

The European View

The verdict of the 5th of May had many recipients, the interpretation of the referendum and electoral results have many meanings. But there is one actor, one political party, which sits at the middle of what unfolded after the last ballot was cast.

The Liberal Democrats find themselves in a perilous position. Life in a coalition government is never easy, especially for the junior partner, as experience has demonstrated across Europe. But a year since the May 2010 elections the Liberal Democrats have already felt on their skin the sting of that harsh reality.

Party activists (and several MPs) were never particularly comfortable with the idea of joining the Conservatives in government. As the past 12 months unfolded, and the hard and unpopular government deficit reduction measures were laid out, that lack of comfort slowly grew into anger, especially as the party was seen to embrace with enthusiasm policies on education, NHS and public sector reform that until May 2010 were considered anathema for most Lib Dems around the country. It all reached a pick last Thursday when the party suffered major losses at local elections and saw its hopes for electoral reform crushed by an overwhelming 'no' at the referendum.

So the Liberal Democrats find themselves unpopular, in a coalition they don't love, with one of the things that made them join it in the first place, the promise of electoral reform, well out of their reach. What does that mean for the party?

If public sentiment continues to grow against the Liberal Democrats and, most importantly, if party activists become even more disillusioned with the sacrifices made in government the future does not look bright and it certainly does not look orange. An ever increasing number of Lib Dems around the country and Westminster are questioning the wisdom of continuing to prop the Conservatives while they are administering cuts in public services that for many on the progressive side of the political spectrum look like a shortcut to. The risk is that, as the full bite of the cuts will start to be felt around the UK, those Lib Dems on the left side of the party will start questioning whether it is in fact worth being part of a party whose leadership is keen to keep them in a coalition with the Conservatives. For how long will the slide in opinion polls have to continue before they start contemplating abandoning the party or defecting to Labour? Once that trend starts the consequences can be catastrophic. With the left wing gone, the right flank of the party will be forced to join the Conservatives, to avoid evaporating in obscurity.

Such a move will not just mean the end of the Liberal Democrats, the most pro-European political force in British politics, as a political party. It will also re-shape the political landscape of Britain. Labour and the Conservatives, infused with Liberal Democrats, will, by default, move even closer to the centre of the political spectrum, an area that David Cameron, and his clan in the Conservative party, feel more comfortably in anyway. But this will not be the last piece to fall in that political domino. A Tory party accommodating

permanently liberal lodgers and moving for good into the centre of the political spectrum will be uncomfortable territory for the right-wing of the Conservative party. Will they decide to stay with a party that will permanently assume that alien feeling the current coalition government possesses? It will be only a matter of time before an issue like EU membership, socially liberal policies or centrist economic choices will push them to the edge. It is very possible that many MPs, activists as well as financiers will decide that the Conservative party is just not socially conservative, economically neo-liberal and eurosceptic enough for them. In which case they will either abandon it to form another right-wing party or decide to go and join UKIP, like Stuart Wheeler did ahead of the last European elections.

Now, that's where the plot will thicken. UKIP, rejuvenated with political and financial capital from the Tory right, will become a force to reckon with, an uncomfortable situation considering their extremely Europhobic and xenophobic views and the ease with which they employ discourse that sounds very much like the National Front in France. In a country that the tabloid (and beyond) press is staunchly eurosceptic, a strong and financially muscular europhobic party will be a very dangerous proposition indeed.

This of course is not necessarily all bad for the EU membership debate in the UK. The Tories, rid of their extreme right wing, will be more euro-realistic and Labour, infused with Lib Dem euro-enthusiasm, will leave behind for good the Old Labour thinking on Europe. But as we have witnessed in France, Holland and recently Finland, populist Europhobic parties have managed to force mainstream parties, on both sides of the political spectrum, to adopt unsavoury policy positions in a misguided effort to halt their advances in polls.

Despite all that, this scenario might be nothing more than that, a scenario. But, as we are witnessing the predicament the Lib Dems have found themselves in, it is worth contemplating the side effects a possible reshaping of the British political landscape might have.

Petros Fassoulas – Editor of 'The European'

What does the AV referendum debate tell us about a future referendum on EU membership.

The referendum on changing the electoral system for the House of Commons has divided the world of politics but also, in another way, has united it. The division is between those who want to change the system to the Alternative Vote and those who want to keep First Past The Post. The unity is to condemn the lamentable quality of the campaign.

Leading Yes campaigner Chris Huhne has criticised one Cabinet colleague for "Goebbels-like" propaganda and threatened another with legal action. No campaign leaflets denounced Nick Clegg for breaking a promise on tuition fees in favour of a policy that the people behind the No campaign themselves actually supported.

The claims of the No campaign about AV are either false - the countries that use it are thinking of changing back, it gives some voters more votes than others, the far right would benefit – or irrelevant – it would cost more and take longer to count the votes.

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But the Yes side is hardly on the side of the angels. Its talk of an end of safe seats and tactical voting is exaggerated – there would probably be fewer safe seats and less tactical voting but they would not be abolished altogether – and there is no obvious connection between the electoral system and MPs’ expense claims.

The argument has been based on personal attacks and factual inaccuracies rather than a serious analysis of the matter in hand. But, really, what else did anyone expect?

Most people don’t know very much about how electoral systems work, and this includes many of the commentators in the media, and they don’t know because they haven’t cared. Politics up until now has been about policies and the personalities behind those policies; the referendum is about a small procedural change. Not only that, the change in the electoral system, though modest, could have far-reaching significance, but nobody can be sure exactly what that significance will be.

And above all, the people proposing the change didn’t even support it themselves. Most of them preferred a system of proportional representation, but that was not on the ballot paper.

With the raw material of tedium and uncertainty, it was never likely that the campaign would catch fire. If the price of being eye-catching is to be inaccurate, that never stopped the British media in the past.

But what has this got to do with Europe? Sadly, quite a lot.

At the same time as the political class has been fighting itself over AV and FPTP, the government’s European Union Bill has been slithering its way through parliament. Intended as compensation to the Tory eurosceptics who were denied by

David Cameron their longed-for confrontation with the EU, the Bill proposes that any future changes to the EU treaties that provide the EU institutions with new powers should be approved not only by parliament but also by a referendum.

This goes beyond the idea that a major new stage in European integration, such as joining the euro, should be based on direct public assent. It demands that even small, minor changes should also be put in front of the people.

For example, the Lisbon treaty has conferred upon the EU the competence to carry out actions “to support, coordinate or supplement the actions of the Member States” in the fields of tourism and sport. Within the terms of the EU Bill, any similar change in future in another policy area would require a referendum. Similarly, if there were to be a change from unanimity to qualified majority voting on measures concerning operational cooperation between national customs authorities (as foreseen in article 87, TFEU), that would be put to a public vote.

How could a referendum like this be fought?

Is it something that most people don’t know nor care about? Check. Is the debate about procedures rather than policies or personalities? Yup. Is there controversy over the significance of the proposal? Yes indeed. Would the two sides fighting over this actually prefer to be fighting over another, related question? Most certainly!

This is the recipe we have become horribly familiar with. The future of the European debate in Britain is likely to be

more referendums on the electoral reform model, bitter and irrelevant squabbles over something that even policy experts cannot understand.

And that's the best outcome. The alternatives are either that small, necessary improvements to the way the EU works cannot be made at all for fear of a British referendum, or that they are made sidelining Britain along the way. Either of those two is surely worse. So, rather than shuddering at the memory of the electoral reform referendum and the poor quality of debate, we should get used to it. This is the future of British politics.

Richard Laming
Hon Secretary of the European Movement
Director of Federal Union

Pro-Europeans must ensure that Schengen is not sacrificed for short-term national political gain.

The Italian-French Summit in Rome on 27 April saw two founding members of the EU agree to make the case for the Schengen Treaty rules to be revised so that national governments can more easily re-impose border controls 'in case of exceptional difficulties'.

The suggestion to suspend Schengen has profound implications for the EU given that free movement of persons is one of the four key fundamental freedoms which underwrite the Single Market.

It is true that we are in a phase of renewed pressure on EU member states particularly, but not exclusively, in the South. After a peak in asylum pressure in the 1990s and early 2000s with the collapse of the former Yugoslavia and steady refugee flows from Sri Lanka, Iran, Iraq, Afghanistan and the Kurdish

region in addition to some African countries, Europe saw a big fall in the numbers of refugees and a weakening of the issue politically.

Recent events in North Africa have ignited again one of the most politically sensitive issues for Europe.

The arrival of high numbers of Tunisians in Lampedusa and Malta have again thrown into sharp relief the issue of 'burden-sharing' and solidarity between member states. As new asylum seekers from the troubled region disperse through Europe in a bid for survival, it was inevitable that the issue would again take centre stage as the catch all volatile issue of non-EU immigration, integration, identity and ethnic/race politics.

Most EU citizens would be surprised to know that at the Tampere Council in 1999, EU member states committed themselves to creating a common asylum and immigration policy. Yet twelve years later the EU does not have a formal asylum burden sharing policy. Dating back to the Danish Presidency in 2002, member states began to see short term political gain in changing the direction of Tampere, lest a 'common' asylum policy became a too much of a 'balanced' asylum policy as opposed to a restrictive one.

The legacy of Council delay and manipulation of the noble Tampere aims for managed migration have ended with a situation today where the European Parliament has to call for the type of emergency burden sharing mechanism that was last used in Kosovo. Yet even for this type of emergency measure there is no majority in Council, only a potential majority in the European Parliament

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and support in the European Commission.

A complex but powerful cocktail of austerity, insecurity, globalisation and far-right pressure on the mostly centre right government's of the EU has made it possible for France and Italy to work against Schengen in a desperate bid to appeal to an increasingly insecure and anti-immigrant electorate. Sarkozy is feeling the pressure from Marine le Pen and Berlusconi from the Northern League.

What is at stake? The Schengen area affords us a free movement zone which delivers one of the clear benefits of European integration. To alter its purpose needs a reasoning based on more than reaction to domestic political pressure.

Schengen is important to the very idea of European integration. Immigration and asylum pressure is very real. Yet it has been in the hands of the EU to develop a managed migration policy in relation to non-EU citizens for over a decade.

The Lisbon treaty offers an opportunity to make progress on both EU asylum and immigration law. It gives the Parliament new powers in the JHA field. The Stockholm Programme set the blueprint and now the Parliament is debating a collection of legislative initiatives to improve EU asylum law.

The attitude of member states in the Council to this renewed effort to build a common policy will be a serious test for the EU in a difficult and hostile climate.

Claude Moraes
Member of the European Parliament,
Labour-UK

A new age in Franco-British defence co-operation.

The launch of the Franco-British Defence Cooperation Treaty in November last year prompted predictable cries of betrayal from the tabloid press. How could British troops serve under French command? What kind of respect for history does that show? Cooler heads pointed out that Franco-British military cooperation actually goes back quite a long way. By the end of the First World War, for example, British soldiers were fighting under the supreme command of a Frenchman, Marshal Ferdinand Foch.

In recent years defence cooperation between the two countries has not been quite so high-stakes as in Foch's time, but it remains in place. Following the first Gulf War and NATO campaigns in the former Yugoslavia, the two countries saw a need to work together more closely, particularly in coordination of air forces. Since then there has been steady development of cooperation in land, air and maritime domains. For all that, however, the new treaty is a step change. It has the potential to transform French, British and perhaps even wider European defence.

Why a step change now?

There are a number of reasons behind the new push for Franco-British defence cooperation. The first, bluntly, is money. Until recently, the UK and France have been able to afford to fund a wide range of military capabilities – nuclear deterrence, carrier strike, air force, expeditionary land forces, amphibious, a credible maritime presence, Special Forces, intelligence and surveillance technologies and so on. Likewise, until the 1990s both countries were able to rely on their own indigenous defence industries to equip them with most of what they needed. No longer.

While the treaty was dubbed the “*entente frugale*” in the British media, the association with the on-going deep cuts to British defence was slightly misleading. The cuts only served to compound a long-concealed, systemic problem in the affordability of military capability. While defence budgets in Europe are largely flat (or decreasing) in real terms, defence equipment and personnel costs continue to escalate dramatically. This renders French and British aspirations for “full spectrum” military capabilities unaffordable. Indeed, following the 2010 Strategic Defence and Security Review, the UK no longer has access to some previously unquestioned capabilities such as aircraft carriers and maritime reconnaissance.

It is this trend above all that drives the case for a strategic partnership between the two countries to retain military capability. While France and the UK are not prepared, or not able, to spend more on defence (at least in the next few years), neither are they prepared to give up their historic preference for power projection in the world, and to act as valued allies of the United States.

How will cooperation work?

Two aspects of the recent *entente* hint at a radical departure from previous Franco-British defence cooperation. The first is the radical nature of the treaty itself. While it reaffirms the sovereignty of its signatories and their commitments to NATO and the EU, it is a document based on the principle and expectation of mutual dependence. It is ambitious in intent and designed for the long-term. It sets out a framework for close defence industrial cooperation, designed to allay British fears that France is in effect a closed market. It refers to the use of a very wide range of cooperation measures – joint acquisition, joint training, pooling and sharing assets and so forth. Finally it

commits the UK and France to a Combined Joint Expeditionary Force (CJEF), using elements of UK and French assets to form a brigade of up to 10,000 troops. CJEF training exercises will drive deeper cooperation through identifying further areas for efficiencies, such as logistics, command and control and so on. The second radical aspect lies in the detail of the actual initiatives. Here the two countries have been no less radical. They have pledged to cooperate in a broad range of areas covering all the domains, and operational as well as defence industrial collaboration.

Following an instruction from Cameron and Sarkozy to have “no taboos” on

cooperation, officials delivered a second treaty on nuclear weapons cooperation that paves the way for joint testing facilities. The symbolism is clear – if France and the UK can cooperate on the most sensitive areas of nuclear weapons policy, then nothing is off-limits.

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But can they deliver?

Certainly the political will exists at the highest levels. In the UK, the treaty was welcomed by politicians across the political spectrum. Both sides of the coalition are behind Franco-British cooperation. For the Conservatives, cooperation is distinct from the EU and its institutions and places a premium on sovereign, bilateral arrangements. For the Liberal Democrats, historically great supporters of EU-oriented defence cooperation, have always recognised that without France and the UK wider European cooperation would never happen.

There are undoubtedly significant challenges ahead. Progress will depend on continued high-level political support in both countries. Both countries retain their own foreign policies. Future fallings out,

like that over Iraq, seem unlikely now, but cannot be ruled out. Secondly, both countries are facing painful cuts, particularly in the UK where the profile for a further £3bn in defence cuts has not yet been identified.

Thirdly, both MODs are responsible for intensive operations in Afghanistan and Libya. Fourth, there is always the risk that bureaucratic inertia will stymie progress. Political and official leadership will need to be strong to counter a sense that this is just another fad in defence policy, to be politely ignored while the real business of defence continues. Finally, in some circumstances, successful cooperation will mean rationalisation and therefore redundancies. Whether it be defence industry or in the military and civil service, the impact of cooperation will need to be handled delicately and certainly neither France nor the UK can be seen to have got a significantly better deal than the other.

What will be the impact?

Franco-British defence cooperation is purposefully distinct from EU institutions. It is not a “St Malo II”. If anything, the new push is informed by a great sense of disappointment in London and Paris that the St Malo years did not deliver more in terms of European capability. The hope is that France and the UK will now offer an unsurpassed exemplar of military cooperation to retain and develop military capabilities. The risk is that other states will not see benefits for themselves and will regard this as an exclusive new club. Both countries have a responsibility to

ensure that such a perception does not take hold. Solid links must be built out from Franco-British cooperation to other similar clusters of cooperation and the EU and NATO institutions.

It is interesting to note that Franco-British cooperation began before the seismic events in North Africa and the Middle East. While the driving force behind cooperation was to retain sovereign capabilities that could be used to support a variety of actors - coalitions with the US, NATO, EU and UN, very quickly the two countries have found themselves in leadership roles in an intervention in Libya, right on the southern flank of Europe. Franco-British military cooperation may underpin much deeper foreign policy implications for both countries. It is too soon to judge, but these are strategic shifts in the future of European defence.

Ben Jones

Senior Consultant at Interel Consulting. Visiting Fellow at the EU Institute for Security Studies (September-December 2010) – author of the report “Franco-British Military Cooperation: a new engine for European defence?”.

For more information on the European Movement and past issues of ‘The European’ please visit www.euomove.org.uk and www.em-il.org.uk.

Round-up of EU activity during April.

1. The European Central Bank increased its interest rate in April for the first time since mid-2008, aiming to keep a lid on rising inflation in the eurozone.
2. The European Commission is testing the water for creating a new EU internal security body on the model of Catherine Ashton's European External Action Service.
3. Malta has asked to activate a "temporary protection" mechanism allowing refugees from Libya to be granted fast-track asylum procedures anywhere in the EU. But neither the European Commission nor other member states are willing to proceed for now.
4. Pressure is mounting on European Parliament President Jerzy Buzek to allow EU investigators into the offices of MEPs implicated in the latest cash-for-amendments scandal, as the standoff with the EU's anti-fraud office (OLAF) continued.
5. Iceland's bitter row with the Netherlands and the UK over the loss of billions of depositors' money in a collapsed online bank has reached a new stage after Icelandic voters rejected for the second time a deal to resolve the issue.
6. The European Union has signalled its desire to link the bloc's emissions trading scheme (ETS) with a similar system in California, due to open next year.
7. EU chiefs Herman van Rompuy and Jose Manuel Barroso defended their austerity-focussed response to the bloc's economic crisis against criticisms of MEPs who accused the leaders of taking an "unbalanced" approach.
8. A freshly launched EU policy framework for national Roma strategies is "disappointing", as it leaves it up to member states to deal with the discrimination of this minority - something governments like the one in Hungary are not really willing to follow up on, grassroots activists say.
9. Finnish politics has been transformed with the soaring success of the nationalist right in April's general election. The True Finns, a staunchly anti-EU and anti-immigration party, saw their support skyrocket from five seats in the last election to 39 on the back of almost a fifth of the country's voters.
10. Support for the European Union has plummeted in candidate country Croatia, where thousands of people took to the streets over the weekend to protest against a UN court ruling which handed two popular wartime generals lengthy prison sentences.
11. France has rejected a European Commission proposal to create an EU-wide value added tax, but insists it is still open to the EU having some form of 'own resources'.
12. Ex-Goldman Sachs advisor Mario Draghi is one step closer to winning the presidency of the European Central Bank, with Jean-Claude Juncker, the Luxembourg's prime minister and chair of the Eurogroup of states, giving his endorsement.
13. During a four-hour, at times heated, meeting MEPs toughened up the provisions in a package of six laws that aim to co-ordinate economic decision-making in the EU, delivering more powers for oversight of national fiscal policies to the European Commission.
14. The European Commission has asked for a 4.9% increase in next year's EU budget, setting the scene for a fresh game of tug-of-war between EU member states and the European Parliament.
15. Croatia concluded during April negotiations in two more areas, agriculture and

budgetary issues, getting closer to finishing EU accession talks by the end of June. Turkey may resume EU talks in June.

16. Six weeks of violence and some 500 deaths later, EU countries agreed to impose a broad array of sanctions against Syria.
17. A controversial EU data retention law is 'necessary' and will not be scrapped, the responsible commissioner said Monday. EU citizens have gained nothing from it, but lost their privacy, NGOs claimed while a group of member states are now facing multi-million euro fines for not implementing the rules.
18. The US-ordered strike in Pakistan which reportedly killed al-Qaeda chief Osama bin Laden was met with "relief" and talk of a "safer world" by EU leaders, despite the bloc's official stance against targeted assassinations.
19. All three EU presidents and the bloc's foreign policy chief - one of the most senior UK dignitaries - were snubbed by the British royal family at the recent wedding.

Compiled by Max Deckers