

# The EU, Britain and globalisation

## Speech by Peter Mandelson at Hull University

Hull, United Kingdom, 7 September 2007

Thank you. Great pleasure to be here. Know I have had the bad form to come out of term time, but I am pleased to see that so many have made it nonetheless.

I think it is probably customary when speaking at this University to start with a reference to your former librarian. I have searched the poetry of Philip Larkin and I have failed to find any quotable lines on the subject of our discussion today. I suppose that is not surprising. *Europe* may be the wellspring of some of the greatest literature art, music and thought produced by human civilisation. But *the European Union* is not a very poetic subject. Some even say that its institutions and procedures are dry, dull and impenetrable. I cannot of course agree with that. But it is true that no one in their right mind falls in love with an institution – after all, they are not very loveable things.

So what I would like to talk about today is not how the European Union *functions* but what it is *for*. What purpose does it serve in the 21<sup>st</sup> century? What is Britain's role within it? I will draw on the argument I set out in a pamphlet I published earlier this year - *the European Union in the global age*. I am sure you will all have read it and committed it to heart, but in the unlikely event that some of you have not I will sketch out the broad case here today.

I believe the European Union is today more necessary than ever. And yet it has never been so questioned. That is something of a paradox. Because in its 50 years the EU has played a central part in ending the European experience of bloody interstate and continental conflict. It has created the largest single market in the world. The extraordinary consolidation of democracy, first in Greece and Spain and Portugal. The reunion of Western Europe with Eastern Europe.

### Globalisation and the EU

But those achievements are taken for granted. The challenge today is to spell out a purpose for the EU in the 21<sup>st</sup> century. I believe that purpose can be stated simply. Europe today has entered an age of global challenges and continental powers, where its capacity to bring together the weight of European member states makes the EU more important, not less.

How are we to face the challenge of new economic competitors, of opening new markets to our goods and services other than by acting together? Are we better placed to pursue our interests with China or the United States or tackle the threat of climate change by acting alone - or by playing a leading role in a bloc of 500 million?

The answers to these questions are self-evident. And yet they do not translate into popular support for, or sometimes even awareness of the EU. Too many in Europe think they are struggling alone with the problems of global change – when they have on their doorsteps the most effective alliance to engage with globalisation. Or worse, they think that the EU is part of the problem, not part of the answer.

Those who see the EU as the problem fall into two broad groups. There are those who argue that globalisation has made the EU redundant; that regional groupings in a global age are an anachronism. This often goes hand in hand with a view of globalisation and economic change as swamping the efforts of government to manage or direct it.

But globalisation doesn't mean the end of geography or the end of government. And it doesn't mean the end of the EU either. Our economies and our politics are now dominated by problems that have no purely national solutions - from energy security and climate change to the integration of the emerging economies into the international trading system.

And the minimum price for a seat at the top table in the global age is the weight that comes with continental size. We in Europe often think in terms of large and small European countries. But viewed through the realities of power and influence in the twenty first century - viewed from Washington, or Beijing or Moscow - there are only varying degrees of small. Unless, that is, we speak as a Union, in which case we are the biggest exporter in the world, the world's biggest market, a leading voice on global issues, and when we get our act together, a political heavyweight of the first order.

If one side of the anti-EU debate views the EU as an irrelevant obstacle, the other side sees it as a Trojan horse of globalisation. They often portray a liberal approach to trade and economic policy – the sort of approach pursued by the European Commission – as choosing passivity in the face of economic change.

Like all extremes, these two views eventually converge – so you find hyper-liberals and old-style protectionists united in their opposition to the EU. The sensible, moderate middle ground – which is where most people are, which is the political ground on which the EU rests – is squeezed.

And it is on this ground that the pro-EU, pro-globalisation case must be made. The right response is not to bury our heads in the sand and hope change will disappear, or to believe that we can make a difference in the world without effective alliances. It is to make the positive case for globalisation as an economic opportunity for Europe – as a spur to reform and a source of new markets. It is to show solidarity with those affected by economic change – not by protecting their jobs but by protecting them, with help in retraining, adjustment and support in the transition from one job to another. And it is to put the EU at the heart of our engagement with the world.

## **Britain and Europe**

I do not pretend that making this case is easy, not least in Britain. Too often, political debate about Europe seems to be determined to remain entrenched in the past. To fight battles long since won. The illusion endures that British strength is defined by standing apart – by boycotts and showdowns.

The reality is that the effective exercise of British sovereignty is not defined merely by the ability to say no. It is defined by the ability to shape an agenda that makes a difference to British citizens. At the heart of the EU, is a political bargain that says that it is worth trading a little power over our own decisions for influence over the actions of the Union as a whole. Not only because it gives us greater weight on these key issues, but because it is the often the only way we have any weight at all.

This, it seems to me, is the point to which anti-Europeanism has no credible response. The alternative to a European policy cannot be a credible, effective national policy if you lack the size and weight really to influence events.

And the reality is that the EU of 27 countries is a place where Britain can feel at home in a way that it has not for much of the past 30 years. Where the priorities of the EU – from trade and economic reform to climate change and energy – are also the priorities of Britain. It is time that perception caught up with reality.

Take the Commission. The European Commission for some parts of British opinion still seems to share the same objectives as Charlemagne and Napoleon (to name two of the more savoury comparisons). But the reality is that the Commission today is in the vanguard of modernising the EU - which may explain why it is now so unpopular with those who want to turn the clock back on change. If you want a strong EU, you need an effective Commission. If Europe was just a club of governments it would get little done. The EU needs the glue of the institutions, of their ability to propose ideas, and to ensure commitments, once made, are honoured. A bit of Brussels-bashing is avoidable. The problem in Britain is that too much of it has left the positive European agenda detached from popular understanding and support.

Of course there are areas where the EU has not yet fulfilled its potential. In security and defence policy we need to be able to project more credible force in support of our shared policies; and we need institutional arrangements within Europe which are more effective and less complicated. But these shortcomings are not a reason to pull back. Foreign and security policy is a recent area of European co-ordination. But that is changing – and the new treaty, by creating a single figure responsible for co-ordinating European foreign and security policy can help it improve further. This is without doubt in Britain's interest – which is why the British Government has played such a leading role in this area of European policy.

The debate on a treaty to equip Europe for an expanded Union and a changing world has restarted. I hope this debate will be seen in this wider context, rather than in the narrow context of an institutional debate. The British public is not interested in European abstractions – but they may be interested in the right reforms for the right reasons. And there are sensible reforms which the EU needs in order to function better in the global age and to cope with future enlargement. It needs better, faster decision-making. And it urgently needs a single person to co-ordinate those areas of foreign and security policy which we have agreed to pursue together.

This is an agenda for the modernisation of the EU which Britain should support. It is not a radical reform. It is certainly not a Constitution, as the earlier version of the Treaty was called. It is not for me to express a view on the UK's domestic decision about a referendum but I note the British Government says that this is not a treaty which requires one. Britain is not a country governed by the use of referenda. And those who argue for one in reality all too often want Britain to withdraw. I am afraid those pro-Europeans arguing for a referendum risk being drawn into supporting this agenda.

## **Conclusion**

There will always be different views on Europe in our politics. That is natural and healthy. But I strongly believe it would not be in the interests of Britain for our politics to return to the sort of poisonous debate over Europe we have had in the past. From a narrow, purely domestic perspective, it would I believe be a political mistake. I do not think the scary EU stories really interest the British people. But more importantly than that, a return to the bitter debates of the past would hamper Britain in pursuing its interests within the EU. It would make us less influential.

Britain's leaders have done a good job of selling globalisation – much better than some in Europe. But they have done less well explaining the role of the EU in helping Britain defend its interests in a globalised world. Being strong in the world in the 21<sup>st</sup> century means being strong in the European Union. The EU needs a strong, engaged Britain. And Britain needs a strong EU.