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# **The British Presidency of the EU and British European Policy**

**Discussion  
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*Doug Henderson*

## **The British Presidency of the EU and British European Policy**

It is a pleasure to be in Bonn today, following my interesting day in Berlin yesterday. My visit gives me at first hand a better opportunity to understand how much we in Britain and you in Germany have in common. A common vision of a greater European Union firmly entrenched in democratic politics and human rights across the continent - which was previously unnaturally divided by the events of post-1945 European history. A common vision of an outward looking European Union highlighting liberal trading policies and ensuring a more coherent approach to international affairs. A common vision of a reforming European Union which recognises the need for budgetary discipline; but at the same time is determined to make the Single Market work and to give priority to social and environmental issues.

I will be at the Königswinter Conference in Edinburgh on Friday when I will have another opportunity to meet German friends. I know that in Edinburgh there will be a strong expression of common views, common values on those matters which bind us together and make us close partners in a political, economic but also social sense. It is, I believe, a good moment to look at our approach in Britain to Europe – almost a year after the election on May 1 last year and at a time when we are half way through our Presidency. Britain's attitude to Europe has changed over the past year. We want to be positive and constructive in our bilateral relations with European partners and with the European Union as a whole. We want to play a major part in determining Europe's destiny. We want

to lead when we have good initiatives which we believe can help strengthen the whole of the European Union. But we also want to back good initiatives from our partners. We see Europe as our natural home. We know that our future lies with Europe. We see Europe as an opportunity, not a threat, and as a strength and not a weakness. We are determined to play a leading role in the European Union, and we want to help shape its future.

I was propelled into this job just a few days after the election. I was summoned to London by the Prime Minister for a quick briefing on the Intergovernmental Conference. Then I was handed a speech to learn and told to be in Brussels at 9 o'clock the following morning. There was a real sense of expectancy. As I set out the new Labour government's approach, including our intention to join the Social Chapter, there was total silence. I was worried. When this happens to you at a meeting of your local Labour party, you know it's time to get a new script – or a new job. My Dutch colleague Micheil Patijn afterwards told me that being listened to in silence was the highest honour in the Council of Ministers. I have to say it has not happened to me many times since. But I hope we have not disappointed that sense of expectation with which I was greeted on my first day.

We have travelled a long way since then. The Intergovernmental Conference concluded successfully in Amsterdam and we are now well advanced in the ratifying of the Treaty in the British parliament. Our participative and constructive approach is paying dividends in our own country. Public support is increasing for our new role in Europe and also for European activities. Increasingly people realise the importance of the European Union to their lives and to their prospects. It is not the government's role to propagandise about Europe. It is, of course, our role to inform public opinion in Europe and in the UK of activities in the European Union. But what I believe influences public opinion is the life experience of people. The potential is there. People in Britain are keen to be part of Europe. They increasingly realise the importance of the European Union to their

lives, to their prosperity. Workers at the Nissan factory near my constituency know that their jobs depend on the Single Market. Without this market, their jobs would never have been created. Without this market, their jobs would not exist tomorrow. And what we also know, is that a positive attitude between their country and the European Union is crucial to attract new investment.

Our Presidency plans have focussed on the people's agenda. And the projects we have arranged for schools and young people have been geared to extending our European experience. Our Ambassador for a Day competition in Britain has had an excellent response from young people who are excited by the possibility of being a European representative for the day. I am particularly indebted to your Foreign Minister, Klaus Kinkel, for his agreement to allow a young person to shadow him for the day. Our Presidency of the European Union has given us a great opportunity to demonstrate our new thinking and new attitudes. Before we set out our stall for the Presidency we were able to indicate the government's new approach to European Monetary Union. We have abandoned the last government's hostility to EMU. We do not see it as a threat to Britain's sovereignty. We believe a successful single currency could be good for Britain; as well as good for Europe more widely. We want to see Britain joining EMU – when it makes economic sense, for us and for you. An EMU based on strong and enduring convergence between the European economies. And with strong public support. That was Gordon Brown's message last autumn. EMU will be one of the key issues for our Presidency of the EU. Critical decisions on the single currency will be taken on 2 – 3 May. We are determined to chair these meetings effectively and fairly.

But we also want to use the Presidency to re-engage the British people in the European project. That is why our priorities are issues of public concern: jobs; crime; the environment. We want Europe to mean something to our citizens – something positive and good. And we were pleased to receive a full endorsement from the Council of Ministers for our Presi-

dency priorities. But we also need to look outwards. We want Europe to be strong and confident in the world. And we want our Presidency to help take this forward. We want to see the European Union as an equal partner to the Americans in the Middle East. We want to get Europe the credit it deserves for all we are doing in Bosnia. We want to build new bridges across the Atlantic to encourage trade and investment.

But I would like to address as my main focus the question of the enlargement of the European Union. When I was in Berlin yesterday I contrasted what I had seen on my previous visit ten years before with what I saw yesterday. Ten years ago I witnessed a divided city, looking to the past, shrouded with suspicion and unsure of its future. Yesterday I saw a united city, vibrant, building a new community and looking to the future with a huge sense of expectation. I believe we are living through, and will in the years ahead live during, one of the most significant times in European history. The Romanian European Minister Mr. Alexandru Herlea said on the European Conference which was held in London two weeks ago that it was a historic day for him and for his nation. I believe that there is a historic opportunity open to us all. An opportunity to build peace through security across a wider Europe. An opportunity to prosper in a growing market of an extra 100 million new consumers in Central and Eastern Europe. An opportunity to tackle crime and drugs over a wider area of jurisdiction. An opportunity to improve our environment across borders which would previously have been impossible. And an opportunity to add weight to Europe's presence on the world stage. It is a big external challenge. It offers us, I believe, historic opportunities to put right the wrongs of fifty years and more.

We need to consolidate and extend change. That is why we are determined to get the enlargement process moving as fast as possible. The candidates have already been waiting too long. Next week in Brussels we will launch the Accession Process. All the ten Central European candidates and Cyprus will be there – to symbolise the inclusiveness of our approach to enlargement. The next day, actual negotiations will begin with

the best prepared – starting with the process of screening their national legislation. By the European Council in Cardiff, we do not expect a great leap forward. But we want to record solid progress; and to hand on a process with real momentum. We want to see each candidate country treated on its merits. Enlargement is not a matter of waves, or “ins” and “outs”. It is a matter of finding the shortest route between two points; between where each candidate is now and its desired destination – EU membership. The new Accession Partnerships provide the principal tool to achieve this. They should each be tailored to the requirements of an individual country. They will allow us to use EU aid more effectively; and ensure it is better targeted for the preparations for accession. Above all, we want to see this aid used to help the Central Europeans build up their institutions and administrative structures. That is what they lack. Our goal should be to see the candidates ready and able to assume the full obligations of the *acquis* from day one. We do not want to see second class membership offered to our neighbours. That would be wrong. And, over time, a recipe for bitterness and disagreement. We know they all have a long way to go. But it is our firm determination to offer them all the help we can. Ensuring successful enlargement is not just a matter for the Central Europeans. We in the EU must also reform.

Three reforms are, I believe, necessary to ensure successful enlargement: Firstly, we must successfully agree new internal budgets and agricultural and structural funds reform. It is essential we make progress on these issues. That is why we want to take forward work on Agenda 2000. We welcome the work the Commission has done. We do not agree with every conclusion they have reached. But, as Presidency, our goal is to get a proper debate going. It is vital to get the EU’s key policies right for the 21<sup>st</sup> century; and to fund them sensibly and fairly. So speaking nationally for a moment, we need an EU Budget which acknowledges the same constraints as our national budgets. There is no pot of gold in Brussels. Any more than there is in Bonn or London. We also need to bring our policies up-to-date. The Common Agricultural Policy was designed in the 1950s. It was the right answer then. But it needs reform. We, of course, need an

agricultural policy. But we need one which responds to changing circumstances and changing requirements. That means a CAP which channels resources to those in most need; which ensures the best use of scarce resources and which protects our environment. We will need to offer countries such as Hungary a fair deal when they join. If they can meet the EU's existing standards, they will rightly expect to be treated just like existing Member States. This will mean proportionally reduced receipts for existing Member States. We need to be honest about this with our citizens. Neither Germany nor Britain would countenance increased expenditure across the board. In the next year or so we need to craft a set of regional policies which provide targeted help to those who need it; and which reflect relative prosperity across the Union.

Secondly we must reform our institutions. We are working with arrangements which were largely devised over 40 years ago – for a community of 6. These will need to change, in a Union of 20 plus. We need to reform the Commission; adjust the voting arrangements; and ensure that the EU is in a position to act effectively into the 21<sup>st</sup> century. This adds up to a serious agenda. But not one which should deter us. We have the capacity to tackle it.

And third, we need to address the question of competitiveness of our economies throughout the EU. I believe that any sense of economic failure in the European Union would lead to a lack of public confidence in the Union activities generally. Economic stability and progress are therefore, I believe, essential if the Union is to strengthen internally and to play an increasing role world-wide in building peace, encouraging economic development, contributing to a sense of social justice and human dignity and improving our environment. Many of our enterprises throughout Europe operate in a global context. With global markets, global technology, global finance and global production systems. A factory in Newcastle Upon Tyne in my constituency in North East England does not only compete with another factory in neighbouring Sunderland. Indeed factories in the North East of England do not only compete with

factories in the Ruhr. Factories throughout the whole of Europe compete in a global world. If we are to get the best from the Single Market, then our industrial and commercial strength can only be enhanced in a global context. To achieve that I believe that we must be more adaptable. We must commit more resources to research, more resources to development of products, more resources to modernise production systems and more resources to get better marketing. It is only if we do all that and more that we will all be able to compete because we have raised competitiveness.

That is what employability is about. It is about giving our people throughout Europe a better chance to create wealth in a global context. And I know that that is at the core of much thinking in Britain and in Germany. We both recognise that a government's role is to help to create the right climate to achieve these goals, but this new third way, between untrammelled freedom of the market and old-style corporatism, is not just about change in the market place. It is also about social values. As we develop our thinking we must be clear in deciding what initiatives can best be taken at European level and also in understanding what initiatives are better taken at nation state level. But at what ever level initiatives are taken, I am absolutely clear that the main we in government can do to enhance the opportunities of our people is to prepare them for change. Better education and training is clearly crucial, and I know we all look forward to studying the Employment Action Plans of our partners as we move towards the Cardiff Summit. It is the investment which I believe can make the difference in our ability to improve competitiveness – something which I think you have always recognised in Germany. Governments must also guard against creating rigidity in labour markets which can act against managers and workpeople making the changes that are necessary to adapt to new global challenges. But there is a strong case for social justice. That is why we signed up for the Social Chapter at European level. And why we will promote welfare to work schemes, minimum wage legislation and union recognition procedures in Britain.

Britain and Germany will be working together in many areas. Our strategy and our policies must carry popular support throughout Europe. For we all know that without this the Union's future will, at the very best, be uncertain. But we also need to explain and communicate. People must feel involved and be involved. That means a Europe which is transparent. A Europe in which decisions are taken at the lowest possible level: EU, national, regional or local. In a nutshell: a German idea – subsidiarity. Not an elegant word in English. But an enormously important concept. And one which will lie at the heart of a successful Union. I look forward to working with you to make this a reality during our Presidency, through the Austrian Presidency to your own when I believe many crucial decisions will be taken which will determine whether or not we make progress towards enlargement, how it takes place and at what speed it takes place.

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