

# Queries

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◇◇◇◇ THE EUROPEAN PROGRESSIVE MAGAZINE ◇◇◇◇

## COP21

**THE LAST  
CHANCE  
FOR CLIMATE**

## EU REFERENDUM

**WHY THE UK  
MUST STAY IN**



**+ CONTRIBUTIONS BY** Romano Prodi, Ellen MacArthur, Andrew Gamble, Teresa Ribera, Frans Timmermans, Stephany Griffith-Jones, Philippe Aghion, etc.

FOUNDATION FOR EUROPEAN  
PROGRESSIVE STUDIES  
FONDATION EUROPÉENNE  
D'ÉTUDES PROGRESSISTES



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## About Queries

*Isaac Newton's famous book "Opticks" concludes with a set of "Queries."  
These "Queries" are not questions in the ordinary sense, but rather  
rhetorical questions intended to stimulate thinking.  
This was Newton's mode of explaining "by query."*



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## Queries

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# CLIMATE AND EU-UK REFERENDUM

## *Appeal for leadership in Europe*

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by Massimo D'Alema  
FEPS President, former Prime Minister of Italy

**I**t is significant progress that 146 countries, covering almost 87% of global emissions have submitted their reduction plans ahead of the

**climate summit in December.** However this will still not be enough to cap global warming to 2 degrees. On the one hand wonderful things are happening but on the other, powerful dynamics are still working hard to destroy the livelihoods of other people.

Many key countries are boldly coming out and unveiling ambitious and inspiring initiatives for protecting our ecosystems, whether it's protected ocean reserves or the divestment movement, something is beginning to stir. Whilst climate change poses a grave danger to the most vulnerable people in society and increases poverty and inequality, we also know that national benefits outweigh the costs. The impacts of inaction will be much greater than if we continue with our current lifestyles. In the meantime it is very encouraging to see that the means to change are already within reach. The cost of solar and wind energy for instance is dropping rapidly, consequently weakening even more the argument for fossil fuels. The VW emissions scandal could potentially be the catalyst that sees the end of petrol vehicles.

Momentum is building up towards the COP21 in Paris but we only have one planet. We need to drastically change attitudes to how we consider our whole economic and social systems fitting together. This time it is in Europe again so it is our chance to show clear direction and lead the initiatives. François Hollande as hosting President in France and Laurent Fabius, the minister in charge are doing an excellent job of this but it depends on all of us. A re-run of Copenhagen in 2009 needs to be avoided at all costs and we need to stop letting the climate question pull us in different directions. Subsequently dealing with climate-related crises will surely be a topic on the agenda next. Evidently the EU is not able to deal coherently with the current refugee crisis. Further conflicts of land, food and water will only likely become worse if we don't address the causes. Currently it is precisely this that is not being recognised, the cause forcing people to move or migrate. We should perhaps consider already establishing a recognised climate-refugee status. In any case we need to cooperate more and also have in place concrete plans to adapt and mitigate further crises.

The migration issue is also one that is spreading fear and anxiety across the continent. It also highlights a lot of divisions.

Correspondingly we need to address anxieties about a sustainable transition in the right way to ensure people don't lose out and instead embrace change positively because we urgently need to pave the way to a sustainable transition and a new way of organising our societies. This really is the last chance for international cooperation on climate. It will be an enormous test. However as addressed in the articles in this magazine issue, the barriers to climate action are often domestic politics.

It is precisely domestic politics that leads us to our other big focus of this magazine issue: the EU referendum in the UK. David Cameron is once again being herded by internal party conflicts rather than having his country and its citizens welfare as a priority. Rather than taking best lessons from other referendums, this debate is already playing on the fear and anxiety of the citizens and is really promoting either a departure from the EU project or an opt-out. Conversely everything points to needing more Europe not less. That is why we need a strong European leadership.

Ultimately EU leaders need to bring a new generational, historically-defining project to the fore which will magnetise its people. The transition to a sustainable future in all its economic, social and welfare virtues provides this connection.

# #08

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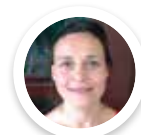
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## THE CIRCULAR ECONOMY OPPORTUNITY

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*Today's linear economy – in which resources are extracted, made into products, sold and ultimately thrown away – arguably faces its biggest challenges, on a number of fronts. A range of global trends suggest that the future economy could be circular, with opportunity awaiting those progressive enough to make an early shift.*



by Ellen MacArthur

**I**n a context of cheap and accessible energy and materials, the linear model inherited from the Industrial Revolution proved hugely successful and fuelled the unprecedented economic development seen throughout the 20<sup>th</sup> century. With new discoveries, increased effi-

ciency and new technologies of the 1900s, commodity prices steadily declined over the course of the century. However, and as first observed by investment expert Jeremy Grantham, an inflection

point in this trend occurred in 2002, when prices started to rise. What might be even more problematic is the rising volatility of commodity prices, another feature of today's business landscape. The inability to predict resource and energy prices around the corner can be devastating to companies with high fixed costs, which rely on economies of scale. In that context, gradual efficiency gains will not suffice, and it looks as though "business as usual" and to produce more to make it less costly is seriously questioned by the reality in which it operates.



## A NEW ECONOMIC MODEL

It would seem that the 'rules of the game' for our economy are changing, and business leaders, innovators, academics, students and scientists are looking for a positive way out; a new model through which we can re-think progress in the 21<sup>st</sup> century. One option is the circular economy, a model that has been gaining traction around the world in recent years. Such a system is regenerative by design, and primarily relies on optimizing two distinct material flows, biological and technical. Products and services in this model are designed to enable efficient circulation, with biological materials returning to the food and farming system, and technical materials being kept in production and loops without loss of quality. A circular model generates new revenue streams, reveals overcapacity and maximises asset utilisation whilst ensuring, as leading Performance Economy thinker Walter Stahel puts it, that the "goods of today become the resources of tomorrow, at yesterday's prices."

As well as the decline of cheap materials, energy and credit, there are other changes underway that are supporting the transition towards a circular economy. Testament to this is the momentum behind the 'sharing economy', and the huge number of new businesses founded on creating visibility of idling capacity of a range of assets. Empty rooms can be booked through Airbnb, journeys through Lyft, and even musical instruments through Sparkplug. Clothing company Le Tote provides access to women's fashion for a flat monthly fee, in the same way people use streaming platforms instead of owning physical media. Technological advances are facilitating these business models – finding and booking the nearest communal car or bike has only been made more convenient with smartphones and mobile networking. Product tagging and tracking and the growing 'Internet of Things' are also enabling manufacturers or service providers to keep an eye on their products; how much they're being used, if they're performing properly and when they're about to go wrong. This makes product recovery feasible, and opens up new customer service or aftermarket opportunities.

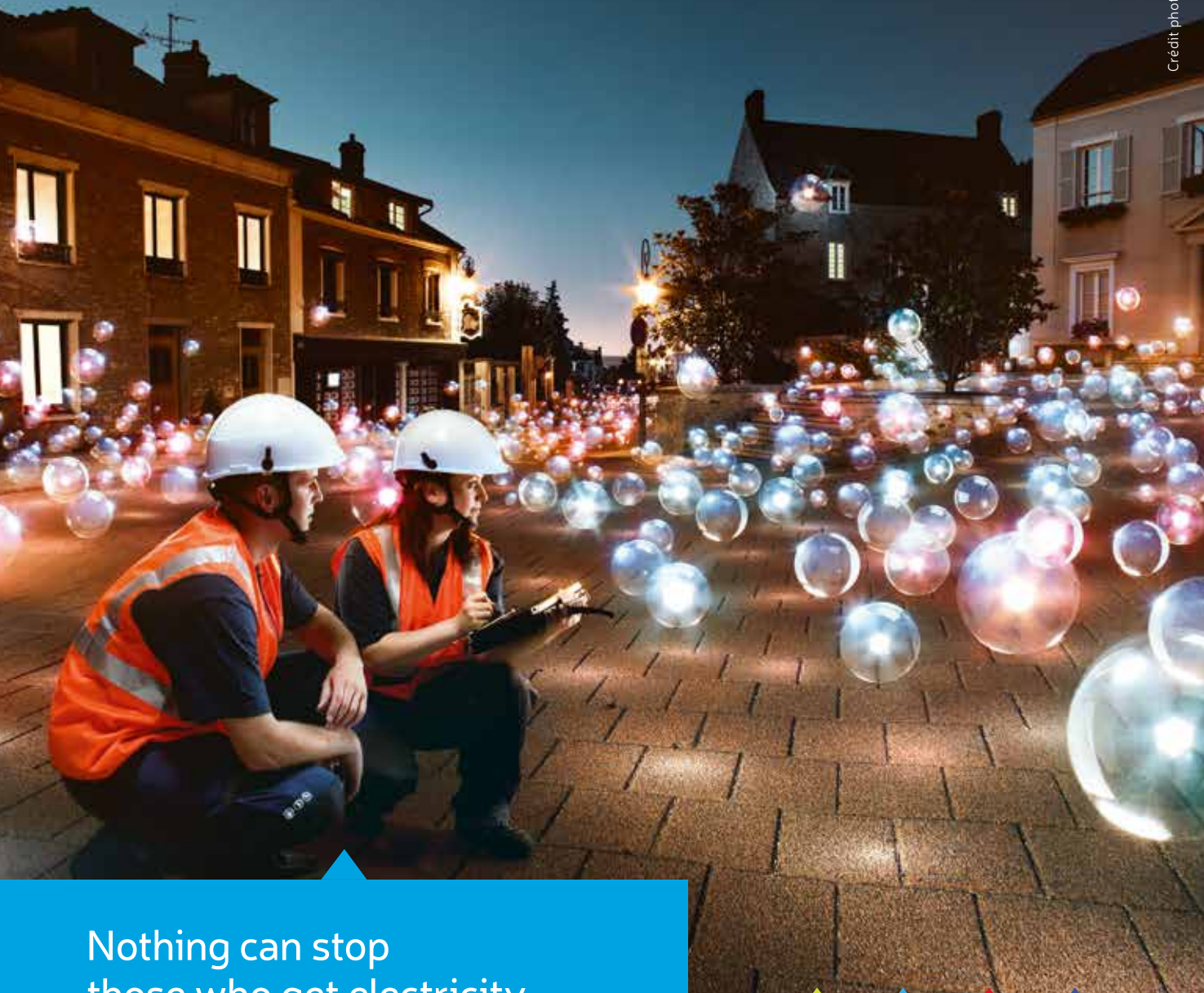
## ADVANTAGES TO CIRCULARITY

Global trends are providing a fertile environment for a shift in the economy. In addition to being a new lens for innovation, increasing circularity could offer a significant economic advantage too. In 2012, the Ellen MacArthur Foundation published the first in a series of reports entitled *Towards the Circular Economy*. These reports have concluded that a circular economy would not only help decouple economic development from finite resource inputs, but also represent an opportunity in excess of \$1 trillion. As our first report shows, for

Europe the greatest potential offered by circular processes lies precisely in the Union's strongest points – the high-value manufacturing sector, where up to \$630 billion of net material savings can be achieved per year through improvements in design, business models, reverse cycles and system conditions such as education and policy. Launched last June at the European Commission's stakeholder conference on the circular economy, our latest publication produced with the McKinsey Center for Business and Environment and supported by SUN reveals that by adopting circular economy principles, Europe can take advantage of the impending technology revolution to create a net benefit of €1.8 trillion by 2030, or twice the benefit seen on the current development path (€0.9 trillion). This would be accompanied by better societal outcomes including an increase of €3,000 in income for EU households. This would further translate into an 11% GDP increase by 2030 versus today, compared with 4% in the current development path. The circular economy would also have significant impacts on the environment for Europe: carbon dioxide emissions would halve by 2030, relative to today's levels (48% by 2030 across the three basic needs studied, or 83% by 2050). Primary material consumption measured by car and construction materials, real estate land, synthetic fertiliser, pesticides, agricultural water use, fuels, and non-renewable electricity could drop 32% by 2030 and 53% by 2050, compared with today.

In a world of uncertainty, many are asking what the future economy will look like in the context of population growth and resource constraints. Our research and analysis tends to indicate that a circular economy framework could offer guiding principles for re-thinking and redesigning our futures. There are promising signs of a shift taking place, but reaching this goal will require pioneering ambition, combined with varied collaboration to deliver the benefits of a system that rebuilds economic, social and natural capital.

**Ellen MacArthur** is one of the most successful offshore racers of UK's yachting history, becoming the fastest solo sailor to circumnavigate the globe in 2005. She founded the Ellen MacArthur Foundation in 2009.



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# INPUT

## **COP21**

*The last chance for climate*

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# INTERNATIONAL CLIMATE

*Cooperation is critical,  
but not for the reasons you might think*

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*It is often assumed that comprehensive international cooperation is essential to tackling climate change. After all, it is a global problem and action by all countries is necessary to avoid potentially catastrophic changes to our planet. But the greatest barriers to avoiding dangerous climate change can be found at home, within individual countries. International cooperation needs to adapt to this reality.*



**by** Fergus Green



W

hen representatives from more than 190 countries meet in Paris this December to

agree on an international deal to tackle climate change, some may see the objective as sharing the 'burden' of cutting emissions among countries.

But this is the wrong way to look at international climate cooperation.

Global inaction on climate change has traditionally been attributed to countries limiting the extent of their own action, preferring instead to 'free-ride' on other countries cutting global greenhouse gas emissions. This follows a flawed belief that cutting greenhouse gas emissions is a costly pursuit for minimal gains. For the most part, this is simply not true. Actions to cut greenhouse gas emissions are mostly in countries' economic self-interest.

#### **NATIONAL BENEFITS OF CLIMATE ACTION OUTWEIGH COSTS**

Reviewing the literature on the costs and benefits of acting on climate change, I find that most of the emissions reductions needed to decarbonise the global economy can bring national economic benefits that outweigh the costs, even before the benefits of reduced climate change are taken into account.

Most of what we need to do to decarbonise the economy would also save people and companies money over the medium and long term. It would make our economies more productive, innovative, and stable. It would achieve historically significant advances in public health and safety. It would create more attractive and liveable cities. And it would improve the quality and

"DECARBONISE THE ECONOMY WOULD MAKE OUR **ECONOMIES MORE PRODUCTIVE**, INNOVATIVE AND STABLE."

productivity of the natural environment. Consider a few examples. Firstly, transitioning the global energy system to one based primarily on renewable energy would lead to trillions of dollars in financial savings. The International Energy Agency found earlier this year that the additional upfront costs of transitioning to a low-carbon energy system would be paid back many times over due to the avoided costs of buying oil, coal and gas. Overall, a low-carbon energy system would save US\$75 trillion over the period from 2016–2050 compared with the costs of a system based on the continued expansion of fossil fuels. To put that in perspective, the combined wealth of the poorest 50% of the world's people in 2014 was less than US\$2 trillion.

Secondly, a transition to a low-carbon energy system would unleash a wave of technological innovation. It would bring down the costs of renewables, energy storage and grid-management technologies faster than is occurring already. It would also spawn innovation in other industries. All innovation produces 'knowledge spillovers', but recent research analysing patent citation data shows that knowledge spillovers from clean technology innovation are especially high — up there with the innovation in information technology. Clean technology patents are cited on average more than 40% more frequently than dirty technology patents. Clean innovation is the growth story of the future — at least, for

those countries that choose it.

Thirdly, many actions to cut emissions would also deliver immense benefits in public health. Burning fossil fuels, especially coal, causes air pollution, which kills an estimated 7 million people per year, according to the World Health Organisation. That's more annual deaths that are caused by AIDS, diabetes and road injuries combined. The Global Commission on the Economy and Climate estimates the economic costs of air pollution at between 3–11% of GDP in the world's 10 largest CO<sub>2</sub> emitters. Reducing the burning of fossil fuels would not only reduce greenhouse gas emissions and help avert climate change. It would also deliver immediate health and economic gains. When considered together, the scale of these and other national benefits from well-designed actions to reduce emissions makes a mockery of the outdated idea that reducing emissions is a 'costly burden' on countries. We shouldn't need global institutions to 'force' countries to act.

#### **THE BARRIERS TO ACTION ARE MOSTLY ABOUT DOMESTIC POLITICS**

Yet countries are still not acting on anywhere near the scale needed to cut greenhouse gas emissions and avoid dangerous climate change. There remain some very large barriers to action. Some of the greatest barriers can be attributed to the domestic politics of policy reform. The



Haze over China, one of the most contaminated countries in the world.

national benefits outweigh the costs of action, but it is the distribution of those costs and benefits that drives politics to conserve the fossil-fuelled status quo. Most of the costs of climate action fall with powerful companies and will occur in the short term. On the flip side, the national benefits of climate change action I have described are biased toward the medium and long term and are distributed widely across the general public. In political and business environments that are focused on the short-term and skewed to the interests of powerful companies, it's no wonder the benefits of action are going begging. Other barriers, especially in developing countries, are more about access to finance and technology, and about the domestic institutions needed to attract both. It is these kinds of domestic barriers that should be occupying the attention of governments, businesses, NGOs, and researchers.

## THE REAL CASE FOR INTERNATIONAL COOPERATION

International cooperation can help to overcome such barriers. Conferences like COP21 in Paris later this year provide opportunities for governments to send a clear political signal about the future, zero-carbon trajectory of the global economy. This can, in turn, help domestic reformers to make the political case for climate action at home.

Governments also need to ensure that poorer countries can access the finance, technologies and know-how that they need to develop cleanly. Zero carbon development holds immense potential for local benefits in poorer countries. North-south climate cooperation is not about developed countries 'compensating' poorer countries for saddling them with 'burdens'. Rather, it's about the rich world fulfilling its moral obligations to lead the zero-carbon transition from their own coun-

tries, while helping poorer countries to reap the local benefits of decarbonised, climate-resilient development.

Finally, we need more cooperative initiatives among small groups of willing countries, and among non-state actors, that are targeted precisely at specific sectors and barriers to action. Examples include initiatives to ramp up low-carbon investment; share the up-front costs of innovation in clean technologies; continually raise energy efficiency standards; tax greenhouse gas emissions; phase-out coal production and consumption; and protect and restore forests. The Paris conference provides an opportunity to forge and expand such alliances.

In these and many other ways, we can accelerate the transition to a world that brings enormous benefits to present generations, while at the same time preserving a liveable climate for all who follow.

*Read the original PDF article:*

<http://www.feps-europe.eu/assets/f87bc3f9-a1dc-4202-aa85-d3b9b7966815/pfc-fegus-greenpdf.pdf>

## ABOUT

**Fergus Green** is a Policy analyst and Research Advisor to Professor Nicholas Stern at the London School of Economics, Grantham Research Institute.



## ENERGY TRANSITION AND MARKET PRAGMATISM

by Mark Campanale

**The arguments Fergus Green lays out in this working paper clearly demonstrate that clean energy installation is better economically than using brown energy systems and that the sooner we deal with the climate problem the less it will cost.**

Many are trying to delay action on clean energy by arguing that the costs outweigh the benefits. However, if we consider new capacity, it's clear that it's more economic to move into clean energy than to build more fossil fuel energy-based projects. There are far more new investments in clean energy than in brown energy projects.

Around half of all energy systems are going to need to be upgraded or replaced in the next couple of decades. Why replace existing brown energy systems with more of the same if we can switch to a cleaner, more energy efficient, less costly system?

From the energy systems point of view, delaying dealing with climate change doesn't stack up in terms of cost, as we see in Green's paper and another recent report by Citigroup, which also shows that failing to slow the impact of global warming will cost many trillions of US dollars.

The opportunity for innovation, particularly in grid balancing, energy storage and local energy generation is huge. New innovations are going to see localised energy systems where people can generate wind and solar power locally and bypass massive, wasteful grids.

The duty to act over climate problems isn't solely a duty of governments. What we are seeing is investors thinking about cost. The capital markets are pulling out of expensive fossil fuel projects and putting their money into clean energy products simply because the economic return is greater.

I'm optimistic that the emissions reductions targets agreed in Paris will be meaningful. But in any case the prices of solar and energy storage are dropping through the floor. The energy transition we see happening around us will of course be accelerated if Paris is a success, but it's going to happen anyway – purely because of the economics.

**Mark Campanale** *is the founder and executive director of the Carbon Tracker Initiative.*

## ECOLOGICAL AND SOCIAL SUSTAINABILITY GO HAND IN HAND

by Katrin Stjernfeldt Jammeh

**Today more than half the world's population lives in cities, and this figure is expecting to reach 70% by 2050.**

Cities around the world have taken the lead on climate change adaptation and mitigation, showing what is possible and necessary. As Mr. Green points out in his report, local climate actions can be in our economic self-interest. This is why there are numerous important initiatives taken by cities around the globe, and why, for example, Malmö is active in this arena and is participating in several initiatives, including currently investing in its own wind power plants.

Through participation in networks like Covenant of Mayors, ICLEI (Local Governments for Sustainability), and European Green Capital Network, we have found new solutions and increased our cities competitive advantages – as Mr. Green addresses, cutting carbon emissions does give us more attractive and livable cities. The development is driven by strong cities that want to be forerunners, not primarily by nation states.

Ever since the 1992 United Nations Earth Summit in Rio de Janeiro, Malmö, together with other cities, has been working with local action plans transforming international policy into local action. A local example of citizen involvement is the Augustenborg Eco-City, where the residents have been involved in the transformation process of their area from a rundown housing district with social problems to a global role model of sustainability. Not only have the problems with basement flooding disappeared and the energy consumption decreased, but during the process, the levels of employment and higher education of the residents have also increased. The outcomes from the Augustenborg project help us reach our national and international targets on energy usage and climate change, and the experience is now transformed into new climate adaptation plans.

**Katrin Stjernfeldt Jammeh** *has been the Mayor of the City of Malmö (Sweden) since July 2013.*

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# PARIS CLIMATE TALKS OFFER DIRECT ROUTE TO ZERO-CARBON ECONOMIES

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French President François Hollande during the official presentation of the COP21 in Paris.

*Transitioning to zero-carbon societies that rely on robust energy-efficiency initiatives, renewables, and sustainable land-use practices is not a choice but a necessity.*



**by** Geneviève Pons

I

**n December, the world's governments will meet in Paris for the 21<sup>st</sup> UNFCCC COP session to address climate change, and they must seize this opportunity to take action.**

The Paris agreement must provide a clear, unequivocal signal to citizens, businesses, energy companies, and the financial sector that the era of decarbonisation is the world's future.

In comparison to COP15 in Copenhagen (2009) there is much more optimism on the zero-carbon front, and a strong movement for a global renewably-powered economy. New legislations in energy efficiency and skyrocketing renewable energy targets by many countries are on the rise; and a global divestment campaign is urging financial and other institutions to divest from fossil fuels. In 2014, stagnation in energy-related CO<sub>2</sub> emissions was recorded despite economic growth, due to strong action from several countries, such as the EU and China. So the question is not whether the energy transition is happening, but instead at what speed.

In line with the findings of the IPCC AR5 report, WWF is calling for actions that would limit climate change damage, and for warming to not exceed 1.5°C. For this to happen, COP21 must produce a robust framework for addressing climate change post-2020, and act on pre-2020 action. It must be legally binding, equitable, and free from loopholes and creative accounting. The robustness of which is vital, as an analysis of submitted 2020 intended Nationally Determined Contributions (iNDCs) shows the Earth is on a trajectory to a more than 2.6°C increase. Despite this, the negotiations send a strong global signal of intent

## “PARIS MUST CLEARLY SHOW THE FINANCIAL COMMUNITY THAT THE HAY DAYS FOR INVESTING IN FOSSIL FUELS ARE OVER.”

from countries to non-state actors currently polluting, because the negotiations should achieve an “outcome with legal force.”

Paris must clearly show the financial community that the hay days for investing in fossil fuels are over. A long-term goal in the agreement must embrace full decarbonisation of the world's economy well before century's end; and equity-based actions must leverage the framework and finance for the most vulnerable who often have limited access to technology or finance. Shifting subsidies to zero-carbon renewable energy industries, energy efficiency and access to clean energy for the poor, reduces social and environmental externalities. This is essential for funding necessary energy transition in all countries, and adaptation in vulnerable countries. Moreover, it allows for greater investor confidence in Europe and globally, increased citizen energy ownership and empowerment, and greater energy security. Richer nations must begin phasing out production subsidies for fossil fuels, start increasing targets and support for energy efficiency and renewables.

Alongside the adoption of the new sustainable development goals (SDGs), the outcomes of the Paris international climate negotiations are two key processes central to driving the transition to zero-carbon economies. A sustainable energy transition is not only about changing what types of

energy we consume. It is about a just transition built on social, environmental, gender equality principles, protecting workers rights and the most vulnerable, sustainable development, and addressing poverty and energy poverty. A solid outcome in Paris to match the outcomes from the SDG summit in New York will help facilitate a just energy transition that accounts for these values.



### ABOUT

**Geneviève Pons** is Director of the WWF European Policy Office in Brussels. She is an honorary Director of the European Commission, where she started in 1989 as a member of the Environment Team in the Legal Service. During the last two mandates of Jacques Delors as President of the European Commission, she was in charge of legal and environment matters in his Cabinet; attending the Rio Earth Summit in 1992 on the Commission delegation.

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# CLIMATE CHANGE AND INEQUALITIES

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Food distribution to 179 persons in Goungour village in Chad during the food crisis.

*Four European experts assess the potential impacts of climate change on global inequalities. They underline how high the stakes of COP21 are since, as Michel Derdevet (ERDF) recalls, some 2.2 billion people around the world already live in poverty, and as the United Nations Development Programme (UNPD) and World Bank fear their ranks may swell even further with the rising tide of natural disasters caused by global warming.*





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# GLOBAL WARMING AND THE FIGHT AGAINST POVERTY: A COMMON CAUSE

*When it comes to navigating the murky waters of climate change, we are not all in the same boat.*



by Michel Derdevet

**T**he campaign to combat climate change must now be a global priority if we are to protect the vital system of balances that make our planet habitable. However, it is a battle that must also be waged with single-minded focus to keep poverty in check. Never before has there been such a need for solidarity, sharing and fair redistribution.

## THE GRID AS A SOURCE OF SOLIDARITY

To this end, power grids provide an essential catalyst for economic development and the transition towards a low-carbon world. It is worth noting that 1.1 billion people are still without electricity in 2015. Electricity means access to water, healthcare, education, jobs and security; it has a decisive impact on improving living conditions and alleviating hardship.

Of all the world's regions, Africa is striking in its lack—and its inequality—in this regard. Nelson Mandela may have held out hope for universal access to electricity in the 1990s but 650 million Africans still do not have lighting or power. In Tanzania, where just 14% of people have electricity, the World Bank estimates that the failings of the national power

grid strip the country of 1.4 percentage points in growth every year.

More isolated regions could initially resort to local solutions through the use of solar panels and storage batteries. However, widespread development of power grids is crucial to ensure an affordable, reliable source of electricity. Energy infrastructure is the best means of pooling power sources and encouraging use of renewables. Such networks are also the most effective way to draw full benefit from the large water basins that span borders and require a joint approach. At the same time, growth in renewables will allow a number of developing countries to free themselves of the fetters of imported fossil fuels, which often have a significant adverse impact on their balance of trade.

## A SUITABLE FRAMEWORK FOR INVESTMENT

This gives rise to the question of how best to extend the reach of power grids to isolated areas to ensure everyone has access to electricity. Governments must begin by taking tangible steps through the appropriate channels and put in place a clear set of laws with a transparent regulatory and fiscal framework, designed to deliver the right incentives and adapted to real needs. There is no panacea:

each country has its own specific institutional, economic and social context and a unique set of financial and human resources.

France reached a political watershed in 1926 when the Front Populaire introduced a special fund<sup>1</sup>, which saw the inhabitants of areas already connected to the power grid help pay for work to bring electricity to rural parts of the country. This same spirit led African heads of state to establish an "African Electrification Agency" in June this year, tasked with managing a permanent fund. Their goal is to secure the US\$200 billion in public and private financing needed to raise the percentage of African people with access to electricity from 30% to 80% within the next 10 years.

The international community could swiftly implement this kind of initiative on a wider scale; there is no doubting its impact as a strong, practical, flexible solution to tackle poverty and combat global warming while bolstering solidarity on a local, national and international level.

<sup>1</sup> *Fonds d'Amortissement des Charges d'Électrification*

**Michel Derdevet** is Secretary General of ERDF (*Electricité Réseau Distribution France*) and a Member of the Board.





© DR

## PEELING BACK THE LAYERS

*Why root causes of climate change and inequality will require better action from multilateral financial institutions.*



by Anelia Stefanova

**D**elivering on climate financing pledged for developing countries at the 2009 UN climate talks in Copenha-

gen is expected to be the most difficult part of the deliberations at the Paris climate summit. A recent report commissioned by the French hosts, *'Mobilising climate finance: a roadmap to finance a low-carbon economy,'* cites the World Bank and its warning that developing these countries will face growing inequality if emissions continue to rise at current rates: "In Africa, the Middle-East and South-East Asia, efforts to combat extreme poverty and hunger would be lost before they could even begin and would result in hundreds of millions of people being pushed back into poverty." The report continues by tapping the bank and other international financial institutions to lead the charge in financing measures to adapt to climate change and in effect close the disparity between rich and poor.

That the World Bank and others now call for ending poverty and climate change in tandem is the result of decades of efforts by grassroots organisations and civil society. In the past these groups' demands for ending financial support from multilaterals for fossil fuels – which are the root cause

of climate change – were often rebuked by the banks with arguments about the need to extract these same resources to generate revenues that would in turn be used to alleviate poverty. At a glance then, the World Bank's change of tone could appear as a shift in paradigm among the multilateral lenders – e.g. low-carbon is the only development path to be followed.

### A NEW PARADOX

But as the Bank's analysis continues, "peel back more layers, and the interplay between poverty and climate change becomes more complex." Indeed one of these complexities is the paradox that while multilateral lenders recognise the need to simultaneously tackle poverty and climate change, the same banks continue to pump billions of Euros into fossil fuel subsidies, effectively exacerbating poverty as a result. A recent report from Oil Change International warns that last year the World Bank increased its support for fossil fuel projects by 23 percent up to USD 3.4 billion, although the Bank's latest energy strategy is aimed at spurring action on climate change through limiting the financing of coal-fired power plants. A similar trend can be observed with the European Investment Bank, the European house bank, that in 2013 also reformed its energy policy and as a result has effectively

stopped lending for coal-based energy production. Yet, the Bank's overall fossil fuel portfolio has not dropped significantly over these two years and it still accounted for €4.5 billion for the period of 2013-2014. The most recent example of multilateral banks' hypocrisy came with expressed interest in financing the \$45 billion Southern Gas Corridor, a network of pipelines intended to satiate Europe's gas demand over the coming decades. By tapping gas reserves in Azerbaijan, this mega-project would support the dictatorship in the country while Azeri citizens are left with crumbling infrastructure and unaffordable healthcare. Shall we trust multilateral banks on their commitment to address climate change and inequality at the same time, or it is merely a formula to justify their mandate and perpetuate their role within the same system that has brought us to this state? Better action on root causes of climate change are needed to give them credibility about their efforts on climate change adaptation.

**Anelia Stefanova** is Program Director at CEE Bankwatch Network, an organisation with 16 member groups in 14 countries across Central and Eastern Europe tracking the social and environmental impacts of the EU's public financial institutes.





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Fellows of Harvard College

# ACTION ON CLIMATE CHANGE WILL DEEPEN INEQUALITY GLOBALLY

*Climate change and the evolution of inequalities are closely linked and must be assessed on various levels. On a global scale, the dramatically differing situations of countries will determine the consequences of climate change on those countries' societies.*



by Philippe Aghion

**T**o begin with, there is a geographical dimension that will influence the most immediate burden of global warming brought to

bear on single countries. These could be called first-degree inequalities. The closer they are situated to the equator, the more they will experience the effects of climate change: rising temperatures, flooding, droughts and all the devastating consequences of those phenomena. On the other hand, Northern countries like those of Scandinavia or Canada will experience less harsh weather conditions and can definitely benefit economically from those changing circumstances.

But the problems do not end with this first degree of inequality, one could even say, the real problems begin at the second degree, when it comes to reacting to climate change and its consequences: how well are countries equipped to deal with global warming problems? Here, it turns out that those countries that will be worst affected by climate change are actually often the least prepared or capable of coping with its consequences. New, clean technologies are

often prerogatives of developed industrialised nations. The transfer of those technologies is far from accomplished because poor countries lack the means to acquire them. The world is thus faced with a problem of deepening inequality where countries most affected by global warming are least equipped to react.

## INEQUALITIES IN SOCIETIES

The next degree of inequalities can be found inside societies. Social development, education and economic prosperity play a crucial role when it comes to peoples' possibilities to react to new circumstances caused by a changing climate. In developed countries, people have the means and perspective to change their situation, be it simply to move away. With enough skills and education they stand a chance of making a living elsewhere. In underdeveloped countries, people are in danger of being without choices in the face of a new situation. Again, climate change will deepen existing inequalities.

But even inside well-advanced Western societies, deeper inequalities loom. Take France as an example: should measures be taken to cap carbon output effectively, like a carbon tax, this could take a disproportio-

tionate toll on people living in the greater region of Paris where public transport is crudely underdeveloped and suburban people have no choice but to take their car to get to work. And any flexible system to adapt the carbon tax to the infrastructure the taxpayer has at his disposal would cause a lot of bureaucratic overhead.

To head off a deepening of inequalities, various measures are being discussed at the moment: finance technology transfers through Sovereign Wealth Funds, create a regulated and fair environment for migration and promote development through education. Emerging countries will also insist that worldwide emission control should be adapted to their level of development to allow them to keep growing. That would require an intricate set of rules that take into account both environmental protection and economic development for poorer countries.

**Philippe Aghion** is the Robert C. Waggoner Professor of Economics at Harvard University, and a fellow of the Econometric Society and of the American Academy of Arts and Sciences. His research focuses on the economics of growth.



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# CLIMATE FINANCE IS THE CORNERSTONE OF THE PARIS SUMMIT

*We have talked a great deal about climate change over the past decade as a prospective issue. However, we must say it loudly: climate change is now.*



by Gilles Pargneaux

**I**n the Sahel region, between 1972 and 1984, droughts and desertification have brought about starvation and caused 100 000 deaths according to the

UN. The number of climate refugees is growing consistently. There are 25 million persons every year according to a study of the Internal Displacement Monitoring Centre. They might reach 200 million within the next decades.

## CLIMATE CHANGE IS NOW!

These realities are the reasons why I believe a failure of the Paris Summit would be unacceptable. In this process, the European Union has to lead the way and to ensure that the agreement encompasses all sectors and all countries in the world: this is why climate finance is such a cornerstone. If we do not include a strong and solid financial package in the COP21, developing countries won't be on board, and half of the world won't commit against climate change.

At the European Parliament, I am in charge of the initiative report that gives recommendations in order to reach an universal, binding and effective agreement to stay below the 2 degrees target. The spirit of my report is simple: a strong European commitment against climate change and solid financial aid to

support the most vulnerable countries facing this phenomenon.

## A LEADING EU AGAINST CLIMATE CHANGE

The first step to become a leader is to behave like one. Thus, I demand ambitious CO<sub>2</sub> reduction targets in my report for the European Union. A reduction of at least 40% by 2030 in comparison with 1990 levels and a reduction of 95% by 2050 - which can be seen as a comprehensive phase out. But the European parliament is going further than the European Council and its position adopted on September 19<sup>th</sup>: we call for a binding target for renewables - 30% of our energy consumption by 2030 should be made of renewables - and we call for a 40% energy efficiency by 2030.

These three targets should embody the European commitment against climate change. With lower targets, we will not be able to mitigate CO<sub>2</sub> enough in Europe. But to be frank, all the targets that developed countries can set will be of no use if an agreement is not reached by all the parties. All the targets without fresh money will not help the countries that are facing climate change right now. Therefore my report puts forward the need for climate finance. It urges the parties to fund the Green Climate Fund in order to reach 100 billion dollars per year as of 2020. But we also need

fresh money from innovative financing opportunities, for instance to define a proper carbon price so that it becomes cheaper to use eco-friendly technologies instead of most pollutant ones. Our EU Emission Trading System has already allowed the funding of innovative project such as "Nemo": a thermal sea energy project that was made possible thanks to a 72 million euro funding. If a higher carbon price were to be set, we may find a lot more of other "Nemos"... Another way to find fresh money is to enforce a Financial Transaction Tax in Europe. The enhanced cooperation by 11 Member States could make 35 million euros available every year. A part of its revenues should be allocated to the fight against climate change. My proposition was rejected by a very light majority, but the idea is making its way. I will keep on promoting it. These are the ideas I promote and defend in my report that is still to be adopted on October 14<sup>th</sup>. The European Parliament is strongly committed to find a comprehensive agreement in Paris. The failure in Copenhagen is not an option anymore. The Paris Summit is not a conference to discuss but a conference to decide!

**Gilles Pargneaux** is a member of the European Parliament, and the rapporteur of the COP21 report of the European Parliament.



Members of the Durban Platform for Enhanced Action (ADP) at the COP20 in December 2014.

# IS THE FIGHT AGAINST CLIMATE CHANGE THE LAST POSSIBLE SUCCESS OF MULTILATERALISM?

*Multilateralism is often regarded as slow and ineffective. Yet, is there any other way to deal with a global phenomenon such as climate change?*



by Teresa Ribera

C

**limate change is frequently defined as the largest challenge ever faced by mankind.** Yet it is

less often associated

with a new global governance paradigm, in which state governments would cooperate in order to learn together, coordinate regional and sectoral action and invite other players to share their climate-related efforts in order

to maximize common benefits. In fact, climate has been conceived for a very long time as one of those big issues that should be solved by the big and powerful emitting countries. But history has demonstrated this is not the way to deal with such a wide and complex problem. This was the real lesson that emerged from the controversial Copenhagen climate summit. The substantial changes on how to shape global efforts to deal with climate action were difficult to be

accepted but finally that was the case. However, a whole legion of countries — small and middle-sized countries, poor and vulnerable or middle-income economies — stressed they would not allow anyone to take decisions for all and impose them on the rest. This was a very interesting reaction coming from governments; but it is not limited to them. People everywhere want to decide their own future, being accountable for their own action and being part of the decision

making process. All governments want to shape the major lines of action against climate change, yet they are not the only ones willing to act – other public and private players are also ready to engage in a new kind of coordinated response. This means that climate change has the opportunity to be the first issue dealt under a new type of multilateralism still based on national states, but also open to a variety of other players. This is the most relevant global governance challenge that we will see play out in Paris.

#### MULTILATERALISM VS. MULTIPOLARISM

I think that we are already witnessing a combination of multilateralism and multipolarism. Of course each of the big countries tries to lead the climate negotiations according to its own approach. And this is also revealed in the relevant sensitiveness expressed by leaders of country-groups such as the SIDS (Small Island Developing States) or the ALBA (Bolivarian Alliance for the People of Our America) countries, or the AILAC (Independent Alliance of Latin America and the Caribbean).

But things will not work on the basis of one, two or five main players interests. We will need to combine different approaches. The engagement of major emitters is crucial, not just to have a chance to succeed in terms of the global 2 degrees temperature goal, but also for moral reasons. This is why Obama's new political involvement is important. As for China, the government is facing huge domestic challenges in finding the right balance between ensuring lasting prosperity for its citizens while, at the same time, trying to shape its international profile. The Chinese do not know yet whether they should bet for a traditional multipolar (or bipolar) perspective, in which they build many bilateral relationships, or if they should use their new

## “MULTILATERALISM WITHOUT COMMITTED ACTION ON THE GROUND WOULD TAKE TOO LONG.”

position to influence a new multilateralism. It would be ideal that they favor this second option and play it in a constructive manner. Regarding the role of the UN, it is important to ensure that the UNFCCC be the main platform that monitors a comprehensive picture on the different levels of climate action and climate needs, assesses what works and what does not, to prevent failure and offer support, enables learning from positive experiences, and helps improve and accelerate the transition towards a decarbonised and climate resilient future. The platform that would be the UNFCCC should be based on traditional coordination between state governments, and draw on their ability to settle the common rules to deploy action. It should also build windows to allow other external players in the globalised 21<sup>st</sup> century to connect and share their experiences, successes and concerns, as well as to be part of the decision-making processes, and to be responsible for their action or lack of it.

#### TOWARDS COEXISTENCE BETWEEN LEVELS

However, it is crucial that multilateralism coexists with action at regional and local levels. Everyone needs to act at different levels. As my friend Laurence Tubiana usually says “the real fact is that climate action is inevitable; so it is much better to drive the transformation in a coordinated manner than to stay passive and react once we suffer from the impacts.” Normal life does not happen at a single stage. Everything is interconnected and we all understand that everyone needs to be con-

sistent in very different fora, identifying which forum fits better for each purpose.

Climate action needs to happen in exactly the same way. We need to strengthen the mechanism to count on a global perspective and to develop and implement local and regional action. Multilateralism without committed action on the ground would be too soft, would take too long. Bringing local and regional action to the multilateral level helps to create a kind of positive envy, as well as enables countries to learn from others' experiences and to improve the possibilities accelerating the global response to climate challenges. The current multilateral climate arena is no longer an isolated top-down process. As in many other issues, smart coordination at the top makes it easier to take the right decisions, but top coordination can only be smart if it takes into consideration what happens in everyday life, as well as the priorities, concerns and proposals of a variety of different players.

Global companies have learnt to adapt their business strategies to many different situations while governments are still finding their way to adapt governance to the globalised reality. Multilateralism is helpful to ensure common standard and main drivers of compatible domestic action. It allows a new normality known by everybody, but the practical development of the global rules needs to be adjusted at the national levels. However, it is true that counting on common global minimum standards is good news for everybody, including for companies demanding a level playing field. That is something we are used to hearing. My points on a level



Venezuela's President Nicolas Maduro during an emergency ALBA meeting in Caracas on March 2015.

playing field would be: a) yes, it is a valid point but cannot be an excuse to lower ambition; and b) this is a nice argument to be played for other relevant global standards, such as labour conditions or, ideally, fiscal treatment.

### ADAPTATION THROUGH INTERNATIONAL INSTITUTIONS

Being adapted to climate change means being resilient in a different context. International institutions of all kind take decisions, support policies and fund investments that will last in time but so far they have failed to take into consideration the different climate and carbon realities they may be facing in the future. So, the first thing to do would be to learn how to assess risks and opportunities in a different manner, to generalize a new consideration of climate conditions and carbon regulations that will have an impact at the local level. Such an assessment will increasingly be part of any risk assessment, so it may imply a different cost of capital. Countries and societies need to learn how to prioritize public expenses and how to orientate policy decisions, and international institutions may be instrumental at the early stages of this process.

However, international institutions can, and should, undertake additional actions on adaptation beyond the above assessment on risk and opportunities... For instance, we know that the impacts of climate change go beyond local realities, but we have not yet put in place capacities to better understand and anticipate how these impacts will affect regional and global trends. Developing such knowledge would allow a better understanding of how to prevent the worst impacts and how to build preventive resilience. Finally, there is a need to dedicate a specific share of each international institution's focus to those who require the highest level of solidarity. I would notably point out those who being especially vulnerable cannot adapt on their own but do have the capacity to count on alternatives and, even worse, those who are highly vulnerable but cannot find solutions at home (i.e. low-lying islands that will disappear due to sea level rise). What is the reaction of the international community in this case? Are we ready to provide an answer for climate refugees? We must start thinking about concrete solutions for these situations that we know will arrive – the international community is responsible for offering adequate answers.

### MANY OBSTACLES AHEAD

Still, obstacles remain: inertia, short-term sight and a lack of confidence on our capacities to address climate challenges in a manner that is consistent with each country's socio-economic priorities. Additional difficulties are that every single country has a unique background and national circumstances, and that no experience of success is yet available, nor does a concrete guidelines book exist that explains how to deal with the deep transformation in our development patterns to fight against climate change, all while ensuring societal prosperity.

This needs to be taken into account. We need to recover our confidence in our own capacities to address this major problem in a way that allows the provision of a proper answer to the national demands of welfare and prosperity. We cannot stay trapped thinking that the future is a lineal evolution of the traditional "business as usual" GDP-based prosperity because it will not happen that way. It may be that the time speed, the technological needs, the funding requirements may change from one country to another but what is certain is that acting together is much more efficient, cheaper and fair than for each country to embark on the necessary transition by itself.

**Teresa Ribera** *is the Director of the Institute for Sustainable Development and International Relations (IDDRI, in its French acronym), based in Paris. She is a member of the Advisory Board to the PSOE Secretary General. She was Secretary of State for Climate Change and environmental issues in the Spanish Government from 2008 to 2011.*







# FOCUS

***EU referendum:***  
*Why the UK must stay in*

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# THE UNITED KINGDOM IS LOSING INFLUENCE IN BRUSSELS

*I am not a prophet and I am not in the position to anticipate the results of the British referendum, but in any case I don't really understand why the British Prime Minister called for a referendum so many years in advance.*



by Romano Prodi

**I**n the long interval between the decision for the referendum and the day of the vote, the UK has lost (and is still losing) influence and power

in Brussels. It is not difficult to understand why. The members of the European Union traditionally close to Britain and inclined to stick with the UK in all the major issues involving integration are now abandoned and forced to protect themselves under the only existing umbrella – that is, Germany. When I was President of the European Commission, the British bureaucracy was really leading the game: it is not the case today.

## A BROKEN COMPROMISE

Although the loss of influence in Brussels will not help a British vote in favor of Europe, I believe that the final result of the referendum will be determined by motivations deeply rooted in the British tradition. These motivations are the same that in the past

convinced the UK to be the leading force in a trade organization (EFTA) clearly in competition with the integration process of continental Europe. Only the clear superiority of the latter persuaded Britain to join the Common Market. While the economic success of the European Union has been the real cornerstone of the British membership, British public opinion has always been reluctant to link its future to a real political union with the other EU members. In spite of enlightened politicians such as the two British commissioners of my Presidency, the majority of the media and popular feelings in Britain have been more inclined to stress the distance of the country than the proximity to Europe. Until few years ago such a distance was not seen as a sufficient reason for abandoning the European project. First of all, the European economic experiment was successfully working. Second, the UK was able to get substantial results both in the case of the debate (i.e. “I want my money back”) and



Neil Kinnock and Christopher Patten, British members of the Prodi Commission.

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in the refusal to participate to new European steps as the Schengen Agreement and the Euro. As a consequence, the British position was a sort of compromise between full membership and a series of significant exceptions. This fragile compromise worked until the economic crisis, which raised doubts about European inte-



The Prodi Commission in 1999, with Christopher Patten (second from the left) and Neil Kinnock (sixth from the left, sitting).

gration as the best engine for British economic growth. The idea of the referendum has always been probably in the soul of British people, but it could be materialized only when Europe stopped to be considered as a necessary instrument for future prosperity. This will be the real issue of the referendum. Taking everything into consideration, in particular the role of the City in the international financial market, I am personally convinced that it is more prudent for Britain to be a reluctant member of the EU, with all the exceptions granted, than risking to "swim alone", even if the possible signature of the free trade agreements will reduce the risks of British insularity. The British Prime Minister will try to obtain visible results in Brussels in order to cash out the results in London. Since the British exceptions are already considerable, such a strategy is not going to be easy. But in politics there is always room for trade offs. In any case, for the foreseeable future, Britain will consider itself as a reluctant partner

even if, in my opinion, a strong British engagement with Europe would benefit both Britain and the balance within the EU.

### STRENGTH AND EQUILIBRIUM

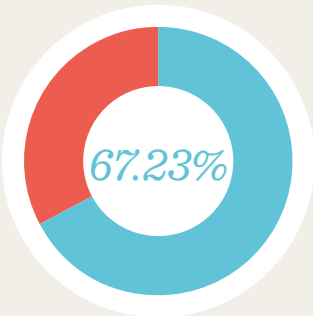
In the current phase of globalization both strength and equilibrium are needed. These two goals can be achieved with an active British membership that balances the German leadership on European politics. Here I don't want to repeat why a strong and inclusive European Union is a necessity for our future, but I don't think that such a result can be based on a single nation as it was the case for Prussia in relation to the German unification or for Piedmont in relation to Italy. Differences in history, language, culture make this impossible: Europe can and must be built only through a patient democratic convergence of a number of countries, as it was conceived from the very beginning. In this perspective, we should also welcome the active role of institutions like the Parliament, the Commission, and other supranational

bodies. Since not all countries will follow the direction towards a federal Europe, it seems necessary to adopt a flexible strategy for a flexible Europe, in which some countries will converge and others will share only parts of this common project. It is likely that with this sort of "second best Europe" the old continent will become less and less relevant in the coming global system, losing ground as we have done in recent years. However, I am also confident that at some point "history as a life's teacher" will convince future European leaders to adopt a new federal policy, which is the only option capable to guarantee our future in a world that, otherwise, will be completely in the hands of the United States and China.

**Romano Prodi** served as the Prime Minister of Italy in 1996-1998 and 2006-2008. He was also the tenth President of the European Commission from 1999 to 2004.

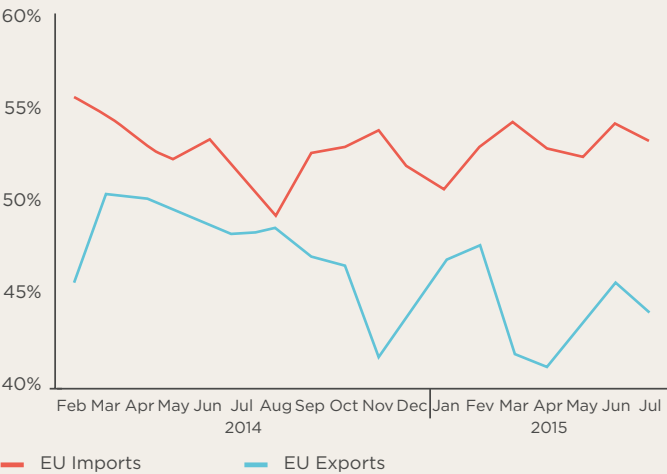
THE NUMBERS ARE IN

The relationship between the United Kingdom and the European Union has always been of a complex nature. Here are key figures that help better understand how this relationship and its evolution throughout history could shape the outcome of the EU referendum.



**PERCENTAGE OF BRITISH VOTERS**  
wanting to stay in the European Community after the 1975 referendum

PROPORTION OF TOTAL UK TRADE WITH THE EU

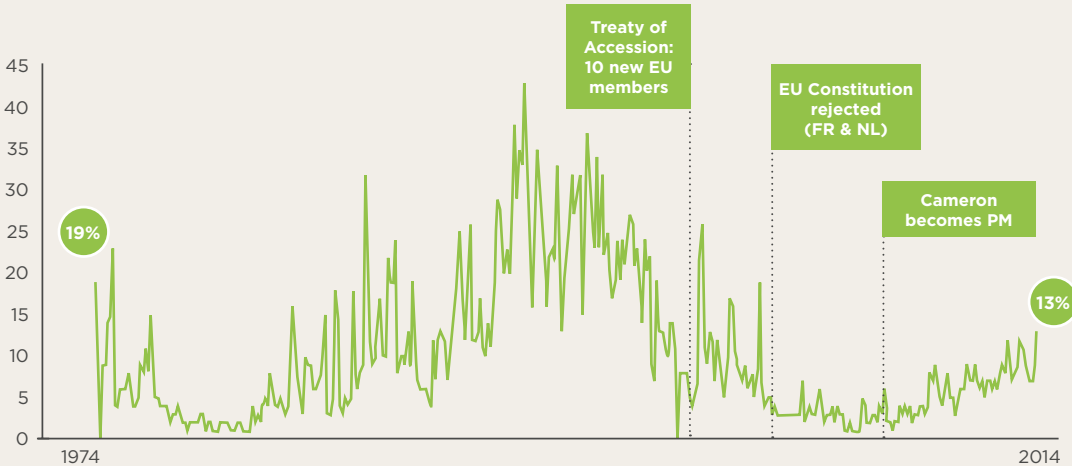


Source: HM Revenue & Customs Overseas Trade Statistics



PERCENTAGE OF BRITONS

feeling that Europe is an important issue (1974-2015)

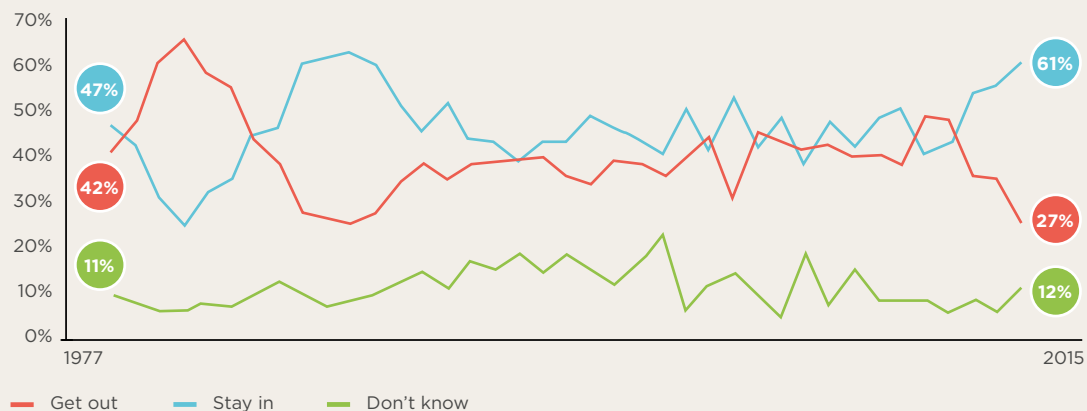


Source: [www.ipsos-mori.com/](http://www.ipsos-mori.com/)





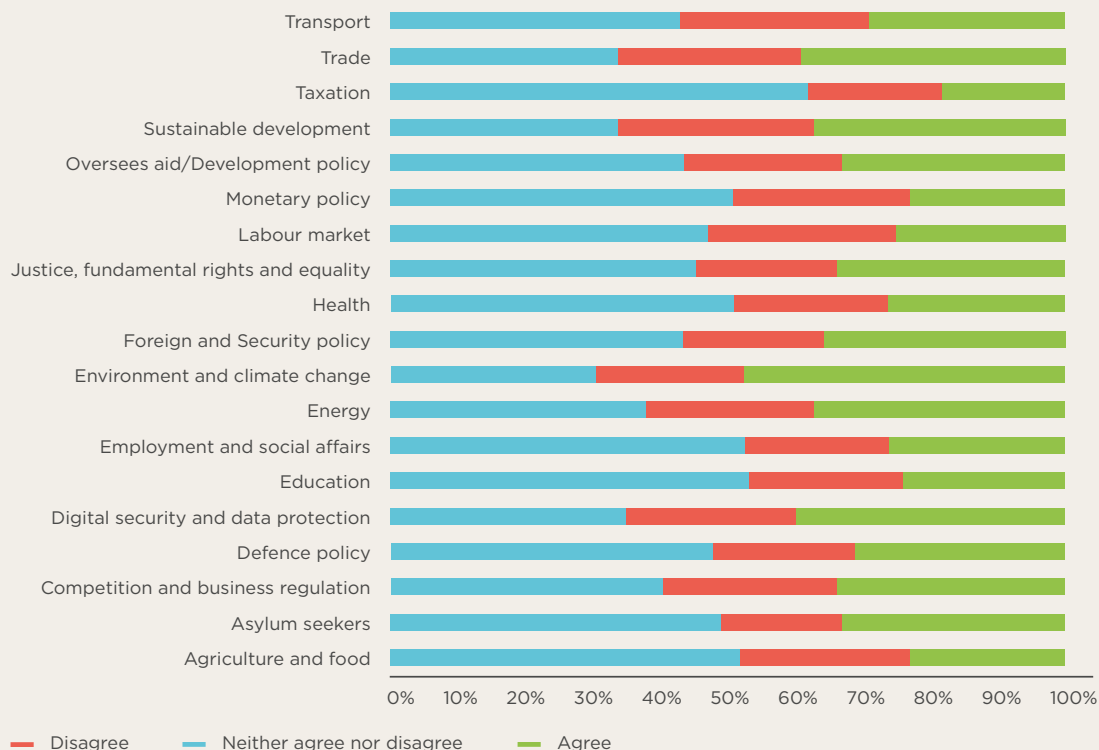
**IF THERE WERE A REFERENDUM NOW** on whether Britain should stay in or get out of the European Union, how would you vote? (1977-2015)



Source: [www.ipsos-mori.com](http://www.ipsos-mori.com). Base: 500 -2000 GB adults aged 18+ except 1981 (aged 15+)



**TO WHAT EXTENT DO YOU AGREE OR DISAGREE** that the EU should have more authority over the EU Member States in the following policy areas.



Source: Data from original survey of 300 respondents conducted in the period 23/04/2015-05/05/2015 by Sofia Vasilopoulou and John Bone.

# BRITAIN

*The 'awkward' partner*



by Sofia Vasilopoulou

**The debate over Britain's relationship with the EU is not new.** Britain has been historically the 'awkward partner'. British Euroscepticism has many political, identity and economic sources. Britain is an island nation geographically separated from the continent. Its historical ties to the Commonwealth and its special relationship with the US have long created a feeling of kinship with English-speaking peoples; and also imply strong trade links with these nations. Unlike other European states, Britain did not experience a break with its parliamentary tradition during the war years; in fact Britain emerged as the winner from WWII. The parliamentary sovereignty principle of the UK constitution makes the Parliament the ultimate legal authority in the UK and as such ceding authority to EU supranational institutions goes against this very principle.

Keeping Europe at arms length has meant that British elites have supported economic cooperation but have resisted furthering political integration with their continental partners. Elite Euroscepticism is also mirrored in public opinion. Britons have historically been much less supportive of their country's membership to the EU. The widest gap was reported in April 1980 – about a year after Margaret Thatcher became PM – when 32% less Britons thought that their country's membership was a good thing compared to the community-wide average.

But how important is the issue of Europe in the hearts and minds of Britons? Figure 2 shows that the political significance of Europe has fluctuated over time. It reached a peak in the 1990s when on average about 17 per cent of Britons thought that Europe was the most important issue facing the country. In the 2000s, it was on average lower, yet it increased in 2003 when the Treaty of Accession between the EU and ten countries was signed, in 2004 around the enlargement period and in 2005 when France and the Netherlands rejected ratification of the EU constitution. Since then, Europe's importance has been low. Interestingly, Europe is slowly gaining importance from the end of the 2010s onwards, which has coincided with Cameron becoming Prime Minister and UKIP's rising success in the polls.

In light of the upcoming referendum of Britain's relationship with the EU scheduled to take place in 2017, it is critical to evaluate this dynamic relationship from a public opinion perspective. Trend polling indicates that the percentage of Britons who want to stay in the EU

is rising, especially from 2011 onwards; but there is about 10% of the population who still does not know what they would vote if a referendum was held on British EU membership (figure 3). This suggests that undecided voters may well influence the referendum's outcome. In fact, figure 4 shows that there is a great degree of variation in support for further integration in specific policy areas. The British public is Eurosceptic when it comes to social policies, such as labour market, employment, and health; but in other areas, such as digital protection, environment and climate change, sustainable development, trade, and to a lesser extent energy, British citizens



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Jacques Delors & Margaret Thatcher during the Hague European Council in 1986.

want to see more EU integration. About a third of the electorate prefers the current levels of EU powers. This should inform European leaders' approach to the UK renegotiation. Going beyond the 'in-or-out' question, leaders should articulate a much more nuanced discourse focusing on the merits and drawbacks of European integration in specific areas.

**Sofia Vasilopoulou** is a lecturer in politics at the *University of York*.



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A EU referendum will certainly disrupt Britain's economic relationship with Europe and have repercussions on the London Stock Exchange.

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## **EU REFERENDUM**

### *Economic opportunity or economic suicide?*

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*Sometime next year or at the latest in 2017, the British public will vote on whether the UK (England, Scotland, Wales and Northern Ireland) should continue as a member of the European Union. Many consider a vote to leave unthinkable. Yet a British exit, or an EU referendum, becomes ever more possible with each day that the euro zone crisis and fears of global currency wars dominate the headlines.*



by Paul Mason





**s a journalist and broadcaster, I neither advocate nor oppose the EU referendum.**

To people who find it impossible to imagine, however, I would urge caution. A while ago, I believed there could only be one conclusion. Britain would stay in. I am less sure today. In the British general election in May, around 3.8 million people voted for the United Kingdom Independence Party (UKIP) whose anti-EU policy is at the core basis of all its messages. In the last six months, there has also been the emergence of left-wing euro scepticism within Britain, sparked by the way Greece has been treated as a member of the Eurozone. While it is logical for political and fiscal union to exist within the Eurozone, the stark truth is that it has become a machine for creating jobs and social stability in Germany while destroying them elsewhere. The EU ideal is, in effect, being smashed by the Eurozone, with the pursuit of fiscal targets obliterating the goal of social justice. Put another way, Germany is effectively playing the Eurozone in a mercantilist game and has smashed Greek sovereignty along the way. Already eyes are turning to possible similar scenarios in Italy and Spain. Britain has been watching this happen from the outside. Many new voices are now arguing that the Greek debacle has confirmed their worst fears – that the European institutions designed to defend social justice count for nothing.

### CHANGING TRADE PATTERNS

One thing is certain. The EU referendum will certainly disrupt Britain's economic relationship with Europe. Trade patterns will change. You only have to look across the Irish Sea. Horrible though it will sound

politically to some, the Republic of Ireland is, in effect, part of the United Kingdom economy. It also gains huge leverage from being an offshore financial centre linked closely to the City in London. What would happen to that relationship, in case of a British exit, would be extremely interesting. If Britain re-positions itself outside the EU, it will have to accept that its former close partners will aggressively try to eat into its business. I believe people who argue that a British exit from Europe would be unproblematic, and that the country would be able to compete in new areas by freeing itself of EU regulations, are deluding themselves. I don't think the British public would put up with extreme deregulation and the removal of protections. But I also believe that the British economy can survive the EU referendum. Yes, it would mean rapidly setting up bi-lateral trade and freedom-of-movement agreements, as well as a lot of legal changes. Large numbers of British citizens are dotted all over Europe, including half a million in Spain, while Britain itself has a large Polish workforce. All this, though, is manageable, as are the legal adjustments (it is amazing to think that Britain has no official constitution yet does have a de-facto one, in the form of the Lisbon treaty and various rulings of the European court. Britain joined the EU before any of the digital law was in place. EU digital law is thus British law). Britain's trade prospects, should it leave the EU, are hard to predict, especially since a new dynamic now exists – namely, the possible break-up of the euro zone.

### NEW BI-LATERAL RELATIONSHIPS

Greece has been treated so badly, and in such an exemplary way, that I can envisage easy pickings for an exited Britain in a series of bi-lateral relationships with such countries

as Denmark and Sweden on the one hand, and Greece, Italy, Spain on the other. Then there are old trading partners, like Portugal. There may be some disadvantages, but the US, China and India all manage to trade with the EU and so could Britain. And there could be positive aspects, should the euro zone fragment. Britain could become a hegemonic free-trade advocate in Western Europe. And should currency wars break out between the big blocs, which is entirely possible, having your own currency becomes quite useful.

It is also worth remembering that Britain's import-export profile has inverted over the past decade, with it now trading more with the rest of the world than with the EU. I don't think this was designed to happen, it is simply a measure of what Britain does – it is a very heavily service-oriented culture, with some great innovators in technology, aerospace and engineering. It remains a big economy, the fifth largest in the world, and many British businesses would be created to sell to Britain in the case of a EU referendum. Certain industries, however, could

## Key Points

- The euro zone crisis and fears of global currency wars have made an EU referendum more possible.
- Britain could lose out in some areas by leaving the EU but would have the chance of redesigning its workforce and economic model.
- Entrepreneurial State planning will be key if Britain is to reinvent itself as a modern, outward-looking nation.

## "MY CONCERN IS THAT THE EU REFERENDUM IS BEING CONTEMPLATED FOR NEGATIVE REASONS... THERE IS THUS AN ABSENCE OF VISION."

suffer, such as the auto industry and the City. The auto industry has several tiers of suppliers in Britain that are very important to British manufacturing. It is also important in terms of employment.

The City, meanwhile, is already competing with Frankfurt and Dublin-Galway and that would intensify. The City is not just one thing. There is an offshore part, which would probably prosper for not being in Europe, while there is a European finance aspect that it would maybe lose. Would certain banks and the insurance industry also leave? It is not clear, since these are global businesses.

### AN ECONOMIC RE-DESIGN

Focusing on individual industries and sectors, however, may be a red herring. More importantly, Britain could get the opportunity to re-design both its economic model and its workforce. Re-designing the workforce, through a type of 'green card' points system, could be easily done and would seem logical. One of the compelling reasons given for a British exit is for it to re-establish control of its borders. Some people, among the 3.8 million who feel they cannot compete for jobs with bi-lingual educated migrants willing to do low-paid, low-skilled jobs, oppose all forms of immigration.

Yet Britain, with its ageing population, desperately needs migration and needs young people for its economy to grow. It needs to legitimise migration and welcome legitimate immigrants, asylum seekers and those who have a right to come from the EU. Again, I am not advocating the EU referen-

dum, merely observing that, should it happen, a 'green card' system would be a straightforward way of countering the concerns of many sceptics while allowing Britain to redesign its workforce and acquire the skills it needs.

The country has a good, high-value, manufacturing or reproductive economy – there are workplaces in Manchester with 2,000-3,000 employees 'virtually' manufacturing airliners, making them on a mainframe linked to other centres in Canada and China. It is up there with world leaders. The problem is it is one of the least hospitable countries to that kind of business, compared to the likes of Canada, Bavaria and France, which have succeeded in creating huge clusters of such high-tech businesses.

### ABSENCE OF VISION

An economic redesign, however, would require State involvement, as well as an entrepreneurial, interventionist spirit and the ability to think big. I argue in my book<sup>1</sup> that, ideally, we should abandon neo-liberalism and save globalisation. Because you cannot have financially stimulated growth, and because it always ends in boom-busts that destroy part of the welfare state, I am very pessimistic about the future of the neo-liberal model of capitalism.

For me, the first trench to defend is multilateralism and globalisation. But, as in warfare, at a certain point you abandon one trench and fall back to defend the next, which is economic self-interest, the maintaining of social justice, lifestyles and a welfare state. I hope the EU referendum

issue does not turn into that. My concern is that the EU referendum is being contemplated for negative reasons, not positive ones. No one among the British political elite has signed up for it. There is thus an absence of vision. I do not believe the markets will sort everything out. Intervention will be key – but where are the big industrialists or economists, like Keynes or Lord Beaverbrook, with a positive vision of a different future?

Maybe someone will come along with a plausible plan for Britain as a modern, outward-looking, global actor, with an industrial policy, an entrepreneurial state and a welfare system. As yet, though, I do not know who that will be. To me, to attempt EU referendum without an industrial strategy would be tantamount to suicide.

<sup>1</sup> Paul Mason is the author of *Postcapitalism: A guide to our future*, published by Allen Lane 2015.



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### ABOUT

**Paul Mason** is a veteran British journalist, broadcaster and author. He is the Economics Editor of Channel 4 News, a role he held on BBC2's *Newsnight* programme.

## CLEAR BENEFITS OF UK MEMBERSHIP IN EU



by Stephany Griffith-Jones

**The case for UK membership in EU is so strong that it seems irresponsible David Cameron called a referendum on that.**

However, given it will take place, progressives need to clearly make the case for UK EU membership. The benefits of the EU start with its contribution to peace in Europe. Though there are frictions between EU countries, the Union has made a major contribution to peace in Europe, both directly and through the increased prosperity that it created. The UK contributes to this and benefits from it. The EU has for most of the time greatly contributed to growth, jobs and investment throughout the EU, including UK. It is true that growth and employment performance has been very poor in certain countries since Eurozone debt crisis started, but it is the role of progressives (including in the UK) to fight for a more pro-growth, pro-jobs design of European policy; it is also the role of British progressives to help promote structural transformation in the EU towards a greener, more inclusive and dynamic economy through a more entrepreneurial State, and higher investment, as Paul Mason argues. On this, and other important issues, UK influence is strengthened by being part of the EU. Another area is the crucial issue of climate change. Both in global negotiations, and in defining strategies for increased investment and structural transformation to a green economy, the UK in the EU will yield far greater influence and economic impact than isolated. Leaving the EU would be very problematic for UK trade, investment, jobs, production and finance. Trade with EU is close to 50% of total. A high proportion of Foreign Direct Investment comes from EU; other FDI enters UK, largely to access EU market. Integrated EU value chains provide high skilled jobs. Around 3 million UK jobs are linked directly to EU exports. Better financial regulation to curb volatility and a Financial Transactions Tax can be best achieved in a EU context. When I travel (e.g. to US and China), puzzled policy-makers and citizens ask me why the UK would want to leave the largest market in the world. There is no good reason.

**Stephany Griffith-Jones** is the Financial Markets Director at the Initiative for Policy Dialogue (IPD) at Columbia University, and a member of the FEPS Scientific Council.

## BEWARE THE NOTION OF BREXIT AS OPPORTUNITY, PAUL



by Tony Payne

**Paul Mason protests his neutrality as a journalist and broadcaster a tad too much.** He is in fact widely known for

the strength of his opinions and his radical and unorthodox approach to questions of political economy. In his essay he seeks to explore some of the economic opportunities that might be created for Britain by the EU referendum and it seems he at least finds them interesting, with certain advantages. He says confidently that 'the British economy can survive an EU referendum'. Of course, it would, albeit in my view in diminished shape and form. For example, he lists potential trading partners outside the EU and even envisions Britain as 'a hegemonic free-trade advocate in Western Europe. But no mention is made of the fact that Britain presently runs a substantial current account deficit, even as a member of the European Single Market. I agree completely with Paul that Britain needs to re-design its economic model and that this would require state involvement, an entrepreneurial, interventionist spirit and the ability, as once existed in Britain, to think big. Someone does indeed need to come along with such a plausible plan and, like Paul, I don't know either who that will be. It doesn't look as if it will be George Osborne who seems preoccupied with filling the gap created by inadequate public and private investment in Britain with the inflow of Chinese capital; and it's even less likely that it will be Jeremy Corbyn or indeed any of his defeated rivals in the recent contest for the leadership of the Labour party. My key point is to stress that Britain badly needs the industrial strategy that is espoused by Paul to be pursued inside a European Union that has found its way back to the vision of Delors and is itself pursuing a coherent industrial strategy in relation to the position of Europe as a whole within the global economic order.

**Tony Payne** is one of the Directors, along with Colin Hay, of the Sheffield Political Economy Research Institute (SPERI). Together they recently published *Civic Capitalism* (Polity Press, 2015).

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## **FACING EUROPE'S** *British question*

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*EU referendum would change not only the UK and its place in the world but also the EU. We need to think through what the withdrawal of one of the largest states from Europe's predominant organisation for politics, security and economics could mean for Britain and European geopolitics.*



by Tim Oliver



Martin Schulz, President of the European Parliament, and David Cameron, Prime Minister of the United Kingdom, during Martin Schulz's visit in London at 10, Downing Street, in June 2015.

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## “DOES THE EU WANT **BRITAIN INSIDE** THE TENT PISSING OUT, **OR OUTSIDE** THE EU TENT PISSING IN?”

**T**he EU's 'British Question' can appear a peripheral distraction about an awkward member state who is best left to sort out its problems on its own. Some may well wonder why bother with it when the EU faces security threats in Ukraine and Eastern Europe, when the

survival of the euro remains in doubt, when our screens are filled with images of the crisis in the Mediterranean and the bloody conflicts to Europe's south and south-east, to say nothing of long-term demographic and productivity problems or power shifts in an emerging multipolar world.

Yet the EU's 'British Question' is not one that can be easily overlooked. Think of UK-EU relations and the words that first come to mind might be 'vetoes', 'blackmail', 'reluctant', or 'awkward'. Yet Britain is not the awkward partner it is often made out to be. For all the problems associated with it, it would not be the EU's finest hour if it saw the departure – via a democratic vote – of one of the largest, most important countries in Europe, one that is a core part of European (and Western) identity, politics, economics, culture and power. It would change the EU. The very idea of European integration would be challenged. Competitors around the world would interpret it as yet another sign of European division and weakness. No European should rejoice at the prospect of another European country inflicting upon itself huge economic and political damage; such a move would reduce Europe as a whole.

### THE WITHDRAWAL TABOO

Discussing the EU referendum is still somewhat constrained by a taboo of discussing the withdrawal of a member state. This ignores that the EU, and not just Britain, faces a choice. To borrow from former US President Lyndon Johnson: does the EU want Britain inside the tent pissing out, or outside the EU tent pissing in? The issue will not go away if ignored. Ed Miliband, former leader of the UK's Labour Party, once warned that the UK risks sleepwalking out of the EU. The EU itself risks being asleep as the UK sleepwalks out the door.

An EU referendum could change the EU in a number of ways. The

EU's centre of power could shift further east, away from countries such as France. The loss of a large state would leave smaller states in a stronger position. The economically liberal and outward looking members would fear a shift towards more protectionist, interventionist policies. It could strengthen the power of Germany, although Berlin would lose a partner it looks to on open market issues. This rebalanced EU could be somewhat easier to lead, so long as an EU referendum does not begin the unravelling of the EU by making other states question their commitment. Concerns about commitment also hang over Cameron's aim for a renegotiated 'a la carte' UK-EU relationship. However the EU changes, we cannot overlook that the EU referendum will be one – albeit a big one – of a number of developments that will shape the EU's unity and leadership, not least of which will be reforms to the Eurozone. At the same time as the EU is changing, it will be busy negotiating a new UK-EU relationship. As required under the Lisbon Treaty's Article 50 – the withdrawal clause – the EU would have two years (extendable by mutual agreement) to agree on a new relationship with the UK. In Britain, a cacophony of Eurosceptic voices argue about which external relationship the UK should seek with the EU. Britain's debate often forgets that a relationship is a two-way process and not all about you. Whatever is agreed will have to meet the requirements of 27 member states and the European Parliament. Bilateral trading, security or political links with the UK will be important, but decision makers across Europe will look at the wider European picture as being a bigger concern. Britain's position and preferences will therefore have to be balanced with those of the EU's. It is unclear what the EU's preferences will be beyond preventing the UK from undercutting the EU's economy.

### GEOPOLITICAL ISSUES TO CONSIDER

The EU will not only have to think about UK-EU relations. Relations with the other parts of Europe outside the EU will need to be taken into account. Switzerland, Norway, Iceland, Turkey – perhaps even Ukraine – could find their relationships with the EU reshaped by any UK-EU deal. Approaches to the European Free Trade Area (EFTA) and the role of the European Economic Area (EEA) will

need careful thought.

Looking further afield, the rest of the world may view the EU's loss of one of its serious military powers as a sign of Europe's continued decline, division and weakness. Geopolitical thinking will shape the views of powers such as the USA, Russia or China. The USA, in particular, could be faced with some awkward questions. British talk of a 'special relationship' with the USA overlooks the size and importance to the USA of the wider transatlantic relationship. Europe and North America are more deeply entwined than any other two regions of the world. The NATO alliance, for all its problems, remains the foundation of Western defence. The EU is an organisation which along with NATO has provided the foundations for European security and cooperation. That the USA has backed European integration from the start is often overlooked, especially in the UK. It therefore came as no surprise that when asked recently about the EU referendum, President Obama made clear that "having the United Kingdom in the European Union gives us much greater confidence about the strength of the transatlantic union and is part of the cornerstone of institutions built after World War II that has made the world safer and more prosperous."

Obama's comments immediately drew the ire of British Eurosceptics who made clear they felt Britain's referendum was none of his – or anybody else's – business. They wanted to ignore that it is simply not credible for a US President – Republican or Democrat – to remain silent on an issue that could transform as close an ally such as the UK, change the EU, reshape the transatlantic relationship and the economic, political and security implications that would follow.

### WHAT PLACE FOR THE UK

What then for the UK itself and its place in Europe and the world? While some of the predictions about the economic and political costs to Britain from leaving the EU can be overly pessimistic, it is clear that there would be a cost and more than just the economic losses many focus on. British power has for a long time relied on the twin pillars of the EU and the transatlantic relationship. Other options of rebuilding the Commonwealth, of developing the 'Anglosphere', of joining NAFTA, or of becoming a 'Switzerland with nukes' lack much substance.

Whatever path Britain chooses, it will remain, as it always has been, a European power. Britain could therefore rue the European isolation it has brought upon itself thanks to ignoring, sidelining, or in some cases insulting some of its closest European allies.

Britain has seemed increasingly obsessed with minor issues of EU reform while the rest of the EU has been facing larger challenges with the Eurozone, Ukraine and the Mediterranean. That the 'British question' has become a fourth problem facing the EU passes largely unnoticed in UK politics. An EU referendum would add salt to the wounds, weakening further any sense that Britain is a reliable partner.

Finally, there is the future of the UK itself. From the outside it can seem as if David Cameron is pursuing a strategy that risks the unity of his government and country. The European question in UK politics is about more than just David Cameron's Conservative Party, but tensions within it have been key to triggering a referendum. Whether Cameron can hold his party together in such a referendum is open to doubt. The referendum could lead to the loss of Scotland. While the Scots are not the overly pro-Europeans they are made out to be, a vote by the rest of the UK to leave the EU while Scotland votes to stay would lead to another independence referendum. Perhaps more worryingly an EU referendum could lead to the peace process in Northern Ireland deteriorating into violence, a possible development that has led the Irish Government to make clear its hope that an EU referendum does not happen.



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### ABOUT

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# DON'T EXPECT A DOMINO EFFECT

## *A Swedish perspective*



by Jesper Bengtsson

**From our point of view the debate on EU referendum and the prospects of Great Britain leaving the EU might be a bit awkward. Is it really an option for the citizens of the UK? The common Swede does not seem to consider it such a serious threat to EU as it might very well be.**

Sweden has its own history of EU referendums. A first one was held in 1994, when we decided to join the club. Then, we did one about the Euro in 2003 and decided to stay outside. In both cases, the options were either status quo or a step forward. Not a return. Not something that could possibly change the direction of the whole Union as a political project. Today, the general public opinion is positive about the EU. According to the campaign polls before the European Parliament election last year, around 60 per cent of voters wanted Sweden to remain a member of the Union.

Looking more closely, Sweden is probably not far from the kind of debate that led to a referendum in the UK. The EU stands a lot of critique from the Swedish public. Parts of the labour force have suffered severely as a result of the competition in wages and working conditions from the new EU members from Eastern Europe. And yes, the extreme right populist and Eurosceptic party in the Swedish parliament, the Sweden democrats, has gained a lot of support over the last few years. It has grown from below 4 to around 20 per cent in 8 years. Among and within political parties, the issue of "yes or no" is still up for debate, and for a long time it has been possible to find both positions in most parties, regardless of their ideological colour. Today all parties (except Sweden Democrats and the Left party) have taken the middle ground: they are in favour of the Union, but it has to be leashed by its member states. There is no space for federal dreams in the Swedish political debate. No minimum EU taxes. Very limited social policies at European level. On these issues, UK and Sweden have often walked hand in hand, on the opposite side from countries like France or Germany.

### NO DOMINO EFFECT

EU referendum would change this dynamic. It would oxygenate the hard Eurosceptics in countries with a growing EU negative attitude. It will be countries like Sweden, but no one is vaccinated, not even

France, having its presidential election and Marine Le Pen's popularity in mind. This will make the debate (even more) focused on the down side of the European cooperation, neglecting other perspectives. I don't believe in a domino effect, it's hard to see any more immediate exits. But since the British referendum demands a renegotiation of the terms between EU and UK, other reasonably sceptic countries will want to have the same. And why wouldn't they? It's hard to imagine that such a process would benefit any other political force than the one that is on right now. The Sweden Democrats is developing in a way similar to that of most other countries in Europe. The issue of refugees and migration is the only thing we talk about in the public debate, very much like in the rest of the EU area. And in economic politics, the only times when the EU members seem to be able to reach agreements are when Merkel comes up with a new proposal for budget cuts.

We could wish for a more progressive agenda, for proposals on social welfare, gender issues and job creation, yet if the British debate and referendum opens up for a whole new round of negotiations, we can be pretty sure that the first demands will be more national restrictions on migration, on the free movement of people and a less binding social agenda, but business as usual when it comes to free trade and free movement of capital. This scenario would not only cut off one of the main pillars of EU, it would also create, not a two-speed Union, like many have predicted, but a one-speed Union with one group of core members, most likely the Euro-countries, and another group of loosely connected countries, whose influence would be very much like the one of Norway or Iceland. This should be deeply worrying for the political Left in all European countries. The alternative? One option would of course be to re-formulate a social democratic/progressive idea of what Europe could be. Jeremy Corbyn might be on to something when he talks about renegotiating the EU terms from a Left position. The only problem is that doing this from a one-nation perspective would most likely unleash a different set of political forces.

**Jesper Bengtsson** *is the Director and Editor-in-Chief of Tankesmedjan Tiden, based in Stockholm, Sweden.*

# THE USE OF DIRECT DEMOCRACY IN THE EUROPEAN UNION

*All EU countries are able to hold referenda, but practice varies considerably, depending on the provisions made for holding referenda in each state's constitution.*



by Andrew Gamble

**K**ey differences are whether referenda are binding or non-binding on the Government, and whether the constitution obliges States to hold referenda in certain circumstances, as in Ireland or Denmark, or whether, as in the case of the Netherlands and the UK, there needs to be a special law passed to make a referendum possible.

In some countries, such as Germany, there is little provision for direct democracy in the Constitution and referenda are as a result extremely rare. Priority is given instead to the representative institutions of the State, particularly the parliament, to determine policy.

Governments typically hold referenda because it is a constitutional requirement, for example whenever there is a major treaty change, or a fundamental alteration to the Constitution. Few States have followed Switzerland in allowing referenda to be held on any major public policy issue if sufficient voters request that one be held.

In most other States, citizens do not have the right to initiate referenda, since this is seen as usurping the role of elected representatives. The other reason Governments choose to hold referenda when they are not required to under the constitution is because there is a serious division of opinion on an issue and the Government seeks the legitimacy of a popular vote rather than just a parliamentary vote. Referenda of this kind are generally only called when a Government is confident of winning them, or when it is neutral on an issue, such as legalising divorce. Such referenda can backfire and either fail to resolve an issue or reject the Government's position, which can cause it to fall.

## TAKING CITIZENS INTO ACCOUNT

Those who favour referenda argue that they are one of the best ways to make governments more accountable to citizens, and

force them to take account of what voters actually want. The counter argument is that referenda over-simplify political issues, and that elected representatives are better able to take informed and considered decisions than voters in a referendum who may be swayed by many factors apart from the issue itself. But the same criticism is often made of legislatures, where the representatives may act in partisan and self-interested ways or be influenced by lobbies and special interests. The use of referenda changes the way decisions are made and encourages the rise of a more populist politics, and the development of techniques to sway public opinion on particular issues. Some fear that if referenda are not held regularly the disaffection of citizens will grow. The issue here is one of trust. In political systems where representatives still enjoy a high level of trust, citizens are mostly confident that their representatives will make

**"THE USE OF REFERENDA ENCOURAGES THE RISE OF MORE POPULIST POLITICS."**





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The Greek referendum on the terms of the bailout resulted in a decisive 'no'.

good decisions, and they are happy to leave it to them. The demand for more referenda arises because so many citizens no longer do trust their representatives, and a pervasive cynicism has arisen about the way political elites advance their own interests and ignore the public.

Referenda are only useful if they give a clear, unambiguous result, which is accepted by all sides and is then acted upon by the Government. In general, Governments have abided by the results of referenda even when they are not strictly obliged to do so (if for example a minimum threshold for turnout has not been reached). Sometimes a Government may accept the result of a referendum particularly if it has campaigned for it, but may not be able to implement the decision, because it does not have the power to do so. An example is the recent Greek referendum on the terms of the bailout offered by the EU and the IMF. Although the result was a decisive 'no', which was what the Government wanted, it was still forced to accept the creditors' terms, because the referendum result was not binding on them. Only

if the electorates of all the Eurozone states had participated in the referendum might the result have been binding, but no provision exists for such a referendum.

### A RISKY SOLUTION

If Governments hold referenda but do not accept the outcome this will undermine their legitimacy and credibility, but examples of this are extremely rare in democracies. More common is the device of holding a second referendum, as occurred in Ireland, if the result of the first referendum is not the one sought by the Government. More usually, Governments avoid holding a referendum in the first place if they suspect they will be defeated. The current aversion in the EU to significant new treaty change is because it would automatically trigger referenda in a number of states, which Governments could not be confident of winning. Many states as a result prefer to use referenda very sparingly, because once the sovereign people is asked a question, their answer cannot be disregarded without undermining that sovereignty and therefore the basis of legitimacy on which the state formally rests.

The EU has representative institutions but there is no European demos and no European Government. The EU remains formally an association of sovereign nation-states. There is no provision for EU-wide referenda. This means that member states are constrained by the treaty obligations they enter into and the resulting rules and regulations that have developed out of this. The larger states, particularly when they form alliances with other states, have the most influence on European policy and smaller states can find it hard to assert themselves. But the solution lies not in national referenda, which can only relate to matters under the direct control of national governments. If they are used as the Greeks attempted to use them as part of the negotiation with their creditors, they are likely to fail. The real choice in the Greek referendum was whether Greece should remain in the euro or not. But that was not the question the Government chose to put to its people.



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### ABOUT

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## THE UK-EU REFERENDUM

### *Sunlight or shadow over the EU's future?*

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*The British public's support for remaining an EU member is being questioned for the second time in 40 years. Will a referendum between now and the end of 2017 provide a final answer? No other member state – not even Greece with all its current woes – has asked its public whether it wishes to leave the Union.*



by Rory Watson



Jean-Claude Juncker, president of the European Commission and David Cameron, Prime Minister of the United Kingdom, during an EU Summit in Brussels in June 2015.

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**few million voters in one of the EU's largest and longest standing members will have a major impact on the**

**28-country bloc's future within the next two years.**

They could be the difference between support for the UK remaining part of the European project and departure from a Union that has consistently expanded since its beginnings in the 1950s. To bridge pro and anti-EU camps inside his own Conservative party, Prime Minister David Cameron is committed to renegotiating his country's relationship with Brussels and putting the question of EU membership to a nationwide referendum. With the negotiations taking place in the utmost secrecy, there are many, as former US Defence Secretary Donald Rumsfeld would say, "known unknowns". From a British perspective, they include Cameron's actual demands, the response he will receive from his EU partners, the impact of Labour's new leader Jeremy Corbyn on the British political scene and the overall popularity of the government when the referendum takes place. Voters' perception of the EU will also be influenced by its ability to handle major challenges ranging from the financial and migration crises to relations with Russia.

#### SUNLIGHT

A Yes vote, particularly if substantial, would be greeted with huge sighs of relief and could give the EU renewed vigour. Sir Nigel Sheinwald, a former UK ambassador to the EU and Washington, is clear of the benefits. "It would resolve, at least for a good number of years, one of Europe's existential problems. There is no doubt it is one of the things, but not the only one, tugging at the EU's effectiveness and unity," he says. Julian

Priestley, previously secretary general of the European Parliament, makes the point in more telling fashion from a different angle. "I do not share the view of those who say: 'What a relief if the UK – the most awkward member of the awkward squad – leaves. Now we can make progress.' You should not underestimate the risk of contagion." He points, in particular, to the use French National Front leader, Marine Le Pen, might make of a UK No vote, challenging her country to follow the British lead and take destiny back into their own hands. A Yes would undoubtedly take some wind out of the sails of Eurosceptic forces in other countries, although for how long is unclear. On the contrary, a No would definitely give renewed vigour to anti-EU sentiments.

Sir Sheinwald believes a Yes would remove some of the political and diplomatic reticence the UK currently displays towards EU business. "If Britain is a wholehearted member, it could lend weight to issues such as a more active foreign policy, more ambitious international trade goals and more effective efforts to solve the refugee crisis. Now, there is no active British voice at the table because of uncertainty about the future. A confident UK, part of the system again, would be a shot in the arm for the EU," he suggests. Priestley agrees. "A UK vote to stay in, if it is clear, could give the institutions and member states a little more courage to do what it takes," he suggests. In practical terms, Priestley, now a writer on EU affairs, points to the UK's determination "to work

### ***The question: should I stay or should I go?***

Voters will be asked: "Should the United Kingdom remain a member of the European Union or leave the European Union?" The phrasing is more cumbersome than the original proposal: "Should the United Kingdom remain a member of the European Union?." That required just a simple Yes or No. But the UK's Electoral Commission considered the wording encouraged voters towards the status quo. Recent polls suggest the rejected question would have given the Yes camp a 27-point lead. The question now featuring on the ballot paper reduces that lead to 18 points.

with the grain" on issues currently high up the European agenda, ranging from better regulation to creation of a digital single market. He predicts the UK could play a fuller role in military operations – as it is already doing in the clampdown on pirates off Somalia – and share some of "the heavy lifting" with Europe's other major military power, France. Yves Bertoncini, the director of the Jacques Delors Institute, is also convinced that an EU with the UK in its

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**"A YES VOTE, PARTICULARLY IF SUBSTANTIAL, WOULD BE GREETED WITH HUGE SIGHs OF RELIEF AND COULD GIVE THE EU RENEWED VIGOUR."**



## “THE EU IS NOW AT A CROSSROADS”



interview of Miriam Dalli



© Arend van Dam

### Queries: Would a Yes vote in the UK referendum make the EU stronger?

**Miriam Dalli:** It would put at rest this whole uncertainty. The UK is one of the longest standing member states. Coming from Malta, looking at the EU without the UK is not something I could envisage. The EU is now at a crossroads. Recently, we have had the financial and Greek crises. Now the refugee and migrant crisis, which I feel is make-or-break. I would like to see Britain as part of the EU because I believe that together all member states can make the EU stronger. You will always have problems. The question is how you deal with them. The way forward is for the 28 member states to address these issues together.

### Q: Would a Yes vote in the UK undercut Eurosceptic forces in other member states?

**MD:** I would like to look at it the other way round. A No vote would definitely give a stimulus to Eurosceptic forces in other countries. Anti-EU groups are looking to see what happens. This anti-EU mood is growing because, if you take the migrant crisis, people see 28 member states with 28 different policies and no impression of one clear EU policy. It is more difficult to say if a Yes vote

would undercut Eurosceptics. I think it would make them step back for a time. This does not necessarily mean they would not continue to flourish.

### Q: Would a Yes vote help restore the UK's reputation in Brussels?

**MD:** A Yes vote with a comfortable majority would give a strong signal that British citizens want to remain in the EU and are looking forward to actively participating as a leading country. The perception, rightly or wrongly, is that the UK has a majority of Eurosceptics. It is also a fact that several countries are holding back until they know the results of the renegotiation package. This will impact on British citizens, but also possibly on other member states.

### Q: Do you approve of a referendum to discuss and decide a complex issue like EU membership?

**MD:** A referendum is a democratic tool, but it can be tricky. It gives people a voice. But we are not speaking about something that is constant across time and will never change. We are speaking about something alive and evolving. That is why I believe answering in/out on such a complex issue is a bit tricky.

### Q: Would a Yes vote make it easier for countries wishing to move towards stronger economic and monetary union?

**MD:** I don't think the two issues are related. Whatever happens in the UK will have an impact on everything, but it remains to be seen whether that will mean a strong impact on more integration in the EMU.

**Miriam Dalli** is a Maltese Social & Democrat Member of the European Parliament.



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Jeremy Corbyn, leader of the Labour party, delivers the leaders' speech at the annual Labour party conference in Brighton, Britain.

ranks is inherently stronger, particularly viewed from afar. "If you look at the EU from Washington, Beijing, Brazilia or Abu Dhabi, it makes no sense for the UK to be outside," he says. On a different level, a Yes might remove the mark of Cain, which currently dogs many able British officials and politicians in Brussels, who are moved sideways or passed over for new responsibilities. Others hope that a clear Yes will kill the perception that British questioning of issues is Eurosceptic or even anti-European.

### **BOOSTING FURTHER EU INTEGRATION**

In some quarters, there is a strong feeling that settlement of the 'British question', whichever way the referendum goes, could give a spur to those, particularly in the Eurozone, wishing to move to a more integrated future. It is a view Andrew Duff, a member of the European Policy Centre's governing board and a former Liberal Democrat MEP, strongly shares. "Thought is being given now

to a new federal direction. I feel the general frustration with the UK can spur on this process," he says. Duff is advocating a new treaty to deepen fiscal integration within the Eurozone, but one that would have to be agreed by all 28 EU members – a fiscal compact inside the formal EU framework. He reasons that after being accommodated by his European partners, Cameron would have to accept the arrangement.

### **ON THE NEGOTIATING TABLE**

Any concessions Cameron secures are designed to win over voters in the UK, but could also have an impact, possibly limited, on the rest of the EU. Bertonecini agrees that some of the changes Cameron is seeking could increase democracy, transparency and competitiveness in the EU for the benefit of all. But he insists that these should not undermine the basic principle of free movement of people. A gesture could be made to give national parliaments more say in EU decision-making. Their

### ***Eligible voters: some more equal than others***

British, Irish and Commonwealth citizens living in the UK can vote in the referendum. So can UK nationals living outside the country for less than 15 years and Commonwealth citizens in Gibraltar. The only eligible EU citizens, even those living in the UK for years, apart from the Irish, are those from Malta and Cyprus. Frenchman Christian Allard has been elected a member of the Scottish Parliament, but can't vote in the referendum.

existing right, providing enough back the initiative, to ask the Commission to reconsider a legislative proposal has only been

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## “THE REFERENDUM WILL NEVER END THE DEBATE ABOUT THE EU”



interview of Richard Corbett

**Queries: Would a Yes vote put to bed the EU debate in the UK?**

**Richard Corbett:** It will never end the debate about the EU because we will still be part of it and there will be ongoing issues to discuss. It may put to bed for a lengthy period the idea that we should leave, unless the majority is extremely narrow.

**Q: The 2014 Scottish referendum was meant to resolve the independence issue for a generation. But it is bubbling up again.**

**RC:** To take that analogy with Scotland further: one allegation was that the pledge to transfer more powers to Scotland made just before the referendum had not been kept. Now, one potential scenario with Cameron's reform negotiations is that some of them are enshrined in promises or possibly as a protocol to be ratified in due course in a future treaty revision. So, there is a potential argument later about implementation with some alleging: 'Hang on, X, Y and Z were promised, but now you are watering them down'. Normally, however, you would expect a clear result will kill the exit issue for a generation.

**Q: The UK's current standing in the EU is not that high. Would a Yes vote restore it?**

**RC:** Not necessarily. One of the hazards of a referendum is that, to win the centre ground, you make all kinds of pledges. We promise X will never happen, we will always block Y, and then your hands are tied for a generation on what you can or cannot agree at European level.

**Q: How would a Yes vote strengthen the EU? A No would obviously weaken it, but is the converse true?**

**RC:** It would remove a sword of Damocles – the threat that a member state might walk out – and the EU could then focus on other things. But what Cameron negotiates would not necessarily make the EU stronger. There is a further danger. If Cameron receives all kinds of commitments and derogations, and seems to have succeeded by threatening to leave the EU, what is to stop someone else like Hungary's Viktor Orbán saying: 'Right, we have a few problems as well and we want this and that.'

**Q: It is not entirely clear what Cameron is looking for, but one thought is to give national parliaments more influence in EU decision-making. Would that be a good thing for the EU as a whole?**

**RC:** He seems to want to beef up the yellow card procedure that can be used to require the Commission to reconsider a legislative proposal if it is seen to violate the principle of subsidiarity. However, it has only been used twice in six years, so subsidiarity is not really a problem normally. Understandably, since most EU legislation is now about amending existing legislation so you have already had the arguments about whether to act at European level. A stronger yellow card could be an extra safeguard in the general interest, but not that of a particular country.

**Q: He also wants less red tape, but that is already happening.**

**RC:** Yes. If he has any sense, he will jump on the bandwagon of all the reforms happening anyway. Reform is not an event, it is a process. It is ongoing. It is what we do day in and day out. There are quite a few things going on at the moment where he could quite easily say: 'Yes, this is exactly what Britain wants.'

**Q: Some present the referendum as an exercise in direct democracy, but is it not the result of more basic political motives?**

**RC:** It was a promise Cameron made to hold his Tory party together ahead of the general election because they are irreconcilably divided on Europe. The right wing wants to leave under any circumstances. There is a relatively more moderate wing close to industry, which thinks all this is crazy, and there are a few shades in between. To avoid civil war ahead of the election, he said: 'Right, after the election, we will try and reform the EU and then put it to the people'. He possibly thought this might be negotiated away in a post-election coalition deal. That is how it started. Now he has to do it.

**Richard Corbett** is a British Social & Democrat Member of the European Parliament.

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used twice. Opponents of any change to the status quo fear it could complicate and slow down EU decision-making. However, some concessions would enable Cameron to claim satisfaction in his call for more democratic accountability. Jean-Claude Piris, the former head of the Council of Ministers legal service, recently outlined to MEPs possible ways ahead without changing the treaties. They include a commitment from the Commission to take national objections more seriously than in the past. Similarly, the UK government's call for a more competitive Europe with less red tape is being given a sympathetic hearing. Indeed, the process is already well under way in the current Commission. Sir Sheinwald considers this approach to be "helpful" to the UK. "It reinforces the idea that we are not a voice in the wilderness. It is mainstream EU policy," he notes. Others, however, are wary of any moves towards deregulation could have on social and environmental standards.

### SHADOW

Until the vote takes place there is a shadow over the UK's relationship with the EU. It is also creating uncertainty in investment

on the UK market. More importantly, a No result, however narrow, would start a complex and lengthy disengagement of the UK from the EU with major consequences for both sides. However, a Yes may not give the clear answer many are hoping for. The long-term sustainability of a narrow Yes would still be contested by diehard Eurosceptics. They would lick their wounds and wait to reopen the issue when they consider the omens to be better. One opportunity would come when Cameron's successor as conservative leader, probably in 2019, is appointed. Many of the pretenders to the position have openly displayed their anti-EU credentials. Another could be when a future EU treaty needs to be ratified, as is likely to be the case in the next five years or so. For Bertoncini, the debate on what he calls "optimisation of the UK's national interests" inside or outside the EU is likely to continue because of the country's specific historical, financial, political and trade make-up. Last year's referendum on Scottish independence clearly demonstrated that a vote on as a fundamental an issue as national sovereignty does not draw a line under it for a generation as was proclaimed at the time. Supporters of Scotland

## *Moses had 10 commandments, Cameron has five*

In a speech at Bloomberg in January 2013, the British Prime Minister set out his key principles:

- Competitiveness: a less bureaucratic EU helping member countries to compete
- Flexibility: an EU that can accommodate the diversity of its members
- Power: this should flow back to member states
- Democratic accountability: a bigger and more significant role for national parliaments
- Fairness: any new arrangements for the Eurozone must work fairly for both the ins and outs.

## *Referendum rerun: plus ça change...*

The looming referendum follows a domestic political pattern. In autumn 1974, the newly re-elected Labour government faced sharp differences in its own ranks between opponents and supporters of European Economic Community membership. Its response was to renegotiate the entry terms the Conservative government had secured barely two years earlier. The changes it secured were limited, but the government claimed it had achieved its negotiating objectives and recommended a Yes. In May 1975, 67% voted to stay in the EEC.

remaining inside the UK won 55:45. But since then, independence sentiment, energised by the campaign, has continued to grow. The UK referendum campaign and outcome will be closely watched throughout Europe and further afield. Cameron's decision to try to negotiate concessions on existing EU rights and obligations could spark copycat tactics from some other EU capitals. For the EU to emerge stronger and the UK to shed its angst about sharing sovereignty with like-minded partners, the Yes needs to be decisive.

# THE EU REFERENDUM AND THE UNITED KINGDOM'S MIGRATION POLICY

*At a time of political turmoil in the United Kingdom and growing economic and social inequalities, the migrant crisis is being used by eurosceptics to leverage the No camp. Despite the stir caused by the new Labour party leader, the Conservatives are in government with a majority for the next five years. Increasing tensions are taking a turn for the worse and the migrant crisis and the European Union are very contentious and unequivocally linked topics.*



by Ewa Duda-Mikulin

**E**urophobes argue that an EU referendum would reverse immigration, save taxpayers a lot of money and liberate the UK from an economic burden. Europhiles dismiss

these arguments and highlight that it would cause economic uncertainty and the loss of a lot of money and jobs. Yet, opinion polls are inconsistent as to whether the British public would vote 'yes' or 'no' to the EU referendum in the forthcoming referendum. At the same time, the business sector, somewhat cautiously, seems to remain pro-European and in favour of the single market, free movement of labour and the ability to expand without much regulation. That said, a regular Briton associates the EU with the post-2004 influx of migrants from the new Member States and perceives them as unwanted and a burden to the economy and social welfare, particularly in the aftermath of the global economic crisis of 2008.

## LIGHTER WALLET

Should the EU referendum happen, the business sector would lose out on relatively easily recruited labour; access to the European open market and, consequently, revenue. Due to the relatively longer, more costly and more complex process involved in recruiting from outside the EU, many sectors of the economy rely on EU workers (e.g. seasonal vegetable/fruit picking; manufacturing). The low-paid and low-status work, which is unpopular among the native workforce, would be prone to the labour shortages of pre-2004. From an economic point of view, staying in the EU may be troublesome but leaving would be more problematic. After the EU referendum, in order to grow, the UK economy would need to open up to trade with the rest of the world (e.g. USA, India, China). However, this would expose the UK labour market to a new level of competition from low-cost countries. A liberal policy for labour migration would help the UK to remain competitive outside the EU. This however, would

## Key Points

- An EU referendum could potentially contribute to the breakup of the EU and the UK.
- More than half of UK migrants come from outside of Europe.
- Leaving the EU is likely to lead to isolationism and a generally nastier society with a rise in inequality.



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Aerial view of the migrant camp known as the New Jungle Camp, near Calais (France).

not satisfy Eurosceptics, the majority of whom are pro-EU referendum as they wish to limit the free movement of workers, whereas this would not be in the best interest of the post-EU referendum UK. Although, economic migrants from the New Europe are net contributors, they are perceived as damaging British work-

more difficult for employers to recruit workers. Thus, the British government's emphasis on selecting the 'brightest and best', in other words cherry-picking, would become easier. In addition, reducing immigration to the 'tens of thousands' as Cameron pledged before the 2010 election and restated in

## "AN EU REFERENDUM COULD POTENTIALLY CURB IMMIGRATION TO THE UK BUT IT WOULD VERY LIKELY BE REPLACED BY A HIGHLY RESTRICTIVE SYSTEM."

ers' rights. Labour from outside of the EU would potentially be more harmful as some of them would be prepared to work for even lower wages in order to compete with the native workforce and the EU would halt acting as a safeguard.

### CHERRY-PICKING

It is uncertain what would happen in the event of the UK's exemption from EU migratory policy or what measures would be put in place in order to control migration. Most likely, the UK would opt for quotas in relation to different categories of migrants. A points-based system could be extended to apply to EU nationals. This would make it

2015, could finally be achieved. An EU referendum could potentially curb immigration to the UK but it would very likely be replaced by a highly restrictive system. This could lead to the UK becoming an increasingly isolated country with xenophobic attitudes and unsustainable economy. Having said that, the threat of an EU referendum made many EU migrants residing in the UK consider dual citizenship and there has been an increase in applications for British citizenship.

Besides, hypothetically speaking, if the UK was post-EU referendum and outside of the EU, this would probably not change a thing in relation to the current refugee crisis.

Indeed, it may be that without the relatively vocal UK, the rest of the Member States would agree on an EU-wide response more easily. In any case, linking what is seen as 'uncontrolled' migration to the UK with the EU is flawed, as the majority of migrants are non-EU nationals. Public opinion shifted towards an EU referendum as people associated it with being able to regain control of the UK borders. Right-wing Eurosceptics have gained more support by portraying the EU as an infringement on British national identity. What we need to realise is that migration is an inevitable part of human life, especially in today's world characterised by job uncertainty and increased mobility to meet economic and other demands. As Professor Bridget Anderson noted, migration is not the cause but the symptom of other problems. It is an ageless strategy to improve one's life and it will not end. No fences or water cannons will stop it.

### LIFESTYLE MIGRANTS

Finally, let's not forget about our own 'lifestyle migrants', as there are approximately two million UK citizens living in other EU countries. Let us take for example, the approximately one million relatively affluent people who have settled in Spain. For them, an EU referendum would mean no longer being entitled to free healthcare. The choice for them would be between a return to the UK or living in Spain and paying for healthcare. They would no longer be able to get the best of both worlds, yet I assume that they would keep enjoying their Mediterranean lifestyle while spending their British pensions there.

**Ewa Duda-Mikulín**

*is an academic currently based at the University of Salford, UK.*

## EU REFERENDUM: LOSING OPTIONS

*Restricting immigration to the EU is one of the prime themes for the EU referendum advocating Euroskeptics. Their assumption is: exiting the EU will allow Britain to better control the infiltration of foreigners from and via the EU, hence increase employment of national citizens, save expenditure on public services and welfare benefits, and stop the erroneously assumed redistribution of income from taxpayers to immigrants.*



by Sönke Schmidt

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**nfortunately, the current pre-referendum debate is not based on facts, but it seems critical to provide them, hence the importance of the contribution of Ewa Duda-Mikulin.** I also recommend “*The economic consequences of leaving the EU*”, published by

the Centre of European Reform in June 2015. A thorough cost/benefit analysis will probably result in the conclusion that exiting the EU does not really make sense, if the objective is to stem the influx of immigrants to Britain and enhance economic prosperity: an important part of EU citizens working in Britain occupy low-skill jobs for which there is not demand from British citizens, mainly from the EU Member States which joined the EU in 2004 and 2007. In addition, many Eastern European found jobs in highly skilled and well-paid echelons of the British labour market. Both segments together are rather complementary to than competing with existing nationally generated skills and demand for work. 2,7 million EU citizens born outside Britain live in Britain today, contribute to better economic results for all, help filling the demographic gap of an aging society, provide complementary skills, increase tax revenues and cross-subsidize social benefits: a win-win situation.

Hence, it does not make a lot of sense to cap EU immigration if the objective is to improve the prosperity of British citizens. Also, an EU referendum would not diminish demand for external labour. Recruitment would just become more bureaucratic, slow, costly, and most

likely less flexible. EU immigration would in parts be replaced by immigration from third countries, including in consequence of new trade partnerships with third countries, which would not fail to insist on visa facilitation and mobility clauses. The EU referendum would also deprive UK citizens of free movement and work in the EU, as the EU tends to insist on reciprocal bilateral relations with third countries. This is clearly not an attractive scenario for any future UK government, and neither for its citizens that have learned to take the comforts of the internal market for granted. A negative outcome of the referendum would thus trigger: an increasingly critical electorate wakening up to the sobering realities of self-isolationism; the beginning of complex negotiations with the EU to regain the amenities of modern life in Europe, but at higher costs for administrations, business, employees and citizens alike; and the opening of markets, including labour markets, to third countries in compensation of and competition with immigrants from the EU. Should Britain decide to leave the EU for good, the advantage of better control over immigration by EU citizens would be offset by less enjoyable consequences:

- British citizens would lose the amenities linked to the free movement to the EU. 1,8 million British citizens live currently outside their home country in the EU, where they currently enjoy equal rights;
- Although Britain does not participate in the EU migration and asylum policy it has, nevertheless, reserved its right to decide participation on a case-by-case basis. In this context, Britain acceded the Dublin Regulation, which allows sending asylum



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The United Kingdom and Ireland, member states of the European Union, are not part of the Schengen Area. Their borders thus remain an issue.

seekers back to the first country of arrival in the EU. A priori, Britain would lose that option, with subsequently less control over immigrant numbers and their qualifications;

- If Britain is committed to controlling the influx of refugees, it depends very much on the ability of the EU to establish a common asylum policy, inside and outside the EU, including effective relocation and resettlement mechanisms. At this point in time, Britain side-lines EU efforts towards solidarity-based asylum management, which actually “buffers” the migration of refugees to Britain. This “free-rider” attitude is not sustainable, and detrimental to both, EU responsibility sharing and the shared objective of regulated migration flows;

- Finally, exiting the EU would force Britain to seek new partnerships, including new trade arrangements with third countries such as India or China. It seems unlikely that the Britain would be able to contain these new relations from spreading into migration aspects to which many third countries attach high importance, in particular as it would have to (re-) negotiate separate return and readmission agreements. Hence, the UK would find itself confronted with less choices and “relief” from unwelcome international commitments than possibly expected.

By implication, potential short-term benefits derived from exiting the EU in the field of migration and free movement are likely to be offset by subsequent constraints of yet unforeseen EU referendum consequence management. As concerns migration and asylum policies, the risk is for Britain that a negative outcome of the referendum achieves the contrary of an increase in national sovereignty: a reduction of policy choices and the ability to control the flow of migrants and refugees.

Last but not least, there is a real danger that focus on internal

quarrels between Britain and the EU gains undue dominance over addressing the broader realities of the worst displacement and migration crisis since Second World War, and the launching of the European integration process. The EU needs to concentrate its forces towards the effective organisation of its internal and external response mechanisms. It would be a great advantage for Europe to be able to count on British engagement and support in view of a joint, if possible: integrated, approach to a more comprehensive and integrated common foreign policy, which includes the external dimension of migration, asylum and refugee policy. In this light, it would be important for the EU, including Britain, to:

- limit the pre-referendum negotiations in time and space, so as not to distract from the major challenges to match up to
- take due account of the special, notably historical and geographic concerns of Britain
- resist temptations and pressures to dilute the nature of European citizenship, and thereby the EU's future ability to act effectively, swiftly and comprehensively in order to stabilise the protection of populations inside and outside the EU.
- extend bilateral consultations beyond the EU internal market dimension of free movement and migration, with a view to engaging Britain in addressing the broader challenges

The stakes related to the British referendum are high. Indeed, by implication the referendum is also about the future shape of Europe and its competencies as a global actor.

**Sönke Schmidt** is *FEPS senior advisor on migration*.

# WHY CORBYN'S ELECTION HAS EUROPEAN IMPLICATIONS

*A point of view from Ireland*



by David Begg

**When asked about the impact of the 1789 French Revolution by President Nixon in 1978 the then Chinese Premier, Zhou Enlai, is reported to have replied 'It's too early to say'.** This answer could apply to a question about the future of Europe today. The Great Integration Project that has dominated policy for sixty years is facing existential crises on many fronts. The influx of refugees threatens to overwhelm the capacity of individual member states and has exposed unprecedented tensions between East and West. The fragile economic recovery is threatened by a global downturn, especially so because it is predicated on net exports. This post-recovery strategy was dealt a severe blow by the revelations affecting the car industry. Greece remains in intensive care.

And yet the clear lesson of the 2008 crisis is that a currency union is not sustainable on its own without a banking, fiscal, and, ultimately, political union. In truth European integration was always the ambition of the elite rather than the masses but for most of its sixty-year history it could proceed on the back of a permissive consensus. That is hardly likely to continue given the strains produced by the financial crisis.

The latest manifestation of popular discontent with mainstream politics is the election of Jeremy Corbyn as leader of the British Labour Party. The crucial question this raises from a European perspective is how is this likely to affect the forthcoming referendum on EU membership? Mr. Corbyn has long been a critic of Europe from a left-wing perspective.

The 2015 General Election in Britain saw the return of a majority Conservative Government and a party most of whom are firm Eurosceptics. So who will make the case for Europe? Last July Mr. Corbyn stated that if Prime Minister David Cameron negotiated away workers' rights and environmental protection as part of his renegotiation of Britain's membership of the EU, he would not rule out advocating a British exit in the proposed referendum. However, he appeared to moderate this position somewhat on winning the

Leadership of the Labour Party indicating that the party would campaign to stay in Europe regardless of the outcome of the negotiations. But does he really mean it and could he sustain that position given the popular uprising that elected him, if Cameron did secure a deal to water down employment rights? Could Mr. Corbyn sustain a pro-deal position in the event of the Trade Union Congress (TUC) coming out against the deal? One is forced to the conclusion that, without a committed political champion, the European cause is in peril in Britain. If EU referendum becomes a reality it will pile more pressure on the already floundering European Integration Project. Any one of the crises it faces would be challenging; coming together they pose a real threat to its sustainability.

Public policy in Ireland is firmly of the view that it is vital to Ireland's interest to keep Britain in the EU. But is this ultimately attainable? Britain may, as it did in 1975, vote to stay in the EU, but the inevitability of deeper Eurozone integration, and an enduring Euroscepticism, will tend towards a centrifugal force constantly pulling Britain and Europe in opposite directions.

Harold Wilson, the Prime Minister at the time of the 1975 Referendum used to boast that he had more Irish people in his Croydon constituency than in the whole of Ireland. In 2013 there were 412,658 Irish born in Britain but the total diaspora is much larger. It is estimated that as many as six million people – about 10% of the population – living in the UK have at least one Irish grandparent. How they will vote is anybody's guess but, having made their homes in Britain, one can speculate that they will vote for what they consider to be in Britain's interest.

*David Begg is Director of TASC. He was previously General Secretary of the Irish Congress of Trade Unions and spent five years as Chief Executive of Concern Worldwide in the late 1990s.*



# Choosing Scotland's Future

## A National Conversation



© Scottish Government

The Scottish First Minister, Alex Salmond, and the Deputy First Minister, Nicola Sturgeon. The 'No' won by 55.3% during the 2014 referendum on independence they had campaigned for.

## EUROPE AND THE FUTURE OF THE UNITED KINGDOM

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*The issue of the United Kingdom's place in the European Union has become deeply entangled with the future of the United Kingdom itself.*



by Michael Keating

# "SURVEYS OVER THE YEARS HAVE SHOWN THAT PEOPLE IN **THE PERIPHERAL NATIONS ARE, IF NOT EUROPHILES**, SLIGHTLY LESS EUROSCEPTIC THAN THEIR ENGLISH NEIGHBOURS."

**S**ince the 1980s, the EU has provided a vital external support system for proposals for Scottish independence. The Euro-

pean Union provides a crucial underpinning for the Northern Ireland peace settlement, providing for cross-border links and diffusing the vexed question of sovereignty. Wales poses less of a problem, as the constitutional issue is less acute. There would be a constitutional crisis should Scotland or Northern Ireland vote to stay in the EU while English votes forced them to leave.

Over the last year, polls have shown growing support for staying in Europe throughout the United Kingdom. Surveys over the years, however, have shown that people in the peripheral nations are, if not Europhiles, then slightly less Eurosceptic than their English neighbours. It is not that their nationalists are especially pro-European – supporters of all parties in Scotland are less Eurosceptic than their counterparts in England. Northern Ireland has similarly shown slight but consistently more pro-European attitudes than England since the peace process from the late 1990s. Catholics, who are mostly nationalists, have historically been more pro-European. We have fewer polls in Wales but its attitudes to Europe appear to lie between those in England and those in Scotland, perhaps closer to the former.

This suggests that, if the No side wins a narrow victory across the UK, Scotland and

Wales could vote the other way. The latest Scottish poll was a Panel Base survey in July showing that half of voters in England and Wales would opt to come out of the EU while two thirds of Scots would vote to stay in. A survey in Northern Ireland commissioned in August by Danske Bank showed a similar majority to Scotland in favour of staying in.

## POLITICAL INFLUENCE

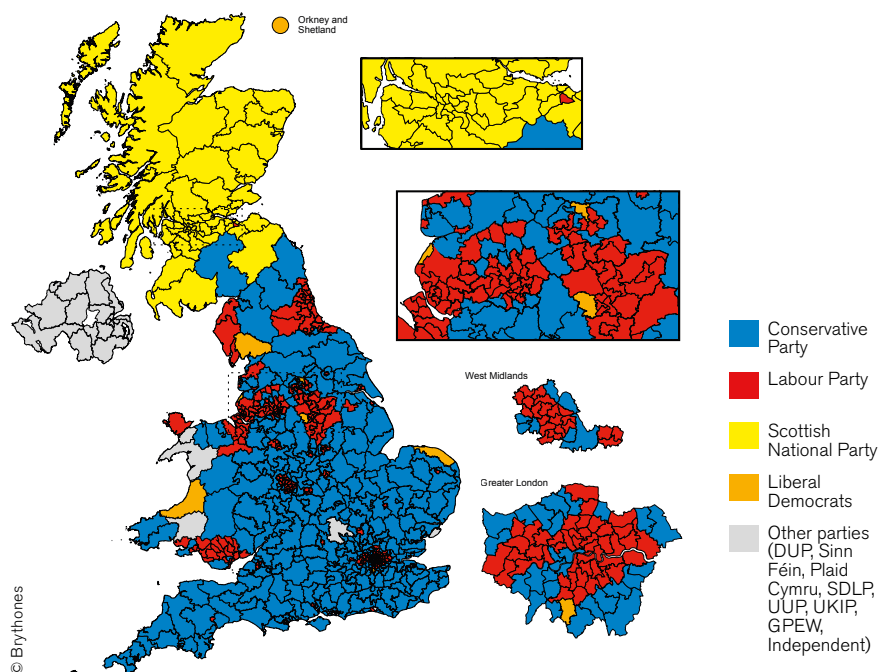
Voters are swayed by the way that issues are framed by opinion leaders in particular contexts. Here Scotland and Northern Ireland are different. They lack the obsession with Europe that marks some sections of the political class in England. UKIP is a minor presence in Scotland and the other parties are broadly pro-European. In Northern Ireland, the moderate nationalist Social and Democratic Labour Party and the centrist Alliance party have been consistently pro-European. The Democratic Unionist Party (DUP) was at one time stridently anti-European as was Sinn Féin. Both have moderated their positions. Sinn Féin backs continued EU membership in Northern Ireland although it has consistently backed the No campaign in European referendums in the Republic of Ireland. The DUP favoured an EU referendum and is given to Eurosceptic rhetoric, but in practice stands up for European funding. The Ulster Unionist Party lies in the middle. In Wales, both Labour and the nationalist Plaid Cymru are pro-Europe, but there is a significant presence of the anti-

European United Kingdom Independence Party (UKIP), which hardly features in Scotland.

Business, trades unions and civil society in Scotland and Northern Ireland are favourable to Europe and it is difficult to see where organized support for EU referendum would come from, in contrast to the well-organized Euroscepticism in England. European funding is particularly important in Northern Ireland, although in Scotland it has diminished.

## DISTINCT TERRITORIAL INTERESTS

There are distinct territorial interests in the current renegotiation although it is difficult to assess these given the lack of clarity about what exactly the UK Government wants. As it stands, the demands seem to be shrinking to control over migration and, as that itself is not possible, to changes in welfare to deter it. Successive Labour-Liberal Democrat and SNP administrations have taken a more expansive view of immigration on the grounds that Scotland needs to replenish its population to face demographic challenges and provide skills for development. The present Scottish Government has also reaffirmed its support of a social dimension to Europe, in contrast to the UK Conservatives. Changes in welfare benefits may impinge on the competences of the Northern Ireland Assembly, which has already clashed with London on welfare reform and the new responsibilities being devolved to Scotland in the aftermath of the referendum.



Results of the 2015 UK general election.

Both Scottish First Minister Nicola Sturgeon and Northern Ireland Deputy Minister Martin McGuinness have demanded a separate binding vote in their own territories on EU exit but it is difficult to see this being accepted by Westminster, and it would deny the English their own right of self-determination. It is not possible to envisage the largest part of a state outside the EU while the smaller parts remain in. The situation with Denmark and Greenland is the reverse.

A Scottish vote to stay in while the UK as a whole voted to come out would certainly trigger a new independence referendum, which would have every chance of winning. Yet the SNP has shown hesitancy in its commitment. Its independence proposals suggested that Scotland would inherit much of the UK's relationship with Europe, including the opt-outs. For obvious political reasons, it dropped suggestions of joining the Euro and opted for retaining the Pound Sterling, which would leave it in the UK monetary zone, detached from the central core of the Union. Northern Ireland's position is more

difficult since it does not have an independence option, merely the right to unite with the Republic of Ireland, an option strongly opposed by the majority unionist population.

### COMPLICATED SITUATIONS

Scotland and Northern Ireland are caught in a triple political turmoil: Europe's crisis; the UK's troubled relationship with Europe; and their own continued debate about its place within the UK. There are three scenarios for the EU. It could collapse under the weight of the Euro crisis and its failures over foreign policy and migration. It could respond to these by tighter integration and a federal union. It could divide between a core of countries committed to closer union and a semi-detached periphery. The United Kingdom could leave the EU altogether, join a federal union (highly unlikely), or negotiate a semi-detached relationship on the periphery.

Scotland's choices follow from these. It could leave the EU along with the rest of the UK. It might leave the UK and stay in the EU, but

it would need to decide whether it is to be a core or a peripheral EU member. Finally it could stay within both the UK and the EU and muddle through constitutionally as it gained more powers and the UK Government managed to contain Euroscepticism – but it could find reconciling the two increasingly difficult.

Northern Ireland's situation is even more complex. Were it to be taken out of the EU as part of the UK, the EU's external border would separate it from the Republic of Ireland, with big economic and political consequences. Yet changing its external relationships, balanced as they are between the United Kingdom, the Republic of Ireland and Europe, would destabilize the internal settlement, which remains precarious.

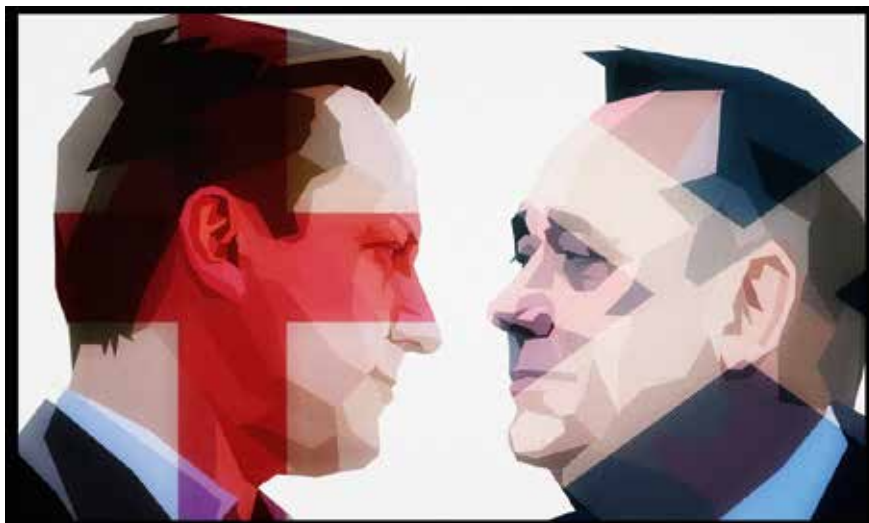
The EU renegotiation is to be conducted by the UK Government, with a predominant role for the Treasury, traditionally a centralizing force within the state. There are promises of consultation with the devolved authorities, as with civil society. The Scottish, Northern Irish and Welsh administrations, for their part, have called for something stronger, given their specific interests and the existing convention that their powers should not be changed without their agreement. Given the linkages between EU reform and the internal constitution of the United Kingdom, there is certainly a case for arguing that these negotiations should not be a Whitehall monopoly.

**Michael Keating** is Professor of Politics at the University of Aberdeen, Director of the Centre on Constitutional Change and Senior Fellow in the ESRC's 'UK in a Changing Europe' programme.

# THE CONSEQUENCE OF THE EU REFERENDUM



by Ivana Bartoletti



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**B**rexit would be bad for Britain and it would be bad for Europe. Those in favour of Britain's membership of the EU have long assumed that the merits of economic integration, the appeal to the head over the heart, would win any vote.

This no longer seems true. One thing we can learn from the Scottish referendum is: do not let one side own the emotional argument. This is the background of what is going on in the UK at present— the migrant and refugee are being waved about like trophies by the euro-sceptics. The NO to Europe campaign has just kicked off, alongside ambiguity from the Prime Minister, the wannabe leaders of the Tories using Europe as a football for political goal scoring, and the tone on immigration reaching a new low in recent weeks: all this makes it near impossible to have an honest debate. But one thing is clear – emotions will matter. An EU referendum would open up complex situations beyond England. First, in Ireland, exiting Europe would bring many uncertainties. One is the future sustainability of the Northern Ireland peace process, as both Northern Irish Unionists and Republicans could use an EU referendum for their own ends. In Scotland,

a referendum was just won by the 'no to independence' campaign – however, the Scottish National Party (SNP) hope to use the EU referendum as a wedge to trigger a second Scottish plebiscite. They argue that it would amount to a constitutional crisis if Scotland and England were to vote for opposing results. The reality is that the EU referendum would trigger uncertainty and inflame independentism everywhere across Europe, too. But – to win the referendum and for Britain to stay in – a cold and transactional sell is not going to work. It'll need emotions to get a YES REMAIN in Europe vote out, which will be tricky in a country where passion for Europe has often been lukewarm.

## ABOUT

*Ivana Bartoletti is Vice-Chair of the Fabian Society and sits on the Executive of the Labour Movement for Europe. She is standing for Labour in the 2016 London Assembly elections.*



# BETTER IN THAN OUT

## *A point of view from Catalonia*



by José Montilla

**Citizens of the United Kingdom will be asked to decide whether or not the UK should remain a member of the European Union.** Voters called upon to choose between these options will need to sort their way through everything from sweeping, emotionally charged pro-sovereignty and anti-immigration arguments to finer reasoning linked to specific national economic and financial interests. The seeds of a new wave of anti-European nationalism sown by right-wing Eurosceptics in the United Kingdom and other EU countries are finding fertile ground in the resentment stoked by a lingering financial crisis and the failure of European institutions to take the decisions needed to end it. Fearful of losing votes to UKIP in the recent general elections, Conservative Party leader David Cameron pledged to hold a public referendum on EU membership. He is now prisoner to this campaign rhetoric. I believe, as does the Labour party, that the referendum initiative is a mistake.

However, I also understand that in view of the ongoing development of the European monetary union—a process in which the United Kingdom, like other member states outside the euro zone, is not involved—the British government must look out for its present and future interests. In my opinion, the UK would be better positioned to do so as a member of the EU than as an outsider and there is no real need for a referendum. The Prime Minister has nonetheless made a clear commitment. The referendum is to take place before 2017, following a (perhaps excessively) long period of negotiation with the European Commission and the European Council. Some of the proposals aired to date would require modification of existing treaties, a difficult task given the fact that any amendment of these documents would be contingent upon the unanimous agreement of all member states. However, treaty modification is currently on the European agenda.

Others of a more technical nature concern the status of the City and trade relations in light of plans to enhance coordination between euro zone countries on matters related to economic, tax and finance policy, a move these countries deem necessary to successfully deal with future global economic crises. Unless all the parties involved manage to set their emotions aside and calmly

weigh the pros and cons of each and every decision to be made, initial referendum debates will most likely focus on heated issues such as sovereignty and immigration and all others will be relegated to the back burner.

The defence of national sovereignty, especially if couched in grandiose and sentimental terms, is bound to be a weighty issue. In any case, the present situation in which the influence of economic and financial players extends beyond national borders has rendered traditional conceptions of sovereignty obsolete. Now is the time to speak in terms of shared sovereignty and work to ensure that all these aspects of sovereignty are transparent and governed by democratic mechanisms. Immigration and the mobility of European citizens are two more areas of concern that will undoubtedly be central campaign topics. It is easy to play upon working-class fears that the arrival of newcomers in search of jobs and livelihoods presents a potential threat to their rights. The unwillingness to guarantee equal rights for all EU citizens and implement intelligent, humane policies on immigration from outside the EU can only be assuaged through awareness-raising, clear rules and strong mechanisms for preventing fraud and abuse. Immigration is an area that must be subject to oversight, much the same as the labour market, financial transactions and tax compliance.

Cameron knows that he must win this referendum. To do so, he must present positive results that will boost the “yes” vote. During the course of these negotiations, all of us, first and foremost the British, will be vulnerable to the temptation to use fear and emotion to gain the upper hand on more domestic issues. As a clear majority “yes” vote on this issue is of the utmost importance to us all, we must work together to convince the British people that EU membership is their best option—without exposing the European project to any form of political blackmail, which would be unacceptable.

**José Montilla** *is President of Fundació Rafael Campalans and former President of the Government of Catalonia.*

# CORBYN AND EUROPE

*The remarkable insurgency that led to Jeremy Corbyn's victory in Labour's ensuing leadership election had little if anything to do with Europe. But Europe has already played a crucial role in defining his leadership, with helpful results, somewhat improbably, for the pro European cause in the coming referendum.*



by Roger Liddle

**T**his leadership election was Labour's first full-throated experiment in 'one member, one vote' direct and open democracy. Corbyn won by a landslide in an electorate of 550,000 that had been greatly enlarged beyond the party's long-standing membership of around 200,000 on the basis of new rules never previously tested. This gives him an impressive mandate to lead the Labour party in a new direction that his opponents will have difficulty in challenging. The process bore some resemblance to the open primary of Socialist party supporters in which François Hollande had emerged as the PS's undisputed candidate for the French presidency – but not much. Because the election was so rushed, as a result of Ed Miliband's impulsive decision to abandon ship, no systematic effort was made to recruit the millions who had been canvassed as Labour supporters in the weeks and months before, despite the fact that Labour had the computerised records to make this possible.

## THREE CAMPS

Instead the new recruits to the Labour electorate fell into three main camps:

- First, trade union affiliate voters were recruited by paid phone

banks, with the largest effort being financed by Len McCluskey's Unite, explicitly motivated by its wish to rally support for the union's anti-austerity nominee, Jeremy Corbyn.

- Second, former Labour party members rejoined the party in a flush of renewed enthusiasm. Many of these are ageing more than young, and come from a group long disillusioned with the New Labour hegemony of the past two decades. A small minority are Hard Leftists and former Trotskyists who had long given up the

**“CORBYN WILL NOT WANT TO VENTURE DOWN THE ROAD OF APPEASING ANTI-MIGRATION POPULISM: HIS ONLY CONCESSION TO THAT STRAND OF OPINION WILL BE TO CAMPAIGN AGAINST ‘SOCIAL DUMPING’.**



Jeremy Corbyn after the announcement of his election as the new leader of the Labour Party.

ghost, or even been expelled or barred from public office in the late 1980s and early 1990s, but their numbers were swelled by a much larger group who were disappointed by what they saw (part fair, part unfair) as Blair's limited achievement in government despite his overwhelming mandate, the disaster of Iraq, and the general sense of drift, lack of vision and mission that set in after 2005. For this group, Ed Miliband made matters much worse by rubbishing New Labour but proving incapable of offering a more compelling alternative.

- Third, there were the £3 registered supporters, largely recruited through social media, who wanted to stick up two fingers to established politics (and one can understand why) and for the first time could do it painlessly through a couple of clicks on their tablet device.

Corbyn was the beneficiary of what became a tidal wave. For many who supported him, the fact that he had been an MP for thirty-two years and never exercised any position of responsibility (other than devotedly representing his Islington North constituents) was a recommendation, not a cause of doubt. They were indifferent to his record of support for *recherché* left-wing causes and in British terms, his unusual and eccentric if not dangerous worldview. The fact that Corbyn has held views consistently which pollsters

will argue that on any objective analysis, guarantee his total 'unelectability', counted for nothing. Corbyn was helped by the fact that none of the other leadership candidates were seen to offer the necessary combination of vision and inspiration with electoral appeal. This proved to be a moment in Labour's history (and there have been others in the past) when being true to yourself and your values mattered far more than the demeaning and careerist question of how to win the power to secure real change. For a fleeting moment in our political history, Corbyn became a symbol of integrity and honesty as well as a vehicle for the rejection of establishment politics.

### A TRICKY POSITIONING

During the leadership campaign, his opponents all challenged Corbyn on his long record of opposition to British membership of the European Union. They sensed a weakness in Corbyn's position with party members and supporters. But Corbyn was allowed to dodge the question. He was not forced to explain why he thought it right potentially to line himself up alongside Nigel Farage, a phalanx of Eurosceptic Tories and right-wing press proprietors, in wanting to pull Britain out of Europe. Instead throughout the campaign, he got away with equivocation. He was

## “SO WHERE DOES ALL THIS TURMOIL LEAVE LABOUR ON EUROPE? PARADOXICALLY, POSSIBLY IN A BETTER PLACE THAN IF EITHER ANDY BURNHAM OR YVETTE COOPER WOULD HAVE WON THE LEADERSHIP.”

not going to commit to one side or the other in the referendum until he knew the terms. He was not going to offer David Cameron a blank cheque in his renegotiation. Corbyn complained of the treatment of Greece, the presumed risks of a neo liberal TTIP, and the intentions of Cameron, or at least many Conservatives, to unwind European social legislation. However he did not condemn the EU out of hand, as he would regularly have done in the 1970s, 80s and 90s, as a capitalist club, with a free market ideology and rules that would obstruct the implementation of socialist economic policies in the UK. For he must realise that the world has moved on, there are divided views about the European Union on the far left, and not many of his close friends and allies are any longer prepared to argue for a national strategy of socialist protectionism, which is essentially what Tony Benn's alternative economic strategy in the 1970s and 80s amounted to.

The Monday morning after Corbyn's extraordinary victory on Saturday September 12<sup>th</sup>, this equivocation came to a head. The newly appointed Shadow Foreign Secretary, Hilary Benn (a 'Benn, but not a Bennite' as he happily describes himself), was interviewed on the Today programme. Asked where Labour now stood on the Europe referendum, Benn stated without any qualification that Jeremy Corbyn would campaign for Britain to remain a member of the EU whatever the outcome of David Cameron's renegotiation. At Corbyn's first encounter with Parliamentary Labour Party as its Leader that same evening, many members came away alarmed, having gained a different impression. After two days of speculation, Pat McFadden agreed to remain Shadow Minister of Europe having secured an unequivocal statement from Corbyn that under his leadership, Labour would campaign for a vote to remain. Corbyn agreed to back Alan Johnson as leading a distinct and official Labour pro European campaign.

### STICKING TO THE WORD

Leading pro Europeans in the party are confident that this positive position will now hold. It could still come under some pressure from the trade unions if Cameron's renegotiation is seen to weaken social rights. But it sailed through Labour's conference without a

voice being raised in opposition to Labour's support for our continued EU membership: a remarkably strong and encouraging consensus bound the conference hall together. There is a new confidence that Corbyn will stick to his word. Instead Labour will campaign to 'reform' in a socialist direction as Corbyn set out in an article in the Financial Times: the problem will then be how many allies for his new approach Corbyn can identify not just among the centre-right governments who now dominate the EU, but amongst other mainstream social-democratic parties.

So where does all this turmoil leave Labour on Europe? Paradoxically, possibly in a better place than if either Andy Burnham or Yvette Cooper would have won the leadership. While they are both strong instinctive pro Europeans, they would have come under immense pressure from Labour MPs fearful of UKIP to downplay Labour's European commitment: the likelihood is that they would have compromised in some way with that pressure, particularly on immigration. Corbyn will not want to venture down the road of appeasing anti-migration populism: his only concession to that strand of opinion will be to campaign against 'social dumping'.

Corbyn however will not be a particularly effective spokesperson with the public of the case for Britain's EU membership in the referendum. He is not the kind of leader of the Labour party who would appeal to, or persuade to go the polls, what is left of Labour's traditional working class base, which may otherwise be tempted by Nigel Farage's populism or sunk in apathy on an issue that excites them little. On the other hand, Corbyn's position of formal support for Britain's continued membership makes it difficult for other voices on the Left and in the trade unions to campaign credibly for an EU referendum. Also Alan Johnson is potentially the Labour politician with the widest public appeal best able to make the pro European case. If the outcome is to bolster Johnson's confidence in the affection and respect in which he is held among the public, so much the better for Europe and the Labour party.

**Roger Liddle** is Chairperson of Policy Network and Pro-Chancellor of the University of Lancaster.



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# THE EU REFERENDUM AS SEEN FROM...

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The EU referendum will not only impact the relations between the United Kingdom and the European Union. Four international experts analyse what could be its impact on their home countries: the United States, China, Australia, and India, four countries with strong historic, economic and geopolitical ties with the United Kingdom.



1

## CHINA

**Cui Hongjian**

Senior Fellow and Director of European Studies at China Institute of International Studies

3

## USA

**Michael Kennedy**

Professor of Sociology and International and Public Affairs at Brown University

2

## INDIA

**Klaus Voll**

FEPS Advisor on Asia

4

## AUSTRALIA

**Michael Cooney**

Executive Director of Chifley Research Centre



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## THE EU REFERENDUM AND WHY CHINA IS CONCERNED ABOUT IT

*For the Chinese media, President Xi's forthcoming visit to Britain is the biggest concern, but for serious observers in China, the focus is still the "Exit Referendum".*



by Cui Hongjian

**W**

**hile most Chinese people are excited about the invitation sent by the Queen to**

**Mr. Xi and his wife to a reception at Buckingham Palace, I regard this visit as determining for the joint fate of Britain and EU.**

Understandably, most Chinese observers do not think that Britain will eventually "exit" from EU, even if they recognize that the results of referenda are full of unknowns. The reasons are, firstly, that Chinese observers believe that a more favorable choice for Britain is to stay in the EU because of the huge economic interests. The UK would otherwise have to bear huge losses. This "economic interest analysis" is the main perspective that most Chinese analysts prefer to apply when they make judgments on international affairs, which relating to China's development experience and understanding of its relations with the world. Second, they also believe that Mr. Cameron is not willing to be the leader of a country that lost its EU membership, just as he would not like to take the responsibility for the loss of Scotland. Thus, his government and party will do everything in their power to prevent a withdrawal. The third reason is that the Chinese are unfamiliar with referenda, and

it is not regarded as a reliable and solemn way of political decision-making. It gives the impression that the government runs away from its responsibilities, while giving opportunities to populists. As an analogy, the "political risk" in the Scottish referendum is often to describe the uncertainty of the referendum itself and the huge "waste" of political resources. Last but not least, most Chinese observers have a positive attitude towards European integration and its product, EU, and tend to see a united Europe, not a divided one. "To support European integration" is not only Chinese government official rhetoric. This could be attributed to the EU's achievements in resolving regional peace and development issues and its external image as a "soft power". Naturally, those supporters of European integration are not willing to see the unexpected or reversed situation, any "exit" situation, whether it happens in Greece or Britain. The main reason for China's concern about the referendum is that the results will impact China-Britain and China-EU relations greatly, especially if British people say "no" to EU. China has huge economic interests in Britain and looks forward to more cooperation with this important economic and trade partner in Europe. Moreover, it is also an European matter, as if British people choose to leave the EU, China will take time to assess the

impact and make sense of the new model of relationship between Britain and EU. No matter which model is chosen, China would have to adjust its policy vis-à-vis Britain based on the results of its assessment. Since there is no "regulation" from Brussels, the two sides can get more space and potential for their cooperation in various fields (finance, energy, green economy and infrastructure). But as a price, China's expectation that a "market liberal" Britain can play a more positive and leading role within EU may fall. When the United States had a hostile positioning and other European countries hesitated, Britain became the first western economy to join the AIB, which has won a good impression from China. China is naturally hoping that Britain will become a "strong supporter" of China in the West as Prime Minister Mr. Cameron claimed during his visit. If Britain is out of the EU, its pragmatic and positive policy towards China will have less "demonstration effect" to other EU countries, and this is not what China would like to see.

**Cui Hongjian** is a senior research fellow and Director of the Department for European Studies at China Institute of International Studies (CIIS).



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## EU REFERENDUM PUTS BRITAIN'S IMPORTANCE IN INDIA AT RISK

*A potential EU referendum will not really impact Britain's relations with India. But it could lower its own prestige and weaken the EU, therefore reducing the potential for comprehensive EU-India strategic cooperation.*



by Klaus Voll

**I**ndia has a special relationship with Britain. Its colonial rule led to deep undercurrents of influence in independent India. Contrary to its actual weight, Britain attracted special attention of India's small foreign policy elite. "The United Kingdom has strong all-round ties with India due to the colonial heritage. It is an English speaking country. Its membership of the EU enables it to play a useful mediating role in India-EU relations. Its exit would mean that an important and influential country, with close relations with and understanding of India, would no longer be available in helping relations with the EU," says Shyam Saran, a former Foreign Secretary.

Britain acted as a kind of informal "spokesperson" for other European countries and the European Union with India, particularly with regard to contentious issues. Now, various European countries compete in their efforts to expand their trade, investments and political relations with India, irrespective of problems like getting licenses, land and environmental clearances. For Shyam Saran, "in the recent few years, India is increasingly looking to Germany to be its key partner in the EU."

India has its own difficulties in understanding the complexities of the EU. For Rajorshi Roy, Institute for Defence Studies and Analyses (IDSA), "EU referendum is unlikely to have a meaningful impact on India's ties with either Britain or the EU. As PM Modi's visit to Europe this year indicates – where he visited Germany and France but skipped Brussels – India has put a lot of emphasis on building bilateral ties with European countries." India is not adequately grasping the pan-European character and policies of the EU. Some even insinuate, that the Indian government tried in certain cases to play one European country against another.

A sizeable community of Indians is living in Britain. There is also a fairly strong presence of Indian enterprises. Tata Motors acquired prestigious status symbols of the English car industry. India is the third largest source of Foreign direct investment (FDI) to the UK, according to Kunal Nathwani, ex-Gateway House, Mumbai. He argues that EU referendum would affect UK's position as a financial hub and India's FDI into the UK, being a kind of "gateway to Europe" for Japanese, Chinese and Indian companies, and facilitating access to the common market.

A potential British exit from the EU is currently not publicly discussed in India.

For Shashi Tharoor, a member of India's Lok Sabha (Lower House) for the Congress Party, "no one in India has paid much attention to a EU referendum. The focus was on Scotland's future in the UK, and now the Labour leadership. They will wake up to EU referendum next year in the lead-up to the EU-Referendum."

H. K. Dua, a nominated Member of the Rajya Sabha (Upper House) and well-known journalist, observes: "Frankly, India has never taken Britain seriously as a member of the European Union. It has dealt with Britain as the UK. I don't think even Britain takes its membership of the EU seriously. Whether Britain is in the EU or stages a EU referendum, it does not have an impact on the relationship between India and Britain." Prem Shankar Jha, who does not anticipate EU referendum, maintains that in case it would happen, "it does not affect us. But the relative importance of Britain might go down."

**Klaus Voll is FEPS Advisor on Asia and one of the few European political experts on contemporary India. He has edited the standard-work "Rising India – Europe's Partner?" in 2006.**



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## EU REFERENDUM, ÜBERMENSCH<sup>1</sup> ESCAPISM, AND ANGLO-AMERICAN-EUROPEAN SOLIDARITY

*Someday we ought to make a list of those great debates that serve as great distractions. An EU referendum offers no solution to the issues that plague the world, and would only make things worse. Every sensible and informed American would agree. The special relationship between our two countries would only sour on the EU referendum, unless America elects its own distraction.*



by Michael Kennedy

**T**he United States is the most powerful actor in the world, but even it is caught in webs of entanglement that make the kind of rhetoric underlying the EU referendum seem like schoolhouse bravado.

There is one agent in the world, however, who shows what such bravado can yield. The advocates of the EU referendum should find inspiration in Putin's approach to global relations. We don't know if the solidarity of Europe and North America can maintain sanctions on Russia sufficiently long for an alternative to Putin's east-European practice to emerge, but there is no doubt that Putinesque Russian positions in defining a new world order would be enhanced by a diminished European Union made by an EU referendum. Of course the advocates of the EU referendum don't care about that, but they should also recognize that the United Kingdom's special relationship with the USA will be a more immediate casualty. The European Union's significance for the USA is far greater, in economic, diplomatic, and military terms, than Britain's.

In the end, there is no upside for the USA in an EU referendum. When President Obama declared his support for the UK remaining in the EU, he was, simply, being empirical. But the EU referendum is not based on realistic thinking, or even ideology. It may have been David Cameron's calculation to increase his bargaining power in the EU's internal reform, but its attraction rests, in the end, on what fuels Donald Trump. He is America's EU referendum.

Donald Trump expresses the outrage many ordinary citizens across Europe and America feel at their authorities. He is a kind of Übermensch giving the frustrated license to declare those with whom they disagree to be stupid. The EU referendum and Trump are expressions of the same frustration: if only we could be independent of entanglements, we would be free to be rich and to be ourselves.

Those promoting Übermensch escapism use the refugee crisis in the EU, and migrants in the USA, to mobilize fear, and to distract citizens from inequalities among their number. In the USA, Bernie Sanders is mobilizing an honest and dignified alternative to fear, just as so many EU citizens exemplify a solidarity based on love for

humanity. There is an alternative. David Cameron is no Trump, nor is he Putin. However, it is characteristic of those who pretend entanglements to be only restraints that their outrageous behavior can destroy them and others. Cameron risks his nation and his party, just as Trump risks the Republican Party with his excesses and Putin the whole of Russia. Übermensch escapism is the danger about which we ought to worry. If nightmares come true, where Trump and the EU referendum define our futures, I may return to my old cigarette lighter to find a flicker of hope in the world. I would rather be working on a world of Anglo-American-European solidarity. That depends on an exit from the EU referendum.

<sup>1</sup> Concept of superhuman in Friedrich Nietzsche's philosophy.

**Michael Kennedy** is Professor of Sociology and International and Public Affairs at Brown University.





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## EU REFERENDUM: A MOMENT OF CONFOUNDING SIGNIFICANCE

*An 'in-out' referendum on UK membership of the European Union in 2016 could fall within weeks, or even days, of Australia's next national elections.*



by Michael Cooney

**Few Australians seriously dispute the essentially benign role of the UK in global society.**

Investment and trade flows remain vast, human connections are ubiquitous: indeed the two most recent Australian Prime Ministers, Tony Abbott and his predecessor Julia Gillard, were born in the UK. Politics in the two countries is closely aligned; the recent referendum on Scottish independence, UK election and Labour leadership contest was widely watched in Australia and the flow of labour and conservative political advisers between the UK and Australian parties is hard to imagine between many other nations. Precisely this attentive amity makes the prospect of the EU referendum a significant one for Australian politics.

At the same time however, no one could doubt that the cultural differences between the two societies have widened immeasurably over the past seventy years. And many tensions in Australian society resting on disputes about the historic political, diplomatic, military, and trade relations between the two nations would be strongly reflected in reactions to the EU referendum itself.

Equally, the role of British banks in imposing harsh austerity upon Australia during the Depression, and later the entry of Britain into the European Economic Community, have long been offered by critics of Great Britain's role in Australian national development as moments of abandonment. The collapse of the special role of the UK as security guarantor with the fall of Singapore is sharply felt but perhaps of even greater significance in conservative and rural Australia was this symbolic disappearance of the UK's place as an export market of last resort.

Of interest is that among Australians whose family origins are in the British Isles, these historical resentments are not only associated with the large minority of Australians of Irish-extraction whose bitterness is not adulterated by surprise. Rather, these tensions are frequently expressed by anglophile loyalists who 'expected more'. Until recent years, these many Australians who once considered the UK 'home' could still express surprise at the indignity of being considered 'other' for the purpose of entry to the UK at airports and border control, and at the contrasting sight of EU passport holders gaining preferential access.

Just as the UK's long progress to ever-closer

union with Europe has reinforced modernising and cosmopolitan tendencies in Australian affairs, the EU referendum debate looms as a potent proxy for considering Australia's future in what the former Labor Government described as the Asian Century.

For Australian progressives attached to a national future of growth with equity, expanded ties with Australia's region and confident self-determination, British engagement in Europe has long functioned as one of the ideal types for Australia in Asia. An EU referendum would be an inexplicable rejection of what once seemed an inevitable future. For Australian conservatives, morally disapproving of Europe's debt and regulation and politically attached to what Australia's present Prime Minister likes to refer to as 'the Anglosphere', a British vote in favour of Europe would be more than an opportunity lost. It would see a new generation of Australian anglophiles abandoned yet again.

**Michael Cooney** is Executive Director at Chifley Research Centre, the Australian Labor Party's think tank. He was a speechwriter to Prime Minister Julia Gillard.

# HOW DO BRITISH MEMBERS OF THE EUROPEAN PARLIAMENT VOTE?

*In the first year of the new EU Parliament, British EU Parliamentarians did not agree on many issues except less EU funding and on cutting administrative red tape.*



by Elisa Irlandese

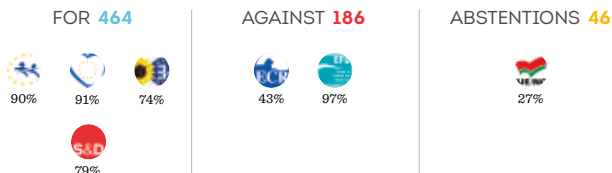
**I**n the European Parliament, the United Kingdom is represented by a delegation of 73 EU Parliamentarians. It is the third largest national delegation together with Italy and behind Germany and France. However, the members of the European Parliament (MEPs) sit in EU groups according to their ideology, not nationality. In the case of the UK, the biggest political delegations are UKIP, which sits in the EFDD group with 23 MEPs, the Conservatives, which sit in the ECR group with 21 MEPs and the Labour Party, which sits in the S&D group with 20 MEPs. The remaining Members sit in the group Greens/EFA and in the Liberal group ALDE.

In general, citizens have a tendency to believe that in the EU Parliament, the decisions are made following a national logic. However, as VoteWatch Europe data shows, politics in the EU Chamber is much more about ideology. Indeed, trans-national EU political parties have remarkable degrees of internal cohesiveness beyond national lines.

This is also true for the British Members of the European Parliament. For example, it is much more likely that a socialist MEP from the United Kingdom votes the same way as a fellow

1

GENERAL BUDGET OF THE EUROPEAN UNION FOR THE FINANCIAL YEAR 2015\*



\* Results for NI: for 1/against 45/abstentions 0  
Date of the vote 22 October 2014

socialist colleague from Spain, Hungary or any other member state than voting the same way as a British conservative MEP. However, on some particular issues, albeit very few, UK EU Parliamentarians tend to vote together no matter their political affiliation.

Notably, British MEPs from various political families agree and vote together, against the majority of the other MEPs, on issues related to the increase of EU resources (which they oppose) and the cutting of administrative red tape (which they support). Moreover, in this first year of the new EU Parliament legislative term, the British members of the S&D group and the ECR group have voted in the same way on a variety of issues ranging from foreign affairs to industry. On the contrary, on several other issues voted, British conservatives had the same views as the UKIP EU Parliamentarians, especially in the field of economic and monetary affairs and employment.

We will now look at how British MEPs votes tend to differ on certain issues from the rest of their colleagues in the EU Chamber.

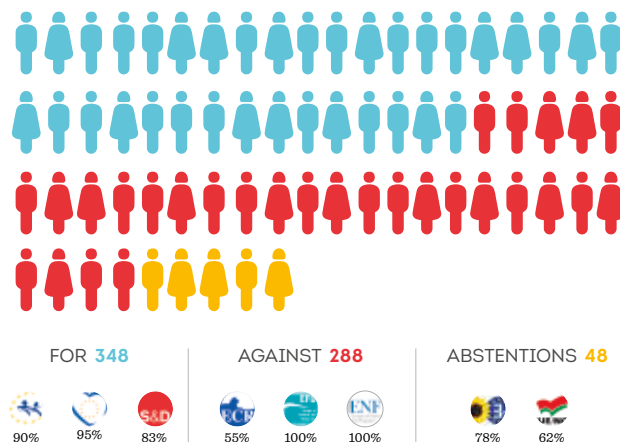
### BRITISH MEPS DO NOT SUPPORT THE INCREASE OF EU FUNDING

One of the times where all British MEPs voted together against the majority of the rest of the EU Parliamentarians was during a vote in October 2014 year on a Budget issue. In this case, pro-EU groups were able to reverse the Council's cuts in the draft EU budget for 2015. The adopted report called for the increase of funding for EU priorities. In this case the majority of the British MEPs, 61 out of 73, from all political affiliations, opposed the rise (see graph 1).

The same happened more recently, on a vote concerning the 2016 draft budget. This time again, the text welcomed the fact that the draft general budget of the EU for 2016 increased funding in several domains such as security and foreign policy. Yet again, British MEPs from all political groups voted against the resolution or abstained (see graph 2).

Similarly, in March 2014, on a vote on a resolution demanding to increase the resources of the EU foreign and security policy, the British MEPs did not vote in favour of the rise. The Conservative and UKIP MEPs opposed and the majority of the Labour MEPs abstained (see graph 3).

### 2 2016 BUDGET - MANDATE FOR THE TRILOGUE\*\*



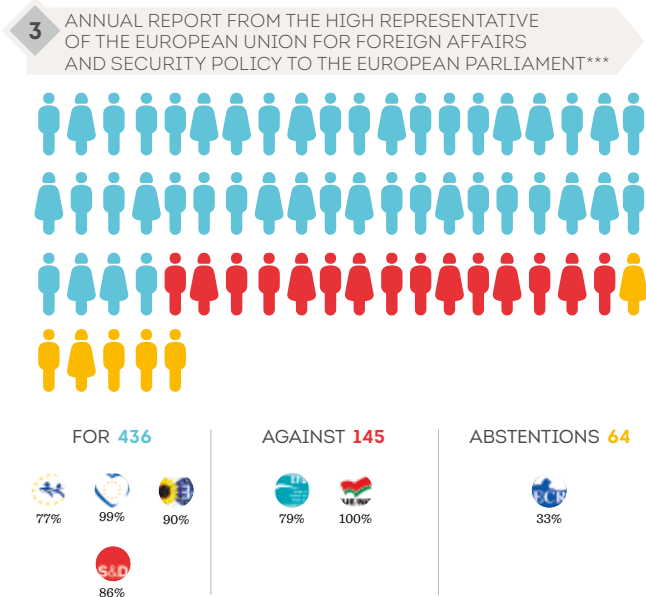
**\*\*Results for NI: for 2 / against 12 / abstentions 0**  
**Date of the vote 8 July 2015**

### UK PARLIAMENTARIANS MAKE COMMON FRONT TO CUT EU-RULED RED TAPE

Another interesting example of a vote where almost all British MEPs voted together is on a paragraph that backed the European Executive's approach to withdraw from the legislative process those bills that are considered obsolete or that are suspected to add too much administrative burden on the institutions and businesses operating across the EU. Notably, within the S&D group the British Labour delegation had a different opinion, voting alongside the centre-right in favour of less legislation. The statement was part of an own-initiative EP report dealing with green growth opportunities for SMEs (see graph 4).

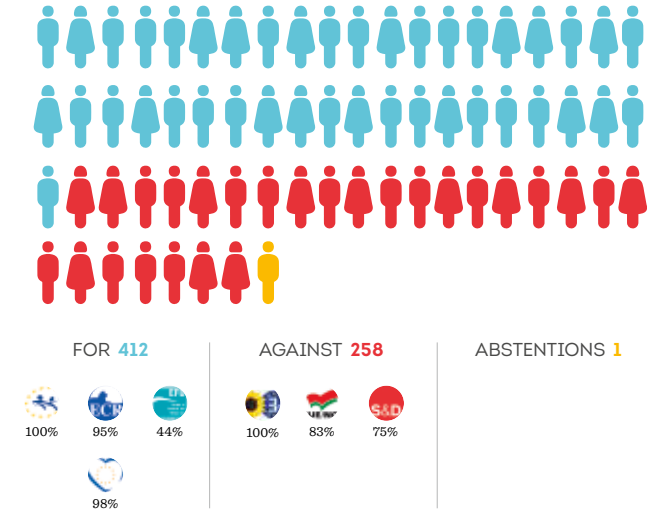
Apart from the mentioned policy areas, British MEPs, just like their continental counterparts, tend to vote following the line of their European political party. The Labour MEPs depart from the line of the S&D group mostly on agriculture and budget

issues, but on all the other topics their “loyalty” to the European party is high. Moreover, the positions of labour and conservative MEPs are very different on a number of specific issues such as the security agenda, TTIP, gender equality, employment, energy and taxation and so on. Statistically, Conservative MEPs have voted the same way as Labour MEPs half of the time, while in the other half they had diverging positions. The percentage of diverging positions is rather high, if we think that, comparatively, the EPP and S&D groups have voted the same way in around 3 out of 4 votes.



\*\*\*Results for NI: for **0** / against **44** / abstentions **1**  
Date of the vote **12 March 2015**

**4** GREEN GROWTH OPPORTUNITIES FOR SMES\*\*\*\*



\*\*\*\*Results for NI: for **38** / against **6** / abstentions **2**  
Date of the vote **19 May 2015**



The positioning of the political parties shows the official line of each party.  
77% is the percentage of cohesion among the party.



# THE EU REFERENDUM AND THE BRITISH MEDIA

*Britain's press is dominated by right-wing newspapers that take a hostile attitude to the European Union. With a referendum on Britain's membership of the EU approaching, their coverage of European issues is routinely coloured by an undisguised Euroscepticism.*



by Simon Hinde

## WELCOME TO BRITZERLAND

© The Sun/News Syndication

Positive coverage of other European countries is rare in the right-wing press. In this article, the Sun reports on Switzerland – 'the world's most prosperous nation' – but only to illustrate the possibility of a successful future for Britain outside Europe.

<http://www.thesun.co.uk/sol/homepage/features/6057273/We-look-at-Switzerland-to-see-how-it-fares-outside-the-EU.html>



**SWISS SHOW THE WAY IF WE EXIT EU**

# Welcome to Britzerland

**REPORTS from Germany at the weekend claimed Chancellor Angela Merkel would rather sacrifice British membership of the EU than see us compromise the right of nationals to live and work in all member states.**

**As the possibility of a "Brexit" from Europe was openly discussed, The Sun visited Switzerland to see how one of the world's most prosperous nations fares outside the Union.**

**THE young Swiss activist excitedly shows me a mobile phone snap of himself posing with his hero.**

It's not a local football star or TV personality. Instead, the rubber-jawed smirk of Ukip's Nigel Farage beams out.

"He is famous here in Switzerland," declares Anian Liebrand, President of the youth branch of the hard-right Swiss People's Party (SVP).

"It was great to meet him. He's such a powerful speaker."

The love-in is mutual.

When Switzerland voted in February to introduce quotas for EU migrants, Ukip chief "Farage" called it "wonderful news for freedom lovers throughout Europe."

Switzerland has become the poster child for Eurosceptics and those wishing to see Brexit – British exit from the EU.

The fiercely independent nation has never joined the EU but has access to its single market after signing bilateral agreements with Brussels. The package includes free movement of people.

The nation of eight million voted by a 50.3 per cent majority in favour of a "Stop Mass Immigration."

It means the Swiss government will have to renegotiate the deal struck with the EU – and is being seen by some as a test case for Britain.

David Cameron has denounced a cap on unskilled migrants. Yet he was reportedly warned by German chancellor Angela Merkel that the world's most prosperous nation would lose its status as a free zone for Britain.

After the Swiss immigration vote, Brussels vowed to restrict access to its markets if it closed its borders.

Then EU commissioner Viviane Reding insisted: "There are four fundamental freedoms – free movement of people, goods, capital and services – are not separable."

"The single market is not a Swiss cheese. You cannot have a single market with holes in it."

Right, said The Sun: "We are a test case. That's why the EU is so strict with us."

But they allowed Switzerland to control their own immigration then they are sure Britain would do the same and other countries would follow.

So could we become Britzerland? A term coined by London Mayor Boris Johnson as a free-trade-only "outer tier" of the EU.

**'It means people abuse our generous welfare'**

Switzerland is a rich nation with low unemployment but many Swiss worry about immigration being inside the single market but outside the EU.

A quarter of the eight million-strong population is foreign, and last year 10,000 new immigrants arrived.

The majority of recent immigrants are from neighbouring Germany, Italy and France, as well as Portugal.

The Swiss Government and business leaders say foreign workers are needed for the country to remain competitive.

But half of Switzerland's exports are to the EU.

Diego Bally, 57, told me: "There are many economic reasons why we shouldn't close the border. But we are a rich country so many people want to come here. It means traffic jams, pressure on salaries and public transport, wages being undercut and abuse of our generous welfare system."

"I agree with quotas. People should be able to come here but let's not leave the doors open."

School assistant Andriela Silveiro, 16, whose parents emigrated to Switzerland from Portugal, said: "Too many people are coming here. Many see us as a rich country and don't want to work."

But Red Cross worker Ursula Kayali, 44, below left, said: "It's a global economy. We are an ageing population and need migration for our workforce."

SVP's campaigning has displaced many Swiss.

A 2007 campaign poster for a referendum to allow judges to deport foreigners who commit serious crimes showed three white sheep kicking a lone black one out of their flock against the backdrop of a Swiss flag.

And in 2009 the SVP was behind a hugely controversial referendum that banned the building of mosques minarets – by a 57 per cent majority.

Some believe the immigration controversy has encouraged racism.

Zurich taxi driver Johnson Mazi, 49, who emigrated from Nigeria 21 years ago, said: "Sometimes white Swiss people will get into my cab."

The New European Movement's Secretary General Lukas Schönbach said: "The people have voted in favour of quotas but they're also in favour of a big majority of the contracts with the EU."

If the free movement of people falls, the whole package falls, including the single market. We are likely to need another vote to clear that dilemma.

Others in the Sun spoke to in style Britzerland.

Did-of-three Diego added: "If we negotiate with the EU then perhaps we can get a bit of free market and a bit of free movement of people. It would help us having Britain negotiating in the same direction."

**SWISS ROLE ... Brits could follow landmark decision of Switzerland**

**By OLIVER HARVEY**  
Chief feature writer, The Sun

© Daily Mail - Photo © Will Stewart



of the 1990s, the U.S. has been able to reduce the number of deaths from AIDS by 50 percent, according to the Centers for Disease Control and Prevention. But the U.S. has not been able to reduce the number of deaths from AIDS in other countries, such as Africa, where the disease is still a major cause of death.

# THE CATASTROPHE THAT WILL REALLY TEAR EUROPE APART

© Daily Mail

This opinion piece argues that the EU is not prepared to take the issue of illegal migration seriously and implies that any attempt to renegotiate Britain's membership is doomed to failure. Although the piece doesn't spell this out, the inevitable result would be a British exit.



<http://www.dailymail.co.uk/news/article-3141005/Tidal-wave-migrants-biggest-threat-Europe-war.html>

# The catastrophe that will REALLY tear Europe apart

**Forget the Greek crisis and Britain's referendum. The tidal wave of migrants – and the anarchy it's provoking – could be the biggest threat our continent has faced since the war**

**SATURDAY ESSAY** by Michael Barleigh



Developed migrants sleeping in a tent in Calais this week as the issue of getting to Britain

Reading migrants on public transport in Calais. Many are sleeping in tents in Calais this week as the issue of getting to Britain

U NRECORDEDLY, the number of migrants arriving in Europe has risen to a level that is unprecedented in the history of the continent. The number of migrants arriving in Europe has risen to a level that is unprecedented in the history of the continent. The number of migrants arriving in Europe has risen to a level that is unprecedented in the history of the continent.

**T**HE new migrant crisis in Europe is not a new phenomenon. It is a continuation of a long and painful history of migration. The new migrant crisis in Europe is not a new phenomenon. It is a continuation of a long and painful history of migration. The new migrant crisis in Europe is not a new phenomenon. It is a continuation of a long and painful history of migration.

When the tide of migrants comes, it will be a tidal wave. It will be a tidal wave. It will be a tidal wave. It will be a tidal wave. It will be a tidal wave. It will be a tidal wave. It will be a tidal wave. It will be a tidal wave. It will be a tidal wave.

There are many of them – tens of thousands – and they are coming from all over the world. They are coming from all over the world. They are coming from all over the world. They are coming from all over the world. They are coming from all over the world. They are coming from all over the world. They are coming from all over the world. They are coming from all over the world. They are coming from all over the world.

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FROM PAGE ONE

days after European Commission President Jean-Claude Juncker compared British membership of the EU to a doomed romance and suggested it was time for Britain to get a divorce.

The Tory poll was organised across three neighbouring parliamentary constituencies by Peter Bone, MP for Wellingborough, Philip Hollobone, MP for Kettering, and Tom Pursglove, who is standing as Tory candidate for Corby and East Northamptonshire at this year's general election.

Following the count, carried out in the London offices of the Daily Express yesterday, Mr Bone said: "Eight out of 10 people who took part want to come out of Europe – that is extraordinary. It is very, very, very clear they want to come out."

The turnout, he added, shows there is a "huge interest" in having a nationwide referendum.

"People actually bothering to put X on a ballot paper clearly shows that people have been bothered to take part in a referendum and there is a huge interest in it," he added.

"Only the Conservatives will give us the referendum. Ukip can't and

# Message is loud and clear: Britons want to leave EU

Picture: JONATHAN BUCKMASTER

Peter Bone, left, Tom Pursglove, centre, and Philip Hollobone with the ballot papers yesterday



Above and below, how the Daily Express has highlighted the problems with the EU and led the crusade for Britain to leave



## DAILY EXPRESS VOTE

Would you vote for Britain to quit EU in a referendum?

YES: 0901 792 5304

NO: 0901 792 5305

Yes text DXWEDYES to 86611

No text DXWEDNO to 86611

Texts cost 35p plus standard charges. Calls cost 30p from a BT landline, calls from other networks and mobiles may vary. SP: Spoke, London, WB: ZAG, Helpdesk: 0233 202 3390 (changed at national rates). Lines close at midnight tonight.

Labour and the Lib Dems won't," Mr Hollobone said he expected the result would be reflected nationwide.

"My gut feeling is that there would be a majority of people voting to leave across the country," he said.

"Maybe not on the scale we have seen in North Northamptonshire but a majority nevertheless. That is something I wouldn't have said 10 years ago."

Mr Pursglove said: "In North Northamptonshire people are sick to death with the EU superstate. We saw from the doorstep that people are very worried about Europe."

"This is the first, hard, concrete evidence of people in Middle England wanting to come out of the EU."

Along with the result the three Conservatives will deliver an open letter to the Prime Minister when they go to Downing Street today.

It will make clear that, if elected, they will only support a Government that promises a referendum by the end of 2017 – if not earlier. Mr Bone said: "We will not support a

## OUTRAGE AS 'STAGGERINGLY ARROGANT' CABLE SNUBS VOTERS

VINCE Cable provoked anger last night by describing calls for a referendum on the EU as dangerous and "utterly unrealistic".

In a speech to Brussels officials, the Lib Dem Business Secretary savaged Tory proposals for seeking a new deal for Britain to be put to a national vote.

He said: "I think the

approach of the Conservatives is actually quite dangerous. It is assuming that the other 27 countries will magically agree to British requests.

"It is raising expectations that changes can be achieved within the EU that will be very difficult to deliver," he told a

meeting organised by the Lisbon Council think-tank.

"We do not think that a referendum is sensible or helpful in any way."

Mr Cable said Britain should campaign against "excessive bureaucracy" and abuse of the benefit system. A referendum could undermine confidence in the British economy,

he said. But Ukip deputy leader Paul Nuttall said: "It displays a staggering level of arrogance that Cable believes the British public should not be trusted to decide who governs their own country."

"It is only persuading more people that Ukip is the radical, viable and practical way to get our country back."

Government that does not want a referendum.

"If there was a coalition with the Conservatives being formed and they said we should drop the referendum pledge in the national interest we would not support that." Meanwhile former Tory prime

minister Sir John Major warned Mr Cameron that he should avoid negotiating with his European partners "through a megaphone" and be ready to make concessions in order to achieve meaningful reform.

The voting exercise was the biggest poll on the issue since the

national referendum in June 1975. Ballot papers were delivered to 100,000 households in the three constituencies between May and the end of last year. There were a total of 150 spoiled papers.

OPINION: PAGE 12



<http://www.express.co.uk/news/uk/553241/80-per-cent-Britons-leave-EU-poll-reveal>

## MESSAGE IS LOUD AND CLEAR: BRITONS WANT TO LEAVE EU

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The Daily Express is one of the loudest media voices campaigning for an EU referendum. In this article, it cites a poll carried out by Eurosceptics, quoting a number of anti-European views. No attempt is made at balance: there are no quotes from any pro-European individuals or bodies.





# MPs attack BBC for its 'biased EU reporting'

THE BBC has a 'deeply concerning' pro-European bias and has 'fallen down severely' in its obligation to provide impartial coverage of the issue, MPs say today.

The European Scrutiny Committee says the corporation does not give enough airtime to those who believe Britain should leave the European Union or that there should be a referendum on membership.

The MPs also criticised the BBC's director-general, Lord Hall, for failing in his role as the corporation's editor-in-chief, after he turned down an invitation to give evidence to the committee in Parliament four times.

Lord Hall, who earns £450,000 a year of licence fee payers' money, eventually relented after the com-

By Katherine Rushton  
Media and Technology Editor

Union." There are two sides of the argument. Why don't they have more people on so they can represent these? That [bias] is carried through an enormous amount of the BBC's flagship programmes."

It is not the first time the committee has called on the BBC to give more airtime to Eurosceptics.

The cross-parliamentary group said in 2003 that the corporation should have to air a series of debates about Britain's position in the EU, to help educate the public.

But in today's report MPs say the BBC has done little to change things, and that they remain deeply concerned about the manner in which the corporation tackles the subject of the EU. They were particularly angry with Lord Hall.

"He is editor-in-chief," said Sir Bill. "He has responsibility for ensuring that the [BBC] Charter and Framework Agreement are complied with. The charter does not give them absolute editorial independence. They have to work within a framework."

The committee had to write to the director-general five times over the course of a year before he agreed to appear before members. Even then, he only did so after the committee told him it was a 'formal summons' and accused him of hiding behind historic rules which would let him off the hook because of his peerage.

Members of the Lords do have the right to decline invitations to appear before the Commons, Lord Hall has denied ever trying to take advantage of his peerage in this way.

A BBC spokesman said: "As Lord Hall told the committee, we are and will be impartial in all matters concerning our coverage."

The BBC provides extensive coverage of both European and parliamentary issues and while we respect the committee's role, it would be a breach of our independence if a committee of MPs were to instruct us how to cover an individual issue or story."

## 'Fallen down on its obligations'

mittee told him to treat its invitation as a 'formal summons'.

Sir Bill Cash, the Eurosceptic who chairs the committee, said: "The BBC has fallen down severely on its obligations to viewers and listeners to give them a proper and balanced assessment of both sides of the argument. This is an issue that affects everybody's lives. Who can say that the European question is not important?"

The Conservative MP argued that many of the BBC's flagship shows, including Radio 4's Today programme, are stuffed with commentators who talk about the economic and political dangers of Britain leaving the EU. But, he argued, they have far too few people on its shows to explain what the benefits might be.

Sir Bill said: "There is a [line] of questioning which is quite clearly geared to elicit the answers. 'I don't want a referendum' or 'I don't want Britain to leave the European

## MPs ATTACK BBC FOR ITS 'BIASED EU REPORTING'

© Daily Mail

The right-wing media frequently attack the BBC for alleged 'pro-European bias'. The aim of these attacks is to undermine the BBC (which has a statutory duty of impartiality) and to shift the debate to the right by suggesting that any neutral coverage of Europe is in fact biased and unbalanced.



<http://www.dailymail.co.uk/news/article-3010271/MPs-attack-BBC-biased-EU-reporting-Corporation-accused-falling-severely-obligation-provide-impartial-coverage.html>

## IT'S TIME TO STOP CRAZY HUMAN RIGHTS RULINGS FROM EUROPEAN JUDGES

© The Sun/News Syndication

The Human Rights Act is routinely portrayed as a source of irrational and damaging legal rulings imposed on Britain from Europe. This contributes to a narrative in which British sovereignty is undermined by European institutions and helps to create a sense of hostility to Europe in general.

<http://www.thesun.co.uk/sol/homepage/news/politics/5784412/Its-time-to-stop-crazy-human-rights-rulings-from-European-judges.html>



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# The Telegraph

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HOME » NEWS » POLITICS » NIGEL FARAGE

## Nigel Farage: It is 'bonkers' to stay in the European Union

The Ukip leader says: 'A No vote and an EU exit would mean Britain could fulfil her global economic potential'

13K 1K 0 21 15K Email



Ukip leader Nigel Farage. Photo: REUTERS

Buy a Munch, Picasso or a handbag at an auction online  
It's not only classic works of fine art, but also handbags, sunglasses, vintage cars and clothing that are now going under the hammer of traditional auction houses online. Sponsored by Bametys

By Nigel Farage, Ukip leader  
10:00PM BST 16 Jun 2015

733 Comments

As someone who is going to be arguing very firmly that No, Britain's future does not lie inside the European Union, I am unashamedly optimistic about the potential that lies ahead of Britain as an independent nation.

I have, after all, spent much of my adult life making the case as to why Britain would not just survive, but indeed thrive, once free from the shackles of Brussels.

Perhaps the most common misconception people have about the anti-EU position is that our argument represents some form of isolationism. Nothing could be further from the truth in fact.

This referendum campaign is going to be about saying No to an outdated European model in favour of turning Britain into a thriving, energetic, global hub.

That is why today I am launching a new pamphlet alongside fellow UKIP MEP William Dartmouth entitled *The Truth about Trade: Beyond the EU*. It explains why exiting the EU would open up - quite literally - an entire new world of opportunity for the UK.

## NIGEL FARAGE: IT IS 'BONKERS' TO STAY IN THE EUROPEAN UNION

© The Telegraph

The UK Independence Party, which campaigns for Britain to leave the EU, gets massive coverage in the UK media, despite having only one MP. Here, its leader Nigel Farage is given space in the Daily Telegraph to argue for a EU referendum. Pro-European voices rarely, if ever, get such uncritical coverage and the opportunity to state their case without challenge.



<http://www.telegraph.co.uk/news/politics/nigel-farage/11679048/Nigel-Farage-It-is-bonkers-to-stay-in-the-European-Union.html>



# INSPI- RA- TION

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Speech of Frans Timmermans during a plenary sitting of the 70<sup>th</sup> session of the United Nations General Assembly.

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# WE HAVE A WORLD TO TRANSFORM

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*At the end of September, the United Nations adopted its 'Agenda 2030', providing a framework for all countries to help eradicate poverty and achieve sustainable development by 2030. As First Vice-President responsible for sustainable development, I had the honour to represent the European Commission at this UN Summit, which adopted an ambitious set of 17 Sustainable Development Goals ('SDGs') with the aim of 'transforming our world'.*



**by** Frans Timmermans

## “THERE IS NO EXCUSE FOR COUNTRIES LIKE THOSE IN THE EU **NOT MEETING OUR 0.7% TARGET FOR OFFICIAL DEVELOPMENT ASSISTANCE.**”

**S**

**uch global calls sometimes arouse scepticism and the question whether they can make any difference.** Yet it is

astonishing how much has been achieved since the adoption of the Millennium Development Goals in 2000. A quarter of the world's population was born after that date; today they are aged 15 or younger. Of all these kids, 9 out of 10 now get to go to school. Those who are babies or toddlers are half as likely to die compared to 1990, and their mothers were half as likely to die in childbirth. For the girls among them, their chances of having real opportunities – even if by no means equal opportunities yet – have greatly improved, at school, at work and in life. Just picture the people behind these figures: the Millennium Development Goals have made a difference. The entire international community mobilised around shared objectives. As a result, many millions of children have come into a much better world than the generation before them. This effort has helped the world to unite against indifference. The EU made an important contribution to driving this global agenda, because we believe this push for social progress and a fairer future is in essence what the United Nations was set up to achieve.

### **NO EXCUSE**

Now the world is ready for the next chapter. The Millennium Development Goals reflected the recognition that the lack of development of some countries is a threat to us all. It must now be recognised that unsustainable development also jeopardises our future. This is a challenge that we are committing to overcome together. That makes the 2030 Agenda even more universal than the previous one. The new goals build on the Millennium Development Goals and the fight against poverty continues. As there is a lot of “unfinished business”, there is no excuse for countries like those in the EU not meeting our 0.7% target for official development assistance. It is more urgent than ever. But the SDGs are not just about where developing countries need to go and how we must help them get there. It is an agenda that expands the development goals and is for all countries – rich and poor alike. This is no longer just about giving development aid to others. It is also about change at home, to sustain our economies, and to preserve the planet for others. Fundamentally, this is about rethinking everything we do. It is a long list of targets that we have agreed on, but for a good reason. These goals are comprehensive. They reflect the reality of today's complex, interlinked world, and the daunting scale of today's problems.

### **REDEFINE OUR RELATIONS WITH NATURE**

For the very first time in the history of mankind, not only are we connected to what is happening all over the planet, but we can also see how the limits of our planet are being put to the test. We see inequalities increasing and social cohesion eroding. And at the same time we see global competition for resources at an all-time high. The models that worked for so many of us in the past are not ones that will work for all of us in the future. Some of the world's largest and strongest economies grew by exploiting finite resources. They cannot keep it up, and nor can others use the same development route to catch up with them. We have to redefine our societies and our relationship with nature.

We have to take collective action to keep the global temperature rise below 2 degrees Celsius as we all grow. The Paris conference in December provides a historic opportunity to accelerate the shift to a low-carbon, climate-resilient global economy. We submitted an ambitious contribution in March – a binding, economy-wide emissions reduction target of at least 40% by 2030, compared to 1990 levels. The EU stands united and ready to conclude an ambitious, robust and binding global climate deal. We will settle for nothing less. Collective action is also needed to make

## “BIODIVERSITY IS OUR LIFE INSURANCE WORTH FIGHTING FOR: IT IS GIVING US FOOD, FRESH WATER, CLEAN AIR AND MITIGATING NATURAL DISASTERS.”

our economies circular – leaving behind our “take-make-consume and dispose” growth pattern. Before the end of the year, we will present new measures to increase re-use and recycling in Europe and boost intelligent product design. Our actions will cover the full circle from consumption to production to modern waste management, so that Europe remains a frontrunner in this field. We want to give an impetus to a new generation of businesses that are sustainable and resource efficient, using state of the art technologies. Our package will also include measures to tackle food waste – it is unacceptable that a third of the food produced worldwide is thrown away.

### TAKING ACTION

Transforming our world also means having cleaner air, water and oceans and preserving biodiversity. According to economists, each year we lose 3% of GDP due to biodiversity loss. The deterioration of our natural capital jeopardises the wealth and employment we derive from nature. Biodiversity is our life insurance worth fighting for: it is giving us food, fresh water, clean air and mitigating natural disasters and diseases while contributing to regulating the climate. Developing in a sustainable way also means moving towards a growth model that is both socially inclusive and fair. Taking action so that taxation occurs where profit is made and developing a

strong European pillar of social rights are both on top of the Commission's agenda. In this context, one of the priority areas is how to help working parents. In 2015 it is still more difficult for women to juggle work and family life than for men, let alone to move up the ladder. The pay gap between men and women is still a reality. Gender equality is far from being achieved and we will not close our eyes to it, thinking the problem will naturally solve itself. We have to take action and will present a new initiative in 2016, focusing not just on mothers, but on the role of fathers too. We will also continue to emphasise the promotion of fundamental rights. Democracy, the rule of law and gender equality are all key prerequisites to achieving fairer development and, ultimately, protecting human dignity.

### PREPARING OUR ANSWER FOR 2016

Sustainable development is not just an economic or social challenge, or an environmental problem: it is all three, and our efforts on each need to reinforce one another. The Commission is now analysing where we stand on each of the SDGs, in order to prepare our response in 2016. We will fully engage with the UN in experience sharing, capacity building, and progress monitoring. Ultimately, this is all about global governance and breaking out of silos. The SDGs will not only shape the EU's external policies. They will also infuse our internal policies. We have to be creative

and step out of our comfort zone. These are not impossible goals. We have innovation on our side to find solutions. This transformative 2030 Agenda is about eradicating poverty and putting sustainability at the heart of everything we do. This is not just the right thing to do, it is also the smart thing to do: for our economy, for our environment, for our society. We have a world to transform, this common Agenda shows the way how.

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### ABOUT

**Frans Timmermans** is the First Vice President of the European Commission.



**RENAULT**  
Passion for life



## RENAULT, COMMITTED TO FIGHTING GLOBAL WARMING



## THE ELECTRIC VEHICLE, A SOLUTION FOR CLIMATE

### **RENAULT-NISSAN ALLIANCE, GLOBAL LEADER IN ZERO-EMISSION VEHICLES**

- Renault-Nissan is the only automaker with a full range of 100% electric vehicles. Renault (ZOE, Twizy, Kangoo Z.E., SM3 Z.E.), Nissan (Leaf, e-NV200).
- One out of two electric vehicles sold worldwide is produced by the Renault-Nissan Alliance.
- As an official partner of the 21st annual Conference of Parties (COP21), the Renault-Nissan Alliance will provide a fleet of 200 electric vehicles as official passenger-car for the delegates during the event from Nov. 30 to Dec. 11.
- The Renault Nissan Alliance will also participate in Solutions COP21, an international exhibition on climate-change solutions, at the Grand Palais in Paris (Dec. 4-10).





## CATIUSCIA MARINI: **A VOICE FOR REFORM**

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*Between young Italians looking for work, migrants trying to start a new life and women seeking equal opportunities, the demands on Catiuscia Marini, President of the PES Group in the Committee of the Regions, are certainly wide-ranging. Her response is a call for change, from grassroots politics to the highest authorities of the EU.*



**by** Trevor Huggins



T

**he fight for social justice in a global economy is not a challenge for the faint-hearted.** But in Catiuscia Marini, President of the PES Group in the Committee of the

Regions, progressives have a very determined ally in an important European role. The CoR is a significant, but often low-profile player in the wider democratic process of the European Union. Bringing together 350 elected regional and local representatives, it provides a vital link between EU policy and its impact on ordinary citizens. As head of the PES Group, Marini's main objective is to achieve a re-launch of sustainable growth and job creation in EU cities and regions. However, she is equally aware of the need for the European Commission to propose incentive measures for achieving the social objectives of the Europe 2020 strategy. Economic and social progress need to go hand in hand.

President of Italy's Umbria Region and a Democratic Party deputy in the national assembly, Marini was born into a family in the central Italian town of Todi where politics and workers' rights had an important role. "My father was a member of the CGIL trade union confederation and politics was always the centre of our discussions at home," she recalls. Her own political awakening began during high school and university in the late 1980s, where she became involved in student politics as a member of the Giovanile Sinistra national executive. "At the time, there was a lot of student activity in Italy, including the 'Pantera' movement which occupied faculty buildings in protest at planned reforms of universities. There were also international events such as Tiananmen Square and the fall of the Berlin Wall. Given my background, it all made me very motivated to get involved in politics."

Right from the start, her core values have been clear: "Social justice and equality, which includes equal opportunities for young people and for women. Although my generation had more freedom and greater opportunities than in the past, young

**"I'VE ALWAYS BEEN COMMITTED TO GIVING WOMEN THEIR CHANCE TO SUCCEED AND TO SUPPORTING WELFARE PROVISION."**

women still struggled to achieve their full potential at work. So I've always been committed to giving women their chance to succeed, and at a practical level to supporting welfare provision." Working as a researcher after graduating with a political science degree from the University of Perugia, Marini made her mark in local politics and eventually became mayor of her hometown from 1998-2007. During that time, her commitment to projects in support of children's rights led to her recognition by UNICEF as a 'Child Defender Mayor.'

#### ENCOURAGING YOUTH POLITICS

Marini's career continued to flourish, with her election in 2010 as president of the Umbria Region and membership of the CoR in the same year. In 2015, she was re-elected to her position in Umbria and became the Socialist group's president within the CoR. Despite her own rise through the ranks, Marini is well aware that many young people are indifferent to politics – and it's a source of genuine concern. "The fewer people who are involved in political life, the more it will be open to influence by powerful vested interests," she told Queries. A more immediate concern though is the rise of populist parties across Europe. "It's extremely worrying," Marini says. "Populism is just a way of giving short, simple answers to very complicated questions. And it can be dangerous. For today's major problems – the lack of work, large-scale immigration and climate change – there are no simple solutions. To deal with them, we need careful planning, dialogue, research and innovation. My concern is that despite 70 years of democracy in Europe, the appeal of a national strongman is

### Key Points

→ If young people want to see change in today's world, they need to get involved in politics.

→ Complex, global problems cannot be solved by the simple answers of populist national politics.

→ It's time for a United States of Europe, with a central governing body that has a real mandate from European citizens.

## “EU’S TOP PRIORITY SHOULD BE TO PUSH FOR CLOSER INTEGRATION.”

beginning to return – albeit in different forms.” Though clearly a toxic form of nostalgia, populism is presented as an antidote to today’s complex, globalised world, where power is often wielded from afar. “Twenty years ago, the political focus was at a national and a regional level, and then the European level,” Marini recalls. “Today, we are increasingly dealing with the impact of global events. A small business in my region now relies a great deal on decisions taken at a global level – such as export possibilities to certain countries, the value of the euro or the state of stock exchanges. However, Marini also sees a positive side to the global economy in the new opportunities for sharing research and innovation, and for finding solutions in a wider, networked world.

### A POSITIVE FUTURE

Clearly, there is no shortage of challenges facing a Europe that, for many of its citizens, has lost its way. “We need to get back a positive vision of Europe. We have to rediscover the passion and creativity of the founders. They had to deal with the bloodshed of World War II, and in a way, we’ve got the bloodletting of the economic crisis. We need reforms that deal with Europe’s big issues – employment and our relationship with the rest of the world, and that means Africa and the Middle East if we are to address a complex phenomenon like immigration.” Marini has been helping to build those relationships through her involvement with international cooperation projects in Burkina Faso, the Palestinian Territories and the Peres Centre for Peace in Tel Aviv; and as a member of the European Parliament delegation for the Maghreb during her mandate as an MEP from 2008-09. That said, Marini also believes that more has to be done closer to home. “We need a Europe that is less geared to the abstract rules of finance and the market, and can instead recover a central focus on politics and

social cohesion. In short, we need a Europe that’s useful and relevant to the people who live here.” All of this begs a simple question: How? To meet these different challenges, what needs to happen to the EU and the way it operates? Marini has long seen politics as a way of driving reform, and she does not pull her punches. “For me, the EU’s top priority should be to push for closer integration,” she says. “We can’t turn back. If the dream of the previous generation was of a united Europe and the fall of the Berlin Wall, today’s generation should have another dream: a confederation of European Union states and the birth of a genuine political government for Europe. It would involve national states ceding more sovereignty, and changes to the governing European institutions – who should have a clearer mandate from European citizens. That means a bigger role for the European Parliament, and also for the parliament and the governing body in Europe to have more confidence in each other. But I can envisage a United States of Europe, and I believe that progressives and reformists should be working towards this.”



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### ABOUT

*Born in 1967, Catiuscia Marini has risen from student and local politics to being a regional president. A leading figure in the Committee of the Regions, she has been a member of the Democratic Party’s national committee since 2013.*



*Jonas Gahr Støre's election as Norway's Labor leader  
has brought the party unexpected success*



**by** Moritz Pfeifer

## “WHEN YOU'RE NOT THE MEMBER OF A CLUB, YOUR RIGHT TO BE VERY EXPLICIT ON YOUR ADVICE IS SOMEWHAT LIMITED.”

**For many Norwegians, the local elections that were held in mid-September of this year turned into a vote on immigration.** The right-wing Progress Party had focused its campaign on the subject, promising that locally elected politicians could turn down the proposal to take in 8,000 Syrian refugees by the end of 2017. The plan blew and resulted in the party's worst election result since 1993. Its senior partner in government, the Conservative Party, also lost voters making the opposing Labour Party, which favors letting in refugees, the big winner. Headed by Jonas Gahr Støre, it achieved its best result in a local election since 1987. In June 2014, Støre became the new leader of Norway's Labor Party replacing Jens Stoltenberg, who had stepped down to become secretary general of NATO. Stoltenberg was a popular party leader and it was far from obvious that Støre, who once voted conservative himself, would be able to rise through the party ranks, win its confidence and keep it unified. The elections are Støre's biggest success so far. With the majority of Conservatives and Progress gone, Labor now has realistic prospects of winning the national elections in 2017.

### ENGAGING DIALOGUES

Jonas Gahr Støre was born on 25th August 1960 into a family of wealthy businessmen. “I grew up in a non-partisan family,” Støre recalls. As an adolescent, he did not feel that party politics harboured the contexts and issues he struggled with, which kept him from joining a political youth organization. “In my own mind I entered politics around the kitchen table at home, and through political discussions.” After graduating from high school in Oslo in 1979, he underwent naval officer training and then studied political sciences

at Science Po in Paris. “It was just after the Left came to power in 1981,” he recalls. “These events defined me as a social democrat. France struggled with growing unemployment and had to deal with important reforms.”

Now, years later, Støre wants to reform the Labor Party. In 2013, the party lost in the national elections in part to voter fatigue. During the local elections, the voter turnout was around 60%. “That is clearly too low,” deplores Støre. “This is a challenge to democracy. If we are not able to deliver results, people will gradually turn their back on politics,” he criticizes. “I think that there's still room for renewal,” he says. “We need to look for more democratic, more participatory approaches.” The experience of people's solidarity and willingness to engage during the immigration crisis, lets Støre feel optimistic about the prospects of rebuilding democracy from below. “We have to give people co-ownership to the task of solving today's issues,” he emphasized. For Støre, renewal goes hand in hand with communication. His credo is talking. He urges his party members to “think great thoughts” aloud, before they go through the process of bureaucratic approval. When Støre was working as a diplomatic advisor in the 1990s and, more recently, as a Foreign Minister from 2005-2012, he was taken aback by speechless politics. In an opinion piece from 2011 for the New York Review of Books, he wrote “diplomacy and dialogue are less and less useful and relevant to international politics.” Evoking the UN World Conference against Racism of 2009, where more than twenty delegates from the EU walked out during Mahmoud Ahmadinejad's speech, he firmly believes that it would have been more useful to confront the Iranian president's hateful speech

## Key Points

- With Jonas Gahr Støre, the Labour Party achieved its best result in a local election since 1987.
- He has become a reference for strategists using dialogue for conflict resolution.
- Drawing from his rich experience as a public health official, he wants to make health a political priority again.

through dialogue. Citing John F. Kennedy, Støre urges mute policy makers: "Never negotiate out of fear. But never fear to negotiate."

## HEALTH AND WEALTH

In 1998, Støre joined Gro Harlem Brundtland when she became the director general of the World Health Organization, and he has successively held the position of secretary general at the Norwegian Red Cross, and as Norway's Health Minister from 2012-2013. Gathering from these experiences, he believes that European welfare states like Norway should increase preventive care. "We really need to shift the attention of our debate towards healthy life-styles and disease preventions," he says, warning that "if we don't succeed in much better prevention, the costs will be too high for any welfare state." "This is an important issue for social democracy and Europe," he claims. Since the risk factors to health are strongly influenced by the social position of patients, Støre wants to invest in giving Norway's youth and adolescents equal opportunities. Understood in the broad sense of social equality, "public health measures should benefit all people," he says. Until January 2014, Norway's unemployment rate had stayed below the four percent margin for ten years. "Unemployment is still low, but it is rising," acknowledges Støre, adding that "measures against unemployment" are priorities on his political agenda. Norway's economy heavily relies on the country's oil reserves. In the face of rising environmental awareness, economic diversification is a particular challenging task. "The climate issue will have profound impacts on the qualifications of the labour force," warns Støre.

Traditionally, the Labour Party is closely tied with the oil industry, because it generates jobs. But Støre is not afraid to address its problems, frequently upsetting the conservative Left with his appeal that Norway should handle its oil reserve more responsibly. "In order to make a shift towards a more climate friendly society, Norway needs to

create new labour markets," he says. Støre believes that public spending on education, research and technological development could stir the Norwegian economy away from its reliance on the oil industry. Despite a modest surge in unemployment, Norwegians remain one of the world's richest and employable populations. Asked whether some EU member states should envy Norway for not being part of the EU, he carefully answers: "When you're not the member of a club, your right to be very explicit on your advice is somewhat limited." Nevertheless, he believes that the EU has brought major benefits to Europe. During the 1990s, Støre took part in Norway's negotiations to get a broad association agreement with the EU and membership endorsements. But the Norwegian public decided otherwise. Judging the current situation, he regrets that "it is unclear what responsibility a nation state has and what responsibility the EU has," adding that, "if the one is excusing the incapacity to act by pointing the finger to the other, that's a very dangerous spiral." Surely, more dialogue would help.



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## ABOUT

*Jonas Gahr Støre studied political sciences at Institut d'Études Politiques de Paris from 1981 to 1985. Støre is a former chief of staff at WHO. In 2005, he became minister of foreign affairs. Since 2014, he is the leader of the Labour Party.*



## CALL TO EUROPE V

### *Reinforce dialogue with European Muslims*



"Islam belongs in Europe", said Federica Mogherini at the latest edition of Call to Europe in June in Brussels with more than 50 speakers (religious, academics, NGO, Parliamentarians).

**T**he idea of a clash between Islam and "the West" – a word in which everything is put together and confused – has misled our policies and our narratives. Islam holds a place in our Western societies. Islam belongs in Europe. It holds a place in Europe's history, in our culture, in our food and – what matters

most – in Europe's present and future." said Federica Mogherini at the last edition of Call to Europe. FEPS' signature event, Call to Europe, was a "starting point of a dialogue with our European Muslim fellow-citizens", as Massimo D'Alema, President of FEPS, said in his opening speech. Our aim is "to better understand how these European citizens and inhabitants live together with the other Europeans, how their principles and

values coexist with the principles and values on which the European Union has been built and which underpin our own cohabitation". The future of the European Union is today more than ever to become a multiethnic, multi religious and multilingual society. The goal of this dialogue is to promote a better quality of our living together on the base of a better mutual knowledge. In this context, FEPS is proposing 8 concrete proposals.

## 1 CREATION OF A EUROPEAN OBSERVATORY ON INTEGRATION

### Observations

Faced with the demands of managing increasingly multicultural national societies, governments are developing various initiatives.

Insufficient publicity is given to these policies outside national borders. For this reason, a comparative evaluation of national and sub-national initiatives, and dissemination of "best practice" are needed.

### Proposal

The design of national integration policies would benefit from the support of a European agency that would provide an interface between the Member States and have the capacity for analysis. This approach would allow the current state of Islam's relationship with Europe to be understood from the point of view of a constantly evolving, cohesive European society. It would serve to preserve the European spirit of solidarity, tolerance and understanding, forging a new partnership among cultures and religions. It would foster a new narrative that would combat the current unacceptable segregational speech displayed by different Member States willing to pick and choose asylum seekers alongside their religious convictions

## 2 DEFINITION OF A EUROPEAN MODEL FOR THE FUNDING OF FAITH GROUPS

### Observations

The integration of religious communities within the modern States has historically been facilitated by conditional public financial support. There are several national variations (cf. Germany, Belgium, etc.). This support offers leaders of religions (cf. Islam, Catholicism) an alternative to obtaining funding from abroad.

### Proposal

A European model for the funding of faith groups, extended to organisations representing secularism, could be designed and promoted, based on a comparative study of the performance of national models. That would show that diverse cultures and religions can be equally strongly embedded and contribute to development of our civilisation, while showing that patriotism and pro-Europeanism are attitudes that can be cultivated regardless of one's origin, belief, gender, age, sexual orientation.

## 3 RESTORATION OF THE NATIONAL EDUCATION SYSTEM'S MISSION OF ACHIEVING SOCIAL INTEGRATION

### Observations

Primary and secondary schools are the ideal place to learn about "living together". Historically, this has mainly been demonstrated in France by the work of teachers, real "grogards of the Republic" at the turn of the 19th and 20th century. But the education system is in a state of crisis in many European countries just as in the USA. In the United States, the issue of school reform is one of the priority concerns of the Centre for American Progress. In Europe, it is generally no longer at the heart of progressive political agendas.

### Proposal

Put education back at the centre of the progressive policy agenda. This vast undertaking includes the issue of funding the institution, defining teachers' missions and curriculum content, as well as the transmission of European humanist culture.

## 4 ORGANISING DIALOGUE BETWEEN THE STATE AND THE RELIGIOUS GROUPS

### Observations

The concordat experience provides States and representatives of religious groups

with an historic demonstration of the possibility of institutionalising relationships between civil and religious authorities.

The various national historic models, which organised the separation of Churches and States, as well as the relationships between them, must, however, be tailored to the issues of the 21st century, that is to say the revival of religion in Europe and the resurgence of expressions of fundamentalism in various faiths.

European social cohesion is notably weakened by the lack of a "national" Islam at Member State level and an organisation for the representation of Islam at the European level. This situation is in contrast with the structure of other religious faiths in Europe.

### Proposal

The challenge is to define "framework agreements", which could be established, based on the example tried out in Italy by Massimo d'Alema, between the European States and faith groups organised to govern the terms of their relationships within a legal framework defined by the principle of separation of church and state. In practical terms, these framework agreements could cover the terms of consultation of religious authorities by public authorities, the organisation of philosophy courses, or "reasonable accommodation" arrangements (see other points in the report).

## 5 DEFINING A LEGAL FRAMEWORK FOR DIALOGUE BETWEEN FAITH GROUPS

### Observations

The organisation of faith groups at State level promotes harmony in social relationships. The national community benefits from the fact that the State does not only enter into dialogue with religious authorities on a bilateral basis, but encourages a multilateral approach.



© FEPS

Dialogue between faith groups can defuse tensions between social groups.

#### Proposal

A European legal framework for dialogue among faith groups could be drawn up, for which purpose European Union must review and revitalise its existing programmes such as the Barcelona Process in order to ensure that its commitment to stability and prosperity, as well as democracy and peaceful coexistence of neighbouring countries spreads beyond its administrative borders.

### 6 ADOPTING CANADA'S "REASONABLE ACCOMMODATION" APPROACH IN EUROPE

#### Observations

Tensions within national multicultural societies arise mainly as a result of political exacerbation and exploitation by the national media of minor local social issues (e.g. a dispute over school menus in some or other village).

These very localised disputes over the application of standards also have the adverse effect of obscuring the identity of the values that the State must by law protect in Europe and on which it cannot compromise.

The Canadian political experience has

demonstrated the practical possibility of defusing multicultural disputes by decentralising social dialogue. The aim is to allow some flexibility at a local level in the application of standards in order to cater for the diversity of sensibilities and, at the same time, revive core values.

In Canada, as in European States, the experience of the "reasonable accommodation" approach is not limited to the sphere of religion.

#### Proposal

The challenge is to combine the affirmation of European humanist values, which must be protected against compromise, with a platform for social dialogue based on the principles of self-management and decentralisation, which would promote harmonious relationships between individuals above and beyond their differences.

### 7 STRENGTHENING MEASURES TO COMBAT DISCRIMINATION

#### Observations

Religious isolationism and, in some cases, recourse to violence, can result from discrimination suffered by immigrants or descendants of migrants.

While the European States are generous in the rights they accord, the conditions of

access to the exercise of these rights are often still inadequate.

#### Proposal

Define concrete proposals to strengthen measures to combat discrimination based on a comparative study of national experiences, while using the new process launched by the European Commission regarding the renewal of Social Agenda EU2020 and the debate regarding the content of social rights. We must ensure the universalistic approach, which will ensure that everyone has the same right to access: labour market and high quality public services, which should underpin the logic of the review of the state of the European Social Model.

### 8 ENSURING CONSISTENCY OF EUROPEAN FOREIGN POLICY AND EU VALUES

#### Observations

European foreign policy (i.e. the foreign policy of the EU and of its Member States) is afflicted by the classic contradiction between an "idealist" and a "realistic" approach.

The relative indecipherability – for many citizens – of European foreign policies is a divisive factor for national multicultural societies.

#### Proposal

Engage progressives in defining a doctrine of foreign policy that includes a component devoted to migration management. This proposal is likely to revive a perspective introduced by Willi Brandt, Bruno Kreisky and Olof Palme, for which reason we must make sure that EU must take an active role and abide by its commitment as stipulated by the Millennium Development Goals and by Beijing Platform for Action (and their respective reviews).



*The Institute for New Economic Progress is an independent organization established in 2008 that produces expert and timely advice for Bulgaria's strategic leaders.*



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## OUR MISSIONS AND OBJECTIVES

INEP generates new ideas for progressive oriented governments, allowing them to make better-informed decisions for Bulgaria's future.

Our mission is to contribute to the economic development of Bulgaria and to achieve sustainable economic growth, to enhance the quality of economic education and the economic culture of the population. We strive to promote public debate on key economic policy issues and to develop cooperation between the state administration, the private sector, educational institutions and NGOs in solving the problems in the economy.

The means of achieving our objectives are focused on research and development of economic policy and study the effectiveness of existing legislation in the field of economy and support of legislative activity. We aim to promote the experience of countries with developed market economy and the exchange of ideas between professionals in the field of economics, management and business from Bulgaria and other countries. The institute's activities are carried out in cooperation with a wide network of national, European and international partners.

INEP aims to be innovative, accurate and well-informed and to broaden public knowledge about the critical strategic choices our country will face over the coming years. The institute's work helps to foster strategic expertise in Bulgaria through dialogue, research and its contribution to public debate. We strive to provide a strong focus and constructive commentary on the practical choices and issues which confront Bulgaria's strategic policy decisions, and this is reflected in INEP's core values of collegiality, originality and innovation, quality and excellence, and independence.

## OUR PEOPLE

Our work addresses 21st century challenges such as economic growth and education. Our team compounded of academics and experts who teach, research and offer commentary for INEP include some of the country's leading professionals. Chairman of INEP Board is Rossen Karadimov, politician, university professor, former member of 7 Grand National Assembly of the Republic of Bulgaria and 37 Ordinary National Assembly of the Republic of Bulgaria.

## OUR PROJECTS

**The Utility Index.** Monthly based document, objective assessment of key policies and decisions of the legislative and executive branches in Bulgaria. In addition to tracking down the main trends in the country governance, its goal is to deepen the public and political debate with respect to their utility and their impact on the long-term prospects of Bulgaria.

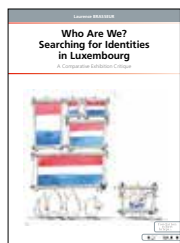
**Public Debates.** Series of round tables and discussions with NGO's from all political spectra, based mainly on the role of the state as regulator of the economy, re-industrialization, survival pack of measures for SME.

**Policy Making.** Significant contributions to the economic basis of the election program of the Bulgarian Socialist Party over the parliamentary election in 2013 and the following governmental program of socialist-led government.

# THINK TANKS' PUBLICATIONS

## WHO ARE WE? SEARCHING FOR IDENTITIES IN LUXEMBOURG, A COMPARATIVE EXHIBITION CRITIQUE

*Laurence Brasseur*

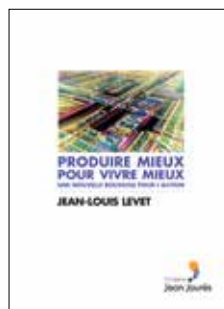


The book analyses the relationship between issues of identity, power and the museum and investigates how these factors are linked to the museum's social and educational role. The findings suggest that identity discourse in museums is linked to globalisation and multiculturalism on the one hand, and more entrenched national identities on the other. Furthermore, it is closely connected to hegemonic political discourse.

[+] [www.FondationRobertKriepps.lu](http://www.FondationRobertKriepps.lu)

## PRODUCING BETTER TO LIVE BETTER. A NEW COMPASS FOR ACTION

*Jean-Louis Levet*



The French are likely to think that the next generation will live less well than their own. Excessive pessimism or lucid observation on the actual state of the country? A situation which nevertheless has nothing inevitable, and a new compass for action so that our country finally regain confidence in the future.

[+] [www.jean-jaures.org/Publications/Essais/Produire-mieux-pour-vivre-mieux](http://www.jean-jaures.org/Publications/Essais/Produire-mieux-pour-vivre-mieux)

## ECOSOCIALISM

*Gaëtan Gorce*



While the climate crisis intensifies and inequalities worsen, Gaëtan Gorce wants to give back to Socialists the ambition to transform society by choosing ecosocialism, a true civilization project that is betting on the democratic and social inventiveness of citizens.

[+] [www.jean-jaures.org/Publications/Essais/L-ecosocialisme](http://www.jean-jaures.org/Publications/Essais/L-ecosocialisme)

## CAN LABOUR WIN?

*Patrick Diamond & Giles Radice*



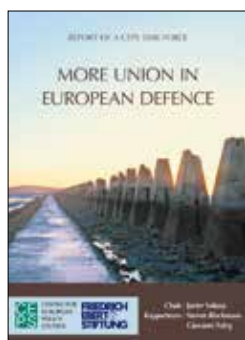
'Can Labour Win', by Patrick Diamond and Giles Radice, assesses how the Labour Party lost the trust of voters, culminating in their 2015 general election defeat, and what they must do to win it back. The book contains exclusive polling data, and ultimately shows how Labour must evolve to avoid further defeats in the future, and to evade political irrelevance altogether.

[+] [www.policy-network.net/publications/4963/Can-Labour-Win](http://www.policy-network.net/publications/4963/Can-Labour-Win)



## MORE UNION IN EUROPEAN DEFENCE

*FES/CEPS Task Force, Rapporteurs: Steven Blockmans, Giovanni Faleg*



Numerous emergencies in the European Union's strategic neighbourhood, hybrid security threats, years of uncoordinated cuts in defence spending and rapidly evolving global trends have all eroded the EU's role as a security actor in a multipolar world. The Common Security and Defence Policy (CSDP) needs to be more efficient and more effective if it is

to meet tomorrow's security challenges and promote the EU's own interests, independently of any other global actors.

The CEPS-FES Task Force aims to provide the new incumbents at the helm of the EU institutions, in particular the High Representative for Foreign Affairs and Security Policy / Vice-President of the Commission, with the narrative and the proposals to strengthen defence cooperation in the EU. Ultimately, the necessary defence integration should amount to a "European Defence Union" (EDU). This report defines the shape of such a Union as the cornerstone of a comprehensive, civil-military security architecture in Europe. Having examined the current and potential conditions in the relevant sectors, the Task Force recommends an array of policy actions for further cooperation and integration as the natural steps to join all the dots of the defence debate – strategic, institutional, capabilities and resources.

[+] [www.fes-europe.eu/attachments/511\\_CEPS%20TF%20European%20Defence%20FINAL%20200515.pdf](http://www.fes-europe.eu/attachments/511_CEPS%20TF%20European%20Defence%20FINAL%20200515.pdf)

## ITALIANIEUROPEI 5/2015

*Various authors*



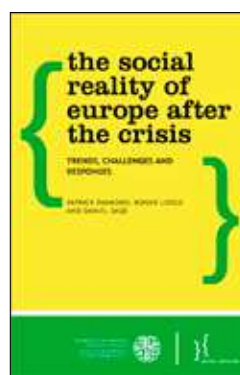
In this issue of Italianieuropei analyses will focus on: the actual capability of the educational reform introduced by the Renzi government, the so-called Buona scuola, to create a more effective system of education and training, adequate to address current needs and opportunities of the labor market and able to promote growth and innovation; the Libyan crisis and its impact on the regional equilibrium and the Mediterranean political scenario, with

particular attention concerning the issue of the roots of migratory flows in UE.

[+] [www.italanieuropei.it](http://www.italanieuropei.it)

## THE SOCIAL REALITY OF EUROPE AFTER THE CRISIS

*Patrick Diamond, Roger Liddle & Daniel Sage*



Europe is still profoundly affected by the economic crisis which began in 2008, and has led to many fundamental changes for European citizens politically, culturally and economically. 'The Social Reality', published in collaboration with FEPS, examines post-crisis Europe and the issues that encompass the lives of Europeans, and how EU and national government can restore strength, stability and cohesion.

[+] [www.policy-network.net/publications/4915/The-Social-Reality-of-Europe-after-the-Crisis](http://www.policy-network.net/publications/4915/The-Social-Reality-of-Europe-after-the-Crisis)

### TAX FOR OUR TIMES: HOW THE LEFT CAN REINVENT TAXATION

*Edited by Daisy-Rose Srblin*

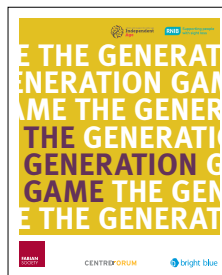


The UK's tax system isn't fit for purpose. But for too long a serious conversation about tax has been hidden from the public, with debate dominated by either political ruses or remote technocracy. Crucially, we have forgotten what tax is for. This collection explores how the left can reimagine the tax system so that it is more progressive, more transparent and more efficient, and helps shape a fairer society.

[+] [www.fabians.org.uk/wp-content/uploads/2015/08/Tax-for-our-Times-July-2015.pdf](http://www.fabians.org.uk/wp-content/uploads/2015/08/Tax-for-our-Times-July-2015.pdf)

### THE GENERATION GAME: SPENDING PRIORITIES FOR AN AGEING SOCIETY

*Edited by Ed Wallis*



Jointly published by three think tanks from across the political spectrum – the Fabian Society, Bright Blue and CentreForum – this report calls for radical new measures to tackle the challenges of an ageing population. The authors argue that Chancellor George Osborne must show he will fairly balance the needs of older people against other sectors of society – and offer solutions for how this might be done.

[+] [www.fabians.org.uk/wp-content/uploads/2015/09/The-Generation-Game-Sept-15.pdf](http://www.fabians.org.uk/wp-content/uploads/2015/09/The-Generation-Game-Sept-15.pdf)

### YOUTH UNEMPLOYMENT AND MULTICULTURALISM

*Dina Spirovska, SDYM (Social Democrat Youth of Macedonia)*



While one social problem divides the citizens on one ground, another one unites them. It is a problem blind to national or religions belonging, sex or age - the problem of unemployment. In the Republic of Macedonia, this particular issue has great repercussions on social life and the economic situation and requires attention.

[+] <http://progres.org.mk/files/publications/SDMM%20EN%201.pdf>

### STATEMENT ON REFUGEE CRISES

*CEE Network International Board Members*



In this statement, organised SD women from the Balkans region are refreshing general public' memory of the recent history when refugees from the Balkan region were fleeing war violence, urge all respective governmental stakeholders in the EU and globally to take consistent action to help refugees, taking into account also gender aspects of this humanitarian crisis, but also to address root causes of this exodus.

[+] <https://ceegendernetwork.wordpress.com/2015/09/07/cee-gender-networks-statement-on-the-refugee-crisis/>

# MOBILE EUROPE:

## *The Theory and Practice of Free Movement in the EU*

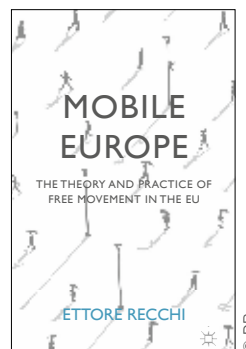
by Ettore Recchi



**A**

ccording to a Eurobarometer survey cited by Ettore Recchi, it is the freedom to travel, study and work in any Member State, rather than a common currency, that epitomises the EU in the minds of most Europeans. Yet there is

still very little data on the sociological factors inherent in this very specific type of migration, involving the use of laws unknown to the majority of other areas of free trade and regional cooperation. *Mobile Europe* helps to address this shortfall through a scientific analysis of the empirical data available. In this respect, the material presented in the book echoes frequently-voiced postulates such as the appeal of countries like Germany and the UK. However, it also shows how the phenomenon of intra-European migration is too complex to be reduced to a neo-Marxist concept of relations between a “centre” and a “periphery”.

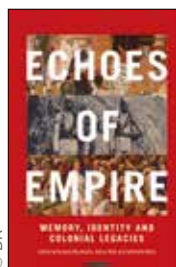


Mr Recchi's book does not only significantly improve our understanding of intra-European migrants; it also offers a useful snapshot of political changes related to mobility. The most far-reaching of these is the disintegration of the modern state, not under the impulse of globalised economic forces, but through the construction of a post-national sense of citizenship, forged on the anvil of increasing scope for shared experiences. From this cosmopolitical standpoint, freedom of movement can be seen as an extension of the human rights evoked by Roosevelt in his State of the Union address of January 1941, and echoes the international mission statement laid out in the preamble to the Charter of the United Nations.

Mr Recchi's attachment to his subject matter does not prevent him from reminding the reader of two important facts, however. The first is that under modern-day EU laws, freedom of movement does not mean immigrants must necessarily be granted all of the same rights as the citizens of their host country; the second is that in the negotiations leading up to the Treaty of Rome, the principle of the free movement of workers was also introduced as an alternative to establishing international regulation of remuneration.

**Review by** Christophe Sente

***Mobile Europe: The Theory and Practice of Free Movement in Europe*** // Ettore Recchi (New York, Palgrave MacMillan, 2015)



# ECHOES OF EMPIRE: *Memory, Identity and Colonial Legacies*

by Kalypso Nicolaïdis,  
Berny Sèbe, Gabrielle Maas

**A**lthough Fernand Braudel made clear Europe's debt to Mediterranean nations, not all countries bordering that sea have been involved in the process of political construction begun in Rome and Paris in the 1950s. Yet for decades, the majority had

political ties to a number of nations that signed the treaties shaping the European Union, until decolonisation finally freed them from the yoke of "colonial power".

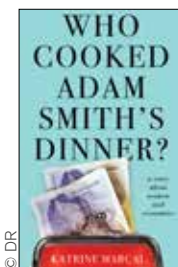
An attempt to solve the riddle of this extended community can be found in the book edited by Kalypso Nicolaïdis, a professor of international relations at Oxford University, and her colleagues Berny Sèbe and Gabrielle Maas.

The Euro-Mediterranean issue is not, however, the book's only point of focus. It also deals more broadly with the way in which the fall-out of colonialism has had an impact on erstwhile colonial powers in their relations with one another and with other nations. To explore this aspect of globalisation and redefine Europe's place in a world now dominated by new powers, the authors have happily avoided any grand demonstration of theory. Instead, they have opted to gradually unearth the subject by weaving together strands of thinking from a series of historians specialising in colonisation and commentators on international relations. The result is a judicious balance between a presentation of scholarly findings and a multi-faceted analysis with an eye to the future. It is also interesting that although an exploration of the future of the EU may have inspired and guided work on the book, the authors adroitly avoid the pitfalls of Eurocentrism by extending its scope to include other forms of imperialism such as those of the post-Soviet and Japanese variety.

**Review by** Christophe Sente

*Echoes of Empire: Memory, Identity and Colonial Legacies*

// Kalypso Nicolaïdis, Berny Sèbe, Gabrielle Maas (IB Tauris, London - New York, 2015)



# WHO COOKED ADAM SMITH'S DINNER?

by Katrine Marçal

**M**anuel Vasques Montalban and Leonardo Padura have both explored the link between cooking and politics in their detective novels, which feature a generous sprinkling of recipes to delight the taste buds of readers as they follow the plot.

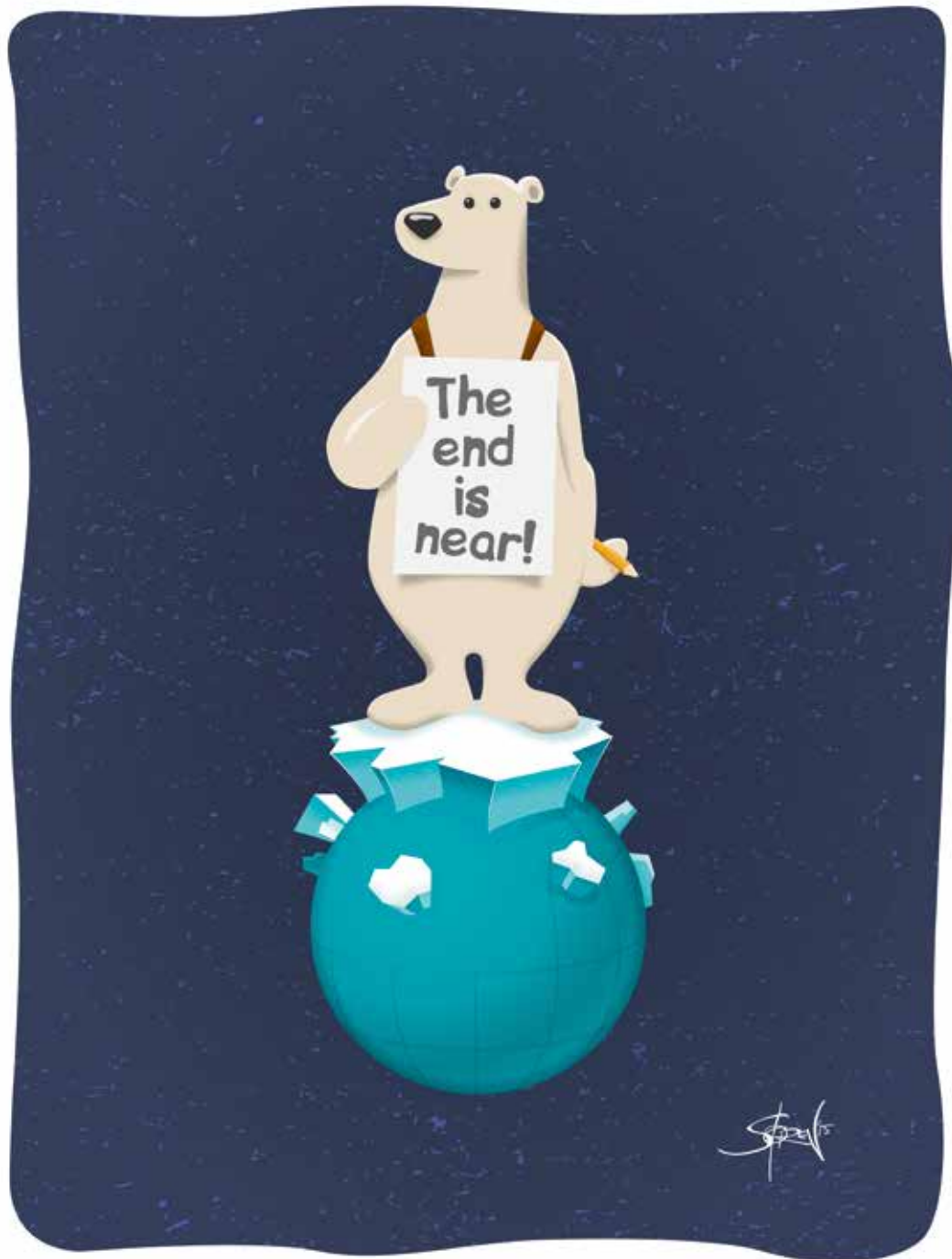
Title aside, Katrine Marçal's book has nothing to do with food, although it can read like a detective story. It is also equally well put together, with a choice of two different servings for the reader to digest.

One approach involves reading the book as a critical simplification of the theories of free-market economics. It begins with an introduction to Adam Smith before throwing a number of other historical and contemporary figures into the mix, borrowing ingredients from the likes of John Maynard Keynes, Oskar Morgenstern and Gary Becker. Yet the book can also be read on another level: as an inventive feminist manifesto. In this respect, it supports the theory that neoliberalism (starting with Adam Smith himself) makes the methodological and ontological mistake of overlooking the unique contribution of women to social order. In its opening lines, the book begins to question free market claims that any form of individual or collective thinking is rooted in a desire to serve rational self-interest. The author does so by contrasting the Scottish economist's theory with his personal life: if it were not for a woman who cooked for him every day, not out of self-interest but out of love, how would the author of *The Wealth of Nations* have survived? This question serves as a common thread throughout the book. Katrine Marçal is of course not suggesting that women are from Venus and men from Mars. The author's goal is instead to show that the workings of society are multifaceted and involve collective burdens as well as individual choices. In her conclusion, she insists that no economic law prevents us from choosing cooperation over competition; just as none requires the exploitation of women.

**Review by** Christophe Sente

*Who Cooked Adam Smith's Dinner?* // Katrine Marçal

(Portobello Books, London 2015)



© Søren Juhl

**Søren Juhl** is an illustrator and cartoonist based in Aarhus, Denmark. He works primarily in vector artworks for kids. All artworks start as a hand-drawn sketch that he uses as a guide for creating the final digital artworks, which are mostly used for online games and apps but also for books now and then. He has been working at LEGO as a graphic designer, as a freelancer too and now works at a publishing company.



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THINK EUROPEAN  
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**NOW**  
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**READ EUROPEAN**  
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EVEN MORE  
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◇◇◇ *Discover* ◇◇◇  
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