


the **EU**

the next **50** years

Lecture by John Monks
General Secretary, European Trade Union Confederation

All Party Group on the EU
Westminster, 12 March 2007

Unions21



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Debate

Unions 21 exists to provide an 'open space' for discussion on the future of the trade union movement and help build tomorrow's unions in the UK.

We are mainly resourced by contributions from trade unions and others who work with trade unions that recognise we need to keep the movement evolving in an ever changing world. We encourage discussion on tomorrow's unions through publications, conferences, seminars and similar activities.

The *Debate* series of publications present opinions upon the challenges trade unions are facing, solutions they may consider and best practice they may adopt. These opinions are not endorsed by Unions 21, but are published by us to encourage the much needed, sensible and realistic debate that is required if the trade union movement is going to prosper.

Please read and consider this publication, forward it to others connected to the trade union movement and debate the content within your own organisation.

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The EU – the next 50 years

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Chairman, ladies and gentlemen, I am pleased to be invited to the All Party Group on the EU to mark the 50th anniversary of the Treaty of Rome. This is an important anniversary which pro Europeans should use to celebrate the EU and its achievements, and also to make the case for Britain to be more positive towards the development of the EU. Tonight I ask you to look forward with me at the next 50 years.

Of course crystal ball gazing, as practised on the Blackpool seafront by Gypsy Rose Lee (who as far as I know was no relation to David Lea) has never been a highly respected profession. Events can make fools of all us.

In 1940 Hitler referred to a 1,000 year Reich and Churchill famously said in paying tribute to Fighter Command “if the British Empire lasts 1,000 years...”. The first finally collapsed in 1945 and the second really ended a few years later with the independence of India.

So it is with a mixture of cheek and trepidation that I look into the crystal ball tonight, challenging myself and you, to forsake, in part, the comfort of history since 1957, and to examine the challenges of the future, at least those that we know about.

How Britain missed the boat

On the question of Europe, I am not alone in looking forward. In this country at least, there are no shortage of prophets saying that the EU is about to meet its doom. Not so much ‘Old Moores’ as ‘Charles Moore’s Almanac.’

How often, for example, do you hear or read in British debates that:

- “the euro will collapse under the weight of its own contradictions” or
- “Europe is an outmoded concept made so by globalisation and the rise of new centres of economic might?” or
- “the varied languages, cultures, rivalries and histories will never permit the formation of a common identity or the ever closer union dreamed of by Monnet, Schuman and the founding fathers”.

People who question the above opinions currently risk being labelled as Euro fanatics which is a term that has the dual purpose of killing all reasonable debate and seems to intimidate many who espouse the pro-European cause, a cause which currently tends to be either dangerously silent, or alternatively, dangerously apologetic. Perhaps they are cowed by the media, and especially the Murdoch empire, which seems dedicated to prevent rational debate on Europe within Britain.

My purpose tonight is to take on the ‘Little Britain’ brigade and to challenge those who find it convenient to regard Europe as an outdated concept that they can patronise, ignore or insult at will.

The real truth is that many in Britain haven’t ‘got’ what Europe is about. They cannot grasp that many on the continent are not content in David Cameron’s phrase with a ‘looser’ arrangement of what essentially would be a free trade zone with all issues being handled on an inter governmental basis rather than with a Commission and Parliament.

Mr Cameron referred recently to what a visitor from Mars would make of today’s EU. From Brussels, Berlin and other centres. It is Mr Cameron’s *Movement for European Reform*, and his ‘odd couple’ alliance with the Czech Prime Minister that look like the visitors from another planet.

Of course some of those who do grasp the true nature of the enterprise, don't like it, equating it to the Spanish Armada and the Counter Reformation, the revolutionary forces of Napoleonic France and the military power of Germany in the first half of the 20th century – all moments of acute danger for this country. Baroness Thatcher certainly saw the EU in that light, a threat to national identity and freedom. She, and her followers in all parties, take a Garboesque stance – why won't Europe leave us alone.

Of course it never has done, and never will. The moving Commonwealth cemeteries of Normandy, Ypres and the rest remind us that Britain has never been able to stand on the touchlines of Europe. Even when we do not want too, we have had to get on to the pitch. And the national interest must always be to exert influence on the direction of events.

The EU and the Member States

I regard the past 50 years as more notable for missed opportunities for Britain in Europe than successful foreign policy. Apart from two important exceptions, the single market and enlargement, the British 'foot on the brake', 'wait and see' approaches have harmed the national interest and left us to play the role of the White House's best and least critical, friend.

The vision of Monnet, Schuman and the other visionaries of the EU was that Europe should never get into the position of a European war again, and that wars between highly competitive national states should be replaced by a common project to build this part of the world into the first post nation-state region. They dreamed of a United States of Europe to complement and rival the United States of America, so that we could stand on our own feet and not need America's protection. Their dream has not been realised, it may never be, but the achievements of the project they started are nevertheless impressive.

If the founding fathers were dreamers, they, and their successors, were also realists starting with specific projects, first a coal and steel community, then moving on to the Treaty of Rome and the idea of the common market, and also, incidentally, in that Treaty, the first twitch of social Europe, a commitment to equal pay for women.

Then they established the controversial agricultural policy, which for all its faults, has largely ended peasant agriculture in Western Europe, and will do so in Eastern Europe, without the social chaos and mass misery experienced in Britain and Ireland by the enclosures and the clearances. The single market, the European Court of Justice, the trade mandate and social competences followed.

In his days as the Labour Party's international secretary, Lord Healey, invented the 'wait and see' doctrine in relation to the coal and steel community. The doctrine was applied again when the Treaty of Rome was being envisaged at Messina in 1955. The doctrine is still going strong 50 years later regarding the UK's relations with the euro.

Is it Anglo-Saxon pragmatism or is it missing out on a founder member's chance to set rules? Late joiners cannot normally change the rules. They risk being forced to accept unfavourable terms because they are in position of weakness. We found that out in relation to the Common Agricultural and Fisheries Policies.

Euro entry is not on the current British agenda but if the bubbles of world financial markets burst and damage the currently booming property markets and the City of

London, who knows? And if the older realities of economics like the balance of payments deficit and low rates of investment, innovation, and productivity reassert themselves, would not the euro look a very different, and much more attractive, proposition than it does now? I very much hope that it does not take an economic crisis to propel us towards the euro but if a decision is to be taken to join it should be taken when we are in a strong position and can lever the Stability and Growth Pact more towards the Bank of England's symmetrical targets.

Next to be Europeanised are the climate change and energy policy competences as Mrs Merkel has signalled with the very active support of the Prime Minister and the UK government. Indeed the ETUC is arguing for the establishment of an energy community based on the lessons of the original coal and steel community to tackle the issues of energy security, climate change and liberalisation of energy markets and so on. None of these can be handled by nation states acting alone.

And so unevenly, and sometimes on a basis of two steps forward and one step back, the founding fathers started a project which:

- now has 27 members with others queuing up to join;
- a project which has reintroduced and reinforced democracy in the former fascist countries of Greece, Portugal and Spain, and more recently in 10 former Communist states;
- a union of 490 million citizens with the best welfare states, public services and generally applicable employment standards anywhere in the world;
- sharing a single market, common negotiations on trade deals and a competition policy which has, inter alia, made possible cheap air travel, and has had the guts to take on the market domination of Microsoft;
- free movement of labour and the emergence of a single European labour market. The Polish plumber is a real, not mythical figure in my part of Southern England;
- and of course, 13 countries sharing a single currency, the euro, whose major problem at the moment is that it is too strong, and again there is a queue forming of countries wanting to join.

The social dimension and public opinion

In the social sphere, the achievements were well described in a recent pamphlet by David Lea and Stephen Hughes MEP. Key features include four weeks paid holiday, a voice at work through information and consultation rights and European Works Councils, protections for migrant workers, fixed-term and part-time workers, a wide raft of health and safety standards and equal pay and sex discrimination laws.

These measures are being exported to the new member states, as it is an obligation on them to introduce these measures as they are joining the EU. In this way, free trade unionism and social dialogue are being strengthened throughout Europe.

These are all substantial achievements. Most of the social ones were initially opposed by successive UK governments as undesirable, or impracticable, or both, reflecting the general British rule towards European initiatives which has been if they did happen, they would not work, and in any event we could always wait and see – Greta Garbo again.

The ETUC is having to fight hard for the maintenance of the idea of the European Social Model which has had critics essentially arguing that in the era of globalisation,

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Europe needs to become leaner, cheaper, more flexible, and more encouraging of entrepreneurs without so much regard for social standards. Social Europe is being seen by many as a barrier to progress. We see it as an essential help, capable of being a competitive advantage.

Many employers disagree and are supported by politicians, including of the centre left, in some countries. They are arguing for a more 'business Europe':

- less 'red tape';
- lower social standards;
- more de-regulation;
- more liberalisation;
- less trade union influence.

But if workers feel that social Europe is being wound down, they will regard Europe as a whole as a threat, not as a support. Their natural reaction would be resistance and opposition. That is a big risk that only a renewed commitment to Social Europe will head off.

For Europe's trade unions, the EU has so far been a positive force enshrining in its work the trade union values of social inclusion and solidarity, welfare states and public services, and worker participation and collective bargaining. Our aim has always been to balance economic dynamism with a social dimension. This clearly differentiates the European model from the American way, where the contrast between private wealth and public squalor was again made evident by the inadequate initial response of the American authorities to Hurricane Katrina.

But the EU is in difficulty in a number of respects, most notably because of the failures to deal with the persistently high levels of unemployment in core countries, and, recently, to secure the necessary ratification of the EU constitutional treaty.

This crisis in Europe is, in part, the result of a failure of political courage and vision. Leaders in European countries have failed to accept responsibility for explaining the benefits of integration to the citizen; and have too often found it convenient to blame Brussels when things go wrong. They have also failed to construct a political vision in which an integrated Europe is seen to occupy an essential role. This is part of a broader and worrying trend of declining faith in the ability of government to change peoples' lives for the better.

Moreover, in some countries, parts of the mainstream left have become disillusioned with the apparent retreat from the social vision of Europe consistently pursued by Jacques Delors and brilliantly presented by him to the TUC Congress in 1988, so setting in train, incidentally, a chain of events which led to the political death of Mrs Thatcher.

There has been a worker reaction against the one-sided emphasis on market liberalisation that has expressed itself in a growing scepticism about the value and purpose of European integration. It certainly contributed to the 'no' vote in France on the constitutional treaty. As Jacques Delors put it, "no-one will ever fall in love with the single market".

This has reminded us that the objective of putting an end to war in Europe is no longer sufficient to sustain the process of integration. It is still very relevant (most recently in the Balkans) but it is too remote from the experience of many other modern Europeans, especially in the West and among the younger generations. So new inspiration is necessary in those new, challenging times.

The EU and global development

At the time of the Treaty of Rome, there was a functioning system of international economic management, environmental problems were national in scope, international travel and communications were the preserve of elites and states retained a monopoly of armed force.

The modern challenges of volatile global markets, climate change and environmental degradation and international terrorism could not have been foreseen. Yet, by constructing a transnational political space, the countries of Europe have created a framework within which solutions to these problems can become possible.

To argue that globalisation is either good or bad is too simplistic. Its social and economic impact has been too uneven for that sort of judgment to be possible. On the one hand, there are the ambitions of ordinary people to have access to the best of what the world has to offer like holidays in the sun and a rich variety of foods in every supermarket. On the other, globalisation creates new forms of insecurity, inequality and social disruption that need to be remedied. This can only be done by collective action at an international level.

If Europe, with the strongest set of common institutions and values of any international organisation, is not to form the basis of this project, then what is? Let me take some examples:

- energy security;
- climate change;
- migration;
- dealing with the rise of China, India, and a renascent Russia;
- trying to get Africa on the right path;
- exerting an influence for peace in the Middle East.

Will Europe be more effective together or as a group of separate states, each with slightly different, sometimes competitive agendas? The answer seems obvious to me.

The purpose of a more integrated Europe should be to manage the process of globalisation in ways that maximise its benefits and minimise its costs, by ensuring that there are as many winners as possible and compensatory measures for those who lose out.

Again, what chance has any individual European state to handle the hedge funds, private equity capitalists etc on its own and act on what Governor Trichet has termed the black box in world financial markets of which the authorities know little?

What is striking about globalisation is that the nations that have benefited most have been those with sufficient geopolitical presence to regulate the terms of their interaction with the outside world to their advantage. No European country is big enough to achieve this on its own. Europeans can only do it by acting collectively.

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Otherwise, the rules will be made elsewhere, currently in the USA but perhaps elsewhere as new powers flex their muscles.

The European vision of international order is based on support for multilateralism, the rule of international law, global governance through legitimate institutions and solidarity between rich and poor. Are these values still relevant? Or are they unsustainable in the era of globalisation and the emergence of huge new economies, especially China and India?

I believe they are relevant and must be sustained.

The next 50 years

Chairman, notwithstanding these last warnings, which are aimed at the British government as well as others, I want to hit an optimistic note for a Europhile, and a nightmare for the sceptic camp, and forecast that in 50 years or less time:

- the EU will still be here because it is rooted in reality and it will be the best vehicle to solve the many and growing list of problems which go beyond nation states;
- the key special relationship will be between Europe and the United States and it will be an equal one based on shared values and on a Europe which is prepared to shoulder world responsibilities on terrorism, peace keeping and enforcing UN mandates;
- the pressures of events will force nations to face problems together and no longer seek to cut an independent dash on the world stage, at least not warranted by the size of their population or economic strength. While the continuation of the separate British and French seats on the Security Council is not an immediate issue, it is an issue to be faced at some stage;
- the many institutional problems facing the EU, the problems of the constitutional treaty, handling further enlargement, making the Union more efficient and purposeful, will be gradually solved and progress will resume towards an even closer union, if necessary, based on an avant garde group of the most enthusiastic nations for more European integration;
- that social Europe and common standards will continue to develop as the single European labour market develops, powered by increasingly large migration flows;
- that Europe will have to act in a united way to influence our neighbours in the hugely volatile Middle East. The accession of Turkey will be important in this respect.

When we get to these stages, I hope that the UK will not still be trying to assemble a team of the like-minded in the brake van, with one foot pressing hard down to stop further developments, with a fall-back of seeking to abstain as others progress. Our understandable nostalgia for our former days of glory must no longer warp our judgment about where our, and the world's, best interests lie. All nations have a major issue which can cause a nervous breakdown, ours is nostalgia.

So, chairman, I present tonight a controversial and upbeat picture of Europe's future. As Alan Milburn would no doubt say, it is "forwards not backwards".

I could of course be very wrong. But I don't think so. What I find hard to answer is how to shift British opinion to a more positive stance. The Prime Minister has wanted to do it but the time and opportunity has never seemed quite right. Gordon Brown, if he succeeds to the position of Prime Minister as I am sure that he will, is likely to face a renewed initiative on the EU constitution and the dilemma is painfully clear.

Try and stop it at the cost of isolation or try and shape it and convince the British public to accept it, and inevitably face media onslaught.

For those who think we should choose the isolation course, consider for a moment the much vaunted position of prosperous Norway. Please remember that they learn about their new obligations on the single market, competition, social policy and so on year by year by a polite email from the EU. Their influence is nil. Sure they protect their oil and fish, I am not sure what our equivalent is, but for the rest they are a powerless client of the EU. That's not a comfortable place to be.

Finally, the EU is always easy to attack and ridicule and the British media never miss an easy target. But it is a unique and exciting adventure. We are forming a 'de facto' empire based on democracy and soft power, a hugely complex task for sure but a hugely worthwhile one. I am convinced that for Britain, Europe is not the only card game in town but is the best card game too.

Postscript/concluding thoughts

I am writing these concluding thoughts on March 25, the day of the 50th birthday party in Berlin from which Angela Merkel will be taking her reflections forward. We can expect her to put some strategic proposals on the table at the Council meeting in June.

The 50th birthday celebrations have actually done more than help us to take stock. They have, as I had hoped, made everybody acknowledge that this is a moment to raise their sights, as well as their glasses, to the next 50 years, just as their predecessors did in 1957. There are now far fewer doubters about the need for the project to be renewed and I hope and believe that I can include both Tony Blair and Gordon Brown in the prospective consensus on which to go forward.

The new prospectus is emerging before our eyes. The key is greater European coherence, allowing us to seize opportunities to go boldly where no one went before, often in practice several steps ahead of the USA, and able to set the global agenda. Global warming and the renewed Middle East Peace process are the two most obvious illustrations of this at the present time.

That is a worthy vision, one which can be delivered. It is a prospectus that certainly justifies us raising our glasses to drink a modest toast. Here's to the next 50 years.

JM 25 March 2007

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