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One year of coalition rule in London: what is its attitude towards Europe?

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ABSTRACT The first year of the new government coalition between the Conservatives and Liberal-Democrats in London has been marked by a more positive approach to European issues than the Conservatives in the opposition had led us to fear, whether this concerns budgetary issues or the establishment of the Lisbon Treaty. But by standing apart from the debates over the sovereign debt crisis and the future of the euro as well as by privileging bilateral solutions to settling crises the government runs the risk of growing isolation within the Union, exemplified by the withdrawal of the Conservative MEPs from the European People's Party (EPP) in 2009.

INTRODUCTION As the first ever coalition between Conservatives and Liberal-Democrats is coming to the end of its first year in office in the UK some distinctive traits of its European policy are emerging which reveal a re-alignment or "pragmatism" - to coin a phrase traditionally used with regard to the British - which is very different from the extremely eurosceptic attitude that the Conservatives had when they were still in the opposition.

This development can be explained in part at least by the traditionally pro-European Lib-Dem participation in the government which serves as a counterweight to the most eurosceptic wing of the Conservative party.

The need to adapt to the reality of life in office and to the power struggles within the European Union has certainly contributed towards this change in attitude, which has also been facilitated by the end of the institutional debate that is always a source of conflict in the UK.

However positive this might be, the trend has been moderated somewhat by obvious concern over the Prime Minister's relative indifference (with regard) to European issues and the present government's almost automatic preference for bilateral solutions to the detriment of a community approach.

1. EUROPEAN CONCERN BEFORE THE ELECTIONS

The UK's European partners quite rightly feared the Conservative return to office since their attitude had become so eurosceptic, if not clearly europhobic. Thir-

teen years on the opposition benches confirmed a trend that was already emerging in the final years of John Major's government (1990-1997), which seemed to meet with the agreement of a major part of the population which had become extremely mistrustful of the European Union. Under its successive leaders (William Hague, Iain Duncan Smith, Michael Howard, David Cameron), the Party asserted its determined opposition to the adoption of the euro, its rejection of the transfer of any further competence over to Brussels and its desire to bring some European policies back within the national sphere, notably social policy, criminal justice and the Charter of Fundamental Rights.

David Cameron also withdrew the Conservative MEPs from the European People's Party (EPP) in the European Parliament to show their rejection of the "federalism" that the latter was supposed to be guilty of, thereby running the risk of marginalising his party; he announced that he intended to reform the Human Rights Act which integrates the European Convention of Human Rights into English legislation [1].

William Hague and Liam Fox, respectively Foreign and Defence Secretaries in the Shadow Cabinet, constantly criticised the creation of the European External Action Service (EEAS) planned for in the Lisbon Treaty and the European Security and Defence Policy (ESDP) which might possibly weaken NATO.

Finally there were grounds to fear the lack of interest on David Cameron's part with regard to European issues whilst he was opposition leader: he seemed to take on his predecessors' anti-European rhetoric wi-

1. See the party manifesto for the 2001 and 2005 elections, *Time for Common Sense*, www.conservative-party.net/manifestos/2001/2001-conservative-manifesto.shtml et *Are You Thinking What We are Thinking? It's Time for Action*, www.conservatives.com/pdf/manifesto-uk-2005.pdf.

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thout question, due either to ignorance or indifference. There was also a danger in this of withdrawal or marginalisation in the European Union which would not have augured well for the Europeans, nor incidentally for British interests.

2. THE ESTABLISHMENT OF THE COALITION

The lack of an absolute majority after the general elections on 6th May 2010 and the establishment of the coalition with the Lib-Dems, traditionally more Europhile, introduced an additional unknown in terms of the influence these new partners might have and the stability of the government since Europe might have been a source of division between as well as within the parties.

If we look at the coalition agreement signed by the two parties we see that it reflects Conservatives' priorities even though the Lib-Dem influence can be discerned. Hence it opens with a phrase on the "positive" participation by the new government in the European Union and its intention to play an "important, positive role" with its partners - a Liberal suggestion. The promise of repatriating some community policies, which would have been almost impossible to implement since it would have required the unanimous agreement of all 27 Member States, has now ceased to be. However apart from the assertion that the UK would not enter the euro area, the Conservatives have also imposed the rejection of any further transfer of sovereignty to the Community institutions for the time it is in office, together with their intention to limit the European budget, the introduction of a bill reasserting the sovereignty of Westminster and the organisation of a referendum in the event of the signature of any new European treaty or significant transfer of competence over to the European Union.

As far as the decision making process is concerned the Lib-Dems did not achieve a high profile in the Foreign Office in which William Hague and David Lidington, both Conservatives, are responsible for the European Policy but they are part of the Cabinet committee responsible for European issues which has to take the Lib-Dem position into account. Until now in any case everything suggests that the Lib-Dem participation is seen by the Conservative leadership less as a constraint than as a

means of balancing out the pressure exercised by the party's most europhobic fringe, enabling it to justify a moderate position on Europe by the constraints of a partnership imposed by the ballot box [2].

3. THE NEW GOVERNMENT'S ATTITUDE IN BRUSSELS

Concerns effectively emerged which, for the time being, have in part proven unfounded: as is often the case in these situations, the exercise of power has had a moderating effect over the attitude the party adopted when it was in the opposition.

This change in attitude was already visible in the months preceding the election when David Cameron acknowledged the ratification of the Lisbon Treaty and announced that he would not attempt to challenge it. In an interview in the Financial Times on 10th March 2010 William Hague also tried to be reassuring with the party's victory being possible, declaring, "*We shall already have enough to do without causing instant conflict with the European Union. We do not intend to bang our fist on the table demanding this or that.*" Whilst remaining critical of the principle of the Lisbon Treaty in general and also of the EEAS in particular he seemed decided, although he was to be appointed Foreign Secretary, to fulfil this position for the very best [3]. This was far from the anti-European vilification by the same Hague when he was party leader (1997-2001).

The government has also benefited to a certain extent from a European context that did not favour any further institutional progress of which the UK is traditionally mistrustful. Greece and Ireland's sovereign debt crises, which has dominated minds since mid-2010, has relegated any vague intention that the Commission or some other Member States might have had to take the Lisbon Treaty further, to second place. The British government no longer ran the risk of appearing to be on the defensive or within the Union.

During the autumn of 2010 the British government tried to create alliances with some European partners, made necessary by the use of the qualified majority vote within the Council. With regard to the two issues that dominated this period i.e. the negotiation of the 2011 European budget and the euro area crisis, the government was relatively conciliatory. Directly concer-

2. Interviews in London, February 2010.

3 "Tories to steer clear of instant conflict with EU", *Financial Times*, 10th March 2010

ned by the total of the Community budget and anxious to prevent any type of increase from the very beginning (whilst the European Parliament was suggesting an increase of 6%), it had to accept a compromise of 2.91%, which was presented to the national press of course as a major victory, but which displeased the party's hardline eurosceptics who deem that European spending is pointless and superfluous. Likewise, in spite of it not belonging to the euro area the government came to Ireland's aid via the European Financial Stability Fund (accepted by the previous government until 2013) and independent bilateral aid i.e. £6 billion in all. Internally it justified its intervention not out of European solidarity but because of the interdependence of the British and Irish economies and because of their historic links. But again eurosceptics like Bill Cash, who chairs the European Affairs Committee and former Minister John Redwood, were extremely critical of this financial participation in the rescue of an economy which had suffered, in their opinion, because of its participation in the euro [4].

The priorities declared by the coalition with regard to Europe have remained almost unchanged and in line with the policy set by New Labour. The continuation of work towards the single market in the areas of services and energy, the opening of world trade, the conclusion of the Doha Round; the fight to counter global warming by the reduction of CO2 emissions and the development of "green" jobs, enlargement to include Croatia, Turkey and the Balkans: these were and still are the areas in which the present government wants to see most action on the part of the European Union [5]. The deregulation of services, the reform of the Common Agricultural Policy and adapting to the constraints of economic globalisation are the subject of a wide consensus in the UK.

4. THE LIMITS OF COMMITMENT

This relative commitment to the Union has to be interpreted via two specific features of the British position; one inherited from New Labour which has been reasserted by the new government and the other, more recent, which has clearly been adopted by David Cameron and William Hague.

The first concerns the UK's isolation due to non-participation in the euro area. The UK's isolation, which has been compensated for by its economic and financial weight and which meant that Gordon Brown for example was greatly involved in the major decisions of the euro area, increased in 2010 since there were many more euro area Member State meetings (17 to date) on the sidelines of the European Councils. It was during these meetings that most decisions were taken, mainly under the influence of Germany, especially the management of the sovereign debt crisis in the Union, including in March 2011 with the enhancement of the Stability Fund and the creation of the "euro pact" that is designed to provide greater control over the Member States' deficits [6]. The British government has excluded itself voluntarily from these negotiations and the support planned for the Portuguese economy for institutional reasons and because of its domestic policy [7]. In addition to the fact that it is illusory to think that it is not really concerned by events in the euro area the government is in danger, as stressed by some elements in the press, of becoming isolated and marginalised on all economic issues and of no longer having any influence over other decisions to which it attaches greater importance such as the internal market and enlargement [8].

The other development has been the clear preference for bilateral to the detriment of European solutions. This was seen conspicuous in the aid to Ireland and with the more spectacular signature of the Defence Agreement with France on 2nd November 2010. This agreement plans for all types of cooperation including the establishment of a joint expeditionary force, the shared use of aircraft carriers and unique cooperation in the nuclear area, notably testing. However this ambitious agreement that will enable both countries to make substantial savings does raise issues over the future of the ESDP, which is hardly referred to in the preamble of the document. The British approach clearly lies exterior to the European framework: to counter any possible criticism on the part of the eurosceptics David Cameron declared in Parliament: *"To those who are concerned that this agreement may lead in one way or another to European armies, I can say that it is not about that. It is about increasing the sovereign capabilities of two countries who share the same view*

4. See their repeated comments on their respective blogs, <http://www.europeanjournal.typepad.com/> et <http://www.johnredwoodsdiary.com/>.

5. David Lidington, "Engaged and attuned: Britain as a good European", speech in Madrid on 18th November 2010, <http://www.fco.gov.uk/en/news/latest-news/?view=Speech&id=116498682>.

6. "Muddle, fuddle, toil and trouble", *The Economist* 17th March 2011.

7. "David Cameron rules out further euro bailouts", *The Telegraph*, 28th January 2011.

8. "Europe is in crisis. Britain cannot stay aloof", *The Guardian*, 5 December 2010; "Europe: it's back", *The Economist*, 12th March 2012.

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and which can work together [9].” Liam Fox was only too clear the next day at the same venue : “it is an agreement between two sovereign nations which have agreed to cooperate when it is in their mutual interest to do so but which maintain total capacity to act separately when their respective national interests demand it. Many of us prefer this model to the idea of a supra-national defence system which is being put forward by the European Union bureaucrats [10].”

This Franco-British approach to defence and security issues was confirmed at the UN and then in the military field during the Libyan crisis in the spring of 2011. It emerges in a more general manner in that the Conservatives recommend passing via the European Union with mostly for what they call “world challenges” such as global warming or develop aid, whereas they privilege the development of bilateral links with the powers that count both within and exterior to the Union, i.e. traditionally with the USA and more recently with the emerging powers. William Hague spelled this out in a speech at the Foreign Office in which he described the world as “being more multilateral” and also “more bilateral” accusing the previous government of having neglected other partnerships for example with the countries of the Commonwealth [11].

CONCLUSION The first conclusion we can make of this first year on the European scene is necessarily mixed. The unexpected establishment of a coalition between the Conservative Party and the Lib-Dems has had rather more positive effects on the UK’s European policy since May 2010. The requirements made by compromise inherent to any coalition have made approach and practice more pragmatic and conciliatory than the Conservative rhetoric in the opposition had led us to fear.

But a type of detachment mixed with indifference towards the European Union has been evident over the past year and has not been countered by the Lib-Dems whose contribution to European policy has been discreet to say the least. Priority is being given to domestic economic recovery, with major budgetary restrictions that are limiting external ambitions. William Hague has tried to leave his mark on the Foreign Office by developing relations with the emerging powers; it is not really the CFSP or the ESDP which have been mobilised but the traditional partnerships with the USA and NATO. Europe is still mainly excluded, which cannot be entirely blamed on the British government alone but on a more general lack of political will on the part of the present generation of European leaders.

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9. *Debates in the House of Commons*, 1st November 2010, vol. 517, col. 626.

10. *Debates in the House of Commons*, 2nd November 2010, vol. 517, col. 783.

11. William Hague, “Britain’s Foreign Policy in a Networked World”, speech at the Foreign Office, 1st July 2010, available <http://www.fco.gov.uk/en/news/latest-news/?view=Speech&id=22462590>.