The UK heads slowly for the exit

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Change to the EU treaty is unavoidable, and so is a UK referendum, writes Andrew Duff

It has begun. The United Kingdom is embarking on its long, slow withdrawal from full membership of the European Union.

The first fatal step was the passage into law of the EU Act last July, which imposes a referendum on the hapless British public whenever there is a major treaty revision. As major treaty revisions are a fairly regular occurrence – four in the past 20 years – we Brits are not going to have to wait long before we get to vote for or against some complex package of EU primary law which confers competences, shifts powers or codifies jurisprudence. Treaty change is a natural phenomenon of integration. Those ministers who told the Westminster parliament that there was no prospect of further treaty revision or who complained of 'treaty fatigue' have much to answer for. So do those fine diplomats who assured Whitehall that Britain's EU partners were sanguine about the terms of the bill as it wound its tortuous way through Parliament.

On the contrary, everyone in Brussels and elsewhere knows that, in current or likely future circumstances, no question with the word 'Europe' in it will induce the answer 'Yes' in a British referendum. So the coalition has effectively installed a UK veto against all constitutional evolution of the EU. The tedious 'red lines' of the Blair and Brown era are to all intents and purposes now entrenched in Britain's feeble constitution. The idea that the EU Act can simply be repealed by some unforeseen future pro-European government is for the pigeons.

Then along comes the financial and economic crisis, which has tested to destruction the EU treaty arrangements for the euro. Salvaging the euro means accepting a greater degree of fiscal unity than has previously been prescribed. One does not have to be a federalist militant to realise that more sovereign debt has to be shared between the members of the eurozone if Greece and others are to be saved from going bust. Even George Osborne, the UK's finance minister, preaches the "remorseless logic of fiscal union".

Fiscal union needs federal economic government: a streamlined executive taking decisions by majority vote. (Decision-making in a fiscal union, where redistribution is the norm, cannot be done by unanimity.) The European Commission needs powers, including the faculty of a treasury, to coerce errant governments – large and small – into fiscal rectitude, and to protect the interests and advance the reform of the poorer members of the eurozone.

Some of this can be done within the Treaty of Lisbon. But by no means all. So treaty change is unavoidable. Herman Van Rompuy, the president of the European Council, says we will have "limited treaty change". I doubt that. The new treaty will have to craft some complex gearing between the federal core and the outer periphery. The treaty revision will not be technical or minor: it will only be 'limited' in the sense that it will not be 'limitless'.

MEPs will insist on the calling of a constitutional convention to address the problem of the popular legitimacy of the new economic government. That body will have to do two other things. First, it needs to modify the entry into force of provisions so that the new treaty can come into being before all states have ratified it. Second, it should introduce a new category of associate membership of the EU, which may serve the United Kingdom well if it chooses not to take the qualitative leap into the federal future.

This is Europe's federal moment. History will condemn us if we miss it. And all Europe – not excluding Britain – will sink into global irrelevance and a long economic depression.

Andrew Duff is a UK Liberal MEP and a member of the European Parliament's constitutional affairs committee.

Divisions limit the EU's influence in the Mediterranean

The starting point for a fresh relationship with the southern Mediterranean lies in the EU, writes Rosa Balfour

Tunisia's parliamentary elections last Sunday and the death on Friday of Muammar Qaddafi, Libya's long-time ruler, are but the latest in the many extraordinary changes seen in the Arab world this year.

In response, the EU has rebranded some of its existing policies and improved their tailoring. There has, though, been no new thinking on the fundamentals of EU engagement with the region. Early talk of new 'Marshall plans' has not been followed up; no ideas can be seen that are even vaguely comparable to the mobilisation of the international community in response to the revolutionary changes of 1989.

It should be no surprise that fresh ideas have a struggle to emerge, because member states are divided on their interests and priorities. This is the single most important reason why the EU has failed to produce better strategies in the past.

Two contradictory trends have been evident. European states have agreed on the need to create collective structures, but those have then been rendered ineffective because of the diversity of their positions. For instance, when Nicolas Sarkozy, France's president, attempted to develop a non-EU project for the Mediterranean countries, he was forced by his EU partners to 'Europeanise' his ideas into the ill-conceived Union for the Mediterranean. The results of these tensions are empty policies.

The EU has, though, been consistent on two levels in recent decades. It has supported the status quo. And its security concerns have trumped the aims of the various policies set up by the EU. Beneath this, the problem has been that member states have prioritised different security concerns.

If the EU wants to make a fresh beginning in its relations with the south Mediterranean, the starting point must be a fuller, fundamental debate among the member states on the security issues that have been most divisive or are the most complex.

The Palestinian-Israeli conflict has to be at the top of the list. The EU has had a common position for three decades, and has spent millions on supporting the building of state-like structures in the Palestinian territories. But when the cards are shuffled, as the Palestinians have done with their bid for recognition of statehood at the UN, the EU seems unable to find unity. The EU cannot afford disunity every time the status quo changes: it needs to find, and promote, a win-win strategy for all, Israel included.

Secondly, the elections in Tunisia showed that although the Arab Spring was secular, Islamist political forces have a role to play. Especially since its refusal to recognise Hamas's electoral victory in Palestine in 2006, the EU has little knowledge of and few contacts with the array of Islamist groups in the region, many of which now claim to embrace principles compatible with democracy. Like it or not, the EU needs to get to know and to engage with the variety of political forces and groups that are emerging with the newly found freedom of association.

The third element of this debate is migration. Too many decisions this year – as in previous years – have been determined by fears of domestic backlashes. Erecting walls will solve neither the socio-economic problems that north Africa and the Middle East face, nor those that confront Europe. Governments can take bilateral initiatives shaped by popular Islamophobia and by the challenge of integrating multi-religious, multicultural societies. Or they can take the better option: co-ordinated policies that manage migration.

They are the areas in which the EU has made some of its most serious mistakes before and since the start of the Arab Spring. If member states do not address these differences, there is little chance of Europe becoming a serious player in the Mediterranean.

Rosa Balfour is an analyst at the European Policy Centre, a Brussels-based think-tank.