

STANDPOINT.

EDITOR'S CHOICE

Britain's Chance to Reinvent Europe

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September 2010

<http://www.standpointmag.co.uk/node/3295/full>



Return of the Tankies: Russian troops on their way to help separatist South Ossetians in their fight against Georgia in 2008

A new realism may be the one positive thing to come out of Europe's decline over recent years. The decline is apparent from a string of setbacks, including Russia's cynical use of military force to change borders in Georgia, the shambles of the Copenhagen climate change summit and Europe's flirtation with the abyss in the biggest banking and sovereign debt crises in living memory. The "rise of the rest" has made Europe look parochial and backward-looking, as well as much poorer. The European Union's collective failure to shape events has laid bare its real loss of influence and the emptiness of its exaggerated claims to world leadership.

Yes, things are serious. But a desire for a fundamental change can emerge from the dismal spectacle of Europe's decline. With enlightened political leadership, a "reset" within Europe could eventually lead to a more settled and better framework for relations among its ever fractious states — but only if reason prevails.

First, we need to diagnose the illness. People in every part of the continent have shown they are fearful for their future and doubt the EU's ability to protect their vital interests. Now that the EU has grown to be the over-arching authority that claims to speak for its members on key issues, it is duty bound to come up with effective responses to a host of dangers the world faces. But its responses are usually slow and confused because they require consensus

among its diverse states, whose perceived interests are often at odds with one another. This looks like a chronic design flaw as a body for collective decision-making in fast-changing times.

But surely, the argument goes, we cannot do without the EU, or Europe would return to a Hobbesian state of raw rivalry and conflict. It is a case that cannot be brushed off. The dilemma is that the experiment in building an elaborate set of institutions in the name of a united Europe has brought invaluable benefits, above all the ingrained habit of co-operation between countries. On the other hand, it has led remorselessly to an ever more remote and top-heavy layer of government. The terms of the Lisbon Treaty have again multiplied the EU's powers, agencies and titles, but they are palpably failing to produce the efficiency and closeness to the people that were promised.

A popular clamour for better results, backed by reform-minded governments, could invigorate the EU's political culture, make it more accountable and rein in unrealistic federalist ambitions. But formidable obstacles stand in the way. The first is the defensive mindset of entrenched power. The EU, unlike national governments, is not subject to regular elections that can "throw the rascals out". Its self-justification is to uphold European ideals, which sound unassailable but often serve as a cover for the national agendas of certain states — generally those of two founding members, France and Germany. The system inherently lacks accountability, and the European Parliament cannot adequately provide that in view of its own unconvincing mandate at election times. The worst thing EU leaders could do now would be to repeat the past mistake of deriding and ignoring critical voices, and impose more wide-ranging common rules on the diverse member states without popular consent. That would stir up internal divisions, turn voters further against the EU's ruling elites, and sooner or later break it apart.

But the EU is the framework we have, and an era of freelance policy-making by Europe's mosaic of states would be extremely dangerous for all. So Britain must shake off its lethargy and set aside bruising memories of past clashes with European near-neighbours to help, in effect to rescue, Europe. Surprisingly, the UK now looks uniquely well placed for that role, despite its (largely undeserved) reputation as a spoiler in Europe. The climate on mainland Europe is more welcoming than for a long time.

The new UK coalition government has made an encouraging start, mixing pragmatism with calls for a change of course to meet the demands of the time. The UK is going slow on demands for repatriation of powers from Brussels, but it has promised to earn a stronger voice by sending more high-level officials to work inside the EU's machinery. It has also criticised the (mainly French and German) heel-dragging towards Turkey's membership bid as out of touch with that country's rising importance, signalled the UK's own choice to back a bigger say in EU foreign policy for the newer members in eastern Europe, and presented an agenda to make the Union less insular and protectionist.

In foreign affairs, the task of bringing coherence looks all but impossible, and can only be done with creative persistence. Twenty years after the end of the Cold War, the troubling reality is that the larger EU countries are at cross purposes on many of the big issues of the time. They include responding firmly

to Russia's descent into hegemonistic authoritarianism, the urgent need for energy security, the commitment to Afghanistan, even the centrality of ties with the US — still the ultimate guarantor of Europe's security — and where to draw the boundaries of Europe through the EU and Nato.

The penny is at last dropping and a self-critical wind is blowing inside the circle of European policy makers and thinkers. The key strategies the EU has pursued in the face of current challenges are "drifting in the wrong direction", says **Richard Youngs**, the head of the **Fride think-tank in Madrid**, which provides fresh thinking on Europe's role in the world. He deplores the growth of what he calls "Euro-nationalism", characterised by economic protectionism and the habit of responding to problems with more regulation.

For too long, a veil of silence has covered these awkward realities because some divisions appear unresolvable. The resulting evasions and denials, coming after the backdoor scramble to enact all the significant parts of the failed EU constitution under the new label of the Lisbon Treaty, have sapped the belief even of ardent believers in the EU project.

The financier and philanthropist George Soros sounded a sharp warning in a recent speech in Berlin, saying that the crisis of the euro had the potential to destroy the EU. He placed the main blame on Germany for insisting on enforcing strict fiscal rules on others, such as Greece, while refusing to balance its own economy in ways that could help the weaker eurozone states to recover. In that way, he said, "Germany is endangering the European Union."

Soros also warned of the rise of xenophobic, nationalistic extremism in several countries — he singled out Belgium, the Netherlands and Italy, but might well have mentioned others. In a worst-case scenario, he declared, that tide could also undermine democracy or even destroy the EU.

Openly criticising Germany, until now the motor of integration, for its behaviour in Europe used to be taboo, but the sense of imminent peril demands plain speaking. Europe faces a strange and, to many, frightening landscape. More trouble lies ahead because no adjustment mechanisms or exit path exist for the chronically weak members of the eurozone. And any sovereign defaults could poison the well of European togetherness for a generation or more.

The financial crisis frightened national governments into a frantic defence of their own vital interests. Various attempts at devising a credible common response, by bailouts and new kinds of regulation, have followed but have not dispelled the danger. The hardest decision still lies ahead: whether to forge a fiscal or "transfer" union based on the eurozone. That would mean taking a core element of state sovereignty away from national capitals — a huge step towards the end of independent nationhood for them. No wonder loud groans are being heard, and may soon grow louder.

Meanwhile, the EU presses on setting up the European diplomatic service which it wants to make the largest in the world, with up to 8,000 staff in Brussels and abroad: so much for the argument that the Lisbon Treaty, which authorised it, would be a mere tidying-up exercise. Baroness Ashton, the EU High Representative for Foreign Affairs and Security Policy, sidesteps the glaring

differences among the so-called Big Three — France, Germany and Britain — with a joking reference to Henry Kissinger's legendary "Europe question", which was: "If I want to call Europe, what number should I call?" Her line is that the world can now call her number, and hear her voice saying: "Welcome to Europe! Press one for the French position, two for the German position, three for the UK..."

But the singularly unfunny fact is that others have long since learned to press those buttons, playing on the EU's well-known internal splits with devastating results. The most worrying case in point is Russia's systematic bullying of its nearest neighbours over the past ten years in a concerted effort to achieve its desired "sphere of privileged interest", using energy cutoffs, import embargoes, bulk buy-ups of state assets in other countries, and various kinds of threats.

Russian leaders were emboldened to break new bounds in August 2008 when they sent some 30,000 troops into South Ossetia and Abkhazia, the would-be breakaway parts of Georgia, in what independent analysts have shown to have been a premeditated use of overwhelming military force. Russia violated international law as well as an agreement with the EU many times over, by declaring its recognition of the two regions' independence from Tbilisi, occupying Georgian land and continuing to deny access even to EU peacekeepers.

Two aspects of that "August war" especially cast shame on the EU: that it failed to act on many urgent pleas from the Georgians to internationalise the dispute and prevent war *before* Russia sent in its army, as Tbilisi had warned it would; and that afterwards its leaders have lacked the courage to confront the Russians with the need to live up to their clear legal obligations to withdraw and co-operate with the legitimate Georgian and international authorities. Instead, at Germany's insistence, the EU has followed the US in "resetting" the relationship, but without significant impact.

The EU's collective paralysis over the conflict in Georgia was a signal of cowardice or indifference that is already having far-reaching effects elsewhere, notably in Ukraine's violent swing back towards state authoritarianism under its new pro-Russian government. This weakness is contributing to a new and dangerous division of Europe, and seems to be a betrayal of the EU's most important ideals about exporting democracy and supporting a Europe "whole and free".

The argument over Germany's geo-political orientation and the fate of the lands between Germany and Russia is a matter of make or break for Europe. The outcomes will be crucial to determining the character of the EU for the next generation. Yet they are routinely treated as too sensitive to address honestly.

However Radek Sikorski, Poland's foreign minister, recently broke that diplomatic silence, calling EU policy towards Russia "chaotic...with some member states holding the others hostage". The EU should show a clearer commitment to supporting the democratic forces in places like Ukraine where they are under very real threat. "The EU," he wrote in the *New York Times*, "should stand by its values and established norms of international conduct."

Britain's input could be hugely important in the attempt to make Sikorski's wishes come true. And the task of rescuing Europe needs to start with just two changes in outlook among the larger states — two points-switches on the EU's rails.

First, to save Europe, Germany and France should think hard about giving up their outdated, exclusive claim to be the arbitrators of what is good for a union of 27 states. It will be hard, since they invented and mostly built the system as it has developed until now. Successive French and German leaders, notably François Mitterrand and Helmut Kohl, took big risks to do that and they pulled off near-miracles, especially the creation of the euro and the drive towards a single European government. But that vision, devised to anchor united Germany securely in an integrated Europe, has proved imperfect. The new times call for a more pragmatic approach — even perhaps a more British one. It has to be one that allows for a more flexible and inclusive union, able to avoid the new continental divide between "ins" and "outs" already visible in outline from Istanbul to Kiev.

The UK is often seen on mainland Europe — quite wrongly, I believe — as the major threat to the EU's sturdy development. Certainly, a good many disputes are in prospect. This UK government refuses to transfer more powers to Brussels. It will refuse to let European prosecutors, if they come into being, have jurisdiction in Britain. It will resist intrusive powers for pan-European financial regulators, and fight against the 48-hour week. It wants to shift the balance of the EU budget decisively from farm subsidies to science and research. It also enforces EU laws more correctly than any other large EU country. But the UK remains one of the few EU states with the military and political clout to defend European interests, and it uses them often to good effect on Europe's behalf. Its decision to stay out of the euro has been called wise after the event by many, including the ultra-federalist Jacques Delors.

To save the EU will require an exceptional effort and an unprecedented meeting of minds. It must be done, though, because the alternative doesn't bear thinking about.