



EPIN NEWSLETTER

Spring 2015

Members of the Steering Committee



Changes and challenges in the EU political landscape

The EPIN project *The post-election political landscape in Europe* was launched last year to analyse the main changes and challenges in national and EU politics in the aftermath of the 2014 elections to the EP.

Four EPIN Commentaries and an EPIN Paper have been published so far in the framework of this project:

- [Greece in limbo: Post-election 2015 scenarios](#)
- [Advances in EU Gender Equality: Missing the mark?](#)
- [Reshaping politics of the left and centre in Greece after the 2014 EP election](#)
- [Political crossroads ahead in Sweden: The signs are red-green](#)
- [Euro-scepticism vs. Political Pragmatism: The Finns Party tones down its criticism of the EU](#)

If you would like to submit a proposal, please contact S. Piedrafita (sonia.piedrafita@ceps). We also encourage you to send your most recent publications for posting on the EPIN website and newsletter.

BRITAIN'S FUTURE IN EUROPE

Edited by Michael Emerson, the book *Britain's Future in Europe: Reform, renegotiation, repatriation or secession?* has just been re-released.



Co-published by CEPS and Rowman & Littlefield International, the book is now available for free downloading on CEPS website and for purchase in print or e-book on the RLI website:

www.rowmaninternational.com

Launch events were held at the London School of Economics on March 12th and at CEPS in Brussels on March 23rd.

The analysts involved in the project were impressed by the

quality and depth of the UK government's research, but they expressed regret that the government did not draw its own conclusions from its review of the balance of competences between the EU and the member states, due obviously to disagreement between the Tory and Lib-Dem coalition parties.

The book reviews the case for policy reform, renegotiation or repatriation of powers across

32 different policy areas, concluding that:

- There is zero evidence to justify repatriation of competences from the EU back to member states.
- There is very little conceivable scope for renegotiation of further special terms for the UK since it already has so many opt-outs.
- The agenda for EU policy reform and improvement is wide open, and represents the only viable track for the UK to pursue as an alternative to a potentially disastrous secession.

See also M. Emerson's contribution to *The Conversation* (reproduced on next page) <http://theconversation.com/state-of-the-nation-the-great-european-question-39095>

Echos from the press:

['Britain's Future in Europe', edited by Michael Emerson: A fine balance between Britain and Brussels](#), Review by Tony Barber, Financial Times

['Britain's Future in Europe' launch at LSE](#), by Oliver Gadsby, RLI

['With Britain wavering, EU realigns'](#), by Paul Taylor, International New York Times.

PUBLICATIONS by EPIN MEMBERS

Poland's perspective

[German-Polish Barometer 2015. The Polish view on German-Polish partnership in a common Europe. Main conclusions](#)

Agnieszka Łada, Institute of Public Affairs.

[Analysis of works on the Banking Union from the perspective of a non-euro area country](#)

Maria Majkowska, Institute of Public Affairs.

EU Politics and Institutions

[The significance of Eurosceptics in the new term of the European Parliament](#)

Agnieszka Lada, Institute of Public Affairs

[Who calls the shots in the committees of the new European Parliament?](#)

[A new balance of power in the Council? Yes, but not yet...](#)

Sonia Piedrafita, CEPS

[Moscovici's role in Juncker Commission: French Impetus for an "EU-Turn"](#)

Nathan Dufour, PISM

State of the Nation: The great European question



Michael Emerson

The UK's place in Europe is one of the most divisive issues in the 2015 general election campaign. The Conservative Party and UKIP want an in/out referendum, Labour does not and the Liberal Democrats certainly recognise it as an important matter, even if leader Nick Clegg is refusing to come down on either side of the debate.

But when it comes to the detail, there is very little clarity from any party, even though the coalition government has been thinking about this issue for five years. There is a good reason for that.

Shortly after coming to power, the coalition government agreed to undertake what became the most comprehensive assessment ever to take place of the workings of the European Union. This was called the Balance of Competences Review. The idea was to allow evidence-based deliberations over the government's European policy.

Of course, the two coalition parties differed drastically about Europe from the outset. The Conservatives were largely eurosceptic, if not europhobic, and the Liberal Democrats firmly pro-European. Many Conservative MPs saw the review as an opportunity to gather information to back up their broad desires to repatriate various (unidentified) competences from the EU back to national governments.

At least the coalition partners could agree on this exercise to collect information. An open invitation was extended to any interested people or organisations to make submissions and the plan was to analyse and publish that evidence. It was agreed that the publications would not attempt to draw policy conclusions, obviously because the coalition partners did not want to face the prospect of negotiating these with each other. "Let the evidence speak for itself", one or other of the party leaders may have said, and the other concurred.

In the end, 1,500 pieces of written evidence were submitted. These were distilled into 32 volumes of analysis, looking at individual sectors such as agriculture, energy and taxation. All in, it amounted to 3,000 carefully drafted pages.

For scholars of European affairs it was like manna from heaven. Her Majesty's government had kindly undertaken a huge policy research effort, paid for entirely by the state. It had delivered the primary findings free of charge to anyone who wanted to get their hands on it and the field was wide open for whatever conclusions should be drawn.

The publication of the 32 volumes was completed in January 2015. Since then, there has been complete silence. The dog did not bark. The government was saying absolutely nothing about the implications of its own remarkable work.

Confused, the House of Lords set an inquiry into action via its EU Select Committee. On March 10, the committee asked David Lidington, minister for Europe at the Foreign Office, if it was really worth the expense of launching the project if no conclusions were to be drawn. His reply came straight out of Yes Minister:

The government felt it would not be right to draw conclusions that could not possibly do justice to the diversity of opinions expressed.

The readers of the 32 volumes of evidence can do better than that. The central question for the review was whether the legal powers of the European Union are excessive and should be handed

back to individual countries. In not one of the 32 volumes did the evidence support the repatriation of any of these powers.

Most of these powers, such as for the single market and related policies including energy, are legally shared with member states. The detail of the balances can be adjusted over time in light of experience. It can either be further centralised or decentralised.

The actual sharing of competences between the EU and member states has mostly been refined through years of negotiation and experience to the point of reaching plausible balances. "About right" is the summary term used in many of the 32 review volumes to describe the current balance of competences.

On the road to reform

There are two other approaches for seeking a new settlement with the EU. These are encapsulated in the words "reform" and "renegotiation". While the prime minister uses these two words rather loosely and even interchangeably, we can be more precise.

Reform is about improving the EU as a whole.

Renegotiation is about getting special conditions for the UK on its own.

In 2013 Lord Nigel Lawson, announcing his move into the Brexit camp, said that the EU was unreformable. The evidence from the government's review shows this to be simplistic and untrue. On the contrary, reform has been happening for a long time and continues to happen in almost every domain.

The UK attaches the highest priority to the single market, and has played a major role in its reform since the late 1980s. It is currently seen to be working as a promoter of more effective and enhanced (not diluted) EU policies in key single market sectors where there is important work in progress. That notably includes the single market for services, financial markets, energy and climate change, and the digital sector.

Two much-criticised sectors have undergone major reform too. Fisheries underwent key changes in 2013 which have enabled individual countries to have more control over fishing quotas in order to combat overfishing.

And agriculture has undergone significant change in reforms that started in the 1990s and went right up until 2013. There has been a consistent push to switch support for farmers from market intervention to income support. In the past market intervention led to huge stockpiles of unwanted produce (the so-called "butter mountains"), but this is now a thing of the past.

The EU now gives increasing priority to getting rid of unnecessary red tape. A new top-level appointment has been made at the European Commission to oversee this, which corresponds to a key British demand. The era of Brussels banning bent bananas is over, if it ever existed beyond the headlines of the tabloid press.

Special relationship

The UK has already negotiated opt-outs or special arrangements for the EU policies that it does not want for itself. It has stayed out of the eurozone and is not part of the Schengen area, so it remains in control of its own borders.

A wider opt-out from the entire domain of justice and home affairs is accompanied by the legally entrenched right to pick and choose which elements the UK wants to opt back into at any time.

This shows remarkable flexibility on the part of the

other European member states. If everyone was allowed to choose which policies they did and didn't want, the EU simply couldn't function.

The UK has also opted out and then back in to the social charter which sets labour market norms.

The deal breaker?

Of all the issues that circulate in any discussion about Europe, immigration is the most high profile in the run up to the 2015 election. The Conservatives want to negotiate curbs on immigration from the rest of the EU and Labour has hinted that it might too. But there are moderate ways of doing this that do not contradict the right to the freedom of movement – which states that European citizens are allowed to travel freely to live and work in other member states.

It was recently ruled in the European Court of Justice that it is member states, not Europe, who decide whether unemployed immigrants can stay in a country and whether they get benefits. The so-called problem of benefits tourism can be managed by member states without calling into question the red lines of freedom of movement or employment. So even on immigration which is being presented as a deal-breaker issue that could leave the next UK government with no choice but to leave the union, there is plenty of room for manoeuvre. In this, like so many other areas, the UK has safeguards in place to protect its sovereign powers. These include, notably foreign and security policy and taxation. There is nothing to repatriate or renegotiate here.

Empty threats

Cameron made a vague and rhetorical speech about Europe in January 2013, suggesting that, from the outset, he didn't really know what he wanted in operational terms.

The review was meant to inform him. It was supposed to show which areas could or should be reformed and which powers he should seek to repatriate. His silence since then seems to reflect the fact that the evidence did not correspond to the rhetorical demands of many Conservative Party MPs.

Overall, the evidence supports a common-sense view that British interests are best served by continuing membership of the European Union, combined with pushing ahead with reform processes, while retaining its important opt-outs.

If the Tories win, Cameron may be expected to lay out his objectives in operational terms soon after the May election if he is to have a referendum by 2017 at the latest.

By now it should be clear that he could point to a meaningful reform agenda that could have a good chance of winning considerable support from the rest of the EU, but that there is little room for renegotiation and none for repatriation of treaty-level competences.

Even if Cameron pretends to ignore the findings of his own review, because they do not correspond to the preconceptions of many Tory MPs, his negotiating position will have become informed by these findings which are published for all his EU partners to see. He will have the chance to fashion a progressive reform agenda, as long as he recognises that policy reform and improvement is a continuing process, not something that is a one-off job done just-in-time for a UK referendum.

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