

## Gary Titley MEP

### Eight Wishes and an warning

Standing down after 20 years in the European Parliament inevitably has provoked bouts of nostalgia. Don't worry though I am not going to make you suffer one of those self indulgent speeches! I will be looking to the future and making eight wishes and issuing one warning.

I just want to observe first, that I have realised that looking back to 1989 is proof that the past is indeed a foreign country. The Berlin Wall still stood. The Cold War and West-East balance of power politics were the order of the day. The European Community had only twelve member states and its main ambition was to complete the Single Market by 1992. Its economic power was important. It was clearly more than a Customs Union but what was it exactly?

The history of those twenty years is one of remarkable achievement. Europe has been reunited, the EU has 27 member states, the Single Market has been largely completed and a single currency has been established. Europe has broadened its capacities and its horizons developing a common foreign and security policy and a European Defence Identity which has enabled it since 2003 to run 18 peace missions in three continents. The EU is clearly now more than just an economic force. It has global political influence although the question remains about how effectively that influence is used.

One would think that these developments would be a cause for celebration and that European morale would be at an all time high. Yet the opposite is true. Europe is in a mood of negative introversion. Referendums in France, the Netherlands and Ireland have called into question public support for the European project. Opinion polls show a decline in positive feelings towards the EU. National rivalries and narrowly focussed national self interest seem increasingly to overshadow any sense of a communitaire approach. Even the EU's greatest achievement, Enlargement,

has divided 'old' Europe from 'new' Europe over issues such as the budget, the services directive, the free movement of labour and now car subsidies.

The world seems a more dangerous place than 20 years ago and the last eight years have seen the West divided in its response with the Bush administration pursuing a unilateral line and the EU itself split on how to deal with America. The war in Afghanistan has shown the limits there can be to any European Defence Identity when there are such variations in commitment.

So while the EU is bigger and stronger the question is whether it is capable of exerting an influence proportionate to its size and strength or whether in fact it has simply run out of steam.

The answer to that probably lies in how it responds politically and economically to globalisation. Globalisation has put fresh strains on the EU largely through the sheer scale and novelty of the challenges it has brought with it. In its wake it has provoked two schools of thought in particular. One school questions the very existence of the EU arguing that "*we are all global now*" and that regional structures such as the EU are no longer useful or relevant. The other argues that Europe's internal challenges have been met and now is the time to focus on external policy.

I would like to argue tonight that both those arguments are wrong and seriously undermine our ability to thrive in the modern world. Globalisation makes Europe more relevant not less but we cannot fully tackle globalisation unless we carry through further on our internal reforms.

It is true the Union can no longer define itself in terms of its internal dynamics. It must respond to globalisation and in so doing it has to change its priorities and working methods. Globalisation though does not end the EU's relevance because quite simply all the great challenges confronting us – climate change, migration, energy, the economy and so on require us to have a common approach. The EU is not just a trade bloc, it is a community of shared values and common purposes which demand joint action on a European scale. Ultimately we have a global voice

because we have a European voice. Take the example of climate change. No European country can solve its climate change problems alone nor can it hope to get its views to prevail on a global stage but it is a problem that affects us all. Acting together the EU has agreed a common approach and has led the world with the Emissions Trading Scheme. This puts the EU in the driving seat in the climate talks in Copenhagen and in the revision of the Kyoto protocol. We have shown global leadership and challenged others to follow.

The financial crisis also showed us that only by EU member states acting together could we stave off disaster. When it appeared briefly that member states were trying to go it alone the financial markets collapsed.

Increasingly we are also facing policy challenges which are neither purely national nor purely global in nature. The most obvious example of this is energy. There is no possibility of a global energy policy. Yet the issues of security of supply, the move to low carbon energy, nuclear safety and developing a competitive internal market are all beyond the nation state acting alone and require a common EU approach with close co-operation between member states internally and a common voice externally.

Globalisation ought to change how we view the EU. In the UK in particular we regard EU policy as being “*over there*” a branch of foreign policy when in fact it cuts through everything we do domestically. To tackle the great challenges of the day we have to have policies at local, national, European and global level. Take gun crime for example. To tackle that we clearly need local policies involving police, local government and other agencies, we need national policies banning the possession of weapons and we need European wide action to stop the trade in guns. Ultimately we also need global action to stop the proliferation in light weapons but our voice will only be heard in the global forum if we have a strong European position.

Seen from this perspective the EU is no longer an optional add-on to our decision-making but rather an essential part of the governance of our country without which we would struggle to ensure that we continue to thrive. That is why I believe we should review the position of the Minister for Europe. It should not be in the Foreign and Commonwealth office but in the Cabinet Office and indeed in the Cabinet with the specific remit to coordinate all our policy responses to European decision making. It was a Labour Government which created the Department of International Development out of the Foreign Office and it should be the Labour Government that gets the most out of Europe, not by weakening our foreign policy, but by strengthening our domestic policy. That is my first wish.

We should never forget that the EU is a huge economic power with a market of nearly 500 million people. No international business can ignore its rules and wishes. Europe needs to have more confidence in its strength and determine to become a more active global player and national governments need to put the best systems in place to get the best return.

In particular it has one unique selling point which is that it is itself *“the longest running and most successful peace process in history”* to quote my former colleague John Hume. The EU’s instincts are always to bring nations together to resolve conflict and to seek multilateral solutions to problems. At a time of increasing national rivalries and instability in the world and with the re-emergence of China, Russia and India we are well placed to take a lead in forging a future that harnesses the diversity of the global community for the common good.

Robert Kagan in his book *“The End of Dreams, the Return of History”* predicts a world order based on national power. He predicts Russia and China will form an axis of autocracies confronting an axis of democracies consisting of the USA, Europe, Japan and India. There is no doubt evidence to support that frightening view. Last year Russia and China finally settled very long running border disputes and they both can be found intervening in areas of the world in ways which frustrate western liberal values, for example in Darfur, Burma and Iran.

On the other hand the situation in both China and Russia is complex with tensions between nationalists and internationalists. The reality is that all the major players in the world, including the USA are capable of acting unilaterally, bilaterally and multi-laterally, except for the EU which is multilateral to its core. The EU can use its huge economic power to draw and keep Russia and China in the multilateral system. While it is true that we have a dependence on Russia's gas, it is also true that Russia needs a stable framework of guaranteed demand which the EU can give it. The EU is China's biggest trading partner with trade worth €300 billion. The EU needs to speak with one voice, engage constructively and consistently. Too often however short-term special pleading by some member states and our failure to understand our partners and their priorities have damaged our relations with both countries and left us open to accusations of hypocrisy as with the so called 'knicker and bra' war with China. We need to be more ambitious, more self confident and more empathetic to the wider world.

With a new American President committed to multilateralism, there is a huge opportunity for the EU to exercise a major global role. We do however have to move on from the Europe against America mindset and towards a united Western approach to global challenges. In order to keep the USA close to our multilateral vocation, we also must bring more to the table in terms of hard power. The EU has to take on more military responsibility for its security without of course undermining NATO. That means delivering more capabilities which have often been promised but not always delivered. We need also to decide that a European Security and Defence Identity involves a more coherent and committed approach to Afghanistan. Obama's election presents us with a unique opportunity; we must not let it slip through our grasp. So my second wish is that the EU makes a whole hearted commitment to deliver on military capability such as heavy lift and air to air refuelling.

For the EU to star on the global stage though, it needs to reinforce its internal dynamics. The real danger of globalisation is the risk that we will get trapped

between the advance of globalisation and the resistance of member states. There remains insufficient European visibility in what we do. Despite the creation of a Single Market, we do not have what might be called European Capitalism, instead we have rival national capitalisms. Indeed, much of the work in removing barriers between member states is aimed at increasing competition between national companies rather than building a genuine European force. In finance there is no real internal market in banking, insurance and fund management. So called European champions really just bring national markets into competition. As we have seen in recent months, despite most countries sharing a currency, Europe cannot guarantee financial stability. That remains a matter for member states. That is because we have opened up markets and deregulated the flow of capital but we have not put in place structures that an integrated market would need to ensure its stability and to contribute to growth. In a crisis that is a pretty dangerous situation. Cross border activity in finance and insurance should be subject to supranational supervision. That is my third wish

In the field of energy, national energy policies have led Europe to a dead end with an extreme dependence on mainly imported fossil fuels at high prices. There is no European energy grid, no strategic energy storage policy and no single market in energy. To meet the challenge of diversifying our energy supply, reduce consumption, have low carbon energy and a stable competitive internal market there has to be an effective European Energy Policy. That is my fourth wish.

The EU needs to reassess the quality and efficiency of its market model and re-define its strategic interests to promote internal growth, confront international competition and develop long term investment. As part of that process, there has to be greater national buy in to the Lisbon process. There are a plethora of guidelines, recommendations and national programmes which have been produced but how many of these are ever debated or analysed in Westminster for example.

The recent European financial stability package was agreed by the Eurozone countries and the UK. It seems obvious to me that given the current financial

instability and the continuing growth of the Eurozone that the Euro group countries will have an increasingly important role to play. Yet the Eurozone has no representation in international fora such as the I.M.F. This is nonsense. There has to be political leadership in the euro zone to define external policy. In the current discussions about reform of the global financial structure, a key element should be ensuring that the Eurozone has a seat at such fora. That is my fifth wish.

For Europe to have a global reach there has to be more internal cohesion and much greater European visibility.

When giving lectures such as this it is always good to have a text to quote from so I shall turn to the gospel of St Mark chapter 8 verse 34 which asks: “For what shall it profit a man, if he shall gain the whole world and lose his own soul”. The same question might be asked of the European Union. The Treaty of Rome speaks of the economic and social welfare of Europe, yet to many the drive for the Single Market or the Lisbon Agenda is actually about economic progress rather than social progress. Market liberalisation appears to many people as if it simply makes it easier to sack people and move companies elsewhere. Recent European Court judgements such as in the Laval and Ruffert cases appear to elevate the right to provide services above the right to have decent working conditions. How can you expect support for the EU in these circumstances? In this globalised world it is difficult for millions of people to benefit from the opportunities it offers when they only seem to suffer its negative consequences.

If we want people to be more positive about Europe, then there has to be a social dimension. Of course economic and social progress is linked and yes Tony Blair was right when he said in the European Parliament: “The purpose of social Europe and economic Europe should be to sustain each other”. Yet to most people policy makers only pay lip service to that concept. Instead we have to make it clear that the economic and employment objectives of Lisbon should work to the advantage of people’s welfare and social cohesion.

The trouble is that when you mention social policy, governments run for cover, especially in the UK. There are so many different social models and everybody wants to impose theirs on the others and they want to use very bureaucratic legislation to do it. I am personally fed up with sitting in the Socialist Group being lectured by the French about their superior social policy, when I know there is high unemployment there and that London is the seventh largest French city because young people cannot get jobs there and come here to work. I resent the image of Britain as a social policy free country when daily I see active labour market policies in action which are the secret envy of many other countries. I am also opposed to the Social agenda being used as another word for protectionism or being used to delay economic reform or welfare modernisation.

We need to disentangle the social dimension so that it becomes a driving force for a new type of development and solidarity between peoples with big disparities in income and living standards. Our aim should not be harmonisation of legislation which is a bureaucratic route to the lowest common denominator. Rather we should be setting out essential principles and making it clear that the reason we pursue competitiveness, growth and jobs is because Europe cares for people's welfare and life chances. Europe is not just interested in wealth creation but how that wealth is used to ensure social cohesion and opportunity.

We already have the basis for reviving social policy in the European Commission's recent communication on a renewed social agenda. This is based on three goals – creating opportunities, providing access (to education, social protection, skills development) and demonstrating solidarity. We already have a strategy set out in Professor Maurizio Ferrera's paper to the British Presidency's Hampton Court Conference in 2005 which I have drawn on heavily for this section.<sup>1</sup> We already have the instruments needed in the Open Method of Coordination, but it needs serious revamping.

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<sup>1</sup> "The Caring dimension of Europe" Professor Maurizio Ferrera Milan University October 2005

I have already commented on the failure of the Lisbon process to become internalised into domestic debate. Similarly the National Action Plans for Social Inclusion should become an opportunity for national debate about how you can reconcile the market and the welfare state. There should be high level debate in national Parliaments as well as the European Parliament and between the social partners and in the media about how a country is progressing in the framework of broad objectives set by the EU. As it is, few people know what the Open Method of Coordination is and there are few if any debates except among specialists about National Action Plans. The social side of EU policy has to be more visible. For it to become more visible we need real political weight behind it. The Council should be adopting a Pact for Social Inclusion relaunching the open policy coordination in the field of social protection and social solidarity.

There should be a specific mandate for reconciling the economic and social sides of the Lisbon strategy and making concrete proposals for further action by all the EU institutions, including national Parliaments. The EU has to show that it cares. That is my sixth wish.

As a symbol of the new emphasis on social policy member states must as a matter of urgency review recent European Court judgements such as Laval. If the law particularly in posted workers is having unforeseen perverse consequences then it should be changed sooner rather than later. It was surely never the intention of law makers to actively encourage the drive to the bottom.

In reviewing the social dimension, we need freshness in approach, a new issue that can capture the imagination. I believe such an issue can be found buried in the Lisbon Treaty. For the first time ever we have included the rights of the child in the treaties. We should build on that and make the child a focus of social policy. One in five children lives at risk of poverty in the EU. In some member states such as Germany and France child poverty exceeds poverty among the elderly. We know the consequences of poor childhood in terms of loss of potential. Therefore, we

should make the provision of adequate child benefits and services part of the social inclusion process.

Europe is facing a demographic time bomb, partly caused by a fall in the birth rate which in countries like Italy is reaching catastrophic levels. In many countries women find it difficult or impossible to reconcile family with work so have no family. Yet in Nordic countries where there are major services to support women in work there are no differences in labour market participation rates between women with children and without. Clearly including adequate child benefits and services in the social inclusion strategy would help reconcile family and work. Yet even more needs to be done. The European Employment Strategy has set targets for female participation rates in the labour market. The Barcelona Spring Council of 2003 addressed the link between female employment and childcare services and set targets in child care for at least 70% of children between 3 years old and school leaving age and at least 33% of children under 3 years of age. How many member states have attained these targets? How many member states even make a connection between childcare expansion and the needs of the labour market? I would argue not many,

I believe we need a strong political commitment from member state governments to setting appropriate childcare targets and not just quantitative targets but also qualitative targets dealing with service, design, affordability and quality.

An EU commitment to Children would give social policy a human face as well as be an investment in the long term future of Europe. We often talk about children being the future so let's act on it. As you would expect that is my seventh wish

Ending child poverty is a Labour government priority so you would think it would have been pushing that as a European priority. Not so. In 1997 before the start of the British Presidency, I suggested to the then Foreign Secretary Robin Cook that children should be one of the side themes of the Presidency. He was positive but referred me to his officials and other departments were consulted. There then

followed an interview with the Director of the European Union sector of the Foreign Office which was pure Sir Humphrey, explaining why it was not possible not least because it was not clear which government department would be the lead and no government department wanted any other department to interfere in their work. The real nub of the issue was a fear that even discussing children's rights would imply giving extra competences to the EU.

It is this defensive suspicious approach which is at the heart of the UK's attitude to the EU. We constantly fear giving something away or that somewhere there is a trap waiting for us to fall into. As a result, we often have a remarkable ability of turning a silk purse into a sow's ear and ending up on the wrong side of arguments we should support as has happened recently with anti-discrimination legislation. I cannot begin to express my frustration at sitting in meetings in Whitehall listening to officials and ministers (reading the official brief) trying to find fault and flaws in what are basically positions we would normally support. We often tend to lose our perspective when Europe is discussed.

We in the Labour Party have to ask ourselves why it is that Europe is even more unpopular with the electorate now than in 1997 when the most pro European government in recent times was elected. Part of the answer lies in the suspicion I have spoken off, part lies in the fact that the government so wanted to suppress discussion on the euro that it suppressed discussion on Europe as a whole leaving a vacuum gleefully filled by the anti-Europeans. It is also to do with the attitude that Europe is "over there" an element of foreign policy, nothing to do with a domestic agenda. Hence I once heard a Labour environment minister speak on his brief at length without mentioning Europe once which must be some sort of record. Add to that Alastair Campbell's dictum that "there are no votes in Europe" you see why ministers prefer to keep Europe at arm's length, hoping it will go away. Well it will not. Rather the anti European debate will become more strident and dominate public debate in a way which is totally disproportionate.

We have to change the nature of the debate. As I referred earlier, we need to develop a narrative which shows that the EU is an essential part of the governance of Britain. We cannot confront the challenges ahead without local, national and European strategies. That is a narrative that has to be used constantly right across government. It is the responsibility of every minister to deliver that narrative and we need a Europe minister in the Cabinet and the Cabinet office making sure it happens. We have to stop being frightened by Europe and embrace it as an essential element of winning the fight for Britain's future. That is my eighth and toughest wish but also my warning. If we do not change the nature of the debate in Britain we will lose control of the European agenda and will find ourselves fighting an uphill battle to keep Britain in the EU.

The world is very different in 2009 from 1989 but is no less challenging. Globalisation, the financial crisis and international instability have made us all feel very insecure. Europe has to respond by taking greater leadership globally, by giving greater internal coherence and greater visibility to the EU and by giving itself back its soul. The new broom in Washington and the EU's economic strength provide us with a unique opportunity to change how the EU is viewed. Let's hope we can grasp the opportunity.

I am optimistic but only because I share Jean Monnet's view that "human beings only accept change out of necessity and they only perceive that necessity during a crisis"