

The future of the EU after the Lisbon treaty

By Richard Laming

Based on a talk given at Royal Holloway, University of London, on 8 October 2009

I would like to thank Monika and Lina for their invitation to come and speak to you all this evening. They have asked me to speak about Europe after the Lisbon treaty. I think this is a really interesting and exciting topic to discuss, in fact the most interesting and exciting topic to discuss, as I will explain.

You might suppose that, after all the effort and difficulty there has been in getting the Lisbon treaty through – and even after the Irish referendum vote last week, it might still fail – Europe's politicians would be fed up with the debate about the future of Europe and would be glad not to have to think about it for a while. Europe's politicians may well hope so, but that does not mean that they are going to have a quiet time. They are going to have to confront some of the most important and interesting issues in politics today, and I hope that I can outline some of them for you this evening.

First of all, though, why might they be hoping for a break from European issues?

The reason is that the Lisbon treaty has been 8 years in the making. The process was launched with the Laeken declaration at a summit in December 2001; then there was the Convention on the Future of Europe, chaired by former French president Valéry Giscard D'Estaing; the conclusions of the convention were turned into the Constitutional treaty that was rejected by referendums in France and the Netherlands (but passed by referendums in Spain and Luxembourg); the crisis provoked by the failure of the Constitutional treaty led to the agreement of the new Reform treaty, subsequently named after the city of Lisbon where it was finally signed; that treaty was rejected in Ireland in a referendum in June 2008, ratified by all the other member states' parliamentary processes, and then approved in a second referendum in Ireland last week. The treaty has also survived legal challenges in the UK and in Germany, and only awaits legal clearance in the Czech Republic and the signature by two remaining national presidents, those of Poland and the Czech Republic.

After that twisty-turny story of a treaty, you can see why the heads of government might like to have a break for a while. No-one ever imagined that it would go on for so long, that it would take 8 years to turn the sentiments of the Laeken declaration into amendments to the European treaties. In fact, of the 15 heads of government who took part in the European summit in Laeken in December 2001, only two, Jean-Claude Juncker of Luxembourg and Silvio Berlusconi of Italy, are still in office today (and one of them, Mr Berlusconi, has served time in opposition in the intervening years). And the European Union itself has expanded during that time from 15 member states representing 390 million people to 27 member states with 500 million people. No-one thought that we would be where we are here today.

But even after all this time, the debate about Europe is not over. Let me explain why.

I will do so by dividing the issues confronting Europe today into three types. When I was myself a student, working in a local group of the Young European Movement, we used to say

that we had three criticisms of the European Union: that it did not have the right countries in it, meaning that we wanted enlargement; that it did not have the right powers, meaning that we wanted it to take on new responsibilities in some areas, and perhaps give up some responsibilities in others; and it did not take its decisions in the right way, meaning that it was not democratic enough.

Things have moved on since I was an undergraduate – the Union of 12 has become a Union of 27, the euro has been launched, the European Parliament now has extensive co-decision powers – but those three basic criticisms can still be made. And I am going to use them to look at the future of Europe.

Enlargement

First, let me take the subject of enlargement. It's been a success story so far – as I said, what was 6 or 12 is now 27 – and there is probably more to come. In one sense, the desire of yet more countries to join the European Union can be seen as a matter of geopolitics – which is the best international grouping to be part of – but what makes the debate about enlargement interesting is all the other political issues that it raises. These issues are some of the most interesting to be found in any branch of contemporary political science today.

Western Balkans

As a first example, let me look at the issue of the western Balkans, which means countries such as Croatia, Bosnia and Serbia.

If you look at a map of the EU, you see a great gaping hole between Italy on one side and Romania and Bulgaria on the other. The interesting fact is not that some countries have joined the EU but rather than some countries have not. Why not? What is wrong?

The answer is of course that there was a war. While most of the former Communist bloc was able to make the transition to democracy in a remarkably peaceful manner, that was sadly not true everywhere. The countries of former Yugoslavia were torn apart by war, something like 200,000 people lost their lives, and the process of adapting to the new Europe was set back by many years. There seems to be a general ambition in those countries to join the European Union, but what are the steps that it requires in practice?

The founding idea of the European Union is that of reconciliation after war. But how to achieve it? How to secure it? France and Germany in 1950 were united in the idea that they should never fight each other again, and they set about constructing a system that would resolve any disputes between them by peaceful means. For such recent and bitter enemies to embark on such a course of action was truly remarkable, and we have seen how successfully it has worked. The two sides had to come to terms with what had happened to them, ensuring that the legacy of the Nazis could be buried forever.

In many ways, the recent enlargement to central and eastern Europe after the fall of communism is founded on a different kind of reconciliation after war. In this case, the war is the cold war and the reconciliation is between the Communist parties and the people themselves. As in post-war Germany, there have been trials of some of the most egregious offenders, and a class of apparatchiks has shuffled out of public life, but in a number of respects the issues still remain unsettled. For example, the current debate about the links

between the British Conservative party and its allies from Poland and Latvia in the ECR group in the European Parliament is an expression of how this issue is yet to be solved. The Latvian ally of the Conservatives, for example, supports an annual commemoration of what it sees as Latvian patriots fighting the Communists during the 1940s. Its opponents accuse those patriots of having been collaborators with the Nazis. I am not in a position to discuss what the truth behind these allegations or points of view might be, but what I can say is that they show that Latvia is still coming to terms with its past. This is what EU membership requires.

Can the Croatians, Bosnians and Serbians do the same? That is the challenge for them. Membership of the EU is not only a matter of adapting to the EU treaties and the European single market, it is also a matter of adapting to peaceful, democratic life. Only 15 years ago, they were set against each other in a terrible and brutal war. Now, if they are to join the EU, they have to reach for reconciliation. They have to accept the legitimacy and authority of each other's political leaders and political processes, and deal with the criminals who undermined their own. That could be a lot to ask for, and it won't be easy to achieve.

So we see that the issue of enlargement is not just about European law and economics, it is also about national law and political culture. Countries that want to be part of the new Europe have got to reach demanding standards when it comes to addressing issues from the past. This is a matter not so much of politics as of philosophy or even morality. The issue of enlargement of the European Union is not just a matter of geopolitics, it is much more than that.

Turkey

The second example of enlargement that I want to raise, that of Turkey, illustrates a similar point. The geopolitical issues are obvious: continuing instability in the Middle East; the fact that Turkey sits astride the route to the oil-rich lands of central Asia; the awkward relationship with Russia; the need to build more harmonious relations with the Muslim world. As an ally, Turkey is invaluable.

But there is more to joining the EU than just being a good ally: there are counter-arguments against Turkish membership of the EU, too. These include economics – Turkey is relatively poor; human rights – there are some questions about the Turkish attitude towards the Kurdish minority; democracy – the Turkish military has a history of involving itself in Turkish politics; Cyprus – where Turkish troops remain deployed in the secessionist republic in the north; geography – 97% of the Turkish land area is on the far side of the Bosphorus; and religion – Turkey is overwhelmingly a Muslim country.

The first three of these are being progressively settled as Turkey becomes a richer, freer, fairer place. The fourth issue, Cyprus, is tied up entirely with the accession negotiations and will be solved at the same time. The remaining two issues are ones which the Turkish government and political process cannot do anything about, for they are issues about the borders of Europe.

Of those two, the issue of geography is spurious: there is no geographical reason why the limit of the EU should stop after Greece and Bulgaria rather than going one country further. The real issue is the last one, that Turkey is a Muslim country. There is a strong feeling in

parts of the EU that a large country cannot be admitted for that reason alone. This is not a question of geopolitics but of the very identity of Europe.

Is Europe still Christian? Can a Muslim country really be part of the European family? The issue of Turkey is inseparable from this wider, deeper question.

More to the point, though, the question of the relationship between Islam and Europe has to be answered anyway, whether or not we are thinking about Turkey and the EU. For many European countries now have substantial or growing Muslim minorities and adapting to their presence is going to be one of the central issues of European politics. For while most European democracies think of themselves as broadly secular, in fact they are probably better described as post-Christian. Their assumptions and rhythms still betray their origins: they are not at an equal distance from all the faith groups they contain.

The issue of multiculturalism versus melting pot is yet to be resolved in Europe, and it is the issue that is at the heart of the debate about Turkey. There will be no solution to the geopolitical question without a solution to the political question, too.

Iceland

For my third example of the issues raised by enlargement, we now go to the opposite corner of Europe, to Iceland. It is opposite, in almost every way. It is small – only 320,000 people compared with Turkey's 75 million; it is rich – its GDP per capita is USD 40,000 compared with an EU average of USD 29,900; and it has only a single mosque. The challenge that Iceland poses to the EU is not social but financial.

For many years, Iceland chose not to join the European Union because it was following a different economic path. It took part in many of the common policies, such as the single market and the common travel area, but held back from other aspects of European integration, such as fishing policy and the euro.

The Icelandic economy came to be dominated by a handful of banks that embarked on ambitious and far-reaching expansion plans. They borrowed heavily and invested heavily, and delivered substantial wealth to their employees and shareholders, and to the Icelandic state as a whole. But far-reaching became over-reaching, when the financial crisis broke in America. Icelandic foreign assets amounted at that time to 800 per cent of Icelandic GDP, and the borrowing abroad that had been necessary to build up those assets simply could not be repaid. The Icelandic economy collapsed, its currency halved in value, and its economic strategy had to be rethought. Rather than keeping a distance from the European Union, the election was won by parties that advocated EU membership.

But there remains an outstanding question that could scupper the whole idea. It arises from the fact that among the victims of the crash in the Icelandic banking system were many small investors from Britain and the Netherlands who had deposited funds in Icelandic banks. The compensation scheme that was intended to protect them was simply overwhelmed by the size of the crash, so the British and Dutch governments stepped in with a specific targeted loan to the Icelandic government so that their own investors could be repaid. Iceland itself will repay Britain and the Netherlands in a few years time when some form of economic order has returned.

But how much should Iceland pay? And who in Iceland should be asked to pay it? The Icelandic people look to the EU for solidarity, but they are not sure that they are getting solidarity back in return.

The sums of money we are talking about are enormous: the total debt is GBP 3.4 billion, or 20 per cent of Iceland's annual GDP. This makes it comparable in scale to the reparations settlement agreed with Germany in 1921 after the first world war. Is it right that all of this should be extracted from the Icelandic taxpayer? For that brings us to the second question. The profits made during the boom belonged to the bankers that made them; the losses made during the crash belong to the people as a whole.

Where does economic justice lie? Who should be compensating whom? Again, these are not questions specifically about Europe, they are questions about politics as a whole. The issue of Europe is not a distraction from the real political issues: it is an embodiment of them.

The powers of the EU

Having looked at examples of how the enlargement of the EU is not a matter of geopolitics but is in fact a matter of morality, of identity, and of economic justice, I am now going to look at the future development of the powers of the EU. Here too, we will find that there is much more to the European issue than just a discussion of constitutions or international law.

Economic policy

The chief Icelandic interest in joining the EU is protection from the worst of the global economy, and they are not alone in that. Even the largest European national economy, that of Germany, is only 6 per cent of global GDP, but Europe as a whole makes up 30 per cent of global GDP and 15 per cent of world trade. If anyone in Europe wants to shape or influence the global economy, the European Union is the means by which they can do it.

But it is by no means certain that the global economy should be shaped or influenced. There is a strong body of opinion that argues that the crash was caused by too much government intervention, not too little, and that the markets should be left to correct themselves. The spiralling size of the British and American public debts is held as evidence that governments of all kinds should stand back and not interfere.

If one is of this view, then there is no case for developing the EU as an economic player. In fact, there is a strong argument against allowing the EU to have these powers because, if it has them, it will surely use them. So the traditional description of the debate about European integration – whether to exercise power at the national level or at the European level – is replaced by a debate about whether to exercise power at all. The argument for more Europe cannot simply take its economic model as read, because it is not. The debate about Europe is a debate about economic management as such.

Foreign policy

In many ways, the debate about European foreign policy follows on from the debate about economic policy. For if Europe is to make a serious attempt to influence its own economic environment, much of that effort has to be conducted in concert with the other major

economic powers of the world. An effective economic policy therefore requires an effective external policy, too.

Successive EU treaties have taken steps towards greater coherence of external voice among the European countries, and the Lisbon treaty will take a few more steps in the same direction, but the fact still remains that the EU can only express a coherent viewpoint when there is a coherent viewpoint to be expressed. If the member states of the EU do not agree, there can be no European foreign policy.

Given the substantial success of the EU in forging a common policy when it comes to foreign trade, why the reticence over a common policy on foreign anything else. An important reason lies in what that common foreign policy would replace, namely reliance on the leadership of America. The European Union was born during the cold war and for many years the leadership of the United States was essential in warding off the threat of communism. With the end of the cold war and the rise of China and other countries in an unfolding multi-polar world system, the geopolitical role of Europe is changing. No longer is it merely the appendage of the United States, always following wherever the Americans should lead. It has the opportunity, if it wants to take it, of being a major power in its own right.

But what does this say about the future relationship between Europe and America? American strength was founded on immigration from Europe in the 19th century, and European freedom was rescued in the 20th century by American strength. In the 21st century, does this inter-relationship still persist? Is there still a notion of the West?

The debate about the mechanisms of foreign policy – how it is made and how it is implemented – is important, but it can only be discussed in the light of this bigger question about the trans-Atlantic relationship. The answer to this important question in European studies actually lies in our cultural history and our cultural self-confidence.

Environment policy

A third example of how far-reaching a discussion of the powers of the European Union turns out to be can be found in a discussion of how to fight the threat of climate change. The consensus of political and scientific opinion believes that something can and must be done to protect our way of life, or something resembling it, from a rise in global temperatures in the coming decades. There is a small minority that dissents from this view, but they are not at the heart of the debate on this issue, neither in Europe nor anywhere else.

The cause of the problem is something deep in the heart of the way we live: the use of energy from fossil fuels such as coal, oil and natural gas. To change the way we use these fuels will require far-reaching changes encompassing the following areas:

- Trans-European networks, for better supply of natural gas across Europe, and also if there is to be a move from natural gas to hydrogen
- Standard-setting in consumer products to improve energy efficiency: this would have to be done at European level in order to maximise economic efficiency within the single market
- Relations with Russia, a major supplier of oil and natural gas to Europe

- Relations with north Africa, if solar panels in the Sahara are to become a realistic source of energy
- Taxation, whether of individual energy-intensive activities such as passenger air travel or of industrial processes such as fossil fuel use at source

Above all, there will have to be a recognition that to avert climate change demands policy changes of great magnitude. Any substantial policy creates winners and losers and climate change policy will create more than most. Given that, to be meaningful, the policies have to be enacted at European level, the focus of the losers' understandable resentment could very easily be at the European level too. Member states have hitherto fought to keep the EU out of redistributive policies to any substantial extent – and the overall EU budget is now in decline as a proportion of overall GDP as a result – but climate change policies imply that this attitude might need to be reversed.

The Lisbon treaty includes within its opening phrases the recognition of climate change as an area for action by the European Union. But as with foreign policy, it is one thing to put ideas into the treaty wording, it is another thing to put them into action.

Whether this can be done effectively depends on the ability of the European Union to encapsulate public opinion in the transition to a new, ecologically sensitive economic model. If Europe is to adapt to the standards of a 21st century economy, it must also adapt to the standards of a 21st century democracy.

The way the EU takes decisions

I hope that I have shown that there is much more to a discussion about the EU than just a discussion of its institutional arrangements. The issues thrown up by the next countries that might become members of the EU and the questions surrounding the EU's policy agenda are interesting and far-reaching in their own right. But what makes the EU uniquely placed in the world to accept new members and to take on new policy challenges is the fact that it has such a sophisticated institutional system.

Those institutions were created by the Treaty of Rome in 1957 and have developed progressively through a series of treaty amendments since then. The Lisbon treaty will, if it comes into force, bring about yet more improvements, but it still does not amount to the last word in the governance of Europe. There is a number of areas in which the institutional detail and the democratic character of the European Union remain to be defined. In the next few years, a lot will be settled, even though the Lisbon treaty itself is unlikely to be rewritten for a long time to come.

European Council and European Commission

One innovation in the Lisbon treaty is to create the post of president of the European Council. The holder of this post will chair the summit meetings of the heads of government that are held four times a year, and will play a role in representing the European Union in external affairs. What the holder of this post will not do is to replace the role of president of the European Commission as leader of the European Union's executive, with its functions of proposing legislation, implementing the measures that are required by that legislation, and administering the budget. If the EU has a post comparable to that of prime minister within a member state, it is president of the European Commission.

The obvious question is how these two presidents will work together in practice. The European Commission has often been criticised for not being outspoken enough in advocating a European position on issues, either to the outside world or to the citizens of Europe itself. The biggest reason for this is that national governments have themselves prevent the Commission from doing so. Perhaps a new voice, with a direct mandate from the national governments themselves, can break through this reluctance, and create a new dynamic spirit for Europe. Some of the advocates of the new post certainly hope so.

On the other hand, how would such a voice fit into Europe's system of democratic accountability? The Commission president, while nominated by the European Council, is elected by the European Parliament immediately after and taking into account the European elections. Again, this is the prime ministerial model. The president of the European Council will have no particular connection with the European Parliament nor the European elections, giving the role a very different kind of legitimacy.

It is possible that Europe will instead go further down the route of parliamentary democracy, with the directly elected European Parliament as its centrepiece, choosing and holding to account the European Commission. The president of the European Council would, in this model, act effectively as speaker of the second chamber of the legislature, engaged in negotiating agreements between the member states to support different items of legislation.

Will the European Union develop into a recognisable parliamentary democracy, or it will pursue a style of politics based more on the presidential model? The Lisbon treaty allows for either option, but does not decide between them.

National governments and national parliaments

A second innovation from Lisbon is to give national parliaments a greater role in the EU's decision-making process. National governments have always been central – the Council of Ministers that represents them has long been the most important decision-making institution – but the way they use their powers has, up until now, been subject to a considerable amount of latitude. Thanks to Lisbon, that might change.

Specifically, there is a provision in the new treaty that enables national parliaments to scrutinise and comment on European legislation at the draft stage. Previously, the only time a national parliament might get the chance to comment on something controversial was when the national government was trying to get it transposed into national law. To complain about the detail then is too late. The treaty will not enable a national parliament to vote down a proposed new law – there is not a new stage introduced into the legislative procedure – but nevertheless there is the possibility of greater involvement by national MPs.

Even more interestingly, the way in which the Council of Ministers itself works will change, too. Its meetings on legislative matters will be held in public, not in private as once was the case. There is an argument to be had about quite how far such transparency should go, but removing the cloak of secrecy from the discussions among national governments in Brussels will enable national parliaments to exercise better scrutiny in their respective national capitals.

What these two changes offer is the possibility of much more discussion of European issues among lawmakers throughout Europe, at a time when they can influence what is going on. There has often been criticism that the executive has been gaining power in our political system over the legislature. Lisbon proposes changes that could reverse such a worrying trend.

Political class and the citizens

My last example of an innovation in the Lisbon treaty addresses another growing problem, that of public disengagement from politics as a whole. The increasing specialisation of the issues under discussion makes it harder for voters to take an interest, and the difference in policy between the different parties is often hard to discern, particularly in a political system which seeks to secure cross-party consensus. The features I have described of governments talking to other governments rather than to parliamentarians or the voters only exacerbate this problem.

In addition to the changes to the way in which the European Commission president is chosen, strengthening the role of the European elections, and also to the way in which the Council of Ministers works, strengthening the role of national parliamentarians, the Lisbon treaty also introduces an element of direct democracy. This is the notion that citizens should have an input into decision-making directly and not via elected politicians.

The treaty stops short of introducing referendums on public issues, but it creates the possibility for citizens' initiatives, that is to say petitions of 1 million signatures or more gathered from across the European Union demanding action on a specific issue. There is a lot of detail still to be fleshed out, but one can envisage the development of cross-border political campaigns, demanding changes to EU policies in trade or economics or environment.

If the public is disengaged from politics, it is just as interested as ever in political issues. The provisions in the new treaty could revitalise an important aspect of the public debate about politics in Europe, if it is used in the right way.

Is the development of the European Union irreversible?

I have set out to demonstrate the great potential that lies in the European Union, and the great interest to be found in discussing it. On the issue of enlargement, questions such as reconciliation, multiculturalism and solidarity have to be taken into account. When thinking about the future powers of the European Union, it is not possible to avoid the questions of financial regulation, cultural self-confidence and economic redistribution. And even the discussion of the decision-making methods adopted by the EU leaves behind a simple examination of treaty provisions for a broader consideration of the relative merits of presidential and parliamentary democracy, the way in which executives should be accountable to legislatures, and how the whole political system should be open to the citizens.

All of these are issues for debate: they are not already decided. It is by no means certain that the EU will develop in any of these ways, let alone in all of them. But the benefits that would accrue to Europe and to Europeans if the EU does develop in this way are such that it is worth pro-European political campaigners advocating them.

But my final point will be that this is not the only debate about Europe taking place today. There is also a debate, not about how European integration should go forward, but whether it should go into reverse. Perhaps the EU has gone too far. And nowhere is this debate more intense than in the UK.

In Britain, public opinion has been roused to support membership and development of the European Union at the time of general elections and, most notably, in the referendum on membership in 1975. But for a number of years now, public opinion has been moving in an anti-European direction and it would be a grave mistake to assume that the matter of British membership of the EU is now settled.

There is a debate unfolding about the future of Britain in Europe, calling upon factors such as Britain's colonial and post-colonial traditions, its economic specialisation in financial markets and services, and its relationship with America. Add to this mix the questions that affect all Europeans about economics, politics and culture that I have described earlier.

The debate in Britain is in fact about nothing less than how liberal democracy should adapt itself to the 21st century era of globalisation and interdependence. How can self-government survive in an age of global capitalism, global migration, and global communication?

Don't think of a discussion about the European Union as a discussion about political institutions in one region of the globe. It is much more than that. Realise that it is dealing with the biggest issues of the 21st century. Can there be anything more important to debate?

RACL
21.10.09