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What future is there for the United Kingdom in the European Union?

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Abstract :

Since its refusal to sign the budgetary stability pact on which the 27 EU Member States came to agreement in December 2011, the British government has placed itself in a position of voluntary isolation in Europe. David Cameron is subject to continuous pressure on the part of the radical eurosceptics, about a third of whom in the parliamentary group would like the United Kingdom to withdraw from the European Union. As part of the negotiations on economic union that are now about to start, which may lead to a new treaty, the Prime Minister has promised to bring back a certain number of community policies within the national fold, which would then be followed by a referendum. This is an extremely dangerous strategy for his government and for the Union as a whole.

INTRODUCTION

At the European Council on 8th and 9th December 2011, British Prime Minister, David Cameron refused to sign the European budgetary treaty which anticipates the introduction of the European Stability Mechanism and the supervision of national budgetary policies in order to guarantee a return to balanced public accounts in Europe. He argued that he had not been provided with adequate guarantees on the protection of the City's interests. For the first time since it joined the EEC in 1973, a British leader chose to apply the empty chair policy. By breaking away from the rest of the European Union (along with the Czech Republic) he both delighted the eurosceptics in his party and disappointed the pro-Europeans that are still active in the British political arena and the Foreign Office, setting an even greater problem for the future of the UK in a changing Union.

This decision indeed came within a national context in which attitudes towards Europe have changed a great deal since the start of the economic crisis and that has witnessed the resurgence of the question about the very membership of the Union, whilst projects are being developed in the euro zone that should strengthen economic integration, if not lead to federalism as suggested by some. How far can the tension go between an increasingly eurosceptic country and the European Union, which is moving at least towards budgetary and banking union and possibly further?

DAVID CAMERON'S FRAGILE LEADERSHIP

The financial and economic crisis suffered by the European Union has made the latter even more unpopular in Britain than ever before. The British public opinion has always been less enthusiastic about the European project than in other Member States. Euroscepticism,

which is affecting all of the Member States at present emerged in the UK at the end of the 1980's under the influence of Margaret Thatcher. Since 2007-2008 the rate of positive views of the Union in general and the single currency in particular have dropped by about ten more points, to just below the 30% mark [1].

Furthermore, in order to understand the present stance of the government coalition on Europe we have to review the domestic political situation in which it finds itself and the pressure it is facing. Contrary to appearances David Cameron's position is fragile within his own party. Elected quite easily as the Conservative Party leader in December 2005 he then started to modernise both its image and programme to improve his chances of being elected [2]. The fact that he failed to win an absolute majority in the general election of May 2010 and that he was forced to form a coalition with a centre-left party, the Liberal Democrats, weakened his leadership, notably amongst his right wing which is convinced that it was a mistake to want to "refocus" the party rather than concentrate on issues such as immigration or Europe – which would, in their opinion, have helped towards election victory. This right wing is also the most eurosceptic, emerging strengthened after the election of a new generation of MPs, who are particularly strident regarding European issues. In the autumn of 2011 more than 80 Conservative MPs signed, contrary to the government's wishes, a motion demanding the organisation of a referendum in the UK. Except for the Liberal Democrats those who support this referendum favour withdrawal more often than not. Since then and in spite of his show of bravery in December 2011 in Brussels pressure has grown on the Prime Minister to defend "British" interests in Europe more firmly and to take advantage at least of the present crisis to achieve concessions concerning the repatriation of a certain number of European policies.

1. Eurobarometer, Autumn
2010.

2. See Agnès Alexandre-Collier,
*Les habits neufs de David
Cameron*, Presses de Sciences
Po, 2010.

In addition to this the Conservatives are in danger electorally because of the success in the polls of UKIP, a party that is advocating withdrawal from the European Union and which often attracts the suffrage of former Conservative voters. It is credited with between 8 to 10% of the vote, which, according to the ultra-majority voting method in force, would not allow it to win seats in Parliament but could prevent the Conservatives from gaining enough seats to get an overall majority [3]. Finally the economic crisis the country is suffering, the decline of the Prime Minister and the Conservative Party in the polls (which all forecast the Labour Party easily ahead if elections were organised today) has further weakened the Prime Minister in his own camp and even led to rumours of a coup.

And so David Cameron finds himself defending positions that are sometimes incoherent in the European arena. On the one hand and contrary to the radical eurosceptics, who gloat about the euro's problems and anticipate its imminent demise, he continues, alongside Foreign Secretary William Hague, to encourage the euro zone members to take the necessary measures to settle the sovereign debt crisis, declaring that it is in Britain's economic interest to save the euro. But on the other hand since the autumn of 2010 he has refused to take part in the financial aid given to the euro countries (except indirectly via the British contribution to the IMF) and to sign the budgetary treaty, which is precisely intended to facilitate the euro's rescue. This contradiction is even more blatant if we consider that the present British government's economic policy is following the course that this new treaty plans to take and that the Bank of England will have to play the same supervisory role over British banks as the ECB will over euro zone banks.

AN UNCERTAIN FUTURE: WHAT ALTERNATIVES ARE THERE?

If on October 18th and 19th October 2012 the European Council, which is to decide on the proposals made by the President of the European Council, Herman van Rompuy, in a pre-report on the creation of true economic and monetary union, adopts a project for banking and even fiscal union – and in the long term the federalisation of economic policies in Europe – the British government will find itself in an extremely difficult position. Already isolated because it does not belong to the euro zone, it will not formally accept the supervision of the City and its banks by the European Central Bank (even if the British banks will have to follow its rules when they operate in the euro zone), nor that of its budgetary policy by the European Commission due to political and sovereignty reasons. The electorate,

which is due to be consulted by referendum concerning any further transfer of competence over to Europe according to the European Union Act adopted by the British Parliament in 2011, would not accept it either. The UK's emerging position in Europe is therefore the focus of lively debate across the Channel [4]. There are three possible options, two of which regularly enter discussion and augur quite badly for the future of relations between the United Kingdom and the European Union. The first is the one favoured by the radical eurosceptics, who believe that the strengthening of the European Union should convince the UK to withdraw, at the same time negotiating a kind of partnership, as Switzerland and Norway have for example, which would enable it to benefit from the only European policy they deem favourable to the UK, i.e. the Single Market. A kind of new free trade area, in the ilk of the European Economic Area, might be created enabling the UK to take advantage of the single market without having to suffer the regulatory constraints either of other policies which they do not like, such as the CAP, social policy, and also in their view the common foreign and security policy and Home and Justice Affairs (although the European Convention of Human Rights has nothing to do with the European Union, it is one of the anti-Europeans' nightmares). The political issue of sovereignty would then be solved and the UK would benefit from the best of two worlds. Of course the problems of withdrawal would imply Britain losing all ability to influence the Union's decisions, which would necessarily affect it. Even the Cameron government, which defines itself as "eurosceptic" rejects this possibility.

The second option is the one which is officially hoped for by the government and its intermediaries, such as the association Open Europe [5]. It is to take advantage of the negotiations that are about to take place, if there is a new treaty on economic union in the euro zone, to achieve the renationalisation of certain policies whilst remaining a Union member. This would mean achieving a two or several speed Union, formed around a central core of the euro zone; the other Member States might then choose to take part in some policies and not in others [6]. Under eurosceptic pressure the Prime Minister has promised, with this in view, to organise a referendum on the future of the UK in the European Union after a (possible) victory in the next general elections in 2015. He might include a question on a third path in addition to the in/out alternative, which would be to become a "flexible" member of the European Union. The Labour Party in the opposition has not ruled out offering the organisation of a referendum either, on remaining or not in the Union in their next electoral programme. Thanks to partisan one-upmanship a referendum might very well be organised

3. "No exaggeration: Ukip is a force to reckon with", *The Guardian*, 19th September 2012.

4. See the present work of the House of Commons' Foreign Affairs Committee, "The Future of the European Union - Government Policy", www.parliament.uk/business/committees/committees-a-z/commons-select/foreign-affairs-committee/inquiries1/parliament-2010/future-of-european-union-uk-government-policy; and the audit launched in July 2012 under the management of the Foreign Office entitled "Review of the Balance of Competences" between the United Kingdom and the European Union", whose report is due to be published in 2014 before the next elections.

5. www.openeurope.org.uk

6. 'David Cameron, "We need to be clear about the best way of getting what is best for Britain"', *Sunday Telegraph*, 30th June 2012.

after 2015, depending on the possible negotiations that are to take place before then in the Union, thereby leading to withdrawal from the European Union, which none of the major parties really wants.

Apart from the fact that there is uncertainty about a possible new treaty, two obvious problems raised by this view are rarely mentioned. The first is that the UK may find itself isolated in defending this position, even amongst the present non-euro zone members. Sweden and Poland for example, are not at all in agreement with this and actively take part in the quest for solutions to the present crisis from within [7]. The other difficulty is that it cannot at all be taken for granted that the UK's partners will accept this kind of ad hoc Europe, which would be to the advantage of one country, whose good will has been variable and whose semi-absence, because of its economic and political influence, would weaken the entire Union.

The third option is the one least spoken of across the Channel but which would however be to everyone's advantage. Defended by some Europhiles, who are saddened by the UK's voluntary isolation, it would comprise re-integrating the European playing field to defend British interests such as the liberalisation of services in the single market, the reform of the European budget, energy policy, international negotiations on climate, the CFSP, etc ... This would herald the end of voluntary marginalisation, the official position defended by Labour and the Liberal Democratic Party, which is a government coalition member but whose voice has been barely audible on this issue, as well as by several NGO's such as Chatham House or the Federal Trust.

CONCLUSION

The United Kingdom is at a crossroads and will have to make some strategic choices about its commitment to Europe. Debate over the issue has been ongoing in the UK since the early 1960's but it has become particularly acute with the euro zone crisis and the solutions that are now finally emerging to settle it. From a European view it is regrettable that this debate is taking place at a time when the government in office is dominated by a party that has closed itself within an "ultra-globalist" discourse in which Europe is seen as a bureaucratic monster, an impediment to both national sovereignty and participation in a globalised economy led by the US. The conditions are not ideal to be thinking collectively and rationally about the best strategy for the UK and for Europe at a time when the euro zone is anticipating further development. Will David Cameron find the courage to explain to his fellow countrymen that the national interest does not lie in withdrawing from the EU nor in the status of associate member? In view of the present debate and the state of public opinion in the UK, we might doubt it.

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7. See the speech by the Polish Foreign Minister, Radek Sikorski, at Blenheim Palace 21st September 2012.

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