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## The coalition and Europe

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## **The coalition and Europe**

The recent vote to leave the European Union has reenergised Liberal Democrat commitment to the EU. In promising to challenge the decision to leave, the party has found itself an issue that has helped it stand apart, appeal to large numbers of British voters, and uphold a core party commitment to liberal internationalism. The turmoil that now defines UK–EU relations (the settling of which will likely dominate the rest of this parliament) led to justifiable quips that David Cameron was only able to last a year without Nick Clegg and the Liberal Democrats.

Europe, however, has not always been an easy issue for the party, either internally or externally, especially when in coalition with a Eurosceptical Conservative Party. How then did the party succeed in managing the issue in government? Did it balance or constrain Conservative Euroscepticism? Or were the demands of government such that the party was overwhelmed by events and inadvertently helped pave the way for the 2016 referendum?

### **Europe in the party's worldview**

If, as David Cameron once argued, Atlanticism is in the DNA of the Conservative Party, then the Liberal Democrats have Europe as a large part of theirs. It has long been a core part of the party's liberal internationalist worldview. Various parts of that worldview have shaped views of the EU, not least the party's commitment to international justice and anti-imperialism. The party's localism and activist heart might be suspicious of the EU as a distant source of power, but the belief in federalism has helped locate the EU in a wider framework through which the party believes the UK should be governed. Even in relations with the USA, the party has seen close US–European relations as essential to an outward looking, global liberal agenda. Being out of government at UK level from 1922-2010 meant that some of these ideas have been shaped more by idealism and protest than the realities of national government.

### **Europe in the coalition government**

The coalition government came to power against a long-standing backdrop of Britain as 'an awkward partner' in the EU. A late joiner, British governments, political parties and public opinion have rarely if ever appeared comfortable with the idea of European integration, preferring instead to take a transactional view to relations. Rare

has been the British politician prepared to stand up and make a full-blown case for Britain's membership of the EU.

That unease could be seen in all of the UK's political parties, including to some extent the Liberal Democrats. Tensions over the signing of the Lisbon Treaty in 2009 had left the party as the only one of the main three UK parties to campaign in the 2010 general election with a commitment to holding an in/out referendum on EU membership, albeit with the caveat that this would happen the next time a British government signed up for fundamental change in the relationship between the UK and the EU. It continued a tradition dating back to the party's commitment in the 1990s to being the first to commit to holding a referendum on membership of the Euro.

Despite concerns that the issue of Europe would bring down the coalition, the coalition agreement provided a constructive basis of ideas that led to two outcomes. The first was the EU Referendum Act 2011 – a referendum lock to limit the transfer of further powers to the EU without a national referendum. A commitment drawn primarily from the Conservative election manifesto, it also met the Liberal Democrats' own 2010 commitment to holding a referendum at the time of a major treaty change, albeit as an in/out referendum.

The second, the Balance of Competences Review, was an evidence-based review of the full-range of UK–EU relations. Eventually comprising thirty-two volumes and 3,000 pages of analysis, it was the most detailed study ever undertaken of the EU by a member state. Intended to identify powers for repatriation, to the dismay of some Conservatives the study largely concluded that the balance of powers was about right.

However, the referendum lock merely fuelled Conservative backbench demands for a referendum of some kind. The Balance of Competences Review limited the case for a repatriation of powers. To some extent this was a victory for the Liberal Democrats, but the review was largely buried by the Conservatives and overlooked by the media.

Despite the detail of the coalition agreement, it was to be events that largely defined how the two coalition parties approached the issue of Europe. And events in UK–EU relations were not necessarily on the Liberal Democrats', or indeed David Cameron's, side. The need for further reform in the EU to tackle the Eurozone's problems meant some form of treaty change or new arrangement was already on the cards as the coalition came into office. This would inevitably run into a barrage of

hostility in British politics where memories were still raw about the difficulties all parties had faced over ratifying the Lisbon treaty in 2008.

When proposals for a change to the Lisbon Treaty were put forward in December 2011 in order to deal with ongoing problems in the Eurozone, the UK found itself out of sync with the rest of the EU thanks in no small part to David Cameron's failure to connect with other European leaders. The result was his 'veto' of attempts to introduce an EU-wide fiscal compact. Cameron's move was designed to protect British interests, especially those of the City of London. But his move sparked anger around the rest of the EU (which bypassed the UK and set up the fiscal compact as a separate treaty) and a moment of jubilation amongst Conservative backbenchers until they realised the veto had actually achieved little.

It also strained relations with the Liberal Democrats, with Nick Clegg eventually making clear his anger at the outcome of Britain being left isolated. Such was his anger that he shunned Cameron's appearance before the Commons to explain the veto. Yet, while he might have objected to how Cameron had got himself into the mess that led to the 'veto', disagreement focused more on the flawed ways and means by which he had raised British objections than that Britain had objected to proposals that were not in its interests.

Similar differences overshadowed the appointment of Jean-Claude Juncker as the new Commission president following the 2014 European Parliament elections. In the run-up to the 2014 European Parliament elections some of the parliament's groups had named a '*Spitzenkandidaten*' – top candidate – as their candidate for Commission president, the aim being to democratise the process of filling the position. As the European People's Party's (EPP) choice for *Spitzenkandidaten*, Juncker had the backing of Angela Merkel's CDU. Cameron's decision to withdraw the Conservatives from the EPP had long been criticised as a move that might have met the demands of Eurosceptics in his own party but left him and his party disconnected from the dominant centre-right group of parties in European politics, including the CDU. While no other UK party had bought into the *Spitzenkandidaten* idea, including the Liberal Democrats, Cameron's opposition to Juncker once again left him and the British government isolated in the EU. He was unable to call on the support of Angela Merkel who, despite her own doubts about both Juncker's suitability and the *Spitzenkandidaten* idea, in the end decided to back him, leaving Cameron and the UK largely isolated.

If Cameron was able to get away with such flawed approaches then it might have owed something to the way in which the Liberal Democrats were positioned in government. That the party spread itself too thinly is now a well-documented critique of the coalition. When in September 2012 Jeremy Browne left the FCO and Nick Harvey the MoD, it left only a few individuals such as Nick Clegg, William Wallace and special advisor Monica Thurmond working overtime and more to keep on top of events and policies and to develop Liberal Democrat strategy. Some Conservative ministers were accommodating, William Hague in particular. The work of the few Liberal Democrats in this area did deliver successes at the European level. So too did ministers in other departments, such as the Department for Business, Innovation and Skill and the Department of Energy and Climate Change, where Liberal Democrat ministers successfully built EU-wide coalitions for more ambitious EU action on international climate and energy matters. But these few successes not only left the party fighting to be heard, but also delivered a disparate and often underappreciated set of successes that were hard to combine into an effective campaigning message.

Liberal Democrat objections over the ways and means of UK–EU relations, or their role constraining or balancing the Eurosceptic side of the Conservatives therefore mattered little when it came to public opinion. The 2014 European Parliament elections saw the party campaign on a pro-European platform. In part a product of the party's core beliefs, the position was also born from a desire to distinguish themselves from the other parties all of whom were offering messages of varying degrees of Euroscepticism. The result, however, saw the party's MEPs reduced from eleven to one. It was a crushing defeat, especially for Nick Clegg who had not only served with many of the now former MEPs in Brussels, but also debated UKIP's Nigel Farage in the run-up to the elections. Hopes that the debate would repeat the success of Clegg's appearance in the 2010 general election TV debates were dashed when they reinforced the widespread public hostility to the party and Clegg in particular. It gave Farage another platform, playing a small part in seeing UKIP come top in the elections, making them the first non-Conservative or Labour party since 1910 to win the most seats at a national election.

### **The referendum legacy**

Throughout the period of coalition government one of the Liberal Democrats' main claims to success was that they were able to constrain, or at least balance, the more

extreme sides of the Conservative Party, not least when it came to Europe. In doing so, however, they may have inadvertently played a part in setting the stage for the 2016 referendum. I say 'in part' because ultimately the one person responsible for the referendum and its outcome was David Cameron. And as we all know, the divisive nature of Europe in UK politics long predates the 2010–15 coalition. The June 2016 result was also the product of a number of factors, including the somewhat lacklustre performance by the Remain campaign and the seductive and misleading 'nothing is true and everything is possible' approach of the Leave campaigns.

Nevertheless, the decision to enter into coalition with the Conservatives inadvertently helped set the UK on a course towards the June 2016 referendum. The party became the coalition's explosive armour, protecting David Cameron in particular from a range of unpopular decisions. Amongst the most unpopular – with his own party especially – were his decisions over Europe. By bringing together a Liberal Democrat Party led by pragmatic pro-Europeans with a Conservative leadership of pragmatic Eurosceptics, Cameron was able to cope with the ideologically driven Eurosceptics on his backbenches by offering them concessions rather than facing them head on. They were a group that would not be appeased, driven as they were by anger at their party being in government with a pro-European party, worried by the rise of UKIP, and increasingly uneasy at the immigration and sovereignty consequences of EU membership. Instead of offering concessions to the Liberal Democrats, Cameron was more concerned with offering concessions to the extreme side of his own party.

The coalition therefore allowed Cameron to continue muddling through the problems his party had long struggled with over Europe. Instead of confronting and trying to solve them, he was able to continue kicking the can down the road. The road ended spectacularly, not least for Cameron himself, with the June 2016 referendum result. For the Liberal Democrats, the road ended earlier in the disastrous 2015 general election.

### **Alternative UK–EU relations?**

Would the course of UK–EU relations, and the state of the Liberal Democrats, therefore have been fundamentally different had the party been able to enter into coalition with Labour in 2010 or 2015, or if there had been a minority Conservative government in 2010?

While a Labour–Liberal Democrat coalition might have been easier ideologically, when it came to policy and managing day-to-day events UK–EU relations between London and Brussels would likely have remained strained and somewhat awkward. The ways and means by which relations would have been managed would have been different, but the need to adapt Britain to a changing EU alone would have led to mounting pressure for a referendum at some point. There has always been a degree of party consensus – or constraints – in managing UK foreign policy, including over Europe. The Liberal Democrats time in government showed it can extend beyond the Conservatives and Labour.

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