

A Centre for a Social Europe publication



## Why the left should reject the Constitution: **a progressive case for reforming the EU**

Autumn 2004

 Centre for a  
**Social Europe**

# Foreword —

## Working together: A new, democratic Europe is possible

**Sören Wibe,  
Swedish Social Democrat MP**



The European Union is changing. You may not have noticed because change in such a bureaucratic body is always going to be slow. But change is coming. For many years we were told that citizens of each Member State couldn't pick and choose — there would be no "à la carte Europe". But today less than half of the EU's countries have the euro, not all countries are members of the Schengen Agreement, and a large number of countries will decline to join the proposed EU army. The "à la carte Europe" is already here.

This new EU — where countries can participate in initiatives like the euro as they see fit — is the right development for Europe. We want an EU which encourages co-operation but doesn't force integration on its members. Diversity and close links between the citizens and the elected politicians have historically been an important source for the development of Europe, its culture and its economy. We want to sustain diversity, and democracy, in Europe. A centralised Europe, run by a Brussels elite, will be a weak and democratically unstable Europe. A Europe based on dialogue and co-operation between democratic nation states will be a strong Europe.

One way the integrationists try to smear those of us who worry about things like democracy is to say that we are isolationists. Nothing could be further from the truth. We strongly believe in internationalism, but we oppose giving up control. Raising the level of debate is crucial. I am delighted that those on the centre-left in the UK have formed the Centre for a Social Europe. I look forward to working with you to achieve a 'no' vote in your referendum as the first step to building a new, more open and democratic Europe.

*Sören Wibe is a Social Democrat MP in the Riksdag, the Swedish Parliament. He was previously a Member of the European Parliament, and is a Professor of Economics.*

# Contents

Introduction by Ian Davidson MP .....	5
The case for a <i>social</i> Europe .....	6
Europe needs real reform .....	8
The Constitution is a step in the wrong direction.....	12
Reconnecting the EU with its citizens .....	16
Who we are .....	19

## Introduction



For a long time, too many progressives have been quiet about the shortcomings of the EU. Those of us who try to raise the issue of EU reform are often accused of being “anti-Europeans” or “little-Englanders”. We need to raise the level of debate on the EU.

The Centre for a Social Europe is supported by internationalists who back an EU based on the ideal of European co-operation. But we think it is time to accept that the current model of the European Union is not working.

Neo-liberal economics, too much centralisation and a failure to tackle extensive fraud and waste are leading to an ever greater disconnection between EU institutions and the people they are supposed to represent. Europe needs to change. Saying “no” to the Constitution is the first step towards real reform.

I am delighted that the Centre for a Social Europe has been formed and I hope that after reading this introduction to the organisation, you will want to join us in this debate.

A handwritten signature in black ink that reads "Ian Davidson".

**Ian Davidson MP**

Chair of Advisory Board

# The Case for a Social Europe

---

*"Being a 'good European' does not mean accepting the status quo or even a consolidation or 'tidying up' of the status quo."*

**Gisela Stuart, Labour MP and member of the EU's Convention, August 2003.**

## The Case for a *Social* Europe

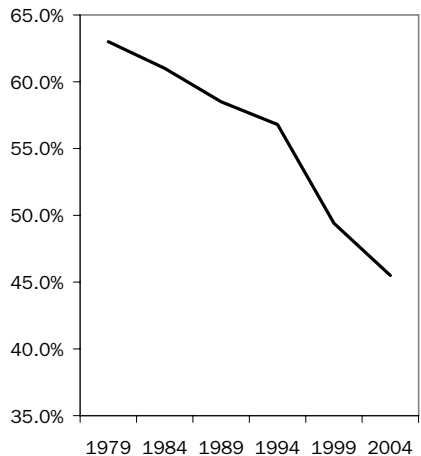
It is time to accept that the current model of the European Union is not working. The EU is doing too much, and doing it badly. It is wasteful and inefficient; auditors have refused to sign off the EU's accounts for nearly a decade because of the scale of fraud. Voters do not understand why more and more powers should now be transferred to Brussels.

The concept of the EU as a benevolent, socially-orientated international body is being undermined. Trade Unions witness commercial policy pushing privatisation of services. NGOs watch EU Commissioners lobby for the WTO to liberalise trade rules at the expense of the developing world. And taxpayers watch billions and billions of pounds being wasted on the Common Agricultural Policy. The neo-liberal economic policy championed by the European Commission is contributing to high unemployment across the continent.

The latest European Parliament elections witnessed a record low turn-out across Europe and a rise in support for parties opposed to the EU. Unless the European Union begins to listen to the concerns of its citizens, and embrace change, its popularity will continue to decline.

The majority of voters support UK membership of the European Union but they want to see the EU adapt and change for the 21st Century. The Centre for a Social Europe aims to develop and promote a progressive agenda for EU reform.

**Voter turnout in Euro elections**



Source: UK office of the European Parliament

*"Power should be where democracy is working. Turnout was very low in the European elections all over Europe. As long as democracy is very weak on the European level and as long as the Right has control of the European institutions, we should avoid giving more powers to the EU."*

**Anna Hedh MEP, Swedish Social Democrats.**

# Europe isn't working...

---

*"At the end of the day, people have to ask themselves why Europe has grown so slowly over the last few years."*

**Gordon Brown, Chancellor of the Exchequer, November 2003.**

## ...and needs real reform

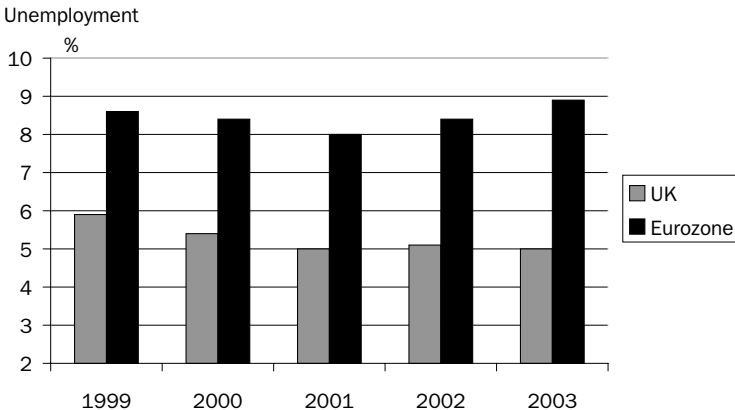
Europe needs to change in a number of important areas:

### **Economic policy:**

In an era of growing global challenges, the EU is attempting to push outdated 1980s neo-liberal policies.

The European Commission is putting pressure on Member States to liberalise their labour markets. The eurozone's inflexible rules mean that governments have privatised public services to balance their budgets. The European Central Bank has a short-termist obsession with inflation, rather than with creating jobs.

### **Unemployment in UK vs Eurozone**



Source: Eurostat

As a result, the core European economies have now suffered years of very high unemployment.

The need for change should be clear, but the Constitution commits the EU to the same old policies.

---

*"It is time that those of us who want the European Union to survive into the 21st century faced up to the real challenges ahead. The world has changed since 1957 and the EU better change too."*

**Gisela Stuart, Labour MP and member of the EU's Convention, August 2003.**



### **Agriculture:**

Tony Blair is right to say that the Common Agricultural Policy (CAP) needs “major change”. The CAP costs the average household £1,000 a year — and it costs the poorest households in Britain more than the well-off. It helps big agri-businesses at the expense of small farmers.

The CAP hurts the world’s poorest people. Its combination of protectionism and the dumping of subsidised products on the developing world has had grotesque effects on poor countries’ ability to develop. Reports from charities and development agencies like CAFOD and OXFAM have exposed the human cost of the CAP.

---

*“CAP undermines the livelihoods of millions of farmers in developing countries.”*

**Catholic Agency for Overseas Development, September 2002.**

The Government admits that the CAP damages the environment. By signing the Constitution we would entrench the CAP for another generation.

**Regional aid:**

Money desperately needed for the regeneration of our inner cities and deprived rural areas is being wasted by overlapping layers of administration and bureaucracy. It seems obvious that such decisions are better made at a local level than in Brussels.

Gordon Brown is right to say that power over regional policies should be returned to Member States. But by signing the Constitution the Government has thrown away the opportunity for reform. They have agreed to lock in the old, failing policies of the past.



---

*“When the economic and social, as well as democratic, arguments on structural funds now and for the future so clearly favour subsidiarity in action, there is no better place to start than by bringing regional policy back to Britain.”*

**Gordon Brown, Chancellor of the Exchequer, March 2003.**

# The Constitution takes Europe in the wrong direction...

---

*"The government has drawn its European red lines in the wrong place. We are not at the heart of Europe, but in the wallet of big business and there are no votes in that."*

**Derek Simpson, General Secretary of Amicus, June 2004.**

## ...and is a step back for the left

The Constitution ignores the concerns of the EU's citizens. It gives more power to unreformed institutions, weakens the ability of governments to manage their economies, and undermines public services. The Constitution takes the EU in the wrong direction. The centre-left should reject the treaty as the first step to reforming the EU.

**EU power over public services.** The Constitution would for the first time give Brussels new powers to decide, by majority vote, what counts as a 'public service'. This could also mean that it is up to the EU to identify which areas of Member States' public services would be exempt from competition policy, and which areas would be opened up to competition from the private sector.

**More power for Brussels over trade policies.** The Constitution will also see greater entrenchment of the EU's Common Commercial Policy in areas such as health and education. This could mean more compulsory competitive tendering in public services and greater use of Private Finance Initiatives. The Government initially opposed these moves, but agreed to the change during final negotiations on the Constitution.

**More power over the economy.** The Constitution further tightens the EU's Broad Economic Policy Guidelines, an economic planning framework that the European Commission uses to encourage Member States to reduce public spending. Member States threatened with censure under the Guidelines would lose the right to participate in the vote on whether or not they should be censured.

**Militarisation of the EU.** The Constitution sets up a new Armaments Agency which will encourage EU members to increase military spending. The Agency has the power to "strengthen the industrial and technological base of the defence sector" and is

---

*"The text is a catastrophe. It tries to set an economic system in stone — which has never been done in a Constitution before — it is completely opposed to the socialist project."*

**Henri Emmanuelli, French Socialist MP and former head of the Socialist Party, July 2004.**

likely to lobby for more of the EU's research funds to be ploughed into "dual use" military projects. The Campaign Against the Arms Trade has already said it is "extremely disappointed" that the Agency has been included in the Constitution.

**The Common Asylum Policy.** The Constitution sets up a Common Asylum Policy, which will be decided by a majority vote. This means that Britain could be outvoted on issues concerning immigration.

**More centralisation.** The Constitution marks a further shift of power to EU institutions and away from the local and national levels. In total, Member States would give up their right of veto in 43 new areas.

**A raw deal for working people.** Trade Unions across Europe want guarantees that Europe can help deliver better consultation at work and protection during industrial action. But the Government fought hard to ensure that there is no new social protection in the Constitution and no new rights to help Trade Unions represent people at work. Denis MacShane, the Europe Minister, recently told Parliament, "The EU Constitutional Treaty's social and employment policy provisions are largely unaltered when compared to previous treaties".

The Charter of Fundamental rights was designed to give people a set of common rights. Tony Blair has previously called our labour laws "the most restrictive in the western world" and he went out of his way to stop the Charter from having legal effect. It will now be a lawyers' charter, as the European Court of Justice will have to decide what it means.

---

*"An increase in military capabilities is in contradiction with the EU's stated aims of peace and sustainable development and will divert resources from other areas of public spending."*

**Quaker Council for Europe, May 2003.**



*“GMB members have made it clear to me this week that unless Britain fully introduces the new rights at work enshrined in the Charter they will expect their union to be campaigning for a No vote.”*

**Kevin Curran, GMB General Secretary, June 2004.**

# Europe's future: reconnecting the EU with its citizens

---

*"There is a chasm between the British people and the Brussels Institutions."*

**Peter Hain, Leader of the Commons, July 2004.**

# Making the case for a *social* Europe

In the negotiations over the Constitution the Government failed to stand up for a social Europe. That is the wrong approach. Unless the Government stands up for a social Europe, the EU will become even more disconnected from its citizens.

Voters shouldn't have to choose between those politicians who want more power to be transferred to Brussels and those politicians who want to wreck the whole project. Voters want to see a new Europe where Britain is able to protect and enhance its social and economic interests while co-operating with other countries where the benefits of co-operation are clear. A social Europe is best delivered by individual countries, where power is accountable and closer to the citizen.

Rather than being a "tidying up exercise", as Peter Hain described it, the Constitution reflects the worst of the EU's current failings – a monetarist obsession with controlling inflation rather than creating jobs, the Commission's desire for ever more power over Member States and the iniquities of the Common Agricultural Policy. The first step on the road to reforming the EU must be the rejection of the Constitution.

---

*"This Constitution is not born of what citizens are saying... [it] is not the Constitution that Europe needs."*

**Willy Meyer MEP, Spanish United Left Party, June 2004.**

# Who we are



# Who we are:

## Advisory Board members

### **Ian Davidson MP**

Chair, Labour MP for Glasgow Pollok

### **Prof. Philip Arestis**

Director of Research, Cambridge Centre for Economic & Public Policy

### **John Cryer MP**

Labour MP for Hornchurch

### **Gwyneth Dunwoody MP**

Labour MP for Crewe and Nantwich

### **Dr. Ian Gibson MP**

Labour MP for Norwich North

### **Roger Godsiff MP**

Labour MP for Birmingham Sparkbrook and Small Heath

### **Zac Goldsmith**

Editor, Ecologist magazine

### **Kelvin Hopkins MP**

Labour MP for Luton North

### **Caroline Lucas MEP**

Green MEP for South-East England

### **Vince Mills**

Director, Trade Union Research Unit, Glasgow Caledonian University

### **Prof. Malcolm Sawyer**

Professor of Economics, Leeds University Business School

### **John Norris**

Green Party International Co-ordinator

### **Mark Seddon**

Labour Party NEC

### **Dr. Molly Scott Cato**

Green Party economics speaker

All members of the Advisory Board serve in a personal capacity.

Contact us:

If you would like more information about the work of the

**Centre for a Social Europe**, please email [info@social-europe.org.uk](mailto:info@social-europe.org.uk)

or visit our website: [www.social-europe.org.uk](http://www.social-europe.org.uk)

“ Voters shouldn't have to choose between those politicians who want more power to be transferred to Brussels and those politicians who want to wreck the whole project. Voters want to see a new Europe where Britain is able to protect and enhance its social and economic interests while co-operating with other countries where the benefits of co-operation are clear. A social Europe is best delivered by individual countries, where power is accountable and closer to the citizen. ”

Produced by the **Centre for a Social Europe**  
7 Tufton Street, Westminster, SW1P 3QN

Design by Lithoprint, [info@lithoprint.ltd.uk](mailto:info@lithoprint.ltd.uk)

For further copies of this publication, please email [info@social-europe.org.uk](mailto:info@social-europe.org.uk)