Inquiry into EU reform and the EU referendum: implications for Scotland

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Has Cameron ensured the UK will always be weak in Europe?

The post-summit media coverage suggests the UK’s EU referendum is only a debate between two wings of the Conservative party (essentially Tory eurosceptics for ‘remain’ versus Tory eurosceptics for ‘leave’), with much attention given to what Brexit might actually mean.

Yet, while the threat of a Brexit vote is real, little attention is being given to what Cameron’s ‘reform deal’ agreed last Friday in Brussels will do to the UK’s future influence and role in the European Union – beyond celebrating or denigrating his rather eclectic set of special measures for the UK. Yet the UK, if it votes to stay in, is likely to be a much weaker player, on the sidelines of the EU.

UK on the sidelines

It is clear that other EU leaders have been less than impressed with the UK pushing its own narrow, short term interests (as defined by David Cameron) when the EU is facing its biggest set of challenges in its almost 60 year history. But summit rows, and member state selfishness, are not new experiences for the EU, and usually blow over.

The deal struck last Friday, though, is different – and if the UK does vote to remain in the Union, it may find that Cameron has not set up ‘the best of both worlds’ for the UK, but rather ensured the UK is hamstrung in leading any new strategic initiatives, a side player, not a central one, no longer playing a key role in the EU – whether in resolving current major challenges or catalysing action on positive new strategies and goals.

As the summit conclusions make clear, the UK has accumulated a set of opt-outs and special deals down the years – the most notable being the Euro and Schengen opt-outs, together with the opt-in deal on issues of freedom, security and justice (covering the whole gamut of police and security cooperation including the European Arrest Warrant) and its budget rebate. In that sense, a two- or multi-speed EU already existed with the UK the most semi-detached of any member state with an opt-out (such as Denmark on the Euro or Ireland on Schengen).

Yet despite this opted-out status, the UK still played a major role over much of the last 20 years and more. The UK was a key proponent of enlarging the EU to the Central and East Europeans after 1989, along with Germany – in the face of a sometimes reluctant France. British politicians and diplomats were influential and powerful players in the various treaty changes (from Amsterdam to Nice to Lisbon) that came before and after enlargement in an attempt to ensure the EU could cope, in democratic and efficiency terms, with becoming an EU of 28 states.
Less positively, the UK did what it could in the New Labour years – fortunately not always successfully – to block any new EU social policies and laws (such as the temporary work directive giving more rights to temporary workers). But in all these areas, it was an active and influential participant – sometimes to good effect, sometimes not.

**Moving to Special Status – ‘never closer union’**

The February 19th summit conclusions specifically exclude the UK from the broad aim of ‘ever closer union’ – which has always been a broad political commitment to working together across EU member states. The EU’s leaders agreed that “in the light of the specific situation it has...[the UK] is not committed to further political integration” and goes on to reinforce this with a promise of treaty change “to make it clear that the references to ever closer union do not apply to the United Kingdom”.

This is a strong political statement – to be enshrined in the EU treaties – that the UK is not committed to working more closely together with the other EU member states. Together with the UK’s other ‘reform’ demands, and its behaviour through the last few years in the EU (refusing to engage with the major economic challenges of the continent, leaving Germany to lead on Russia and Ukraine, playing no part in the deepening refugee crisis), the UK has made clear it is in the EU only for its own narrow self-interests.

This is a UK that no longer sees any common interests in ensuring that the EU deals effectively with strategic challenges, and that sees no benefits in solidarity and cooperation across member states. The UK once understood that to achieve some preferred outcomes and priorities in the EU, it was necessary to compromise in other areas, and that it was necessary to participate and engage deeply, using political and diplomatic nous and heft in doing so.

The UK has now clearly rejected this approach. The Conservative decision to become a more passive, less influential player in the EU over the last six years has been strongly reinforced in this summit deal and agreed future treaty change.

Any future government that wanted to play a more influential, strategic, even leadership role will be hamstrung. A future progressive government in the UK that might, for instance, want to promote a major green ‘new deal’ across the EU, or bigger steps on climate change, or steps to make the EU more democratic would find itself not only having to hold a new referendum (if treaty change was needed) but crucially also with a public, and media, saying but we voted not to be part of future political integration.

This is a huge shift in the UK’s engagement in the EU – and so internationally – but it has received little attention. Cameron’s negotiations with the EU were not done in a cross-party way, other party leaders were not involved. Yet there is no way to vote in the referendum for the current status quo – only for Cameron’s new opted-out, ‘Little England’ model.
Special treatment and free-riding?

The opt-out from ‘ever closer union’ applies to the UK only while the other deals – on a ‘red card’ that national parliaments can wave, temporary limits on in-work benefits, changes to child benefits, harsher treatment of third country spouses, general words on competitiveness, and a ‘brake’ (that isn’t a veto) on Eurozone/non-Eurozone business – are available, in theory, to all.

Yet this whole package falls if the UK does not vote to stay in the EU. Where normally policies, laws, treaty changes, strategic direction and more are agreed across the EU, the UK has demanded, and got, a package driven only by its own demands. And while much of this package is slight (not least the normal woolly declarations on competitiveness), it also introduces concepts that shouldn’t be in UK or EU law, notably discrimination by nationality in the labour market. Since the UK, if its votes to remain, will get this benefits ‘brake’ straight away, it sets up a situation where UK nationals still get treated equally across the EU – but non-UK EU nationals in Britain do not. It is special treatment that amounts to the UK ‘free-riding’ on the rest of the EU.

And while the new ‘red card’, whereby 55% of national parliaments can halt a Commission proposal in its tracks, is likely to be rarely used, it is notable since the UK argued for and failed to get this ‘red card’ both during the constitutional treaty negotiations and the Lisbon treaty negotiations. Now the UK has pressurised its way to get this as a special, UK-driven deal. The UK demanding something it failed to get through normal intergovernmental talks, says much about the UK’s wish to be treated as special and separate, not as an equal member of the EU.

The UK’s image in the world – a mercantilist free-rider

The UK’s approach to the EU – one that the public will vote on on 23rd June – is now based on a part-isolationist, part-mercantilist ‘Little England’ stance, one that contributes nothing to Europe, and very little to the UK’s own influence on, or role in, regional or global stability, peace and prosperity.

At a time when the EU’s failures – from refugees to austerity policies – all come ultimately from the same source, a lack of solidarity, the UK has declared that it is only concerned with its own, narrowly-defined well being, is perfectly ready to ‘free ride’ on the EU in a way that no other country does, and that it doesn’t understand that working for the benefit of all can benefit itself.

It has created a visibly asymmetric EU, much more than the ad hoc opt-outs across various member states had done until now in the EU’s history. While some are concerned about ‘contagion’ across other member states – with Marine Le Pen in France already quoting the British deal – this is perhaps not where the real damage lies. Few others may want such exceptionalism given the loss of influence that goes with it. The damage is more that the EU no longer has one of its largest member state offering any strategic input or demonstration of solidarity, and instead has a formally agreed, free-rider, totally self-interested large member state on its books.
It tells the world that for the foreseeable future the UK is not going to play a substantial role in European or international politics, that it is retreating into its island, hoping the outside world, apart from buying and selling goods, simply goes away. It also tells the world that the UK thinks special treatment, favours and free-riding is a decent way to behave in an international organisation that is meant to be a community of equal member states. It is a very public statement of the UK’s attitude to international cooperation.

Even if it votes to remain in the EU, rather than voting for Brexit, the UK has already very publically decided to retreat into an isolationist and mercantilist, ‘Little England’ stance. It is a bad moment for the UK and for the EU.

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