

EU OUTLOOK: VIRTUOUS, OR VICIOUS, CYCLE?

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Some years ago, in a more hopeful and enthusiastic age, I wrote an article for the College Magazine on English Euro-scepticism (which I did and do deplore). Nowadays, it seems we are all to some degree edgy about the EU, on both sides of the Channel.

The elections to the European Parliament this year – in which turn-out was the lowest ever – took place against the background of uncertainty (“the nature of Europe is in flux”, as one Professor has put it), and even outright malaise. The litany of uncertainty, disarray and failure is not difficult to compose. The European Union is in one of the tightest spots of its history to date.

Institutionally, the Single Market, in all its potential, has not yet been completed. The Lisbon Agenda is stalled. The European Security and Defence Policy created in 1999 has so far yielded little of substance. The rationalisation/re-organisation needed to support mobile, hi-tech, forces comparable in quality if not quantity to those of the US has not yet come. The appointment of a “High Representative” for the new Common Foreign and Security Policy (notwithstanding Mr. Javier Solana’s abilities) has not led to a great deal, either. The Common Agricultural Policy is still unreformed; mainly for that reason, the Common Commercial Policy is in difficulty. The failure of the World Trade Conference in Cancun last September was not exclusively the fault of the EU; but the latter is stymied by agricultural immobility. The row over the proposed European Constitution, ongoing since last year, has exposed institutional cleavages between the Member States on such questions as qualified majority votes, the size of the Commission, the continuance of six monthly rotating Member State Presidencies, the “weighting” of Spain and Poland, the vocation (or at any rate the pretension) of the Union to expand its competences into areas such as social and immigration policy and fiscal harmonisation. This in turn has cast a shadow over the enlargement of the EU, which took place with inadequate funding and much wrangling between old and new Member States, exacerbated by the latter’s nationalist huffiness and complexes of inferiority, and the former’s sense (especially in Paris and Berlin) of being the senior kids on the block.

Economically, labour market reform has been slow; and even hampered by new EU workplace regulations. High structural unemployment has become a fixture in much of the Euro zone, where economic growth is mostly stagnant and exports penalised by an over-valued currency. The European Monetary System is in difficulty, in part because the Stability and Growth Pact has lost credibility. Innovation is laggardly, the working population in decline. An economic power house in the post-war years, Europe has gradually run out of steam.

Politically, leadership in the Member States is mostly weak. Morale in the European Commission is at rock bottom. The French President, while secure in office, is touched by scandal (and likely to become even more of a risk-taker and general loose cannon?). The Prime Minister of Spain, new and inexperienced; the German Chancellor, embattled; the Prime Minister of Italy, embarrassed; the British Prime Minister, no longer unassailable. Talk of the revival of the Franco-German axis at the head of a “hard core” Europe is significant, not because it is readily capable of realisation, but as an index of atavism and insecurity. The (successful) attack on, and (so far, less than fully successful) occupation of, Iraq has bitterly divided the European countries over international peacekeeping and transatlantic relations. The European Parliament, notwithstanding its ever-growing constitutional powers and prerogatives, has failed to capture popular interest, or put across a credible political message. It is widely (if unfairly) perceived as a gravy train of well-paid but leaderless and, at the very best, second rate

politicians. Finally, public opinion throughout Europe, as measured by the Commission's Eurobarometer, continues to lack understanding of, let alone any sort of enthusiasm for, the Union.

Let us now turn to the UK. One continues to hear a lot in this country about the dangers of allowing national sovereignty to leach away further to the supranational or intergovernmental institutions of the European Union. There is the usual, engagingly cheerful, red-faced chauvinism, on the model of Nancy Mitford's Uncle (abroad is hell and foreigners are fiends). There is much insubstantial froth, generated by party-political manoeuvrings and press spinning, which presents Europe as if it were some sort of threat or adversary rather than truly our future. But there is also an abiding fundament of genuine popular unease, increasingly in evidence in different shapes and sizes over two decades, which now calls to be addressed with patience and reason.

It is not that the British have learned nothing and forgotten nothing since 1945, 1956 or even 1973. The 'Economist' magazine recently found little trace among our compatriots of "post-imperial trauma". We seem to be fully aware that, as a middle ranking power of decreasing relative clout, there is no alternative to acting in the world in collaboration with others; we acknowledge the growing globalisation of trade, investment, tourism and culture; we feel – somewhat surprisingly – comfortable with pooled defence in NATO; we accept that we have no national control over the international parity of sterling, however powerful a tribal totem or however effective a means of transaction we take the latter to be; without overwhelming popular enthusiasm, or street parties outside the EU office in Storey's Gate, at least a silent majority take sharing in Europe as axiomatic and our EU membership more or less as a given.

Yet some of us – and not only in the 'chattering classes' to which I and most readers of this publication probably belong – continue to fret over our national identity and institutions, and experience a vague sinking feeling, to do with loss of control over the pattern of our daily lives. These days, British citizens tend to observe constitutional evolution (in the shape of devolution at home as well as of delegation abroad) with mixed feelings; and are tempted to read 'Change' as a euphemism for 'Decay'.

Thus, the Action Centre for Europe, which produced a range of initiatives and arguments in the 1990s, on competitiveness, the Single Market, inward investment, social Europe, the Single Currency, etc., has now wound up, ("The momentum of the European debate has slowed public opinion has not moved in the direction that we would have wished" – Sir Michael Jenkins's in February of 2004). While the (pro-New Labour) Centre for European Reform has maintained some of its vigour, Britain-in-Europe has lost leadership, clout and possibly some credibility. The European movement, generally, now commands less public attention. Notwithstanding on-going knocking copy in eg in the Telegraph and the Spectator, and the bubble achievements in the Euro-elections of the UK Independence Party, even the Euro-sceptics have grown a tad bored. The new leadership of the Conservative Party is groping for a less systematically critical European profile, in preparation for the next general election – not just because the Party stands no chance if it cannot appeal to the centre ground and attract swing voters; but also because there is not a great deal happening that could provoke a rebellion by Mr. Bill Cash and his sympathisers, on the scale that scuppered Mr. John Major. UK membership of the Euro, for example, is currently dead in the water, for solid short term economic as well as debatable longer term political reasons. The European Constitution is not arousing the mob, where I live.

Looking ahead, there are two broad scenarios. The more likely prospect is one of a slow moving, but ultimately accelerating, "Virtuous Circle", in which economic reform and market principles will regenerate employment and growth; the rules governing the Euro will be revamped; the new Member States will bring a breath of fresh air to debates; automatic integration for its own sake will be binned, in favour of a greater degree of subsidiarity; Foreign and Security Policy will develop pragmatically; the CAP will be reformed; structural assistance targeted on those regions

which really need it; the European Parliament will eventually discover a role, hopefully in closer collaboration with national Parliaments; the essentials of the European Constitution will be salvaged (to make a Europe of 25 workable), even if the froth is blown from the beer. Within the UK, public opinion will stabilise, and withdraw from black-and-white attitudes to the EU. (Cf. Lord Hannay's Alcuin lecture, Cambridge, March 2002).

But it cannot now be totally excluded that the EU may begin to unravel, in a 'Vicious Circle', through collective indecision and unresolved internal contradictions. The awfulness of such a scenario (not least in a world beset by far greater dangers than the European political class encourages its electorates to see) should not preclude us from at least being aware of its possibility. In the conclusion of his book "The Breaking of Nations: Order and Chaos in the 21st Century", Robert Cooper writes that: "The world does not proceed by logic. It proceeds by political choice. None of this [in his context, a common defence and foreign policy] will happen, unless Europe's leaders want it and choose to make it happen". But what if Europe's leaders prove unable or unwilling to make the right choices? In that event, the fact that "There is No Alternative" would not of itself prevent a decrescent process, if it were already to have begun, from slowly continuing. Which would be not only a pity (and for those of who worked long in the Europe vineyard, the waste of half a life time- seven years in Whitehall and nineteen years in Brussels and Paris, in my case), but also a negation of the best of which modern Europe is capable. Hence the invocation of virtuous, rather than vicious, circles, in the gambled probability that virtue will ultimately triumph over vice.

Meanwhile, the underlying reality for the British, as I see it, is not only that the traditional Nation-State in the Western world is no longer sovereign in the way some folk like to think it was, but also that the contemporary Nation-State is itself now pretty widely undergoing a sea change – change from within, through regional and local devolution from the highly centralised domestic models of the past (of which the UK was until recently an outstanding example); and change from without, through neighbourhood structures such as NAFTA and MERCOSUR, as well as through global obligations assumed under the mantle of the UN and the prodigious development of International Law since 1945. In all this, Europe has been a pioneer, not least in the pooling of state sovereignty.

We in Britain will not be, have never been, faced with a stark choice between either a 'United States of Europe' or a partnership of sovereign states – that false dichotomy dear to General de Gualle and Lady Thatcher and their residual dialecticians. But we do need to find new ways, and create new structures, to help us address the problems which, in modern conditions, the traditional sovereign nation is less and less capable of resolving – the defence of the global environment and of Human Rights, the fight against drug peddlers, international Mafiosi and state terrorists; but also the management of transnational economic activity and much else that is more mundane but equally important.

To admit all this, I insist, is not to 'go native' or disappear 'off the map'. The Nation-State is not in the end condemned to disappear. National identities and cultural distinctiveness will remain; and must be respected. While 'Small' is not morally superior to or politically more correct than 'Big', we really must use 'Subsidiarity' where it makes sense, and avoid potting problems unnecessarily into the EU snooker pocket. Notwithstanding the efforts of those unsung heroes, the British MEP's and British nationals in the European Commission, we still have democratic deficits to remedy; remoteness of decision making (whether in London, Brussels or Frankfurt) to overcome; transparency to introduce, in those parts of the EU which the Mother of Parliaments herself still seems sadly disinclined or inexcusably ill-equipped to illuminate.

Sir Percy Cradock, in concluding his book 'In Pursuit of British Interests: Reflections on Foreign Policy under Margaret Thatcher and John Major', wrote of what he saw as a failure over a long period, on the part of a government of great authority, "to lay the ghosts of the past, set a constructive course on Europe and engaged public opinion in its support". But what may have

been true then need not be true of the future. And at least where the Sovereign nation-State is concerned, the British ought now to be able to agree with Nurse Cavell's famous last words, that "patriotism is not enough"; and to reflect how incomparably better a place Europe now is, than the one in which she was executed, on ill-founded charges of espionage, by Kaiser Bill's army.

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