

THE EUROPEAN

Issue 9-May 2010

The European Movement in London Newsletter

EMiL news

With the election looming May is expected to be a very important month, not least because a change in government will signal a possible change of UK policy towards the EU. We will be keenly following the results and considering the opportunities as well as challenges a new government will present to the pro-European forces in this country.

In the meantime we have organised a few social activities for this month. You can find details at the end of this newsletter, we hope to see you at one of our get-togethers.

The Committee

How will the leaders deal with the EU question.

This article was originally written for Progress Online and it was posted on www.progressonline.org.uk on 21 April 2010. It is re-published with the kind permission of Progress Online.

The next leaders' debate on 22 April will cover foreign affairs and the UK's membership of the EU is expected to feature prominently. Finally!

It is no surprise that voters might, more often than not, want to hear about issues closer to their hearts, and pockets, especially at these uncertain economic times we live in. But the lack of debate on the EU, and the UK's relationship with it, during this campaign is truly counter-productive.

There is no denying that the UK's membership of the EU is of paramount importance in terms of trade relations, job creation, the environment and Britain's position on the world stage in general. It is hence curious that the EU has received almost no attention since the election was called. Curious but not surprising.

The debate on Europe has been dominated by a small but polemic section of the political spectrum, which ranges from anti-European to xenophobic, and a large portion of the tabloid media that are committed, for their own shadowy reasons, to feeding the public with lies about the EU. As a result mainstream politicians stay clear of 'Europe', fearing that debating the case of EU membership is too much trouble for little gain.

But we now have a unique opportunity to speak openly about the EU. If the last debate taught us anything is that speaking to the people honestly and with courage and conviction is the kind of political discord the electorate really wants. Present in the television studio on Thursday will be a Prime Minister who understands better than most the benefits of EU membership. At the pick of the credit crunch he quickly recognised, and took advantage of, the importance of EU co-ordination when tackling the financial crisis. He effectively led the EU response against the imminent collapse of the banking sector, a process which would not have worked if it was not for member state co-operation at the EU level. He

displayed similar leadership when the EU was agreeing its common position ahead of the Copenhagen climate change talks. Next to him will stand a LibDem leader that has witnessed first hand, both as a Commission official in Leon Brittan's Cabinet and Member of the European Parliament, how the EU works and how it adds value. And next to him will be the leader of the Conservative party who, despite his disastrous decision to remove his party from the mainstream of European politics, recognised (with the help of our American friends) the need for continuing and constructive membership of the EU.

All three political leaders have the knowledge, experience and opportunity to start discussing, with real facts, the benefits, as well as possible costs, of EU membership. We can not allow misinformation, misconceptions and misrepresentation of the facts to continue holding hostage the debate on something as important as the UK's membership of the EU. All three leaders understand very well that the UK's short, medium and long term national interest lies at the core of the European Union. It is about time they tell the electorate why. Frankly, clearly and convincingly.

Petros Fassoulas

[What was said at the leaders' debate on EU membership.](#)

In an election campaign generally devoid of discussion on the EU and the UK's membership of it, the leaders' debate on 22 April was a good opportunity to get a flavor of how the 3 leaders view the EU.

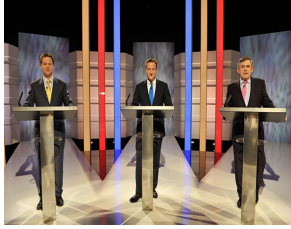
Liberal democrat leader, Nick Clegg, started off by saying "What I learned in

Brussels was that the EU is not perfect, but whether you like it or not, there are a lot of things we can't do on our own," like fight climate change, combat international crime and deal with ash clouds. In a direct reference to Cameron's attitude towards the EU, Clegg said "don't listen to the scare stories that we can't change Europe. Of course we can change it if we don't sit on the sidelines. I've been there".

Clegg found himself under pressure on the issue of euozone membership and he was forced to state that his party will only support joining the single currency if the economic conditions were right and after the British people were consulted in a referendum.

Cameron remained faithful to the traditional Tory line on Europe, putting emphasis to how his party will protect British sovereignty. The Tory leader claimed that his opponents "just give in to everything that comes out of Brussels and do not stand up for the country" declaring that his government wanted to be "in the EU, not run by it". As a result the other two leaders accused him of wanting to isolate the UK on the global stage.

Brown, as well as Clegg, put the spotlight on the issue of the Conservatives' EU allies. Brown accused Cameron of joining with a group of "rightwing extremists," while Clegg said the Tories sit in an alliance with "a bunch of nutters and homophobes who deny climate change".



Source: www.guardian.co.uk

Brown went on to claim that his Tory rival is "anti-European" and wants a "little Britain" that is isolated and weakened in the international arena. "Let us never again be an empty chair in Europe," he said.

Echoing Brown, Lib Dem leader Clegg announced "we want to lead in Europe, not sit on the sidelines". "We punch above our weight when we stand together in Europe," he said.

Cameron hit back by describing as "nonsense" suggestions that a Conservative government would leave Britain isolated in Brussels. He used French President Nicolas Sarkozy and German Chancellor Angela Merkel as examples of leaders that stand up for their countries in Europe but they are not on the sidelines of Europe.

"But you have walked away from Sarkozy and gone in with right-wing extremists," Brown responded. Fighting back, Cameron accused Brown of having given away too many powers to Brussels, which the Tories "want to get [...] back.

Cameron also attacked the Labour PM for refusing to honour his promise to hold a British referendum on the Lisbon Treaty. "People feel cheated" that the referendum did not take place, he claimed. "What you are hearing from the other two is, frankly, do not trust the people. Do not ask them when you pass powers from Westminster to Brussels," he concluded.

All and all the small part of the debate devoted to the EU lacked emphasis on how to make the most of the EU and how to ensure that EU policies can serve better the UK and the EU as a whole both internally but also on the international stage.

Petros Fassoulas

[Greek debt saga continues – Eurozone threatened.](#)

The Greek debt crisis assumed epic proportions during April. After EU leaders agreed on 25 March to come to Greece's aid if it requested their assistance, the government in Athens was finally forced on 23 April to request the activation of the Eurozone-IMF support mechanism. But despite that development bond markets were not impressed with the EU foot-dragging that followed and the upwards revision of the Greek debt, raising the cost of borrowing for the Mediterranean state to astronomical levels, making the servicing of maturing Greek debt through the markets practically impossible.

Greece negotiated new and harder austerity plans with the IMF the Commission and the ECB but it soon became obvious that due to the Eurozone's delayed reaction the €30 billion (plus €15 billion from the IMF) originally committed by EU leaders would not be enough. The cost of borrowing for Greece continued to rise, making a potential bailout even more expensive. As a result EU leaders agreed on 3 May to commit €110 billion (€80 from the eurozone and €30 from the IMF) for the next 3 years, following the agreement between Greece and the troika (IMF-Commission-ECB) of a comprehensive austerity plan which aims to bring

Greek debt below the Stability and Growth Pact 3% selling by 2014.

This decision is by no means the end of this crisis. The markets continue to doubt whether Greece can remain solvent in the medium term and at the same time they are turning their sites to other eurozone members with weak finances, mainly Spain and Portugal, with Italy and Ireland next in line. If the Greek debt crisis spreads to other eurozone members and the markets lose their confidence in the ability of these countries to serve their debt the threat to the common currency will become very real. Whereas the size of Greek GDP is small in European terms, that of Spain is such that makes an eventual bailout of its economy very hard. A potential Spanish default will surely pull most of the peripheral eurozone members with it.



Source: Bank of Greece

But this doomsday scenario goes beyond the eurozone. Banks throughout the EU, including the UK, and across the world hold Greek, Portuguese and Spanish sovereign debt. A potential default in one or more of these countries will cost these banks hundreds of billions, damaging their ability to lend, and as a result harming the world economy much more than the collapse of Lehman Brothers did.

Leaving aside the negative scenarios circulating in trading rooms, Central Bank corridors and legislatures across Europe, the Greek debt crisis has demonstrated clearly that the single currency lacks the necessary

structures and mechanisms to guarantee it's long term success. That realisation does not constitute, though, an argument in favour of the disintegration of the eurozone. On the contrary, it is the right incentive to move forward with increased urgency so the Eurozone achieves the political and fiscal integration necessary to strengthen the existing monetary union. The single currency requires more economic policy co-ordination, a stricter stability and growth pact, closer surveillance of member states' budgets and statistics, a crisis resolutions mechanism fit for purpose and a central bank that looks beyond inflation. Even if this kind of integration requires Treaty change European political elites can not delay any longer the inevitable. The single currency has been one of the most ambitious and successful European projects to date, it has produced huge benefits for its members, the EU as a whole and the global economy. It is of paramount importance that we build on these successes by putting in place the necessary structures that will ensure that it does not fall victim to crisis like the one we are faced with now.

Petros Fassoulas

[Is the EU the safe harbour Europe is looking for in this stormy weather.](#)

The election has taken place. There is a government, or maybe not. Its work is cut out for it. We thought we had everything figured out with the end of the old century but this new one is something else.

The challenges are ranging from the innocuous but symbolic (MPs' expenses) to the serious and tragic (soldiers killed in faraway places, soldiers killing in faraway

places) and pose problems of omission (financial crisis), problems of commission (health, education), problems with (environment) or without culprit (ageing population). Nevertheless, the challenges are not the problem; it's the means at our disposal which seem to fail us. Can the government, *any* government, in this country or elsewhere, prove itself equal to the tasks ahead? Poor countries are caught to be blind to their best interests; big countries to everybody else's and former empires are sometimes still stuck to the time of the empires.

It seems sometimes as if we're trying to navigate the uncharted seas of the 21st century with the trusted vessels of the 19th and it doesn't really work and we don't know why. We have a parliament elected by the popular vote, a once sovereign institution accustomed to subject itself to the voters once every five years, forced now to relate every day with a horde of articles, blogs, polls, voices, and mistrust. We have a government which was created to address the affairs of the state, facing now problems on a global scale that will have to be tackled on many different levels in the context of an institutionalised and inevitable cooperation with other governments, equally hapless because torn between the duty of their sovereignty and the reality of their weakness. Crises, wars, natural and man-made disasters all testify to that. Can Europe, can the Union be the answer that we are looking for?

The short answer? Nobody knows yet. Europe is an ancient idea which was built into a novel construction from rather old ingredients. The member states cannot let go of their prerogatives, dogmas or newfound

nationalism, the local elites (industry, media, churches) will not let go of their status and their advantages within their borders and the voters are never ready to face the smallest change unless a crisis is staring them squarely in the eye. The elites who do not like competition for what they have acquired throughout the short history of the nation state are telling us, the voters, that Europe cannot exist while there is no European "demos". And yet we all want the same things. We, the Europeans who are qualified enough to have an interesting job anywhere in Europe but too "young" to get it in our own country. This large silent majority –hopefully- which is dreaming of change, not retirement yet. What do we want? A redesigned democracy to cope with the cyberspace, a functioning market, a sane fiscal system, a security net (but not if it blocks freedom), the protection of the environment of the whole planet, the eradication of poverty home and away, military interventions in order to stop people from dying in our TV screens, another stop to all useless expenses (eg manufacturing fighter jets in two different places in Europe for purely economic reasons - local), and last but not least, the international presence (read power) to stop everything that threatens us without having to beg the US for it. Is it too much to ask? Can any single European state achieve all these on its own? Or will it have to be Europe?

For the time being, the EU is not allowed to be anything but the scapegoat. Yet it is a new and malleable instrument presenting us with the historic duty to try and transform it into the vehicle of our needs and of our dreams. At the dawn of the 21st century, the European nation state which had answered most

of the questions that destroyed the multinational empires seems to have lived. Maybe it is time to find its successor and maybe we have already found it.

Stamatis Georgiou, Linguist and translator.

Dates for the Diary.

- **9 May, EMiL Social - Europe Day Picnic and Games at the Park**, Regents Park, 12.00 (click here for a [map of the park](#), nearest Tube Baker Street). Bring food, drinks and a football!

- **10 May, Committee Meeting** (the agenda and minutes will be made available on the website and facebook page).

- **20 May 2010, 19.00** – Lowlander, Belgian Bar <http://www.lowlander.com/> 36 Drury Lane, Covent Garden, WC2B 5RR – Click link for [Map](#)