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Prospects for the UK Presidency of the European Union

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The UK assumes the Presidency of the European Union (EU) at a time of considerable uncertainty about the way forward for Europe. The French and Dutch rejections of the Constitutional Treaty pose deeper problems than the future of the constitutional process or the status of the text itself.

EU contradictions and the UK Presidency

The most significant conclusion to be drawn from the French and Dutch referenda is that the Union's peoples and citizens are seriously divided between two conflicting visions of the future.

First, there is a deepening divide over the economic and social agenda. On the one hand, there are those who wish to attempt to "protect" the much discussed "European social model" against the perceived negative effects of economic liberalism, and to encourage nation-state (and even regulatory authorities such as the Commission) to mitigate, through interventionist instruments, the social and economic effects of globalization. On the other hand, there are those who believe that deregulation, liberalization, flexible labor markets and a greater role for the private sector are the keys to economic growth and, thereby, to long-term social benefits.

Second, there is a growing divide over the consequences of enlargement. The referenda revealed deep concern about issues of identity, cultural homogeneity and social stability. Moreover, behind the myth of the "Polish plumber", fears abound concerning the viability of a single market with freedom of movement between economic zones with vastly different pay and skills scales. These worries are probably shared in one form or another by the citizens of most West European member states – the recent "fifteen". On the other hand, the elites of many of those states have vaunted the merits of an ever enlarging market and of a Europe which spreads stability and democracy as it pursues its geographical expansion. To add to the EU's difficulties, the logic behind these twin negatives ("No" to liberalism and to enlargement) is mutually reinforcing – as is the logic behind deregulation and expansion.

These two major sets of policy preferences, reflected in different ways and with different emphases in the French and Dutch referenda, appear to be incompatible. It is hard to imagine even the most talented linguists drafting a text which successfully squared these two major circles: Europe as a force *within* globalization and Europe as a force *against* globalization; an *ever-expanding* Europe and a *Fortress* Europe.

There is no doubt that the United Kingdom is one of the leading proponents of the globalization and expansion approach which have just been so resoundingly rejected by two founding members of the Union. This complicates the task of the UK in acting as an honest broker to resolve the EU's contradictions. The task is further complicated by the fact that opinion polls in the UK suggested the Constitutional Treaty would have been defeated in the UK by an even greater margin than in France and in the Netherlands – but for virtually the opposite reasons. In Britain, the Treaty has been widely portrayed in the media and by opposition forces as abandoning far too much "sovereignty" to an over-regulatory and integrationist "Brussels".

Analysts have suggested that, if the reasons French voters deployed behind the "Non" vote were transferred to the UK, they would produce a "Yes" vote – and vice versa.¹ Finally, the UK's presidential task is further complicated by the fact that the British prime minister, Tony Blair, is widely perceived across Europe as something of a "lame-duck" leader, having already announced his intended retirement (at an unspecified moment in the next few years) and having recently been soundly sanctioned by the British electorate through the reduction of his parliamentary majority from 160 seats to 66.

Furthermore, the British government, through its decision to suspend the process of British ratification of the Constitutional Treaty, has ignored the advice of most other European leaders, including Commission president Barroso, the current Council President Juncker and President Chirac, all of whom have called for the ratification process to be continued in all twenty-five member states.

¹ See Timothy Garton Ash, « La Bataille de France », Le Monde, 29-30 mai 2005.

The United Kingdom, as it assumes the Presidency, appears to be closely associated with one side of a passionately fought debate.

Priorities and challenges of the UK Presidency

That said, what will be the likely priorities of the UK during the second semester of 2005? It is perhaps not insignificant that both the Downing Street web site² and the Foreign and Commonwealth web site³ carry substantial agendas and documents relating to the UK's Presidency of the G-8, which it holds for the calendar year 2005, but, less than one month before the deadline, carry virtually no details of the UK's plans for the EU Presidency⁴. Some of the agenda will derive fairly automatically from the *Multannual Strategic Programme of the Council (2004-2006)* prepared jointly by the six presidencies of that period⁵. That programme breaks down into three broad chapters: "Shaping the Future Union"; "Prioritizing the Policy Agenda"; "The Union as a Global Player". Some of the detailed content of these broad chapters will be straightforward, but some have, as a result of the negative referenda in France and the Netherlands, been rendered highly sensitive and exceedingly complex.

In the latter category, a series of issues will present major challenges for the UK Presidency. First, the "new constitutional framework" poses a serious problem. The European Council will first grapple with the ramifications of the French and Dutch votes at its meeting on 16-17 June. By early June 2005, eleven member states⁶ had ratified the Constitutional Treaty and only two – France and the Netherlands – had rejected it. Of the remaining twelve, five member-states⁷ were expected to ratify by parliamentary approval, four⁸ by referendum and three⁹ by a joint parliamentary vote and referendum. The United Kingdom, by unilaterally suspending its own ratification process has already short-circuited the procedure allowed for in the treaty itself under article IV-443(4)¹⁰ which allows for up to five member states to "encounter difficulties" with ratification before the matter has to be referred back to the Council.

Most analysts, in early June however, were agreed that the Treaty was already effectively "dead". The UK government fought long and hard for the Treaty text, with which it was very satisfied. However, the aspect of the Treaty most associated with the UK government has been resoundingly rejected by the peoples of France and the Netherlands, while the population of the UK itself, seemed certain to reject it for the opposite reason. The Blair government might be suspected of saving itself the embarrassment of defeat by suspending the ratification process. Under these circumstances, the UK will be seriously challenged to lead a constructive discussion among its partners on a constitutional way forward.

Secondly, the UK will also have major problems in dealing with the "new geographical framework", which involves discussions on Bulgaria and Romania (relatively straightforward) as well as Turkey, Croatia and other eventual candidates such as the Balkan states and Ukraine. Given British enthusiasm for further enlargement, and the very clear rejection of any such prospects by the French and Dutch peoples (not to mention the probability of a CDU win in the German elections this fall – leading to a German rejection of Turkish membership), the future for "further enlargement" looks bleak indeed. The prospects are rendered even bleaker by recent French constitutional amendments requiring a French referendum on any further enlargement.

2 <http://www.number-10.gov.uk/output/Page1.asp>.

3 <http://www.fco.gov.uk>.

4 The web site, www.eu2005.gov.uk will be activated on June 27th, 2005.

5 Ireland, Netherlands, Luxembourg, UK, Austria and Finland. For the document itself, see:

<http://register.consilium.eu.int/pdf/en/03/st15/st15896.en03.pdf>.

6 Austria, Belgium, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Slovakia, Slovenia, Spain.

7 Cyprus, Estonia, Finland, Malta and Sweden.

8 Czech Republic, Denmark, Poland and Portugal (although neither the Czech Republic nor Portugal has yet made a final decision).

9 Ireland, Luxembourg and the UK.

10 "If two years after the signature of the treaty amending this Treaty, four fifths of the Member States have ratified it and one or more Member States have encountered difficulties in proceeding with ratification, the matter shall be referred to the European Council."

A third problem for the UK Presidency arises from the necessary discussions on “the new financial framework”, which require decisions on the EU budget from 2007 onwards. One of the most controversial issues on the agenda concerns the UK “rebate”, which prime-minister Blair has already gone on record as saying he will defend to the hilt, if necessary by using the UK veto. On this issue, the UK is likely to find itself in the position of one member state against twenty-four.

Fourth, as far as the “policy agenda” is concerned, many items have been enormously complicated by the two negative referenda. Economic and social reform (the so-called “Lisbon strategy”), while remaining as urgent as ever (the EU economy is massively out-performed by the US on indices such as growth, innovation and job creation), has become a hostage to the French referendum in particular. President Chirac, throughout the referendum campaign, articulated a discourse which was almost as hostile to liberal market forces and “globalization” as that of his antagonists in the “No” camp. His new prime-minister, Dominique de Villepin, has declared that he will devote himself single-mindedly for “one hundred days” to the “battle for” job creation and growth. He has given few indications as to how this is to be achieved, but it is clear that, with the French people watching his every move, it will not be by the methods favored by the UK and many other EU member states. Agreement over the economic and social way forward under the UK Presidency does not look promising. Associated with those discussions are further talks on “agriculture and fisheries”, two further areas on which the EU member states are bitterly divided.

Finally, the results of the vote in France and the Netherlands have cast a dark cloud over the prospect of making headway on another major agenda item – the “area of freedom, security and justice”. Asylum and immigration policy, especially in the wake of recent developments in the Netherlands, is another area of growing contention which will challenge the UK’s leadership even more strongly in that Britain remains outside the Schengen process. Moreover, the UK was one of only two member-states to impose no time limit on the movement of immigrants from Central and Eastern Europe and is more open than any other member state to worker immigration. It is hardly in a position to give a clear sense of direction in this increasingly crucial policy area.

A British agenda for the EU: environment, development aid and the ESDP

However, there are three principal areas where the UK is in a solid position to steer discussion in a constructive and positive direction. Two of these (the environment and development aid) also happen to coincide with the two overwhelming priorities of the UK during its Presidency of the G-8. The third, European security and defense policy (ESDP) has been the area in which the UK, since 1998, has taken a commanding and sustained lead among the EU member states.

The UK is determined to make climate change a major policy area and to introduce measures, during its Presidency, to begin to reverse the world’s spiral towards environmental catastrophe. Its draft declaration for the G-8 summit at Gleneagles, Scotland (6-8 July) has already been leaked into the public sphere.¹¹ A meeting of the world’s leading scientists, organized by the UK government in February 2005, has produced incontrovertible evidence of the likelihood of what is euphemistically called “type II climate change”, involving, by 2050, an increase in global temperatures of 2 degrees Centigrade above pre-industrial levels (i.e. 1.3 degrees warmer than today).

This would lead to wholesale melting of the Greenland and West Antarctic ice-sheets, producing a rise in global sea levels of thirteen meters and the demise of the Gulf Stream, the latter generating near-Siberian temperatures in Western Europe. On these issues, the EU leaders are in strong agreement and the UK Presidency is arguably the best placed to represent the Union itself in putting pressure on the US government to begin to take the problem seriously.

The second UK priority for the G-8 which will also arise in the EU discussions is the “new deal” for Africa and other developing countries as epitomized by Tony Blair’s own commitment to the

¹¹ For the text, see <http://carroll.org.uk/archives/2005/05/25/leaked-g8-draft-climate-decisions/2>.

“Commission for Africa Report”¹² which sets out a series of major initiatives, including governance and capacity building, measures to improve peace and security, to guarantee growth and poverty reduction, to multiply trade links and to generate fairer trade, and to ensure that all rich countries meet the target of 0.7% of GNP in development aid within a short timetable.

On 3 June, Blair’s presumed successor as UK prime-minister, Gordon Brown, also outlined a series of measures, such as 100 per cent debt relief to fund education and health projects in Africa, providing extra money for a massive immunisation scheme and increasing direct development aid. Once again, the UK, backed by the EU, will be well-placed to leverage concessions from Washington on these key proposals. It is significant that two of the main areas for “optimism” under the UK Presidency have very little to do – at least directly – with the EU and its internal problems.

The final area in which the UK Presidency can be expected to carry ongoing programmes forward is in the broad area of CFSP and in particular that of ESDP. Since the summer of 2003, the UK has actively promoted the transformation of the EU’s military capacity, as well as supporting all of the main innovations in the Constitutional Treaty which will facilitate the work of CFSP and ESDP.¹³ Priorities for the UK Presidency will be progression of the plans to generate thirteen “battle-groups” by 2007, attention to the procurement timetable with respect to the *Headline Goal 2010* commitments¹⁴ the strengthening and sharpening of the work of the European Defence Agency, impusions to the Capabilities Improvements Chart and no doubt discussions with partners on longer-term objectives with regard to network-enabling facilities. Although anti-Treaty spokespersons in France argued that the text constituted a kind of EU “concession” to NATO dominance of European security and defense, this analysis was seriously flawed.

The UK has always been – and remains – committed to ensuring maximum consistency and compatibility between NATO and ESDP. But London is also as committed as Paris to the project of ensuring genuine *autonomy* for ESDP in the event of crises demanding the EU’s attention in which the US did not wish to be involved. Such crises are increasingly likely to occur around the EU’s “near-abroad” as the US completes its “Global Posture Review” and shifts its already overstretched military forces further and further away from the European heartland. The UK will also continue to “explain” ESDP to a US administration which is finally coming round to the idea that a strong European ally and partner might actually be in the US interest.

One area on which there is likely to be discussion under the UK Presidency is a concerted EU policy towards the Gulf region. Whether or not the current US mission in Iraq proves to be a success or a failure, the greater Middle East is now a near neighbour of the EU and cannot be ignored. It is now time for the EU to put divisions over the 2003 war behind it and collectively to address its attention to one of the most urgent issues on its very doorstep.

Conclusion

The UK is assuming the EU Presidency at a time of unprecedented difficulty and complexity across the entire range of policy areas. In many ways, the UK is not the most appropriate member state to show clear and impartial leadership over many of those issues. Its policy profile, indeed, lies at the very heart of most of the controversy. However, in a number of policy areas more related to external issues, the UK is in prime position to speak to the US through the single voice of the entire Union.

12 For the executive summary of the Report, see <http://www.number-10.gov.uk/output/Page7309.asp>.

13 Such as the Presidency of the Council, the European Minister for Foreign Affairs, structured cooperation and the European Defence Agency. On this see Jolyon Howorth, “The European Draft Constitutional Treaty and the Future of the European Defence Initiative: a question of flexibility?”, *European Foreign Affairs Review*, Vol. 9/4, 2004, pp.483-508.

14 2005 : coordination of strategic transport ; 2007 : battle-groups ; 2008 : European aircraft carrier ; 2010 : networking communication systems and equipments and ensuring their interoperability.