

Britain and the EU: New Challenges, Old Dilemmas

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During the 1982 Falklands crisis, a United Nations (UN) delegate called Britain “a Morris Minor country, but with Rolls-Royce diplomacy”.¹ The perception that the United Kingdom punches above its weight is a recurring theme when analyzing its foreign policy. Indeed, Britain has a unique position in world politics. The United Kingdom is one of the happy few permanent members of the UN Security Council, as well as a member of the Commonwealth, the Council of Europe, the European Union (EU), the G7, the G8, the G20, the North Atlantic Treaty Organization (NATO), the Organization for Economic Co-operation and Development (OECD), the Organization for Security and Co-operation in Europe (OSCE), and the World Trade Organization (WTO). Inevitably, such a vast network is a source of political and diplomatic power. Ironically, “the nation that prides itself on a Rolls-Royce diplomacy appears triumphantly capable, at critical moments of EU history, of driving itself straight into a ditch”.² Indeed, it really seems that, as far as the relationship with Europe is concerned, Britain “never misses an opportunity to miss an opportunity”.³ The United Kingdom did it in the 1950s,

and appears to have done so once again in the European Council that took place on 8 and 9 December 2011 when it refused to go along with the Franco-German plans of revising the Lisbon Treaty and thus reinforce the European integration project in the wake of the challenges presented by the spiraling situation in Greece.

In the long run, history will determine if the European Council was a mere “footnote in the history books”,⁴ or “a turning point in Britain’s relationship with its neighbors”.⁵ Whatever the final verdict, in the short-term the risk of isolation has become a clear and present danger. Politicians inside and outside the British government share this assessment. Douglas Alexander, the Labor shadow foreign secretary, emphasized that in the aftermath of the European Council Britain was “more isolated than at any point in the 35 years of British membership of Europe”.⁶ Nick Clegg, the Deputy Prime Minister and leader of the Liberal Democrats, also admitted that there was “a danger that the UK will be isolated and marginalized within the European Union”.⁷

1 The Sunday Times of London Insight Team, *War in the Falklands: The Full Story* (Harper Collins, 1982), p. 109.

2 Tony Barber, “Euro summit was British diplomatic debacle” (*Financial Times*, 13 December 2011).

3 Dominique Moisi, “‘This sceptred isle’ cannot save itself on its own” (*Financial Times*, 12 December 2011).

4 Gideon Rachman, “The summit will prove a footnote” (*Financial Times*, 12 December 2011).

5 Philip Stephens, “How long will Britain stay in the EU?” (*Financial Times*, 9 December 2011).

6 Hélène Mulholland, “Labour condemns David Cameron for poor leadership over EU treaty veto” (*The Guardian*, 9 December 2011).

7 “Nick Clegg warns European veto ‘bad for Britain’” (*BBC*, 11 December 2011).



Only eurosceptical Tories would like to see Britain as an “offshore Switzerland”,⁸ or a “Norway without the oil”.⁹ While looking at Switzerland and Norway, they see, above all, “easy access” to the European Union “markets without burdensome regulation”,¹⁰ while ignoring that, in the end, Britain would be “bound to go along with European decisions, but unable to influence them”.¹¹ Prime Minister David Cameron knew this full well. In a speech at the Lord Mayor’s Banquet in London, on 14 November, he pointed out “leaving the EU is not in our national interest. Outside, we would end up like Norway, subject to every rule for the Single Market made in Brussels but unable to shape those rules. And believe me: if we weren’t in there helping write the rules they would be written without us – the biggest supporter of open markets and free trade – and we wouldn’t like the outcome”.¹² Yet, truth be told, despite Cameron’s assessment, when Britain stuck to its veto at Brussels in December it formalized a two-speed Europe.¹³ The full implications of this positioning were not entirely thought out. For one, even the British Foreign Office appeared to be caught off guard as reports surfaced regarding how their own officials were left in the dark during the decision-making process that led to such an outcome.¹⁴ On the other hand, despite the public furor that it ignited among the British society, the sustainability of such a staunch sternness towards the EU is still very much up to discussion. Indeed, if one seeks to know who will prevail when “you have a club in which 25 or 26 members want to go one way, and one or two want to go other ways”, the natural response appears to be sufficiently self-evident and more so “if the 25 or 26 have set up their own club-within-the-club”.¹⁵ As such, recalling certain lessons of European history – General de Gaulle’s similar stance towards the EU institutions in 1965-1966 easily comes to mind – might help said country come to terms with the simple truth that “an empty chair [policy] resolves nothing”.¹⁶

Nevertheless, it should be said that the path ahead is more flexible than many believed after Cameron’s fiery

justification of the veto. Conciliatory statements and gestures have arisen since then. For example, Cameron agreed in January 2012 that the European Court of Justice could be used, albeit in a diminished role, to enforce limits on state spending in the Euro zone.¹⁷ But for all purposes, the main obstacles fueling a potential British deviation from the EU’s integration route remain unaltered. In order to better understand how British interests are to evolve around these predicaments, a group of distinct capitals should be taken into consideration.

First up, Paris. Over the years, traditional rhetoric over a bilateral alliance between the UK and France has frequently masked differences of opinion over the European project. French officials, wary of any repercussions in the long run, were always swift to downplay episodes of eurosceptical flare-ups from Downing Street. That course of action remains valid for the current scenario. Although tensions between Cameron and Nicolas Sarkozy rose to new heights – the latter reportedly called the former an “obstinate kid”¹⁸ – it is only in France’s best interest to turn down the volume and assume a conciliatory tune that allows the UK back into the fold of European decision-making. This essentially derives from two sets of reasons. The first deals directly with France’s economic prospects. Indeed, Standard and Poor’s decision to strip away France’s AAA rating on 13 January unequivocally signaled that it was no longer protected from the scrutiny and increased pressure of international speculators. In that sense, France will need to continue shoring up support for a common EU approach towards this crisis. In such calculations, the UK is bound to remain an integral variable, whether because of its sheer economic size or because of its integration with other European economies. An opt-out of the upcoming fiscal treaty will not change that. The second set of reasons lies with the proximity of France’s presidential elections. Facing an uphill battle against his opponent, François Hollande, Nicolas Sarkozy is perfectly aware that he needs all the support he can get and that includes making amends with British officials and enlisting them in his re-election efforts.¹⁹ By demonstrating that he is willing to try and maintain a cohesive EU to the French voters, Sarkozy hopes to reinforce his European credentials and possibly turn the odds in his favor.

But if France is at the table regarding UK’s rapprochement/detachment from the ‘mainland’, it is Berlin that holds all the trump cards in this game. Germany’s behavior and actions throughout the Euro crisis have surely made headlines but its long-term strategy for the EU’s future is enigmatic. A possible explanation could be that

8 Timothy Garton Ash, “David Cameron’s ‘no’ is bad for Britain and for Europe” (*The Guardian*, 9 December 2011).

9 Jonathan Powell, “Cameron’s catastrophic decision on EU” (*Financial Times*, 11 December 2011).

10 John Baron, “David Cameron must recast our relationship with the EU for ever” (*The Guardian*, 9 December 2011).

11 Jonathan Powell, “Cameron’s catastrophic decision on EU” (*Financial Times*, 11 December 2011).

12 “Prime Minister’s speech at the Lord Mayor’s Banquet” (Number 10, 14 November 2011).

13 George Parker, “Britain agrees two-speed Europe” (*Financial Times*, 9 December 2011).

14 George Parker, “Cameron prepares to defend Europe veto” (*Financial Times*, 11 December 2011); Patrick Wintour, “EU summit vet recriminations mount within coalition” (*The Guardian*, 12 December 2011).

15 Timothy Garton Ash, “David Cameron’s ‘no’ is bad for Britain and for Europe” (*The Guardian*, 9 December 2011).

16 “Britain opts for the empty chair” (*Financial Times*, 9 December 2011).

17 Tim Shipman and Hugo Duncan, “Cameron softens his stance on euro deal ‘to appease Lib Dems’” (*The Daily Mail*, 28 January 2012).

18 James Chapman and Hugo Duncan, “‘Cameron behaved like an obstinate kid at Brussels summit’ sneers Sarkozy” (*The Daily Mail*, 15 December 2011).

19 Michael Mainville, “Cameron backs ‘friend’ Sarkozy in French election” (*AFP*, 17 February 2012).



the Germans do not want to lead in Europe because “they are not ready to pay the price for leadership”.²⁰ The problem is this view doesn’t square with the reality of a German “unipolar moment”, in which every solution to this crisis appears impossible without or against Germany.²¹ It could be then asked what can a “reluctant hegemon”²² of this sort do when it is faced with a faltering France and an increasing British detachment from the EU’s core. On one hand, the Franco-German provenance of the entire European integration experience has become seriously unbalanced. Yet, France needs Germany to keep the world from knowing how weak it is; Germany needs France to keep the world from knowing how strong it is. On the other hand, any British obstructionism to a German-led austerity push can significantly undermine its intended outcome or general application in the remaining EU area. Harassed from both ends, Germany is thus bound to undertake a torturous road that encompasses both hesitant tokens of leadership, quickly subscribed by the Élysée, and occasional appeasing tactics that seek to win over distrustful EU members that are not as quick as France to embark on any new intergovernmental endeavors. Hence, when this dual path is properly acknowledge, it becomes clear why the need to “build bridges over troubled waters”, as German Foreign Minister Guido Westerwelle eloquently putted, is very important for Germany.²³ The problem, however, is when such intentions or long-term visions turn into a risk. World Bank President Robert Zoellick’s remarks at the annual Munich Security Conference said as much: “2012 could be a year where Germany becomes a leader of Europe or (...) it could be the year in which Germany stumbles and draws the ire of Europe”.²⁴ Be that as it may, developments within the Old Continent have also drawn Washington’s attention. As it so happened, the bulk of British concerns in December resided in knowing how this would be interpreted by the United States, given the customary priority that the UK assigns to the so-called “Special Relationship”. In this case, most observers promptly realized that “Americans are now going to be much more interested in those inside than the one nation that is out”.²⁵ Moreover, Nick Clegg himself stated “a Britain that leaves the EU will be considered irrelevant by Washington and will be a pygmy in

the world”.²⁶ Unsurprisingly, this kind of analysis derives from the realization that the UK’s involvement with the continent only enhances its own profile against the backdrop of the US’s broader European agenda. Time and again American officials have stressed that they prefer dealing with a united Europe, one that is willing to assume its role in the world and share the burden of international responsibility in such areas as high-stakes finance or pressing security issues. In such a scenario, the UK is assigned essential importance because it would guarantee that, to some extent, the US’s point of view is taken into account as the European integration process continues to develop. However, what’s more striking is that all parts end up sharing such a common interest. Indeed, it is not only the US who wishes for the UK to remain at the top of the EU’s hierarchy. Berlin and Paris can also barely conceal how they benefit from having the UK fully invested in the EU’s fate, especially considering its preferential contacts in Washington. In other words, the transatlantic relationship is valued almost as much by France and Germany as it is by Britain.

It is thus easy to see how the general context should soften the hardline positions adopted in December as well as promote a gradual backtracking on harsh statements and criticisms made by all sides. In spite of that, even such a suitable context may not be enough to defuse tempers or halt new policy directions when new unexpected hurdles surface. One case in point lies precisely with a recent British bid to regain some momentum, which sought to rally other fellow EU members behind a supposedly alternative economic growth initiative – a move that, for all purposes, was immediately seen as proof that the UK has not given up hope of trying to “set the agenda outside the Franco-German axis”.²⁷ Is such a proposal by “like-minded countries”²⁸ only supposed to balance out David Cameron’s refusal in signing the new fiscal treaty? Even though the bigger picture remains as blurry as before, those questions will probably remain unanswered for the time being.

In November 2011, shortly before the ill-fated European Council, Mark Leonard put forward four options in order to resolve the EU’s institutional crisis: “asymmetric integration by working around the existing treaties; a smaller, more integrated Euro zone based on the existing treaties; political union through treaty change; and a deal among a new vanguard through a Schengen-style treaty”.²⁹ The model adopted since then by the EU members has sought to combine the best features of the first

20 Wolfgang Munchau, “Germany: A Bric, or just stuck in a hard place?” (*Financial Times*, 5 February 2012).

21 Ulrike Guérot and Mark Leonard, “The new German question: How Europe can get the Germany it needs” (*European Council on Foreign Relations*, Policy Brief No. 30, April 2011).

22 Thomas Kleine-Brockhoff, “Why isn’t Germany stepping up to save the euro zone?” (*The Washington Post*, 2 December 2012).

23 Mohammed Abbas and Matt Fallon, “Germany offers UK an olive branch after EU summit” (*Reuters*, 19 December 2011).

24 Geir Moulson, “Zoellick: Germany can lead or stumble in crisis” (*Associated Press*, 3 February 2012).

25 Paddy Ashdown, “we have tipped 38 years of foreign policy down the drain” (*The Observer*, 11 December 2011).

26 Simon Walters, “‘Cameron’s made us a pygmy in the world’: Nick Clegg’s bitter disappointment with PM’s historic veto (that he never told him he was planning to use)” (*The Daily Mail*, 11 December 2011).

27 Robin Emmott, “Britain, Netherlands call for EU to focus on growth” (*Reuters*, 20 February 2012).

28 See “A plan for growth in Europe” (Number 10, 20 February 2012).

29 Mark Leonard, “Four scenarios for the reinvention of Europe” (*European Council on Foreign Relations*, Essay No. 43, November 2011).



and third options but it was not able to avoid the perils that each one implicated. In fact, the course of action taken only further fueled the fear of European fragmentation by raising the spectrum of increased British detachment from the EU and subsequent isolation from the remaining continent. However, after the dust settled in, it became clear that it is of paramount importance to avoid any kind of European scenario without the UK in the picture. Faced with an unparalleled crisis that threatens to draw unpredictable fracture lines, the EU is clearly facing a moment of truth in which future choices have to become the most inclusive possible. Hence, discussions over a British disentanglement are precisely the kind of debate Europe should not be having at this point. Instead, recognizing the inevitability of a common interest in moving forward together would considerably help the odds for the EU to emerge whole and stronger from the present crisis.

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