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Research Report

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How the UK Became Politically Dependent on Germany

And Why Germany Should Exploit the Situation for a New Bilateralism

Roderick Parkes

Last week's British/Baltic/Nordic summit gave Berlin cause for reflection. Germany, keen for new means of representing its interests in the EU, has been at a loss to exploit its relations with the UK. The summit suggested it had now missed the boat. The problem is thorny: the UK simply remains too little committed to the EU for Berlin and London to pursue common projects on a strategic basis. Shared priorities for EU action – such as, at present, towards Belarus and Tunisia – emerge almost at random, and any British-German partnership tends to be largely ad hoc. Yet if this shows anything, it is that Berlin is looking at the problem from the wrong angle. The basis for any new bilateralism should not be those areas where British and German priorities fleetingly converge, but rather those where the UK is structurally dependent upon Germany's influence as an EU-insider.

For Berlin, the idea of forming an alliance with a British government headed by David Cameron would have been unthinkable until recently. But much has changed since 2009 when Cameron snubbed the Christian Democrats and withdrew his MEPs from the European People's Party (EPP). The Euro-crisis has pushed Germany to explore all available options to increase its clout in the EU, including through a stronger relationship with the UK. So it is frustrating for Berlin that it cannot identify a stable basis for this relationship.

Typically stressing the global rather than the European perspective, Britain's commitment to the EU is simply not the same as

Germany's. On the rare occasions where the UK brings a constructive proposal to EU negotiations, this is often aimed at agenda-setting on a global level. Germany, more closely bound into the Schengen and Euro areas, believes in the value of European solutions per se. This difference of perspective means that, even when their priorities on, say, economic policy seem to converge, the two countries will still disagree about the EU's place in their realization.

British marginalization

This EU commitment-phobia makes London an unattractive partner for another reason: Germany is looking for influential partners, and even the UK's recent effort to build an alliance with Baltic and Nordic states speaks of a position of weakness rather than strength on EU affairs. London's unwillingness to commit to the EU as the prime locus of its international political and regulatory activity leaves it marginal to European negotiations – hence the search for relations with other “outlier” states in the Baltic and Nordic region.

Over time, Britain's instinctive defensiveness towards new European initiatives and its desire for flexibility have gained unbending institutional form. In the course of successive treaty reforms, London has secured for itself formal rights of non-participation in EU policy areas such as home affairs. As European integration deepens, however, the UK has found itself deeply affected by EU decisions even in areas where opt-outs and flexible arrangements formally safeguard its autonomy. This has left the UK seeking to influence EU policies from the fringes.

And it is not only in the British opt-out arrangements that this pattern of semi-detachment pertains. The desire for autonomy was also clear in David Cameron's decision to withdraw from the EPP: under pressure from eurosceptic Conservative MPs, he simply could not share the EPP's advocacy of the kind of federal Europe which would cement the EU as the prime locus of the UK's international activity. In making this decision, Cameron knew that he was jeopardizing the UK's influence in the European Parliament. He went ahead regardless.

Dependence, not partnership

The recent negotiations on the EU financial supervision package illustrate the drawbacks of Cameron's decision. His MEPs reportedly pushed for three rapporteurships, expressing the kind of assertiveness

that might have been associated with membership of a larger parliamentary group. Unimpressed, their fellow MEPs – egged on by the EPP – handed even the one dossier earmarked for the Conservatives to another group (to the Green, Sven Giegold). The Conservatives sought to regain momentum during the later negotiations on compromise-amendments by reminding all parties of the threat of global financial competition should they tie themselves to high EU standards. Again, however, the Conservatives found themselves marginalized in the inter-group wrangling.

As the European Socialists lined up behind the German Giegold, and with German MEPs occupying positions of influence on dossiers such as the deposit guarantee proposal, the UK would hardly have seemed an attractive partner to Berlin. Yet, there is another side to the story: this episode ended with Britain pushing through many of its reservations in Council. And, in the event, Germany took ample account of the UK position. Moreover, this pattern of Berlin bending to an ostensibly marginalized London at the last minute is by no means a one-off occurrence. The two countries have long been locked in an odd, lopsided relationship.

Its roots lie in the fact that the two countries have taken diametrically different approaches to European cooperation. In those policy fields where it cannot wholeheartedly engage, Britain needs Germany, as the best-integrated large member, to take account of its interests. For its part, Berlin is often the one to allow Britain a way back into negotiations because German domestic decision-making on a vast array of policy areas is deeply embedded into the EU's: to achieve meaningful policies, it must engage with all member states – even those on the fringes. This dependence on another country symbolizes the failure of the UK's attempts to maintain its autonomy. And due to its responsiveness to British demands, Berlin finds itself drawn into the short-term considerations it has always disliked.

Conflict potential

There is an obvious conflict potential in this relationship. The UK is asking to be treated as an equal by Berlin even though it has not made the difficult commitments to the EU (Schengen, Euro) that Germany has. This potential for conflict once again became clear last year, as the member states sought to deal with the Euro crisis. As an outsider, the UK found that it had little clout over the regulation of the Eurozone. Nevertheless exposed to the fallout from the crisis, it leaned on Germany. Berlin, for its part, was pushing for an EU treaty change which it hoped would allay future crises. Since the UK would also have to sign up to this change, London had a negative, blocking power.

What is most odd about such episodes, however, is that they seem to catch both sides by surprise and, as in this case, tend to end in rather ad-hoc package deals. Yet, their roots are long-term, structural and entirely predictable. The potential for a clash exists on almost every issue where the UK has a lesser commitment to the EU agenda than Germany and where Germany wishes to move ahead. With tax cooperation, domestic budgetary policy, social policy, home affairs and defence all creeping up the EU agenda, the horizon is peppered with icebergs. Already tensions are simmering around the question of sovereign debt and European short-selling regulations.

Further, this uncomfortable relationship between the best- and worst-integrated of the EU's large member states looks likely to intensify in the coming years. Not only will unwieldy coordination structures in the coalition government see the UK struggle to steer any EU policy in a proactive manner. London's practice of taking up early contact with the Commission, particularly on issues where it has the right of opt-out, is also being condemned as unfair lobbying by the newly powerful European Parliament. And a statement about the timing of the British decision on opting out of a whole mass of existing home affairs

rules is expected soon – reminding its partners of the UK's half-in/half-out status and reducing their incentives to listen to London during the development of new policies.

Prospects

If Germany would only deal in a more strategic manner with this situation, it would be able to capitalize upon its position of strength in the relationship. At present, Germany seems ill-prepared when the UK drags its feet, and can end up making considerable concessions to get it on board. This must end. The Federal Republic should instead map out in advance those areas in its strategic agenda where tensions will arise. On this basis, it could sketch out a package deal with London, in which it offers to put a portion of its European influence at the disposal of the British in return for long-term changes to British European policy.

This would have a number of benefits for Germany beyond merely giving a more sustainable basis to its relations with the UK. It would, for example, reduce the salience of Germany's relations with France. This would be no bad thing: if the UK was able to scoop up Baltic and Nordic member states at its summit last week, this was in no small part a sign of widespread dissatisfaction at what is viewed as a strident Franco-German tandem. By bringing the UK on board in a more constructive way, Germany would be appealing to other member states which share the UK's substantive position and its difficulties in committing wholeheartedly to the EU.

More importantly, this shift of focus might reveal new sources of influence for Germany. Germany has, for example, never been able to interest the UK much in its plans for European defence policy. As one of the two pre-eminent European actors in the field, the UK has been happy to go its own way. Yet, the UK's relative disengagement from European defence cooperation may give Germany scope to exploit its

influence as an EU-insider. Through moves such as the Anglo-French defence pact, the UK may be overstretching itself – tying itself to new uni- and bilateral arrangements alongside its NATO and EU commitments. And its apparent detachment from the European Defence Agency could reduce London’s European influence to “remote control”, just when it needs actively to steer other member states to build their defence capabilities in a coordinated manner and to relieve the UK’s current financial burden.

In short, in an increasing number of areas the UK will need the help of the EU’s most influential insider, and when London comes calling Germany should cease to give away its influence so cheaply. Instead of basing its relations with the UK upon those few areas where their priorities fleetingly converge, Germany should focus on those many areas where they disagree, but where they nevertheless depend on one another to realize their interests. A vocational partnership based on a few matching priorities would never be as stable as one based on those many areas where the two countries are anyway locked in an involuntary relationship.

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