



## A LA CARTE OR JUST DESSERTS

*An FH Brussels analysis of David Cameron's speech on the UK and the EU, 23 January 2013*

UK Prime Minister David Cameron [has pledged](#) to hold an in/out public referendum on EU membership if the Conservatives win the next UK election in 2015. The referendum would be subsequent to a renegotiation of the UK's EU relationship, either through Treaty revision, or bilateral discussions with the UK's EU partners.

Cameron's speech primarily intended to satisfy domestic pressures for "less Europe", in particular from within his own party. Indeed, historically, as evidenced by the 2009 withdrawal of the UK Conservatives from the main EPP Group of the European Parliament, Cameron has traditionally favoured playing to his domestic audience at the expense of a central position within the EU mainstream. The initial reaction from key EU partners is therefore somewhat unsurprising:

- ❖ Laurent Fabius, French Foreign Minister: *"There is no Europe à la carte...In case the UK will leave the EU we will roll out the red carpet for UK business people."*
- ❖ Guido Westerwelle, German Foreign Minister: *"Europe is not the sum of its interests. It is a community with a common destiny, including during difficult times."*
- ❖ Birgitta Ohlsson, Swedish EU Affairs Minister: *"The debate in Britain is sad. The EU is not a menu à la carte. You have to take greater responsibility."*
- ❖ Martin Schulz, President of European Parliament: *"Europe à la carte not an option. We have to focus on jobs & growth rather than getting lost in treaties discussions."*
- ❖ Joseph Daul MEP, Chairman of the EPP Group: *"Today, I worry that this has been done for electoral purposes more than for the benefit of the British citizens. Europe cannot be taken hostage until 2017."*
- ❖ Guy Verhofstadt MEP, Chairman of the ALDE Group: *"Cameron will not succeed if he attempts to hold his European partners to ransom."*

## WILL MEMBER STATES AGREE TO ANY SORT OF NEGOTIATION WITH THE UK?

The initial reaction above would suggest not, although Chancellor Merkel has suggested she would be prepared "to listen" to the UK in due course. However, there would appear to be a clear disconnect between the approach Cameron has chosen and the way EU institutions including the Council work in practice. The very fact that Cameron has made a public speech on Europe, rather than having more direct dialogue with EU partners, was always likely to be interpreted as hostile or "stand-off-ish" by other Member States.

Not surprisingly, many leading French and German political figures have immediately dismissed any sort of *à la carte* agenda for the UK, which they fear could open the door to an unravelling of the internal market. At the same time initial reactions suggest resentment at essentially being "held to ransom" by the UK on any future negotiation.

On the other hand, more like-minded smaller Member States might have an interest in accommodating some of the UK's wishes to keep the UK inside the Union, as they perceive an exit of the UK as reducing their own powers vis-à-vis France and Germany. Further reactions will become apparent in the coming days although overt support for the UK position is unlikely.

An additional variable to any potential renegotiation is what specific powers the UK may seek to repatriate. From Cameron's speech, this remains unclear, and gives increased significance to the ongoing review of competences that the different UK government ministries are currently undertaking.



Fundamentally, from a Brussels perspective, it would appear that the current momentum amongst EU Member States, and certainly the Eurozone members, is towards closer integration, especially with regards to any Treaty revision. Therefore, future negotiations between EU members are likely to be headed in a direction opposite to that desired by Cameron. Moreover, there is a genuine danger that a lack of patience amongst EU Member States combined with reluctance to compromise with Cameron's wishes, risks that the UK might slide out of the Union with minimal resistance.

## THE IMMEDIATE IMPACT ON THE UK'S INFLUENCE IN BRUSSELS

Cameron's pledge comes as the EU enters a critical phase of the current political mandate. Over the coming 18 months, the process of negotiating and selecting a new Commission President will begin, Member States will begin jostling for the key Commission portfolios in the 2014-2019 Commission, and European Parliamentary elections will take place, with key leadership positions assigned to elected MEPs.

Uncertainty about the UK's future role in the EU will be tangibly greater in the corridors of Brussels and as a consequence, a continued erosion of the UK's influence in Brussels can be expected in the short to medium term. This may manifest itself as follows:

1. UK standing in the selection of a new Commission President likely to be severely weakened.
2. UK less likely to successfully advocate for a "big ticket" Commission portfolio when the new Commissioners are chosen in 2014.
3. UK position likely to be increasingly side-lined in ongoing Council negotiations.
4. European Parliament likely to be angered by Cameron's semi-veiled attack on its democratic legitimacy (through his focus on national Parliaments) thus further marginalising the ECR political group in EP legislative discussions
5. UK positions that are successfully taken up by the Council are more likely to be attacked directly by the European Parliament during inter-institutional Trilogues, thus having a broader impact on the ability of the Parliament and Member States to reach compromise on legislative dossiers.

## CONSIDERATIONS FOR ONGOING INTEREST REPRESENTATION IN BRUSSELS

**SHORT-MEDIUM TERM:** Weakening influence may limit the pragmatic liberal economic thinking that the UK can bring to the table on critical ongoing and future EU policy dossiers across sectors. Furthermore, British companies engaging in Brussels may find that their ability to successfully advocate on critical policy issues is reduced.

**LONG TERM:** A successful UK approach may lead to further, albeit ring-fenced, concessions for the UK in terms of specific policy area opt-outs. More broadly this could signal a general diffusion of power away from Brussels to the national level, and thus a continued need for interest groups to engage across national capitals as well as Brussels in public affairs activity. Business certainty and single market consistency may also be affected, given potentially greater scope for Member States to pick and choose the regulations they wish to sign-up for.

**LONG TERM:** An unsuccessful UK approach and potential exit would fundamentally change the EU public affairs dynamic and ultimately require a recalibration of the Brussels political machinery (Council voting weights, European Parliament composition, Commission DG hierarchies etc.).