

# CHATHAM HOUSE



OXFORD JOURNALS  
OXFORD UNIVERSITY PRESS

## The Royal Institute of International Affairs

---

European Policy under Gordon Brown: Perspectives on a Future Prime Minister

Author(s): Clara Marina O'Donnell and Richard G. Whitman

Source: *International Affairs (Royal Institute of International Affairs 1944-)*, Mar., 2007, Vol. 83, No. 2, Europe at 50 (Mar., 2007), pp. 253-272

Published by: Oxford University Press on behalf of the Royal Institute of International Affairs

Stable URL: <https://www.jstor.org/stable/4541697>

### REFERENCES

Linked references are available on JSTOR for this article:

[https://www.jstor.org/stable/4541697?seq=1&cid=pdf-reference#references\\_tab\\_contents](https://www.jstor.org/stable/4541697?seq=1&cid=pdf-reference#references_tab_contents)

You may need to log in to JSTOR to access the linked references.

---

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



Royal Institute of International Affairs and Oxford University Press are collaborating with JSTOR to digitize, preserve and extend access to *International Affairs (Royal Institute of International Affairs 1944-)*

JSTOR

# European policy under Gordon Brown: perspectives on a future prime minister

CLARA MARINA O'DONNELL AND RICHARD G. WHITMAN\*

## **New prime minister, new Europe policy?**

Prime Minister Tony Blair's impending departure from 10 Downing Street has generated intense interest in the policies and style of his most likely successor, the current Chancellor of the Exchequer Gordon Brown.<sup>1</sup> Pundits have been speculating about how a Brown-led government would differ from the Blair administration, with particular attention being paid to foreign policy, and about whether and to what extent Brown might depart from Blair's approach.

Tony Blair's European policy has been much more EU-friendly than that pursued by any of his predecessors since the UK's entry into what was then the EEC, with the possible exception of Edward Heath. Blair's European policy may well be seen as a moderate success story of his administration, transforming the UK's position from that of the perennial 'awkward partner' to that of a 'normal' member state: one that has been engaged with a European agenda rather than primarily and permanently opposed to the deepening of European integration. However, Blair has not fulfilled his ambition of putting the UK at the heart of Europe.

Brown's ambitions for European policy are considered to be less clear—in part because he has not, to date, produced a comprehensive vision of how he sees the UK's future relationship with the EU.<sup>2</sup> However, as this article demonstrates, his position on many aspects of European policy is already well documented. There are issues on which Brown's stance is known in detail (in particular with regard to the European economic agenda); and there are other areas in which his position has been less publicly developed but can be surmised.

This article will attempt to shed light on Prime Minister Gordon Brown's putative European policy through an analysis of his current views on key issues

\* The authors would like to thank Sir Brian Crowe, Brendan Donnelly, Willie Paterson and Julie Smith for their perceptive comments on earlier drafts of this article. Errors, omissions and weaknesses remain the authors' own.

<sup>1</sup> This article is written on the premise that Tony Blair's resignation as leader of the Labour Party will take place before the parliamentary summer recess in 2007, and that in the subsequent leadership election Gordon Brown will be elected leader of the Labour party and accede to the position of prime minister.

<sup>2</sup> David Mepham, 'Gordon's world', *Prospect*, July 2006; Fraser Nelson, 'The eight who know Britain's future', *Spectator*, 23 Sept. 2006; James Blitz, 'Centre stage: how Brown is preparing to shake up the way the country is run', *Financial Times*, 3 Jan. 2007.

on the European agenda. The article will not focus on the possible organizational arrangements that may be put in place to run European policy under Brown as prime minister; nor does it speculate on whether there will be a continuation of the 'presidential' style of government pursued by Blair.<sup>3</sup> It is, however, clear that Brown's relationship with his close political aides is important in inferring his stance on Europe. Ed Balls,<sup>4</sup> in particular, has a very close relationship with Brown,<sup>5</sup> and has made important contributions to the development and execution of many of Brown's most important initiatives and policy positions, such as the independence of the Bank of England and his stance on membership of the euro.<sup>6</sup> The views of Balls, and similarly of Ed Miliband,<sup>7</sup> are therefore useful indicators of Brown's own position where he has been less than explicit.

Brown was considered to be one of the more committed pro-Europeans of the New Labour government elected in 1997: certainly more so than Blair, whose track record on Europe was less well established.<sup>8</sup> Brown's positions on Europe before taking office are ignored by many commentators who base their current assessments of a future Brown administration on the basis of his track record in government, which, it is contended,<sup>9</sup> has resulted in alienating his European counterparts. (Examples cited include his behaviour in meetings of European economics and finance ministers, and his repeated vociferous criticism of certain EU policies.) Observers have wondered whether personality traits that are attributed to Brown are a handicap in the style of bargaining diplomacy and iterative negotiations needed to make progress in the European policy arena. Brown's biographers have frequently suggested that his personality has caused him political difficulties in that he has needlessly alienated colleagues and others who might have been useful to him in his political career.<sup>10</sup>

Personality aside, the Brown administration will confront the same issue as all recent British prime ministers: the UK's response to European integration. It will have available to it three broad European policy standpoints: the UK as the *awkward partner*, the UK as the *pragmatic player*, and the UK at the *heart of Europe*. Which of the three the UK takes is determined both by the country's broad policy stance on Europe (and its reactions to an evolving European integration agenda), and by developments in domestic, European and international politics.

<sup>3</sup> For a comprehensive assessment of Blair's presidentialism and its impact on the UK system of governance, see Mark Bevir and R. A. W. Rhodes, 'Prime ministers, presidentialism and Westminster smokescreens', *Political Studies* 54: 4, Dec. 2006, pp. 671–90.

<sup>4</sup> Ed Balls has been Labour MP for Normanton since 2005 and economic secretary to HM Treasury since May 2006.

<sup>5</sup> William Keegan, *The prudence of Mr Gordon Brown* (Chichester: Wiley, 2004), p. 15.

<sup>6</sup> Robert Peston, *Brown's Britain* (London: Short Books, 2005), pp. 19, 179.

<sup>7</sup> Edward Miliband has been Labour MP for Doncaster North since 2005 and parliamentary secretary at the Cabinet Office since Oct. 2006. He worked as an adviser to Gordon Brown from 1994 (with a sabbatical at Harvard University in 2003/4) until his election to Parliament.

<sup>8</sup> William E. Paterson and Penny Henson, 'The Labour party's European policy: from patriotic party to a party of Europe?', in William E. Paterson, Penny Henson and Peter Shipley, *The European policies of Labour and Conservative party in Great Britain*, Konrad Adenauer Stiftung internal study no. 109/1995 (Sankt Augustin: Konrad Adenauer Stiftung, 1995), p. 33.

<sup>9</sup> Blitz, 'Centre stage'.

<sup>10</sup> Peston, *Brown's Britain*, p. 16.

All three standpoints have been occupied by British governments in their approaches towards European integration over the past 30 years. The first two typify different phases of the European policies pursued by British governments during the 1970s, 1980s and early 1990s. The third approach, seeking to be at the heart of Europe, characterizes the stance that New Labour aspired to achieve when it came to power in 1997 (as did John Major when he became Prime Minister), but has not yet realized. The remainder of this article considers, by examining Brown's stance on European policy issues to date, which of the three he is most likely to pursue in the future.

## The awkward partner

Before 1997, the UK's position on European integration was predominantly characterized by the notion of the 'awkward partner'.<sup>11</sup> More precisely, this role typified the European policy pursued by the Thatcher government from the middle of the 1980s. This was not a pre-programmed attitude of the government but rather developed across time from the 'pragmatic player' approach (discussed below) initially adopted by Margaret Thatcher.<sup>12</sup> John Major's government followed a similar trajectory, initially pursuing a pragmatic approach to European policy until the last years of his administration, when the UK became the awkward partner, hostile to any policies that appeared to be designed to deepen European integration.<sup>13</sup>

A view currently prevalent in Brussels and many European capitals is that a Brown premiership will see the UK return to the role of the awkward partner.<sup>14</sup> This might see a return to the European policy stance last adopted by the British government in the latter stages of the Major administration—a stance characterized by a reluctance to cooperate with European counterparts on developing significant new European integration projects, and the obstruction of progress in certain policy areas at the EU level.

The most persuasive evidence to suggest that a Brown administration will be an awkward partner is to be found in his views on the EU's inadequate fitness for the challenge that Europe faces in the future. Essentially, Brown sees the EU as being a 'trade bloc Europe'—an inward-looking and protectionist entity.<sup>15</sup> He argues that

<sup>11</sup> For the notion of the UK as awkward partner, see Stephen George, *An awkward partner: Britain in the European Community*, 3rd edn (Oxford: Oxford University Press, 1998). For a masterly account that provides an elegant and illuminating account of the UK relationship to European integration, see Hugo Young, *This blessed plot: Britain and Europe from Churchill to Blair* (Basingstoke: Macmillan, 1998).

<sup>12</sup> Young, *This blessed plot*, ch. 9.

<sup>13</sup> Young, *This blessed plot*, ch. 11.

<sup>14</sup> Blitz, 'Centre stage'; Manneken Pis, 'Why the French are dreading the prospect of Gordon Brown as PM', Brussels diary, *Prospect*, Oct. 2006; Chatham House workshop, 'Perspectives on a future prime minister: what European policy under Gordon Brown?', London, 20 Oct. 2006.

<sup>15</sup> Statement by Brown to the European Parliament's Committee on Economic and Monetary Affairs, 12 July 2005, [http://www.hm-treasury.gov.uk/newsroom\\_and\\_speeches/press/2005/press\\_62\\_05.cfm](http://www.hm-treasury.gov.uk/newsroom_and_speeches/press/2005/press_62_05.cfm), accessed 15 Jan. 2007; speech by Brown, 'Global Britain, global Europe: a presidency founded on pro-European realism', Mansion House, London, 22 June 2005, [http://www.hm-treasury.gov.uk/newsroom\\_and\\_speeches/press/2005/press\\_57\\_05.cfm](http://www.hm-treasury.gov.uk/newsroom_and_speeches/press/2005/press_57_05.cfm), accessed 15 Jan. 2007; Brown, 'Global Europe: full-employment Europe', HM Treasury, Oct. 2005, [http://www.hm-treasury.gov.uk/media/093/BF/global\\_europe\\_131005.pdf](http://www.hm-treasury.gov.uk/media/093/BF/global_europe_131005.pdf), accessed 15 Jan. 2007, p. 1.

it must reform to adapt to the changes in the international system and become a 'global Europe', 'a flexible, reforming, open and globally-oriented Europe'.<sup>16</sup>

This critical, economics-based view of the EU has been explicitly detailed in speeches, reports of Her Majesty's Treasury (notably on the CAP) and pamphlets.<sup>17</sup> Given Brown's tenure of almost a decade as Chancellor, the economic area is where one would expect to find his main political priorities.<sup>18</sup> A theme that recurs particularly strongly is that of the challenges created by globalization and the increasing competition facing the UK and Europe from China and India.<sup>19</sup>

To respond to these challenges, Brown believes, Europe must reform as a flexible and skills-based economy.<sup>20</sup> In pursuit of such a transformation, Brown has set out an agenda of economic reforms designed to achieve two key goals: to create a competitive global Europe, and to create full-employment within Europe.<sup>21</sup>

The need for Europe to reform its economy is not unrecognized within the EU; indeed, it is enshrined within the Lisbon strategy agreed in 2000. However, an assessment of Brown's position on Europe's economic reform reveals a number of distinguishing features in his approach.

The first relates to the national level within Europe. Brown argues that the main priority of national governments is to provide national education and skills policies, built on the foundation of investment in education and lifelong learning, to equip people to adapt to change.<sup>22</sup> Brown's focus on skills development has been confirmed through his actions at the national level within the UK, where he has also emphasized this policy.<sup>23</sup> In short, on this point Brown offers a UK prescription for a European problem.

The second set of reforms advocated by Brown concern the EU level and span four areas: structural reform, regulatory reform, trade policy and EU budgetary policy.<sup>24</sup>

<sup>16</sup> Brown, 'Global Britain, global Europe'.

<sup>17</sup> See in particular Brown, 'Global Europe: full-employment Europe'.

<sup>18</sup> See e.g. speech by Brown, 'We will always strive to be on your side', Labour party conference, 25 Sept. 2006, [http://www.labour.org.uk/index.php?id=news2005&ux\\_news%5Bid%5D=onyourside&cHash=dde805](http://www.labour.org.uk/index.php?id=news2005&ux_news%5Bid%5D=onyourside&cHash=dde805), accessed 15 Jan. 2007; speech by Brown, 'Politics as a moral duty', Labour party conference, 26 Sept. 2005, [http://www.labour.org.uk/index.php?id=news2005&ux\\_news\[id\]=aco5gb&cHash=30c74d8de6](http://www.labour.org.uk/index.php?id=news2005&ux_news[id]=aco5gb&cHash=30c74d8de6), accessed 15 Jan. 2007; Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe'.

<sup>19</sup> See e.g. speech by Brown at delivery of Labour's tenth pre-budget report, 'Investing in Britain's potential: building our long-term future', 6 Dec. 2006, [http://www.labour.org.uk/index.php?id=news2005&ux\\_news\[id\]=gbprbsp&no\\_cache=1](http://www.labour.org.uk/index.php?id=news2005&ux_news[id]=gbprbsp&no_cache=1), accessed 15 Jan. 2007; Brown, 'We will always strive'; Brown, 'Politics as a moral duty'; Brown, statement to the European Parliament, 2005; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe'.

<sup>20</sup> See e.g. interview with Gordon Brown by Andrew Marr, *Sunday AM* programme, BBC1, 7 Jan. 2007, full transcript [http://news.bbc.co.uk/1/hi/uk\\_politics/6241819.stm](http://news.bbc.co.uk/1/hi/uk_politics/6241819.stm), accessed 15 Jan. 2007; Brown, 'We will always strive'; Brown, 'Politics as a moral duty'; Brown, tenth pre-budget report; Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe'.

<sup>21</sup> Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe'.

<sup>22</sup> Brown, 'Global Europe: full-employment Europe', p. 12.

<sup>23</sup> Illustrated by the commissioning of the *Leitch Review of Skills*, Dec. 2006.

<sup>24</sup> Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', pp. 12–15.

## Structural reform

Brown advocates increasing Europe's flexibility through structural reform. He argues that the EU should fully complete the single market, and sets out what sectors he would like to see reformed to achieve this objective, stating that member states must further liberalize the telecommunications, electricity and gas sectors.<sup>25</sup> In particular, Brown wants to see an opening up of the financial services market across the EU.<sup>26</sup> He wants to eliminate state aids and subsidies that shelter businesses and prevent fair competition.<sup>27</sup> Finally, he wants to develop an independent and proactive competition policy (possibly with independent authorities instead of politicians making decisions on monopolies, mergers and market access) and to extend the use of market investigations.<sup>28</sup>

Brown is hostile to the development of a common EU policy on tax,<sup>29</sup> and disapproves of the harmonization of tax rates or bases at an EU level. He argues that a common EU tax policy cannot be justified by the needs of the modern global economy, the principles of subsidiarity or the requirements of political legitimacy.<sup>30</sup> In 2000 Brown succeeded both in preventing the EU from adopting a directive on the harmonization of savings tax and in advancing instead the adoption of an exchange of information on savings income.<sup>31</sup> Brown's standpoint is that the needs and challenges faced by governments are national, and therefore tax policy should remain defined at the national level.

## Regulatory reform

A second area in which Brown has suggested a series of reforms concerns regulation.<sup>32</sup> Brown argues that the EU should reduce its level of regulation; that poorly designed or badly targeted regulation benefits no one and has universal costs.<sup>33</sup> He has called for a reduction in the burden of regulation for businesses, in particular within the financial services sector,<sup>34</sup> and believes that the EU should develop a risk-based approach to regulation similar to that applied in the United States, including a similar competitiveness test.<sup>35</sup>

Brown's preference for a light regulatory approach is one manifestation of his pro-business stance.<sup>36</sup> This stance is also illustrated by other proposed reforms,

<sup>25</sup> Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 13.

<sup>26</sup> Brown, 'Global Britain, global Europe'.

<sup>27</sup> Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 13.

<sup>28</sup> Ibid.

<sup>29</sup> Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 13.

<sup>30</sup> Brown, 'Global Europe: full-employment Europe', p. 13.

<sup>31</sup> Europa press release, 'Taxation: Commission welcomes adoption of package to curb harmful tax competition', 3 June 2003, <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/03/787&format=HTML&aged=1&language=en&guiLanguage=en>, accessed 15 Jan. 2007.

<sup>32</sup> Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 13.

<sup>33</sup> Brown, 'Global Europe: full-employment Europe', p. 13.

<sup>34</sup> Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 14.

<sup>35</sup> Brown, statement to the European Parliament; Brown, 'Global Europe: full-employment Europe', p. 13.

<sup>36</sup> Christopher Adams, 'Clues to Brown's agenda emerge', *Financial Times*, 16 Nov. 2006.

such as the creation of a business-led advisory group to give business a clear voice in the EU legislative process,<sup>37</sup> and by his rhetoric, as for example in the assertion that 'we will stand up for an approach that is pro-Britain, pro-business and pro-European single market'.<sup>38</sup>

This focus on the business community has also been visible within the UK, where Brown has developed a track record as a prudent Chancellor, wary of alarming or offending a business community that might otherwise feel uneasy with a Labour government.<sup>39</sup> Again, Brown's rhetoric makes clear his position—'We can't just be pro-Labour; we've got to be pro-business too'<sup>40</sup>—as does his establishment of the International Business Advisory Council,<sup>41</sup> an eight-strong group of leading figures from international business which he meets regularly.

Brown's current position on economic reforms suggests that as prime minister he would retain his pro-business approach at the European level. The question remains whether, and to what extent, he might also promote some form of social agenda at that level. While his views on the ideal European social dimension have not been expressed in the same amount of detail as his views on the economic reforms he deems desirable, the hints Brown and his allies have given of these views indicate that they see the social dimension as primarily a matter for national policy.

Brown has argued that Europe needs to reassess its social dimension.<sup>42</sup> He is very critical of the current dominant social model and offers an alternative based on labour market flexibility and support for obtaining new jobs.<sup>43</sup> He wants a 'social dimension that does not hide from change but matches fairness [to create jobs] with flexibility',<sup>44</sup> and believes that 'instead of viewing flexibility as the enemy of social justice, we must recognise that flexibility matched by fairness is essential to deliver a Europe of full-employment and opportunity for all'.<sup>45</sup>

Instead of protecting people's current employment, Brown believes, Europe should develop social models that will help people adapt to change.<sup>46</sup> There is a clear divergence between his position and that of other member states concerning strategies to achieve the overall objectives that relate to labour legislation. He has stated strongly that he will continue to resist removing the UK opt-out from European working hours legislation, which he believes threatens jobs.<sup>47</sup>

One of the objectives of the 2000 Lisbon strategy is to modernize the European social model, including the 'reform of the social protection systems'.<sup>48</sup> While

<sup>37</sup> Brown, 'Global Europe: full-employment Europe', p. 13.

<sup>38</sup> Brown, speech to the CBI, 28 Nov. 2006, [http://www.hm-treasury.gov.uk/newsroom\\_and\\_speeches/speeches/chancellor/exchequer/speech\\_chx\\_281106.cfm](http://www.hm-treasury.gov.uk/newsroom_and_speeches/speeches/chancellor/exchequer/speech_chx_281106.cfm), accessed 15 Jan. 2007.

<sup>39</sup> Keegan, *The prudence of Mr Gordon Brown*, p. 11.

<sup>40</sup> Brown, 'We will always strive'.

<sup>41</sup> James Blitz, 'Brown's breakfast with business', *Financial Times*, 18 Nov. 2006.

<sup>42</sup> Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'.

<sup>43</sup> Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe'.

<sup>44</sup> Brown, 'Global Britain, global Europe'.

<sup>45</sup> 'Global Europe: full-employment Europe', p. 12.

<sup>46</sup> 'Global Europe: full-employment Europe', p. 11.

<sup>47</sup> Brown, speech at the CBI annual dinner, 18 May 2005, [http://www.hm-treasury.gov.uk/newsroom\\_and\\_speeches/press/2005/press\\_48\\_05.cfm](http://www.hm-treasury.gov.uk/newsroom_and_speeches/press/2005/press_48_05.cfm), accessed 15 Jan. 2007; Brown, speech to the CBI, 2006.

<sup>48</sup> Conclusions, European Council, March 2005, p. 10.

progress has been very slow, the issue still remains on the agenda. Brown asserts that there is no common European social model, nor indeed any single 'right' model,<sup>49</sup> but an appropriate model specific to each country. His view is that different institutional, economic and social contexts mean that the appropriate response to social requirements will vary across member states, while citizens will also have different preferences for the level of service that their governments provide. All this means that the key instruments of labour market and skills policy must remain the responsibility of member states.<sup>50</sup> Consequently Brown sees only a very limited role for any social dimension at the EU level, limiting it solely to areas such as 'information and consultation, high environmental standards, and support for labour mobility'.<sup>51</sup> Ed Balls has presented a similar view, arguing that the type of European social dimension the single market needs is one that deals only with cross-border issues, while the rest of the social agenda should be the prerogative of the member states.<sup>52</sup>

### *Trade policy*

Brown has also suggested a series of reforms in the field of trade policy.<sup>53</sup> He is a strong supporter of trade liberalization and wants the EU to develop a more outward-looking relationship with the rest of the world:

In the old trade bloc economy Europe there was always a risk that while internal trade would be seen as a benefit, trade with the rest of the world would be seen as a threat. But it is now trade with the rest of the world that will not only grow fastest of all, but be critical to future prosperity. So trade liberalisation matters.<sup>54</sup>

Brown wants the EU to support further and extensive liberalization within the WTO generally and within the Doha Round specifically, and to develop a better dialogue overall with India, China and Asia.<sup>55</sup> He has also called for a strong transatlantic economic partnership.<sup>56</sup> As elsewhere in his economic agenda, Brown has gone further than simply outlining a goal and has presented a series of measures to achieve it. He argues that the EU and the United States should remove the remaining transatlantic barriers in trade;<sup>57</sup> that they should introduce regular economic fora between European economics ministers and those of North America;<sup>58</sup> that a road map should be established to create a genuine barrier-free transatlantic financial

<sup>49</sup> 'Global Europe: full-employment Europe', p. 12.

<sup>50</sup> 'Global Europe: full-employment Europe', p. 12.

<sup>51</sup> Brown, 'Global Britain, global Europe'.

<sup>52</sup> Ed Balls, 'Britain's next decade', speech to Fabian Society, 1 Nov. 2006, [http://www.fabian-society.org.uk/documents/document\\_latest.asp?id=149&catid=52](http://www.fabian-society.org.uk/documents/document_latest.asp?id=149&catid=52), accessed 15 Jan. 2007.

<sup>53</sup> Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 15.

<sup>54</sup> Brown, 'Global Britain, global Europe'.

<sup>55</sup> Brown, 'Global Britain, global Europe'.

<sup>56</sup> Brown, 'Global Britain, global Europe'.

<sup>57</sup> Brown, 'Global Britain, global Europe'.

<sup>58</sup> Brown, 'Global Britain, global Europe'.



market;<sup>59</sup> and that closer cooperation is required in pharmaceuticals, IT, chemicals markets and energy efficiency.<sup>60</sup>

The Chancellor has made clear his position on European macroeconomic policy, which according to him should promote stability and growth.<sup>61</sup> He advocates notably a prudent interpretation of the growth and stability pact that recognizes the economic cycle, national debt and the important role of public investment.<sup>62</sup>

### *Reforming the budget*

The fourth strand of the reform agenda proposed by Brown concerns the EU budget. The other aspects of this agenda, detailed above, attract varying degrees of support, indifference and hostility within member states. The EU budget is, however, a key battleground for the reform agenda, and it is here that the UK is most likely to find itself cast once more as the awkward partner in the future. The dispute between the UK and other EU member states over the budget for 2007–13 that took place in 2005 illustrates the degree of rancour that this issue can generate. Brown has repeatedly made it clear that he strongly disapproves of the current EU budget, which he believes is not capable of responding to the challenges of globalization: 'The failure to reform the budget impedes the very economic changes we need if we are to meet the competitive challenges of globalisation: if we continue to fail it will become the most visible symbol of Europe's failure to face up to the future.'<sup>63</sup>

He advocates fundamental and drastic budgetary reform and a change of focus, from the current priorities of agricultural and regional policy spending to the new priorities of science, skills and infrastructure.<sup>64</sup> Brown strongly disapproves of the current CAP.<sup>65</sup> His position is that the EU's protectionism and subsidies are inefficient, and that such protectionism is detrimental to consumers, taxpayers, farmers and the environment as well as to the world's poorest countries.<sup>66</sup> He is keen to set a timetable within the context of the Doha Round for the EU to eliminate export subsidies, in partnership with the United States.<sup>67</sup> Brown also disapproves

<sup>59</sup> Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 15.

<sup>60</sup> Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 15.

<sup>61</sup> Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 11.

<sup>62</sup> The Stability and Growth Pact (SGP) was introduced in 1997 as an attempt to ensure budgetary discipline in the project of economic and monetary union. The core commitment of the SGP is to ensure that all member states maintain government deficits below 3 per cent of GDP. See 'The Stability and Growth Pact', website of the European Commission, [http://ec.europa.eu/economy\\_finance/about/activities/sgp/sgp\\_en.htm](http://ec.europa.eu/economy_finance/about/activities/sgp/sgp_en.htm), accessed 15 Jan. 2007. See Brown, statement to the European Parliament; Brown, 'Global Europe: full-employment Europe', p. 11.

<sup>63</sup> Brown, 'Global Europe: full-employment Europe', p. 14.

<sup>64</sup> Speech by Brown, 'Global Britain, global Europe', 2005, Brown, 'Global Europe: full-employment Europe', 2005, p. 14.

<sup>65</sup> Brown, 'Politics as a moral duty'; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 3; HMT/DEFRA, 'A vision for the Common Agricultural Policy', Dec. 2005, HM Treasury and Department for Environment, Food and Rural Affairs, <http://www.defra.gov.uk/farm/capreform/pdf/vision-for-cap.pdf>, accessed 15 Jan. 2007.

<sup>66</sup> Brown, 'Global Britain, global Europe'; HMT/DEFRA, 'A vision for the Common Agricultural Policy'.

<sup>67</sup> Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 15.

of the current EU regional policy,<sup>68</sup> which he argues should be rebalanced because as it stands it allows large amounts of subsidy to go to the richest countries of the Union.<sup>69</sup> Instead, he wants the policy to focus on the EU's poorest countries and on measures supporting the structural reforms necessary to strengthen the single market.<sup>70</sup>

Brown's proposed reform of the EU budget would see it rebalanced to focus in particular on promoting R&D: on supporting the knowledge-based growth industries of the future, raising Europe's capacity to compete in the very best research, strengthening the links between science and industry, and improving industrial competitiveness.<sup>71</sup>

The issue may come to a head during the mid-term review of the budget, formally due in 2008. European Commission President José Manuel Barroso has set the tone for the budget review in saying that 'the Commission will look at all aspects of the budget from 2008 onwards, without taboos',<sup>72</sup> and this will include an opportunity to discuss the future of the CAP, which has been frozen in its current form until 2013.<sup>73</sup> The UK Treasury is anticipating a fundamental and comprehensive review; it is determined to propose an alternative to the current CAP, to which end working groups are already examining wide-ranging possibilities.<sup>74</sup> This approach risks clashes not only with the current main beneficiaries of the CAP, in particular France, but also with new member states (and net recipients from the budget) who are generally satisfied with the current arrangements.

### *The constitutional treaty*

Coinciding with the review of the EU budget will be the resumption of negotiations on the future for the EU's constitutional treaty. Since the 'No' votes in France and the Netherlands in 2005 the EU has been grappling with the question of whether the constitutional treaty has a future. The UK is in a minority of member states that have not proceeded with the ratification of the treaty, and the current German EU presidency has made clear its desire to use its six months in office to create a firm timetable for the treaty's revival or reformulation.<sup>75</sup> This

<sup>68</sup> Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 14.

<sup>69</sup> Ed Balls highlighted in a recent speech that for the 2007 annual budget more than 60% of structural and cohesion fund expenditure will still be directed to rich member states. Balls, speech to the annual conference of the Institute of Chartered Accountants of England and Wales, Chartered Accountants' Hall, London, [http://www.hm-treasury.gov.uk/newsroom\\_and\\_speeches/press/2006/press\\_93\\_06.cfm](http://www.hm-treasury.gov.uk/newsroom_and_speeches/press/2006/press_93_06.cfm), accessed 15 Jan. 2007.

<sup>70</sup> Brown, 'Global Britain, global Europe'.

<sup>71</sup> Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 14.

<sup>72</sup> Statement by Commission President José Manuel Barroso on the financial perspectives for 2007–2013, Brussels, 17 Dec. 2005, [http://ec.europa.eu/commission\\_barroso/president/pdf/statement\\_20051217\\_en.pdf](http://ec.europa.eu/commission_barroso/president/pdf/statement_20051217_en.pdf), accessed 15 Jan. 2007.

<sup>73</sup> The 2002 European Council agreed that the CAP would remain in its current form until 2013: Presidency conclusions, European Council 24–25 Oct. 2002, Brussels, p. 5, [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ec/72968.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/72968.pdf), accessed 15 Jan. 2007.

<sup>74</sup> Balls, speech to the annual conference of the Institute of Chartered Accountants of England and Wales.

<sup>75</sup> The Federal Government's Work Programme, 'Europe—Succeeding Together': Presidency Programme 1 Jan. to 30 June 2007, [http://www.eu2007.de/en/The\\_Council\\_Presidency/Priorities\\_Programmes/index.html](http://www.eu2007.de/en/The_Council_Presidency/Priorities_Programmes/index.html), accessed 21 Jan. 2007.

will be an issue with which the new British prime minister will need to engage directly.

Brown's position on the constitutional treaty—and, more importantly, on how to deal with its aftermath—is becoming clear. In response to the German presidency's reopening of the debate there have been indications that he favours scrapping the existing treaty and replacing it with a slimmed-down, more modest document.<sup>76</sup>

This standpoint is consistent with Brown's previously expressed dislike of excessive EU 'federalism' and supranational integration.<sup>77</sup> He has argued that the federal ambitions of the EU's founders are no longer adequate in the current globalized world—the old assumptions about federalism do not match the realities of our time—and that the EU should develop along intergovernmental lines, according to what he refers to as 'pro-European realism', emphasizing cooperation between national states.<sup>78</sup> Robert Peston, one of Brown's biographers, asserts that the Chancellor repeatedly made clear to him his dislike of the constitutional project, and often lectured him about 'the supposedly pernicious economic implications of early drafts of the European Constitution'.<sup>79</sup>

The EU will be addressing the issue of the constitutional treaty during the run-up to the 2009/10 UK general election, and Brown's approach will be influenced by domestic electoral considerations. In addition to the risk of upsetting the Eurosceptic press with the adoption of an 'ambitious' reform treaty, Brown will also have to consider how to ratify any resulting treaty in the UK and whether to call a referendum, as originally promised by Blair for the constitutional treaty. Such considerations, and their possible political costs for Brown at home, are likely to increase his caution and desire for a minimalist treaty requiring only parliamentary ratification.

### *Still the awkward partner?*

So far this article has focused on areas of public policy on which Gordon Brown has set out a clearly defined stance and agenda. Brown's forthright and detailed views on the future direction of the EU, in particular his focus on the economy of the Union over institutional and integrative development, threaten to create significant distance between his government and those of some other EU member states. Brown's proposals for reform of the EU budget risk conflict with other member states. The question for Brown will be whether he is willing to compromise on the future direction that the EU should take. An unwillingness to do so will result in the UK once again being seen as an awkward partner.

<sup>76</sup> 'Candidate's vision could threaten rescue of EU constitution', *Financial Times*, 19 Jan. 2007, p. 8.

<sup>77</sup> Notably Brown, 'Global Britain, global Europe'.

<sup>78</sup> Brown, 'Global Britain, global Europe'.

<sup>79</sup> Peston, *Brown's Britain*, p. 9.

## The pragmatic player

A second approach for Brown's European policy is that of the 'pragmatic player'. While Brown might find the manner in which the EU functions difficult to work with, he might be willing to compromise and cooperate within it in order to promote the issues that are important to him, and for which the EU could represent a useful platform. This is essentially the line taken by Margaret Thatcher until the middle of the 1980s and by John Major in the early stages of his administration, and in practice by the New Labour government under Blair.<sup>80</sup>

Brown might be willing to use the EU as a vehicle to advance his favoured issues, such as dealing with climate change and the fight against poverty. He and his allies have stated in speeches that cooperating with the EU to advance a policy agenda is in the UK's national interest. Ed Balls notably said recently that, 'whether on the Budget Review, or other critical issues, such as the environment; Single Market; world trade; security; immigration; enlargement; and wider foreign policy, we know that the only way to get the best deal for Britain is by working with our European partners'.<sup>81</sup> However, the influence of domestic public opinion and the electoral timetable are likely to constrain this pragmatic approach. With a general Eurosceptic predisposition in the British press and public, Brown may be unwilling to see controversial European issues raised domestically in advance of a general election.

## The Lisbon agenda

As noted above, Brown has made clear the importance he attributes to European economic reform. He has been explicit about his views on a variety of economic policy issues and has advanced a series of detailed reforms he would like the EU to undertake.

The EU has in fact already given attention to many of these issues, as part of both the Lisbon strategy and the more recent Hampton Court agenda.<sup>82</sup> Setting the Lisbon agenda in March 2000, the European Council agreed to make the EU the most competitive and dynamic knowledge-driven economy by 2010—an approach championed by the British government.<sup>83</sup>

It is not surprising that several of Brown's proposals have parallels with the reforms contained within the Lisbon agenda, given that he was involved as Chancellor in their negotiation. These reforms, which were recently re-emphasized in the eight 'key measures' of the *Community Lisbon Programme* presented by the Commission in July 2005, include: supporting knowledge and innovation; reform of state aid

<sup>80</sup> For coverage of the Europe policy pursued under the Thatcher and Major administrations, see Brendan Evans, *Thatcherism and British politics, 1975–99* (Stroud: Sutton, 1999); Peter Dorey, ed., *The Major premiership: politics and policies under John Major, 1990–97* (Basingstoke: Palgrave Macmillan, 1999).

<sup>81</sup> Balls, speech to the Annual Conference of the Institute of Chartered Accountants of England and Wales.

<sup>82</sup> Press release, 'Follow-up to Hampton Court Summit—CFSP and ESDP', UK presidency of the EU, 4 Nov. 2005, <http://www.eu2005.gov.uk/servelet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1112704221230&a=KArticle&aid=1132598198508&date=2005-11-04>, accessed 15 Jan. 2007.

<sup>83</sup> Presidency conclusions, Lisbon European Council, 23–24 March 2000, [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ec/00100-r1.eno.htm](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.eno.htm), accessed 15 April 2007.

policy; simplification of the regulatory framework (which the 2005 March Council conclusions argued should be made 'more business friendly'<sup>84</sup>); completion of the internal market for services; and a global agreement on the Doha Round. Further reforms stated in the relaunch of the Lisbon Strategy Council also parallel Brown's approach: completing the single market (not only the services directive), developing an active competition policy and reforming regional aid.<sup>85</sup>

But the agendas are not identical in all areas. Brown is particularly critical of the slow pace of reform in other member states and the disparity between the collective position agreed by the EU's member states and the pace and enthusiasm with which reforms are implemented.

### *The environment agenda*

Tackling climate change is one of Brown's declared three key broad policy priorities, alongside economic reform and security.<sup>86</sup> The issue has made a recent but strong appearance on his agenda. Brown and his close aides have made repeated statements about the importance of climate change, and Brown wants the UK to lead the world effort in responding to the challenge.<sup>87</sup> In May 2006, in a speech to the UN entirely dedicated to the issue of climate change, he said: 'Environmental sustainability is not an option—it is a necessity ... So I want to argue today that it is through the new economics of climate change that a new global consensus for tackling environmental change can be built.'<sup>88</sup> Ed Balls has stated he considers climate change to be the most important new challenge the UK will have to face over the next decade.<sup>89</sup>

Brown's interest in climate change can also be seen in his commissioning of the Stern Report and his welcome of its conclusion; in the 2006 Queen's Speech, which reported that the government would be publishing a bill on climate change as part of its policy to protect the environment;<sup>90</sup> and in his longstanding support for the EU's emissions trading scheme.

Brown and his allies perceive climate change through the prism of development, emphasizing the impact that it will have on the world's poorest countries and arguing that the rich countries should put their financial resources at the service of the poor. This was clearly highlighted in Brown's UN speech, in which he stated:

So we must start from the profound truths: that economic development in poor countries is going to take place in the context of a changing climate, that underdevelopment and

<sup>84</sup> European Council conclusions, March 2005, p. 7.

<sup>85</sup> European Council conclusions, March 2005, pp. 7–8.

<sup>86</sup> Brown, 'We will always strive'. The 2006 Queen's Speech has been seen as indicative of the policies Brown will continue as PM. See Adams, 'Clues to Brown's agenda emerge'; Queen's Speech, <http://www.number10.gov.uk/output/Page10419.asp>, accessed 15 Jan. 2007; interview with Brown by Andrew Marr, *Sunday AM* programme, 7 Jan. 2007; Lionel Barber and James Blitz, 'Security is our top priority, says Brown', interview, *Financial Times*, 25 Oct. 2006.

<sup>87</sup> Deborah Summers, 'Brown: Britain must lead way towards low-carbon world', *Guardian*, 30 Oct. 2006.

<sup>88</sup> Speech by Brown to UN ambassadors, New York, 20 April 2006, [http://www.hm-treasury.gov.uk/news-room\\_and\\_speeches/press/2006/press\\_31\\_06.cfm](http://www.hm-treasury.gov.uk/news-room_and_speeches/press/2006/press_31_06.cfm), accessed 15 Jan. 2007.

<sup>89</sup> Balls, 'Britain's next decade'.

<sup>90</sup> Queen's Speech, 2006.

environmental neglect go hand in hand, that future development strategies are going to have to adapt to meet this new twin challenge ... we have a special responsibility to help the poorest countries to adapt to climate change.<sup>91</sup>

This emphasis on developing countries was also highlighted at Brown's 2006 Labour party conference speech, in which he stated: 'I make this promise: tackling climate change must not be the excuse for rich countries to impose a new environmental colonialism: sheltering an unsustainable prosperity at the expense of the development of the poor.'

Brown has been explicit about how he would like to deal with climate change. He believes it should be tackled internationally, multilaterally and with the help of international institutions. Brown stated in his speech at the UN: '[Climate change] requires a global solution ... Our international institutions are essential to global action on the environment.'<sup>92</sup> He has pledged that Britain will lead the global effort;<sup>93</sup> and he has suggested several more specific proposals, such as a worldwide carbon market and the creation of a \$20 billion global fund by the World Bank and international partners, designed to finance the development of alternative energy for poorer countries.<sup>94</sup>

In this context, the EU has been given relatively little attention by Brown, although key aides have argued that the EU is a vital institution in the project of tackling climate change through a multilateral and international approach.<sup>95</sup> Ed Balls identifies the EU emissions trading scheme as the hub of a global carbon market,<sup>96</sup> and has highlighted the need for cooperation and engagement with the EU, stating: 'A policy of positive European engagement with our European partners is a critical stepping stone to combating climate change. It is only by being fully engaged at the European level that we will be able to do that.'<sup>97</sup>

In the follow-up to the Stern Report, Brown proposed a new Europe-wide emissions reduction target of 30 per cent by 2020.<sup>98</sup> He has been a strong supporter of the EU emissions trading mechanism and has recently expressed a wish to develop the international market in carbon trading emissions further. His ambitions have provoked anxieties within the Commission, with Enterprise and Industry Commissioner Verheugen expressing the fear that '[the EU's] environmental leadership' could undermine the competitiveness of energy-intensive industries if the Union pursued Brown's approach of seeking to move faster than the rest of the world in the fight to tackle climate change.<sup>99</sup>

Broadly, however, the EU and Brown share the same environmental agenda. Since the end of the 1990s, the EU has committed itself to playing a leading role

<sup>91</sup> Brown, speech to UN ambassadors.

<sup>92</sup> Speech by Brown to United Nations, 2006.

<sup>93</sup> Summers, 'Brown: Britain must lead way towards low-carbon world'.

<sup>94</sup> Summers, 'Brown: Britain must lead way towards low-carbon world'; Brown speech to UN ambassadors.

<sup>95</sup> Balls, 'Britain's next decade'.

<sup>96</sup> Balls, 'Britain's next decade'.

<sup>97</sup> Patrick Wintour, 'Give EU more power to tackle climate change, says Balls', *Guardian*, 1 Nov. 2006.

<sup>98</sup> Summers, 'Brown: Britain must lead way towards low-carbon world'.

<sup>99</sup> Christopher Adams, 'Brown to raise duty on 4x4s and air travel', *Financial Times*, 24 Nov. 2006.

in the fight against global warming,<sup>100</sup> and sustainable development was made an overarching goal of the Lisbon strategy. The most significant development so far has been the launch of the EU's greenhouse gas emission trading scheme (EU ETS) in January 2005, in which the UK played a leading role.<sup>101</sup>

More recently there has been a renewed emphasis on the importance and urgency of tackling climate change from the EU. Barroso accepted much of the Stern Report and stated that he aimed to place Europe at the forefront of efforts to reduce emissions;<sup>102</sup> and the Commission has issued a Green Paper on energy stating that 'effective action to address climate change is urgent and the EU must continue to lead by example'.<sup>103</sup> The Commission has also called for the EU carbon trading scheme to be strengthened and expanded, and it has argued that the EU should cut its greenhouse gas emissions by at least 20 per cent by 2020, a more modest ambition than Brown's.<sup>104</sup>

It is clear that climate change is an important area in which Brown has explicitly shared his views and where the EU context for pursuing policy has been acknowledged. Yet his interest in tackling climate change has been questioned by various observers who argue that his commitment is merely rhetorical.<sup>105</sup> Critics believe that the measures adopted by Brown in the 2007 pre-budget report were too modest to make a serious impact. Notably, Philip Stevens wrote: '[Brown] will never be convincing about the environment. Had he been serious he would have announced a big switch in taxation to encourage sustainable growth.'<sup>106</sup>

Critics have also suggested that Brown's official commitment to climate change is merely an electoral tactic designed to isolate the Conservative Party in the run-up to the 2009/10 elections.<sup>107</sup> It is likely that electoral considerations are being taken into account in Brown's approach to climate policy. Brown's team has explicitly attempted to weaken the Conservative position on environment, arguing that the Conservatives are attempting an impossible feat in tackling climate change alone when it must be addressed internationally, and, crucially, with the help of the EU.<sup>108</sup>

### *Internal security*

Freedom, Security and Justice (FSJ) is an important and growing field of EU cooperation, in both its internal and its external agendas. Internal security issues have been gaining increasing salience at the EU level and the EU has been creating

<sup>100</sup> The Göteborg European Council set out a programme for combating climate change as early as 2001. See presidency conclusions, Göteborg European Council, 15–16 June 2001.

<sup>101</sup> Balls, 'Britain's next decade'.

<sup>102</sup> Nick Mathiason, 'Barroso to tackle climate change', *Observer*, 26 Nov. 2006.

<sup>103</sup> European Commission, *Green Paper: a European strategy for sustainable, competitive and secure energy*, Brussels, 8 March 2006, p. 10, [http://ec.europa.eu/energy/green-paper-energy/doc/2006\\_03\\_08\\_gp\\_document\\_en.pdf](http://ec.europa.eu/energy/green-paper-energy/doc/2006_03_08_gp_document_en.pdf), accessed 15 Jan. 2007.

<sup>104</sup> 'EU energy proposals', BBC news website, 2007.

<sup>105</sup> 'Beyond words', *Guardian* leader, 9 Dec. 2006; Philip Stephens, 'A serious contest still lies ahead', *Financial Times*, 6 Dec. 2006; Will Woodward and Larry Elliott, 'From Britishness to Blair: the Brown vision', *Guardian*, 26 Sept. 2006; James Blitz, 'Brown changes tune on Europe', *Financial Times*, 15 June 2006.

<sup>106</sup> Stephens, 'A serious contest still lies ahead'.

<sup>107</sup> Chatham House workshop, 'Perspectives on a future prime minister'.

<sup>108</sup> Balls, 'Britain's next decade'.

measures to attempt to fight a variety of 'soft' threats ranging from organized crime to illegal immigration and terrorism.<sup>109</sup>

While Brown may not have commented specifically on cooperation with the EU in this area, he has made clear where he stands in the context of the fight against terrorism at national level. Brown has highlighted security as the third of his policy priorities, and the importance of ensuring internal security is a recurring theme in his rhetoric.<sup>110</sup> He has made his views on the issue clear, for example in a Chatham House speech in October 2006 which one could argue went further than his position as Chancellor. In this speech Brown presented a tough stance on security and anti-terror issues. The new measures he unveiled were designed to counter terrorist funding, and included proposals to combat money laundering and to use closed-source evidence in order to freeze the assets of suspected terrorists. He also expressed support for technologies which can protect identities and secure multi-channel communications, and for giving police the option to hold terror suspects for 90 days.<sup>111</sup>

While Brown has not made any specific mention of measures in relation to the European FSJ project, his national position suggests he is favourable to an EU internal security agenda focused on fighting terrorism. Again there are parallels between his agenda and that of the EU: both give priority to the issue of internal security and to measures to tackle the threat of terrorism.

### *Will Brown's Britain be a pragmatic player?*

Current and previous British administrations have adopted a pragmatic approach to the EU, and a new Brown government as pragmatic player would represent a continuation of previous national policy. There are a number of areas, such as climate change, where there is the scope for Brown to use the EU as a vehicle through which to pursue his own priorities. Yet a pragmatic player approach would, by its very nature, involve a trade-off between progress in the policy areas which Brown wishes to see advanced and in other policy areas (such as the future of the constitutional treaty or EU budgetary reform) where he may have to accept outcomes inimical to his current stance.

### **At the heart of Europe**

A third option for Brown's European policy—one which would defy current expectations—is to seek to place the UK in a leadership role within the EU, realizing Blair's ambition to put the UK 'at the heart of Europe'.<sup>112</sup> This approach

<sup>109</sup> 'A strategy on the external dimension of the area of freedom, security and justice', Council of the European Union, Brussels, 17 Oct. 2005, p. 3.

<sup>110</sup> Brown, 'We will always strive'; Queen's Speech, 2006; Adams, 'Clues to Brown's agenda emerge'; interview with Gordon Brown by Andrew Marr, *Sunday AM* programme, 7 Jan. 2007; Barber and Blitz, 'Security is our top priority, says Brown'.

<sup>111</sup> Speech by Gordon Brown, 'Meeting the terrorist challenge', Chatham House, London, 10 Oct. 2006, [http://www.hm-treasury.gov.uk/newsroom\\_and\\_speeches/press/2006/press\\_72\\_06.cfm](http://www.hm-treasury.gov.uk/newsroom_and_speeches/press/2006/press_72_06.cfm), accessed 15 Jan. 2007.

<sup>112</sup> Julie Smith, 'A missed opportunity? New Labour's European policy 1997–2005', *International Affairs* 81: 4, July 2005, pp. 703–21.



would see Brown pursuing a policy close to that aspired to by Blair, but surpassing Blair's legacy in that the outgoing Prime Minister has disappointed expectations on Europe.

Despite Brown's strong criticism of some aspects of the EU in its current form, he does have a pro-European integrationist strand to his political DNA. His political career has not been characterized by a reflexive opposition to European integration. During Labour's period in opposition, Brown was strongly pro-European (even during the 1980s, when the Labour party was committed to an anti-EC policy),<sup>113</sup> and he supported joining the Exchange Rate Mechanism (ERM).<sup>114</sup> Brown surrounds himself with pro-European aides who have argued for an activist European policy. The fact that Brown dislikes certain economic policies pursued within the EU does not mean he is hostile to the wider underlying concept of the EU or to cooperating with his European partners. Brown may cavil at the direction that Europe is taking, but he does not contest the rationale for its existence. As he stated in his 2005 Labour party conference speech, 'we see British engagement in an outward looking reforming Europe as essential for Britain's future.'<sup>115</sup>

### *Euro entry*

In not being a member of the single currency, the UK currently remains outside a core component of the EU integration project. UK membership of the euro would be the realization of a key ambition of European policy, which Tony Blair failed to achieve.

Euro membership is an area of British domestic political sensitivity; Brown has not actively supported joining the single currency,<sup>116</sup> and some commentators are pessimistic about the possibility of the UK doing so under a Brown premiership.<sup>117</sup> There have indeed been whispers from senior aides that Brown wants to rule out UK membership of the euro for his whole premiership.<sup>118</sup> Brown himself has remained quiet on the issue and sheltered behind the 'five tests' that would need to be passed before UK membership of the euro could be contemplated.<sup>119</sup> When the Chancellor last assessed performance on the five tests in June 2003 he concluded officially that UK membership was not appropriate. He did, however, commit himself to producing an updated assessment in his budget for spring 2007, so a pronouncement is to be anticipated.<sup>120</sup>

<sup>113</sup> Peston, *Brown's Britain*, p. 181.

<sup>114</sup> Peston, *Brown's Britain*, p. 182.

<sup>115</sup> Brown, 'Politics is a moral duty'.

<sup>116</sup> The issue of the euro is surprisingly not even mentioned in Brown's speech and pamphlet 'Global Europe: full-employment Europe'.

<sup>117</sup> William Keegan, 'Au revoir to Monsieur Euro', *Observer*, 3 Dec. 2006.

<sup>118</sup> Brian Brady, 'Brown buries euro to capture sceptic voters', *Scotland on Sunday*, 19 Nov. 2006.

<sup>119</sup> The five tests are based on rating compatibility of business cycles and economic structures, flexibility, conditions for long-term investment decisions, and the impact on financial services, growth, stability and employment. They were introduced as a way to test if the UK economy was ready to adopt the euro.

<sup>120</sup> 'UK membership of the single currency: an assessment of the five economic tests', Cm 5776, HM Treasury, 9 June 2003, [http://www.hm-treasury.gov.uk/documents/international\\_issues/the\\_euro/assessment/report/euro\\_assesso3\\_repindex.cfm](http://www.hm-treasury.gov.uk/documents/international_issues/the_euro/assessment/report/euro_assesso3_repindex.cfm), accessed 15 Jan. 2007.

It can be argued that up to now Brown's opposition to the euro has been based on economic rationale more than on mere political principle. He has supported other European economic and monetary projects, most notably the ERM. But the experience of the UK's ejection from the ERM has been credited with convincing him (and Balls) that they should never again allow a belief in Europe to cloud their economic judgement.<sup>121</sup> Indeed, Brown's track record of policy towards the euro since becoming Chancellor has been dominated by prudence and guided by a desire to ensure that the UK economy is appropriately configured to cope with the transition to membership of the single currency.<sup>122</sup> If past behaviour is a good guide, then the prospects for a positive verdict on the euro from Brown in the spring of 2007 look poor. The average performance of the euro to date will not offer Brown and his team a compelling incentive to join the currency, and the chances that the five tests will be passed are limited.

It therefore seems highly unlikely that the UK under Brown will join the euro in the near or medium future thus the country will be consigned to continued exclusion from a key component of the European integration project. The UK is not currently under pressure from other member states to accede to the single currency and the UK opt-out from economic and monetary union remains in place, so a reversal of the current policy would represent a dramatic departure. However, such a reversal would immediately catapult the UK, and Brown, into a central position within the European integration project.

### *Foreign policy*

In addition to the failure to bring the UK into membership of the euro, foreign policy, and specifically the policy pursued towards the war in Iraq, was a key component of the devaluing of Blair's political capital with other EU member states.<sup>123</sup> Brown has an opportunity to make a fresh start on foreign policy, working with European partners. His likely position is not yet clear: Brown has only recently provided an indication of the foreign policy priorities that he would wish to pursue as Prime Minister, and it is also, of course, difficult to predict what foreign policy issues may arise.

One element that remains uncertain is Brown's strategic view of Britain's place in the world.<sup>124</sup> There also appear to be potential elements of tension between some of the ideas that he has expressed on foreign policy, in particular between his multilateralism and his strong sense of independence and 'Britishness'.

Brown is a strong multilateralist.<sup>125</sup> He has often made this clear through speeches—for example, in his UN speech devoted to climate change, in which he stated that 'international cooperation built on bold innovative statesmanship is

<sup>121</sup> Peston, *Brown's Britain*, p. 183.

<sup>122</sup> Keegan, *The prudence of Mr Gordon Brown*, p. 16.

<sup>123</sup> B. Crowe, 'A common European foreign policy after Iraq?', *International Affairs* 79: 3, May 2003, pp. 533–46.

<sup>124</sup> Philip Stephens, 'A new transatlantic role for Britain', *Financial Times*, 19 Sept. 2006.

<sup>125</sup> For an illustration see speech by Brown at the Confederation of Indian Industry, Bangalore, 17 Jan. 2007, [http://www.hm-treasury.gov.uk/newsroom\\_and\\_speeches/press/2007/press\\_06\\_07.cfm](http://www.hm-treasury.gov.uk/newsroom_and_speeches/press/2007/press_06_07.cfm), accessed 15 Jan. 2007.

again the best way forward'<sup>126</sup>—and he has confirmed it through his actions, most notably his work on global debt relief and the reform of international financial institutions. Such a powerful inclination towards multilateralism would suggest that Brown might be interested in extensive cooperation with his European partners on foreign policy issues and crises. At the same time, he places a strong emphasis on Britishness and British independence.<sup>127</sup> He sees the UK as an exception, a beacon which leads on various international campaigns (such as the fight against poverty or climate change).<sup>128</sup> Brown's desire to renew the Trident nuclear weapons system illustrates his perception of the UK as an independent and great power. But a desire for independence and a focus on the primacy of British interests rest uneasily with a desire to cooperate with his EU partners. Such tension suggests that cooperation in foreign policy may be tempered by Brown's views of the British interest, rather than driven by an inclination to strengthen the EU's common foreign and security policy.

A major element of Brown's foreign policy, and one that will be watched closely, is the degree of his Atlanticism. There are strong indications of Brown's instinctive Atlanticism. He has many influential friends in the United States, and he has made clear through various speeches the importance he places on good relations and cooperation with the United States.<sup>129</sup> At the same time, Brown's positions on many of the international campaigns he wishes to pursue, for example in relation to climate change or the Middle East conflict, are closer to those present in the EU than to those prevalent in the United States. Brown has made clear that he supports tackling the Middle East conflict through a focus on its underlying economic aspects.<sup>130</sup> He suggested recently that he would like to distance himself slightly from the United States, stating in an interview that he plans to 'speak his mind' and be 'very frank' in dealings with George W. Bush.<sup>131</sup> Such a distancing might suggest or allow for closer cooperation with European allies.

The need to help Africa and the fight against world poverty have been consistent strands in Brown's foreign policy outlook. These are areas in which Brown has made it very clear, in word and deed, that he has a strong interest, as shown by his involvement in the 'Make Poverty History' campaign. Here, again, Brown's agenda finds a parallel with that of the EU, with its strong emphasis on development.

<sup>126</sup> Brown, speech to UN ambassadors.

<sup>127</sup> Brown, 'We will always strive'.

<sup>128</sup> Brown, 'Politics is a moral duty'; Summers, 'Brown: Britain must lead way towards low-carbon world', 2006.

<sup>129</sup> 'Brown, meeting the terrorist challenge': Mark Leonard, 'How Gordon sees the world', *The Spectator*, 26 Aug. 2006.

<sup>130</sup> Ed Balls and Jon Cunliffe, 'Economic aspects of peace in the Middle East: HM Treasury interim progress report', 20 Jan. 2006, [http://www.hm-treasury.gov.uk/media/E7D/DC/economicaspectsofpeace\\_middleeast200106\\_.pdf](http://www.hm-treasury.gov.uk/media/E7D/DC/economicaspectsofpeace_middleeast200106_.pdf), accessed 15 Jan. 2007.

<sup>131</sup> Interview with Brown by Andrew Marr, *Sunday AM* programme, 7 Jan. 2007. Transcript available at <http://news.bbc.co.uk/1/hi/ukpolitics/6241819.stm>.

## *Enlargement*

EU enlargement is another policy area on which Brown has not yet made significant pronouncements. This is an area of significant current controversy within the EU, the most salient elements being the perception in a number of member states that the EU is suffering from enlargement fatigue, and opposition to Turkish accession.

The UK has traditionally been a supporter of enlargement and there are no indications that a Brown administration would break with that trend. Brown has stated on various occasions that he admired the EU for its enlargement policy to date and in its success in promoting peace in Europe.<sup>132</sup> His desire to rebalance the cohesion funds to focus on the EU's poorest countries—mainly the newest member states—is another indication that he supports the new member states and supported enlargement. This consistent support has helped place the UK at the heart of Europe on this issue. Although enlargement of the EU represents a difficult policy area for a number of member states (Austria, France and Germany in particular on the question of Turkish accession), it will be an area with which Brown is likely to be comfortable.

## *A new leadership dynamic*

Finally, it is possible that the EU's policy priorities might move closer to those of Brown, set out above. Most member-state governments are well aware of the need for European economic and social reform. In these areas Brown's views, and the economy that he has overseen in the UK over the past decade, represent functioning alternatives to EU countries grappling with reform. Brown already has a like-minded leader at the European Commission in President Barroso, and in the two other key European capitals of the EU 'big three' reform-minded politicians are either already in office (with Angela Merkel in power in Berlin) or anticipated (with Nicolas Sarkozy as the centre-right candidate or Ségolène Royal as the centre-left candidate likely to take power in Paris). This offers the possibility of a new policy consensus within the EU.

The bilateral diplomacy that Brown pursues with Germany and France, and with other EU member states, will be closely watched in the UK and in Europe. Influence and leadership within the EU operate on the basis of effective European bilateralism. Blair sought a series of bilateral relationships with European leaders on the basis of similar outlook rather than shared party political affiliation. This led to alliances such as those with the Italian Prime Minister Berlusconi and the Spanish Premier Aznar.<sup>133</sup> This approach, labelled 'promiscuous bilateralism' by Smith, has not led to enduring alliances or to a durable replacement for the Franco-German alliance that has historically driven the integration project forward.<sup>134</sup>

<sup>132</sup> Brown, statement to the European Parliament; Brown, 'Global Britain, global Europe'; Brown, 'Global Europe: full-employment Europe', p. 2.

<sup>133</sup> Julie Smith and Mariana Tsatsas, *The new bilateralism: the UK's bilateral relations within the EU* (London: RIIA, 2002).

<sup>134</sup> Smith, 'A missed opportunity?', p. 709.

Blair's relationships with the two key European figures of German Chancellor Schröder and French President Chirac deteriorated severely, and the change of prime minister in the UK, coming alongside a new president in Paris, creates the conditions for a change of temperature in Franco-British and British-German relations.

### *At the heart of Europe?*

The EU itself is in something of a state of flux. Changes of leadership are imminent in the three largest EU member states; there were difficulties in the ratification of the constitutional treaty; and the Union is still digesting its two most recent enlargements in 2004 and 2007. The fluid political dynamic of this 'new' EU represents an opportunity for British diplomacy—and for Brown, if he wishes to play a leadership role within the Union. However, this new direction for UK European policy would require a dramatic divergence from the policies pursued by Blair: not least, seeking closer foreign policy harmonization with other EU member states and making a convincing commitment on a timetable for British accession to the single currency.

### **New prime minister, new Europe policy?**

Analysis of the different issues on the current European agenda illustrates that Brown's positions are already well defined in a variety of EU policy areas. In some fields, in particular on the economic agenda, Brown has expressed his ideas very explicitly and in detail. In others he has been less explicit, but it has been possible to infer his position on a number of elements of European policy.

A new Brown-led government will face options similar to those that have been presented to its predecessors in defining a broad European policy. Brown will also be confronted with a choice between continuing to pursue Blair's European policy and seeking to define a new aspect for Britain's relationship with the EU and its member states.

There is little to suggest that Brown is hoping to realize the Blair-led government's ambition of putting the UK at the heart of Europe. Given his known standpoints on a number of European policy issues, either the option of awkward partner or that of pragmatic player appears more likely.

However, Brown's European position will not be entirely of his own making. It will be influenced by the policy issues at stake—by the events and crises that will develop during his premiership on the international stage; and also by personality factors—by the individuals who will be his counterparts and partners in Brussels and across Europe. The domestic arena will be another key determinant, especially with the run-up to Brown's first pursuit of a direct mandate as prime minister in the general election anticipated in 2009/10. The only certainty for Brown as prime minister will be that Britain's position in Europe will be an unavoidable and fundamental strand of his wider foreign policy.