

THE FEDERAL TRUST

for education & research

enlightening the debate on good governance

**A pro - European platform
for a pan - European party**

Alan Lamond

March 2010



A Definition of Federalism

Federalism is defined as 'a system of government in which central and regional authorities are linked in an interdependent political relationship, in which powers and functions are distributed to achieve a substantial degree of autonomy and integrity in the regional units. In theory, a federal system seeks to maintain a balance such that neither level of government becomes sufficiently dominant to dictate the decision of the other, unlike in a unitary system, in which the central authorities hold primacy to the extent even of redesigning or abolishing regional and local units of government at will'.

Patrons

Sir Michael Franklin
Sir Donald Maitland
Baroness Nicholson of
Winterbourne, MEP
Rt Hon Sir Michael Palliser
Lord Plumb
Carole Tongue
Sir Brian Urquhart

President

Peter Sutherland KCMG

Chairman

Sir Stephen Wall GCMG LVO

Director

Brendan Donnelly

Council

Andrew Adonis
Anna Arki
Professor Iain Begg
Graham Bishop
Professor Michael Burgess
Dr Hywel Ceri Jones
Professor Stefan Collignon
John Cooke
Robert Emerson
Dr Nigel Forman
Maurice Fraser
Baroness Sally Greengross OBE
Claudia Hamill
Richard Laming
John Leech
Baroness Ludford MEP
Nicolas Maclean
Robert Moreland
Professor Roger Morgan
John Palmer
Lady Joyce Quin
Marie-Louise Rossi
Tom Spencer
John Stevens
Sir Brian Unwin KCB
Professor Richard Whitman
Ernest Wistrich CBE

The views expressed in this pamphlet are the views of the authors only, and not necessarily shared by the Federal Trust.

**A PRO - EUROPEAN PLATFORM
FOR A PAN - EUROPEAN PARTY**

Alan Lamond

Alan Lamond is a retired senior trade official who worked for many years in Geneva.

Contents

Introduction	6
Part One: The need for truly transnational parties in EU politics	7
1. Facing the facts on federalism	9
2. The issues in European politics	10
3. Creating the party	11
Part Two: The draft launch platform	13
4. Preamble	13
5. What is the Union's purpose?	13
6. How can the Union function more democratically?	14
7. What benefits from the Union can its citizens expect?	15
8. How 'social' can the Union be?	16
9. Economic policy	17
9.1 Recession and recovery	17
9.2 Financial regulation	19
9.3 Energy and the environment	20
9.4 Economic integration	21
10. Foreign and security policy	22
10.1 External relations	22
10.2 Defence issues	23
11. Enlargement and Turkey	24
Conclusion	26

Introduction

One of the main aims of the Lisbon Treaty was to give the Union a clearer presence and stronger voice on the world stage. Another was to reform and simplify the Union's decision-making processes, notably by granting greater powers to the European Parliament. These are worthy goals, but pro-Europeans should have no illusions about the Lisbon Treaty. Useful as it will be in many respects, it is not of itself going to give the Union more international political influence, since decision-making in the fields of foreign and defence policy will remain subject to the requirement of unanimity. The Treaty is not of itself going to improve the willingness of Europeans to recognize the Union's democratic legitimacy. It is not of itself going to bring about the tighter fiscal discipline now seen to be necessary in the eurozone.

As a source of pressure on governments to accept more sovereignty-sharing in these and other areas, and as a mainstay of the Union's cohesion in general, the Union now urgently needs a more democratically representative European Parliament, one that reflects more accurately cross-border public opinion on the main issues in Union politics. The election of a Parliament of this kind requires the development of a Union-wide political life, made possible by the creation of genuinely pan-European political parties which take clear stances on controversial matters. The present paper, taking into account the experience and lessons of the 2009 elections to the European Parliament, concentrates on the priority task now facing pro-Europeans, namely the creation in the Union of at least one truly transnational federalist party. It seeks to give impetus to this project by offering, as a basis for discussion, a draft launch platform for such a party. My thanks go to the Federal Trust for helping me with this publication.

PART ONE: The need for truly transnational parties in EU politics

If, before the 2009 elections to the European Parliament (EP), any pro-Europeans still had any doubts that the "European project" requires firmer democratic underpinning than the results of the elections should have finally dispelled them. The further decline in voter participation in the elections to a new low of 42.9 per cent showed that EP elections are still failing to attract much interest among the Union's citizens. Moreover, the unbroken decline in turn-out over six successive elections shows that, whatever the problem underlying this apathy is, it is becoming steadily more acute.

Equally disquieting is a second feature of the 2009 election results. This is the decline in the overall share of seats won by the five parliamentary groups which today can be regarded as being more or less pro-European. Among these only the European Greens succeeded in increasing their share of seats. The counterpart of this decline was a sharp rise in the number and share of seats won by MEPs in the 'non-attached' category, a mixed bag of fringe or single issue parties, some of them of a xenophobic or otherwise extremist character. How far, or even whether, this rise reflected an actual weakening of support for the European project is unclear, since the gains of these parties were made at the expense not only of pro-European parties but also at that of parties belonging to the two official nationalist /eurosceptic groups in the Parliament. The fact is, however, that the share of seats held by what is today the pro-European camp is now 75 per cent as against 82 per cent in the previous Parliament. Given that even within this camp the degree of commitment to further European integration varies, pro-Europeans ought to regard these features of the 2009 elections as danger signals, since they seem to provide evidence not only of growing disinterest in, but also of possibly weakening support for, the European project. Unless these tendencies are countered, the democratic legitimacy of the entire project will become steadily more fragile.

With regard to the problem of low participation many commentators have pointed out that elections to the Parliament are fought essentially on national and not European issues. Since they are contested exclusively by national parties this is inevitable but it is a feature of the elections that is likely to deprive them of interest for many potential voters. Since differences on the controversial issues in European politics do not correspond to the traditional political differences between socialists, conservatives and liberals, national parties may be divided on these issues and hence reluctant or unwilling to take clear stances on them. For the same reason, and because of the added difficulty of reaching agreement among sister parties of different countries, the common policy platforms or manifestos of the so-called European parties tend to be broad (sometimes nebulous) statements of aims and principles which avoid, or take less than forthright positions on controversial issues. Those drawn up for the 2009 elections were in any case not widely publicised and played virtually no part in the election campaigns.

Although most national parties campaigned principally on national issues there were nevertheless some exceptions. To their credit the three main political parties in Germany, the country with the largest number of seats in the Parliament, focused their campaigns clearly on European matters and two of them in fact distributed lengthy pamphlets devoted exclusively to these matters. Despite this, however, the German participation rate in the election was only

43 per cent, virtually the same as in 2004 and close to the Union average. This indicates that a close concentration on European questions by national parties, even strongly pro-European ones like the German parties, is not a sufficient condition for raising participation rates in European elections. The most obvious requirement for this is that voters must be presented with clear and meaningful choices with respect to the more controversial issues in European politics, a requirement which even the German parties did not adequately fulfil. However, the fact that overall participation rates in European elections do not simply remain at a low level but tend constantly to decline, shows that the lack of such choices is not the only factor affecting turnout in these elections.

The original impetus for European unification was provided by the political aim of ending wars and promoting reconciliation among former enemies on the continent, but now that this objective has been attained many citizens of the Union may see its purpose today as being essentially an economic one. The process of economic integration has in fact become a hugely important part of the European project. To many citizens, however, especially those who have become losers, though hopefully temporary ones, from increased competition within the single market, the benefits of the process may not yet be apparent, a problem that the recent recession is likely to have exacerbated. Hence unless these citizens are able to see economic integration not as an end in itself but as an essential part of a wider and worthwhile political purpose, more and more of them may come to perceive the main function of the European Parliament as being merely the vetting of rules and regulations to be enforced by Brussels bureaucrats.

For many pro-Europeans a short definition of the Union's purpose today might be: to defend Europe's common values, culture and economic interests, to speak as the collective voice of the Union's citizens in international fora and to enable the member states to act in combination as a major 'pole' in today's multipolar world. Unfortunately national parties either do not articulate these aims at all in their election campaigns or do so only in a cautious and watered-down manner. This being so, it cannot be surprising that popular interest in elections to the Parliament continues to decline.

As far as the signs of possibly increasing disenchantment with the European project are concerned it may be that the gains made in the 2009 elections by candidates in the 'non-attached' category reflect not an actual cooling of support for the project but rather a growth of anti-establishment and cynical attitudes towards the Parliament. They are nevertheless a warning that unless the Union develops a real cross-border political life, which would enable voters to see that important matters were at stake in European elections, the Parliament risks becoming a political playground rather than a seriously representative institution.

From the foregoing discussion of the problems highlighted by the results of the 2009 elections to the European Parliament there is one conclusion that can and should be drawn by all pro-Europeans. It is that all of these problems – ever-declining voter participation, weakening support for pro-European parties and the continuing perverse entanglement of national and European politics – could be tackled simultaneously via the creation of at least one pro-European cross-border political party independent of national parties (and governments). Such a party, which would contest only elections to the Parliament, could promote the cause of European unity single-mindedly by presenting a clear concept of the Union's purpose and by offering voters throughout the Union meaningful policy options with

respect to controversial issues in European politics.

It is sometimes suggested that voters would see something of importance as being at stake in elections to the Parliament if the so-called European parties contesting them promised to support particular candidates for the post of President of the European Commission. That is something that was in fact done in the 2009 elections by the European People's Party, which declared that it would support a renewal of the mandate of President Barroso. What this meant to voters cannot be known. Nevertheless it is hard to see how such action could inject more meaningful competition into European elections unless voters knew for what, as well as for whom, they were indirectly voting. In other words parties would still need to campaign on platforms that offered voters clear policy choices and their candidates for the presidency of the Commission would have to declare their commitment to these platforms. Hence the need for cross-border parties of the kind proposed would remain. If such parties come into existence, however, the idea of nominating their own candidates for Commission President is one they should seriously consider.

The creation of a new pioneer cross-border party would involve a number of difficulties. One would be the drawing up of a launch manifesto or platform and another would be represented by the mechanics of bringing it into existence and endowing it with a pan-European individual membership. These problems are considered further below. First, however, something must be said about a basic matter on which any pan-European party would have to make its position clear – the question of federalism.

1. Facing the facts on federalism

Mimicking the opening words of the Communist Manifesto published in 1848 it might be said that today a spectre is haunting Europe – the spectre of federalism. The original spectre evoked by Marx and Engels no doubt did frighten many people – and with good reason as it turned out. Today the ideas of European federalists are also scaring some people but in this case it can be said that such anxiety is quite irrational. One basic fact about federalism is that it is a tried and tested and highly respectable form of political organisation. The world's two largest democracies, the USA and India, are both federal states as is the largest member state of the European Union, the Federal Republic of Germany. This proves that federalism is completely compatible with democracy even if, as the example of the Russian Federation shows, it does not guarantee it.

Within the EU there is nevertheless a great deal of nationalist opposition to the idea that the Union might eventually evolve into a federation, as well as much scepticism about the possibility or desirability of this happening. For that reason, and because the type of federation the Union might become is not yet clear, even the most pro-European national parties refrain from any explicit commitment to federation as a goal. This reticence, however, does not stop nationalists and eurosceptics from referring constantly to pro-Europeans as federalists, and if a new pan-European party of the type proposed above were created it would be immediately dubbed a federalist party whether it accepted the label or not.

The response of pro-Europeans to this should be to follow the principle: 'If the cap fits, wear it'. Those who hesitate to accept the federalist label should bear in mind several important facts. The first is that the evolution of the Union so far constitutes already a huge

step towards federalism, while the entry into force of the Lisbon Treaty represents, at least potentially, another important step in the same direction. The second fact is that the fulfilment of the Union's purpose, as this is understood by most pro-Europeans, will inevitably require further modification of the unanimity rule in Union decision-making and hence further sharing of sovereignty by the member states. Third is the fact that the action needed to strengthen the Union's democratic legitimacy, i.e., the development of a real European political life via the creation of cross-border parties, will bring the Union still closer to becoming a federation of some kind. These facts show that if the Union achieves the deeper political and economic integration that most pro-Europeans wish to see, it will eventually come close to being a federation in all but name. Hence those who support further integration beyond what is provided for in the Lisbon Treaty are to all intents and purposes federalists and should accept the appellation; otherwise they will be accused by nationalists of seeking to create a European superstate by stealth.

There are also a few facts of a different kind that need to be faced by pro-Europeans who are already avowed federalists. One is that, as the history of the European Constitution and its successor the Lisbon Treaty has shown, federation in Europe cannot ever be brought about in a top-down manner. Its eventual realization will require a popular consensus which can be achieved only through the development of a true pan-European political life. A second fact is that if federalists wish to prevent potential damage to their cause they need to scrutinize carefully the European credentials of countries that aspire to Union membership and satisfy themselves that their admission would not harm the prospects of attaining the ultimate goal of federation. A third and related fact is that since every addition to Union membership complicates further the processes of political and economic integration there is now a need for a moratorium on the Union's enlargement until its capacity to absorb eligible new members has been strengthened.

If pro-European individuals and parties faced all these facts squarely this would make for clearer and more useful debate on all European issues, an effect that would be reinforced if anti-Europeans and eurosceptics admitted that their attitudes to the European project were essentially nationalist ones. The truth is that, although there are no doubt sub-divisions in each camp and a good many 'undecideds', the crucial division in European politics is the one between federalists and nationalists, as the resistance encountered by the Lisbon Treaty showed. This truth demands that the proposed new cross-border party be an avowedly federalist one.

2. The issues in European politics

In addition to making clear its attitude to the basic question of federalism, a new cross-border party would have to take forthright positions on the other controversial issues in European politics, issues on which pro-Europeans themselves may be divided. Before these are considered it has to be mentioned that there are two major matters which recently have become much less controversial than they used to be.

One is the question of financial regulation, over which the main quarrel used to be between those who favoured a so-called 'light touch' approach and those who insisted on the need for strict and detailed rules. The catastrophic consequences of securitization and excessive risk-taking by financial institutions on both sides of the Atlantic have now largely put

an end to this dispute. There is now a global consensus on the need for tighter regulation of financial markets and institutions in order to minimize the systemic risks their activities may involve. The second issue which has lost much of its capacity to generate controversy is that of climate change. Though there are differences of scientific opinion about global warming, and although scepticism about the phenomenon exists, there is widespread acceptance of the argument that the costs of measures to combat it now in fact represent reasonable insurance. The reasoning is that, if the direst predictions of the results of inaction were indeed fulfilled, the consequences for future generations would be infinitely more expensive. The one environmental matter which remains highly contentious is that of nuclear power generation but the debate on this is being increasingly influenced by concern over carbon dioxide emissions. In today's circumstances unqualified hostility to nuclear power will probably be expressed only by Europe's green parties, and since differences over other aspects of environmental policy are narrowing, this hostility seems likely to become their sole *raison d'être*.

Over a number of other important issues, however, pro-Europeans remain divided. That is why a full democratization of elections to the European Parliament, in which voters will have clear choices and candidates clear mandates, may require the creation of more than one pro-European cross-border party. For example, although differences have narrowed over financial regulation, divisions persist over other aspects of economic policy such as the design of economic stimulus packages, economic nationalism, the common agricultural policy, fiscal harmonization and the question of what kind of social dimension the Union should have. In the fields of foreign and defence policy there are varying degrees of attachment to the concept of Atlanticism and differences over the extent to which the Union ought to acquire an independent military capability of its own. Controversy exists also over the proposed admission of Ukraine and Georgia into NATO, as it does also over the question of the very purpose of NATO in today's world. Mention must be made finally of the differences that exist over enlargement policy, particularly as it relates to the candidature of Turkey for Union membership.

The existence of these differences raises the question of what combination or mix of stances on the issues concerned might provide a basis for the creation of a new pan-European party which would command a large degree of support from pro-Europeans. This is a question that would have to be answered through a process of wide cross-border discussion and debate.

3. Creating the party

In determining how the proposed new cross-border party might be created the attitude of pro-European national parties to the idea will obviously be a crucial factor. Since most of these parties are members of one or other of the so-called European parties that already exist, their attitudes will depend on the degree of loyalty they feel towards whichever of these loose alliances it is they belong to and on the amount of importance they attach to keeping it in being.

The ideal way forward would be for federalist national parties to recognize that these existing nominally pan-European parties are simply not fit for purpose. One problem is that they have no real existence outside the European Parliament and are unable to play any useful role in mobilizing popular support for the European project. A second problem is that

they group national parties according to the political labels they wear in national politics and not according to their stances on controversial Union issues. A whole range of political phenomena – the low and declining participation in EP elections, the ‘no’ votes in the French, Dutch and first Irish referendums, the fall in the share of seats won by pro-European parties in the 2009 elections and, most recently, the defection of British and Czech conservatives from the conservative group in the EP – all point to the fact that the main issue in Union politics is not whether voters wish to live in a socialist, conservative, liberal or ‘green’ Union but whether they wish to live in a more closely integrated one.

Pro-European national parties which are prepared to admit this truth should also be prepared to permit their leaders or representatives, and particularly their MEPs, to engage in exploratory discussions at national and Union levels with their opposite numbers in other pro-European parties, of whatever political stripe, with a view to creating a genuinely transnational party whose candidates they would jointly support in EP elections. The draft policy platform set out below is designed to serve as a basis for such discussions. It focuses on the Union’s purpose and on the common interests of its citizens as well as on the controversial issues in Union politics. It has been drawn up in the belief that it could attract support from a large number of pro-Europeans of ‘centrist’ inclination but this supposition remains to be tested. The draft will fulfil its purpose if it, or some variation of it, can help towards the creation of at least one new truly pan-European party, however it is characterized politically.

It is possible, however, that many pro-European parties will be reluctant to endorse any moves of the kind suggested because they see EP elections essentially as bouts in the ongoing domestic political battle. For that reason they might be unwilling to efface themselves in favour of a transnational party in these elections unless they could be sure that all rival parties would follow their example. Given the way EP elections have been conducted up to now this is an understandable concern but it is an unjustified one because if EP elections were contested by at least one transnational federalist party this would oblige all contestants to focus on European rather than domestic issues.

This is the argument that should be deployed by federalist members and supporters of any pro-European party whose leaders refuse to engage in or authorize discussions on the formation of what would be a transnational sister party. It should be pointed out also that there is no reason why individual members of such a party, including election candidates, could not simultaneously be members of any national party which supported it.

If the above-proposed route to the formation of a new cross-border party proves to be impractical, the task of creating it will have to be undertaken by pro-European activists and other interested individuals, who might be assisted by pro-European think tanks and other interested bodies. Further discussion of the technicalities of founding a cross-border party is pointless, however, until it is known whether an ideological basis for the creation of such a party exists. The draft launch platform set out below, which is presented as that of a fictitious ‘European Citizens’ Party’, may therefore be seen as a political trial balloon.

PART TWO : The draft launch platform

4. Preamble

The European Citizens' Party (ECP) is a pan-European political party, the first of its kind, which is being launched in order to give citizens of the Union the possibility of doing something they have never been able to do before, namely, to vote for the kind of Europe they want. By supporting the party's candidates in elections to the European Parliament (EP), citizens who share the ideas set out in the present policy platform can seek to ensure that they will be furthered and defended in the Parliament. Until now citizens have been able to vote in elections to the Parliament only for national parties, many of which are internally divided in their attitudes to the European project and contest elections to the EP on the basis of their stances on national rather than Union issues.

If the Parliament reflected more accurately popular opinion on what the Union should do and how it should function it would be better able to help repair the present disconnect between the Union's citizens and its political leaders and bureaucratic elites. This is because in such a Parliament clear majority views on the Union's purpose and policies would carry great democratic weight and would have to be listened to and responded to by governments. By taking clear positions on these matters the ECP hopes to stimulate debate on them and if this later leads to the emergence of a rival, perhaps more left-wing, pan-European party with different approaches to these issues the Union would acquire some real cross-border political life. Until that happens the ECP will be in competition only with national parties which decide to oppose it rather than support it, but it will not contest national elections. It will remain entirely independent of Union governments and will support or criticize their stances on Union issues as it sees fit. The creation of the ECP is therefore a first essential step in a process which will open the way for the elimination of the Union's democratic deficit and for an evolution of its functioning along the lines suggested below.

5. What is the Union's purpose?

The ECP considers the purpose of the European Union to be a two-fold one. On the one hand it is to achieve sufficient political integration among its member states to enable them to speak with a single voice and to exercise collective influence in world affairs. On the other hand it is to increase the prosperity of its citizens through closer economic integration, notably in the form of a single market and currency. The party regards these two processes of integration as being closely interrelated and believes that they ought to be vigorously pursued together.

The party argues that the Union, with a population of half a billion, the largest economy in the world and its own distinctive culture, values and interests, must become a strong and independent pole in what is rapidly becoming a multipolar world. The alternative to a world in which the Union member states are able to speak and act collectively in full cohesion is one where even the largest among them, even those which possess nuclear weapons, will be able to play only walk-on parts on the international stage and where the principal roles will be taken by major actors such as the USA, China, India, Russia and Japan. Some

European citizens who are much attached to 'Atlanticism' may be quite content to cede leadership in world affairs to the United States. The ECP believes, however, that a transatlantic alliance based on dialogue between two equal partners is potentially more useful than one based on separate bilateral relationships, however 'special', between the USA and individual European states.

To attain the status of an equal but independent partner of the United States, the Union member states will have to become more closely integrated, both politically and economically. For example, the Union will not be able to make its collective weight felt in the world until unanimity ceases to be required for decision-making in the fields of foreign and security policy and until the European economy becomes much more dynamic. This means that the Union will have to take further steps, beyond those provided for in the Lisbon Treaty, that would bring it closer to becoming a federation, albeit one of a very particular kind.

A vital point that must be made about the Union's purpose is that whereas the economic aspect of it can be pursued independently from the political aspect, as eurosceptics and anti-Europeans like to stress, the converse is not true. Political influence depends greatly on economic strength and it is for that reason that the ECP insists that both aspects of the Union's purpose must be pursued together.

6. How can the Union function more democratically?

The Union faces two main functional problems. One is the long-standing problem of the democratic deficit, manifested in popular hostility to top-down governance, in declining participation in elections to the European Parliament and, in the latest of these elections, in a loss of ground by pro-European parties. The other is the increasing difficulty of decision-making, especially in the areas where unanimity is required, in a Union whose membership has grown to 27 countries and may grow further. The European Constitution and the Lisbon Treaty were drawn up in the belief that they would provide answers to the second problem. Ironically, however, the forced abandonment of the first of these initiatives and the difficulties faced by the second served instead to highlight dramatically the problem of the democratic deficit. It is widely believed that if referendums on the Treaty had been held throughout the Union it would have been rejected in at least several other member countries in addition to Ireland.

Hence even though the entry into force of the Treaty will extend the scope of majority voting and increase somewhat the powers of the Parliament, the problem of popular resentment towards what will continue to be seen as top-down governance is likely to persist. There will also remain the problem of the unanimity requirement for decision-making in the fields of foreign and defence policy and on some important economic matters such as tax harmonization. The ECP argues that until these two problems are overcome it will be impossible to achieve fully the Union's purpose. In the party's view solutions to both of them should be sought via a single route, namely, the development of more cross-border debate on Union matters, stimulated by the emergence of the ECP and possibly other genuine pan-European parties. This should lead eventually to the transformation of the European Parliament into a body which reflects more accurately Union-wide popular opinion on the controversial issues in European politics. Such a Parliament would be entitled to demand a stronger role in

Union decision-making.

The ECP believes that, at a minimum, a Parliament elected in the more democratic manner envisaged should itself have the right to propose legislation and not merely the right, as at present, to request the Commission to do so. Also desirable is that it should be able to influence non-legislative decision-making. This it could do, for example, if the President of the Parliament, or a majority leader, was able to participate in meetings of the European Council, a right already possessed by the President of the Commission, and if spokesmen for the parliamentary majority were able to participate in meetings of the Council of Ministers. A further step, the party suggests, might be the involvement of the Parliament in qualified majority voting in the Council on particularly important or sensitive matters; for such decision-making a double majority of governments and Parliament would be a more democratically appropriate requirement than a population-weighted majority of governments alone.

It is only in ways such as these that the degree of sovereignty sharing necessary to enable the Union to fulfil its purpose can be made democratically acceptable to its citizens. Without such reforms the Union will remain what it will continue to be even with the Lisbon Treaty in force – a basically intergovernmental body fulfilling a useful economic purpose but lacking in international political clout and possessing only limited democratic legitimacy.

7. What benefits from the Union can its citizens expect?

In his inaugural speech in 1961 US President John F. Kennedy famously discouraged his fellow Americans from asking what their country could do for them and enjoined them instead to ask what they could do for their country. Unlike the United States the European Union is not yet a federal state and no president of its Council or Commission has any right to make a similar appeal to its citizens. The ECP believes that in fact Europe's citizens are perfectly entitled to ask what benefits the Union can bring them. Its answer is that it has already brought benefits which have been real, though unequally shared, but which can and should be expanded.

Among economic benefits have been improvements in the quality and choice of goods resulting from increased competition in the single market. The ECP stresses that it is in fact as consumers that the Union's citizens share the clearest common economic interest and this is one reason why the party is opposed to trade protectionism in all its forms. Another benefit available to all citizens is the right to seek employment and to live anywhere in the Union. Less equally shared economic benefits are represented by the regional and agricultural subsidies that some member countries have received, as well as the increased investment from inside and outside the Union that some countries have been able to attract, partly at least as a result of the creation of the single market. A benefit which is available only to citizens of member states in the single currency area (the eurozone) is the convenience of being able to use the euro for purchases and travel throughout the area. The governments of three member states have deprived their citizens of this benefit, however, as a result of their decisions to opt out of the single currency. The ECP considers these decisions to be unwarranted and will press for them to be rescinded. This is a matter considered further in a later section.

Among non-economic benefits provided by the Union is the possibility, under the Schengen agreement, of border-free travel throughout practically the entire continental part of

the Union as well as the closer cross-border co-operation the Union has fostered in policing, consumer protection, energy security and environmental policy. From the Schengen agreement also, however, a number of member states have opted out and here again the party will urge the countries concerned to reverse their decisions.

The ECP emphasizes that full realization of the opportunities for gains in prosperity that the single market provides depends on the observance by all member governments of the rules of the game. It stresses, for example, that much more progress needs to be made in liberalizing intra-Union trade in services and in energy and it strongly opposes the notion of economic patriotism, which contradicts the logic of economic union. The party will therefore not hesitate to criticize any member government which it considers to be obstructing, by action or inaction, furtherance of the Union's economic purpose.

The ECP is thus an economically liberal party but its attachment to free market principles is a pragmatic and not a dogmatic one. It recognizes that the process of economic integration, as well as the parallel one of globalization, creates losers as well as winners and fully accepts that ways must be found, at both Union and national levels, to deal with the needs of the former. This matter is the subject of the next section.

8. How 'social' can the Union be?

Although the ECP describes itself as an economically liberal party this does not mean that it espouses the so-called Anglo-Saxon model of lightly regulated capitalism. On the contrary, it believes that the experience of the financial collapse of 2008-09 and the ensuing recession has discredited this model and demonstrated the need for tighter regulation of financial markets and better coordination of economic policies at the global as well as the Union level. This does not mean that the party is hostile or resistant to globalization. It believes that, like global warming, economic globalization is a fact of life to which all countries have to adapt. Unlike global warming, however, it is an opportunity and not a threat.

The party nevertheless recognizes that economic competition, whether at the European or the global level, raises important issues of social policy. Its short answer to the question posed above is that social protection in general, including that provided to losers from economic competition, is primarily the national responsibility of the Union's member governments. At the same time, however, the party acknowledges that its citizens can reasonably expect the Union itself to have some kind of social dimension.

One possibility is for the Union to lay down minimum standards of social protection. Because the circumstances of member states differ, such standards cannot include quantitative levels of social benefits and services but they can cover the basic principles of social policy that member states are expected to observe, as well as the kinds of social services they are expected to provide. Standards of this kind are in fact already laid down in the Charter of Fundamental Rights of the Union which all but three member governments have already adopted. The ECP fully endorses the Charter and considers that it should be strengthened by the inclusion of a reference to the duty of governments to pursue collectively the goal of full and not simply high employment and, to this end, to provide adequate assistance to displaced workers for re-training and resettlement.

Another possibility is for the Union itself to operate social programmes of its own, as it already does through its arrangements for regional aid and agricultural support. The ECP maintains, however, that the payments made under these arrangements are badly targeted while their costs are inappropriately shared. For example it does not make sense for subsidies to be provided under the Common Agricultural Policy to farmers (or farming companies) who do not need them, or for regional aid to be given to wealthy member countries. The party argues that endowing the Union with a more truly social dimension will require change not only in the nature of some of the transfer payments made from its budget but also in the way the budget itself is financed. At present the bulk of the finance comes from member governments via contributions calculated in relation to national income, a process which usually involves much bargaining and wrangling. The party strongly supports the idea that the Union should be provided with its own resources in the form of the proceeds of a Union-wide tax which would fall mainly on those citizens best able to bear it.

The party also proposes that intra-Union solidarity payments made from the budget should take the form of assistance to poorer member governments for ear-marked purposes such as subsidising poor farmers or helping unemployed workers to adjust. The Union's development aid and foreign assistance programmes represent extra-Union solidarity payments and the party argues that insofar as they benefit needy recipients in poor and developing countries they should be regarded as an integral part of the Union's social dimension. It believes that the planning, financing and expansion of these programmes would be facilitated if the Union acquired its own resources in the manner proposed above.

9. Economic policy

9.1 Recession and recovery

Never has the need for co-ordination of the economic policies of the Union's member states been as evident as it has been in the 2008/09 recession, during which it has manifested itself particularly in connection with the design of economic stimulus programmes and new arrangements for financial regulation. Since the application of stimulus may continue to be required for some time, and may become necessary again in a perhaps not-so-distant future, the ECP considers it appropriate to set out its views on the principles that should govern it, so that stimulus can work in an effective and fiscally efficient manner in the interests of the Union as a whole.

A key role in economic stimulus is of course played by monetary policy and here the Union's central banks have taken the correct action by lowering interest rates to near zero and providing ample liquidity to financial markets. As regards governmental stimulus spending (defined to include revenue forgone through tax reductions as well as additional spending) the ECP believes that this should be based on careful judgement of how it can most effectively boost demand and employment in the economy. As far as consumer demand is concerned, for example, any stimulus measures need to be selective ones. Obviously it is not the spending of consumers who are already heavily burdened by credit card or mortgage debt that needs to be increased, nor is it that of consumers who may be said to be spending normally. One of two groups which, in principle, should be targets of stimulus measures consists of people

who are poor and/or unemployed; for them the measures can take the form of enhanced social welfare benefits, including possibly fiscal ones, as well as help for re-training. The other group consists of all those who may be said to be saving excessively, perhaps because they feel insecure in their jobs. For this group income tax cuts are often advocated as a stimulus measure. The ECP believes that such cuts might be appropriate if they can be expected to have a substantial multiplier effect on the economy. There is a high probability, however, that some or even most of any such tax remissions will be saved rather than spent and that consequently the ultimate stimulative effect will be small in relation to the sacrifice of government revenue involved.

A similar consideration undermines the case for cuts in indirect taxes such as sales taxes. Any loss in government revenue resulting from a cut in such a tax can be justified only if the reduction stimulates at least an equivalent amount of additional spending on the product or service concerned. Across the board reductions in VAT do not satisfy this requirement. On the other hand government subsidies for the purchase of particular goods (as, for example, under 'cash for clunkers' schemes) may generate new spending on the products concerned well in excess of the fiscal costs involved. However, such inducements may have the effect simply of bringing forward expenditure that would take place anyway or of diverting demand away from other products. Hence their net impact on aggregate consumer spending will always be uncertain.

The party is also sceptical that tax cuts can play a useful role in stimulating investment spending by businesses, in view of the difficulty of devising concessions that will have a direct and substantial impact on such spending. What is principally required is the resumption of normal bank lending to businesses, a matter given further attention below. Nevertheless, one form of assistance to businesses that the party believes may be useful is the granting of subsidies for keeping workers on full pay even if they are not working full time. This can be justified if the effect is to prevent and not merely to postpone dismissals. There is a danger, however, that such subsidies may simply delay necessary restructuring.

For all the reasons adduced above the ECP argues that the principal element in economic stimulus packages should be governmental investment spending designed to renew and augment social capital, including that of an intangible kind – such as health, technical skills and scientific knowledge – as well as physical infrastructure. Such spending brings a double benefit. It will create employment and, if carefully directed, it will enhance the wealth-creating potential of the economy. This latter effect would make it easier for governments to pay down their huge borrowings in a non-inflationary manner, once the economy recovers, via enhanced tax revenues. Given the concern that exists about the possible inflationary consequences of the deficit spending that has already taken place, this prospect should be an attractive one for governments.

An objection sometimes made to emphasis on governmental investment spending is that it does not create employment fast enough. Part of the answer to this is that some projects generate employment more quickly than others and that priority can be given to the former. The principal answer, however, is that there are few means by which jobs can be created rapidly following a deep recession. When recovery from the one just experienced gets under way the return of employment to normal levels will be slow and protracted and would be helped by the on-going stimulus that government investment spending of the type proposed

can provide.

Although some large firms are able to borrow by issuing their own bonds and other kinds of commercial paper, many other firms, notably small and medium-sized enterprises, are dependent on bank lending. The inability or reluctance of banks to lend, either because they are over-leveraged or have large stocks of toxic assets on their books, therefore poses a problem for economic recovery. Some governments have come to the aid of so-called zombie banks they regard as being too big to fail by providing them with injections of capital and/or by offering them access to complex schemes, in which some risk to tax-payers is involved, for insuring problem assets or removing them from bank balance sheets. The ECP takes the view that if such banks are in danger of going bankrupt, or are failing to carry out adequately their lending function, governments should not use taxpayers' money to prop them up in order to preserve the remaining interests of shareholders in them or to avoid becoming involved in their management. Instead, the party argues, such banks should be temporarily nationalized outright, with or without some compensation for shareholders, so as to ensure that they perform satisfactorily their function as lenders to creditworthy businesses and consumers.

9.2 Financial regulation

The ECP strongly endorses the principles that have been agreed at Union and global levels for better regulation of financial markets. These include the principles that much tougher capital adequacy requirements have to be imposed on banks and that bank bonuses must be related to long-term performance and not to successful short-term risk-taking. On other matters, such as new rules for hedge funds, for trading in financial derivatives or for limiting the absolute levels of bankers' pay, some differences remain among Union governments. The ECP considers it highly desirable that agreement be reached on all such outstanding issues, as well as on the creation of a single financial regulatory body for the Union in order to eliminate the possibility of regulatory arbitrage. It argues, however, that account must be taken of the likelihood that the financial services industry will devise ways of evading or circumventing new rules and of outwitting regulators. For that reason the party believes that a new system of financial regulation must include built-in safeguards designed to minimise the danger that the exercise of such ingenuity might pose new threats to financial stability. It maintains that two things are required. First, there must be a clear separation, based on appropriate definitions, of utility or 'narrow' banking (where deposits are guaranteed by insurance arrangements but ultimately by governments) from investment banking. Second, no financial institution of any kind should be allowed to become too big to fail and any which does fail should be capable of being wound up without difficulty through the use of resolution regimes ('living wills') which show exactly how the risks of bankruptcy are shared. The party believes that if these safeguards were in place less emphasis might need to be placed on some other elements of financial regulation such as levels of bankers' pay.

The ECP also takes the view that while all manifestations of economic nationalism within the Union are to be deplored, any efforts by member governments to retain or entice financial service activities within their borders via special fiscal or other inducements ought to be seen not only as inappropriate but also as irrational. All governments need to face the fact, highlighted by the near melt-down of the financial system in 2008, that a great deal of the activity within it amounts to leveraged gambling. This is true not only of the operations of hedge funds and the proprietary trading desks of banks but also to some extent of those of

buy-out firms. This part of the financial services industry is therefore analogous to the gambling industry proper, whose chief economic characteristic is that in it all wages, salaries, profits and associated tax revenues derive from the transfer of wealth from losers to winners. In the process no new wealth is created and no socially useful service is performed. If a sufficient number of gamblers are foreign there might be gains in national income but an ability to make such gains through domestic financial activities can hardly be a source of national pride or prestige.

The other part of the financial services industry consists of banking and insurance services which are socially necessary for the day-to-day functioning of the economy, or socially useful, insofar as they help to channel private savings into productive investment. By no means, however, can all merger and acquisition activity by investment banks, or all buy-out operations by private equity firms, particularly where asset-stripping is involved, be said to be instrumental in optimizing resource allocation in the economy, especially in the light of the huge relative size of the profits these institutions earn. The high levels of the fees some investment banks charge, and of the profits they make, in fact point to a lack of competition in this field, which is another good reason for imposing limits on the size of such institutions.

The above facts show that it is not with the size of their national financial services industries that Union governments should be preoccupied. Their chief concern should be the establishment of an adequately regulated and competitive single market in financial services for the Union as a whole.

9.3 Energy and the environment

In this area the ECP supports the policy of discouraging inefficient use of fossil fuels through carbon pricing and fiscal measures such as appropriate vehicle taxes. It also backs action to promote energy saving and the use of renewable energy (but not bio-fuels) and believes that some of the money made available in economic stimulus packages could be appropriately used for this purpose. More controversial is the question of nuclear energy, whose great advantage is that it is clean and climate-friendly while its use can lessen dependence on imported fossil fuels. Its great disadvantage on the other hand is that its generation involves the risk of catastrophic accidents and poses the problem of disposal of nuclear waste. In view of this the party suggests that, if possible, research efforts in the field of nuclear fusion should be stepped up. Meanwhile the party's position is that decisions on nuclear power generation should be taken at the national level in accordance with local wishes. At the same time the party stresses the importance of creating a true single market in energy so that all member states can benefit from diversification of the nature and sources of the Union's energy supplies. This would require inter alia the further extension and expansion of interconnecting gas and electricity grids and investment for this purpose could be another appropriate use of stimulus funds.

The ECP believes that, if the question of nuclear energy is left aside, considerable scope exists for agreement on environmental and other Union issues with Europe's green parties. It hopes to persuade any of these parties that have not already agreed to do so to treat the ECP as a sister party whose candidates they will support in elections to the European Parliament.

9.4 Economic integration

The ECP argues that, even after recovery from the current recession is complete, the Union will still need to enhance the dynamism of its economy and thereby its citizens' perceptions of the benefits of economic integration. One way in which this should be done is through the completion of the single market in services, which account for over two-thirds of the Union's gross domestic product. Governments also ought to do more to foster the development of high-tech and science-based enterprises, whose economic importance is likely to grow as globalization proceeds. The functioning of labour markets also needs to be improved through such measures as ensuring the portability of pensions, so that the Union's citizens can take full advantage of their freedom to work anywhere in the Union.

Another step which the party believes would help to increase the dynamism of the Union's economy is the completion of monetary union. It might be claimed that the importance of this is lessened by the fact that, in the short and medium terms at least, currency exchange rates can be hedged, albeit at a cost. The ECP argues, however, that the main advantage of monetary union is that it helps to optimize resource allocation within it by eliminating uncertainty about future exchange rates as a factor influencing long-term investment planning. Another advantage which the party believes should not be overlooked is the ability of a common currency to facilitate travel and thereby to help cement political as well as economic ties between the countries that use it. For these reasons, therefore, the party will try to persuade the governments of the United Kingdom, Sweden and Denmark to end the opt-outs from monetary union they have obtained.

Investment decision-making in the Union is influenced not only by the existence of multiple currencies within it but also by differences in the levels of corporate and other taxes in member countries. While some member countries of the Union are opposed to fiscal harmonization of any kind others are concerned about the practice in some member states of setting corporation tax rates at very low levels in order to attract inward direct investment. Such concern would be all the greater if the investment thereby attracted was associated with 'transfer pricing', whereby a firm in one member country supplied intermediate goods or services at artificially low prices to a subsidiary in another member country with a lower rate of corporation tax in order to shift profits to the subsidiary.

The ECP recognizes that low rates of corporation tax may be decisive in some cases in attracting outside investment into the Union which otherwise would not take place. At the same time it understands the resentment that may be felt by Union citizens who remain or become jobless as a result of diversion of investment from their own country to another member country on the basis purely of what they see as 'tax bribery'. The party accepts that there is no strictly economic justification for diversion of this kind, as distinct from that based on lower levels of wage or other costs, which would represent a more efficient allocation of resources beneficial to the Union as a whole.

The ECP recognizes that the countries offering low tax rates may see them as a means of accelerating the process of economic 'catch-up' with richer member countries that they are not yet prepared to abandon. The party nevertheless suggests that the question of corporation tax harmonization might be tackled in conjunction with efforts to encourage firms to acquire the status of European Company (*Societas Europaea*). This status greatly facilitates the ability

of firms to operate anywhere in the Union and it is of course incompatible with the notion of economic patriotism. The ECP believes, however, that SE status should carry with it an obligation to observe a more far-reaching set of common rules for corporate governance. As an incentive for firms to adopt SE status in such a re-defined form governments might agree that with it could come the possibility of being subjected to a uniform European corporation tax, something that would facilitate long-term investment planning. This of course would require intergovernmental agreement not only on the rate of such a tax but also on harmonized accounting procedures for determining the tax base.

10. Foreign and security policy

10.1 External relations

The ECP believes that all pro-Europeans have to recognize that, until it can be removed or modified, the requirement of unanimity for decision-making in this field will greatly hamper the Union's ability to fulfil one of the most important aspects of its purpose, namely, to speak with a single voice and to act collectively in world affairs. The difficulty, it notes, is heightened by the fact that two member states are permanent members (with veto powers) of the UN Security Council, a status which enables them to exercise a considerable amount of influence in that body independently and may give them less incentive than other member states to strive for Union consensus on foreign policy matters.

The seriousness of the problem was demonstrated by the differences which emerged over the Iraq war, Kosovan independence and the admission of Ukraine and Georgia into NATO and it may be highlighted again by differences over policy towards Afghanistan. The party's view is that, as long as the problem exists, the Union's supposed common foreign policy will remain more of an aspiration than a reality. This being so, the party believes it is all the more necessary for a truly representative European Parliament to concern itself with foreign policy matters and to strive to influence decision-making on them by making clear to governments what its majority view on each issue is.

In the opinion of the ECP one of the most important foreign policy interests of the Union lies in establishing good relations with Russia, a country which is an important global player in several respects. It is a veto-possessing member of the UN Security Council and, as a strong military power possessing a large stock of nuclear warheads, it has an important role to play in nuclear disarmament, non-proliferation and security. Russia is also a member of the Middle East Quartet along with the Union, the USA and the UN and may therefore be able to help in resolving the Israeli-Palestinian conflict.

Of greatest importance, however, is the fact that Russia is a close European neighbour of the Union, a large and growing market for its exports and a big supplier of oil and gas to it. Russia has come under much criticism for its attitude to proposed US missile bases in Poland, its conflict with Georgia and its handling of its dispute with Ukraine over gas prices, which at one point resulted in a temporary shut-down of gas supplies to several Union member countries. The ECP's basic position is that however severely Russia's recent behaviour is judged it cannot be regarded as constituting grounds for regarding the country as an adversary. The party nevertheless sees Russia as a country whose standards of democracy

do not match those of the Union and whose foreign policy is based on the hard-headed, and at times heavy-handed, pursuit of national interests. It therefore considers close engagement with it as necessary but requiring the exercise of equally hard-headed diplomacy by the Union.

Another area of foreign policy in which the Union has strong collective interests is constituted by the ensemble of problems in the wider Middle East, which may be seen as stretching from the Mediterranean to Pakistan. Since the terrorism experienced by several Union member countries, as well as the US, reflects widespread Muslim resentment against western policies in this area, the ECP believes that efforts to overcome this resentment ought to be pursued simultaneously with the struggle against terrorism. Although the problems in places like Palestine, Lebanon, Iraq, Afghanistan and Pakistan are different, Middle East experts are agreed that their resolution would be greatly facilitated if a just settlement could be reached in the Israeli-Palestinian conflict, the main focus of Muslim anger. It is for this reason that, in the party's view, the time has come for the Middle East Quartet to insist on such a settlement, based on the establishment of a fully independent and viable Palestinian state, together with any provisions or guarantees that may be necessary to ensure Israel's security. What is needed to achieve this is not 'peace talks', since peace is already being very effectively enforced by the Israeli authorities. What is required is the negotiation of a definitive two-state solution and the ending of the (illegal) occupation of the West Bank. In negotiations with the Israeli Government, however, the Palestinian side is unable to deploy any bargaining power or leverage and that is why the party maintains that it is the duty of the international community, as represented by the Quartet, to negotiate on the Palestinians' behalf. It urges the Union, as a member of the Quartet, to push for this action and in any case to make clear its position that the fate of the Palestinian people cannot be left to be decided by the Israeli government in its own way and in its own time.

The maintenance of close relations with the United States, with which the Union shares many values, should be another vital objective of the Union's foreign policy. During the cold war these relations were kept exceptionally tight by the exigencies of that struggle. In the more complicated world that was created by its ending, however, transatlantic unity became somewhat less evident as it became somewhat less necessary. Differences emerged, for example, between the USA and some Union member states over the Iraq war, the Israeli-Palestinian conflict, the enlargement of NATO and policies towards Cuba. Since the Obama administration has come into office some of these differences have become attenuated but they have not entirely disappeared and it cannot be excluded that new ones may arise over policy towards Afghanistan, Pakistan or Iran. The ECP believes that on all important foreign policy matters the Union should strive to reach consensus with the USA as a close but entirely independent partner. As has already been stressed, however, it will not be able to do this until it has further developed its capacity to speak with a clear collective voice.

10.2 Defence issues

In this area the party's position is that the Union needs to be capable of acting militarily in three ways. It has to be able to play its part in peace-keeping or other operations sanctioned by the United Nations and also, but without its four neutral members, in any operations decided upon by NATO. Thirdly, like the United States or any other major

independent power, it must possess the ability to act unilaterally in defence of its own interests when necessary. To ensure that the Union has the capacity to act effectively in all of these ways the party believes that two things are necessary. First, overall defence spending by the member states will have to rise, but in a way that distributes the burden of such spending more fairly between them and better reflects present-day military needs. Second, the Union must have its own arrangements for military planning. Such arrangements are essential for independent action but they will also facilitate participation by the Union in the other types of action mentioned.

A current defence policy issue on which Union member states are divided concerns the applications of Ukraine and Georgia for membership of NATO, which would give these countries access to the pact's mutual defence guarantees. In the light of the events in Georgia in 2008 and of the ongoing tensions between Ukraine and Russia, the ECP shares the view that these applications should be placed on hold. It believes that in any case no further expansion of NATO should take place until the precise purpose of the organisation today is clarified. Originally it was founded as a defensive alliance against the Soviet Union but unless it is seen as having a continuing role as an anti-Russian alliance its purpose now needs to be re-defined.

11. Enlargement and Turkey

For the reasons set out in section 6 above the ECP is of the view that the Union, with already 27 member states, requires more 'deepening' before further 'widening' takes place. It argues, therefore, that substantial experience of the working of the Lisbon Treaty is necessary before any new member states are admitted into it. Its opinion is that eventually the Union will be able to absorb the states of the Western Balkans but that thereafter a long pause should take place before any further enlargement is contemplated.

With regard to enlargement the party considers that the proposal to admit Turkey into full membership of the Union raises issues of the greatest importance. It raises not only the question of what Europe's boundaries, as well as its cultural and other values, really are but also crucial issues concerning the Union's political cohesion and viability. Federalists in particular, therefore, ought to examine the proposal carefully in the light of their conception of the Union's purpose. The view of the ECP is that Turkey is neither geographically nor culturally a European country and that the extent to which its overwhelmingly Muslim population of over 70 million shares European values is open to doubt. The importance of these matters is underlined by the fact that, if Turkey were admitted into full membership, its higher birth-rate would quickly enable it to replace Germany as the Union's largest member state.

The party argues that although the fact that Turkey has undertaken wide-ranging democratic reforms in order to qualify for Union membership is very much to be welcomed it hardly suggests that the country was a natural candidate for membership in the first place. Turkey's economic and security interests are already aligned with those of the Union through a customs union and its membership of NATO respectively. How the Union would benefit by a further step which would give Turkey a power of veto in the European Council and eventually the largest bloc of seats in the European Parliament, many of them likely to be

occupied by Islamists, is entirely unclear. Hence until a convincing justification is forthcoming for this proposed step, which would be a truly 'game-changing' one, the ECP will firmly oppose it.

The party attaches such importance to this issue that it considers it necessary to point out the absurdity of some of the arguments commonly put forward for full Turkish membership. One is that if the Union, having accepted Turkey's candidature and allowed negotiations on it to begin, were to change its mind on the matter, this would cause it to 'lose its credibility'. ('With whom?' it might be asked). This is equivalent to arguing that anyone who, for whatever reason, breaks off an engagement to marry, will not be believed any more. There are indeed ways in which the Union might lose credibility, by failing to agree on foreign policy for example, or by showing signs of break-up, but changing its mind on Turkish membership is not one of them.

A similar kind of argument is one which claims that Turkey should be admitted into full membership in order to prove that the Union has no anti-Islamic prejudice and to enable it to 'reach out' to other Middle Eastern states. In response to this it has to be said first that many Union member states have substantial Muslim populations and that it is by the way these are treated that the Union's lack of anti-Islamic prejudice can best be demonstrated. Second, it must be asked what kind of Middle Eastern role it is that the Union supposedly aspires to and how it would be helped to play it by admitting Turkey into full membership. This is a question that never receives an answer. If the idea is that Turkey could help to democratize the Middle East it has to be said that Turkey is much more likely to be able to do this – assuming that it wishes to – if it is not politically tied to a non-Muslim entity like the European Union. Another and more down-to-earth argument is that if Turkey were a full member the Union would benefit from its very substantial military strength. This is not only a somewhat mercenary argument but also a delusional one, insofar as it implies that, as a full member, Turkey would be happy to make its forces available for Union purposes to an extent that would enable other member states to economize on their defence budgets.

The ECP's position may be summed up by saying that while it supports the idea of treating Turkey as a privileged partner of the Union, it considers that its entry into full membership would render further political integration highly problematic. The party believes that this is precisely what is in the minds of many advocates of Turkish membership and it is the reason why it firmly opposes it.

The party's position on Turkish membership carries no implications for its approach to the problem of Cyprus. The ECP strongly urges the two communities on the island to make the compromises necessary to permit the re-unification of Cyprus and to enable Turkish Cypriots to become citizens of the Union just like their Greek compatriots.

CONCLUSION

The entry into force of the Lisbon Treaty, which provides for an extension of qualified majority voting as well as a full-time role for a European Council president and a strengthened role for the high representative for foreign affairs, should further facilitate the Union's decision-making. It will not guarantee, however, that in the process no threats to its cohesion will emerge. This is particularly obvious where policy-making on foreign and security issues are concerned since here there will be a continuing need for unanimity. In areas where decisions are taken by majority vote, qualified or simple, the dangers are less obvious but it cannot be taken for granted that such decisions will always be easily accepted by out-voted governments which feel that their national interests have not been adequately respected. Resentment may also be provoked by the pretensions of some member states to leadership roles in the Union. It should be noted that the potential for strain to be placed on the Union's cohesion by such factors will increase with each addition to the Union's membership. Pro-Europeans, moreover, should not overlook the existence of national anti-European and eurosceptic parties whose leaders, if they came into power in their own countries, might seek to rock the Union boat – or perhaps even to desert it altogether – by demanding opt-outs from or renegotiation of particular treaty provisions.

If it cannot be assumed that the Union's political cohesion will always remain solidly intact at the intergovernmental level it is all the more important that efforts be made to cement it at the popular level. This is not something that can be achieved simply through the exercise by the Parliament of the additional rights of co-decision and consultation given to it by the Lisbon Treaty. What is essential is the winning of firmer popular backing for the European project as such, and particularly for the sharing of national sovereignty its successful realisation requires. The greater the amount of this backing the greater will be the readiness of governments to make the compromises and concessions involved in collective decision-making at Union level.

In practice there are two basic prerequisites for the enhancement of the Union's democratic legitimacy in this way. One is that stronger Union-wide support has to be gained from Europe's citizens for the proposition that, in respect of a broad range of matters, they have close common interests and that their majority views on these matters should be accorded great, if not necessarily decisive, weight by national governments in decision-making at Union level. The second requirement is that it has to be made possible for such cross-border majority views to be determined with a reasonable degree of accuracy. In fact there is one obvious way in which both these objectives could be pursued together and that is through the activities of a new genuinely transnational political party. In these activities such a party would concentrate on the first objective in the periods between EP elections and on the second one during its campaigning for the elections themselves, when it would provide voters with an opportunity to make meaningful choices on controversial Union issues.

For all the above reasons pro-Europeans should see the creation of at least one new cross-border party, which the above draft platform is intended to facilitate, as the next necessary step in the Union's evolution, especially since no further top-down initiatives for institutional reform are in prospect in the foreseeable future. Unless this step is taken the process of political integration may lose momentum and the Union's cohesion may come under threat, compromising its ability to achieve its purpose. To prevent this from happening

the Union needs to acquire a real cross-border political life of the kind that the activities of truly transnational parties would generate. The development of such a life should now be seen by all pro-Europeans as a vital necessity. Employing Kantian phraseology it might be said that federalists should see it as a categorical imperative.

THE FEDERAL TRUST

for education & research

enlightening the debate on good governance

The Federal Trust is a think tank that studies the interactions between regional, national, European and global levels of government. Founded in 1945 on the initiative of Sir William Beveridge, it has long made a powerful contribution to the study of federalism and federal systems. It has always had a particular interest in the European Union and Britain's place in it. The Trust works to achieve its aims through conferences, study groups and publications.

The Federal Trust has no allegiance to any political party. It is registered as a charity for the purposes of education and research.

Recent publications include:

A Europe of Hope, Democratic and Effective by Keith Richardson & Gérard Montassier

Devolution and regional administration: A federal UK in Embryo by Andrew Blick

A Federal Scotland Within a Federal UK, by Andrew Blick

Federalism and the British, edited by S. Henig, ISBN 978-1-903403-88-4

Aliero Spinelli's European Federal Odyssey (European Essay No.43), by J. Pinder

Fog in Westminster, Europe Cut off (European Essay No. 41), by P. Sutherland

The European External Action Service (European Policy Brief), by B. Donnelly

Publications, and details of how to order them, as well as information about forthcoming events are available on our website at:

www.fedtrust.co.uk

© Federal Trust for Education and Research 2010

The Federal Trust

31 Jewry Street

London EC3N 2EY

United Kingdom

Tel: 020 73203045

info@fedtrust.co.uk

Registered Charity No. 272241

Company Registered in London No. 1269848

www.fedtrust.co.uk