

The Foreign Policy Centre



THE NEW BRITISH POLITICS AND EUROPE: CONFLICT OR COOPERATION?

Edited by Adam Hug

Preface by Rt Hon Charles Kennedy MP



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The Foreign Policy Centre
Suite 11, Second Floor
23-28 Penn Street
London
N1 5DL

www.fpc.org.uk
events@fpc.org.uk

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About the authors

Rt Hon Charles Kennedy MP is a Co-President of the Foreign Policy Centre, President of the European Movement of the United Kingdom and Rector of Glasgow University. He served as the leader of the Liberal Democrats from 1999- 2006.

Adam Hug (editor) is Policy Director at the Foreign Policy Centre. He leads the FPC's work on the EU and also on democracy, governance and human rights in the former Soviet Union and Middle East. His edited essay collections for the FPC include: *Reconnecting the European Parliament and its people*, *Spotlight on Armenia*, *Spotlight on Georgia* and *Turkey in Europe: The economic case for Turkish membership of the EU*. He also wrote the FPC's recent *Kazakhstan at a Crossroads* and *Full and Equal Citizens: How to deliver equality for Israel's Arab Community* reports.

Chris Heaton Harris MP is a former MEP for the East Midlands (1999-2009) and has been the Conservative MP for Daventry since May 2010. He is currently a member of the European Scrutiny Committee of the House of Commons.

Wayne David MP is the Shadow Europe Minister. He has been the Labour MP for Caerphilly since 2001 and has served as Parliamentary Undersecretary in the Wales Office and a Whip whilst his party was in Government. Prior to becoming an MP he was an MEP for South Wales and leader of the Labour Group of MEPs.

Edward McMillan-Scott MEP is Vice-President of the European Parliament responsible for democracy and human rights and relations with national parliaments. He is a Liberal Democrat MEP for Yorkshire and the Humber having joined them in 2009 from the Conservatives, whose group in the European Parliament he had led from 1997-2001, in protest at their decision to leave the EPP-ED and join the ECHR group.

Paul Adamson is the founder and publisher of E!Sharp and a chairman of Edelman/The Centre.

Prof Anand Menon is Professor of West European Politics at the University of Birmingham. He previously was the founding Director of the European Research Institute and taught at the University of Oxford (St Antony's College) for ten years as well as holding positions at the Fondation Nationale des Sciences Politiques, Boston University, Columbia University and New York University. He is author of *Europe: The State of the Union* (Atlantic Books, 2008), *France, NATO and the Limits of Independence 1981-1997: The Politics of Ambivalence*, (Macmillan, 2000) and editor of nine books on the European Union.

What our authors say

Charles Kennedy, whose previous scepticism about the ability of Conservatives and Liberal Democrats to work together owing to the issue of Europe is a matter of record, has welcomed the coalition's pragmatism and that both parties' approach to the EU has been tempered by the realities of government. He flags up the increased role of the Eurozone 'net-contributors' to the future control of the EU policy agenda and makes an important point about the increased focus on inter-governmental cooperation in the post-crisis European landscape despite the creation of the Lisbon roles of the President of the Council and the High Representative for Foreign Affairs.

Adam Hug argues that the coalition has successfully avoided major splits on Europe in dealing with the challenges it has faced so far. The combination of Liberal Democrat input, the practicalities of government and convergent priorities with some other member states help explain why the coalition's EU policy is more 'europragmatic' than might have been expected pre-coalition, something that may build tension with Conservative backbenchers over time. He calls on pro-Europeans to stop looking for a game-changing initiative to rally behind and instead get stuck into persistent campaigning on 'bread and butter' issues. He argues that the aim must not be to get Britain to love the EU, given that few people 'love' any tier of government, but rather to build public understanding of how political and national objectives can be achieved at a European level.

Chris Heaton-Harris makes the political case for the Conservative party maintaining its eurosceptic stance into government and rejecting the 'natural law' that sees political parties more positive towards the EU in government than they are in opposition. He argues that there has been a barely noticeable shift in Europe policy compared to the previous Government and that this is in part driven by the culture of the of the UK civil service. He illustrates this argument by a critique of the role of former civil servants in the Lords' objections to the European Union Bill and suggests that in future, certain key advisory roles and the head of the UK Representation to the EU should be political appointments and subject to approval by Parliament. He believes that Labour's perceived growing euroscepticism is in part down to the removal of civil service interaction and union influence.

Labour's Shadow Europe Minister **Wayne David** is unsurprisingly critical of the Conservative party's approach to Europe within the coalition. He notes the increased numbers of Conservatives who are arguing outright for withdrawal rather than for the radical reduction of competences pushed for by the more traditional Tory eurosceptics. His critique of the EU Bill is that it is a poorly designed piece of legislation that has failed to placate Conservative eurosceptics, thereby undermining its reason for existence. He points out the incongruousness of the requirement for a referendum on relatively minor internal institutional changes but not on accession. He criticises the government's attempts to distance itself from the political (albeit not from the financial) response to the Eurozone bailout and a preference for bilateralism to multilateralism.

Edward McMillan-Scott raises some similar concerns, as befits someone who left his life-long home in the Conservative party over its decision to leave the European People's Party. He notes William Hague's pre-coalition letter outlining radical change to the UK's relationship with the EU and contrasts this with Nick Clegg's approach. He criticises the Conservatives' current ECHR grouping as having a lower attendance and voting attendance rate than the other major groupings. He states that former MEP colleagues argue that they now rarely receive the opportunity to lead reports in committee as they did previously and that Cameron misses out on participating in the leaders' pre-summit group meetings where many decisions are made in advance of key EU gatherings.

Paul Adamson describes the coalition as behaving like 'well brought up house guests' in its early activity on the European stage. Their less romantic vision and 'value for money'-driven approach to

the EU was shared by more EU partners. However, its approach to the EU budget will remind many EU states that the UK is only a lukewarm partner. Similarly, he feels the standoffish position on Eurozone governance reform may lead to tensions between Conservatives and Lib Dems in the long-run, as the multi-speed nature of the EU develops with the blessing of the former but not necessarily the latter partner. However, this 'benign disengagement' undermines the leadership role that the UK could play in supporting the shift to more open markets and competitiveness. Similarly, the UK needs to show greater clarity about the role it sees for the EU in foreign affairs, given developments on its borders.

Anand Menon highlights recent Anglo-French defence cooperation as perhaps the most potent example of the Conservatives' preferred method of international cooperation – issue limited bilateral partnerships. Menon argues that while this is 'a useful supplement to broader multilateral European schemes, it is in no sense a replacement for it.' He argues that multilateral institutions, such as the underused European Defence Agency, are the only way to cajole other member states into coordinating procurement and other forms of cooperation, to deepen the single market in the sphere of defence equipment.

Preface

Rt Hon Charles Kennedy MP

British politics has changed. The election of May 2010 delivered a Conservative-Liberal coalition government – uncharted territory for analysts of the post-war political scene, and uncharted territory for Britain's relations with Europe. On the surface, the two parties' predilections towards the EU could hardly be more different; the Liberal Democrats – led by a former MEP – have always been the strongest champions of the Union and the European project more generally, whilst David Cameron helped calm right-wingers during his leadership campaign by pledging a tougher stance on Europe.

In practice though, Europe is not one issue but a range of issues and possibilities, and as the coalition has discovered, taken together these make it difficult for any government to take a monolithic, ideological stance on Britain's relations with the EU. The financial crisis of 2008-9, and the resulting problems in the Eurozone economies (most notably Greece and Ireland) have further shifted the dynamic, and the coalition's response has been characteristically pragmatic. Though not a Eurozone member, Britain has been compelled by the inescapable reality of globalisation to pitch in to the rescue efforts abroad, most notably in respect of her neighbour across the Irish Sea. The strident rhetoric whilst in opposition – on Lisbon, on the withdrawal of the Conservatives from the EPP – has been tempered in government. More than this, the recent bilateral defence agreements with France highlight a new world where the Conservative element of the governing coalition is more receptive to non-Atlanticist solutions to foreign policy problems. Partly this is a recognition of the dangers of being wedded too tightly to an American agenda. Partly it is simply a recognition of the parlous state of the nation's finances. Practically though, it gives greater grist to the mill of possible pan-European defence co-operation in the future.

Equally, the new politics has forced the Liberal Democrats to reassess their own views on Europe. Though their principles haven't changed, the context clearly has; once cheerleaders for early entry to the Euro, that enthusiasm has waned as the financial shockwaves have resonated through the Eurozone. They are keen, however, to see the EU as a more proactive force in international affairs; during the recent North African crisis, Nick Clegg was quick to criticise Europe's record on building a successful partnership with North African countries. Subsequent events bore out that criticism – with Europe just nine miles from North Africa at its closest point, the foot-dragging of the EU during the Egyptian and Libyan crises in particular did not bode well for the future. Liberal Democrats know that the EU, if it is to survive and flourish as a multilateral institution of governance, must attain greater credibility in the eyes of the wider world. The only way it can gain that credibility is to act. And there are times when, even to friendly eyes such as my own, inaction seems to be the EU's watchword.

There is yet another dynamic beyond the reaches of the new British politics; the European dynamic itself. Commentators have recently noted a 'power-shift' within the EU – an organisation which had spent decades reorienting itself away from the Franco-German axis in favour of the smaller states through reforms to its machinery of government such as Qualified Majority Voting (QMV) has now seen a redistribution of influence in favour of the larger Eurozone backers. As ever, money talks – and the countries with most invested in the EU (notably Germany) can expect to have a bigger say in the determination of future EU policy on a wide range of matters. The structural reforms that have taken place to EU governance in recent years were intended to give the organisation greater focus and to delineate more precisely the competencies afforded to national governments and the EU respectively. Now that the Lisbon agenda has been swept away, intergovernmental co-operation as evidenced by the bailout packages has been restored to primacy (if it had ever lost it), and the new

offices created (or enhanced) by Lisbon seem peculiarly redundant in a European environment where the priorities of heads of state – and their purchase upon coverage – are always to the fore. British politics has changed. Coalitions are pragmatic beasts – and David Cameron is a pragmatic Prime Minister. Though the faith of many has been shaken, Europe still offers the best solutions to the problems which face its nations. The question facing the new British politics is whether it can again provide a force for constructive engagement with the European project. Some steps towards an answer can be found in this pamphlet. It is an answer which is needed soon – both for Britain, and Europe as a whole.

The New British Politics and Europe: the coalition's EU policy and ideas for a pro-European response

Adam Hug

No fireworks, no cataclysmic rows and no Damascene conversions – the first year of coalition Europe policy has been notable more for its relative silence than signs of significant conflict or indeed much collaboration based on shared values in this area. There has been considerable cooperation however, between both sides of the coalition to prevent European issues from overshadowing their core domestic agenda. To some extent they have been lucky, the substantive issues coming from Brussels have not, as yet, caused the fractures in the coalition that might have been expected, as the discipline of new office somewhat restrains all but hard core of Conservative eurosceptic backbenchers. Over the first year or so, what signs of trouble there have been were marked by the three Bs of coalition Europe politics: bill, budget and bailout.

European Union Bill

The European Union Bill finally became an Act of Parliament, given Royal Assent on July 19th 2011, after grinding its way through the House of Lords. In the upper house, pro-European Peers¹ were initially able to pass amendments that would have reduced the number of areas requiring a referendum, established a 'sunset clause' that would have required future governments to re-authorise the legislation and created a turnout threshold in order for referendum results to be valid. These amendments were overturned in the Commons and in 'ping pong'² the upper house backed down. This piece of legislation was an attempt to fulfil the Conservative Manifesto pledge to create a 'referendum lock' to ensure 'that any proposed future Treaty that transferred areas of power, or competences, would be subject to a referendum'.³ With the proposed renegotiations on the Charter of Fundamental Rights, social and employment law and justice and home affairs, as well as the creation of a separate 'UK Sovereignty Bill', put on ice by a mixture of the coalition agreement and the realities of government, the EU Bill was needed red meat for the grumbling Conservative backbenches. However, particularly set against the backdrop of the coalition's broadly pragmatic approach to the EU (of which more later), the Bill failed to placate the Eurosceptic base and became embroiled in a related debate around Parliamentary sovereignty kicked off earlier in the year by criticisms of the European courts.

The legislation is an attempt to bind the hands of any future more pro-European government to agree to treaty changes without a public vote. In attempting to influence future governments, the legislation is not without recent precedent⁴. The last Labour government introduced a number of pieces of legislation including the 2010 Child Poverty Act that put the previous government's Child Poverty targets on a statutory footing and the Fiscal Responsibility Act that made achieving their aim of halving the deficit in four years a legal requirement. Failure to comply with the requirements of this legislation would mean the Government was acting illegally unless it acted to repeal the legislation, thereby creating a political challenge for the new government having to proactively revoke the legislation by arguing in those cases that the government shouldn't be required to give more money to poor people or cut the deficit. Like these bills, there is nothing in the EU Act that would prevent a future government from repealing the legislation and going ahead with a treaty change through Parliament other than the potentially largely political cost of doing so. This therefore

¹ A matter discussed in Chris Heaton-Harris' article. The timeline of the progress of the bill and the Hansard transcripts of the debates are available at <http://services.parliament.uk/bills/2010-11/europeanunion/stages.html>

² The term uses to describe bills being passed between the two houses to resolve disputes over amendments towards the end of a bill's passage into law <http://www.parliament.uk/site-information/glossary/ping-pong/>

³ The Conservative Party, The Conservative Party Manifesto 2010 <http://www.conservatives.com/Policy/Manifesto.aspx>

⁴ It should of course be pointed out that signing up to the EU treaties limits the scope of future government action as well

is a crudely political bill and one that sets the bar so low that it will restrict the UK's ability to participate in important activities at European level for fear of persistently holding referenda on relatively technical matters that do not constitute a major⁵ change to the constitutional settlement. However it has not satisfied the constituency it aimed to mollify, because perhaps nothing short of withdrawal or an unachievable level of transformation of the EU's scope would satisfy some of them.

Budget

The politics around the EU's budget processes do have a risk of creating tension for the coalition partners, but so far both British Eurosceptics and mainstream pro-Europeans have been united in opposition to the initial Commission-proposed⁶ budget increases in both the previous (2011) and current (2012) spending round negotiations, given the prevailing economic circumstances and budgetary pressures. Cameron did however come under fire from his own side for agreeing to accept the compromise position of a 2.9% increase after initially pushing for a freeze. He will face similar pressures if a compromise is reached in bringing down the draft 2012 budget increase from the 5% put forward by the Commission and endorsed, with something of a tin ear to European opinion, by the European parliament, but not meeting demands for a freeze. However, it is important to note that as opposition to large budget increases are shared by most net contributors, it is really the political tone that the UK government adopts, driven as it is by the need to show no sign of compromise for the tabloids, rather than the substantive issue that is likely to cause friction between the coalition and its European partners at Council.

Where bigger headaches may occur is in the debate over the EU's upcoming 2014-2020 Financial Framework, where attempts are being made to put the UK budget rebate on the table as part of a wider discussion of contributions, alongside further controversial budget increases. The British rebate is the mechanism whereby the UK receives a payment back from the EU budget equivalent to two thirds of the difference between its contributions and what it receives in EU spending, with the aim of compensating for the relatively small payments Britain receives from the Common Agricultural Policy (CAP). The British rebate is a tabloid totem that politicians are terrified to even talk about tampering with. Recent Commission proposals to do away with the rebate and replace with a lump sum payment⁷ scheme were given short shrift by the Treasury⁸, citing concerns that the proposals would lead to an increase in net contributions but also guided by the fear the media response to any hint of tinkering with the rebate would be politically damaging. While clearly the UK should not be entertaining moving increasing the net contributions it makes to the EU budget relative to other leading member states (or indeed in light of public finances across the EU-increasing contributions in real terms or probably even nominal terms at all), it is somewhat depressing that the media debate is dominated by an emotional attachment to a specific mechanism, rather than the non-negotiable principle⁹ that lies behind it. As real reform of the CAP, a long-cherished goal of successive UK governments, seems as far away as ever with the French and others digging in¹⁰, and any alternative to the rebate currently on offer lacking the certainty of limiting net contributions to the extent given by the current system, the removal of the rebate remains off the table in the UK and a recipe for discord in the budget negotiations.

So it is the way in which the debate around the budget framework may be held that is the potential cause of friction rather than the substantive direction of travel. While Lib Dem policy does 'not see

⁵ The author is keenly aware that judging what constitutes a significant change is at the crux of this particular debate

⁶ Albeit a negotiating position.

⁷ EU Business, EU chief wants British rebate replaced with lump sum, July 2011, <http://www.eubusiness.com/news-eu/britain-budget.b36>

⁸ This Is Money, Treasury refuses 23 billion offer from European Commission to give up its EU budget rebate, July 2011

<http://www.thisismoney.co.uk/money/news/article-2010788/Treasury-refuses-23bn-offer-European-Commission-EU-budget-rebate.html>

⁹ Of ensuring the UK only makes a fair level of net contribution

¹⁰ Their position strengthened by volatility in world food supply and prices that may make policy makers more cautious when it should in fact be an argument in favour of more radical reform.

the need, in the current context, for any significant growth in the budget's size, nor the abolition of the British rebate¹¹, they are instinctively more flexible on these points in the event of a reforming budget or the need to reach an agreed compromise. Lib Dem instincts for a constructive approach to the negotiations will be more than balanced by backbench Conservative voices (cheered on by much of the press and perhaps emboldened by 'tea party' brinkmanship over the US budget) calling for cuts in the EU budget and for no quarter to be given on defending the British rebate. So if Cameron plays too hard to his gallery, the Lib Dems (and other member states) may bridle at the rhetoric, while reaching a deal may cause the PM grief with his own backbench colleagues.

The bailout and its consequences

So far on the coalition's watch the UK has been able to remain at the margins of EU bailout politics and financing, its role restricted to the limited undertakings given by the outgoing Labour government and bilateral support, mostly to the heavily entangled Irish economy. While there has been cross-party support for not contributing further to the bailout packages, as the Economist's Europe Editor John Peet put it at this project's London event earlier this year, the UK's hands off approach may well be remembered come the budget negotiations.

Yet by standing apart from the debate, the coalition is facing growing criticism, particularly from Shadow Chancellor Ed Balls, that its aloofness means that decisions that affect the UK are being made without it having a seat at the table. For example, at the Eurozone's July Summit to tackle the Greek collapse, interest rates on lending to Ireland were reduced, which in turn forced the UK to downgrade the interest rate on its own bilateral loan to Ireland, not something that should have been opposed but nevertheless something that ended up being required as a result of a decision taken when the UK was not in the room.

Given the acceptance by Chancellor George Osborne of the 'remorseless logic'¹² of the case for greater fiscal integration in the Eurozone, the UK seems to accept the increasing primacy of the Eurogroup as the body driving much of the EU's economic affairs. Therefore, the challenge for the UK's coalition government is to have enough of an input at summits and other meetings where Eurozone members make decisions to ensure that the deepening of its the fiscal and political framework is prevented from encroaching into areas of the single market where non-Euro members expect to be able to continue to compete on an equal footing, maintaining a cordon sanitaire between decisions amongst the Eurogroup and the full meetings of Ecofin. This will also involve the UK informally coordinating non-Eurozone countries to ensure that they are not presented with EU-wide economic decisions as a *fait-a complis*¹³. At this stage though, formalising an 'out' block in response to increased Eurogroup integration, risks precipitating set-piece confrontations that would put the smaller group of non-Euro members at a disadvantage and alienate those Eurozone members who may be sympathetic to the less interventionist approach predominant amongst non-Euro members.

Rethinking the role of Europe in the UK political debate

Despite a lower level of political tension on European issues than might have been expected at the dawn of the coalition, UK attitudes towards the EU are at their lowest ebb in recent memory. The most recent Eurobarometer survey¹⁴ showed the UK to have the smallest percentage of people who believed that membership of the EU was beneficial to their country (27% compared to 60% who

¹¹ Liberal Democrats European Election 2009 Manifesto <http://europe.libdems.org.uk/full-manifesto/putting-europes-house-in-order>

¹² Daniel Knowles, George Osborne rages while events destroy his good plans, Daily Telegraph, August 2011, <http://blogs.telegraph.co.uk/news/danielknowles/100099899/george-osborne-rages-while-events-destroy-his-good-plans/>

¹³ An example of this may be seen in the Franco-German push for a transactions tax discussed in the conclusion.

¹⁴ Eurobarometer, Standard Eurobarometer 74 Autumn 2010, http://ec.europa.eu/public_opinion/archives/eb/eb74/eb74_publ_en.pdf

disagreed) of any member state, 12% lower than any other member state and with the UK one of only 5 states where a minority see the net benefit in membership. The number seeing a benefit has dropped 9% since the survey six months previously. Similarly, in spring 2010 only 19% of UK citizens had a generally positive view of the EU, half the EU average and the lowest amongst member states, a fall of 7% from the previous year.¹⁵

The great totems of the late nineties and early noughties that some pro-Europeans hoped could help transform British attitudes towards the EU have turned to dust. With the Euro in crisis, UK potential membership seems off the agenda for the foreseeable future, probably for good, and while the Lisbon treaty containing many elements of the ill-fated EU Constitution eventually passed into law, the political debates about its content were undisputedly lost, drowned out by discontent at being denied a referendum on the issue. Another *grand projet* that the UK had opted out of, the Schengen area has buckled under a sudden influx of refugees as a result of the Arab Spring. Britain's already largely eurosceptic press, has had its first mainstream title, the Daily Express, take an explicitly pro-withdrawal editorial line, helpfully describing its campaign to get the UK out of the EU as a 'crusade'. Some leading pro-Europeans have already thrown in the towel, with former UK Ambassador to the EU and Europe Advisor to Tony Blair, Sir Stephen Wall, recently quoted as believing the EU was on its way out, a view shared by similarly pro-European columnist Martin Kettle¹⁶. In some ways therefore, it is surprising that eurosceptics aren't a bit more cheerful.

The coalition and Europe¹⁷

As has already been discussed, entering into coalition has stayed the hand of the Conservatives who may well have intended to move more muscularly to reshape the UK's relationship with Europe. Edward McMillan-Scott's piece in this publication points out that Hague was due to put forward a more eurosceptic position for the new Government that was shelved prior to the coalition deal. The leaked draft of Hague's proposed note to cabinet colleagues makes very clear that a Conservative government acting alone would have been 'committed to returning powers from the European level to the UK in three key areas – the Charter of Fundamental Rights, criminal justice and social and employment legislation.'¹⁸ They would have sought to get agreement from the other member states to enable these changes to have taken place within the 2010-15 Parliamentary term. It is however unclear what would have happened had, as was likely, the UK not been able to get that agreement.

Following the confirmation of the coalition agreement, the hard-line eurosceptic Shadow Europe Minister Marc Francois was moved to the whips office and replaced by a smoother and more conciliatory operator in David Lidington, a former Special Adviser to Douglas Hurd at the Foreign Office. Nick Clegg also retains a watching brief to engage with European issues where appropriate. The coalition agreement¹⁹ reduced the proposed push for repatriating social and economic rights to the token attempt to 'limit the application of the Working Time Directive in the United Kingdom', while the Sovereignty Bill was kicked into the long grass with a commitment only to 'examine the case' for its introduction, with a clause (18) worked into the EU Act that stated the applicability of EU law was dependent on recognition by acts of Parliament. Rather than the full-blooded euroscepticism promised to the Conservative faithful, the new government's position on Europe would seem to be a more sceptically-hued version of the previous government's europragmatism, albeit with more rigid red lines over further transfers of competence. While clearly Liberal Democrat

¹⁵ Eurobarometer UK National Report, Autumn 2010 http://ec.europa.eu/public_opinion/archives/eb/eb74/eb74_uk_uk_nat.pdf

¹⁶ Martin Kettle, Greece, Schengen, NATO – it's time to admit the European dream is over, Guardian June 2011, <http://www.guardian.co.uk/commentisfree/2011/jun/23/greece-schengen-nato-eu>

¹⁷ The editor should make a declaration that away from the Foreign Policy Centre he serves as a Labour councillor. He does however endeavour to assess these issues from a non-partisan, albeit a moderately pro-European, perspective.

¹⁸ The Guardian, The Tory letter on Europe in full <http://www.guardian.co.uk/politics/2010/may/09/tory-eurosceptic-letter-william-hague>

¹⁹ http://www.cabinetoffice.gov.uk/sites/default/files/resources/coalition_programme_for_government.pdf

involvement has modified the starting ground for the coalition's Europe policy, the realities of government (both in feasibility and prioritisation) or indeed the influence of more pro-European voices in the civil service²⁰, may also have influenced a shift in emphasis on Europe that is given political cover by coalition.

The current approach is not that far out of sync with the approach of the 1979-97 Tory governments, where support for the EU was usually more about promoting British economic, and at times strategic, interests than it was about sharing the values of the organisation. The development of the single market had always been the primary goal for most Conservatives in Europe, a cause now taken up again by David Cameron who has called for its deepening and completion²¹. In practice however, the single market throws up two key challenges for Conservatives, firstly the requirement for regulation to be put in place to achieve standardisation that facilitates freer movement of goods and services, and secondly the social protections that have been seen, albeit not usually by British Conservatives, as necessary balance to the impact of economic integration.

In government there is a tendency to look at each issue as it comes across a minister's desk, rather than taking the more detached, broader view of EU engagement that may be possible in opposition. It may turn out that judging each case on its own merits may lead to a greater degree of engagement in aggregate with the EU than would be desired philosophically or politically by a Conservative government were it acting alone and looking at the issue in the round.

Whatever may have been the case in the past the future of the Conservative party looks resolutely eurosceptic. In all but the most unusual circumstances in the current climate, it is unlikely that genuine European enthusiasts of the Clarke or Heseltine genre would be able to make their way through the ranks to reach Westminster, given the hostility of the party grassroots. What is interesting to note however is the development of new strands of eurosceptic Conservative thinking on Europe, bringing greater diversity to this area²².

The size and scope of the 'Better Off Out' crowd within the Conservatives is growing, bolstered in Brussels by the former UKIP Deputy Leader David Campbell-Bannerman, and unofficially led in Westminster by Douglas Carswell MP. This is a position that may well be backed by a wider array of MPs amongst the Conservatives' new intake and beyond who fear to raise their heads above the parapet²³, a reflection in the Tory rank and file typified by those such as Tim Montgomerie of Conservative Home. This tendency perhaps should not be described as euroscepticism in its traditional sense, but instead as europhobia. There is also something of a generational divide amongst eurosceptics between, on the one hand those old-timers whose focus is on the more fundamental implications of sovereignty and power, and those on the other, often in the younger generation, who are focused on more bread and butter policy issues and wasteful spending or poor decision making at an EU level – a question of focus then on 'competence' or 'competence'.

The Conservatives withdrawal from the EPP-ED to create ECFR, despite Chris Heaton-Harris' robust defence at our London event in this series, does somewhat limit the ability to get the key roles on the committees that drive the agenda of the Parliament. The Chair and Vice-Chair positions on the Committees and the allocation of reports²⁴ to MEPs are divvied up between the party groups with the EPP-ED, the Socialist and Democrats Group and, to a lesser extent, the ALDE group taking the

²⁰ A matter addressed in a somewhat more critical fashion in Chris Heaton-Harris' article

²¹ HM Government, Let's Choose Growth - Why we need reform to unlock Europe's potential, <http://www.cst.gov.uk/news/topstories/2011/Mar/eugrowth>

²² The editor is indebted to Mats Persson and Sian Herbert for providing him with a crash course in the background to euroscepticism.

²³ Tim Montgomerie, Conservative Home <http://conservativehome.blogs.com/thetorydiary/2011/05/euroscepticism-will-triumph-in-the-conservative-party-its-just-a-matter-of-time.html>

²⁴ MEPs become 'rapporteurs' on specific issues within the committee's remit, leading their research.

lion's share. That ECFR's Malcolm Harbour MEP is able to chair the important Internal Market and Consumer Protection Committee says more about Mr Harbour's personal expertise in this field and reputation within the Parliament than it does about the ability of the Conservative's new group to punch above its weight in terms of winning key committee roles for its members. Also, as the Economist's John Peet pointed out at the London event in this series, at an intergovernmental level, David Cameron and his ministers are left out of the EPP-ED pre-meets that now often precede summits and other gatherings – something that, when combined with the UK's exclusion from the Eurogroup, does limit the PM's important face time with Merkel and Sarkozy²⁵. In short however, the sky hasn't fallen in. From David Cameron's perspective, any loss in effectiveness in Europe is more than compensated for by political benefits at home, given the limited scope of what he aims to achieve at an EU level.

As highlighted in earlier, the budget debates and further implications of the bailout may cause frictions between the Conservative front- and backbench. The European Financial Transactions Tax, being re-floated at the time of writing, has the potential for division where the Government is obliged to adopt it, though such a position seems unlikely given the strong opposition from Osborne and the possible trigger of the 'referendum lock'. The 2014 decision on whether to agree to European Court of Justice oversight, or opt-out, of around 90 justice and home affairs measures that existed prior to Lisbon treaty ratification, may prove a flashpoint. The 'take it or leave it' nature of the debate will be challenging for Conservative ministers whose manifesto commitment to repatriating certain justice and home affairs powers was watered down to a coalition agreement position that *new* justice and home affairs measures be judged on a case-by-case basis. Removing the UK from areas that are currently covered by EU action could be both a red rag to the Liberal Democrats and might throw out measures that would have some Conservative support with the bathwater. Yet 2014 will be towards the end of the coalition's lifespan when both parties will be increasingly demonstrating their independence and playing to their respective electorates, raising the risk of a significant split within the government.

This does not mean that the Conservatives are destined to move in ever decreasing circles towards withdrawal. There surely remains space for those Conservatives committed to the Conservative *realpolitik* approach of prioritising British interests to create a pragmatic, issue by issue approach to balance out those who see the European Union as an affront to their vision of British values and custom. Conservatives who recognise the importance of the single market and realise the need to have a role in setting its rules to protect British interests see that the EU has a part to play in helping achieve long term prosperity, security and stability for the UK, while robustly opposing measures that they do not agree with. Were the Conservative party no longer the place for people with those type of views, it would undoubtedly risk a sizable section of its support in the business community.

For the Liberal Democrats on Europe, as on so many other issues, they remain in a bind made by the electoral arithmetic and their own desire for high office after 65 years in the cold. Clearly they are able to directly and indirectly tilt the coalition in a less eurosceptic direction by their specific input on policy and by their ability to be used by Cameron as the reason for adopting a less confrontational approach to the EU than restive Tory backbenchers would have accepted from a pure Blue administration, giving the PM political cover to adapt to the grey areas of government from the black and white of opposition. For the Liberals too, as Charles Kennedy has pointed out, the realities of engaging with the EU machinery as ministers may have dimmed their some of their enthusiasm and of course having the opportunity to have a direct influence in Whitehall may somewhat decrease the tendency to look beyond the UK to Brussels for a more collegiate

²⁵ However the requirement for inter-governmental cooperation in response to the crisis in the Arab world has rather jumpstarted bilateral cooperation and personal relationships between Cameron, Sarkozy and Merkel that are somewhat reducing the impact of exclusion from these forums.

environment where Liberals can exert influence. It seems unlikely that the Liberal Democrat pro-Europeans in Westminster (the gloves remain off in the European Parliament amongst their unaligned MEPs) would pro-actively attempt to cause problems for the coalition in a similar manner to the Conservative eurosceptics²⁶, given a mixture of differing political styles, the lingering novelty of power and an understanding of the more limited scope of a junior partner.

Labour in Europe

Peter Osborne, a columnist who is not known for his fraternal feelings towards the Labour Party (or indeed the EU), has argued that the Labour Party is 'considerably more eurosceptic than at any time since the Delors speech in 1988'²⁷. While this author would dispute that the quotes Osborne uses to illustrate his case from Ed Balls and Douglas Alexander are intrinsically Euro-sceptic, it is certainly true that the EU is currently pretty low down on Labour's agenda and that the Shadow Chancellor has always held a somewhat sceptical view of the role of Europe.

In its early days, many of Labour's traditionalists feared that the EU was merely a 'capitalist club' before adopting a more positive attitude when European social protections seemed like the only way to avoid the ravages of Thatcherism²⁸. Under Blair, the EU was seen as part of Britain's progressive future, with making the UK comfortable with and in Europe part of his modernising mission. However, the zeal quickly rubbed off against the realities of office, leaving that early vision of Britain in the Euro and at the heart of Europe an almost retro-vision of the future: like jet packs, hover cars and holidays on the moon. Instead the UK developed a broadly pragmatic approach that engaged with the EU more constructively than its predecessor government while avoiding most major flash points. In a mirror image view of recent history to those on the right, support for Europe amongst the wider Labour movement has dimmed, in part because of the perception of a neo-liberal bias at the Commission and the role of certain freedom of movement requirements such as the Posted Workers directive undermining some social protections at a national level.²⁹

For Labour going forward, the fundamental challenge to find a European policy and narrative that speaks to the party's values, the natural expression of 'by the strength of our common endeavour we achieve more than we achieve alone'. Internationalism and multilateralism, are inherent themes for most strands of Labour ideology, making the EU something of an easier conceptual fit for Labour than the Tories, whose preference for bilateral approaches are touched on by Menon and others here. While there are no votes for Labour in pro-Europeanism in and of itself however, there is a strong argument for reframing and re-emphasising the progressive case for a reformed EU as part of a wider reassertion of the importance of cooperation and multilateralism in the public mind necessary for their re-engagement with the party's ideas. On key issues Labour can take the initiative to show how they understand action at a European level has an important part to play in achieving British interests, putting forward a more positive platform than the coalition's more reactive approach. Ed Miliband's decision to give a shadow cabinet role to the Labour Leader in the European Parliament shows a willingness to try to join up thinking at a national and EU-level.

So what is a pro-European to do?

The pro-active pro-European is something of a rare breed on the British political scene. Many of the same faces can be seen from event to event, the usual suspects that include this author, sanguine

²⁶ Many of whom may wish to see an early end to the coalition in the hope of a more ideologically pure Conservative government.

²⁷ Peter Osborne, It's taken decades, but labour has seen the light on Europe

<http://blogs.telegraph.co.uk/news/peteroborne/100084808/its-taken-decades-but-labour-has-seen-the-light-on-europe/>, Daily Telegraph,

²⁸ This is an extremely simplified version of the history of Labour's relationship with the EU

²⁹ One of the core topics in the upcoming 2011/12 FPC and European Commission Representation with the TUC project Single Market Equal Rights: UK perspectives on EU employment and social law

about the prospects of changing the political weather on the EU. Amongst some in the wider community of pro-Europeans there remains a desire for a 'big vehicle' to get behind to mobilise public opinion in a more positive direction. This must stop. For the UK at least³⁰, that vehicle is not going to come naturally. This desire can lead to a dangerous flirtation with the idea of an in or out referendum, something the Liberal Democrats toyed with in opposition and an initiative that some in Labour are now looking at. While the idea of calling the 'bluff' of those calling for the UK's withdrawal from the EU, may seem tempting to some, with a vision of the mainstreams of all three main parties (somewhat grudgingly it would have to be assumed in the case of the Conservatives) standing together with the majority of the business community to advocate the case for continued membership. However it would be unlikely to fully achieve the desired aims of quieting those anti-EU voices and improving public understanding of Europe over the longer term. For example the referendums in the 1970s that confirmed UK membership of the EU (post-entry) and rejected Welsh devolution³¹, it did little to close the door on the issues or prevent calls for further votes to overturn those decisions.³² A referendum campaign held over a reasonable length of time may enable a short-term boost in public understanding of some of the basic facts about the EU³³ and of some of the key issues, the omens from the recent AV referendum or indeed public engagement on policy issues at General Elections do not really indicate that such gains would be widespread across the population or particularly long-lasting.

The assumption that the status quo would automatically win such a referendum if it were held is certainly a brave one. While there is some comfort that can be taken from elements of certain polls, such as the December 2010 Fabian/You Gov polling³⁴ that show a willingness to support greater EU cooperation in certain areas, the headline figures do not differ dramatically from the picture set out by the Eurobarometer previously, where the numbers of those who hold a negative view of EU significantly outweigh those who are positive. It takes a more positive outlook than this author's to assume that all those who currently either don't know their views on the EU issue or are neutral about it would be moved to pro-actively vote yes to continued membership as the result of the referendum campaign. With a broadly eurosceptic press and a strongly anti-establishment public mood, victory would be by no means certain and obviously as well as amplifying pro-European messages any referendum campaign would provide a similar platform for the alternative view points. Furthermore given the relatively low priority that most voters give to EU issues in normal political circumstances, in the current environment voters may not react positively to the investment of what would need to be a large amount of political capital by our leaders away from the economy and other societal challenges to the issue of EU membership. Overall a more sensible approach would be to campaign as if a referendum was to be called in terms of raising public awareness, ready to win such a vote if it was called but refraining from artificially engineering a crisis.

Put simply, the real challenge for pro-Europeans is to address the EU as it is, warts and all³⁵, and develop a campaign that seeks to build public understanding and acceptance of Europe through persistent, practical examples of how action at an EU level can address problems that are relevant to people's lives and topical political issues. Jessica Asato's contribution to a recent Fabian Pamphlet, *Europe's Left in the Crisis*,³⁶ gives some ideas for the reformation of the pro-European campaign (recommendations that are not exclusively applicable to the left), chiming with some of the themes raised throughout the FPC and European Commission Representation's 'New British Politics' event

³⁰ There is potentially a different scenario for Eurozone members about how closer fiscal co-ordination impacts politics.

³¹ The equivalent referendum in Scotland achieved a majority but was not implemented due to the failure to reach a 40% threshold

³² For more on this position see Jon Worth's February 2011 article <http://www.labourlist.org/in-or-out-eu-referendum-jon-worth>

³³ A much more complex institution than the one people voted on in 1975

³⁴ Fabian Society, New poll reveals what the British really think about the European Union, December 2010

<http://www.nextleft.org/2010/12/new-poll-reveals-what-british-really.html>

³⁵ Though taking initiative away from eurosceptics by being at the forefront of calls for constructive reform, as is often already the case

³⁶ Sunder Katwala and Ernst Stetter (eds), Fabian Society, *Europe's Left in the Crisis*, 2011,

<http://www.fabians.org.uk/publications/books/europes-left-in-the-crisis>

series. She highlights the futility of using the EU's role in preventing war in Europe as an argument today. It is a claim that is still repeated and one that is meaningless to anyone for whom their only reference point to the Second World War is granny's (or great granny's) anecdotes after she's been on the sherry. While it was a critical goal in the EU's development that is of resonance to those who have experienced the horrors of war, the idea that the democracies of Europe could return to internecine warfare in the absence of the EU seems absurd to most young voters. Despite the current economic crisis, this is an argument that must be parked in the history section. Although correct in her point about the failure of general appeals to the public about the EU's ability to address the transnational issue of climate change, which goes over the heads of most voters, the arguments could be made more meaningful by a vigorous set of everyday examples about how the EU can make money for people from tackling climate change³⁷. Tackling climate change must be just one of a raft of different areas and ideas so that its relevance is not blunted by over use.

A simple truth is that euroscepticism in its various stripes has the money and a greater range of media platforms, while pro-European organisations³⁸, are reliant on eking out more limited, often institutional³⁹, sources of funding. Where they are able to fund work it often tends to be in the critically important work around the single market that sometimes struggles to engage the wider public beyond the corporate sector. The collapse of the 'Britain in Europe' campaign left pro-European major donors dispirited without a cause to rally behind. Yet eurosceptic organisations have shown time and again that they do not need a '*grand projet*', such as the Euro or the Constitution, to sustain them (in opposition to) and they can easily point out that the Commission Representation itself, supporters of this project, does have a media presence in the UK. To turn micro-issues into news stories and the source of political debate needs resources and credibility. There is simply not a pro-European organisation in the UK today that has the research capacity to mirror the work of Open Europe by getting into the nuts and bolts of the EU to find hidden nuggets that can be worked up into issues that attract attention and underpin a wider narrative about what the EU is doing. Pro-Europeans need to adopt both the same guerrilla warfare tactic of persistent and innovative campaigning around small but illustrative examples that help explain the underpinning logic of collective action to resolve shared problems, bread and butter issues that matter to the wider public. These cases must show how the EU can be the platform for finding a political solution rather than arguing that the EU itself is the answer. They can also be used to underpin the viral campaigning that Asato and others recommend, while providing a jumping off point for independent research and analysis by the wider pro-European blogosphere, giving a sense of energy and drive that has been sorely lacking on the pro-side of the argument in recent years.

By doing this, it will allow the positive arguments in favour of European cooperation to be refreshed more regularly. Reform to mobile phone roaming charges are a good example of a simple but effective way in which the EU has acted to improve the lives of its citizens. MEPs regularly lament that relatively few people know that it was EU action that led to lower bills and often cite it as a positive case study of European action, justifiably proud of the work many of them did on the issue. However this particular horse has been flogged almost to death for the last few years (since the decision in 2007) and as such, however frustrating it must be for those involved in achieving the change, the argument must move on to more recent achievements if the cupboard isn't to seem bare, at least until there is further progress on data roaming.

Words like *directive* and *passerelle* are can trigger narcolepsy in all but the most avid of europhiles, but in fairness amongst the general public so too do *white paper* and *statutory instrument*, and this

³⁷ A case that will be helped by the gradual transition of the European Emissions Trading Scheme from an embarrassment to a functioning market where real people can make actual profits from reducing emissions.

³⁸ A list to which the Foreign Policy Centre can be included, although the issue of UK-EU relations forms a relatively small part of the organisation's work.

³⁹ Including of course the Commission itself.

does not stop key domestic policy issues from being identified despite the jargon. It is certainly true that types of activity legislated on at the European level have a tendency either to be too strategic or somewhat mundane at first glance. Standardisation of health and safety or labelling requirements for products across the single market will struggle to appear sexy, no matter how important they are, unless they appear to be about to infringe our time-honoured rights to eat mouldy cheese, drink vaguely poisonous concoctions or call products by age old monikers destined to confuse the uninitiated, yet we can assume even the most exotic of imports aren't dodgy, assuaged as we are by their compliance with EU standards. This is where the role of diligent and innovative research must come in, to synthesise the positive ideas in the work of MEPs and others, to make their practical applications vivid and accessible.

Mainstream pro-Europeans must clearly show that they are committed to a Europe of nation states that pragmatically work together to face common problems. The federalism that remains the dream of some of the ardent core of British europhiles must be clearly set to one side, not only as an idea that is politically unfeasible in this country no matter how many times you explain it, but one that is in opposition to the objectives of the vast majority of those who see the UK's future as an engaged member of the EU. Pro-Europeans must at all times show that they understand that sovereignty and legitimacy flow from the people alone, up to the various tiers of government and that the goal of politicians is to assess the best place to manage political issues on behalf of their populace. Subsidiarity remains as important a principle today as it ever has been and pro-Europeans must look for cases where it makes most sense for issues to be addressed at an EU level, whilst being prepared to argue for other issues to be dealt with at a national or local level instead when most appropriate.

However, no matter how effective the pro-European campaign can become, there will always be more negative stories about its activities than positive ones, and this is not in and of itself linked to the anti-European sentiments of the handful of newspaper proprietors. It is fairly simple; the EU is, in essence, a tier of government. We do not express surprise that press coverage of domestic politics or government action tends to focus on the comparatively few areas of controversy rather than the majority of cases where it goes about its day to day business. This may be a source of constant annoyance to the politically active (including this author) but to be honest there are few people who are more intrigued by puff pieces than they are by incisive critiques. There is a simple and well-known truth about news coverage which is that it is far easier to get column inches for disaster than it is for triumph, the 'if it bleeds, it leads' mentality. So for pro-Europeans to complain that the media coverage of the EU is focused on its institutional failings rather than successes, risks Canute's impotence as the tide of Euro-scepticism laps around the foundations of the UK's relationship with the EU. To place stories about the EU's ability to solve important cross-border challenges, it will be necessary to spell out the nature of those problems in fairly explicit detail to set the scene for how action at a European level can help. The goal for British pro-European's must be to finally gain British public acceptance that the EU is part of the furniture of UK governance, shifting the focus to the content of EU action, good or ill, and away from more existential questions around British membership. Being pro-European cannot be about agreeing with everything that the EU does, or the futile hope of wanting the great British public to love the institution, but rather supporting the argument that the European level is a place where things can be done- as a space for political competition and action rather than just the target of partisan contestation. It is a battle then for simply for acceptance, one made all the more challenging by the growing talk that withdrawal is a more plausible policy option, or at least one more regularly aired in mainstream political debate.

The future for the politics of the EU in the UK

Despite the heat and light the issue of Europe has caused in the past, particularly amongst the political class, it is not an issue that really resonates with the public, who remain preoccupied with

economic and domestic concerns. The most recent Economist/ Ipsos MORI polling is certainly not atypical when it shows the percentage of people who see EU related issues as ‘the most important facing Britain today’ to be (*), a symbol signifying a figure less than 0.5%. The proportion rises to 3%, 22nd in the list of priorities when respondents were given the chance to list their top two issues⁴⁰.

While much of the political class is temporarily converged on Euro cautiousness, the inevitable gradual increase in coalition tensions and return of inter-party dividing lines make the future hard to predict. The closer the coalition moves towards its presumed dissolution in 2015, the greater its susceptibility to backbench Conservative pressure. However, pushing back the other way, the Liberal Democrats will also be keen to more forcefully project their independence. This may lead to the government as a whole adopting similar positions towards many aspects of EU policy but achieved at the cost of far greater public wrangling. However at the moment the coalition’s approach to Europe is not one of real conflict or meaningful cooperation but more of stagnation, or as Adamson more charitably puts it ‘benign neglect’, with the government both not seeking to achieve a great deal at a EU level and perfectly content for other member states to go off and do their own thing.

The coalition’s very public support for the Eurozone pushing ahead with greater integration without the UK is not necessarily a problem. A multi-speed Europe is not in and of itself a bad thing, indeed to fight against it, as Paul Adamson points out, is to wage a battle lost a long time ago with the creation of the Euro itself, the Schengen area and a range of other opt-in or opt-out elements. As already set out, while greater Eurozone coordination has the potential to cause greater friction, what must be avoided is the development of governance of the Eurozone that leads it to interfere in areas that are within the remit of the full 27 member states. For example, there is a risk that France and Germany’s proposed financial transactions tax is presented not only as a *fait accompli* to the Eurozone but to the full 27. While there are arguments that can be deployed in favour of UK participation in a financial transactions tax, ‘because the Eurozone members are doing it’ is not an overpowering one. The UK has a strong stake in maintaining the appropriate number of firewalls in the process which will be integral to prevent formal competition between an in-block and an out block, and the domination of the latter by the former. Politicians on all sides of the domestic political debate have a strong interest in maintaining UK influence in areas in which Britain has a direct or significant indirect stake.

Recent lamentations about the EU’s likely demise by some pro-Europeans should be politely rejected or at least heavily caveated. Indeed even, Sir Stephen Wall’s assertions that all institutions have finite life spans implies that something else would take its place. Surely to all but the most hardened protectionist there is a need for some form of European economic cooperation so that even in the most negative of scenarios, elements of the current structures would need to be carried forward or reformed. While the author does not share this extreme analysis it is certainly time for a concerted wagon-circling exercise. In terms of UK attitudes towards Europe, the goal must simply be to gain acceptance of the EU as part of the country’s governance structure that exists because transnational problems often need transnational responses. Developing public understanding that the EU something we are part of, not something that does stuff to us, and that it is a platform where competing political ideas are discussed and policies implemented are both critically important. The debate needs more about what type of Europe (what should be done at an EU level and to what extent?), for example whether the UK should work at a European level to decrease regulation and deepen the single market or push for greater cooperation on social and economic legislation, rather than constantly debating whether to work at a European level at all. Building a more solid foundation amongst the British public for the principal of engaging at a European level is an important step in building confidence of any future UK government to give it the confidence to put forward a more positive agenda of what Britain can achieve at a EU level.

⁴⁰ Economist/Ipsos MORI Issues Index <http://www.ipsos-mori.com/Assets/Docs/Polls/May11Issuestopline.PDF>

The “Natural Law” that governs Britain’s relationship with Europe

Chris Heaton-Harris MP

The subject of Europe does strange things to Government and Opposition political parties. There is a “Natural Law” within British politics which states that, in Government, parties tend to be more positive about Britain’s relationship with the European Union and the European Commission; in Opposition, parties tend to become more sceptical or wary of the EU institutions.

Meanwhile the British public grow ever more sceptical of those who exert so much influence over us from across the Channel. Ask people about Europe on the doorstep and you’ll readily get a negative opinion in response. On the other hand, if you don’t mention Europe while knocking on doors canvassing, you’ll be lucky if one in ten people mention it to you. Sure, people don’t like our current relationship with the EU, but in general, they are much more worried about other areas of policy. In Daventry, immigration, housing, the NHS, local sixth-form provision, wind farms and travellers all rank way above the EU in the minds of voters, even if some of these areas are deeply affected by the EU.

The few voters who do believe that the subject of Europe and our relationship with it is more important than the NHS, education or immigration have mostly deserted the mainstream political parties, voting instead for UKIP or other fringe outfits.

However, it is certainly the case that the majority of the activist base of the Conservative Party is very eurosceptic, as is the bulk of the Westminster Parliamentary Party, and both wish to see their Leader take a strong and principled view on European matters.

In essence, there are very few votes to be gained or lost in Europe policy by the Conservatives; but if it wants to seem like it is in touch with the scepticism of the UK public and maintain the goodwill of its membership, the Party must remain Eurosceptic and act accordingly.

Thus, whilst building up to the launch of the manifesto for the last General Election, the Conservative Party had a delicate balancing act to tread. It needed to seem as eurosceptic as the voters, but not come across as ranting or mean-spirited. It also needed to prove to both the country and its activists that it would be honest – not promise a referendum and then deny one as Labour had done on the European Constitution / Lisbon Treaty – hence all the talk of a Sovereignty Bill and referendum lock. Overall, I’d imagine the Party managers were quite happy for Europe not to figure as an issue in the election.

A little over a year ago in the 2010 General Election campaign, this carefully worked out balance worked pretty well for David Cameron. The Party faced no great problem over the issue of Europe. Quite the reverse in fact: in the TV debates between the Party Leaders (if you followed the polling “worm” that measured the contentment of the audience whilst the debate was happening) Europe was one of the few areas where David Cameron shone.

On May 6th 2010, the British public decided they wanted a change of Government and using the trusty first past the post system delivered almost exactly the result they wanted – the only stable Government that could be formed was a coalition between the Conservatives and the Lib Dems. This threw up hundreds of different and interesting discussions on policy going forward, which in turn led to the Coalition Agreement. Europe had to be mentioned in this Agreement. A coalition between the naturally sceptical Conservatives and the very pro-EU Liberal Democrats would have to sew up what it was doing in the realms of European policy right from the very beginning.

The language used was simple, blunt and very “positive”, with the first few words of the first sentence declaring: “We agree that the British Government will be a positive participant in the European Union, playing a strong and positive role with our partners”.

It then went on to state that the parties agreed “that there should be no further transfer of sovereignty or powers over the course of the next Parliament” and that primary legislation would be amended “so that any proposed future treaty that transferred areas of power, or competences, would be subject to a referendum on that treaty”. Thus the “referendum lock” idea was reborn, even though it looked like the type of “Sovereignty Bill” promised before the election by the Conservatives had been knocked into the long grass.

So, surely this was going to be the tone of official European policy for the duration of the Coalition? This is where we shouldn’t forget the “Natural Law” of British politics that governs our relationship with Europe.

Since the first red box arrived in the hands of the new Coalition Ministers, there has been a barely noticeable shift compared to the previous Government in the decisions taken by the Coalition on matters relating to Europe.

Whether it has been bailout packages for Eurozone countries going bust, abstaining instead of voting against in the Council or opting in to EU justice and home affairs laws when there has been little scrutiny or discussion, practical actions taken by Coalition Ministers have shown that this “Natural Law” is still working.

The decisions taken have nothing at all to do with the Coalition Agreement or the Liberal Democrats themselves; much as they privately like to claim the credit. No, the “credit” lies somewhere else completely.

It has been well documented over the years that the British Civil Service has been the driving force behind how far and how fast Britain has allowed herself to go into what is now called the European Union. Probably this was best documented by the late Hugo Young in his eye-opening book: *“This Blessed Plot: Britain and Europe from Churchill to Blair”*.

In Britain, we have an interesting doctrine of relying upon an independent Civil Service that serves whichever party (or combination of parties) that prevails at the last General Election.

No one can question the Civil Service’s independence from political parties and I’m yet to meet anyone who does.

However, there are parts of the British Civil Service that believe we should continue to integrate more deeply into the European Union and which actually get quite annoyed – when questioned or if they see a chance that those with whom they do not agree might get the upper hand.

This was evidenced by the actions of those former high-ranking civil servants who sit in the House of Lords. Whilst they may well believe they are Cross-Benchers, they rather prove what guides this “Natural Law” of British politics, by displaying their consternation with the European Union Bill (now Act) when it came under scrutiny in the Upper Chamber. This Bill sought to deliver the ‘referendum lock’ and also includes a variation of the Sovereignty Bill, condensed into a single clause. Combined with various of the “big political beasts” they used to advise, these ex-civil servants are aghast at the idea that any future major movement of power from the UK to the EU that is now covered by the Act would, by law, trigger a referendum.

Furthermore, their actions indicate that this Act, having passed into law, might be more powerful in European political terms than most MPs in the House of Commons believed. Perhaps they perceive that the “Natural Law” that gave them so much influence over Britain’s direction in the past is under threat. How difficult will it be in the future quietly to nudge policy along behind the scenes if, at the end of the day, you have to ask the British people whether they agree with you or not?

The debate in the House of Lords also brings into sharp focus the need for a change in the way the Foreign and Commonwealth Office (especially) and our Diplomatic Service are staffed.

In the United States, when the Presidency changes hands, so do a large number of top government jobs that would be filled by civil servants under the British model. In the US, the people in these roles are political appointees and ensure that the political change demanded by the country at the polling booth is reflected in those top “administration” jobs that actually deliver the policies of the new President.

In the UK, we need to have a debate about whether we should have a smaller version of a similar system. Surely the person in charge of advising the Prime Minister in foreign affairs and the head of the UK Representation in Brussels (which conducts negotiations on important political matters on a daily basis) should both be political appointees selected by the Prime Minister himself, from whomever he chooses, though subject to a confirmation process in the Houses of Parliament.

Without such a change, my guess is that the “Natural Law” of British politics will continue to penetrate the Coalition Government’s European aspirations.

Certainly it will be interesting to see how the Coalition acts in the debate over the EU’s Budget for the period 2014–2020, over which the UK has a veto, should negotiations not go in a way conducive to our national interest.

Meanwhile the other half of the “Natural Law” is beginning to apply to the Labour Party. Indeed, I would argue that the current movement of the Labour Party in this policy area goes to prove this “Natural Law” exists.

Labour are currently re-examining their European policy and have surprised many by the scope of their policy review. It was widely reported in February that: “Labour will consider calling for a referendum on whether Britain should leave the European Union, in its wide-ranging policy review.” (Independent, 19th Feb, 2011). Whilst this is currently dressed up as a way of “settling this question for a generation”, if you take this with other interesting quotes from Ed Miliband on immigration and various other policy areas you see slow but steady movement all in one direction.

Some point out that the trade unions now almost completely fund the Labour Party, that these unions are, or are becoming, broadly Eurosceptic and that this obviously has a great deal of influence on the Labour Party policy on EU matters. However, it is also the case that in Opposition you have much less contact with the civil servants in the Foreign Office and pretty much none with those in No10 itself. Thus Labour misses this “wise counsel” and on a daily basis reflects the views of its voters and paymasters instead.

Given this, I’d suggest that by the time we get to the next European Parliament elections in 2014, Labour Party policy on Europe will have changed markedly, probably reverting to an old-fashioned protectionist view of the world.

The big question is what will the Coalition's relationship with the European Union and European Commission be like at that time? That depends largely on the strength of the Coalition Ministerial team in the Foreign and Commonwealth Office and at the very top of Government.

Indeed, only time will tell if the "Natural Law" that has governed our relationship with Europe will continue to do so in the future. I truly hope it withers away quickly and a new, transparent "Democratic Law" replaces it.

Has the Coalition Government a European policy?

Wayne David MP

The Coalition Government would like the issue of Europe to go away. The reason for this is in the nature of the coalition. In recent times, the Liberal Democrats have been the most pro-European of our political parties, with Nick Clegg being a consistent europhile, and Charles Kennedy holding the Presidency of the European Movement. The Conservatives, in sharp contrast, have become increasingly Euro-sceptic over the past few years and there is now a large rump of right-wing backbenchers on the Conservative side of the House of Commons who call openly for Britain to leave the European Union.

It is not hard to imagine, therefore, just how difficult it must be for the Government to construct and implement a European policy which draws support from such diverse political perspectives. From a Government management point of view, Cameron believes that the least said about Europe the better. While that may be the objective, the reality of holding together such a disparate coalition, and keeping on board an increasingly assertive Eurosceptic 'rump', was always going to be difficult. The Government has sought to deal with this problem through a strategy designed to placate some of those right-wing elements. The clearest example of this was the EU Bill (now Act).

For understandable reasons, the EU Act failed to grab the headlines, or indeed the public's interest, but it is not designed for that. Its purpose is to be a piece of Eurosceptic 'red meat'; an attempt by the Government to give the impression to its eurosceptics that it is really 'on their side'.

Largely because its objective is crudely political, the Act was a poorly drafted piece of legislation. It is immensely complex and is full of conceptual and practical contradictions. One of the most fundamental contradictions is the Act's attempt to uphold British Parliamentary sovereignty, through the so-called "Sovereignty Clause" (Clause 18), and yet, at the same time, it means a plethora of referenda if a future government were to be in favour of relatively small European Treaty changes. As the Sovereignty Clause simply reaffirms the existing constitutional position, the Act, through its referendum clauses, can be seen as essentially populist, while giving the impression of being firmly wedded to the idea of Parliament being the absolute cornerstone of British democracy.

Another significant contradiction concerns when referenda would be triggered. Few would disagree that one of the most significant challenges which the EU could face in the not too distant future would be the accession of Turkey. In my view Turkey's accession would be a positive development, but nobody could deny that Turkey's membership of the EU would have huge social, economic and political implications, not least for Britain. And yet, referenda on accession are specifically excluded from the Bill. It is surely inconsistent to try to argue that enlargement is not significant enough to warrant a referendum, but small, even technical changes to the Treaty would be important enough for referenda to be held. If you believe in the importance of referenda it is perverse to argue that they should be confined to issues which are not of real importance. What rhyme or reason is there for holding a referendum if there was a proposal to change the method of appointment of Auditor Generals in the European Court of Justice and not holding a referendum on future EU enlargement?

If the Government's strategy behind the EU Act was to 'placate' its eurosceptics it has clearly failed. During the seven days of debate on the floor of the House of Commons, far from being convinced that the Bill was somehow loosening Britain's relationship with the EU, the eurosceptics became increasingly convinced that the Act was a blatant attempt to buy them off. Significantly, a number of Conservative eurosceptics are even going so far as to say that what is needed is not more safeguards

against further integration, or even repatriation of existing EU competences, but outright British withdrawal from the EU.

The EU Act therefore has served to highlight the divisions within the coalition Government but also the deep schism within the Conservative party between those who accept that a degree of European pragmatism is needed when in government and those who uphold crude British nationalism. To be fair, there are instances when the Government has taken decisions with our European partners which have been sensible and in Britain's national interest. For example, the Government has recently opted in to a Directive against human trafficking, after strong Labour pressure. But, all too often, the Government is 'looking over its shoulder' and putting coalition and Tory party unity before the interests of the country.

This is clearly demonstrated by David Cameron's decision to have nothing whatsoever to do with the new Eurozone decision-making structure. As Britain is not part of the Eurozone there can be no question of Britain participating in the new "bail-out" mechanism, but it does not follow that Britain should stand in isolation from the Eurozone. Poland, Denmark, and the Czech Republic have all expressed a wish to have a positive relationship with the Eurozone; only Britain has indicated that it wants no relationship of any kind. This makes little sense because the Single European Market is of tremendous importance to the United Kingdom and the deepening of that Market must be an essential part of any economic recovery programme. The worry for Britain must be that, before too long, the Eurozone countries start deepening the Single Market between themselves. If Britain does not have effective links with those Eurozone countries, Britain might not benefit from the Eurozone's agenda and would, in effect, be economically disadvantaged.

At the same time, rather than engaging positively with the European Union, the Government is seeking to develop bilateral commercial and political links with particular European countries as an alternative. While few would disagree that bilateral relationships are important – the recent defence treaty with France is particularly significant – it is surely only sensible to see such relationships as complementary to, rather than distinct from, broader communitaire links.

It has been commented that David Cameron's approach to the EU is not as eurosceptic as was widely anticipated at the time of the election. Some have suggested this is because of the influence of the Lib Dems in the coalition; others have argued that the Lib Dems have provided Cameron with a 'cover' to be more pragmatic. Whichever is true it is certainly the case that the coalition Government does not have a coherent policy approach towards the European Union and much of what it is doing, or not doing, is weakening Britain's role in Europe.

If David Cameron was being guided by what was in Britain's national interest, by now he would have surely ended the absurdity of Britain's Conservative MEPs being members of a 'rag tag' coalition group rather than in the centre-right European People's Party. The marginalisation of the Conservative party was demonstrated when the British Conservatives in the European Parliament even failed to win the leadership of the eccentric group which they helped to form.

These are difficult times for the European Union and all its Member States. More than ever before, Britain needs a clear, firm, rational and well understood European policy. Unfortunately, what we have is either a deathly silence or contradictory initiatives which are frequently focused on domestic rather than European objectives. This means that Britain is in danger of seeing its influence decline to the point of permanent marginalisation. I hope that it will not be too long before this approach will be corrected.

Cameron's Coalition

Edward McMillan-Scott MEP

I objected when David Cameron pledged during his leadership campaign to take the Conservative MEPs out of the mainstream European People's Party (EPP) Group, but gave the Party the benefit of the doubt when it assured us that our new partners would be from mainstream conservative parties. When I saw the actual make-up – including the "bunch of nutters, anti-Semites, people who deny climate change exists and homophobes" as Nick Clegg said – I protested, was expelled from the Party and joined the Liberal Democrats. The coalition can be considered as the best of both worlds, in that it represents a compromise government able to deliver economic rigour at home, as well as conviction in its dealings abroad.

The coalition's opposing stances on Europe became clear even before it was formed, with the leaked top-secret letter that outlined what William Hague would convey to his foreign minister counterparts, if the Conservatives had won a clear majority of votes in the General Election. In it he states that "the British relationship with the EU has changed with our election". Nick Clegg, a staunch pro-European like myself who I had the fortune to work with during his tenure as MEP for the East Midlands, recognises the importance of Britain's relationship with the EU and promotes further engagement, particularly in light of the shifting global dynamic that the steady rise of China and other powers presents.

While Cameron agrees when asked in public that leaving the EU would not be in Britain's interests, his decision to leave the EPP and form the European Conservatives and Reformists (ECR) Group significantly damaged the Tories' power and influence in the European Parliament and wider community. In partnership with the controversial Law and Justice (PiS) Party of Poland, the Civic Democratic (ODS) Party of the Czech Republic and individual MEPs from Belgium, Denmark, Hungary, Lithuania, Latvia and the Netherlands, Cameron's rag-tag troop of Eurosceptics has the third-lowest attendance rate (85.39%) to the European Parliament's plenary sessions, and the fourth-lowest cohesion rate out of the seven political groups and the non-attached Members, according to the Economist's 'VoteWatch' survey.

On the other hand, the Alliance of Liberals and Democrats in Europe (ALDE) Group that the UK Liberal Democrats sit with are on the winning side of votes 88.3% of the time, which is the highest of all the political groups. Described in the 2010 Annual Report by VoteWatch as 'kingmakers' during votes - a phenomenon I witness from the Chair while presiding over voting time - ALDE are especially successful on votes related to international trade, civil liberties and foreign affairs (97%, 92% and 90% respectively) which are all key concerns of David Cameron and his coalition government.

My former Conservative colleagues have complained to me that Cameron's new arrangement means they rarely receive high profile reports, unlike during their time in the EPP-ED Group when, as the second largest delegation, they enjoyed recognition for their work and regularly received key reports going through the Parliament's various committees. I have posed the question whether the Conservatives will take the responsible step of joining an effective Group such as ALDE on numerous occasions, but so far Cameron seems content on turning his back on Europe and leaving his MEPs in a Group that has been teetering on the brink of collapse since its creation in June 2009.

Not only does Cameron's badly-advised decision mean that his MEPs are isolated in the European Parliament, but also that he has no European 'allies' of his own. When the Tories sat with the EPP-ED they belonged to the largest political group in the Parliament which governs 14 EU countries and

deploys 13 Commissioners. Similarly, the liberal family is also in government in 13 countries, has five prime ministers and no less than eight Commissioners.

With the ECR, Cameron faces the embarrassing reality that he has no allies in power; so while all the other EU leaders gather in pre-summit 'family' meetings to prepare the agenda – the EPP, Socialists, Liberals – Cameron is left to sit on his own in his hotel room. To argue that he can best represent Britain's interests in Europe while being side-lined in summit meetings is irresponsible and something that the Tories need to address as a matter of urgency, especially in light of our involvement in military action in Libya and the ramifications the Arab Spring will have on Europe. Let's just hope that David Cameron sees sense and orders one large portion of humble pie from room service before deciding to join a pre-summit meeting with one of the mainstream political groups who now dominate decision-making in the EU.

The view from Brussels

Paul Adamson

When the coalition government took office it was well aware that its EU partners viewed the inconclusive election outcome with some trepidation – even anxiety in some capitals. The omens were not promising given the Conservative party's relations with the EU when Margaret Thatcher and then John Major were Prime Minister. And the unabashed anti-European rhetoric in its election campaign calling for "repatriation" to the UK of key EU policies in areas such as employment and fisheries gave further proof, if that were needed, of the Conservative Party's conditional commitment to the EU. The influence also of the stoutly pro-European but junior coalition partner Liberal Democrat party on the new government's dealings with the EU was also unclear. Again, the omens were not promising when the coalition agreement thrashed out over a few days specifically ruled out, for example, the UK joining the euro in the lifetime of the current parliament. And the proposing of the so-called "sovereignty bill" stipulating that any proposed further accretion of powers to Brussels away from the UK would be subject to referendum made this Europe-wide nervousness all the more entrenched.

In its first few months of dealing with Brussels however, the coalition government have behaved like well brought up house guests, dispensing bonhomie to their European partners, doing their homework, attending all the meetings and making useful contributions to debates. No doubt mindful of the need for some discreet diplomacy of its own in making new allies, if not exactly friends, the government has highlighted that British pragmatism would be the order of the day. The UK has never had a romantic or idealistic view on Europe (and even the pro-European Foreign Office inelegantly refers at times to the EU as a "delivery vehicle") but this no longer disturbs its European partners. Indeed, a growing number of Member States taking note of national opinion polls and the pressing need to get out of the economic crisis as quickly as possible, are joining the UK in expecting the EU to give "value for money" and be a contributor rather than an impediment to economic growth. So what was once seen as a uniquely UK stance is now mainstream.

But after a while, even the best brought up house guests cannot always be well behaved and there are clear signs of the honeymoon now coming to an end. On one perennial issue, the EU budget, the UK is acting true to form. To some European partners, the UK's resistance to a larger increase in the annual budget (as demanded by the European Commission supported by the European Parliament) is an unambiguous sign that the leopard has not changed its spots. The fact that many other Member States – and certainly all the net contributors – take the same view seems not to alter the conventional wisdom in many other Member States that the UK is at best a lukewarm European partner.

This in itself is not a sufficient reason to question the government's commitment to its EU membership. But a newer debate, the future of the euro and its governance, does cast the UK in a particular, rather unflattering light. On the one hand, the British Prime Minister claims (some would say quite logically) that any bail-outs of Eurozone economies in distress should be paid for by fellow Eurozone members. On the other, largely at the instigation of the French President, Nicolas Sarkozy, pioneering steps are now being seriously pursued which would (some would say quite logically) dictate the future governance of the Euro. From this, it is a slippery slope towards excluding the UK – and other non Eurozone Member States, of course – from participation in key agenda setting decisions.

Until now at least this state of affairs does not seem to concern the Conservative Party one little jot, although there are signs that the Liberal Democrats are starting to express concern. Indeed, it is as if

the EU is following a script written by the Prime Minister and his advisors. Mindful of its reputation in the past of obstructing, if not blocking, European integration and cooperation, its 21st century approach to EU membership seems to be benevolent disengagement wishing the rest of the EU well as it embarks on new areas of common and concerted action.

Such an approach may well be ascribed to self-interested pragmatism but it also goes with the grain of the EU's future development as it grows in size and ambition: with 27 Member States (and several more waiting to join) a "multi-speed" Europe where each country opts in or out on any initiative, whether it be border controls, defence cooperation or an EU patent, is *realpolitik* at its clearest. But does such "realism" have any downsides for the UK in its relations with its European partners? We seem to be back in that all too familiar scenario of other countries, and not only Member States, wishing that the UK was helping more to shape and lead the EU rather than witnessing this gradual drift into disinterest and disengagement. There is no denying that successive UK governments of all political colour have exasperated the rest of the EU but the rest of the EU also acknowledges that the UK has helped introduce into the EU mindset the need for more open markets and greater competitiveness, and this long before the current economic crisis. And it is precisely because of this economic crisis, with the need to open markets – whether in energy, the digital economy or services – and to avoid protectionism, that so many outside the UK are urging it to return to a leadership role in championing the single market and improving Europe's competitiveness.

But there is now a new imperative that will not only challenge the UK's commitment to the EU but also force it to see its membership in a new light. That imperative is Europe's response to the current upheaval in the Middle East and North Africa. Like many large Member States, the UK has always been ambiguous to say the least about the role the EU should play in foreign and security policy. Notwithstanding the new arrangements in this area under the Lisbon Treaty giving on paper at least the EU a single voice (that of the High Representative for Foreign and Security policy) and a new apparatus to underpin it, the so-called European External Action Service, the UK is still coming to terms with these new rules of engagement.

Despite criticisms of making foreign policy on the hoof (or being on the back foot if you prefer), events in the Arab world now unfolding have significantly pushed both David Cameron and his Liberal Democrat Deputy Nick Clegg, to leave their relative neglect of EU affairs and assert not just that the UK, but also the European Union, has to shoulder its responsibilities. For the two leaders, this ranges from urging fellow leaders to countenance the deployment of a no-fly zone over Libya to offering humanitarian assistance and democracy building expertise to those countries which would welcome it.

The momentous events in our near neighbourhood, coupled with the need for the EU to play a critical role in this region as it rebuilds its future, challenges the coalition government to revisit its engagement with the EU. Its European partners wait anxiously to see how it responds to this challenge.

Two's company, but not enough: Reflections on Anglo-French defence cooperation⁴¹

Prof Anand Menon

On 2 November 2010, David Cameron and Nicolas Sarkozy announced their intention to sign a Defence & Security Co-operation Treaty to enhance bilateral defence collaboration between the two countries. Some five months later, the two states took the lead in the military intervention in support of Libyan rebels attempting to bring down the regime of Colonel Gadhafi. It is in the area of bilateral defence cooperation with France that the coalition government's European policies have perhaps been both most visible and most bold.

Franco-British collaboration provides several advantages. Politically, for Conservative members of Britain's coalition government, it represents a way of working with partners without involving the European Union. Cooperation with Paris is, for the Conservative members of Britain's coalition government, politically far more palatable than multilateral cooperation within an EU framework, as Liam Fox, British Defence Minister (and himself a vocal eurosceptic), made abundantly clear at the time of the signing of the treaties. Bilateralism also represents a useful means for each country to disguise and even potentially mitigate the impact of falling defence budgets and overstretched capabilities. Acting together, moreover, they have not only outlined significant collaborative plans but also galvanised the international community into action in Libya whilst playing significant roles in the conflict to date. Yet, bilateral collaboration, whilst a useful supplement to broader multilateral European schemes, is in no sense a replacement for it.

The agreements forged in London have their origins in several factors. First, and most obviously, both states need to make significant savings in defence expenditure. Defence budgets in both are facing serious shortfalls. The French defence budget will rise by only 1% a year in real terms between 2012 and 2025. In Britain, meanwhile, the coalition government has announced cuts amounting to 8% of defence spending over four years.

Budget cuts have certainly been the most significant driving force behind the decision by both states to undertake more far-reaching cooperation with partners. Other factors, however, help explain why it is that Franco-British bilateral collaboration was its chosen form. Both states are jealous of their standing as global powers, and both are more willing than many of their European partners to contemplate the deployment of military force as a tool of international statecraft. Both, however, are suffering from a declining ability to intervene effectively in military conflicts. Problems in finding the requisite number of troops for interventions in theatres such as Afghanistan, or (on EU missions) in sub-Saharan Africa testify to their declining ability to deploy hard power.

At the same time, the policies of the two countries have gradually converged. Certainly, there still remain differences of priority in their foreign policies (apparent to an extent in their preferences over the institutional venue for any Libyan intervention). Consequently, both Cameron and Sarkozy were anxious to stress that the London treaties do not limit the autonomy of either capital over defence matters. Yet, equally, whilst the last decade and a half has seen London reconcile itself to the need for Europeans to have some defence capabilities of their own coordinated via the European Union, Paris, for its part, began a halting rapprochement with NATO that culminated in President Sarkozy's 2009 decision to take his country back into the alliance's integrated military structures.

⁴¹ An earlier and more detailed version of this argument can be found in A. Menon, 'Double Act: Anglo-French Cooperation Pact,' *Jane's Intelligence Review* February 2011. The author would like to express his gratitude for funding the research upon which this article was based to the ESRC (Research Grant RES-062-23-2717).

The text of the London declaration testifies to a further possible convergence. As important as what was actually agreed at the meeting is what was not mentioned. Strikingly, and in stark contrast to the bilateral that had occurred in December 1998 between Tony Blair and Jacques Chirac, no mention was made of the European Union or the fledgling defence policies that had effectively been launched by that meeting at the French coastal resort of Saint Malo.

The rationale for the creation of a European Union defence capacity was that it might help improve European military capabilities. Dismay at the inability of Europeans to intervene effectively to halt conflict in the Balkans, capped with frustration that a sex scandal in the United States could stymie western responses to the unfolding drama in Kosovo (President Clinton held talks with Republicans on possible intervention in Kosovo the day after the impeachment proceedings against him collapsed) combined to impel British and French political leaders to seek solutions to the capabilities gap opening with the United States. And in London, fears that this gap might lead to American disillusionment with, and conceivably even disengagement from, NATO added a sense of urgency to this quest.

From this emerged the European Security and Defence Policy, intended as a means of inspiring other member states to engage seriously in a process of capability improvement. The EU, however, has little to show for over a decade of solemn declarations emphasizing the determination of member states to enhance their military capabilities. Capabilities improvements initiatives, capabilities conferences and capabilities pledges have come and gone, with no recognizable impact on European militaries characterized by ill adaption to the post-Cold War world, and a lack of coordinated spending on hardware better adapted to the modern era.

The problem is not particularly one of inadequate spending *per se*. In 2006, EU member states together spent the equivalent of 60% of the total US defence budget – almost a quarter of global defence spending. Rather, it is one of spending that fails to address the requirements of modern warfare. The latter is increasingly expeditionary and multinational in nature. Yet, although European Union member states have some half a million more men in arms than the US, around seventy per cent of their land forces cannot operate outside national territory. According to figures from 2007, only two member states (the UK and Ireland) had met the NATO target of being able to sustain 8% of their ground forces on operations (Finland and Norway also had impressive records in terms of levels of deployment). Even those forces that exist and can be deployed cannot always work together effectively. Four European states use Chinooks, but with different configurations, meaning that spare parts are not interchangeable. Over a decade after its inception, there is little evidence that ESDP has had the impact hoped for on military capabilities or even on the will of the member states to invest in improving these. Collaboration over procurement and manufacturing remains limited, member states remain reluctant to share military capacities, and the pooling of equipment is still little more than an (admittedly oft-repeated) rhetorical ambition.

Perhaps most significantly, ESDP has remained profoundly hamstrung by divisions between EU member states concerning the legitimacy of the use of armed force and the need for unanimous agreement between these same member states before an operation can be launched. The conflict in Libya provides merely the most recent and most public illustration of what has been a consistent theme. Not only were member states profoundly divided in terms of their political reactions to the unfolding crisis – with Italy, Malta and Cyprus initially resisting calls for sanctions – but Germany abstained from the vote on UN Security Council Resolution 1973, and only 10 of the member states have committed themselves to military action (of which some have, as yet, to provide a contribution).

Little wonder, then, that London and Paris, the two most militarily powerful EU member states, the states generally most willing to countenance the deployment of significant military force, and, consequently the states which bear the brunt of European military interventions, seem to have chosen bilateral cooperation as a way of attempting to loosen the increasing constraints upon their national defence policies.

Yet for all its attractions, and whilst bilateral cooperation represents a useful supplement to broader cooperation within the European Union, it is not enough, and certainly does not represent a viable alternative to the kind of multilateral initiative represented by ESDP. For one thing, even larger member states increasingly struggle to act alone. The need to mobilize the resources of as many member states as possible has been all too clearly underlined by the problems Britain has encountered in maintaining its contribution to NATO's mission in Afghanistan whilst attempting to muster sufficient numbers of strike aircraft for Libya. Moreover, all states (including the US) increasingly need the 'cover' provided by an international organization in order to ensure the legitimacy of military interventions. Several states – including, initially, the French – felt NATO was an unsuitable multilateral forum for intervention in Libya, the implication being that an alternative would need to be found.

Of course, Britain and France are the leading military powers in the EU. Between them, they account for some 45% of all European military spending. Yet, purely bilateral cooperation thus excludes more than half of Europe's military potential. And it is precisely amongst the other member states that there is the most need for the kind of stimulus that collaborative schemes could, conceivably, provide.

For all the talk of the Americans ceding control of the Libyan operations to its European allies, up to the time of writing, the US had carried out around half of the airstrikes in Libya. The withdrawal of 40 US strike planes in early April has meant that other coalition members have had to take their place. Immediately following the US withdrawal, however, there were signs that coalition partners were struggling to make up the resultant shortfall. Moreover, even following the withdrawal of these planes, the American role remains significant in terms of intelligence, command-and-control, and logistics, whilst the decision to deploy unmanned US drones bore further eloquent testimony on continued European dependence on American military might.

Britain and France, therefore, cannot go it alone for missions of the scale of Operation Unified Protector. It is only through broader European collaboration that they can hope to wield the kind of influence over international security to which they aspire.

For all its limitations to date, the fact that the European Union now engages in military deployments has helped convince member states traditionally reluctant to contemplate the use of hard power to participate in such operations. Certainly, the contribution of particularly smaller member states has not been decisive, but in order that the EU reach its full potential as an international security actor, it is imperative that any means possible be deployed to entice those states that do not have military power hardwired into their political DNA (as do the British and French) to be more active in this area.

Second, in order that EU interventions be effective, what is urgently needed is the more effective and coordinated manufacturing, purchase and deployment of military resources. And the obvious means of accomplishing this is via the European Union. Multilateral institutions represent the only way of cajoling states into making painful reforms to their procurement policies and opening up their markets to their partners. Even basic information sharing between member states opens the prospect that painful cuts to national defence expenditures are coordinated. Meanwhile, the

underused European Defence Agency has the potential to provide institutional support for initiatives aimed at liberalising and rationalising the European defence market.

The existence of institutions created to ensure particular outcomes is, clearly, not enough in and of itself to ensure that these outcomes transpire. For all the talk over the years of the need for a 'pioneer group' to lead the EU's defence efforts, nothing of note has transpired to date. The EDA, meanwhile, has been around for some six years already and has registered only small-scale successes in its attempts to open up national defence markets and foster greater collaboration between member states. And this is hardly surprising. For all the hopes expressed by observers that an era of fiscal stringency provides the ideal conditions for a deepening of cooperation over defence capabilities, it is precisely at a time of straightened economic circumstances that national governments are most reluctant to see national capacity cut, and national workers laid off in the name of transnational efficiency and rationalisation.

It would be naïve, then, to expect progress just because the Union has tinkered with its institutional set up. Yet one way of attempting to induce such progress is via meaningful leadership by those states ideally situated to provide it – Britain and France. As the Union's leading military powers, these states carry a particular responsibility for the success of ESDP (which they themselves largely designed). For all this, neither London nor Paris has, to date, shown any great enthusiasm for strengthening the institutions associated with ESDP. Whilst Britain has been the most vocal in repeatedly blocking requests for adequate funding for the EDA (the Conservatives in opposition openly toyed with the idea of Britain leaving the organisation), the French have also shown little interest in being bound by institutions that might limit their autonomy in defence matters.

Yet these are the very states that have most to gain from a process which generated increased military capabilities and an enhanced desire amongst their partners to deploy them. An interesting analogy here is with the single market programme of the 1980s. Margaret Thatcher was, clearly, not a great enthusiast when it came to the idea of transferring competence to European Community (as it then was) institutions. Yet it was clear that competitive British industries stood to gain significantly from the opening up of the European market. As it transpired, the gamble paid off. Efficient privatised British firms benefitted hugely from the advantages provided by the single market.

In defence, there is every indication that a similar gamble could pay off. British and French defence industries are amongst the most competitive in Europe. Liberalisation of the marketplace, via, for instance, a strengthening of the European Defence Agency and steps to extend single market provisions to the defence equipment sector, should, then, benefit their firms disproportionately. Meanwhile, greater efforts from partners will reduce the burden that falls disproportionately on the shoulders of the British and French defence establishments when it comes to actual operations.

Halting steps to open the market have already been taken, with Directives on defence procurement and intra-EU arms transfers. Yet, much more remains to be done. Whilst success is far from guaranteed, the best way for both states to ensure progress over capabilities (and secure significant comparative advantage for their firms in a liberalised market) is to press for an opening of procurement markets, promote collaborative ventures and ensure the EDA is sufficiently resourced to play its intended role effectively. Appointing a new Chief Executive would be a useful first step. Leadership by Paris and London could play a crucial role in driving this agenda forward.

It is easy enough to understand why Nicolas Sarkozy and David Cameron were tempted by the prospect of enhanced bilateral military cooperation. Bilateralism neatly sidesteps the arduous grind of negotiations amongst 27 in favour of discussions between two states with broadly similar views of world politics, their role within them, and how best to influence them. The London treaties,

moreover, whilst limited, certainly hold out the prospect of resource savings for both states, making limited capabilities go further and retarding, if not reversing, decline.

Underpinning the Franco-British deal is the belief on the part of both states that they can continue to cling to their ambitions of global military power without sacrificing any degree of national control over their defence machineries. Autonomy clearly takes precedence over the effective aggregation of resources via pooling resources or specialisation.

Yet, if Europeans, including the French and British, aspire to exert real influence over international security affairs, they must do so collectively, or not at all. And for this to happen, Europe's most powerful states must take the lead in attempting to revitalise CSDP, committing themselves to working with their partners in an attempt to ensure that all member states pull their weight and work collaboratively to maximise the capabilities the Union can bring to bear in the event of a need to intervene with military force. The Conservatives in particular need to put the national interest above eurosceptic prejudice and recognise the real limits of bilateral cooperation.

There are, of course, no guarantees of success. Several European states have shown such disinterest in security and such a willingness to free-ride on the protection offered by others that it may be that even multilateral institutional inducements and pressures have little impact on their approaches to defence. Yet, ultimately, it is only through genuinely multilateral initiatives that Europe can hope to impact effectively on international security affairs. Franco-British cooperation does not work against such multilateral schemes, but it is crucial that it not be seen as an alternative to it. With France and Britain, CSDP might fail; without them, failure is inevitable.

This pamphlet is the culmination of a major project by the Foreign Policy Centre and the European Commission Representation in the United Kingdom. It seeks to explore the impact that the coalition government is having on the UK's relationship with EU partners and on the dynamics of the European debate within the main political parties. It examines the challenges and opportunities facing the coalition on European issues, while addressing developments in the Labour Party's long-term approach to the EU and taking the temperature of the wider European debate in the UK.

Edited by Adam Hug, it contains contributions from Rt Hon Charles Kennedy MP, Wayne David MP, Chris Heaton-Harris MP, Edward McMillan-Scott MEP, Paul Adamson and Professor Anand Menon.

The Foreign Policy Centre



The Foreign Policy Centre
Suite 11, Second floor
23-28 Penn Street
London N1 5DL
United Kingdom
www.fpc.org.uk
events@fpc.org.uk

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