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Charles Crawford CMG reports on the EU Referendum

The UK/EU debate is a confusing, acrimonious mess because it suits the two sides to avoid tackling one big, core question: what is the strategic vision for the UK within Europe?

The nervous Remain camp frames the issues in terms of Pessimism. They scurry from focus-group to focus-group to find new ways to alarm people. Jobs lost! House prices fall! Pensions fall! Putin will be happy! It's all too risky! Don't trust Boris!

The emboldened Leave camp in turn emphasises Optimism. Take back control! Don't listen to Project Fear! More trade, less Brussels! Fewer immigrants! Yes, leaving is risky – but we Brits like risks! Don't trust Dave!

As all the below-the-belt punches and faux facts fly thick and fast, neither side finds it easy to talk convincingly about the strategic dimension. We can barely predict next week's weather. Why waste time arguing about wider trends shaping years and decades?

Nonetheless, our decisions today are part of bigger trends, even if in all the noise it's hard to spot them. Here are three.

The European Union is like every other attempted pan-European project of the past 1000 years. It will rise then fall and vanish. It's safe to say that in the lifetime of our children (and perhaps far earlier) it will change beyond recognition, if not disappear entirely. The EU eerily resembles Tito's Yugoslavia: a bizarre experiment in 'brotherhood and unity' that proved unable to resolve the contradictions it created for itself, and ended in disaster.

What's the basic problem? The EU was created amidst machine-age Cold War conditions that no longer exist, to deal with problems that no longer exist. Its institutions and general logic are anachronistic: too heavy, slow, wasteful and inflexible to deal with today's dangerously speedy problems. The EU delivers Mass. Real life now demands Velocity.

Third, and most important, the EU cannot answer the great challenge of this century: reconciling pell-mell technological transformation with the popular legitimacy that comes from institutional acknowledgement of shared identity.

The 'migration' issue is all about this, as Joris Luyendijk recently pointed out in the Guardian: "What if the European project is an edifice with fatally flawed foundations? How does an open society based on equality survive, when every year it takes in tens if not hundreds of thousands of immigrants from countries with no tradition of openness, equality or democratic debate?"

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No mainstream EU leader has any convincing answer to this question. Most would much rather the question was never posed.

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Right at the heart of all these questions today are rival incompatible models of integration in a European context.

One is based on the Eurozone: radical pooling of sovereignty and risk-sharing that can work only within something like a new state with strong central institutions moving taxpayers' money across the zone to manage asymmetric problems. The other is a notably less prescriptive free trading space run by intelligent intergovernmentalism.

The current EU is a confusing hybrid of both, a doomed attempt to reconcile the irreconcilable. It's no surprise that not one other regional economic grouping on Earth accepts the EU's surrender of sovereign decision-making to a powerful centralised bureaucracy within a supranational legal order.

In short, the EU has tried to climb the steep sand dune of history and is now stuck – any movement sideways or upwards risks uncontrolled sliding backwards. Politicians struggle to make sense of this dynamic insecurity.

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There is a good, principled alternative to this confusion, based around the simple idea of two cooperating European spaces within a wider Europe 2.0.

The first is Eurozone Europe, those relatively few countries ready to pool sovereignty (and exert the necessary self-discipline) to make a single currency really work.

The second is a European Free Trade Area including Ukraine and Turkey (and maybe Russia too) that has its own rules for trading and migration established through intergovernmental agreements.

What? Some countries now in the Eurozone may vote to leave it? Yes. And that's good. One size just does not fit all.

We missed the opportunity to build Europe 2.0 when the Cold War ended: vested interests that enjoyed the narrow EU model built up on the western side of the Iron Curtain stoutly defended themselves against the mortal threats to the Common Agricultural Policy and other plump western European industry sectors posed by radical liberalisation bringing in new eastern partners.

The costs of that self-absorbed approach are now apparent across much of the European space, above all in southern Europe where economic and social losses caused by the Eurozone crisis are incalculable. The pro-EU Financial Times grasps this: "We are close to the point where globalisation and membership of the Eurozone in particular have damaged not only certain groups but entire nations".

The biggest strategic advantage of a Leave vote in the UK referendum is that it compels Europe's leaders to look anew at first principles: to start working out a new strategic framework for the continent's shared policies in the coming decades as Asia and Africa exert their fast-growing economic weight.

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There is no easy, painless, risk-free way to move from where we are now to that very different approach. But at least a UK Leave vote opens the opportunity to move in that direction under controlled conditions that respect national democratic instincts.

As Jean Monnet famously said: “If a problem seems insoluble, widen the context“. If (and it is a big if) we all get smart, Brexit can be a huge step by the UK and the rest of the EU towards a solid wide road of creative principled hope.

For further information please contact:

Caroline de Lisle

Business Development Manager

Caroline.delisle@ambassadorllp.com