

Why is Britain eurosceptic?

By Charles Grant

The British have never been terribly popular members of the European Union. Long before they joined, many continentals thought them too different to be constructive members of what was then the European Economic Community (EEC). In January 1963 General de Gaulle held a press conference to set out his reasons for vetoing Harold Macmillan's application for membership. Some, though not all of his arguments, still resonate today.

Britain is insular, maritime, bound up by its trade, its markets, its food supplies, with the most varied and often the most distant countries. Her activity is essentially industrial and commercial, not agricultural. She has, in all her work, very special, very original, habits and traditions. In short, the nature, structure, circumstances peculiar to England are very different from those of other continentals. How can Britain, in the way that she lives, produces, trades, be incorporated into the Common Market as it has been conceived and functions?... It is predictable that the cohesion of all its members, which would soon be very large, very diverse, would not last for very long and that, in fact, it would seem like a colossal Atlantic community under American dependence and direction, and that is not at all what France wanted to do and is doing, which is a strictly European construction.

Exactly ten years later Britain joined the EEC. But the British have never been at ease in what has become the EU. They are more hostile to the EU than any other European people. British governments, too, have often used their influence to slow down European integration. Thus Britain has opted out of the euro and the Schengen agreement, and prevented the extension of qualified majority voting into areas such as tax, foreign policy and defence. There is no reason to think that this attitude will change. Gordon Brown's government is less enthusiastic about the EU than that of his predecessor, Tony Blair. And if the Conservative Party wins the next general election, as seems plausible at the time of writing, a government led by David Cameron will be markedly more eurosceptic than that led by Brown.

Some of the British people's disdain towards the EU and things European is reciprocated. Many Britons would be surprised to know just how fed up many other Europeans are with their attitude to the EU. Years of British leaders preaching – sometimes arrogantly – about the success of their economic model, a foreign policy that often appears subservient to that of the US, a penny-pinching approach to the EU budget and a consistently negative attitude to treaty change have left their mark. The kinds of argument that de Gaulle made in the 1960s can still be heard.

People on the continent tend to overlook the positive impact of Britain on the EU. I would argue that Britain is far from being the most eurosceptic member-state, defined as the one that causes the most damage to the EU. The British have a good record of implementing EU directives and of respecting the decisions of the European Court of Justice, while a supposedly pro-EU country such as France has a poor record on those counts. At the level of EU policy-making, British influence has been considerable and often positive. The '1992 programme' that led to the single market was drawn up by a British Conservative commissioner, Lord Cockfield. Tony Blair, together with the then French president Jacques Chirac, wrote the Saint Malo declaration of 1998, which led to the EU developing military capabilities. The 'Lisbon agenda' of economic reform, established in 2000, had considerable British input. Britain has championed the enlargement of the Union and the concept of economic openness (though not everyone shares my view that those objectives are desirable). It has made a big contribution to the EU's regulatory agenda, for example through the idea of 'unbundling' (the separation of retail networks from the supply of a public service such as energy).

Britain takes the ‘four freedoms’ (the free movement of capital, goods, labour and services) more seriously than many countries that regard themselves as fully committed to the EU. Thus Britain has encouraged French and German companies to buy up most of its utilities, though the favour has not been returned; it is the only large EU country that has allowed other European firms to purchase big chunks of its defence industry; and when eight Central and East European countries joined the EU in 2004, initially only Britain, Ireland and Sweden opened their labour markets to workers from the new members.

On balance I would argue that British influence on the EU has been more beneficial than harmful. Nevertheless I have no doubt that the euroscepticism of the British is a serious problem, not only for any UK government that tries to engage with the EU, but also for other European governments. British ministers often oppose measures coming out of Brussels or other capitals because they fear the reaction of the British media or public.

¹ An earlier version of this essay appeared in French in ‘Notre Europe’, a book edited by Michel Rocard and Nicole Gnesotto and published by Robert Laffont in 2008. This revised version has benefited from the comments of Katinka Barysch, Hugo Brady, Clara Marina O’Donnell, Simon Tilford and Philip Whyte.

This essay analyses the reasons for British people disliking the EU, looking at geography, history, economics and, especially, the media. It asks why Britain’s ruling classes have been unwilling to try and shift opinion in a more EU-friendly direction. And it concludes with the prediction that, in the very long run, Britain will take a more positive line on the EU.¹

Geography, history and economics

The regular Eurobarometer surveys of public opinion, carried out by the European Commission, suggest that the British are the most eurosceptic people in Europe. A Eurobarometer survey published by the Commission in June 2008 asked whether membership of the EU was a good thing. The average response of citizens across the EU was that 52 per cent thought it a good thing.² But in the UK the answer was 30 per cent, with only Latvia on 29 per cent scoring lower. Then Eurobarometer asked respondents if their country benefited from membership. The average positive response was 54 per cent, but only 36 per cent of Britons (and Austrians and Hungarians) thought their country had benefited.

² Eurobarometer 69, June 2008.

Eurobarometer also asked whether people trusted EU institutions. For the Commission, the average answer across the EU was 47 per cent. In the UK it was 24 per cent, a much lower percentage than in the next most Commission-phobic country, Latvia, where it was 37 per cent. As for the European Parliament, 52 per cent of EU citizens trust it, but only 27 per cent of Britons. The British results in this Eurobarometer survey were a little more positive than in the previous poll, published in December 2007, perhaps because in the second half of 2007 arguments about treaty change and referendums fuelled eurosceptic sentiment in the UK.

When I travel around Europe, and people ask me why the British are eurosceptic, I offer four explanations – three of which are easily understood. The first of these is geography and the effect it has had on British history. The British people live on an island on the edge of the continent and have always been inspired by the oceans. The British talk of Europe as another place (as the Finns, Irish and Portuguese sometimes do). Britain’s history has been very different to that of most continental powers. Its colonies, trade, investments and patterns of emigration and immigration have been focused on North and South America, Africa and Asia as much as on Europe. To some extent France, Holland, Spain and Portugal shared this maritime experience, while the other European states sought to build empires or wield influence mainly in their neighbourhoods. Although Britain has been involved in countless European wars, its history has been more orientated to other continents than that of any continental power. Even France, which had colonies all over the world, has focused its ambitions on Europe for much of its history.

Today, London is by far the most cosmopolitan city in Europe; more than 30 per cent of its population was born outside the UK. Although a little more than half of Britain’s merchandise trade is now with the rest of the EU, many Britons believe that their country would flourish as a global hub for trade and investment, outside the EU, unencumbered by the rules and regulations of Brussels. Churchill famously told de Gaulle that, faced with a choice between the continent and *le grand large*, the British would always choose the wide open seas.

Britain’s relatively glorious role in the Second World War plays a potent role in nourishing euroscepticism. Virtually every other major European nation has something to be ashamed of in that war. A lot of countries were on the wrong side. Others were conquered. And others stayed neutral. British popular culture is still heavily focused on the Second World War as the country’s ‘finest hour’. Other countries have moved on, and supported the EU as means of ensuring that the horrors of the Nazi period can never be repeated. But the British do not want to forget the history of which they feel proud. Memories of the war give them a

smug sense of moral superiority vis-à-vis most of the other peoples of Europe. Margaret Thatcher often said that the continent of Europe has been the source of most of Britain's ills, and that the Anglo-Saxon nations, and in particular the Americans, have repeatedly rescued Britain from those ills. Many Britons, especially the older generation, would agree with her.

In addition to geography and history, economics helps to explain British euroscepticism. Since the mid-1990s, the UK economy has out-performed the leading economies of Western Europe – France, Germany and Italy – by most measures. Britain has had relatively high growth and low unemployment. Its economy has some evident weaknesses, such as quite poor productivity. But Britain has appeared to benefit from the structural reforms of the Thatcher period, such as the liberalisation of labour markets, the openness to foreign investment and – though this is now open to some challenge – the fostering of vibrant financial markets.

In the 1970s, Britain was regularly described as the sick man of Europe; nowadays that epithet is most often applied to Italy. In the late 1990s and early 2000s the unemployment rate in Spain, Italy, France and Germany was around twice that of the UK. The contrast in economic fortunes between Britain and the eurozone is the biggest reason why Tony Blair's government never found the courage to fight a referendum on joining the euro. So long as Euroland seemed beset with economic problems, and Britain was booming, it was extremely hard to make a convincing case that joining the euro would benefit the UK. In the 1980s, many British politicians had argued that Britain had a lot to learn from the way that France and Germany ran their economies. By the late 1990s the predominant view in the UK was that the rest of Europe had a lot to learn from the British.

Of course, the financial crash of 2008, and the fact that Britain is entering a particularly severe recession, is likely to diminish the hubris of Britain's political class about their economic model. It is no longer self-evident that an economy benefits from being as orientated to services and financial markets as is Britain.

However, even if the British economy performs less well than its continental peers for a few years – which is likely – I doubt that many Britons will yearn to adopt the euro or demand that their economy be run like those on the continent. And despite the recent financial and economic turmoil, political leaders in countries such as France, Germany and Italy know that their economies suffer from serious structural problems and that they need to copy many of the reforms that the British (and the Nordic countries) have implemented in recent decades.

However, if the British economy underperformed, compared with its peers, for a prolonged period, one cause of British euroscepticism would be removed.

Britain's unique media

The fourth explanation for Britain's hostility to the EU, which is not easily understood outside the UK, is that Britain has a uniquely powerful and eurosceptic popular press. Ironically, some of the best media organisations that cover the EU, such as the *Financial Times*, *The Economist* and Reuters, are UK-based. But of the roughly 30 million people who read a daily newspaper in Britain, three-quarters read papers that are determined to make people dislike the EU. The remaining quarter read papers which, though broadly pro-European, still print much that criticises the EU. In the eurosceptic newspaper groups, journalists are expected to write stories that knock the Union. Articles which attempt to present a balanced account of an EU issue are unlikely to be published. The *Times* and the *Daily Telegraph*, two serious newspapers, almost never print an opinion piece that is supportive of the EU or what it is trying to do.

The national written press is particularly influential in Britain, compared with other EU states, and the internet has not yet changed this. The total circulation of national titles is much larger than in France: 11 million against 2.5 million (in France many more people buy regional papers and news magazines). The ownership of the UK written press is also very concentrated. Four newspaper groups – the *Daily Mail* and those controlled by Rupert Murdoch (the *Sun* and the *Times*), Richard Desmond (the *Express* and the *Star*) and the Barclay brothers (the *Daily Telegraph*) – account for about 75 per cent of daily newspapers sold, and generally impose a rigidly eurosceptic line on their journalists. The competition among national titles is also very strong. This encourages bold, striking and often inaccurate front pages.

To be fair to the British tabloids, the EU sometimes does its best to help them portray the Union in a sinister light. The annual refusal of the Court of Auditors to give an unqualified approval of the EU accounts presented the anti-EU press with a field day (though in November 2008 the Court gave the accounts an unqualified approval). So does the fact that the Common Agricultural Policy still accounts for nearly half

the EU budget, still causes great damage to farming in developing countries, and is still spent mainly on rich farmers rather than poor ones. The inability of the EU institutions to explain simply and clearly why they do what they do, and how EU policies and programmes help ordinary citizens, is legendary.

Nevertheless, in no other European country is it acceptable for leading journalists to report tendentiously on, or even lie about, the EU. I have twice, in 2004 (at the time of the agreement on the constitutional treaty) and in 2007 (at the time of the agreement on the Lisbon treaty), spent a couple of weeks analysing newspaper coverage of the EU. I shall start with some examples from 2004. Edward Heathcoat-Amory wrote in the *Daily Mail* that the constitutional treaty meant the British would “have to give up our vital seat on the UN Security Council if the EU Foreign Minister asked for it”. In the same paper Melanie Phillips said of the European Court of Justice that its “overt purpose is to bring about a super-state”. And in the *Times*, Irwin Stelzer claimed the constitution would force Britain to give up the pound, even if there was no UK referendum on joining the euro.

Now for some examples from 2007. A *Daily Telegraph* leader said it was “an atrocity” that the royal family’s coat of arms would be banned from the cover of British passports. A *Sunday Express* piece on the European gendarme force, which involves five EU member-states (but not Britain), said that “Brussels has set up a new EU police force that could patrol the streets of Britain”. A *Sun* article on the treaty’s *passerelle* clause said that “further vetoes could be given up by EU leaders without the permission of our Parliament.”

Of course, all these claims are entirely false. In virtually any week of the year, there are similarly bogus stories about the EU. In the words of David Rennie, the current *Economist* correspondent in Brussels: “The EU has become the equivalent of the fat boy with glasses who is bullied each break time: it is just what happens, it is cost free.” That is true. So is this comment from Brian Cathcart, professor of journalism at Kingston University. “HL Menken once said that no one ever went broke underestimating the taste of the American public; by the same token, no newspaper publisher will go broke overestimating the euroscepticism of the British public.”

Journalists get away with writing factual inaccuracies because they are accountable to no one but their bosses and they face no sanction. The British system of press regulation – run by the Press Complaints Commission – is a voluntary body that has no teeth and does virtually nothing to encourage truth-telling or balance. Politicians are too scared to ask for a more rigorous system of press regulation, for they know that anyone who did so would become a *bête noire* for the tabloids. Journalists also get away with writing lies about the EU because it does not, as a policy, sue in the courts.

Unfortunately, some of the ludicrous stories that appear in the British press really influence what politicians say and do. For example, just before the June 2007 European Council, which approved what became the Lisbon treaty, the *Sun* was particularly vocal about the treaty’s new foreign policy provisions. A piece headlined “Britain surrendering its seat at the UN” said that the new treaty would mean “a new international affairs minister dictating UK policy at the UN.” Gordon Brown, then in his last days as Chancellor of the Exchequer, intervened in the Whitehall machinery to harden the UK line on the new foreign policy institutions. As a result, Foreign Secretary Margaret Beckett went to Brussels to announce a tougher UK line, including a veto on the creation of the ‘external action service’, the new body designed to bring together diplomats from the member-states with those in the Council and the Commission who work on foreign policy. Then at the summit itself Prime Minister Tony Blair changed British policy back to where it had been and accepted the external action service.

Such examples of the popular press shifting the EU policy of the Labour government are, thankfully, rare. But the press does have a big influence on the way ministers present policy. They regularly brief the tabloids that they are fighting nefarious schemes dreamed up by the Commission or other countries. They do so in the hope of seeing articles that portray them as fighting bloody but unbowed for the sake of British interests. Often, however, such stories bear very little relationship to what the minister concerned has in fact said in the Council of Ministers. The British media – and not just the tabloids, but also the BBC – like to portray Brussels as a story about epic battles, victories and defeats. The truth is that almost everything the EU does helps to bring about compromises that benefit all or nearly all member-states. But that – often dull – truth does not make for thrilling journalism.

Strangely, the most eurosceptic newspapers – the ones which claim that Brussels bureaucrats exercise increasing power over Britain – do not bother to have full-time correspondents in Brussels. They prefer to write EU stories out of London, where of course they are less likely to get their facts right. Currently, of the national dailies, only the *Financial Times*, *Guardian* and *Times* (whose editorial line is anti-EU, but whose reporting is sometimes good) have staff correspondents in Brussels.

The broadcast media, and notably the BBC, tend to report more fairly than the tabloids. But BBC journalists are prone to follow an agenda set by tabloid stories. The BBC is often accused of elitism, especially by eurosceptic lobbies. So it tends to bend over backwards to avoid the charge by making extra efforts to accommodate populist and eurosceptic viewpoints.

Of course, not everyone believes everything they read in the press. But the steady drip, drip, of anti-EU propaganda over many years, having permeated deep into Britain's political culture, has made a major contribution to the shift in British public opinion since the late 1980s: the country has become more eurosceptic.

Politicians in the rest of Europe quite rightly ask why Britain's leaders have to accept the tyranny of the popular press. Why can they not take on the *Daily Mail* and the *Sun*, make speeches about error-prone tabloid reporting, and explain all the good things the EU does? Part of the answer is that very few politicians would see it as being in their interest to do so. I know pro-EU cabinet ministers in the Blair and Brown governments who believe that if they spoke openly about their support for the EU, their careers would be seriously damaged. They are rather like homosexual ministers who, until the 1990s, had to keep quiet about their sexual orientation for fear of the media reaction.

But part of the answer is more complicated. In most European countries, those who dislike the EU tend to be the poor and the less educated, who fear for their future and travel little. The politicians who speak for such people tend to come from the far left or far right. Those who are well-educated, travel a lot and lead comfortable lives usually support the EU. The mainstream political parties in most member-states are broadly 'pro-European'. Britain, however, is different. A significant section of its ruling class is anti-French, anti-German and, especially, anti-Brussels. Even amongst politically moderate and highly intelligent people, one sometimes hears disparaging comments about the French and the Germans that, if said about other ethnic groups, would be socially unacceptable.³ One of the defining characteristics of the modern Conservative Party is its hostility to the EU and its institutions.

³ *To be fair to the British, plenty of French and German people speak about 'Anglo-Saxons' in an equally derogatory manner.*

Britain's parochial ruling classes

Thus a fifth reason for the euroscepticism of the British is cultural and social. The ruling classes – because of the four reasons already mentioned – hold attitudes to the EU that are not common in other member-states. The result is that few political, media or business leaders have sought to lead and educate the British people on how they benefit from the European Union.

Consider the cabinet of the current Labour government. Only four or five of its 23 members could be described as pro-European, with an interest in and some knowledge of the EU (though some others know about particular areas of EU policy). The Conservative shadow cabinet is worse. I do not believe that any of its members has devoted much time or attention to learning about the EU. The Liberal Democrat party is something of an exception. Both the current leader, Nick Clegg, and the rival he defeated to get the job, Chris Huhne, are former MEPs with a profound knowledge of the EU. The previous leader, Menzies Campbell, is also a pro-European.

Consider the political editors of the national daily newspapers. Only one of them could be described as knowledgeable about Europe – and his previous job was Brussels correspondent. Of the two-dozen most influential political commentators who write in the British press, perhaps only three know much about the EU.

If you want to succeed in politics or the media in Britain, make sure you do not know too much about Europe. If you know too much you risk being branded as a nerd who is out of touch with what most British people think. I once asked a Labour MP who is now a senior cabinet minister if he wanted to be appointed a UK representative to the Convention on the Future of Europe (which helped to draw up the constitutional treaty). He told me no: although a pro-European, he thought that taking part in the Convention would be the death of his political career. Ignorance of or hostility to Europe is certainly no handicap in the world of British journalism or politics. I have heard BBC current affairs journalists confess that they cover up their true pro-European feelings for the sake of their careers: one of the best ways to advance is to make eurosceptic comments that get you noticed; then senior editors will praise you for being 'in touch'.

But what about the worlds of business and finance? Surely top businessmen and bankers understand how the UK gains from being part of the world's largest single market? It is true that many business leaders are broadly pro-European. But few of them are prepared to speak out on the EU. Some of them campaigned for the euro, but became bitter when the Labour government was too cowardly to ever make a forceful case

for the single currency. Now many of these business leaders say that it is up to politicians to give a lead on Europe. In any case, in business circles, it is increasingly fashionable to argue that the EU is an out-of-date, failing project that will not survive the era of globalisation. Small businesses have always tended to be eurosceptic. Many of them see the EU not as an instrument for making it easier to trade and invest abroad, or to import cheaper workers, but rather as a source of red tape.

The City of London, which has thrived outside the euro – though it makes lots of money from trading paper denominated in euros – has become markedly more anti-EU in the last ten years. Many financiers have come to regard the EU principally as the source of every regulation they dislike. In fact the British government has usually fought off European challenges to its own ‘light touch’ approach to financial regulation.

The EU is the source of some bothersome financial and business regulations, but the British government has often voted in favour and then implemented them in an over-detailed manner. Bankers and business people sometimes forget that if the EU did not set common standards on, say, the use of industrial chemicals or bank capital requirements, they could not benefit from the EU’s single market.

Business people are particularly hostile to attempts to set social or labour market norms in Brussels. That is why the Confederation of British Industry (CBI) campaigned so vehemently against the charter of fundamental rights, a non-binding set of principles that was included in both the constitutional treaty and the Lisbon treaty. That charter contains aspirations such as the right to strike and the right to join a trade union. Because of the CBI, the Labour government insisted on amendments to the Lisbon treaty to clarify that the charter will have no effect in Britain. But that in turn upset Britain’s trade unions. They had become broadly pro-European in the 1990s, thanks to Margaret Thatcher’s hostility to the EU and Jacques Delors’s advocacy of social Europe. Now many British trade unions are fairly eurosceptic, viewing the EU as an organisation designed to promote the interests of business.

Reasons for hope

So is Britain doomed to become ever more eurosceptic, and perhaps one day to leave the EU? Despite everything I have written in this essay, I do not believe this to be the case. But I am not optimistic in the short term. The Conservatives appear to be a profoundly eurosceptic party, divided between those who dislike the EU but accept that Britain is better off in than out, and those who want to leave. Most of the party’s leaders are ignorant about the EU and many of them have remarkably few contacts with other European politicians. In power, the Conservatives are likely to provoke crises in the UK-EU relationship, for example by trying to pull out of the social chapter of the treaties or EU defence policy. However, I would predict that after a few years the hard facts of European and global power politics – namely that Britain on its own cannot achieve many of its objectives – will make the Conservatives more responsible.

In the long run, I am more optimistic. Indeed, I would argue that the UK is in many ways a pro-European country, even if its people do not understand why. To use a Marxist concept, the ‘base’ of Britain’s economy and society is profoundly European, and sooner or later the ‘superstructure’ of the political and media elite will have to reflect that reality.

On the continent, and also in Britain, many people believe that the British economy is closer to that of the US, with its low taxation and minimal welfare state, than those of mainland Europe. Wrong. The British, like many other Europeans, like to live in a country with quite high levels of taxation and welfare spending. For example, spending by the state as a percentage of GDP was 44.6 per cent in the UK in 2007, compared with a eurozone average of 46.4 per cent and the US figure of 37.4 per cent. In 2007 the German state spent less than the British state: 44.3 per cent of GDP.

Britain has a higher proportion of its workers in a trade union than most EU member-states, including France. Over the past ten years the Labour government has roughly doubled spending on health and education, bringing the level in Britain to EU norms. Measures of inequality remain quite high in Britain, mainly due to the consequences of a lot of children leaving school at 16, without useful skills. However, Italy, Greece and Portugal have higher levels of poverty and inequality – and much more labour market regulation – than Britain. What does differentiate the UK economy from many others in the EU is not only the size of its financial sector but also its openness to foreign investment, including takeovers by foreign firms.

The values held by British people tend to line up with those of other Europeans, rather than Americans, though of course there is much variation among the different European peoples. Britain is a secular society in which less than 20 per cent of the population worship regularly, while in the US about half the population

attends church once a week. Ronald Inglehart has researched values across the world's major countries, interviewing 120,000 people in 1999-2001. Based on those interviews, he has drawn up an index of secular/rational values against traditional ones: on Inglehart's measure, a society that scores 2.0 is very secular and rational, while -2.0 indicates a very traditional society. The United States scores -0.5 on this index. The EU states are spread out between 0.35 and 1.5, Sweden and Germany having the highest figures, with the UK, Italy, Belgium, Austria and Spain scoring about 0.4.

On international relations, too, the British are broadly European in their world view. They may not love the EU but they do believe in multilateral systems of governance, international law and a strong UN. Many Americans differ on those points. It is true that the British, like the French and the Americans, are more likely to countenance the use of force to solve an international problem than are many other Europeans. But the British people have been almost as hostile to the US-led invasion of Iraq as most continental Europeans.

Therefore there is nothing in the structure of the British economy, or the nature of British values, that should prevent the UK from making a positive contribution to the EU. Indeed, the way the EU is evolving should make it easier for the British to engage. The enlargements of the EU in 2004 and 2007 have changed its nature profoundly. With the arrival of ten Central and East European countries, there never will be a majority of member-states in favour of the kind of highly-integrated system of European government that seemed plausible 20 years ago, nor for a Union that seeks to act as a counterweight to the US. Most of the new members are more or less Atlanticist, opposed to a lot of centrally-set economic and social rules, and in favour of free trade.

One reason why the British dislike the EU is that they have seen it as dominated by France and Germany, promoting Franco-German interests. There was sometimes some truth in that caricature, but no longer. France and Germany cannot dominate an EU of 27 countries. Furthermore, some of the countries that used to be most supportive of European integration have recently become more sceptical of it – for example, France, Germany, Ireland and the Netherlands. So even if the British people tend to be the most eurosceptical, as the Eurobarometer surveys show, their views on the EU are less divergent from the rest of Europe than they used to be.

In this wider, looser, Europe, there are bound to be groups of countries that form *avant-gardes* to hasten integration in particular areas, as many countries have done with the euro. But the idea that the EU as a whole could become some sort of super-state – an idea that nourishes much of the passion in British euroscepticism – is now laughable. Only in Belgium and Luxembourg, and to some degree in Italy and Germany, can one find influential politicians who are 'federalist' in the sense that Helmut Kohl and Jacques Delors were in the early 1990s.

The British are the last people in Europe to understand how the EU is changing. The French understand very well, which is why more than half of them voted against the constitutional treaty in 2005. To many of the French, that treaty symbolised the increasingly Anglo-Saxon and economically liberal nature of the EU. Ironically, British eurosceptics opposed the treaty because they saw it as a vehicle for continental socialism and federalism.

The main reason why I am optimistic about Britain's role in Europe is that British euroscepticism has always been largely about institutions. It thrives when the papers are full of stories about new treaties, the loss of national vetoes, institutional change and the erosion of sovereignty. And ever since the Amsterdam treaty, agreed in 1997, there has been almost constant discussion of these dull and complicated but – to some – scary subjects. The British perception of the EU is that it is all about process rather than about doing useful things.

Now, however, there is a real prospect that treaty change will be off the agenda for a long period. Either the Irish will ratify the Lisbon treaty, allowing it to enter into force across the EU, or they will not. If the Lisbon treaty is adopted, there will be no demand for another new treaty any time soon. The difficulties of getting any treaty ratified in so many member-states are too great. If the Lisbon treaty is not adopted, some governments will huff and puff and talk about treaty change and leadership groups, but in practice the EU will have to learn to live with the existing treaties and all their imperfections. Either way, the EU is unlikely to spend the next decade talking about treaty change.

That is good news for the British debate on Europe. The issues that will shape the way the EU develops in the coming years – the need to tackle climate change, enhance energy security, co-operate in the fight against crime and terrorism, manage migration, respond to the rise of China's economic power and stand up to Russia – are of huge interest to British people. Only the most crazed of eurosceptics could argue that Britain can deal effectively with these challenges on its own. If, as I expect, the EU focuses increasingly on substance

rather than process, the eurosceptics will be deprived of their most powerful arguments. An EU that delivers real benefits to the British people will become more popular, despite the best efforts of some newspapers to tarnish its image.



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