

# EUROPE AND THE COMMONWEALTH

How can Britain make the most of both worlds?



The Royal Commonwealth Society

## ABOUT THIS REPORT

This report is a record of a conference convened by the Royal Commonwealth Society with support from the European Commission. It took place at Europe House, Smith Square, London on the 17th of July 2013. The conference sought to explore the UK's relationships with the EU and the Commonwealth using the lenses of trade and identity.

## ABOUT THE RCS

Founded in 1868, The Royal Commonwealth Society (RCS) seeks to identify contemporary issues and practical solutions that contribute to the well being of Commonwealth nations and their prosperity. Headquartered in London, the RCS has an international network in some 40 Commonwealth countries. It is the oldest and largest civil society organisation devoted to the modern Commonwealth. [www.thercs.org](http://www.thercs.org)

## Acknowledgements



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## FOREWORD

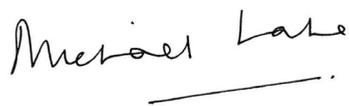
Since 2008, we have seen a resurgence in media and public interest in the EU. The Eurozone crisis has dominated the headlines, and reignited the arguments of those who already held long standing grievances over Britain's place in the EU. This culminated in the Prime Minister's landmark Bloomberg speech in January this year, in which he pledged to seek a new settlement with Europe. At the same time, another institution, the Commonwealth, has attracted some increased interest during this period amongst Britain's foreign policy community, albeit in a more positive fashion. The astounding economic growth figures exhibited by some Commonwealth countries have demonstrated that this historic institution could still have the potential to become a modern and re-energised network.

The way in which we link these two institutions together in our public debate is absolutely crucial to Britain's international stance in the 21st century. Are they relevant or irrelevant? Are they competitors or partners? Are they mutually exclusive or complimentary? Do we consider ourselves to be Commonwealth citizens, European citizens, both or neither? Do our historical relationships with these institutions inform our modern opinions on them?

On the 17th of July 2013, the RCS convened a conference seeking to engage with these questions in a structured, thoughtful and constructive manner. We brought together practitioners, academics, journalists, trade officials, NGO representatives, diplomats and other stakeholders from both the Commonwealth and the European Union. On the day, it was clear that the forum was perfect for an depth discussion of the topic.

We must thank our colleagues at the European Commission Representation to the UK, our distinguished panellists and our guests for showing their interest in these topical issues. As you will read in the following pages, it was an interesting and stimulating discussion.

With warm regards,



**Michael Lake**

Director

Royal Commonwealth Society



## Panel 1: 'Economic recovery: The UK's role in promoting further trade between the EU and members of the Commonwealth'

The European Union (EU) has been at the forefront of moves away from negotiations between multilateral bodies towards negotiations between the EU and individual nation states. With many of these talks involving Commonwealth countries, such as India, Singapore, Malaysia and Canada, this panel explored the UK position in advocating agreements with countries that share a common language, shared history and similar legal systems, and provide a path for foreign investment into the EU.

The panel and was chaired by **Peter Kellner** (President, YouGov), and the panellists were **Lord Howell** (Former Minister of State, Foreign and Commonwealth Office), **Geoffrey Martin** (Advisor to the Secretary-General, Commonwealth Secretariat), **His Excellency Mr Garvin Nicholas** (High Commissioner for Trinidad and Tobago) and **Michael Sippitt** (Chairman, Clarkslegal LLP and founder of the Commonwealth Environmental Investment Platform).

The question "What role, if any, does the UK have in promoting further trade between the EU and members of the Commonwealth?" was posed to the panellists, each of whom gave a response to the question and elaborated on some of the broader themes.

### Lord Howell of Guildford (Former Minister of State, Foreign and Commonwealth Office)

- Quoted interwar-period Labour MP James Maxton: "If you can't ride two horses, you've no right to be in the bloody circus."
- "Riding two horses" is what Britain must do to remain competitive in the 21st century.
- The UK is best poised to use its networks to enter emerging markets by learning to engage with both the EU and the Commonwealth.
- The Commonwealth stands as one of Britain's best extant networks through which to do this, and is more viable and invigorated thanks to technological improvements and innovations.
- While Britain's greater integration with Europe reflected the UK's position in the 1970s, the emergence of a new pattern of markets and power thus demand a new approach to how the UK conducts business with its European neighbours and abroad, particularly with the Commonwealth.
- Economic predictions suggest the biggest opportunities will be found outside the EU, where EU share of global GDP is set to shrink to 15% by 2020, and others are set to expand, with Commonwealth GDP expanding by 7.2% in the same time period.
- While the modern Commonwealth does not have a specific trade track, the modern global economy now faces significantly reduced trade barriers.
- Trade flows have metamorphosed into a new complex of supply chains that transcend borders.
- The Commonwealth stands as an example of this emerging market complexity, and the UK's EU neighbours must be equipped with these techniques of soft power deployment.
- The Commonwealth network is "people-driven, civil society driven, community driven, common interest driven and, increasingly, market and business driven".
- It is only one of the many global networks, but given its intrinsic commonalities, it is one that has huge potential in trade and business, and one that can make a real contribution to peace, stability and development.
- An economically interdependent Britain should engage with the Commonwealth as a major asset, and share it with its European neighbours.

*"The biggest opportunities will be found outside the EU. EU share of global GDP is set to shrink to 15% by 2020, and others are set to expand, with Commonwealth GDP expanding by 7.2% in the same time period."*



### Geoffrey Martin (Advisor to the Secretary-General, Commonwealth Secretariat)

- In the UK public mind, the relationship between the UK, EU and Commonwealth continues to be disabled by misrepresentation, where emotion has overtaken truth.
- Britain should not only be interested in the single market; the EU has a global sway in major policy areas, such as foreign affairs and international security.
- The UK does not negotiate trade matters by itself, nor is there any evidence to suggest that any British government wishes to change this arrangement with the EU.
- The UK private sector should expand and strengthen UK-Commonwealth trade deals via economic partnership agreements (EPAs).

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- Big business is fully aware of the importance of EPAs and bilateral trade agreements, but mid and small-sized businesses have been intimidated locally by Euro-phobic politicians and the media.
- Global trade architecture has changed radically, where countries have fused themselves into stronger groupings in order to strengthen their influence in the World Trade Organisation (WTO).
- Those who believe that the UK should choose between the EU and the Commonwealth fail to realise the fundamental differences between the two organisations.
- The prevailing attitude should be that the UK engages “both / together”, not “either / or”.
- The way ahead is for the UK to strengthen EU trade with Commonwealth countries who are also in the EU; if the UK, Malta, and were to agree to create a new Commonwealth bloc within the EU, they could strengthen the Commonwealth connection.

### HE Mr Garvin Nicholas (High Commissioner for Trinidad and Tobago)

- In the mid 20th century the Commonwealth was a leading economic community, however, UK integration in the EU strained Commonwealth-UK relations.
- This strain is underpinned by the UK’s adherence to the EU’s restrictive trade policies. In particular, the dispute over the EU’s banana import quota and tariff has eroded the relations between the EU and some Commonwealth members.
- Despite the UK’s strained relations with the EU in the context of the global recession, the UK is in a unique position to influence stronger linkages between the Commonwealth and the EU.
- Given that some of the fastest growing economies are in the Commonwealth, it would benefit the EU if the UK were to facilitate trade between the EU and Commonwealth.
- Compared to other Commonwealth members that trade with the EU, Trinidad and Tobago is behind India, Canada, Nigeria, and South Africa, but leads the Caribbean members of the Commonwealth in imports to the EU with a share of 0.1%.
- CARIFORUM is the subgroup that allows Caribbean Commonwealth states interact with the EU.
- The EU is CARIFORUM’s second largest trade partner, with 2011 trade amounting to over €8 billion.
- The EU’s trade and development partnership with the Caribbean was formalised by the 2008 CARIFORUM-EU Economic Partnership Agreement (EPA).



HE Garvin Nicholas cited the dispute over the EU’s banana import quota as negative for EU-Commonwealth relations

- Despite positive trends in trade between the Caribbean Commonwealth countries and the EU, there is much to be desired. In 2011, CARIFORUM countries exported €2.1 billion less in goods and services to the EU than they imported from the EU.
- The UK has not taken a prominent role in the spearheading of trade relations between the EU and the Caribbean members of the Commonwealth.
- However, via various programs, the UK has taken steps to help enhance the Caribbean's profile as a trade and investment hub. For instance, DFID's £75 million regional programme to the Caribbean, aims to increase the average score for the World Bank's 'Ease of Doing Business Index' by 20%.
- Other DFID projects include the Caribbean Aid for Trade and Regional Integration Trust Fund (CARTFUND), which aims to help countries benefit from the EPA through providing business support services, trade facilitation, and legal and judicial development.
- According to the 2012 Final Action Plan of the 7th UK Caribbean Forum, the UK intends to continue discussions with European External Action Service (EEAS) in Brussels on how to ensure the EPA delivers for the Caribbean Commonwealth countries.
- With regard to preserving the resiliency of the Caribbean's agricultural sector, the UK is working with the EU and the Caribbean to help ensure effective use of existing EU funds.
- These initiatives can certainly provide groundwork for improving Commonwealth trade relations with the EU, and there is hope that the UK builds on these ventures and takes on more leadership.

*"The way ahead is for the UK to strengthen EU trade with Commonwealth countries who are also in the EU"*

### **Michael Sippitt (Chairman, Clarkslegal LLP; founder of the CEIP)**

- The Commonwealth Environmental Investment Platform (CEIP) focuses on attracting trade and investment around the world for the benefit of the planet.
- This investment can be secured through collaboration and cooperation, and by removing barriers to collaboration and cooperation, which the UK can help achieve.
- Four decades' experience as a lawyer has shown that the UK has been a very effective bridge to Europe for other countries of the world.
- Foreign companies want the comfort of operating through the UK bases and advisors, as Europe is not always easy to deal with.
- The UK has more in common legally and professionally with Commonwealth lawyers than it does with European lawyers.
- While Europe faces immense challenges, the Commonwealth is young and dynamic and is an important network with incredible social and economic opportunities.
- There is a strong need to address trade preferences and barriers, and to understand them better if the UK is to act as a bridge between the EU and Commonwealth.

*"The CEIP programme welcomes technologies and investment from countries outside the Commonwealth for the benefit of the Commonwealth. CEIP can play a part in promoting environmental trade between the EU and Commonwealth partners. "*

**Michael Sippitt**

- There is a place for a Commonwealth Free Trade Agreement, but current arrangements with the EU customs union would preclude that.
- The CEIP programme welcomes technologies and investment from countries outside the Commonwealth for the benefit of the Commonwealth. CEIP can play a part in promoting environmental trade between the EU and Commonwealth partners.
- Cited a Financial Times article by Martin Wolf that concluded that global capitalism has replaced national capitalism and that there is a trend towards the integration



of the global economy

- The UK cannot and should not stand in the way of the trend towards global economic integration.
- The UK should explore its role in utilising the link-up between Commonwealth and EU interests.
- To do so, this requires changing the ground rules of trade operation, which is complex and it needs to be better understood.
- Today the UK does not currently have the freedom to meet all those aspirations due to EU constraints, thus requiring more analysis and understanding on the matter.
- The media has been full of 'Europhobic' remarks and criticisms from commentators who do not

properly understand the issues at hand; this needs to be countered with clarification of the issues, to foster better understanding.

- It is pointless to have high-standard carbon-emission reduction targets in the EU, whilst ignoring the need to deal with those issues in fast growing economies.
- There is a need for more information and a better understanding of what the barriers and issues surrounding trade are.
- Significant consultation is needed around the Commonwealth to understand the barriers that countries see affecting them today.
- There is a need to understand which regulations impede trade, and accordingly which structural changes could make a difference, so that the debate is fully informed and can lead to better lobbying and representation of Commonwealth interests in the EU.
- The idea of a British, Malta, Cyprus link-up in the EU is a logical step in the right direction, and there is an overall agreement with the aspiration that the UK can be intrinsically involved in the EU and Commonwealth, but this initiative requires structural change.

## Discussion:

• **HE Mr Abhimanu Mahendra Kundasamy**, the High Commissioner for Mauritius, emphasised the timeliness of this discussion in the context of African states. The 3rd summit of the EU-Africa Summit will release a new strategy for the EU-Africa relationship, highlighting the important role of the UK in that partnership. While the EU has used Millennium Development Goals (MDGs) as a platform for looking at the developing world, there is a wish within Africa to see a new relationship that includes trade and investment as the underpinning architecture of the relationship, not just development. By expanding the relationship beyond development, the framework can be changed with the post-2015 development goals. In terms of the UK's role at the summit, he hoped that the UK could help articulate the relationship between Africa and the EU, as 19 African states are Commonwealth members.

• **Mr Carl Wright**, the Director of the Commonwealth Local Government Forum (CLGF), echoed the comments of both the High Commissioner for Mauritius and Lord Howell, underlining that now is the time for the UK to establish this relationship between the EU and Commonwealth. Mr Wright identified two key areas where the Commonwealth could help facilitate this. First, the UK could play a stronger role advocating on behalf of Commonwealth countries in Brussels, particularly the small island states. Second, the UK has a potential role in bringing together policy positions from throughout Europe in shaping the post-2015 development agenda. Mr Wright concluded on a note that regarding economic growth most commentators are looking at local economic development (LED). Indeed, at the Perth 2011 CHOGM, the Cardiff Consensus on LED was agreed upon, emphasising key linkages between local economic investment and development. There was general agreement that urbanised city centres and local governments were the biggest engines for growth, and that the UK has much potential in facilitating EU-Commonwealth relations.



**Sir Peter Marshall**, former Deputy Secretary-General of the Commonwealth Secretariat made distinction between visible trade and invisible trade. He defined invisible trade as “everything you can export that you can’t drop on your big toe”, and that discussions over invisible trade lead to discussions of soft power. As such, he identified that the Commonwealth, in conjunction with the UK, had great potential for exercising soft power, particularly with regards to trade and services. He asked about the role of technology and innovation in the Commonwealth was explored, where various Commonwealth countries such as India have immense technical expertise, and as such, whether local centres in the Commonwealth

could perhaps emerge a new ‘Silicon Valleys’.

- The Chair inverted the question, asking what added value the Commonwealth might bring to these technological centres.

- **Lord Howell** identified that this kind of trade relationship was predicated on a question of building trust; with trust there is potential for investment and trade. Regarding India specifically, he identified that decision makers in Delhi are concerned about issues of trust in a world wrought with political risk, arguing that the Commonwealth was perhaps a trustworthy outlet for investment. Indeed, the Commonwealth is a source of trusted social connections, traditional customs, commercial law, and accounting standards. With a trustworthy system at the business, educational and scientific levels, Lord Howell argued that the Commonwealth could certainly act as a vehicle for India’s expansion as a world leader in these areas.

- **HE Garvin Nicholas** identified that while India has scale, Trinidad and Tobago does not, yet it remains competitive, despite fear of ‘losing out’ by entering global markets along side large-scale economies, such as India’s. He identified that Trinidad and Tobago has been very fortunate, as it has traditionally functioned with big economic scale despite its physical size, owing to its role as a regional producer of natural gas. Indeed, Trinidad and Tobago is growing its confidence with an economic power like India, where Trinidad and Tobago is trading in both “visibles” and “invisible” commodities. Conversely, India has been using Trinidad and Tobago as a means of accessing other local markets in the Caribbean. His Excellency argued that this situation works well, particularly underpinned by the long-shared history between Trinidad and Tobago and India, as partners in a ‘network of friends’ found in their Commonwealth connection.

- Regarding technology in the Commonwealth, The Chair questioned Mr Sippitt about the dichotomisation between visible and invisible trade, where the line between these groupings has been increasingly blurred, and whether this blurring has steered patterns of global trade into an unknown direction.

- **Mr Sippitt** posited that the answer is complex. He expressed a firm belief that the lack of technical expertise and capability to deliver on projects stands as a bigger problem, while the availability of capital is less important. According to Mr Sippitt, the current challenge is the successful facilitation of sharing technological expertise and products in order to enable low-carbon economic development in rapidly growing countries. Further to Mr Wright’s comments about local economic development, this sharing of technological expertise brings about a strong point about focusing on local economic development in cities, where CEIP is launching its theme of Commonwealth ‘Sustainable Cities’. In the European context, Mr Sippitt has found that there is a huge amount of technical expertise and products that aren’t available in the UK. As such, he argued that it is important the UK be able to access that technology and share it with the Commonwealth.

- The Chair then asked Mr Martin about the Commonwealth’s institutional role. Given the other panellists’ emphasis of bonds of culture, history, law and networks, what role could Commonwealth institutions like the Commonwealth Secretariat have in terms of facilitating these bonds with the EU?

- **Mr Martin** identified that Commonwealth states represented in Brussels are doing so at the level of heads of government, as represented by Ambassadors, which is not the case for EU members. Where other regional groups or post-imperial configurations like the Francophonie have had a different style of interaction with the EU, Mr Martin believed that the amalgamation of a Commonwealth institutional interest, shared between the UK, Malta and Cyprus, around the tables of Brussels “would do more in a week than can be done with 5 years of diplomacy”. It is a fact that each



one of the permanent representatives from Cyprus, Malta and the UK sit around the European Council table with the other permanent representative every Wednesday. Given those circumstances, Mr Martin felt that it would be very easy for the British, Cypriots and Maltese to raise Commonwealth matters across the table of 28 separate heads of representation, and through them to their governments, and into the European Commission. He decried that “this is not being done, has never been done, could be done, and should be done.”

- **Mr Ralph Buckle** from Commonwealth Exchange inquired how the UK could best ‘inject urgency’ into the governmental establishment of the trade relations, given the feeling that private enterprise

often circumvents political processes for the sake of expediency.

- **Mr Sippitt** agreed that enterprise does change things quicker and better than leaving the process to political steps, and that there is a strong belief shared in the Commonwealth regarding the power of enterprise. Enterprise creates mutual wealth, prosperity and benefit, and that governments should be doing what they can to facilitate and enable that process, instead of hinder it.

- **HE Garvin Nicolas** also agreed that business often drives governmental decisions and that private enterprise often leads while public institutions follow.

- **Mr Mark Robinson** of the Commonwealth Consortium for Education (CCE) inquired about the veracity of the view that France has been better in encouraging la Francophonie to use the EU to the benefit of its affiliated developing countries, and as compared to the Commonwealth where the same drive has not come from the UK.

- **Mr Martin** noted important differences between the Commonwealth and Francophonie: the Commonwealth is a free association of nation-states, is self-run and is not reliant on any single member, while conversely the Francophonie is described as a post-colonial organisation led by the French Foreign Ministry. The Commonwealth is not run by the Foreign and Commonwealth Office in London. Mr Martin went on to describe the dynamics within the Commonwealth, where the modern Commonwealth is made up of regions, with regional ties as being more important than the Commonwealth itself. Mr Martin underlined the importance of the opportunity for Commonwealth countries to interact on the basis of their common values, legal systems and habits, and their traditional friendships. Commonwealth countries can concurrently engage locally with their regional entities and through those regional entities connect with other regional institutions. Mr Martin felt that greater economic momentum could be created out of this two-pronged approach. In order to best facilitate this process, Mr Martin felt it was important that the Commonwealth move ahead now and more strongly than ever before.

- Following on the contrast of the Francophonie with the Commonwealth, Lord Howell reiterated his position that the UK must re-evaluate its role and do more to engage with the Commonwealth. Despite the UK not being the leader of the Commonwealth, Lord Howell felt that decision makers have failed to understand the unfolding pattern of energy power in the 21st century, and that the UK must do more to engage with broad networks, such as the Commonwealth, outside the context of the EU. While the EU is still an important part of the ‘bigger picture’, the Commonwealth is one of the key networks in that bigger picture.

- **Ms Jennifer Brindisi** of Hanover Communications inquired about the role the Commonwealth has in facilitating increased transparency in corporate reporting and whether this would facilitate or hinder investment and trade in the Commonwealth.

- **Mr Sippitt** identified that one of the most important aspects of the Commonwealth ‘brand’ is the rule of law, and the huge ethical stance the Commonwealth takes. These are very big selling points and resonate with issues regarding the transparency of corporate dealings, particularly regarding environmental and labour issues. He underlined that “we have a huge interest that high

*The UK working with Malta and Cyprus to promote Commonwealth trade with the EU “would do more in a week than can be done with 5 years of diplomacy”*

standards should be the byword for the Commonwealth". Indeed, transparency will improve dealings and give reassurance to investors.

- **HE Garvin Nicolas** argued that a multinational corporation that has the capacity to be transparent in a developed nation has every capacity to be transparent in a developing nation as well.

#### Key points from this panel:

- Some of the fastest growing economies are in the Commonwealth, and it would benefit the EU if the UK were to facilitate trade between the EU and Commonwealth (Lord Howell)
  - The way ahead for the UK is to strengthen EU trade with countries that are both Commonwealth and EU members, namely Malta and Cyprus (Geoffrey Martin)
  - There is a general need to understand which regulations impede trade, and accordingly to identify the required structural changes to facilitate trade (HE Mr Garvin Nicholas)
  - The media has been full of 'Europhobic' remarks and criticisms from commentators who do not properly understand the issues at hand; this needs to be countered with a clarification of the issues so as to foster better understanding of the issues at hand (Michael Sippitt)
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## Panel 2: ‘Euro scepticism: Establishing a positive narrative on the EU – lessons from the Commonwealth’

While debates on the EU polarise opinion in the UK and as Eurosceptic sentiments continues to rise, it is difficult to conduct a dispassionate discussion and think positively about the future for Europe. This panel looked at what lessons Britain could take from its membership of the Commonwealth, an organisation that is perceived as posing no threat to UK national identity and as an alternative to European federalism.

The question “From the perspective of the EU, can any lessons be taken from the Commonwealth in encouraging British people to identify more closely with Europe?” was posed to the panellists, each of whom took time to answer with their background of experience and expertise.

The panel and was chaired by **Peter Kellner** (President, YouGov), and the panellists were **Vijay Krishnarayan** (Director, Commonwealth Foundation), **Sunder Katwala** (Director, British Future), **Sir Malcolm Rifkind** (Former Foreign Secretary; Chair, Intelligence and Security Committee) and **Will Straw** (Associate Director, Institute for Public Policy Research; Founder, Left Foot Forward).



Mr Krishnarayan argued that sport is central to membership of the Commonwealth

### Opening remarks:

- The Chair opened by unpacking the question of identity in the UK, where there is a British popular attitude and belief that the EU and Commonwealth are somehow opposites. While support for Commonwealth is widespread (but shallow), whereas the dislike of the EU is not as widespread, but is very intensely felt by that minority. It was posed to the panel whether they could work out how to both deepen a fondness of the Commonwealth and learn from the broad goodwill that the Commonwealth enjoys, and tease out any lessons for improving the UK identity within the EU.

### Vijay Krishnarayan (Director, Commonwealth Foundation)

- Approached the question from 2 perspectives, first looking at commonalities across the Commonwealth, and then looking at the institution itself.
- Taking the commonality of the institution, Mr Krishnarayan cited former Commonwealth Secretariat Secretary-General (1975-90) Sir Shridath ‘Sonny’ Ramphal’s “the 3 L’s” that underpinned the membership of the Commonwealth: Language, Learning and Law
- These three factors speak to, and unpack the notion of soft power, and the way in which language, learning and law shape the Commonwealth and underpin the commonality that is experienced across the membership of the Commonwealth.



- o First, language speaks to the nature of the Commonwealth, where the commonality of language allows the institution to develop itself as a deliberative space, where discussion in a shared language is thus immediate and colloquial. This strengthens the interactions within the institution.

- o Second, learning has been at the heart of the Commonwealth’s providing opportunities for education across the association ever since its inception. There are approximately 27,000 Commonwealth scholars, and annual exchanges between Commonwealth universities, facilitated through the Association of Commonwealth

*“The paraphernalia of nation-statehood has been deployed as an emotional appeal for the British identity, at the expense of the more general European identity in the UK.”*

Universities.

o Third, the traditions of English Common Law underpin a shared legal system. What goes with this shared set of rules is a shared legal experience without a binding treaty institution that compels every subscriber to abide to a common code.

• Mr Krishnarayan added an extra “L” of his own, the “LBW (Leg before wicket) Rule”. This “L” was that of sport, in this case, particularly with cricket in mind.

- This fourth “L” emphasised the importance of how sport brings a community together, which will be seen at the 2014 Glasgow Commonwealth Games. This is a tangible way in which the Commonwealth institution comes together.
- The second set of issues centres on the nature of the institution itself. The Commonwealth is a voluntary association: countries can opt in and opt out at any time.
- Of course member states subscribe to a common set of principles, but it is a low-cost institution, where the average British citizen contributes approximately £0.19 per year to the Commonwealth.
- However, one of the criticisms about the low cost is that the Commonwealth has “the engine of a lawnmower and the breaks of a Juggernaut”.

### Sunder Katwala (Director, British Future)

- Doubted that the Commonwealth has much to teach the pro-Europeans, but there is certainty that pro-Europeans definitely need help, since the EU reputation is in trouble in Britain.
- Overall sceptical that the Commonwealth experience can give much input, given the contrasts between the two organisations.
- However, Europe and the Commonwealth stand for certain ideas, like those of popular connections (Commonwealth Games, the Champions League). This gives them a profoundly different value to other more bureaucratic inter-governmental organisations.
- There is a tendency in discussion to side-line identity in favour of focusing on rational interests, and this is a mistake, given the inextricable fusion between identity, values, and interests.
- British exceptionalism has been a factor that the Commonwealth and EU have both dealt with.
- British exceptionalism is one of the reasons why the Commonwealth is headquartered in London, and the historical reality is that the Commonwealth is a club that exists because of a set of historical relationships and patterns centred in Britain.
- The British are becoming less exceptional in their Euroscepticism, which was a strongly British phenomenon, but now is more widely shared in Scandinavia, Holland, and Germany.



• The psychological contract of Britain and the EU is different from most of the other EU members, because most of the other members got something out of deciding to have it.

• British engagement with the EU is predicated on the fact that the UK initially chose not to join, but then ultimately found that it had to join.

• The pro-European camp is in trouble due to the fact that the metaphors and language being used (i.e. “missing the train” and “catching up”) are founded on a moment of British decline.

• However, the pro-Europeans’ case is not being

recast at the moment because psychologically, Britain is not in decline.

- The paraphernalia of nation-statehood has been deployed as an emotional appeal for the British identity, at the expense of the more general European identity in the UK.

### **Sir Malcolm Rifkind (Former Foreign Secretary; Chair, Intelligence and Security Committee)**

- The EU and Commonwealth are two utterly different creatures, and they're meant to be different. The Commonwealth is a body of countries with certain shared backgrounds, a common language, common values, and it seeks to reach common positions via discussion on issues of interest.

- However, the Commonwealth doesn't aspire to go much beyond discussion, while the EU is concerned more with power.

- The EU project is centred on creating a supra-state entity that can collectively communicate with other parts of the world, which requires changing the laws of its respective members states.

- It is important to be careful about drawing too many contrasts between the EU and Commonwealth, given the intrinsic differences in their mandates and goals.

- The Commonwealth does not really have any power (nor does it aspire to have power), but will never reach a decision except by consensus. Unless all member countries agree, nothing is done. Even in the relatively modest areas of political action, the Commonwealth contemplates.

- Conversely, decisions in the EU are reached by qualified majority voting.

Despite the fact that the EU is powerful and supersedes national laws, it proceeds from a different set of assumptions, perhaps for good practical reasons, but nevertheless with an end result that has more of an impact on the average citizen.

- Despite differences in the organisations, the Commonwealth and others like the Francophonie perform a valuable role in that they remind the EU not to be overly egocentric, not to simply contemplate their own interests and own requirements, but to acknowledge that the EU is part of a wider world.

- When Britain joined the EU common market, some of the most difficult negotiations were held over trading privileges and prerogatives that had previously existed with Commonwealth countries.

- The concept of multiple identities is now more easily accepted by the vast majority of people; you do not have to choose between being a British, European, or Commonwealth citizen; there is no requirement to reject part of one's identity.

- Acknowledging that we can have multiple identities, British involvement in the Commonwealth and the EU is not only desirable as part of its foreign policy, it is also something that does not demand to make any fundamental choices, as it would have prompted in the past.

*“Acknowledging that we can have multiple identities, British involvement in the Commonwealth and the EU is not only desirable as part of its foreign policy, it is also something that does not demand to make any fundamental choices, as it would have prompted in the past.”*

### **Will Straw (Associate Director, IPPR; Founder, Left Foot Forward)**

- Dean Acheson quote: “Britain had lost an empire, and had yet to find a role”. The Commonwealth and the EU were answers to that problem of finding a new role

- The prospect of power was a large part of the British decision to join the EU perhaps 10-16 years after the Treaty of Rome.

*“The lesson to draw from the Commonwealth is that the UK has “got to be in it to win it” and that it is faltering at the moment. This debate needs to be resolved in order to return to pursuing Britain's interests.”*

- Looking at Britain’s position in the world now, with approximately 1% of the global population and 4% of GDP, the UK will still slip down the table of the world’s largest economies in the future
- Learning from the UK’s experience in the Commonwealth, the slogan “you have to be in it, to win it” has some validity, and currently the UK is “losing it” in the EU, and that the debate over UK membership is a distraction from actually getting the best for Britain out of the EU.
- There are six things that the UK has managed over its near 40-year period in the EU, to get the best for Britain out of it:
  - o Broadening rather than deepening – Britain has successfully pursued this strategy, where the EU has expanded to 28 member states.
  - o Britain exerts caution– with respect to tax harmonisation and redistribution, there is still unanimity and qualified majority voting tends to advance the concept of a unified single market, something the British seem to favour.
  - o Constrained budget – The EU budget, despite various attempts to expand it, has been kept below 1% GDP, and the UK has kept its rebate during this period.
  - o Allowing variable geometry– the UK has been able to opt out of the Schengen Area of common borders.
  - o Establishment of a common foreign policy– Baroness Ashton has played a central role in establishing the European External Action Service (EEAS).
  - o English has emerged as the de facto common language
- Due to the distraction of the debate over the UK membership to the EU, the UK is now losing much of the influence that was previous enjoyed.
- According to Vote Watch, between 2009-11 the UK only lost 2% of the European Council votes, for issues that had gone to qualified majority voting. In 2012, after Prime Minister David Cameron famously walked out of the December European Council meeting, those losses rose to 7%.
- The ability to form relationships with other countries to build voting blocs and to pursue Britain’s own agenda is being eroded by the energy that is being put into the pursuit of the UK’s repatriation, and the desire to bring back power to the UK.
- The lesson to draw from the Commonwealth is that the UK has “got to be in it to win it” and that it is faltering at the moment; this debate needs to be resolved in order to return to pursuing Britain’s interests.

## Discussion:

• **Mr Josef Lentsch** of the Royal Society of Arts indicated that studies show there is a “generation issue”, where younger generations of Europeans have far fewer problems with Europe than do older generations, and asked the panel whether this was reflected in the discussion, where older generations in the UK are experiencing a sense of nostalgia, not shared by younger ones. The Chair indicated that for the Commonwealth, the ending apartheid was one of the major issues at stake, while the major theme for Europe was to avoid continental conflict. Today, both Europe and the Commonwealth have ‘moved on’ from the great causes which inspired people, and the same level of inspiration is not apparent in either the Commonwealth or EU. The question was posed to the panel as to whether this ‘lack of inspiration’ was something the UK has to live with, or if ‘new inspirations’ can be mobilised.

• **Sir Malcolm** indicated that the question of nostalgia overlooked the fact that the reasons these issues are no longer a reality is because the Commonwealth and EU were successful





in their respective issues: the EU has thus far averted war on the European continent, and Apartheid ended in the early 1990s. Sir Malcolm compared this to people saying “I remember when the Second World War was when the nation was united and wasn’t it all wonderful.” While it may be true that the UK was united, the present peaceful situation is far more desirable to the wartime position.

- The Chair recalibrated his argument, indicating that for younger generations, having not lived through those experiences gives them a tendency to take the current situation for granted. The question was turned around, asking how best to remind people of the aforementioned European and Commonwealth victories.

- **Sir Malcolm** admitted that some great international issues are born, some are achieved, others are thrust upon us, and certain causes will develop over time.

- **Mr Katwala** underlined that predicating the UK’s motivation to remain in Europe on the idea that France will go to war with Germany if the UK withdraws is a bad reason to stay. This slippery-slope argument is not plausibly true in that the EU’s achievement lies in the fact that involvement is so entrenched amongst members. There have been causes in the past, and there will be causes in the future, but to think that they will take the same form of the historical pressures is not valid. Mr Katwala made another comparison, between the EU and NATO with respect to the UK’s sovereignty. For the EU, its purpose and powers are explicit and known, and is thus less of a problem for the UK’s sovereignty. However, NATO poses a massive problem for the UK’s sovereignty, given the nature of NATO priorities and involvement in mobilising security and military forces. In the UK, the EU is perhaps perceived as interfering too much in spurious matters, without dealing with priorities that do matter, such as climate change. Coupled with the irrelevance of some of the EU’s priorities, Mr Katwala posited that there are some issues that young people feel differently about from older generations, such as race relations. As such, Britain is very comfortable with having multiple identities: there are British, European, Commonwealth, and international identities. However, there is an emerging English identity, which has been much more ‘draw-bridge’ like in its rejection of other more inclusive notions of identity. This situation demands that more needs to be done to reintegrate these people into the British identity.

- The Chair then revisited the notion that the UK “needs to be in it to win it”, as a powerful but practical argument regarding Britain’s involvement in the EU and asked the panel if this notion touches on something more than just practicality, perhaps something inspirational.

- **Mr Straw** thought that most of the critical issues faced by the Commonwealth and EU are indeed functional. As mentioned, the prospect of war on the continent is no longer present, nor is it valid. Instead, the major practical challenge today is the reviving of prosperity in Europe, and there is much to be done in terms of extending the single market into digital services, for instance. Alternatively, an inspirational challenge that the EU is facing is one around climate change and energy use. Polling was conducted by IPPR and YouGov, and found that people felt that the UK should generally cooperate with the EU, but indicated strongest support for more cooperation if it was based on the issue of climate change and energy. This was interpreted as a case where the public understands that climate change is not something Britain can effectively confront on its own, that the decarbonisation of the economy requires balancing the UK’s power grids with those of other countries. As an inspirational cause to be taken up for the EU, the questions remain: what can be done to share resources, renew infrastructure, help ensure prosperity, help create growth, and ensure that Europe is the heart of new innovation in the area of solving the climate crisis?

*“One of the major strengths of the Commonwealth is its ability to successfully re-invent itself over time. First it functioned as an agent for decolonisation, then as a bulwark against Apartheid, then as an advocate for sustainable development, and now finally as a champion of*

- The Chair asked Mr Krishnarayan if there were modern inspirational causes taken up by the Commonwealth that might go beyond functional cooperation.

*“Britain is a market of 60 million people while the EU is a market of 500 million. Therefore, the UK can get much more out of trade deals by negotiating them at the larger EU level”*

- **Mr Krishnarayan** reiterated that one of the major strengths of the Commonwealth is its ability to successfully re-invent itself over time. First it functioned as an agent

for decolonisation, then as a bulwark against Apartheid, then as an advocate for sustainable development, and now finally as a champion of small states. The Commonwealth is doing work to get small states’ issues to an international agenda. For instance, the Commonwealth was active at the 2011 World Health assembly, and acted as a catalyst to put non-communicable diseases on to that agenda. Without the Commonwealth, that agenda would not have had the traction that it enjoyed at the World Health Assembly, and later at the UN General Assembly. According to Mr Krishnarayan, the Commonwealth seems to be more adept, given its soft power nature, in re-inventing itself than the EU.

- **Mrs Rita Payne**, President of the Commonwealth Journalists Association, inquired whether the Commonwealth could be more robust if it moved to a majority voting system.

- **Sir Malcolm** responded with a tentative ‘yes,’ but qualified his affirmative response by acknowledging that the problem with majority voting is that the minority do not favour it. Majority voting would be deployed on salient issues such as human rights. For example, the current issue over Sri Lanka’s human rights record has spurred great controversy over whether the next CHOGM should happen in Sri Lanka. As it currently stands, this situation can only be changed if there is a consensus. Inevitably, this leads to great eruptions amongst the Commonwealth countries. Sir Malcolm asserted that sometimes an organisation must make a decision, and it is in this situation that majority voting becomes unavoidable. However, he stated that the Commonwealth never has to make a decision. Indeed, sometimes it has to consider whether no decision is better than either of the alternative decisions being proposed, and that is why consensus has survived. Finally, if majority voting were to be induced, Sir Malcolm indicated that this would prompt several Commonwealth states to secede from the organisation altogether.

- **Mr Peter Williams**, from the Council for Education in the Commonwealth, raised a question over EU demographic shifts, and how the relationship between the Commonwealth, UK and EU might play out given emergent skill-shortages, aging populations and migration, and how the UK might confront the dilemma of being unwilling to accept migrants despite a need to do so for economic reasons.

- **Mr Straw** identified that the “demographic time bomb” has a couple answers that have nothing to do with the EU. Much more needs to be done to utilise domestic skills, particularly where 20% of educated youth are unemployed. In terms of immigration, the current government has introduced an immigration cap, which has resulted in some adverse effects.

- **Sir Malcolm** agreed that the UK is in a curious situation, as the EU allows a free movement of labour within the Schengen Area, and the UK cannot prevent anyone through immigration laws from moving from one state to another. However, when it comes to the Commonwealth, Commonwealth citizens, who share more commonalities with the UK than EU counterparts, are subject to the laws that the rest of the world faces, and a set of rules that is increasingly strict.

- **Mr Katwala** identified himself as a “child of immigration”, with parents having immigrated from India and Ireland to work for the NHS. As a key institution in the UK, the NHS has largely been dependent on immigrant expertise and labour. However, the question about demographics would be received differently in different countries. For instance, in countries like Italy and Japan, who are closed to the idea of immigration and integration, they are struggling demographically. Britain’s openness to immigration has helped it avoid the demographic problem faced by other developed states, but currently does not have the public consent for more immigration. The public is pragmatic about it as long as the process is more selective and well managed.

- **Mrs Maura Buchanan** of the Commonwealth Nurses Federation (CNF) raised a point that the EU and Commonwealth have a big role in public health and as a major priority, one that falls across both organisations. The Chair questioned Mrs Buchanan how best to address the situation of ‘brain drain’ with medical practitioners trained in other Commonwealth countries as doctors or nurses who then come to Britain. This situation arises as a particularly poignant problem where they may be depriving locals of essential services that are perhaps needed more badly than in the UK. Mrs Buchanan agreed, and noted that in Guyana, up to 80% of the tertiary educated professionals have left the country. She felt there

is an absolute moral duty to go back and support those countries.

- **Mr Philip Bennion**, a Member of the European Parliament (Liberal Democrat), brought up the matter of the European External Action Service. Since having had the EEAS, there has been strong growth in direct dialogues between Commonwealth countries, other countries, and the EU. The UK is thus bypassed altogether. While the EEAS is only a few years old, it already has developed the General Preferential Scheme for Sustainable Development (GSP) and GSP+ agreements, forging a link between trade and human rights. Mr Bennion questioned the panel as to how this system of direct dialogue might develop over the next few years, in the context of debate over the UK's membership to the EU, and where Commonwealth countries are establishing direct relationships with the EU, how this might overshadow their relationship with the UK.

- **Mr Straw** identified that Britain is a market of 60 million people while the EU is a market of 500 million. Therefore, the UK can get much more out of trade deals by negotiating them at the larger EU level, and thus should remain within the EU.

- **Sir Malcolm** questioned the Commonwealth's ability to engage with the EU on a coordinated front, in so far that the Commonwealth's geographic situation means that it is scattered across the globe. For the vast majority of Commonwealth countries, although they value the Commonwealth, their relationship with their regional neighbours is much more pressing, on particular issues like trade. As such, their ability to bring a coordinated agenda to the negotiating table is quite difficult.

- Turning back to the notion of identity, Mr Katwala raised the point that the 2014 centenary of the First World War will present a brilliant opportunity to look at the identity of the UK, as an island nation, with its continental links and its global Commonwealth links. He felt that the narrative is very much about the story of peace and reconciliation in Europe and continental entanglements versus global commitments, and encapsulates the story of the extreme depth of Britain's Commonwealth links with Australia, Canada, India, and the West Indies. There is indeed a depth of interest in Britain's global Commonwealth and European links, and how this shared history shaped the UK. With those links, he feared that the Commonwealth has perhaps under-used its broader cultural capital, where technocratic policy initiatives may be overshadowing discourse over how people understand the genesis of their societies.

- **Mr Krishnarayan** elaborated on Mr Katwala's thoughts, where one of the Commonwealth's greatest attributes is its civic dimension. The Commonwealth is much more than an association of governments; indeed it is an association of people and civil society organisations. Those civil society organisations represent various sectors and interests and can help the Commonwealth find a way forward in making the protocols and guidelines that help countries address some of the more profound issues. Indeed, Mr Krishnarayan pointed out that Francophonie colleagues look across to the Commonwealth with some envy when they consider the depth of the civic space available to the Commonwealth organisations.

### Key points from this panel:

- The Commonwealth is a low-cost institution (the average UK citizen pays £0.19 per year) that does not seek the same degree of power that the EU exercises over its member states (Vijay Krishnarayan)
- The British identity is complex, and UK citizens often have multiple identities (Sunder Katwala)
- While older generations were perhaps 'nostalgic' about the major challenges faced by the Commonwealth (Apartheid) and the EU (war in Europe), younger generations are seen to be struggling to find new challenges and causes to take up (Peter Kellner)
  - o 'Practical' challenges for the EU and Commonwealth included goals like development and reinvigorating the global economy (Will Straw)
  - o 'Inspirational' challenges for the EU and Commonwealth included more broad issues like climate change, the energy crisis and global health (Will Straw, Vijay Krishnarayan)
- The Commonwealth's civic culture stands as a major positive aspect of the organisation, invigorates it, and functions to give the Commonwealth flexibility and ability for re-invention as new issues arise (Vijay Krishnarayan)



## Keynote Speech:

### HE Mr Joseph Zammit Tabona (High Commissioner for Malta)

- Today we discussed the economic recovery, and the UK's role in promoting further trade between the EU and members of the Commonwealth.
- Malta, the UK, and Cyprus all enjoy membership of the EU and the Commonwealth
- The EU single market best illustrates the true meaning of EU economic integration and unity.
- Malta has greatly benefitted from its EU and Eurozone membership and has been able to attract a great deal of new business, particularly in the financial services sector.
- Malta is a small island state, a population of some 410,000 people, and a work force of 180,000. It has no resources such as oil and gas; its only resource is its people.
- The Maltese government is totally committed to educate its work force to meet the needs of its employers, and has invested heavily in the information technology sector.
- Malta's main economic sector is manufacturing (20% of GDP), but

also has pharmaceutical and aviation sector investment.

- The financial services sector (15% of GDP) has been growing at a reasonable rate, and at the EU-level substantial progress has been made on the establishment of a banking union.
- Malta's economy is very dependent on the EU. The majority of imports and exports are with the EU, including tourism as a major source of income.
- Malta's gross imports for 2012 amounted to €6.1 billion, with 64% from the EU, and 10.6% from Commonwealth countries, while total exports for 2012 amounted to €4.2 billion, with 28.6% from the EU, and 12.3% from Commonwealth countries.
- Whilst the UK was Malta's largest Commonwealth trading partner for imports, Singapore is our largest Commonwealth trading partner for exports.
- Malta's role within the Commonwealth has evolved from being a recipient of technical assistance to a position where it can contribute through the sharing of its experience, expertise, and best practices in various fields.
- Malta is also a firm proponent of information technology, and has raised the issue of bridging the digital divide between and within Commonwealth countries.
- The Commonwealth Secretariat and the government of Malta sponsored the establishment of the Commonwealth Network of IT for Development, commonly known as COMNET
- COMNET supports activities related to the policy development and capability building in managing and using new IT technologies in Commonwealth countries.
- Malta, the UK and Cyprus are the only members of both the Commonwealth and the EU; there is an opportunity, but one that is currently not being developed, which could have particular benefits for trade and prosperity.
- Standing together in a globalised world –can make the EU and the Commonwealth a strong combined force on the global stage.
- The more Malta, Cyprus and the UK discuss the opportunities in both the Commonwealth and the EU, the more its value is demonstrated, hopefully leading to concrete action.



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