

Brussels Speech

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Check against delivery

The referendum held in Britain on 23 June last year produced a narrow majority in favour of leaving the EU. This was not the outcome that I had hoped for my family, for Britain, or for the EU as a whole, but it is the reality we must now face.

While the vote provided a mandate for the government to take steps to leave the EU, it did not provide a mandate for *how* to leave. The last six months of political debate in the UK has shed little light on how to implement the referendum result, with the Prime Minister sitting on the fence on the central question of single market membership - until her speech last week.

What is now portrayed in the pro-Brexit press as the inevitable course of action for the government was of course nothing of the sort. Theresa May had a series of choices about how to implement the outcome of the vote. I believe she has made the wrong choices.

I also believe that the European Union now faces a profound new challenge: an “Axis of aggressive nationalism” which runs from the Kremlin, through hardline Brexiteers and populists in various parts of Europe, and now the White House too. They represent a new

ideological constellation across the democratic world and beyond which abhors the very principle of multilateral cooperation on which the European Community was founded in the aftermath of the Second World War.

There is now an urgent need for the EU to reform and strengthen itself against these new and growing forces which wish to pull it apart. The choice is stark: reform and renew; muddle along and be pulled apart.

In this wider context, Theresa May's approach to Brexit is not only contrary to Britain's national interest, it also runs the risk that the Brexit negotiations unwittingly become the means by which the forces of aggressive nationalism seek to unpick the EU itself. This has long been the stated ambition of the most hardline Brexiteers, and was repeated at the meeting of populist parties held in Koblenz this weekend.

My message to Theresa May is clear: as you travel to Washington this week, beware the dangers of becoming an unwitting instrument for the isolationism of Trump, Putin and nationalists across Europe.

Her vision for a Brexit will pull us out of the European single market, the world's largest borderless marketplace (which was, let's not forget, designed by the British and championed by the Conservative Prime Minister at the time, Margaret Thatcher).

In its place, she wants a UK-EU Free Trade Deal, to be concluded and ratified within 2 years.

That is the wrong choice for Britain's interests. There is no bespoke settlement that could possibly rival the level of integration experienced in the single market, with its single rulebook and institutions. Few in the UK seem to understand the difference between tariff-free trade and the systematic dismantling of non-tariff barriers. They are about to find out.

But even if a deal could be miraculously stitched together, she is living in a dream world if she thinks we will agree a comprehensive free trade deal with the EU by the spring of 2019. Canada's trade with the EU is far simpler than our own would be, yet it took 7 years to negotiate. And that's before the prospect of securing ratification in national and regional parliaments across 27 countries as well as Westminster.

She also made the wrong choice on free movement, prioritising domestic anxiety about free movement over the stability of our economy through the single market. Free movement brings great cultural and economic benefits to the UK, including opportunities for British people to experience life and work on the continent. But it should also be obvious that the UK is not alone in questioning the application of the rules. She could have seen that there are parallel

discussions happening across the continent, that the European debate is not static. She could have reached out to other member states who share her concerns to try to find a Europe-wide solution. She chose not to.

Of course, the mistakes are not all one side. The EU could and should have gripped its own crises more quickly and more effectively.

I worry that the EU has lost its sense of mission and momentum since the heady days of the collapse of the Berlin Wall. The optimism that underpinned the key developments of enlargement, the Single Market and the single currency has ebbed a long way. The response to the economic crisis in the Eurozone and the mass movement of people across the Mediterranean has been fragmented and ill-tempered.

What happens next in this tumultuous political world will in large part depend on the EU itself - whether it recaptures its sense of purpose and strengthens itself through reform.

In order to deal with the many crises facing the EU it must become nimbler and more receptive to change. The founding motives of European integration – peace, solidarity, reconciliation, economic integration – have wavered in the face of the oncoming wave of nationalism.

Both Trump and Putin have shown themselves to be against the values of the European Union, and actively wish it ill. Trump's team seem to believe the European Union is in the process of breaking up.

The liberal internationalist system of cooperation that was established under American influence at the end of WW2, from the Bretton Woods institutions to NATO, has at its core the idea of strength and security in numbers.

We are now seeing the emergence of a world in which the United States, incredibly, is colluding with the Russians in pulling at the seams of the post-war settlement that has kept Europe safe and prosperous for 60 years. Farage, Le Pen, Wilders and others are in the same boat. While they differ in many ways, all are united in their dislike of multilateralism. In its place, they offer a toxic mix of protectionism and nativism.

The EU is in the front line of the global defence of multilateralism. To be an effective bulwark, the EU must reject nativism by strengthening itself, including by addressing public concerns about immigration without jettisoning open markets and open movement, and by strengthening the Eurozone with a proper fiscal union. On the military front, European governments will need to radically strengthen their contributions to the continent's security, within the umbrella of NATO.

How Theresa May positions herself in this world is a crucial question.

The UK should not allow itself to become a naive pawn in a chess game in which the US and Russia make common cause with populists and nationalists in Europe. And the Brexit negotiations should not be allowed to become part of this wedge.

On Friday Donald Trump became the 45th president of the United States. At his inauguration speech he decreed a new age of American protectionism, just a few days after our Prime Minister declared a new age of free trade.

The schoolboy sycophancy of senior Conservatives such as Michael Gove and Boris Johnson towards the new US administration suggests that British Conservatives now prefer Donald Trump over Angela Merkel. They are, in my view, making a profound mistake which will come back to haunt them.

A smarter approach to Brexit in Britain, and a newly reformed EU, may look like improbable outcomes right now – but everyone who cares about the stability of our continent should do all they can to bring them about.

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