, tensions generated by currency rows today, social crises caused by poverty or environmental crises caused by over-development, we know that economics can underpin many of the problems and the solutions in foreign affairs.

We know too that there are economic challenges across the globe to be faced over the next few years. And also that the British economy is more dependent than ever on the world around us – as the events of the last few years have shown. A financial crisis that first started in the sub prime housing market in America ended up with the nationalisation of British banks and soaring unemployment in many European countries. And our prospects for growth in the next few years are even more dependent on the rest of the world. As a result of the decisions the government has made to increase VAT and cut domestic spending, we are reliant on £100bn increase in our exports to support sustainable growth.

So for all these reasons, I agree that economics should be central to foreign policy. I also agree that as part of that approach we should promote British exports and using our diplomatic service to help build economic relationships with emerging economies.

Of course the government's interest in increasing trade would be a little more convincing if it had a bit more depth. There still is no permanent Government trade minister in post. There has been little engagement with the EU on the recommendations Mario Monti made to further complete the single market, extending it to services and the digital economy. Nevertheless I support efforts to increase bilateral trade and promote exports, especially to emerging economies.

However bilateral trade deals on their own do not add up to a serious attempt to put economics into foreign policy.

For a start, trade with emerging economies won't be sufficient to address our export challenge. Expecting China, India or Brazil to absorb a £100bn increase in exports from Britain would demand a 20 times increase in exports to China and a 40 times increase in exports to India – all in the space of the next four to five years. The Foreign Office business plan in practice aims to double trade with India by May 2015. That will still leave our exports to India substantially lower than our exports to Ireland. So unless our traditional export markets – including Europe and the US -- grow, we will struggle to get sufficient growth at home too.

Yet the government is currently ignoring the wider threat to our exports from a weak global economy, and in particular from sluggish growth in our major export markets.

Right now a serious approach to putting economics at the heart of foreign policy would mean working internationally on careful co-ordinated strategies to support rather than hamper growth in sluggish major economies. And it would mean focusing diplomacy on the difficult challenge of addressing long term global trade and financial imbalances in a way that supports jobs and avoids protectionism.

Yet at the G20, the forum for exactly these debates, David Cameron had no strategy at all. In the EU Council, also central to these issues, we are hearing no sensible long term economic strategy from the British Prime Minister. He is playing the spectator rather than the statesman on the international economic stage.

The truth is that David Cameron and William Hague are linking their foreign policy very heavily to their flawed and overly narrow approach to the domestic economy. They focus on trade alone and not on wider global issues because their domestic priority is to avoid admitting there ever was a global economic crisis and blame everything on the Labour government.

And the flawed domestic economic prism – the ideological age of austerity – means they are in denial about the risks from low international demand just as they are in denial about the risks of low domestic demand. Both these domestic constraints are paralysing the Prime Minister from engagement in a serious international economic debate – one which is critical for Britain's prosperity. Far from strengthening our international position, as the Prime Minister claims, the government's focus on a politically driven steep deficit reduction timetable is actually preventing us playing a serious economic role internationally.

And the Prime Minister is wrongly defensive about the British economy in the Guildhall speech. The truth is that Britain has come through the global recession in a relatively strong position given the size of our financial sector.

Our claimant count has remained half the level of previous recessions, and our internationally measured unemployment rate stands at 7.7 per cent compared to 9 per cent in the US, 9.9 per cent in France, 20.1 per cent in Spain, and 13.6 per cent in Ireland.

And the global leadership Gordon Brown showed in the midst of the financial crisis helped many other countries, not just Britain, get through. David Cameron may not choose, for political reasons, to pay tribute to the international work his predecessor did. But he will harm Britain's interests if he tries to talk down the British economy on the international stage in order to make his domestic points.

If the government really want to put Britain's economic prosperity at the heart of our foreign policy they need to urgently change tack. Labour in opposition will argue consistently for them to do so, on both the domestic and the international stage.

The second important area for Labour in opposition is an area of concern and caution.

I am worried about the apparent downgrading of other important aspects of foreign policy.

In particular climate change, tackling international poverty and human rights were always central to Labour's foreign policy – and we would hope these

could be areas where we would continue to agree with the government. After all, the government has taken the difficult and welcome step to continue with the target to increase overseas aid to 0.7%, the Foreign Secretary has made speeches about human rights, and the Environment Secretary has spent the week supporting action at Cancun.

However, we are watching these areas closely with some concern. For example, though the Prime Minister referred to the aid budget in his Guildhall speech, it was only in reference to conflict prevention. We agree that conflict prevention is vital to both our security and to the lives of people living in fragile states. In Government we substantially increased aid to Yemen, Somalia and Afghanistan – and the Foreign Office contributed from its budget to the Conflict Pool.

But we know long term conflict prevention means tackling international poverty more widely. And if we want to see progress in the Millennium Development Goals, as well as conflict prevention, we need to know the Prime Minister and the Foreign Office are still committed too.

The outlook for the goals is mixed. For example there has been success in East Asia in tackling hunger, but in sub-Saharan Africa, the poverty rate has remained constant at around 50 per cent. At the recent G20, development was on the agenda, but only owing to the efforts of the South Korean Government.

As a party that believes strongly in ending poverty through development, we will be watching closely to ensure the emphasis on economic development, education and support for women in developing countries is not lost.

On human rights, whilst we welcome some of the public statements the Foreign Secretary has made, particularly on Burma and marking International Human Rights Day, we were very troubled that the Foreign Office considered ditching the Annual Report on Human Rights. The Foreign Secretary was slow to support Liu Xiaobo as the winner of the Nobel Prize, and we still do not know whether the Prime Minister raised his case when he met with Premier Wen.

Meanwhile the FCO's programme spending on Human Rights and Democracy has been cut by over half a million this financial year. And the Government won't tell us the level of future commitment to this programme.

And on climate change, although the British government is still supporting international action and the deal at Cancun, David Cameron himself has

clearly decided not to play any leadership role in getting international agreement for cutting carbon emissions.

The Foreign Office role seems to have been cut back too. David Miliband created the successful Low Carbon High Growth Fund at the Foreign Office to underpin diplomacy on carbon emissions. But the programme has been cut by £3 million and the future of the programme seems to be outside of the Foreign Office.

So in each of these areas -- climate change, development and human rights - - we hope the government remains strongly committed to these in principle, and we will as the opposition keep up strong scrutiny and pressure for these to remain central to British foreign policy in practice.

My third concern is that the government is focussing only on bilateral relationships at the expense of important multilateral debate.

Bilateral relationships are extremely important and always worth building and deepening. But instead of using strong bilateral relationships within important multilateral fora, this coalition government seems to be simultaneously withdrawing from serious engagement in multilateral debate.

So in November we saw the No 10 fanfares for the Shanghai visit, and the radio silence on Seoul: the Prime Minister had a plan for his trip to China, but he had nothing to say at the G20. Liam Fox has contrasted the bilateral French defence treaty which he supports, with wider EU defence co-operation which he doesn't. George Osborne supports bilateral help for Ireland, rather than wider action through the EU. The Foreign Secretary supports US leadership in the Middle East, as do we, but doesn't seem to foresee a role for the EU beyond development.

Building bilateral relationships forms the central part of the Foreign office business plan that Ministers have drawn up, but multilateral institutions such as Nato, the UN, the G20, the G8 and even the EU get barely a look in.

But this tendency – if it continues – could prove deeply limiting for Britain's interests. In our increasingly interdependent world, Britain's interests depend not just on our own relationships with individual countries but on their relationships with each other.

Our interests too depend increasingly on co-ordinated regional and global action – and on multilateral deals. For example pursuing our own trade deals with China is far less productive if we don't have the weight of the EU behind us. Bilateral action to cut carbon emissions will always be weak without co-ordinated global deals. We need UN action to avoid violence in the Sudan.



And on the global economy, without a serious G20 plan to manage exchange rate adjustment and deal with long term global imbalances, our own economy will be badly affected.

Our fourth concern as the official opposition is that the government is still shaping foreign policy through a very narrow prism of short term domestic politics, rather than looking at the medium and long term interests of Britain in the world.

Instead of looking at the global challenges and changes facing us in the coming decade, and considering how these will affect Britain's interests and Britain's role, the Prime Minister looks at short term domestic politics and considers how international issues help or hinder that debate. The result is a serious risk that Britain's medium and long term interests and concerns are not being pursued.

So the Prime Minister's domestic political timetable for deficit reduction prevents him engaging properly in the international economic debates that are crucial for Britain's interest. High profile visits to individual countries make for easier media headlines than complex negotiations in international summits. And the strong and growing Euro-sceptic tendency in the Conservative Party is preventing the government either from signing up to sensible EU measures or from developing serious plans for EU reform.

This is not yet a Prime Minister with a clear sense of the global challenges we face over the next decade and the risks and opportunities for Britain. Too often as a result the Prime Minister is playing the spectator rather than the statesman on the international stage.

Overall this means there is a lack of serious strategy in the Government's foreign policy. It is a shrivelled vision of Britain's role in the world, and ultimately, I fear, it will let Britain down.

Nowhere are these problems as stark as on Europe. Here the combination of the government's hostility to multilateralism, narrow focus on domestic politics – in this case the pressure from Eurosceptics in the Conservative Party – and their flawed economic approach are combining together into an extremely confused European policy which is putting Britain's interests at risk.

Already we have seen the Government reject multilateral action on modern slavery by opting out of the valuable human trafficking directive to avoid inflaming Eurosceptic hostility. We've seen last minute grandstanding on the EU budget to appease Eurosceptics, but no serious engagement on

reforming the Common Agricultural Policy that will be needed ultimately to bring the EU budget down.

This week the EU council will gather for one of its most important meetings as economic and political clouds continue to gather across the continent. Just when we need a serious British strategy for Europe instead the Government is pursuing a narrow agenda constrained both by the Eurosceptics and by their flawed economic policy too.

Given the continued pressures from financial markets, Eurozone members themselves still need to do more to demonstrate their support for and commitment to each other if stability is to be maintained. Focusing only on measures after 2013 is not likely to prove the best approach. That of course remains a matter for Eurozone members to lead.

Just as important, the whole of Europe, not simply the Eurozone, needs a coordinated strategy to support growth and jobs. And that's where Britain ought to come in. Our government should be arguing for a serious European growth strategy. Currently Europe is signing up to co-ordinated and severe fiscal austerity in which every country cuts back steeply at the same time, even those such as Germany with stronger fiscal positions. The result is that European growth is already slowing, some countries like Ireland are back in recession. And every country is relying - like Britain - on exports to help them grow. Yet it isn't clear who is supposed to buy all these extra exports if each country in Europe is cutting back.

Britain should be pressing other European countries to face up to the contradictions in their economic approach and do more to support growth and jobs. Instead they are paralysed by their own politically driven economic plan. They cannot argue for support for growth and jobs in Europe if they are failing to do so at home. They cannot argue for a more growth friendly approach to fiscal consolidation especially in stronger countries when they have made rapid deficit reduction the only test of their own economic policy.

Nor are they even able easily to support sensible measures to avoid Eurozone crises in future. Just when the EU Council is likely to want a limited treaty change to support a permanent crisis mechanism, the British government is promising its backbenchers that there will be no more treaty changes and that if there are a referendum will follow. At the same time as government ministers are telling their European counterparts that they will support a permanent crisis mechanism, they are pandering to their Eurosceptic backbenchers and introducing legislation that is so badly drafted

it may make it very hard for them to do exactly that. Rather than play the sensible statesmen in Europe, they are simply tying themselves in knots.

So Labour's approach to opposition.

We are supportive on their approach to international security.

But we strongly disagree with their approach to international economy.

We are watching closely on human rights, international poverty, and on climate change.

We want the government to build and deepen bilateral relationships, but also to draw on them and engage seriously in the big multilateral debates and challenges we face.

We want them to look at the global challenges we face, and pursue Britain's interests and values – rather than simply looking at narrow, short term domestic politics.

And on Europe, we want them to be Pro-European, but also arguing for reform of Europe and of Europe's current economic strategy to support jobs and growth.

Those are the tests and challenges we set for the Government in its foreign policy

Right now though there remains much in individual areas we can agree with, on the big tests we think too often they are still falling short. We hope that under pressures from the Opposition they will do more to strengthen their foreign policy, to better serve the interests and values of the British people.

Thank you.