

Challenges and Choices for the UK: Foreign Affairs

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Ritula Shah

It's ten o'clock. Good evening. This is a special edition of *The World Tonight*, with Ritula Shah. Tonight we come to you from Chatham House, the influential foreign affairs think-tank. With three weeks to go before the general election, we're discussing the foreign policy challenges facing the next government, whoever is elected. As upheaval and conflict fracture the Middle East, does the UK have a role to play? Europe, the rise of China, our maybe not-so-special relationship with America – is foreign policy being given the attention it deserves? I'll be discussing all these issues and the future of the UK on the world stage with a distinguished panel here at Chatham House. The BBC news is read by Charles Carroll.

[News]

Hello, I'm Ritula Shah. Welcome to this special edition of *The World Tonight*, recorded at Chatham House in London, in front of an audience. More formally known as the Royal Institute for International Affairs, Chatham House is famous for its expertise and influence. Today, we're going to be drawing on some of that knowledge as we discuss the foreign policy challenges and choices facing the next UK government, of whichever stripe. Unlike defence, which we debated here not too long ago, foreign policy and Britain's place in the world has barely made any impact on this election campaign so far. There's been some discussion of immigration, Europe, and the occasional reference to Islamic State, but that really is about it. Well, we plan to change all that today.

Without further ado, let me introduce you to our panel. Anne Applebaum is director of the Transitions Forum at the Legatum Institute, an international think-tank and educational charity focused on promoting prosperity. Dr Robin Niblett is director of Chatham House. Timothy Garton Ash is professor of European studies at the University of Oxford. James Rubin is columnist at the *Sunday Times* and from 1997 to 2000 was assistant secretary of state for public affairs and chief spokesman for the US secretary of state, Madeleine Albright. Welcome to you all.

I'd like to begin by asking you all the same question: is Britain no longer trying to punch above its weight on the international stage? And if so, does it matter? Robin Niblett.

Robin Niblett

I think the UK is still trying to punch above its weight. I think this government, like most governments, sense that the British people – if we can use that wonderful, broad phrase – still think of the UK as a great power. In fact, we did a survey that was put out a little bit earlier this year in collaboration with YouGov, that showed still over 60 per cent of Britons think of Britain as a great power, and those who don't are around the 20 per cent mark. It's quite a differentiation. So I think, a bit like in America, people talk about 'we've got to lead' – in Britain there is still this idea that the government should be involved and should be trying to punch above its weight. The question is: can it? My sense, from a military intervention standpoint, it looks to me as if the UK has pulled back a bit, certainly, in the impressions as to whether it can punch above its weight as a small nation with a powerful military. The Syria vote, we might come to that later on, had an impact on that view. The uncertainty about its position with Europe changes how people perceive it on the international stage, not least its European partners.

The one place where I think it has continued to punch above its weight is in a sort of global agenda sense. London conferences on sexualized violence against women, dealing with cyber security, the strong commitment to the development agenda, the G8 agenda on open government and procurement, anti-tax evasion – these are not traditional areas of British foreign policy but they sort of define the UK as a

thought leader and as a player looking to the future, and therefore perhaps still punching above its weight in that sense.

Ritula Shah

Anne Applebaum?

Anne Applebaum

In 25 years of writing about British politics, I would say this is the most insular UK government I can ever remember and this is the most inward-looking election that I can ever recall. From the perspective of Europe, the UK is perceived to have withdrawn already. It is very rarely included in conversation. From the perspective of Washington, it's perceived as not really counting and not being interested. So no, I don't think it's trying to punch above its weight or indeed punch at all anymore.

Ritula Shah

Timothy Garton Ash?

Timothy Garton Ash

I think it's, in a way, even worse than that, because I think some of our leaders still nourish the illusion that Britain is punching above its weight, while in fact it's self-evident that we are punching well below our weight, for two reasons. Firstly, because we are neglecting all the main instruments of our external power, be it defence, the cuts in the Foreign Office budget, all the way to soft power elements such as BBC overseas broadcasting, our attitude to foreign students. Secondly, because we have marginalized ourselves in Europe to an extent that I cannot remember in – I don't want to sound like the Ancient Mariner, but more than 35 years of writing about Britain and Europe, I can never remember a period, even when Margaret Thatcher was saying 'give us back my money', when Britain had so low a stock of goodwill in the European Union. And of course, as we matter less inside the European Union, that also means we matter less to the United States.

Ritula Shah

We'll certainly discuss that more. James Rubin, are you going to bring any optimism to this?

James Rubin

Well, it's hard to be optimistic about Britain's role in the world today. I don't want to say anything even more pessimistic than we've just heard, but I think in most of my life, Britain has been the first port of call for the United States when it's seeking to do something in the world, whether that was in the Balkans during the Kosovo war, whether it's been with respect to Iraq or Middle East peace talks, or whatever the issue. I think these days Britain is barely entering the ring, let alone punching above its weight. They seem reluctant, the government, to involve themselves in this central issue where this continent has a hot war going on a few hundred miles to the east, and Britain is absent in the discussion about that. So this is probably due, in my opinion – a similar effect had in the United States – the Iraq effect. The disastrous Iraq war, both in terms of its conception, its diplomacy and, worst of all, its implementation. Now there is terrorism in Iraq, 13 years after the Bush administration first discussed it. I think the failure in Iraq has really scared off many people in the United States and all too many people here in the UK.

Ritula Shah

Gosh, there's plenty there to begin with. I want to begin the main part of this discussion by talking about Europe. The Conservatives have promised to hold an in-out referendum on Britain's membership of the EU by 2017, following a renegotiation. Labour and the Liberal Democrats would only hold a referendum in the event of a further transfer of powers to Brussels, while the SNP want to remain in and UKIP want to get out. But as the political parties play the hokey cokey over our membership of the EU, what impact is the debate having on how our European partners see us? Beth McLeod has been to Berlin, a city that once symbolized Britain's importance to Europe and which now seems to be collectively scratching its head about what we really want.

[Report from Berlin]

Beth McLeod reporting. So, Anne Applebaum: plenty of German scepticism there about how the UK is behaving within Europe, this 'half-pregnancy'. Is it justified?

Anne Applebaum

The impression one has from the point of view of Europe is that Cameron doesn't understand how the EU works. He seems to want things from it that it can't give. He wants to renegotiate a treaty at a moment when that's not possible. He wants to influence the way European elections work without being a member of one of the important European political parties. Even the fact that inside the UK this was never considered a very big issue – the fact that the Tory party dropped out of the European People's Party, the party which Chancellor Merkel's party is part of and all the other leading centre-right parties in Europe – shows that there's a real lack of understanding of actually how the system works. So Britain is perceived right now as not even really taking part in the major discussions, as not really understanding the rules and not being a central player.

Ritula Shah

But Timothy Garton Ash, is it a lack of understanding about how Europe works, or is it more a reflection of powerful Eurosceptic voices in the UK which any politician has to answer to?

Timothy Garton Ash

Clearly that matters. Let me just comment on the German voices, because I think the evolution of German opinion is particularly interesting. Five years ago, when Cameron came into office, the German government was prepared to cut him a lot of slack. 'We know your politics, we know you have UKIP, we know you have Eurosceptic backbenchers. We understand that'. Somewhere midway through the term, people just got fed up. It's partly because here was Europe facing two enormous historic crises – firstly, the eurozone crisis, and then as Jamie said, war in Ukraine – where was Britain? But also that Britain was simply being unbelievably troublesome, often in a quite petty way, on every little issue, for fear of how it might play back home. What that means is – and by the way, I have it on fairly good authority that some of the German-speaking leaders of the EU, when they privately talk about David Cameron, the word they use is *der Fremdkörper*, which means 'the alien body'. What that means is, if it comes to this fabled 'renegotiation', the stock of goodwill even in Germany is very much depleted, and therefore the results are going to be minimal.

Ritula Shah

Robin Niblett, this discussion is about what David Cameron has done, what he may do in a future renegotiation. Of course, Ed Miliband could be the next prime minister. It's not going to go away even if Labour is elected. Euroscepticism is a powerful force in this country. Any prime minister is going to have to go to Europe and talk about Britain's position with Europe. What is a sensible negotiating strategy?

Robin Niblett

It depends – a sensible negotiating strategy for what? To achieve what? The Conservatives came into power saying they did not want Europe to be at the heart of their foreign policy. It was not meant to be thus. This wasn't a government that came in deciding to be a *Fremdkörper*, it was a government that came in hoping to focus on China, India, the new world, move beyond the Euro-Atlantic area. And a lot of things went wrong. You ended up with a coalition government, you ended up with an economy not growing fast enough, and you ended up with a push for greater integration that was not planned.

So we've ended up in a position where the referendum debate has now been put on the table and Labour has had to follow that track. My sense is that the commitment they've made, although it pushes the likelihood of a referendum if Labour were to win away from the next parliament – because no one wants to do a treaty, as Jamie Rubin and others said, in Europe right now – it means the UK at some point will have an in-out referendum, because at some point in the future there will be a treaty. However liked that treaty is, even if it doesn't involve deep integration, the Labour Party, having not given the referendum the last time, will find it extremely difficult, especially if they're in government, of not then carrying out a referendum. So if they come into power, they're going to have to try and get many of the progress points that David Cameron has laid out in their term, in case the referendum happens later. I don't think it will be avoidable within a 10 to 15 year timeframe. And actually, I don't think they disagree on that many issues when it comes to what you want to get out of Europe: greater role for national parliaments, not so much of a big budget, change benefits for migrants. In fact, David Cameron has got a lot of these things in any case. So it's really about how you play the politics.

Ritula Shah

Timothy Garton Ash?

Timothy Garton Ash

Yes, I think that Labour, on balance, has a more pragmatic, constructive policy towards the European Union, but I actually think – just stepping back and looking at it analytically – that our best chance of staying in the European Union and therefore recovering a larger British role in international affairs probably is to have that referendum in 2017, perhaps with this coalition. Because as Robin Niblett rightly says, the issue is not going to go away. It's simply not going to go away, and we would spend potentially five years in limbo, if not in purgatory, before it came back, possibly in an even more difficult form.

Ritula Shah

But the assumption of this entire conversation is that it will be the best thing for the UK to stay within the EU. James Rubin, is that a fair assumption?

James Rubin

I'd be hard pressed to speak for Britain about what's good for Britain, but let me say this: the role the UK has played over the years that has made it America's closest ally, that has made it the country which we share intelligence with, which we share military training with – we even share diplomatic cables, we share strategy, and we share a worldview with traditionally – it's been a benefit to America that Europe has been able to speak not only for the UK but to give us a flavour of what things are going on in Europe more broadly. That seems to be gone. If one wanted to pick one person in Europe to speak to today –

Ritula Shah

The Henry Kissinger question.

James Rubin

It would be Mrs Merkel. It would not be the British prime minister. That wasn't true five years ago, ten years ago. You could have gotten through Tony Blair a feel for what European leaders thought. They had regular contacts, he was respected enough to give you a lay of the land. So from the American perspective, we prefer a strong Europe and a strong UK in Europe.

Ritula Shah

Anne Applebaum?

Anne Applebaum

The oddity of this discussion is that actually there are a lot of countries in Europe which agree with the UK about many of its criticisms of Europe. There is a potential coalition for reform. If you put together Sweden, Poland, even Germany, the Netherlands, a range of countries across the EU – and had Cameron spent the past five years trying to build that coalition, defining what the goals were, explaining what it is he wanted to do, lobbying in different capitals – he might now be in a very different position. There is room to reform the EU but you have to talk to your EU partners in order to achieve that. He's never been willing to do that. Instead, he's created the impression that he's talking about all this stuff, EU reform stuff, merely in order for it to have a good echo at home. That has gone down very badly, as Tim just said, in Berlin but also other European capitals.

Robin Niblett

As I listened to the commentary as well that came before, in your report from Berlin, and to some of the commentary around the table, I just find the Britain-bashing part of it just a bit too cute at times. First of all, this comment of Josef Janning – I like him well, a good guy – but the idea that if Britain doesn't want to help build a European defence, we'll have to do it without Britain. What's the building of European defence that's been going on for the last five years? Nothing. It hasn't been happening. The idea that if there had been a different prime minister, the US president or others would be going to London rather than to Berlin, when the main crisis is the eurozone – over which we have no influence whatsoever – it's inevitable, it was always inevitable, that Germany would become more powerful. And it has become more powerful. And even Russia – I could go on.

James Rubin

I think it's important here to distinguish between these Europe issues and the foreign policy issues. I think if Britain were slow on the EU issues but playing a major role on the world power issues, we wouldn't have all this pessimism and all this negativity. I was personally struck at the degree to which, after a war began in Europe, started by Vladimir Putin, that all I seem to hear out of London, living here, was worry about the banking effect if sanctions were put in place. The British might lose their special hold over British bankers. When it came time to negotiate, the French and the Germans did it without Britain playing a significant role. And yes, it's true –

Robin Niblett

On the sanctions? The French took longer on the ships than Britain did on [indiscernible] the City.

James Rubin

Right, but why didn't Mrs Merkel call David Cameron to go to Russia with her?

Robin Niblett

Because he would have been the wrong person to take.

James Rubin

He might have been, he might not have been. But what I can tell you is that from an American perspective, I've been struck, when I go to Washington and see my friends at high levels in the US government or in the Congress or in the community, how dismissive they are of Britain's role in the world. That's not something I thought when I worked in Washington. It's not something that happened during the Bush years. That is something new.

Robin Niblett

By the way, I wouldn't disagree with that point. I think the UK has played its hand wrong on a number of things. But I think on Russia, we've got to pick our cases. The referendum choice, in my opinion, to put it forward is wrong. Maybe now it has to be done, as Tim said, maybe it's too late. It's beyond being able to decide. Defence investment – you could pick your cases where you think the UK has not played its hand. But on going to Moscow, is not the case I would use. This is one where actually having Germany and France there was the right package of people, with Britain behind supporting on the sanctions, as it did all the way through.

Ritula Shah

Let's turn the corner then from Russia and Europe to the Middle East. During the course of this parliament, there's been conflict and upheaval in the Middle East. Dictators have been toppled but Syria's President Assad is still in power. Parliament voted not to take military action in his country. The optimism of the Arab Spring has given way to the brutality and violence of the jihadis, with Islamic State seizing swathes of Syria and Iraq. Meanwhile, Britain and France led a NATO bombing campaign in Libya, but British troops pulled out of Afghanistan. And now, as the five permanent members of the UN Security Council and Germany appear to be close to reaching a deal with Iran over its nuclear programme,

the longstanding power struggle between Iran and Saudi Arabia is being played out more openly in places like Yemen and also Syria. So what role, if any, should the UK play in this fragmented and volatile region? Our Middle East correspondent, Kevin Connolly, looks for answers in the past.

[Middle East report]

Kevin Connolly reporting. James Rubin, Britain's stance over Syria was to say Assad must go, from the outset. He's still very much in power. Was that a failure of British foreign policy or was it just one mistake amid what was essentially a collective, international foreign policy failure?

James Rubin

I think the world has failed spectacularly in Syria. I think the hundreds of thousands of Syrian refugees that are slowly making their way not just in the Middle East but into Europe, are going to have a blowback effect for us for many years to come. I think what happened is when the British prime minister lost the vote, I think it was in a way the third strike against Britain's role in foreign policy. The failures in Iraq that I mentioned earlier, that so damaged the confidence of this country and America. Libya as well – I think when the British and the French took the lead, understandably and justifiably they saw a greater American role that never really was there. So when the foul-up happened and it was chaotic and disastrous, and now we have a civil war there, we come to the third country, Syria. Britain voted it down and my sense, at least as an outsider, is that the British foreign policy machinery said: okay, this is all just too much for us. Let's be helpful to our friends but let's play a supporting role, not a lead role.

Ritula Shah

Timothy Garton Ash, there's a contrast there with Libya, though, where we did get involved. We led the NATO bombing campaign, along with France. Yet now we appear to have lost interest in Libya. Just this week, 400 migrants drowning in the Mediterranean; thousands of migrants coming over each week into Italy. What lessons are there to learn from that, for the future?

Timothy Garton Ash

I'm glad you mentioned Libya, because obviously I've been a teeny bit critical of David Cameron, so I did want to say that he did lead on Libya – rightly, in my view – in order to prevent what was potentially a genocide in Benghazi. Qaddafi had credibly threatened a genocide in Benghazi and I think that was right. Then as Jamie Rubin said, he was voted down in the British Parliament on Syria, so I don't think you can pin that at his door. We have been still quite an effective player in the negotiations over Iran, in bringing that, precisely because we have been a player in a team which is part of a larger team.

The other thing I would say, and you mentioned migration, is that of course so much comes back to domestic politics. The idea of saying we should take in more migrants across the Mediterranean is not going to play well during a British election. But if you look at another big issue in this election, which is the threat of terrorism – which is a 16-year-old London schoolgirl going off with her peers to be a jihadi bride in Syria – then you see that this foreign policy is actually a domestic policy. One of the odd things about this government is that it's beefed up the spending on the intelligence and security agencies, passed however many counter-terrorism bills, but not at the same time attacked the root causes of that terrorism in the Middle East. So it's been tough on terrorism, to coin a phrase, but not on the causes of terrorism.

Ritula Shah

Anne Applebaum, is there a lesson there for a future government? A change of tack?

Anne Applebaum

I think there are lessons from both Libya and Syria, and Iraq and Afghanistan. One of them is, if you don't have a good military solution to a problem – which in many of these places, we didn't – and if you don't feel you can lead on that anymore, if you're too traumatized by Iraq – which is understandable, many countries are – that doesn't mean that there is no role at all. One could have seen Britain – Britain did lead on the military piece of the Libya operation and then seemed to lose interest or disappear. Why didn't Britain want to lead in the reconstruction? Libya is a country that has close economic ties with Britain. There was a huge Libyan community living in Britain at the time, many of whom went back immediately, wanting to help. You could have seen Britain becoming really quite central to the reconstruction and rebuilding of Libya, but somehow it was as if attentions were distracted and everybody moved back again.

You could say the same thing about refugees. Yes, again, I understand that there is a limited appetite for taking numbers of refugees into the UK, but still dealing with refugees, understanding how to reintegrate them into other societies, helping with the funding, this seems to me a kind of natural job for Britain, which understands refugee crisis quite well and has dealt with them many times over.

The third thing is there are positive things in the Middle East that you could see Britain doing, places where it can be involved. The most obvious is Tunisia. This is a country where there is no crisis – sorry, I shouldn't say there is no crisis, but they've made a fundamental resolution of their constitution. There isn't a civil war there. It's also a country which is very disillusioned with its former French colonial power and which is very eager and interested to have contacts in the Anglophone world, business contacts. Yet I don't feel any interest from the UK in being involved. In other words, there are positive places, there are things the UK could be doing, that don't seem to be on the agenda because that part of the world isn't really on the agenda, except as a cause of crisis and a source of jihadis at home.

Ritula Shah

Robin Niblett, is that a challenge for the next government, to think of the Middle East beyond through the prism of terrorism?

Robin Niblett

Yeah, except it will be difficult to, because we have by some estimates now about 4,000 European citizens having headed over to become foreign fighters for ISIS. The UK, after France, were the largest in total numbers (not by per capita). So the domestic politics of foreign politics dimension will mean any government is going to be held to account on its ability to protect its citizens first. I think the problem with all of the Middle East and these intractable conflicts that each of the speakers has mentioned is that there is a move almost to thinking that maybe we can contain it, because actually fixing it is too difficult. It's beyond our capability. By the way, I think again this is a deeper structural issue behind all of our conversation that we've had so far. The ability of any country, whether it's as powerful as the United States, that does lean forward, or one like the UK that seems to be schizophrenic at the moment, in my opinion, leading on some and not others – we're all limited in what we can achieve. So I think you do have to pick very targeted areas for bilateral decisions. Actually, the point I would make has been made. I think

Tunisia and Morocco, those countries that have not tipped fully over, is where you can have most impact. Where they have tipped, I think we need to recognize – a place like Syria may not be fixed for ten or twenty years. This is not 'I'll do it in the next government'.

Just on the refugee point, although the UK has given some £800 million, one of the largest donors to the Syria crisis, to try to deal with it, we have taken in refugees in the hundreds, whereas our other European partners have taken them in in the thousands. As a matter of fact, one of the little papers we've done as part of our UK election series, the first one was on the fact that as tough as it might be, that maybe a Labour government – if it were to win – would take a slightly more forward-leaning line. I would hope a Conservative coalition would as well. Actually, you can do a lot by investing in the long term of the country through bringing in refugees. Remittances, different impressions that you care about the country, influence politically – all of those things can come from a small decision. The numbers of refugees in a few thousands would be a drop in the ocean of our rather large immigrant numbers.

Ritula Shah

Let's move on in this special edition of *The World Tonight*, recorded at Chatham House. It's impossible to talk about foreign policy challenges without talking about China. It's now the second-biggest economy in the world and Beijing is using that financial clout to build new alliances. The United States is sometimes accused of placing too much emphasis on China as a threat. But how should Britain respond to the economic might of Beijing? Should engagement be the priority, or should we take the more cautious approach favoured by some in Washington? Our chief business correspondent, Linda Yueh, has been considering the options.

[China report]

Linda Yueh reporting. So building a relationship with China on the basis of trade – James Rubin, that seems perfectly reasonable as a way forward.

James Rubin

It reminds me of the early years of the Clinton administration, perhaps our worst period in foreign affairs. We developed this idea called commercial diplomacy. It was at the very time that President Clinton had decided that domestic policy was more important. He was allowing the Bosnia problem to fester and some of the clever folks came to him and said: well, if we're going to do commercial diplomacy, at least that would be useful for us. It appears to me that the Treasury, Osborne, the chancellor of the exchequer, has the lead in the Asia account and has convinced the government that Britain is going to get something unique out of joining the bank.

Ritula Shah

The Asian Infrastructure –

James Rubin

The AAIB. I think the US government played this very badly. I think to just say no to the bank, to just tell everybody to say no, without any constructive approach to dealing with it, was not very clever diplomacy. But to have the British be the first country to stick it in Washington's eye was a surprise. It surprised me. I know that it's gone down extremely badly in Washington. But as I said earlier, because the US isn't

counting on Great Britain for a lot of its major problems that it's dealing with, I don't think it's going to be a disaster. But I think it does raise the question of whether European countries pursuing commercial diplomacy can really be successful in achieving what we all want, which is a China that rises peacefully but does not threaten its neighbours and does not destabilize Asia. Britain is just not big enough, even with its banking centre, to have any positive influence on the Chinese acting alone. It can only be successful in this goal if it acts as part of a European Union or with the United States. So it may be good for them to be part of this bank but I'm not sure it's really constructive for the world.

Ritula Shah

Just to clarify, this is the Asian Infrastructure and Investment Bank, which is seen as a sort of Chinese rival or counterpart to the World Bank. Timothy Garton Ash, when the Conservatives came to power and William Hague was foreign secretary, he was quite explicit about the idea that the Foreign Office was going to have a more commercial aim. Philip Stevens of the *FT* has called it the 'FCO re-badged as a sales force for Britain plc'. It's not surprising really that they might want to join a bank like this, if it's in our interest commercially.

Timothy Garton Ash

Yes, I think actually this government has just been a bit erratic on this, because they've also sometimes spoken out based on human rights, the Dalai Lama and Hong Kong, and then suddenly gone to the other extreme and commercial kowtowed. So there's a certain lack of consistency in the approach. But the other point is, just to give you one statistic: approximately half the EU's exports to China come from one country. That country is not Britain. It's Germany. So if there's going to be one country in Europe which can have a certain impact in China, it is Germany. If Britain wants to have an impact in China, if we think it's a good thing to go into this bank (which arguably it is), we should have crafted a European Union approach to that and then done it as a European Union. That would have achieved more understanding, I think, in Washington and also arguably had more impact in Beijing.

Ritula Shah

Anne Applebaum, the conversation we're having almost suggests that as far as China is concerned, Britain almost has to make a choice between its commercial relationship perhaps with China and its longer diplomatic ties with America. If it goes with one, it's in danger of annoying the other.

Anne Applebaum

No, I wouldn't put it like that. I didn't think this particular bank issue is important enough really to dwell on. I have a slightly different problem with Britain's attitude toward China, which is not so much – I agree with Tim that it's been schizophrenic, and I agree with Jamie Rubin that it's tried to play this commercial diplomacy. The trouble is when you put that much focus on China, you forget there are a lot of other countries in Asia which are also very large. Some of them have very large economies, like Japan or Taiwan. Some of them have quite a lot of legitimate fears of China. Australia does, the Philippines do, South Korea does. By trying to craft a kind of pro-China policy all by yourself, you forget there is a very large – Asia is like Europe in that it's a very complex echo system with many different pieces to it. The emphasis in London on China, which I think comes from the idea that China is a very big and there are lots of Chinese business in London and lots of Chinese-owned property in London, really misses out on some of the subtleties in the rest of Asia. So on the one hand, yes, Britain should be acting with European partners and with the United States if it wants to have any impact in China. On the other hand, it should

be careful not to make this some kind of sole, special issue and thereby alienate or unnerve the rest of Asia.

Ritula Shah

Robin Niblett, given the straitened circumstances of the economy, is any future government going to perhaps adopt the broader remit that Anne Applebaum is talking about? Isn't it quite alluring to head straight for China, where the money is?

Robin Niblett

I think it's inevitable. The absolute priority of this government, and probably why George Osborne seems to have had the lead on the China docket – the top priority of this government, as far as I interpret it, has been to rebalance the British economy. Ultimately, China is seen, just as it has been for Germany – the UK will never be entirely Germany. A lot of the UK's car exports go to Germany, and from Germany on to China, so there is actually another interlinkage point about Britain and Europe that isn't always appreciated here. But I think ultimately, China has a huge amount of money that is going to start going global, or has started already. Not just global in Africa and those emerging economies but into the developed world. Europe is seen as one of those big targets, and within Europe the UK is top. Eighteen billion dollars last year of Chinese foreign direct investment into Europe, double what it was the time before, and the UK at the top of that list.

So the UK sees an opportunity not just through the RMB role for the City, but more broadly the rebalancing at an industrial and broader level, the UK to partner. But we've got Hong Kong, which we haven't mentioned – as well as, if a Labour government were to win, the very interesting choice the Labour government will have of, do we meet with the Dalai Lama or not? I think, my impression is that this government – I know what Tim said, but they were very cautious about the Dalai Lama. They did it in a way that they thought: this will get us the smallest rap on the knuckle. But in the end, the Chinese government wanted to make a point, and they decided to make a point with Britain. They made that point pretty effectively for 18 months. So a Labour government, if it comes into power, will have to make a very interesting call as to where they step on that. And then Hong Kong – we are one of the signatories to the Basic Law there. We'll have to decide – any government that comes in –

Ritula Shah

A very muted response to the protests last year.

Robin Niblett

Yeah, I think the government was muted. In my opinion, I think in the end that probably was more helpful. This is the problem on Hong Kong, a bit like a number of issues where Britain has former colonial relationships. Us going in with both feet actually makes it harder sometimes for a resolution to take place domestically.

But I think in the end, I just want to say that the UK has been actually not entirely China-focused. The UK-Japan relationship is doing as well as it's done for quite a while. There is some defence cooperation agreements taking place there. So they're not only focusing on China.

Ritula Shah

James Rubin?

James Rubin

Nobody doubts that the British have an economic need, and an understandable economic need, to do business with China. Everybody's doing business with China and everyone is out there. But the idea that it's being done in a kind of 'first man at the door and I'll get the most out of it', is not a serious way for a major country to operate on an issue this fundamental. We have a Chinese government that is now flexing its muscles in a very serious way, in building islands in the middle of the sea, in threatening to violate major boundaries for Japan, for the Philippines, for Thailand. These are real problems and the world needs to be acting united. When Britain rushes out there for its commercial need and isn't working through Europe – and perhaps that's the theme of our discussion. Just as David Cameron wasn't that good at working with his European allies in order to achieve his referendum, he wasn't that good at working with his European allies at pursuing a China policy that makes sense, and that's where the power is. By Europe acting as one, they can have a huge influence on the Chinese, especially if it's in sync with the United States.

Ritula Shah

Timothy Garton Ash? Very briefly.

Timothy Garton Ash

Let me just add to that. Some of this is structural. Power is relative: as other countries become more powerful, we are relatively less powerful. But an awful lot of what we've been talking about, somewhat gloomily, is entirely reversible. If Britain voted clearly to stay in the EU, beefed up its defence diplomacy and soft power spending, became a more welcoming place for foreign students for example, from India, another very important country in Asia, has a strong economy – we could again, within relatively few years, be punching not above our weight but at least at lower-middle weight.

Ritula Shah

Robin Niblett, very briefly.

Robin Niblett

Very quickly, just to agree with Jamie Rubin's point that the Chinese do not respect desperation and the kowtowing. In the end they'll think: right, I've got you in my back pocket and I'll move the other way. But the idea that Britain should have worked through Europe yet again, it's another example of the Brits not being good Europeans – David Cameron was just catching up with what the French and the Germans have always done, which is go first, get their own business deals. The solar panel dispute with the EU last time, where the EU commissioner tried to get a European position – it didn't quite work very well for German business and Angela Merkel was straight in there, undermining the European trading position, despite being the big EU country. So again, I just find we're a little selective on our choices of examples.

Ritula Shah

I want to do something very unfair now, which is to ask you all very briefly – we've touched on it, all of this – the special relationship, if it ever existed, is it all but over? Robin Niblett.

Robin Niblett

I've just skimmed through the Conservative Party manifesto this morning, knowing about this thing today. I thought, is there anything on foreign policy? Let's have a look. There's a very interesting phrase in there, because there was the word 'Special Relationship', with a capital S and a capital R. You might remember that actually this has been a prime minister who, through this government, has spent all the time trying not to use that phrase. It was not in the coalition agreement. They talked about having a special relationship with India, and a close and frank relationship with the United States, which was pretty interesting choice of language. But I think it's trying to show the Conservative Party was not going to be in the pocket of America. Now we're coming around to trying to win a second term – more vulnerable, and suddenly the special relationship is there again.

Look, the long and short of it is, I think despite all of the problems – Germany being important in Europe, Britain not investing enough in its defence, I agree with all of those points – still ultimately, I think on military deployment but definitely counter-terrorism and intelligence, in those areas and the nuclear relationship, and once we get out of this AFRAQ, UK sort of obsession about intervention being always bad, I think the UK will end up still having what could be qualified special to it, though not maybe always special to America.

Ritula Shah

Anne Applebaum?

Anne Applebaum

This is a hard question for me, because I live the special relationship. I'm an American who lives in Britain and I've been part of both political cultures for a long time. It's an odd question because the special relationship was always a kind of fiction. It always depended on different leaders, it's always risen and fallen depending on who the leaders are at the time. Of course there are structural underpinnings, of course there is this special intelligence relationship which goes on, and a special military relationship. But it really is in the gift of whoever is in power at a given moment to create it or pump it up and promote it, or not. It has to be said that over the last several years, neither President Obama nor David Cameron, to be fair, has put a lot of effort into pumping it up or playing it up or trying to create it with special meetings and so on. Which doesn't mean that it's over, it just means that at this particular moment, people don't feel like using the fiction for their purposes. Of course, it could easily be revived again.

Ritula Shah

Timothy Garton Ash?

Timothy Garton Ash

The former German chancellor, Helmut Schmidt, once quipped that the special relationship is so special that only one side knows it exists. That was about 30 years ago. We have a special relationship in

intelligence and security. We have a very special relationship in cultural life, broadly conceived. Universities, media – two members of this panel are Americans, at least partly based in London. We could do the same in Washington and New York with a couple of Brits. But we no longer have what Harold Macmillan imagined he had with John F Kennedy, and this is part of the burden of illusions that we have to shed in order to understand that in a world of giants, you have yourself to be a giant. Britain is no longer a giant, is not going to be a giant, for the foreseeable future. But the European Union is, and so our future lies in building a special relationship with other large powers through the European Union.

Ritula Shah

James Rubin?

James Rubin

I think the underpinnings of the special relationship are still there. The term is subject to abuse, but I think those of us who have worked in the government or know government officials know there is something about the British and American diplomats that share information. They operate together. They normally are the first port of call when they're doing some business. That is still there and is going to stay there, for all the reasons that have been suggested. Whether that matters very much and whether it is the leading role for international affairs is a function of who the leaders of the UK and Washington are. For a variety of reasons, both Britain and the United States have been in a state of reserve after the Iraq war. President Obama and Prime Minister Cameron are very cautious in this regard. I think that's changing as a result of the rise of the Islamic State and some of the realities of Russia invading Ukraine. I would hope that in the future, as Britain and American leaders look out there and say we've got some major problems on our hands, they'll find themselves working closer together rather than less close together.

Ritula Shah

Thank you all very much. That's all we have time for, from this special edition of *The World Tonight* at Chatham House. Thank you to our panel, James Rubin, Timothy Garton Ash, Anne Applebaum and Robin Niblett. Thank you also to our audience. Thank you all very much indeed.