Project Hope:
A policy agenda for
Britain in the EU

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Introduction

Britain would remain a member of the European Union (EU) if another referendum reversed the 2016 decision to leave the EU or if parliament decided itself to withdraw the Article 50 notification. What could we contribute to an evolving EU? What could the UK hope to achieve if it stayed in the EU? This paper sets out a range of policy areas in which Britain could advance its national policy objectives while at the same time helping to build a more prosperous and more secure European Union.

The UK referendum campaign on EU membership in 2016 was divisive and negative. It became a battle between "Project Fear", as the Remain side was caricatured by the Leave side, and what has been labelled a "unicorn" or fantasy Brexit by the Remain side. This paper is about Project Hope, how – out of the division of the last few years – the UK and the EU can emerge stronger.

This paper identifies the main themes and policy areas that could encompass a fresh agenda for Britain in Europe, one that takes into account the needs of the UK's nations and regions and of its diverse population. A paper of this length cannot be comprehensive but it shows that there is a rich and varied range of EU policy options for British politicians to engage with and promote should we decide to remain a member. All the issues covered in this paper will be relevant to the European Parliament elections, which are now likely to take place in the UK, as elsewhere in the EU, on 23-26 May 2019.

Europe is changing

The EU has continued to evolve while the UK has been pre-occupied with Brexit (and in being so, missing opportunities to influence EU policy). New trade treaties with Japan and Canada – the world's third and tenth largest economies respectively – mean a further and highly significant expansion of the EU's preferential trade relations.[1] Migration, the biggest problem facing the EU in 2016, has sharply declined. New problems have emerged, particularly over the rule of law in some Member States and the hostile attitude of President Trump to the rules-based international order, both on trade and security, which the EU has done much to develop. Some old problems, such as the Middle East or the difficulties of some eurozone economies, have changed but still remain. Brexit itself, and the rise of populist parties in some Member States, have also challenged the EU.

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[1] Rob Smith, 'The world's biggest economies in 2018', World Economic Forum, 18 April 2018

Democracy and the rule of law

Maintaining the EU as a bastion of the rule of law, freedom and stability is a fundamental British interest. It is vital that Europe does not succumb to populism and nationalism, as it has in the past. For the first time in many years, there is a real risk of that.

The UK, with its devolved administrations in Scotland, Wales and Northern Ireland, should be able to help the EU to find appropriate responses to the separatist pressures in several Member States.

A strong EU has been and remains a force for good in the world. The EU is a major player in many international fora, including the World Trade Organisation (WTO), it is the largest provider of development aid and its economic and regulatory power as the largest single market matters too. The EU has been key, alongside the United States and other leading democracies, to the development and promotion of the rules-based international order since 1945. The EU is an important symbol of this, which enhances its global influence.

Although the EU and other international organisations have their weaknesses, the co-operative approach they have pursued has shown that nations can achieve more by working together economically, politically and in security terms than by working on their own or against each other.

This progress is now under threat from the rise of populist and nationalist movements. By 2017, populist parties had become the third largest political force in Europe with 19 per cent of the vote.[2] If such parties win a third or more of seats in the European Parliament in the May 2019 elections, they could, for example, influence the appointment of Commissioners and increase the likelihood of the Parliament rejecting new trade agreements.[3]

As we saw in the UK in 2016, anger at the unequal distribution of the benefits of globalisation, and the apparent indifference of politicians to the plight of those who have lost out, can become a powerful political force when harnessed successfully. There is no shortage of ideas on how to defeat populism and nationalist forces; an EU with the UK still a member would be a more powerful force for stability than one without it.

Maintaining a strong, democratic Europe requires action at multiple levels:

- a continuing robust defence of the rule of law by the EU, including in its Member States and where necessary using the procedures in the EU's treaties (see box);

- political parties must listen to the concerns of voters and act in response to them; they need also to ensure that their party's representatives reflect the society they claim to represent;

- mainstream political parties must tackle the perception that they do not keep their word and that it is difficult to differentiate between their policies and those of other mainstream parties;

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[2] Cited in World Forum for Democracy, *Final Report: Is populism a problem?*, 7 November 2017, p. 4
[3] Susi Dennison & Pawel Zerka, 'The 2019 European Election: How anti-Europeans plan to wreck Europe and what can be done to stop it', European Council on Foreign Relations, 12 February 2019

- political elites need to recognise that voters' attitudes across the western world to political parties are less driven by party identification than they were in the past; but it is striking that populists often combine the policies of political parties on the right and on the left in one programme;

- action by Member States to ensure their democratic systems operate as effectively as possible, including steps to protect against outside interference and to punish those who are guilty of corruption and dishonest behaviour.

A Copenhagen Commission?

Several European political parties have suggested that a "Copenhagen Commission" (from the 1993 criteria used to determine eligibility for EU membership) be established to monitor Member States' compliance with the rule of law and democracy requirements of membership in Article 7 of the Treaty on European Union. It is disputes over whether national law complies with these provisions that has led to Commission action against Hungary and Poland. An independent body monitoring Article 7 compliance on a permanent basis and without political involvement might command more influence and respect.

The economy and skills

Building a better Single Market

The EU's Single Market has been enormously important in driving economic growth and employment across Europe because the four freedoms at its core (of goods, services, capital and labour) have enabled the EU to go beyond a free trade agreement and establish a frontier-free level-playing field for trade in goods, and for trade in many services too.

Progress in developing the single market in services has been slower and less comprehensive. In February 2019, 17 heads of government in the EU published an agenda for the future of the Single Market. They called for the removal of barriers to trade in services within the EU, better regulation to promote the free flow of data, whilst empowering citizens to protect their privacy. Their initiative reflected concern that without the UK, momentum for deepening the Single Market will slacken and the opening up of new service sectors may be blocked.[4]

Inside the EU, the UK would continue its long-standing support for removing the regulatory barriers in both goods and services to trade in the Single Market. Past generations of British politicians and officials secured the opening up of civil aviation, paving the way for the low cost airlines of today, removed the unnecessary restrictions on the transport of goods, cutting costs to exporters, and put in place the regulatory framework that has enabled the development of the UK's globally successful financial services sector. The UK could now lead a similar policy effort but focused around the industries and opportunities of the future.

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[4] Joint letter to the President of the European Council, *Preparing the March European Council: The future development of the Single Market and European digital policy in view of preparation for the next Strategic Agenda*, 26 February 2019

The fourth industrial revolution

Previous industrial revolutions – the steam engine, mass production and the development of computers – all brought major changes to society as well as to our economies. What has been termed the fourth industrial revolution, is now under way. This will bring a fusion of the physical, the digital and the biological, resulting in a scale of change that, like previous industrial revolutions, will bring both opportunities and dangers.[5]

A further shift from manufacturing will leave some people and communities behind. There is a need to strengthen Europe's manufacturing base with measures that change as industry changes. For example, through common rules, on phasing out fossil-fuelled cars, on electric car batteries and electric charging points.

But much more will be needed. Many communities previously hit by the end of coal-mining, steel production, shipbuilding and other heavy industries are now threatened by the closure of the industries that replaced them. Women are higher risk of losing out because they are more likely to be employed in roles that could be automated (see box).

A major debate is getting under way in the EU Member States and its institutions about the best direction for its competition policy and whether this policy should favour "European champions". As a country which has always favoured a strong and effective competition policy, the UK could play an influential role in this debate.

The other policies needed to address these problems are, again, wide-ranging and require a mixture of EU and national action. They include:

- addressing the lack of support for those who have lost out from economic change, including better funding for education and skills training and access to such training all through life; the UK has a lot to do to catch up in this area;

- encouraging a better balance between academic and vocational training routes; in the UK that should include apprentices being allowed to participate in Erasmus, as they are in other EU countries;

- completing a Capital Markets Union within the EU so that innovative industries and service sectors can access the capital they need to grow;

- participating in the integration of EU policy to secure a sustainable energy supply for Europe in the future without excessive dependence on any one supplier;

- adapting the EU's funding programmes to support communities left behind by economic and industrial change;

- considering new EU-wide programmes, like those that supported communities hit by defence cuts at the end of the Cold War, to address structural changes, *e.g.* in the automotive sector.

The UK is now and will be affected by all these trends, inside or outside the EU. But it will best be able to shape them if it is a member.

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[5] The term was coined by Klaus Schwab, the founder of the World Economic Forum: see Klaus Schwab, *The Fourth Industrial Revolution* (Geneva: World Economic Forum, 2016)

<u>Promoting gender equality</u>

Equal pay for men and women has been enshrined in the Treaty since the EU was founded.

Since the 1970s the EU has been active in promoting gender equality, not only in pay but in other areas such as equality in the labour market (issues such as parental leave and increasing female participation in the workforce) and of improving the gender balance in decision-making positions. It has also used its development aid policies and its work in the field of human rights to promote gender equality beyond the EU.

But the UK did not come in the best five performing countries in *any* of the EU's seven gender equality indicators in 2019 and came in the bottom five for its large gender pay gap (only Czechia, Germany and Estonia were worse).[6]

The ageing population is already highlighting the sharp differences in pension provision between men and women. Female pensioner poverty in the UK has been rising since 2012 after earlier falls.[7]

Now there are new challenges. Studies of the impact of greater automation, including the use of artificial intelligence, suggest that over 70 per cent of the jobs at the highest risk of being replaced by automation are held by women. Women are less likely to be in jobs that are at a low risk of automation (43 per cent).[8] This is partly because fewer women obtain higher-level science, technology, engineering and mathematics qualifications than men.[9]

These challenges are shared by many Western democracies. And progress in tackling them may be made easier by working jointly. The EU has an important role to play in addressing them, through shared experience and best practice as well as legislation. Its equalities legislation is important in seeking to equalise pay, social security and pensions between men and women. Its education and training programmes have a major role to play in reducing gender disadvantage in employment and in wider society, for example by funding retraining or upskilling. And its large-scale science and innovation research funding addresses some of the issues (such of the needs of an ageing population) which have a disproportionate impact on women, as well as promoting the greater participation of women in science, technology and engineering.

<u>Digital single market</u>

The expansion of the digital economy will be central to the changes brought by the fourth industrial revolution. Examples of developing digital markets include the internet of things, enabling the remote control or monitoring of many machines and devices; the development of cross-border e-commerce, currently restricted by many regulatory and practical barriers; and the transfer of data with trans-national regulations and the proper protection of privacy, which enables more effective research and innovation.

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[6] European Commission, 'International women's day: more quality, but change is too slow', IP/19/1495, 7 March 2019
[7] Joseph Rowntree Foundation, 'Pensioner poverty', 1 April 2019
[8] Office for National Statistics, 'The probability of automation in England: 2011 and 2017', 25 March 2019
[9] 'Women more at risk of job automation', Clare McDonald, *Computer Weekly*, 26 March 2019

All of these opportunities (including the use of digital platforms for public services) need underpinning. This includes physical infrastructure to deliver the internet capacity to cope with the ever-increasing demand and regulatory frameworks to protect consumers while enabling businesses to grow; and better cyber security, to combat misuse of the internet.

The current Commission has made developing the digital Single Market one of its central objectives but whilst there has been progress, there remain many obstacles to realising its benefits to the EU. Two key problems are a shortage of digital skills and growth of the tech giants.

Europe has long had a shortage of IT specialists – a survey in 2015 identified a potential shortfall of 800,000 by 2020. More recent studies highlight the poor digital skills of the general workforce, an important issue as ninety per cent of jobs now require digital skills but 37 per cent of the workforce have insufficient digital skills.[10] This is primarily an issue for Member States. A number of countries around the world (such as Singapore) have schemes to support their citizens in lifelong learning so that they can update their skills.

To maintain progress towards a Digital Single Market, policy initiatives need to include:
- extensive investment in fast broadband to enable consumers and businesses to realise the benefits of the digital economy;

- a major investment in improving digital skills in all EU Member States, linked to an expansion of education but also to the progressive introduction of lifelong learning;

- tough but effective data regulation that can build on the GDPR, that it is updated regularly and protects consumers but does not become so inflexible as to unreasonably restrict economic opportunity;

- in addressing data, consideration will need to be given to the idea that the four freedoms of the Single Market should be enlarged to include a fifth, on the free movement of data; there are there are substantial regulatory issues to resolve.[11]

Over the last 15 years a number of global tech giants have emerged, most of them US-based, which exercise enormous market power, individually and collectively. Facebook, for example, has 2.3 billion users every month and 1.5 billion users log on every day.[12] The UK digital advertising market was worth almost £12 billion in 2017 and Google and Facebook between them shared 54 per cent of that.[13] The problem of the tech giants is discussed in the box below.

<u>Regulation of the Tech Giants</u>

There are growing concerns about the power and influence of the tech giants – companies such as Facebook/Instagram, Amazon, Netflix, Google/Alphabet/YouTube – who dominate the Internet. These are vast global companies we all use. And the data they hold means they

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[10] Cited in European Commission, *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Mid-Term Review on the implementation of the Digital Single Market Strategy: A Connected Digital Single Market for All*, COM(2017) 228 final, 10 May 2017, p. 14

[11] See Erik van der Marel, 'Reforming Services: What Policies Warrant Attention?', European Centre for International Political Economy, 26 June 2017

[12] Zephoria Digital Marketing, 'The Top 20 Valuable Facebook Statistics', 18 April 2019

[13] HM Treasury, *Unlocking Digital Competition: Report of the Digital Competition Expert Panel*, 13 March 2019, p. 27

know all about us – where we are, what we purchase, and even our politics and personal preferences. Yet they are unaccountable and beyond the control of any one country.

They are also central to concerns about the spread of fake news. Their services are a vehicle for harmful content inciting violence and hatred and they are used by outside forces to infiltrate political and electoral processes and to spread misinformation.[14] And there is widespread mistrust of the way they use and sell personal data for their own commercial ends (the Facebook/Cambridge Analytica case being just one example).

The tech giants, especially those who offer platforms for other business, for example Amazon, wield vast commercial power. Are they competing fairly or using their power to squash potential competitors? Are they offering a fair deal to the smaller sellers and consumers who use their platforms? Does their ability to monitor and analyse our online behaviour put us at risk of predatory commercial practices? They also dominate digital advertising thus undermining the viability of traditional journalism. The Commission's recent fining of Google over abuse of the digital advertising market, demonstrates that regulation at the EU level is a more effective way to handle these powerful companies.[15]

Equally problematic is the question of a fair division of both responsibility and reward between the tech companies and content providers. Copyright and libel laws conceived when ideas were confined to paper urgently need updating, no easy task as the controversy surrounding the EU Copyright Directive demonstrates. As a centre for the creative industry, the UK has a huge stake in these decisions.

And then there is the fact that the sums they pay in tax are tiny compared to their revenue. In 2017 Facebook paid just £15.8m tax in the UK against UK sales of £1.3 billion (that's one per cent of their sales).[16] Amazon paid £4.5m against UK revenues of £8.7 billion.[17] As a result, they are not seen as paying their fair tax share. The EU proposals for a 'digital tax' are stalled for the moment. The OECD is working on global standards and the UK has said it will introduce a national digital tax on large online companies. But the fact is that the companies are adept at shifting their operations to pay the least tax, so it's far from clear that national measures will be effective.

Regulatory responses are urgently needed to this plethora of important concerns. As a recent House of Lords report said: "Misuse of personal data, abuse and hateful speech make the case for further regulation compelling."[18] But again the global reach of the companies means that purely national responses are likely to be ineffective.

As mentioned, the EU has already used its competition powers to deal with abuses of the tech giants' monopoly power. In July 2018 Google was fined $5 billion by the Commission for using

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[14] See, for example, the comment of Damian Collins MP, Chair of the House of Commons Digital, Culture, Media and Sport Committee, on the publication of the Committee's *Eighth Report of Session 2017–19: Disinformation and 'fake news': Final Report*, HC 179, 18 February 2019: "Democracy is at risk from the malicious and relentless targeting of citizens with disinformation and personalised 'dark adverts' from unidentifiable sources, delivered through the major social media platforms we use every day."

[15] European Commission, 'Antitrust: Commission fines Google €1.49 billion for abusive practices in online advertising', IP/19/1770, 20 March 2019

[16] 'Facebook's UK tax bill rises to £15.8m – but it still just one per cent of sales', Rupert Neate, *The Guardian*, 8 October 2018

[17] 'Amazon halved corporation tax bill despite UK profits tripling', Mark Sweney, *The Guardian*, 3 August 2018

[18] House of Lords Select Committee on Communications, *2nd Report of Session 2017–19: Regulating in a digital world*, HL Paper 299, 9 March 2019, p. 3

its Android operating software to exclude rival products. While that sent an important message, the fine was just over two weeks revenue for a company the size of Google.[19]

The UK alone is much less able to stand up to huge global corporations but in the EU the UK would be able to help develop regulation to protect and serve consumers.

Action to deal with the tech giants could include:

- enforcing and updating competition law and practice at the EU and national level to reduce the current tech giant monopolies, to prevent the emergence of new monopolies and where necessary to break them up if their market dominance becomes excessive;[20]

- reviewing the existing EU level penalties to make them proportionate to the rule-breaking;

- further measures to safeguard data and prevent the networks being used to disseminate harmful content and undermine democracy;

- consideration of a digital sales or turnover tax of the kind recently under discussion in the EU and the UK to ensure tech giants pay a fair share of tax; the UK should make addressing this issue one of its core aims in the EU;[21]

- a clampdown on tax havens and the registration of businesses at an international level, to ensure that a fair share of tax is paid by all profitable businesses and that in particular multinational businesses are not able to avoid their tax obligations;

- making part of Capital Markets Union about releasing start-up capital for new tech businesses in Europe to try to counter the Silicon Valley effect in the US which has enabled its companies to dominate the global tech market.

External trade policy

The success of the EU's Single Market of 500 hundred million people, the largest in the world, has been an important factor in making the EU an attractive trade partner to third countries and one able to protect its members' interests effectively. This has enabled the EU to build a network of free trade agreements with third countries at a time when the global trade discussions initiated by the WTO have largely stalled.[22]

President Trump's protectionist policies are undermining the multilateral system which is the foundation of the post war explosion in global trade. The EU is essential to preserving the effectiveness of the World Trade Organisation (WTO), which Trump is currently trying to disrupt. The EU will need to work with like-minded third countries such as Canada, Japan, New Zealand, South Korea, and many ASEAN and Latin American countries, to maintain the WTO. When the Trans-Pacific Partnership was saved (TPP-11) after Trump rejected joining, the medium sized and small countries who have most to lose from the collapse of multilateralism mobilised and worked together effectively.

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[19] 'Europe hits Google with record $5 billion antitrust fine, appeal ahead', Foo Yun Chee, *Reuters*, 18 May 2018

[20] See HM Treasury, *supra* n. 13

[21] 'The EU's digital tax is dead, long live the OECD's plans', Jorge Valero, *EurActiv*, 8 March 2019

[22] The most recent WTO trade round begin in 2001 in Doha but was officially wound up in 2015.

The rise of protectionism is in part a response to public concern about trade, driven by a focus on the negative consequences for some of globalisation.

The UK is a long-standing supporter of a liberal EU trade policy to open up global markets. Inside the EU the UK should:

- strengthen the hand of those in the EU that the UK has traditionally worked with to promote freer and fairer world trade and to resist protectionism;

- restore the British Government's capacity in trade policy, which has been run-down since 1997;

- promote far greater openness about trade policy, including in the EU institutions, to create greater understanding of the benefits of trade and globalisation as well as its pitfalls;

- encourage the negotiation of further EU bilateral trade agreements with major economies, such as Australia, New Zealand and the countries of Latin America;

- engage actively in EU/China discussions to promote a more equal trading relationship based on mutual fair access and to tackle the issue of Chinese state subsidised exports to the EU without slipping back into protectionism;

- encouraging the EU to act as a catalyst to bring small and medium-sized countries together to protect multilateral world trade and the WTO.

The EU Member States have a better chance of rising to the challenges posed by China to old industrial sectors acting as one, even compared to a country as powerful as the United States.

Research and innovation

The EU has long focused on the need to raise European investment in research and innovation. The current programme (Horizon 2020) is worth almost €80 billion over seven years and it is proposed to increase that to €100 billion in the next seven year period from 2021. But despite this investment, research and development spending (R & D) is a third lower in EU Member States than it is in the USA (but greater than in China).[23]

The EU's European Research Area is based on the Single Market; it enables the free circulation of researchers, scientific knowledge and technology. Taken with the free movement of students across the EU, boosted by the Erasmus+ programmes, it represents a huge opportunity to raise Europe's R & D performance. Researchers and students can access knowledge and opportunities across a vast range of higher education institutions and research bodies. And the benefit to all from co-operative research efforts across national boundaries are greater than those in one country. Regular reports on completing the European Research Area show considerable progress but there is evidence recently of a slowdown.[24]

One way forward would be to place greater emphasis on working together on solving complex problems that cross borders. Just as the EU has supported the investment in the

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[23] Eurostat, 'R & D expenditure', 23 January 2019
[24] European Research Area, 'Progress Report 2018', 18 February 2019

study of particle physics at CERN to understand what the universe is made of and the development of fusion at Culham, so it should use its scale to research new areas.

Amongst the many issues that could be addressed are:

- a switching of focus in the EU budget from 2020 onwards towards even greater investment and development in innovation, science and research to produce a significant improvement in Europe's innovation capabilities compared to the US and China;

- the health challenges of an ageing population, including research into the causes and treatment of dementia;

- the growing problem of anti-microbial resistance; the need to create new antibiotics before those we have now cease to be effective, a project that would particularly benefit from cross-border co-operation and working at greater scale.

The size and nature of the NHS means that it is an ideal source of data and a great place to pilot new practice and it is underpinned by Britain's already world-leading medical research centres.

The UK is already a substantial net beneficiary from EU spending on research and innovation. It is also a leader in many fields of research. There is therefore a major opportunity to promote in this field policies which will benefit both the UK and the EU as a whole.

Environment and climate change

The need to tackle climate change, halt and reverse the loss of biodiversity, combat plastic and air pollution is rising up the agenda, driven in part by the engagement of younger voters. Yet pollution does not respect national boundaries. Action is needed both at national, regional and international levels.

The UK has traditionally been an influential voice in the EU's environment and climate change policies, which have also been pivotal to the global debate and achieving greater influence than it would have on its own. Re-gaining this lead, and making an active contribution to EU policies and actions could be very beneficial for the UK both practically and politically as well as helping the EU as whole to achieve the targets set in the Paris accords.

There is a need for a broader climate agenda which encompasses sustainable agriculture and industrial practice. This is an opportunity for the EU to defend and promote its animal welfare practices, such as husbandry in farming, against the more exploitative and environmentally degrading approaches used elsewhere.

The Paris climate change agreement was a critical landmark but we are a long way from seeing it implemented and Trump's decision to withdraw will not help, although many US states and cities are working to reverse this. The EU should build on the alliances that achieved that agreement, including working with China, to keep up the pressure for further global action on climate change, including at this September's UN Climate Action Summit.[25]

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[25] See United Nations, 'UN Climate Action Summit 2019', 18 April 2019

The EU needs to put together a next stage agenda on the environment; elements of it could include:

- further reducing the share of the EU budget spent on production support in the agriculture budget for 2021-2026;

- putting sustainability into all its policies and programmes in the field of agriculture and fisheries;

- seeking to include sustainability and other farming standards in free trade agreements with third countries;

- renewing the focus on sustainability in the EU's development aid budget and programmes, in line with the 2030 agenda for sustainable development.[26]

Migration, home affairs & justice

Although illegal immigration into the EU has fallen back to its pre-2015 level, the issue of migration remains politically important.[27] In the UK, the priority must to be to introduce the kinds of measures that other Member States long ago adopted to manage migration and the free movement of people more effectively. The absence of citizens' registration, of identity cards, of modern legislation on vagrancy and begging, as well as the lack of effective enforcement, has understandably undermined public confidence in the immigration system.[28]

While the EU must do more to combat illegal migration through stronger management of its external borders and co-operation with countries of origin, it is equally important not to lose sight of wider EU co-operation against crime and terrorism. The increasing importance of intelligence-led policing and consequently the vital need for fast access to the widest range of date requires co-operation between Member States. The challenge is always to remain ahead of the criminals.

Developing the EU's capabilities in this area is a key UK national security interest. The UK makes extensive use of EU measures, such as the Schengen Information System, the sharing of criminal records and the European Arrest Warrant. The UK has been a particularly active supporter of Europol.

The return of those who fought for so-called Islamic State in Syria and Iraq, as well as the pending release of those convicted of less serious terrorist offences from European jails, represents a potent internal security threat. To combat it Member States will need to do more than just share intelligence; they will need to work together on identifying and combating the radicalisation of Muslims and on de-radicalising those who have succumbed to it.

Action to tackle migration problems and to enhance our security could include:

- UK domestic measures to improve the management of migration;

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[26] For details of the agenda, see European Commission, 'The 2030 Agenda for Sustainable Development', 18 April 2019

[27] See 'Migrant crisis: Illegal entries to the EU at lowest level for five years', *BBC News*, 4 January 2019

[28] For details of the measures the UK could introduce to manage migration, including from the EU, see Senior European Experts, *Free movement of persons within the EU: An update*, January 2019

- adoption by the UK of its own policy ideas on which it wants greater EU co-operation so the UK becomes a leader in policy rather than just reacting to Commission proposals;

- more practical ways of linking law enforcement with migration control so as to restrict the movement of convicted terrorists and other highly dangerous criminals.

External affairs and defence

The geo-political situation holds many risks. The scale of the security problems around Europe's borders are greater than at any time since the end of the Cold War. In some respects, things are worse now as the Cold War brought a kind of uneasy stability.

These are problems that can only be addressed by working together. Indeed, the UK Government recognised this in its proposals for Brexit which emphasised the desire of the UK to remain closely aligned with EU foreign and security policy.

UK policy as regards EU defence co-operation has changed. The Government no longer sees the EU as a threat to NATO but rather as essential to saving it from US indifference. Partly this is about persuading European countries to spend a greater share of their GDP on defence, so that Europe is less dependent on the US for its security. But it must also involve seeking to maintain a close relationship with Turkey, a key NATO member, which is drifting away from its Western relationships and towards Russia.

EU foreign and security policy (and defence) decisions are taken by consensus. This limits the scope for action where there are divisions within the EU, as we saw over Libya in 2011. But despite this limitation the EU continues to play an important role in promoting peace and security, alongside the rule of law and greater economic co-operation. Its willingness to support sanctions against Russia over the annexation of Crimea; it's determination to sustain the nuclear agreement with Iran (JCPOA); its ban on the export of arms to Syria; and its extensive programmes to support refugees and to promote stability and good government in Africa and elsewhere have all been to the good.

Whilst much foreign policy work is reactive, in response to events, the EU could, with UK support, improve its capabilities and impact in the following ways:

- robustly promote the rules-based international order, even when it is criticised by the leaders of allies, including by working for constructive reform of international agencies and bodies, such as the UN and the WTO;

- while respecting the neutral status of some Member States, support NATO through mutual defence co-operation, including on burden-sharing, and by examining President Macron's idea of a European security council;

- use the end of the Syrian civil war as a moment to renew its relationships in the Middle East and step up the promotion of shared values.

<u>Parliamentary engagement with the EU</u>

One weakness of the UK's past engagement in the EU has been the lack of parliamentary engagement. This may help to explain the failure to communicate to voters the extent of UK influence in Brussels. If the UK stayed in the EU there would a strong case for overhauling procedures at Westminster, expanding its physical parliamentary presence in Brussels to monitor developments within the EU and to exert influence on policy upstream, and to enhance the role of national parliaments generally in the formulation of EU policy.

Conclusions

The range of problems confronting the UK and the EU is daunting, from declining manufacturing to climate change, from the rise of trade protectionism to terrorism, from inequalities of wealth and opportunity to coping with an ageing population.

It is a policy agenda that the UK cannot pursue effectively on its own yet it covers areas critical to the UK national interest to which the UK can make a powerful contribution. (A UK inside the EU would grow more rapidly than it would outside, meaning it would have more tax revenue at its disposal too).

It might be said this is what the EU was invented for – tackling the problems that no national borders can contain and where working together makes us stronger and more effective. Britain would be better able to do that as a member of the EU.

April 2019

Senior European Experts

The Senior European Experts Group is an independent body consisting of former high-ranking British diplomats and civil servants, including several former UK ambassadors to the EU, and former officials of the institutions of the EU.

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