

John Fitzmaurice memorial lecture 2011

'Social democracy and the European Union'

Baroness Royall of Blaisdon

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Friends, it is a privilege and a pleasure to be with you this evening: a privilege to give a lecture in John's memory and to follow in the footsteps of fine colleagues; and a pleasure to be in Brussels.

This evening brings together 3 important components of our lives – democratic socialism, Europe and friendship. For me it is also a bit of an emotional occasion. Stu and I loved living in Brussels and so did our children. It was the happiest time of our lives in so many ways. But enough of my emotions, suffice it to say that Stu would have enjoyed being here this evening, amongst friends to celebrate the life of his friend, John. Some of you probably don't know that my beloved Stuart died last May of prostate cancer. A horrible disease which is not terminal if it is diagnosed in time. So please, all of you middle aged men here this evening, make sure that you have a PSA test. And all of you women who love a middle-aged man, make sure that he goes to the doctors and asked to be tested. John was a good man, a fine man whom I first met in the late 70s or early 80s sitting around our kitchen table in Battersea. He had been in Oxford at the same time as Stu and occasionally when he was in London he would come for supper and a good argument. As many of you will know, political arguments were frequent at our table! When we came to Brussels I was delighted to find John at our weekly meetings of the GAP – that is, or perhaps was, the Groupe des Affaires Parlementaires but it was definitely the best of the special chefs and the most familiar because we met so frequently.

Throughout his life, John espoused progressive policies and noble causes whose aim, in Churchill's words, was "to make this muddled world a better place for those who will live in it after we have gone". He shared my ideals, an

enthusiasm for Europe and European politics which was unfashionable when we first met, and a firm belief in social democracy and the power of politics to transform. Why else would he have worked in the European Institutions at the most difficult times for a Dane or a Brit and why would he have fought challenging elections in seats which he could not have won in a month of Sundays. But over the years he was to see progress, real progress, both for the European Union and for social democracy.

10 to 15 years ago when we lived in Brussels was a great time to be on the Left and to be a small cog in the wheel of the European Union. We were in power in many countries and the European Union was confident and a beacon of hope and prosperity for the countries of Central and Eastern Europe, recently freed from the shackles of communism. Europe and the rest of the developed world were optimistic about a secure future with growth, jobs, aspirations and a higher standard of living for future generations.

We strengthened our rights and our Institutions, we adopted the Euro and we embraced enlargement for the security and stability of our continent. These were immensely important steps for the Union and the wider world, the bicycle that we often hear about in relation to the European Union was being so furiously peddled in order to sustain momentum that perhaps our political leaders didn't listen hard enough to the hopes and fears of our citizens and didn't talk with them, engage with them.

Is that one of the reasons that we are now having such a tough time in the European Union, why things turned from good to bad, especially for social democrats and why we now have a series of crises, financial, economic, political and an overarching crisis of confidence?

Two global financial crises in 3 years is one hell of a challenge but this second crisis is, I believe, exacerbated by a failure of political leadership in the European Union as well as a failure of economic and financial leadership. Many criticisms have been expressed about Gordon as our Prime Minister, but I am certain that if Gordon had now been at the helm, he would have done absolutely everything to ensure that the necessary co-ordinated action was urgently taken in the EU and the G20. I well understand that the current crisis is firmly planted in the Eurozone, but leadership can still be influenced from

the outside as it was three years ago. David Cameron has made plaintiff calls this week for action, but what is he doing? In the UK we are in an odd situation, sitting on the edge of the Eurozone, buffeted by the storms, but our leaders are unwilling to exert real global influence or amend our policies in order to weather the storm. The Euro crisis is also our crisis with huge implications for our economy. As Tim Geithner, the US Treasury Secretary, said last month in relation to Europe – and the situation has worsened since then – “The threat of cascading default, bank runs and catastrophic risk must be taken off the table, as otherwise it will undermine all other efforts, both within Europe and globally.”

Post Maastricht and before the Euro was launched I well remember many discussions in and around the Commission, in the Parliament and in many socialist gatherings about the mechanisms that would be necessary for a new stable, global currency, the arguments about whether or not there was a need for some form of fiscal transfer. Hindsight is a wonderful thing but I think it is now clear that the Eurozone does not have the right mechanisms in place to properly manage a stable currency. We currently have a growth and stability pact with no growth and no stability, no effective mechanism for supporting poorer states and no Euro bond.

The crisis has clearly precipitated moves towards greater integration of the Eurozone. I am sure that this is absolutely right for the Eurozone, but I am worried about the implications for the UK. I am not referring to our financial and economic policy, although of the utmost importance, but to our relationship with the European Union and our power to influence European policies. It seems inevitable that there will have to be a Treaty change in the not-too-distant future and this was confirmed in the FT today; whilst such a change would not have to be ratified by the UK Parliament, in the short term it would be a field day for Eurosceptics. In the long term it must mean a really entrenched two speed Europe. At the moment, despite the fact that we are not, for example, members of Schengen, our participation in EU decision making is not greatly diminished. With the creation of a more integrated Euro zone, even if it only took monetary decisions, it is inevitable that discussions of the inner core would widen to economic policies, to single market policies and potentially many more areas of policy. By the time that the policy discussions

reached the tables of the Commission and the Councils, the positions of the inner core would have been decided and we would not have been party to the discussions. So whatever happens, we have to ensure that the UK, and of course the Swedes and Danes, have a right to be in the room whenever Eurozone members meet, otherwise our power and our influence will be seriously weakened. It also has implications for growth in the EU. We would agree that Europe has to grow its way out of this financial and economic crisis, and the optimum is a European growth policy, but such a policy would not be easy in such a two speed Europe.

People's views of the European Union are naturally tied up with problems in the Eurozone and the opinion that the EU is at the root of all evil, well, some of it, is strengthened. As discussions take place about ants in the north who want to punish the grasshoppers of the south, the arguments in support of the EU are either not made or drowned out. Politicians seem to have forgotten what the EU is for, so is it any wonder that our citizens grow more disenchanted or antagonistic. Those of us who work in, or are close to, EU Institutions sometimes forget how distant the EU seems from everyday life, how remote and irrelevant at best, how damaging at worst. For a ridiculous number of years I have, like you, worked on and banged on about information and communication, but we have failed. In the UK we failed for many reasons including the fact that we on the Left were not brave enough in the face of the media, especially the odious Mr Murdoch. I must pay tribute to Ed Miliband for the way he took on the Murdochs in the phone hacking scandal and was fearless in his condemnation so that now we should be freer to say what we know to be right.

But I also think that we failed to listen to fears and in some ways we were not entirely forthright about realities. We make the argument that size counts in a globalized world and that Europe matters for growth and protection. We do not say, however, that whilst globalization has been good for business it has not been so good for workers. Likewise, freedom of movement, it's wonderful to be able to live and work in any Member State but it's not so great if your wages are lowered as a consequence or if your job is moved to Poland. Not enough of us say that in a globalized world, strong levels of protection are more important and that we have to equip people to adapt and thrive. Even

when we do say that, it makes little sense to the millions of people who are unemployed - including our young people who are despairing of the future. Just yesterday the Office for National Statistics revealed that unemployment in the UK has reached a 17-year high with youth unemployment at the highest level since figures started to be kept in 1992. What a tragic waste.

Whilst European citizens might in principle share the values of the Left, in times of economic difficulty they veer to the right and the electorate has fallen out of love and out of trust with us over the last few years. Thank god for Helle who is leading the way in Denmark. John would have been especially proud of his Danish heritage at this time and would have wholeheartedly agreed with Helle when she said that people need social democrats to stand up for them. The tide is also turning in France where for the first time since the creation of the Senate in 1875, the Socialists and other Left of centre parties gained a majority in September's election. Sadly in the UK, thanks to the gerrymandering of the Conservative-led coalition, we probably won't have an election until 2015 whatever the pain inflicted and the views of the electorate.

Despite the crises, there are opportunities for the centre Left in the European Union, an opportunity missed in 2008. Charles Moore said the following in an article in The Telegraph on 23 July: "I'm starting to think that the Left might actually be right. The rich run a global system that allows them to accumulate capital and pay the lowest possible price for labour. The freedom that results applies to them only. The many simply have to work harder, in conditions that grow ever more insecure, to enrich the few. Democratic politics, which purports to enrich the many, is actually in the pocket of those bankers, media barons and other moguls who run and own everything." Now if that doesn't allow us on the Left to both be critical of market fundamentalism and to produce new policies to replace bad capitalism, we don't deserve to win. In some Member States we were guiltier than others but, certainly in the UK, for too long our adherence to neo-liberalism was unquestioning and I am delighted that in his conference speech Ed Miliband outlined a new more ethical framework for society including business. He has, of course, been criticised in the press but there are good business practices and bad business practices and it must be possible for an active government to distinguish between the two.

On the Left we also have to have an optimistic vision for the future, a promise for our citizens especially for our young people. Ed talks about a British promise for the future, but perhaps we should also have a promise for the young people of Europe, the millions of unemployed young people that I mentioned earlier. Their greatest need is employment. We need a new agenda that addresses the growth and jobs agenda for the future but which is rooted in our values and recommits us to the economic and social solidarity which seems to be missing at the moment. The bankers of the world screwed our citizens yet they have waltzed off into a financially secure sunset whilst the squeezed middle and those at the bottom are paying the price in terms of their jobs and their standard of living. Likewise the people of Greece are paying heavily for the policies of Greek and German governments and investors. Is it right that the Greek people face thousands and thousands of redundancies, a huge drop in their standard of living and all the associated problems?

Yesterday I read of a young graduate who is a Greek civil servant. Last year her salary was cut by 18% and this year it will be slashed by a further 30%. Is it any wonder that people take to the streets? Frankly I don't understand why there are so few demonstrations.

As everyone knows we had riots in the UK in August. There are people up and down the country trying to learn what were the causes of the riots, what should be done to ensure that they don't happen again. People who should have known better talked about 'feral youths'. Of course there can be no excuse for criminal behaviour and I deplore what happened but there are questions that need to be addressed – unemployment, especially youth unemployment, poor education, lack of opportunities, poverty, poverty of aspiration, a general sense of hopelessness. But I also think that society has lost part of its moral compass, abdicating our responsibilities to our fellow citizens, breaking the rules that bind us as communities, indulging in wanton consumerism. Perhaps this is specifically a British problem that we have to deal with from a British perspective, but I think not. As socialists we believe in strong communities, that we have responsibilities towards our fellow citizens, that we all benefit from an enabling state. In Britain the coalition is diminishing the role of the state at every possible opportunity. The mantra of private good, public bad seems to have been adopted by the Liberal Democrats who are slavishly following the Tory ideologues. The role of the state and

public services, however, is a live issue for all European social democrats and will grow in importance as our financial situation bites and all EU governments have less money to spend.

As I come hot foot from the UK and both angry and frustrated by yesterday's vote in the Lords on the health bill, I have to say something about UK politics.

Neil Kinnock, the President of Brussels Labour, said on one occasion: "Be angry, but do something that makes a difference – because by god there's enough to make you angry". He was so very right.

Whilst coalitions in the rest of the European Union are the norm, clearly the Conservative-led coalition that is damaging lives and the fabric of British society is a new phenomenon in modern Britain. The tragedy is that they are pursuing a right wing agenda which, if the Tories were governing alone, would not be possible.

When the coalition was formed, across the country it was clear both from poll evidence from just talking to people that public had high hopes for the new arrangements. There was a string belief in the two parties of the coalition working together, and in doing so, that the two parties would temper each other.

It hasn't worked out like that. Academic theory on coalitions is interesting, but at the same time, interestingly narrow. Academic examination of coalitions, in the UK and elsewhere, tends to focus on their formation, and on their dissolution. Correctly so, because the political and economic circumstances which give rise both to the start and the end of coalition government are usually interesting, and usually significant.

The circumstances which led to the formation of the current coalition in Britain certainly met that criteria, and indeed have already been extensively considered. But a feature of coalition, especially in Britain, is that coalitions are usually formed to deal with a crisis - a crisis of war, a crisis of the economy, a crisis of politics - and that when they have dealt with that crisis, or the crisis has been otherwise resolved, then the reason for the coalition disappears as well, and as a result the coalition comes to an end. Historically, then, in the

UK, coalitions tend to deal with the crisis which has led to their formation, with little time or interest to deal with any other issues extant in the lifetime of the coalition.

This is not the case with the current coalition in the UK. Coalition leaders now like to try to claim that their coalition was indeed formed out of crisis, the economic crisis. Not so, of course: the economic crisis which became engulfing with the collapse of Lehmann Brothers hit that point in 2008, well before the formation of the coalition, and indeed it was being dealt with, and well dealt with, by world leaders with Gordon Brown well to the fore. It is strange how the coalition blames current economic woes on the global crisis, whereas the crisis of 2008/09 was a result of Labour's policies.

The current coalition was in fact borne not out of crisis, but out of political expediency: the Conservatives having failed, in the most benign of electoral circumstances for their party, to secure enough votes in the 2010 General Election to secure a majority in the House of Commons, sought an alliance with the Liberal Democrats which, to the surprise of most of the political establishment, took the form not of one of a number of different kinds of working political arrangements but of full-blown coalition.

There is now a crisis, an economic crisis, which the UK coalition is facing - though not doing much about - but because the coalition was not born out of crisis, it has, unusually for UK coalitions, the time, the room and the opportunity to do things other than tackling the reasons for its foundation.

In doing so, it has confounded the expectations and hope which I accept were there in Britain at its formation, and instead has pretty quickly generated disappointment, and worse. Part of the theory of coalition government, as I have said, is that each of the component parties temper the excesses of the other. In Britain now, with this coalition, precisely the reverse has happened. Instead of the two parties of the coalition tempering the excesses of the other, each of the two parties in the coalition have provided for the excesses of the other. Right-wing parties entering office after a party of the Left tend to apply a degree of financial rigour which they judge to have been absent under the progressive party which has just left office. In short, they cut. Parties of the Left entering office after a party of the Right tend to want to make structural

alterations to meet the aspirations of those who have elected them: in a range of economic, social and often constitutional measures, in short they seek to transform.

Within the current UK coalition, both parties have performed to type. The Conservatives have sought to cut, and cut hard, with a range of measures seeking to address deficit reduction in a highly and we believe dangerously accelerated way. The Liberal Democrats have sought to transform, with a range of constitutional and other measures seeking to address their view of the democratic deficit with a degree of acceleration which the British public are reluctant to countenance.

Theoretically, the two parties were supposed to have tempered each other. The presence of the Liberal Democrats in the coalition should have restricted the Conservatives' room and ability to cut. The presence of the Conservatives in the coalition should have restricted the Liberal Democrats' room and ability to introduce the constitutional changes which had long been the party's goal.

As I say, it hasn't worked out like that. Curiously, what has happened instead is that far from applying restraint to the Conservatives' desire to cut, the Liberal Democrats in coalition have provided them with the opportunity to cut to excess. And far from applying restraint to the Liberal Democrats' desire for sweeping constitutional change, the Conservatives in coalition have provided them with the opportunity to introduce such changes.

Take, as an example of the first, university tuition fees. The Conservative attitude to university education in Britain has always been blindingly, breathtakingly simple: universities are places for our children, not yours. Not only before last year's election were the Liberal Democrats utterly opposed to increasing tuition fees, but they felt so strongly about it that they in effect declared the normal methods of political discourse to be inadequate on this issue - rather than relying on a normal manifesto commitment, they instead individually signed declarations that they would not raise tuition fees: an explicit, written contract with the electorate, in effect, which was meant to mean more - much more - than the normal form of politicians' promises. This lost us votes and seats such as Charles Clark's seat in Norwich. When after the election, in coalition, the Liberal Democrats reversed their position, and

supported the increase in tuition fees, the utter repudiation of that contact, of the declarations beyond the manifesto they had explicitly signed, the political consequences for the party were extreme and I trust long-run: it is likely that they have lost the support of an entire generation of potential or actual supporters and voters. The great thing is that students and their parents are furious. Those warm, cuddly, brown bread and sandaled Libdems are seen in their true orange book colours. And now they are doing it on health. There was no mention in their manifesto or the Tory manifesto. The Coalition Agreement was explicit. No top down reorganisation, but now they are trying to turn a public service into a free market and patients into consumers.

Let's turn to the Alternative Vote. The Liberal Democrat - indeed, the Liberal - attitude to changing Britain's voting system has always been equally straightforward: a different voting system is fairer, better - and a different voting system also happens to benefit our party particularly. So the Liberal Democrats pressed in the coalition agreement for a commitment to a referendum on changing to the Alternative Vote system, and secured it - much to the astonished and indeed anguished opposition of the Conservative right, who clearly thought it a price far too high to pay. Set against the initially implicit and subsequently brutally explicit opposition of the Conservative leadership, the Liberal Democrats slogged their way towards their AV referendum - including a particularly difficult passage through my House, the House of Lords, of the legislation to provide for the referendum - only to see the idea not just defeated, but so resoundingly defeated that the effect of it may well be to have put off the prospect of any change to the voting system for a generation.

In the tradeoffs which inevitably form a coalition, with these and other events, it looks likely that it is the Liberal Democrats which have so far lost out badly, a conclusion which voting intention polls seem to support strongly. And it is the Conservatives which have done well so far, a conclusion which their good performance in the polls against the Labour Party at this stage of the electoral cycle seems to support strongly.

In my House, the House of Lords, we have seen this play out in a particular way. And it is so very, very frustrating. I could literally weep. Until the election the Lords was roughly in balance. This meant that we the Labour Government

were often defeated. With the advent of the Coalition we are now facing a political majority and it makes it so much more difficult for us to gain votes.

The consequence is that it is easier for the government to railroad its odious policies through both houses. Although I have to say there we have won 1/5 of the votes since last May, and we have secured some profound changes in legislation thanks to negotiation.

But opposition, as we know is depressing and debilitating. I think it is probably worst for social democrats because whilst the Right is in power they attack public services and make life intolerable for vulnerable people. Although they now seem to be bent upon attacking what we in the UK call 'the squeezed middle'. The middle classes, who become increasingly insecure, worried about jobs, mortgages, and the future of their kids, care for their elderly parents, and their own lack of pensions.

That is why, as Social Democrats, we have a duty, a real responsibility to get back to power at the earliest opportunity. There is much to do at a national level, but too often we forget the European dimension of our policies. I have always believed that it was imperative for social democrats across the EU to co-operate in the development of policies, and now the problems are so deep they are just too big to contemplate alone. But still we don't work enough together. Yes, that happens in the European Parliament. And it might feel as if it is happening from a Brussels perspective, but I can assure you that it doesn't feel like that in London. Maybe that's our fault. I'm not sure. None of this is helped by a Eurosceptic or uninterested press. I am really concerned about the possible withdrawal of the BBC from Brussels.

Of course we have to have good policies but we also have to have confidence in our policies and we need strong leadership. The Right is always supremely confident, we are sometimes too timid. Every country has a challenge to get the deficits down, but the question is how quickly so that you don't choke off the recovery and make things worse. We know that we have to grow our way

out of the economic crisis, that we have to invest, and that we need industrial activism and innovation in order to create jobs. We have many of the policies, but our messages are not getting through or being heard. There is also a problem in the way in which the Right in some countries, have stolen our vocabulary. One of our Swedish colleagues, said at a meeting at Labour Party Conference, that the Swedish Right had stolen the Social Democrats' words and changed the rhetoric. They have pursued Conservative policies attacking the state, but they sound like us.

It's rather like that in the UK with, for example the Big Society Agenda. It sounds terrific, a rather romantic vision of people pulling together to get the country through the hard times. In reality it's a mask for cuts. The government and local government have cut services like youth services, day care for elderly and disabled people, and they expect charities and volunteers to fill the gap. In fact charities have suffered a double whammy because they have had to maximise funding cuts but are expected to provide more services. In my view, we have had a very successful big society for many years, and the assistance given by the Labour government to help boost civil society was huge, but we also recognised the key role of the state. Likewise the Tories are now advocating co-operatives and social enterprises – not because they espouse their values, but because it saves money. Saving money is, of course, not a bad thing. As social democrats we have to show that we understand the need for the state to be efficient and careful in the spending of public money, but cuts must not hurt the most vulnerable and destabilise society. We have to find innovative ways of make tighter resources go further.

So what would John have thought about all of this? I think he would have, like us, have looked to the power of politics in general but to the power of Social Democratic politics in particular.

For too many, politics has become a dirty word. Politicians are denigrated and have lost the trust of the people. Sometimes for understandable reasons. The

expenses scandal in the UK, the local politics of parts of the South of Spain, Signor Berlusconi..... Need I say more? Throughout the EU politicians pursued wrong-headed policies of deregulation or lax regulation that made a difficult economic situation worse. There are also too many instances where politicians do not honour the promises that they make to their electorates when campaigning. We know that in a democratic system, it is through politics that we secure change. Not just the high-faluting politics of European Summits and Parliamentary Debates but, more importantly, the politics of engagement and persuasion. We have to get our policies right, we have to persuade people of their relevance, that they will meet their personal concerns and the challenges facing the country so they vote us into power. , And then we have to keep our promises and ensure proper and fair implementation.

John understood all of this. He worked on the policies, he worked on the doorstep to persuade people, he stood for election and he worked with socialist parties to ensure proper implementation. He was political to the bone. He was also a decent and delightful human being. He was a proud and pro-active social democrat, he was a proud and pro-active European. I celebrate his life and I salute his memory.

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