

CAN THE EUROPEAN UNION BE REFORMED?

“Europe as a whole is fundamentally unreformable.”

The Rt Hon. the Baroness Thatcher, LG, OM, FRS Honorary President: The Bruges Group, writing in *Statecraft*

THE EU: NOT WORKING FOR BRITAIN

Policy area	What Britain needs:	What EU policies deliver:
Governance	The long tradition of representative democracy and local government should be preserved	Decisions made by the unelected European Commission and the equally undemocratic and political European Court of Justice (the ECJ)
Taxation	Lower taxes to compete	The scope of VAT has been widened adding on new costs to businesses and consumers. As a result of recent ECJ's tax rulings Britain will have to pay up to £20 BILLION in compensation
Currency	Flexible exchange rates	The Exchange Rate Mechanism and the euro to control the value of currencies
Trade	Trade liberalisation	Tariffs and anti-dumping rules drive up the cost of consumer goods and food
Economy	The deregulated Anglo-Saxon economic model to create jobs and wealth, allowing the UK to keep pace with the growing economies of the USA, India and China	Management of the economy by the European Commission and unelected EU wide agencies, which instead of liberating businesses are seeking to control and regulate the economy
Agriculture	The Common Agricultural Policy to be abolished, saving the average family £1,200 per year	An over- regulated, subsidised and expensive agricultural industry
Fishing	The UK's fishing waters to be managed and protected locally	Poorly managed waters which have been pillaged by continental fishing fleets
Red tape	Flexible Labour markets to encourage investment	The Fundamental Rights Agency, which is bringing-in anti-businesses measures
Defence	NATO and the trans-Atlantic alliance to have an effective defence policy	NATO is being undermined by the EU Defence Identity and Rapid Reaction Force. The EU Defence Procurement agency means that the UK is being forced to harmonise its military with other EU states and purchase inferior military equipment.

The British Presidency: Blair and Brown face reality

EU leaders met at Hampton Court on 27th October 2005. Agreement on reform could not be reached.

THE EU AND REFORM: A HISTORY OF FAILURE

Democracy	Corruption	Agriculture	Competitiveness
<p>Problem: Democratic deficit Solution: Subsidiarity and the Convention on the Future of Europe Result: The EU Constitution and more powers to Brussels</p>	<p>Problem: Fraud Solution: Neil Kinnock went in to reform the system Result: Whistleblowers still persecuted and auditors will still not sign-off the accounts</p>	<p>Problem: The CAP's cost to; taxpayers, consumers and developing nations Solution: Talks on Britain surrendering the rebate Result: Jacques Chirac has refused to allow the CAP to be reformed</p>	<p>Problem: Sluggish economic growth Solution: The Lisbon Agenda, aimed to make the EU the most competitive knowledge based economy in the world Result: Unemployment in the eurozone continues to rise and the EU continues to lose ground to Asia</p>

HOW THE EU WORKS: A STEP-BY-STEP GUIDE

The EU is not democratic it is dominated by a supra-national bureaucracy (the European Commission) and the political and unelected European Court of Justice.

- The European Commission initiates EU legislation** – nothing can be changed without their approval. The legislation comes in two forms; Directives, which have to be implemented by national Parliaments or risk unlimited fines from the ECJ and Regulations which come into force instantaneously.
- Proposals are considered by the Committee of Permanent Representatives known as COREPER** – who meet in secret and discuss the proposed laws.
- The European Parliament proposes amendments which often make the laws worse** – but it cannot, however, decide to repeal any EU laws, it cannot even initiate any laws. The Commission remains in the hot seat.
- Laws are then agreed to by ministers or their delegated civil servants** – the power of veto has gone in many areas so increasingly decisions are made by a qualified majority vote. These laws then become an occupied field in which member states cannot legislate. Once powers have been ceded to the EU they can never be returned. From then on the European Commission's role is paramount.
- Any change to the Treaties has to be made unanimously** – so this structure is firmly ingrained

The European Union is not the answer to our problems it is the problem!

THE MYTH OF REFORM

REFORM PROPAGANDA

THE SANTER COMMISSION

After the low turnout in the 1999 European elections, and the resignation of the Santer Commission, we began to see a subtle change in the rhetoric coming from the EU institutions.

Instead of "integration", we started hearing calls for "reform", and all community initiatives began to be couched in those terms. But, as one would expect, in the Community dictionary, "reform" is simply another word for integration.

The point was, and is, that if organisations are set up in a certain way, their behaviour is pre-ordained no more able to change than a cat can bark.

What the history of the European Union tells us is that it was set up in a certain way, to do certain things. It embodies at its core the supranational Commission. All the other institutions were designed in such a way that they would either present no challenge to the supremacy of the Commission, or help it in its task of acquiring power.

Given the structure and relationships of the institutions of the European Union it can only act in an interfering, bureaucratic and anti-democratic manner. Which it was designed to do in the first place.

ENTER BARROSO

José Manuel Durão Barroso, President of the European Commission, has now seized the gauntlet of the EU's 'reformist' agenda. Barroso has called for reform. In a grandiose statement he announced his proposals for deregulation. One third of screened proposals were to be withdrawn.

This is not in fact liberalisation, no directives and regulations have been scrapped. It simply means that 68 of the latest 183 draft laws will not be proceeded with.

This of course does nothing to eliminate the 102,000 pages of existing EU red tape and the fact remains that 70% of Britain's new laws are made in Brussels.

However, whilst he has been speaking those fine words his administration gained the power to command states to impose criminal sanctions for offences against EU law. Barroso said this "strengthens democracy".

Therefore, it is safe to presume that talk of reform is merely deception to prevent discussion on the EU reaching its logical conclusions.

REFORM AND THE EU CONSTITUTION

The EU Constitution was sold as a constitution that will reform the EU.

The Convention on the Future of Europe, which wrote the EU Constitution, was given a specific reformist agenda by the Laeken Declaration. Events, however, did not proceed as the PR suggests.

- Laeken describes the Union as "*behaving too bureaucratically*". The EU is creating an unelected agency that will enforce the enforcement of the Charter of Fundamental Rights.
- Laeken says, "*the Union must be brought closer to its citizens*". The European Commission can now create an EU criminal code and instruct member-states to bring criminal prosecutions against its citizens. Is that what Laeken meant?
- Laeken highlights the importance of national parliaments, and the Nice Treaty "*stressed the need to examine their role in European integration*". National Parliaments are still losing influence to the Commission and the European Parliament.

The EU, as we have seen with the way the EU elite ignored the French and Dutch No votes to the EU Constitution, deciding to bring it in by stealth, shows that the EU will not listen. Therefore, asking the EU to reform itself is a dangerous game to play. The reality is that the European 'project' has been set on the course of political integration since its foundation; Britain must accept this fact before the UK can reclaim its democracy.

THE MYTH OF LIBERALISATION

Market forces are incompatible with European integration. The EU's measures that have reduced the role of individual nation-states in economic affairs have been misunderstood as liberalisation. The real aim is to emasculate the nation-state, handing the management of economic affairs to the European Commission. The EU does not seek to own the means of production but it does seek to manage the economy.

THE MYTH OF BRITISH VICTORIES IN EUROPE

THE WILSON RENEGOTIATION

Harold Wilson's Labour Government was elected in 1974 with the manifesto commitment to 'a fundamentally renegotiation'. A renegotiation was attempted to improve terms. This, however, proved to be a sham.

The myth that Britain's relationship with the EU had been improved was a major factor in the referendum of 1975. However the truth remains that nothing really had changed because the EEC as it was then could not change to suit British needs.

The only way to be certain that Britain has terms with the EU that the UK can be comfortable with is to leave.

THE BUDGET REBATE

Margaret Thatcher's 1984 rebate back to the British taxpayer is not a shining example of how Britain can make the EU see sense and reform. The amount of the money that the UK gets back from the EU is directly proportional to the amount that the Government chooses not to claim from the EU. To maximise the rebate, lessening the figures of the costs of EU membership, Britain does not claim the full amount from the EU that the UK is entitled to. This is particularly the case in the field of agriculture where British farmers do not receive the grants that they are entitled to and are forced to compete with heavily subsidised continental farmers.

Moral and democratic questions can also be raised because an allegedly sovereign nation should not have to ask for its own taxpayer's money back in the first place.

The fact that EU grants are match funded by the British Government, often to the tune of 2/3, means that taxpayers money is saved so the rebate is beneficial. But it is an example of how British officials surrender to the 'European' interest at the expense of interests at home.

THE REALITY OF THE EUROPEAN UNION

ENLARGEMENT THE SOCIALIST LEANINGS OF EUROPE

The vast majority of EU member-states do not share the British belief in a deregulated market economy. The Heritage Foundation's 2005 index of economic freedom shows that only a handful of EU member states, and none of the Candidate Countries, share Britain's economic philosophy.

ECONOMIC FREEDOM RANKING IN THE EU	APPROVED CONSTITUTION
1) Luxembourg	✓
2) Estonia	Pending
3) Ireland	On hold
4) United Kingdom	On hold
5) Denmark	On hold
6) Sweden	On hold
7) Finland	On hold
8) The Netherlands	x
9) Germany	✓
10) Austria	✓
11) Belgium	✓ expected
12) Cyprus	✓
13) Lithuania	✓
14) Italy	✓
15) Latvia	✓
16) Malta	✓
17) Spain	✓
18) Czech Republic	Referendum due
19) Hungary	✓
20) Slovakia	✓
21) Portugal	On-hold
22) Poland	On-hold
23) France	x
24) Slovenia	✓
25) Bulgaria	-
26) Greece	✓
27) Croatia	-
28) Turkey	-
29) Romania	-

Definition: Comparisons of economic freedom amongst the EU members and the Candidate countries

Enlargement will not help because the Candidate countries have an even more statist attitude than Britain, pushing the EU in the wrong direction. The successive policy of British governments to push for an enlarged EU, believing that a widening would mean a less deep EU, would seem to be a political mistake which will only serve to lessen British influence in the EU and limit the number and scope of alternative alliances that Britain can form.

THE EURO – PREVENTING REFORM

The fact that the majority of EU states are in the euro, and that many new countries are set to join the eurozone in 2007, means that economic reality dictates that eurozone members cannot unilaterally reform their economies, a measure which would bring in investment, without there being a damaging inflationary boom. A problem that cannot be tackled by adjusting the interest rate to suit that countries need. This makes reform a pointless exercise because it cures one problem and creates another.

THE CHARTER OF FUNDAMENTAL RIGHTS: THE SOCIALIST COUP D'ÉTAT

The EU has established a Fundamental Rights Agency to oversee the implementation of the Charter of Fundamental Rights.

The implementation of the Charter is a *coup d'état*, not only by the federalists, but also by the socialist elite who dominate the EU. They are using the Charter to permanently enshrine into law anti-business measures such as:

Article 27

Workers' rights to information and consultation within the undertaking

Article 28

Right of collective bargaining and action

Article 30

Protection in the event of unjustified dismissal
This may allow the ECJ to project the European concept of the 'job for life' into Britain.

Articles 31 & 34

Fair and just working conditions and Social security and assistance

This will allow the EU to further limit working hours, extend holidays and provide more maternity and illness leave.

It also forces governments, at the expense of the taxpayer, to continue to provide a welfare state.

It does offer rights such as the 'right to life', however, under Article 54 of the Charter its rights will not extend to those who seek to change the Constitutions provisions.

CORRUPTION AND THE 'EUROPEAN CLASS'

The culture of the Brussels bureaucracy is not one that is conducive to rolling back the frontiers of the EU. Power lies with many unelected and unaccountable staff within the European Commission, many of which are third generation bureaucrats.

Commissioners swear an oath of allegiance to the European Community and its interests - an obligation also enshrined in Article 11 of the Staff Statutes - this reinforces the sense of autonomy and separate identity from the nation-state.

The Commission represents itself publicly as 'custodian of the Treaties', 'defender of the Community interest' and 'motor of integration process'. Studies show that individual staff regard themselves as belonging to the bureaucracy and far from being civil servants they see themselves as an elite corps of 'policy-makers'.

The more time the *fonctionnaires* spend there and the more they intermingle the more they see themselves as the vanguard for more EU not less. They all go native in the end.

Regardless of what the political leaders of the EU's nation-states may desire the European Commission has an agenda of its own, and it is the agenda.

Bureaucrats seek to expand their budgets and their powers. Brussels is bound together by collective self-interest. At every stage a reform will be stymied by corruption.

Brussels, which has the sole right to initiate EU legislation, cannot be expected to deliver a return of powers back to the nation-states. As Jean Monnet wrote reflecting on the special nature of the European civil service, the Commission is a 'laboratory' in which a new kind of 'European Man' would be born.

The European Union is an anti-democratic organisation that seeks to cut out the influence of national electors and build a new political structure based on the cooption of influential groups into the 'European' political class. This is a political structure based on behind the scenes consensus and compromise where there will always be a place for the representatives of organised labour.

WHAT CAN BE DONE

There are many potential solutions to reform the EU, but will they deliver?

THE BUDGET	THE EMPTY-CHAIR	HORSE-TRADING
<p>Britain can stop the next EU budget being approved. This will send shockwaves through the EU system but it will not stop a single EU law being implemented, nor sack a single bureaucrat, nor stop the interference of the European Commission because if the budget is not agreed last years budget simply continues.</p> <p>However, it will stop the expansion of EU projects, subsidies and grants in Eastern Europe. Many of those countries like most EU states are still wedded to the idea of state support and if this is attempted Britain will not only alienate Old Europe but Eastern European states as well.</p>	<p>This will only have an effect on those few areas where Britain still retains its veto. It will not repeal any of the EU's damaging policies.</p> <p>What is more, the European Commission has steadily been moving away from legislating via directives to a system where they can legislate via regulations. These take effect instantly and cannot be stopped by national Parliaments.</p> <p>The European Court of Justice can also continue its imaginative interpretation of the Treaties to drive through more integration. Just like how they struck out Britain's opt-out to the 48 week.</p>	<p>Britain has one of the freest economies in the European Union. The UK's markets are open to all within the EU and restrictive practices are kept to a minimum.</p> <p>There is little that Britain can give up in exchange for economic reform by the other member-states and the EU itself.</p> <p>The British and continental political cultures are very different. Governments that are allegedly centre-right like in France are still devoted to protectionist measures, state subsidies and nationalised ownership of industry.</p>

WHAT MUST BE DONE

SETTING BRITAIN FREE	FIVE STEPS TO FREEDOM
<p>As the United States, India and China spurt ahead flogging a dead horse will be a costly waste of time and resources, which Britain can ill afford to lose.</p> <p>Britain does not belong in the EU and it is best that Britain gets out before the waste, corruption, and stifling bureaucracy brings the whole project crashing down.</p> <p>Free of EU control the UK can reclaim its fishing waters, take back control of agriculture, abolish damaging EU regulations and create a low tax wealth and job creating economy. The future is ours if we choose to grasp the opportunities waiting for us.</p> <p>Britain should start thinking outside of the box.</p> <p>The UK is the fourth largest economy in the world; we have the English language, common law, and global friendships we do not need to be part of a European Superstate. Besides, there are positive alternatives for Britain with no detrimental effects to our democracy and ability to govern ourselves. It is time these were explored.</p>	<ol style="list-style-type: none">1. Establish an official cost/benefit analysis of EU membership – this is an essential prerequisite to the UK freeing itself from EU control.2. Develop alternative policies to EU laws - these need to be established and ready to be implemented prior to Britain, and potentially other EU states, reclaiming their sovereignty.3. Re-establish British control over its own affairs by an Act of Parliament – this will allow the government to role back the EU rulings which are strangling the UK's competitiveness.4. Negotiate a new trade and visa settlement with the existing EU states and other nations in the world – Britain can secure better terms of trade and international co-operation for itself than the EU trapped in the <i>dirigiste</i> past can deliver.5. Repeal the European Communities Act 1972 – freeing Britain from EU integration.

THE BRUGES GROUP

The Bruges Group spearheads the intellectual battle against the notion of "ever-closer Union" in Europe. Through its ground-breaking publications and wide-ranging discussions it will continue its fight against further integration and, above all, against British involvement in a single European state.

BRUGES GROUP MEETINGS

The Bruges Group holds regular high-profile public meetings, seminars, debates and conferences. These enable influential speakers to contribute to the European debate.

For further information about the Bruges Group, to attend our meetings, or join and receive our publications, please visit www.brugesgroup.com. Alternatively, you can contact us on the details below:

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