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Transcript

A Vision for the UK in Europe

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1 November 2012

Remarks as prepared for delivery.

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Nick Clegg:

This autumn, the great debate on Britain's role in Europe has, as ever, generated a lot of heat yet little light.

We want to be in, we want to be out; we want to repatriate powers, use our veto, keep our pint, save our pound, protect our strongest export market, be critical of Germany, not end up like Greece, feel proud of our role in creating peace in Europe, yet cynical about an acronym winning the Nobel Prize. And just last night, in a House of Commons debate on the European budget, we saw Europe turned into a political football as political opportunists sought to score a political point.

But when it comes down to it, there is a serious debate to be had... And we do have some serious decisions to make.

In Europe today, there are effectively three places you can be. They fit together like rings around a circle.

There's the core: where the eurozone countries are now pulling together more closely; integrating further to shore up the single currency.

Then there is the ring around that – the inner circle: the states who aren't in the euro, but are members of the EU.

And the outer circle: where you find the accession countries, EEA countries, Norway, Switzerland, and so on.

The UK is in the inner circle – but the terrain is shifting. The core is tightening – to what degree we don't yet know. Some states on the outside are seeking, over time, to head further in. And, as a different Europe emerges, over the coming years... We have to decide where the UK fits within it. What role will we play in our new neighbourhood?

Very few people are now suggesting we move into the centre. Joining the euro will not be in our interests anytime soon – certainly not in my political lifetime.

But there are forces who want to pull us towards the edge; towards the outer circle. Reducing the extent to which we cooperate on the Continent; happy for the Channel to widen. Hoping, even, that it becomes a gulf.

Today I want to explain why that is a very dangerous position... leaving the UK isolated and marginalized. And I want to offer a more compelling alternative: a strong UK, influential in Europe and so more influential in the world; working with our allies on the issues that matter to our prosperity and

security; driven by pragmatism, as opposed to dogma, in these debates. Unambiguously in the inner circle.

That will require an approach that is engaged and balanced. So not accepting every request or regulation sent from Brussels. But, equally, cooperating constructively where it is in our national interest to do so.

In our immediate future, that means three things. One: a tough EU budget settlement. Two: defending and deepening the single market – and our place in it – for the sake of growth and jobs. Three: taking the decisions on law and order cooperation that will keep British citizens safe.

The Europe debate will continue to run and run, as the eurozone integrates further – that is certain. And in the UK we will find ourselves talking about it, thinking about it, arguing about it frequently over the coming years. But right here, right now the UK's priorities can be easily summed up: tough on the money; more jobs; more criminals behind bars.

Before I turn to those, I want to focus on the proposal doing the rounds that the best way to improve the UK's position in Europe is to renegotiate the terms of our relationship with the rest of the EU. We should opt out of the bad bits; stay opted in to the good bits; and the way to do that is a repatriation of British powers.

That seems very reasonable; in fact, it's a pretty seductive offer – who would disagree with that?

But, look a little closer. Because a grand, unilateral repatriation of powers might sound appealing... but, in reality, it is a false promise, wrapped in a Union Jack.

Let me explain why.

I am all for reducing frivolous and expensive European rules. At the weekend we heard stories about proposals to regulate the shoes and jewellery British hairdressers wear. That kind of thing is clearly too much. Having worked at the heart of the EU, I can certainly give you some more examples.

And, more profoundly, we need to refocus the EU, so it does more where it adds value, and less where it doesn't. I'm very proud of this government's track record in working with our European partners to do that. Whether that's reducing EU red tape for small business; or securing agreement on a European Patent after 23 years of negotiation; or getting long overdue agreement to devolve powers over fisheries policies. But there is a lot more

we need to do to get the Europe focused on the policies that create economic growth and make it more competitive. And I want the UK leading that.

So I do not think the EU is perfect by any stretch and I'm a big advocate of EU reform. But this idea that we should – or could – extract ourselves from the bulk of EU obligations is nonsensical. It is wishful thinking to suggest we could – effectively – give ourselves a free pass to undercut the Single market... only to then renegotiate our way back in to the laws that suit us. The rest of Europe simply wouldn't have it.

What kind of club gives you a full pass, with all the perks, but doesn't expect you to pay the full membership fee or abide by all the rules? If anyone else tried to do it... if the French tried to duck out of the rules on the environment or consumer protection... if the Germans tried to opt out of their obligations on competition and the single market... we would stop them – and rightly so.

And let's be honest: many of the people who advocate repatriation are the same people who want us out of Europe – full stop. For them, no rebalancing of powers will ever be enough. And so there is no hard border between repatriation and exit. Because, for these people, repatriation is pulling at a thread – and they want to unravel the whole thing. Just look at the last few weeks: as soon as we start talking about repatriation, we descend into the in-versus-out debate.

And heading to the exit would be the surest way to diminish the UK. Because what then? Become the next Norway or Switzerland? Advocates of repatriation point to these nations and say they have the best of both worlds: access to Europe's markets, without an assault on their sovereignty.

But these countries sit and wait for bills and directives from Brussels... duly paying their bit, changing their laws... but with absolutely no say over Europe's rules: no political representation; no national voting rights; no voice at all. They work by fax democracy: you find your instructions on the machine in the morning, and you follow them. They have no meaningful sovereignty in the EU.

Norway has had to implement three quarters of all EU legislation, including the Working Time Directive. They pay into the EU budget, for the specific programmes they participate in and for development grants to new member states.

Switzerland has no guaranteed access to the single market. They have to negotiate on a case-by-case basis. And right now they are having to match –

even surpass – rigorous EU banking regulations, just to protect business between Swiss and European banks.

To go down that route would be a catastrophic loss of sovereignty for this nation. I want better for the UK.

And our other allies want better for us too.

It's long been the case that the UK stands tall in Washington...Because we stand tall in Brussels, Paris and Berlin. There is a great deal to our enduring special relationship. But, for the Americans, the UK's leverage on the Continent has always been part of our appeal. That will remain the case – no matter who's in the White House after next week.

And while it is, of course, important that we form new alliances in the world... in Asia, India, Latin America... the idea that we can float off into the mid-Atlantic... bobbing around in a new network of relationships... without a strong anchor in Europe... while countries around the world – incidentally – are working more and more in regional blocks... is clearly not a sound strategy in a fast-moving, fluid and insecure world.

Those who advocate turning our back on our neighbours seem to think we have a ready-made web of alternative alliances... a set of international agreements with other countries that could readily sustain us. But that isn't how it works.

The Commission has just confirmed, for example, that if the UK suddenly left the EU, we would instantly lose access to every EU trade agreement with a third party. Agreements with 46 countries are in place, and agreements with a further 78 are under negotiation. Our membership of the EU gives us access to all of them. And that includes almost every Commonwealth country. The EU is looking at opening negotiations with nine more countries, two of which, Japan and the USA, would be very significant. Do we really want to leave the EU, lose these free trade arrangements for UK exporters, which go above and beyond WTO rules... and potentially have to negotiate that all from scratch? The UK government would spend a decade doing that and nothing else. And can anyone seriously suggest that Japan, or South Korea, or Brazil would cut us a better deal as an island of 60 million people than as a continent of 500 million?

Ironically, the people who do understand this strength-in-numbers argument are the Scottish Nationalists. They may be trying to pull away from the UK... but they're going around saying an independent Scotland would have automatic entry into the EU – an assertion that has no basis in fact... precisely

because they see how important it is to Scottish prosperity. And they know a separate Scotland, seeking re-entry into the EU, would lose the extra benefits it gains from being part of a big member state. They don't want to face what might happen to Scotland's influence on fishing quotas, or agricultural policy, or the regulation of the banks. They don't want reality to bite. So they've gone into denial, preferring political assertion to legal advice.

The best – and most realistic – choice for the United Kingdom is to stand tall in our European hinterland; for the sake of our security, our prosperity and our place in the world.

Standing tall means asserting ourselves when we need to protect the nation's interests. But also cooperating with our neighbours when it is for the good of the British people. In the coming weeks and months, that will mean three things.

First, taking a tough line on the EU budget... ahead of a special European Council meeting at the end of the month.

The coalition government's position remains the same: we will not accept an increase, above inflation, to the EU budget. That is a real terms freeze. And we will protect the British rebate in full. That is the toughest position of any European country. At a time of deep fiscal tightening in the UK... with British taxpayers seriously feeling the pinch... we cannot support a real increase in EU spend.

Labour has now taken a different position – as we saw last night – having had a change of heart. Ed Balls knows only too well, from bitter experience... that there is absolutely no prospect of securing a real terms cut to the EU budget. But at the eleventh hour, and having stayed silent on this issue for months... Labour now proclaims that, actually, this is what they've wanted all along... and they can wave a magic wand over the Council negotiations and convince 26 other countries to agree.

Yet it was Labour who agreed to the last long-term EU budget settlement, which saw a major jump in EU spending and lost part of the UK's rebate in exchange for virtually no real EU spending reforms. And British taxpayers have suffered the consequences ever since with our net contributions going from less than €3 billion in 2008 to more than €7 billion in 2011.

Who were two of the Labour MPs to vote for it? Ed Balls and Ed Miliband. Who was the Europe Minister? Douglas Alexander.

Their change of heart is dishonest, it's hypocritical... and worst of all, Labour's plan would cost the taxpayer more, not less. Because in pushing a completely

unrealistic position on the EU budget... one that is miles away from any other country's position... Labour would have absolutely no hope of getting a budget deal agreed.

We've been waiting for years for the Labour party to finally announce how they would cut spending. Now they have finally come out in favour of cuts... but in a way they know is undeliverable; and in a way that would hurt British taxpayers. And it turns out even their cuts cost money. I've heard people describe it as clever opposition politics – and I suppose it is. But it's not the behaviour of a party serious about government.

Yes, the British government's position is tough. Yes, it is going to be difficult to negotiate. But we are working for a deal because that is the best way to protect British interests. The prime minister and I may have our differences on Europe... but, on this, we are absolutely united. To one side we have opponents of the government pretending we can give less... on the other side, there are some in Europe demanding we give more. But it's our job to make realistic, responsible and hard-headed decisions on behalf of the British people.

This is a deal that can be done – that's the message I'm pushing with my European counterparts. With governments across Europe having to get the most out of every pound, euro or zloty they spend... a real terms freeze is a good offer. It's in the EU's own interests to be seen to be showing real restraint.

Second, we need to be actively protecting and advancing the single market – and our place in it – for the sake of British jobs.

Around one in every ten jobs in Britain relies on British trade within the single market. Around half of all our trade goes to other European states – exports from around 100,000 firms.

But as Europe evolves, we cannot take the integrity of the Single market for granted. That's already been made clear during negotiations on the new eurozone banking union... which we're having to ensure doesn't undermine the single market in financial services – prejudicing the City. And we can expect more of this kind of thing, as the eurozone integrates further.

And not only will we need to defend the Single market – we also need to deepen it. Removing trade barriers in services and digital industries would be worth around £3,400 a year to the average household. Money we need as we return our economy to health. But it won't happen without leadership from the UK.

We were among the single market's architects: Lord Cockfield – a British Commissioner – helped design it; Margaret Thatcher played a critical role in pushing it through. And today – as the most open, liberal economy in the EU – we will need to help finish what was started twenty years ago.

And that's how we send the right signal to foreign investors too. One of the reasons big multinationals come here is because we offer a launching pad to the world's largest borderless marketplace. Think of the big employers who've set up operations here: Samsung, Tata, Siemens. The automotive giants helping drive the renaissance in the UK's car industry: Nissan, Honda, BMW, Toyota. Firms who currently pay no import tariffs on the vehicles they send from here to the Continent. But who would be faced with levies of up to 22 per cent if the UK suddenly left the EU.

These companies need to be reassured that we will continue to be the best bridgehead into the European market. We cannot afford to give the impression that we are going to disengage. We need to stay focused on driving trade between us and our neighbours. That is the only way to protect British jobs. It's a position that is pro-business and pro-Britain too.

Third, cooperation on law and order.

Before signing up to the Lisbon Treaty in 2009, the previous government negotiated an opt-out on a package of 130 crime and policing measures, which predated the Treaty. The coalition now has to decide whether to stay opted in to all of those measures... or else pull out of the lot, before seeking to opt back in to individual instruments – depending on negotiations with the Commission and the Council. A decision needs to be taken by 2014 and we will give Parliament a say. But, clearly, we need to agree our starting position now.

So we're looking across the 130 measures. The government has said our current thinking is to opt out of them en masse, before seeking to re-join some. But I want to be absolutely clear: a final decision has not been taken. And I will only agree to doing that if I am 100 per cent satisfied we can opt back in to the measures needed to protect British citizens. And if I am convinced we are not creating waste and duplication, incurring unnecessary costs. We will be led by the evidence and the experts at all times. What matters is preventing crime and terrorism – this must not turn into an ideological scrap.

We are likely to find that some of the measures are defunct. Like old measures to improve data collection in drug trafficking, or things like outdated

skills directories for crime fighting professionals – old instruments that have now been superseded.

But there are others which have transformed the way our police operate... delivered justice for victims of crime where once there was none... and put thousands of criminals behind bars.

It is my strong personal view, that there is a great deal of value in Europol, for example, which pools intelligence to combat serious organized crime. Joint Investigation Teams and Eurojust, which enable cross-border operations, like the ongoing investigation into the recent murder of a British family in Annecy in France. Today, if a rapist, or paedophile or violent offender living in Britain has a foreign criminal record – we can receive it at virtually the click of a button. When a forged British passport or driving licence turns up in Europe – we can find out about it straight away. When a fugitive runs from the UK, we can use the European Arrest Warrant to bring them back – as we saw again recently in the case of teacher Jeremy Forrester. Yes, the Arrest Warrant needs reform so that it is used proportionately, but it is an important crime fighting tool. We've managed to set high standards for combatting children pornography across the whole of Europe – something the UK pushed for. Our police can call on the resources and intelligence of the entire European crime-fighting community to hunt down and arrest murderers, escaped convicts; To stop billions from being laundered out of the UK every year.

In the words of Hugh Orde, the President of the Association of Chief Police Officers: 'In the 21st Century, policing is international.' And to anyone who says we don't need these EU measures to fight crime and terrorism effectively, I say prove it. Prove it to the police, the intelligence agencies, the lawyers, the victims of crime charities. Prove it to the people who deal day in day out with the worst criminals imaginable. Because my position is clear: I will not ask them to protect the British people with one hand tied behind their back.

The UK is part of the most advanced system for combating cross-border crime on the planet. And we have been at the forefront of building it. Over the last 15 years we've led the way on crime and policing cooperation in Europe. The head of Europol is British. The last head of Eurojust was British. The EU's police training centre is at Bramshill in Hampshire. This package of 130 law and order measures has British fingerprints all over it. And I want UK citizens continue to benefit – fully – from the system we built.

So, tough on the money; more jobs; more criminals behind bars. That's the deal we are going to deliver for the British people. You cannot do any of those

things from the edge. You cannot deliver for British citizens when you're halfway out the door. Europe is changing – yes. But rather than go into retreat, now is the time to confront those changes head on. We need to make a decision about who we will be in the new Europe. And I say we need to be strong, loud, present...

That's the strategy that will leave the UK more prosperous, safer, strong. Standing up for the people of Britain by standing tall in our own backyard.

Thank you.