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Dear Prime Minister,

The bitter rows over the appointment of Jean-Claude Juncker to the Commission presidency show what a difficult task you have set yourself: negotiating reforms to the EU and then winning a referendum in 2017 on keeping Britain in. Some of the reforms you want would require unanimity among EU governments, and others a qualified majority – and none of them is achievable unless you can find many allies. Yet in the vote on Juncker’s appointment only Hungary backed you.

You and your team still feel bitter about the Juncker affair. You saw the system of *Spitzenkandidaten* – whereby the candidate of the party with the most MEPs becomes president – as a bid by the European Parliament to grab more power than the EU treaties have given it. You understood that the system would do little for democracy in the EU, since most of those voting in the European elections had never heard of the candidates. And you thought Juncker was not the ideal person to modernise the EU. Many leaders agreed with you on these points (as did the CER). Yet 26 of them backed the Luxembourger, because they really thought *Spitzenkandidaten* would enhance democracy, or they did not want to cross Germany once it had declared for Juncker, or they thought he would win and wanted to secure a good job for their commissioner. For the first time in the history of the EU, a big country was steamrollered on an issue that it considered a vital national interest.

So you and your colleagues have every reason to feel aggrieved. But I fear that the sense of grievance may prevent you from grasping that *your government has a serious credibility problem in other EU capitals*. Some leaders – including those sympathetic to Britain – ask if you are not more focused on party management, satisfying Conservative eurosceptics and winning back votes from UKIP than on keeping Britain in the EU.

These leaders observe your recent reshuffle, in which you sacked ministers favourable to the EU and the European Court of Human Rights. They look at your choice of commissioner: for the tactical benefit of avoiding a by-election you appointed an unknown member of the House of Lords (though happily it turns out that Jonathan Hill is both serious and pro-EU). They recall the strident manner of your opposition to Juncker, even when it was clear that he would win; and some of them claim that you threatened to

harden your policy on the referendum if Juncker became president.

These recent events followed a long history of eurosceptic policies – from leaving the European Peoples Party to rejecting the fiscal compact treaty – that have eroded goodwill towards you. All this gives others an excuse not to take your ideas for reform seriously (and creates a climate in which a surprising number of senior Germans believe pernicious myths, such as that you have demanded wide-ranging opt-outs from European Union policies).

EU leaders lament that you did not follow through the argument for British membership that you started to make in your January 2013 Bloomberg speech – when you promised to campaign for a Yes “with all my heart and soul”. Since then you have merely written a couple of short newspaper articles. You could have used your government’s review of EU competences – which showed that the impact of the Union on the UK was mainly positive – to make the case for membership; but you chose to give very little publicity to the results.

Other leaders assume that you are simply unwilling to confront Conservative europhobes. But if you want to win a referendum, at some point you will have to try to convince the British people of the EU’s merits. If you leave this till the last minute it may well be too late. If you spoke out on the benefits of EU membership, you would convince many governments that you have a serious strategy for keeping Britain in.

So my first piece of advice is to level with the British people and explain what is stake for their prosperity and security. More Bloomberg speeches, please. Of course this would upset many Conservatives, but you are going to have to do that at some point. When you decided on a referendum, you knew your party might face another 1846 moment; Robert Peel did the right thing in passing the repeal of the Corn Laws, but split his party irreparably in doing so.

Second, keep your demands for reform within the realm of the possible. By now you probably realise there is unlikely to be a new EU treaty before your referendum (though you have had some advice to the contrary). Germany would like a few treaty changes to strengthen the legal foundations of eurozone governance but is in no hurry, while most other countries, including France – worried about the difficulties of ratifying a new treaty – are firmly opposed. The absence of a new treaty that requires your signature will limit your bargaining power in a negotiation. Many in your party will push you to ask for the unattainable in the hope that you will fail. Resist them. And if you can be

more precise about what you want, you will have more credibility and others will be more willing to work with you.

“*Though you have reason to feel aggrieved, the UK has a serious credibility problem in other EU capitals.*”

Third, to maximise British influence you need to do a better job of building alliances. Tell ministers and top officials to spend more time forging friendships in other capitals, some of which share the UK’s views on particular issues. The British tend to ignore smaller countries, which together have a lot of votes in the EU. And they should have worked harder to retain the friendship of the Poles and other Central Europeans, who used to be allies but have been put off by (amongst other things) anti-immigrant rhetoric in the UK.

Britain would have more friends if it were prepared to take the lead more often, in areas where it has expertise, such as foreign policy, defence, energy, climate, trade and the single market. You and your ministers also need to behave in a clubbable way – not threatening people, but engaging in a spirit of compromise and helping others with their problems. You did that in last year’s talks on the EU’s seven-year budget cycle and won a good deal.

If you worked along these lines, you would find your EU partners more co-operative. They want Britain to stay in the club but have so far paid little attention to what ‘Brexit’ would mean for the EU’s global standing, foreign policy, economy and so on. Nor have they thought enough about the efforts they will need to make to help keep Britain in. You can encourage them by moderating your policies and rhetoric. If – as seems possible – you start attacking and cutting ties to the European Court of Human Rights you will discourage your partners from helping you reform the EU. You cannot both placate the eurosceptics and lead a successful referendum campaign.

Yours sincerely,



Charles Grant  
Director, CER