Seven hazards in David Cameron’s intended European policy

This morning sees UK Prime Minister David Cameron’s long anticipated (and delayed) speech on the UK’s relationship with the EU. Michael Emerson sets out seven major hazards that his expected policy positions will have to overcome, ranging from defining its core objective, problems with the referendum process, and the economic costs of generating uncertainty over the EU/UK relationship.

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Unless the British Prime Minister changes the script that he has led us to expect for his speech later this week on his policy intentions towards the European Union, his propositions are going to encounter a plethora of problems for their successful implementation in the British and European interests. To set out the litmus tests, there are no less than seven major hazards for his policy to overcome.

The first hazard is the task of defining the core objective in a way that holds water, i.e. operational and proportionate to the political purpose of repatriating sufficiently substantial EU competences to claim that he has strategically rebalanced the relationship. The UK has already opted out of the eurozone and the Schengen area, and does not want to opt out of the single market and foreign and security policy. What is left to add to the opt-outs? Not much. That is why much is being made of the possibility (provided for by Protocols 21 and 36 to the Lisbon Treaty) to repeal the UK’s implementation of much existing EU law and policy in the Freedom, Security and Justice area. The populist argument being made that this legislation somehow threatens the rule of law in the UK is utterly contrived.

The second hazard lies in the negotiating style and tactics currently already being announced by the Prime Minister, namely that of either getting his way, or if not, blocking the eurozone’s proposals for a new EU-based treaty to correct its systemic deficiencies. This is already criticised as ‘blackmail’, notably by some senior German parliamentarians, but the use of this damning language gets an immediate echo around the rest of Europe. The blackmail tactic encounters two problems, both fundamental. The first is that it will not work, since eurozone countries are already prepared if necessary to negotiate a new treaty outside the formal EU legal order. The second is that it will harden the terms of opposition to whatever the UK wants or has as a special favour (e.g. the UK’s budget rebate).

The third hazard arises from the political manageability of the process, when the outcome would have to be settled by referendum in the UK. The Swiss are well trained to use the referendum instrument for precisely targeted issues. For the rest of Europe with less training, like the UK with hardly any, the hazard is that of the referendum question being transformed in the eyes of voters into something other than what the text exactly says, like general dissatisfaction with the state of the economy or general performance of the government.

Indeed these first three hazards might push the political dynamics into the secession scenario, or fourth hazard, which the Prime Minister says he does not want. But if one looks at the secession scenario, what does one see? The most obvious approximate model is that of Norway, which is wholly in the single market as member of the European Economic Area (EEA). The problems here are that the UK would have
no say in the negotiation of a new single market law. So the UK would have less sovereignty than it does now over the single market, which is its highest priority domain of EU activity. In addition, Norway has agreed to substantial financial contributions to the EU structural funds, which would certainly be demanded of a seceding UK.

Hazard number five is the potential economic cost of the strategic uncertainty that is being created for a number of years ahead, with the scenario of secession in the air. Competition between EU member states over footloose investment by multinational corporations is already fierce. As British business interests are already saying with alarm, in a situation of strategic uncertainty for the UK the most obvious sales pitch of its close neighbours will be "you cannot know where the UK will be in relation to the EU single market in a few years time". With the obstinately on-going recession in the British economy, this is hardly a message one wishes to facilitate.

Hazard number six concerns the political future of the United Kingdom itself, with pressure for a referendum in Scotland over its possible secession from the UK. The Scottish nationalists do not however want to secede from the EU, and for the UK to be toying with secession from the EU could intensify Scottish arguments for seceding from the UK. EU lawyers seem to be of the view that an independent Scotland would have to apply under the regular accession procedure, and several member states would not want to endorse this precedent. But the prospects for a very messy tangling up of the debates over these Scottish, UK and EU affairs are very real, with Cameron risking that his epitaph becomes "the man that led the unravelling of both the UK and EU".

Hazard number seven concerns the place of the UK in the world, and its relations with its closest allies and friends. The US has already in recent days made its position absolutely clear, that its interest lies in a strong UK voice within a strong EU. Here they are getting a crystal-clear message that the current British government is heading in the wrong direction. The UK's traditional like-thinking liberal democratic allies in the EU, such as the Nordics and Benelux, are appalled at what they see emerging. As for the old Commonwealth, they went their own way a long time ago. The UK's remaining international prestige with major powers such as China and Russia will decline.

At least these seven hazards are now being aired in public debate, and it is for the normal democratic processes to sift through the arguments and see informed judgement prevail. The responsibility of the British Prime Minister in these next days will be at least not to foreclose the debate by locking his government onto a path of uncontrollable political damage, for which the possibilities are nonetheless abundantly evident.

This article is a shortened version of a CEPS Commentary paper.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our comments policy before posting.

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