

European Affairs Committee

Corrected oral evidence: The future UK-EU relationship

Thursday 13 October 2022

12 pm

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Members present: The Earl of Kinnoull (The Chair); Lord Faulkner of Worcester; Lord Hannay of Chiswick; Lord Lamont of Lerwick; Lord Liddle; Baroness Scott of Needham Market; Viscount Trenchard; Lord Tugendhat; Lord Wood of Anfield.

Evidence Session No. 2

Heard in Public

Questions 14 – 22

Witness

[I](#): Professor Alexander Stubb, former Prime Minister of the Republic of Finland.

Examination of witness

Professor Alexander Stubb.

Q14 The Chair: Welcome to the House of Lords, where we are having a hybrid session of the European Affairs Committee. This is our second evidence session in our inquiry into the future of the UK-EU relationship. We are very grateful to have Professor Alexander Stubb with us, who is a former Finnish Prime Minister and a significant commentator on European matters, as most people watching will know. As this is a public broadcast session, a transcript will be taken and sent to you, and we would be grateful if you could notify us of any errors in it as it will be the basis on which we will write a report in due course when we finish what will be quite a number of evidence sessions. We only have an hour and quite a lot to get through, so I would appeal to my colleagues to keep their questions crisp as it would be a pity if we did not complete our question set.

This is really an inquiry about the future, but it is important for us to get your view on the current status. How would you characterise the overall state of the post-Brexit relationship between the UK and the EU, and what do you feel are the primary factors affecting it? Secondly, I

wondered to what extent you felt leaving the EU impacted on bilateral relationships that the UK has and enjoys, and, as an example, the bilateral relationship we enjoy with Finland.

Professor Alexander Stubb: Thank you very much for the invitation. It is much appreciated. I should probably begin by explaining where I come from with most of my answers. Some of you might know that 75% of my family—my wife, my daughter and my son—holds a British passport as well as a Finnish one. I would also define myself as an avid Anglophile, having received a PhD from the London School of Economics and having always been a very close friend of the UK.

My take on Brexit is that it has caused a lot of damage on all accounts, but at the same time it is time to move on, so this inquiry is an excellent step forward.

Your first question about the overall relationship and the factors around it. I would define the overall relationship as thawing or improving right now. The post-Brexit era began with a very complex set of domestic issues in the United Kingdom, but the negotiations between the European Commission—namely, Michel Barnier—and the UK Government at the time were complicated. There has been a lot of turmoil in the United Kingdom due to Brexit, with a change in Prime Ministers, but nothing unifies us more than a common enemy. In many ways, you could argue that, for better or for worse, Russian aggression in Ukraine has brought us much closer. I would argue that the new Prime Minister in the United Kingdom will probably have to deliver. Looking from afar here in Florence it is quite clear that domestically the situation seems quite complicated, but from an international perspective there are many deliverables.

Other aspects that are linked to this slow thawing are twofold. One is the recent European Political Community meeting that took place in Prague, where the United Kingdom participated as an equal with 43 other European states. I have a feeling that we are now coming to a stage where the relationship between the UK and the European Union is becoming more pragmatic, by which I mean that we are looking at issues where we can co-operate; the United Kingdom has, for instance, been very strong and very helpful during the war in Ukraine, not only in providing intelligence, arms and finance, but in general in trying to find various forms of cooperation with its European and transatlantic partners.

For me, as a Finn, there is also a link to the thawing of the relationship because of the strong support that the United Kingdom has been giving to Finnish NATO membership since the beginning of the war. I should be clear that I have been an advocate of Finnish NATO membership for the better part of 30 years. You ask about bilateral relationships. For a country like Finland, it was extremely important that we got written security guarantees from the UK Government, signed by Prime Minister Boris Johnson, in the heat of the beginning of the war.

Overall, I would argue that if you look at things from Brussels—from many capitals, including France—things are looking a bit better, and this is where we come to the bilateral relationship. The focus has been very

much on your relationship with France. Obviously there have been historic tensions there, with two former empires/superpowers with very different roles inside the European Union, and resistance came from the French before the UK became a member. There was, of course, a tit for tat about friend or foe coming from the French and the British side, and there was quite a lot of tension, I think, with AUKUS. I have a feeling that now, with the EPC in Prague and the bilateral meeting with Prime Minister Truss and President Macron, things are thawing on that front. The EPC has been a bit of a reset, which I am sure we will talk about.

On the bilateral relationship, on the Finnish side I really have no complaints. There has always been very close contact between the British and the Finnish Governments. In my time as Prime Minister, I recall very close relations in a group which the British Government at the time, with the leadership of David Cameron, put together—the northern stars—whereby nine Prime Ministers from the Nordic and Baltic states and a few others, including the Netherlands, would meet from time to time. This was very much the free traders or economic reformers of the European Union. We miss that. We felt that we lost a very good partner in arms on that.

I would like to stress the importance of the British Diplomatic Service. I have always been an admirer—in many ways, I would even say a great fan—of your Diplomatic Service. As a former Foreign Minister and civil servant at the Ministry of Foreign Affairs, I have seen the British Diplomatic Service in action, and it is probably needed now more than ever inside the European Union in building bridges in the capitals, but also outside the European Union with bilateral and other relationships.

My summary on the overall relationship is that I see a thawing and an improvement. The factors have to do with the general geopolitical situation. This does not mean that there will not be black swans with the Northern Ireland protocol or others, but on a bilateral level there are no complaints from the Finnish side. The British Civil Service and political rhetoric will determine a lot about its future as well.

The Chair: Thank you very much. That is a very helpful setting of the scenes and a good segue into the next question, from Lord Tugendhat.

Q15 Lord Tugendhat: Thank you, Professor Stubb. I found that very encouraging. You mentioned the European Political Community and President Macron's initiative. What sort of policy issues do you think the EPC would be best placed to focus on?

Professor Alexander Stubb: As a preface, towards the end of June I wrote a piece, a slightly longer essay or article, calling for a confederal Europe, and I published it with the European Council on Foreign Relations led by Mark Leonard.

In it, I qualified Europe into three tiers, very much along the lines of the EPC. I called tier number one the European Union, which is basically the member states that are currently there.

I called tier number two the European Community, which are the countries that are willing to join the European Union but not necessarily able to join it yet, and are in the waiting room either as candidates or countries that are negotiating: for instance, the Balkan states, or now, as we all know with hindsight, Ukraine, Moldova and Georgia.

I called tier number three the European area—EFTA-plus, if you will—which means the countries that are very important for the European Union but that are not willing to be members at this stage, for various reasons. They include, of course, the United Kingdom, Norway, Iceland, Liechtenstein and Switzerland.

My idea was to try to build bridges between these three different tiers in a confederal format. It would require meetings but not necessarily necessitate close institutional attachment. The countries that want to join go into working groups, even council meetings and types of broader meetings like the European Political Community. That is the institutional set-up.

You asked about areas that we can co-operate in. I think we should steer clear of legislation in the EPC. I must admit that, for me, one of the key elements of the EPC is to get the United Kingdom as closely involved as possible in as many areas as possible without it ruffling feathers in the United Kingdom or damaging the relationship with the European Union. As a very pragmatic Finn, for me this would mean a functional approach. Number one is security—including, obviously, intelligence. Number two is energy; we have to move towards consolidation on the energy sources that we use and the grids that we use to distribute them with, which is linked not only to day-to-day energy consumption but to energy security. I happen to come from a country that, fortunately, diversified its energy portfolio, so we were not dependent on Russian energy. That is why we have nuclear power and why we are able to deviate to other grids when Russia cuts off gas. It is very important that Europe as a continent works together on this.

The third area of co-operation is climate. We can find a lot of common ground on the European front and in the EPC. The problem we have with the EPC is that when we start touching upon the internal market or issues of trade, things become a little bit more complicated.

May I add the very important fourth area of co-operation: technology? I firmly believe that there are four mega-trends that determine how we manage the sort of era that we are in right now: they are demography, climate, economy, and then technology. The technological issue is very much about how we distribute and deal with data. The Chinese have it centralised and government-based, the Americans have it in the private sector and loose, whereas we in Europe are very much focused on data

privacy. I would argue these types of areas are very important for us to deal with.

Finally, when we are looking at the new European security structure, which in essence you are also looking at, on one side of the fence you have a Russia that is as isolated politically, economically, financially, in sports, culture, travel and energy as you can imagine. On the other side of the fence, you have the EPC with 44 states, including Armenia and Azerbaijan. This is the future of Europe, and that is why it is extremely important—and I stress, extremely important—for the United Kingdom not only to be involved but to take leadership in this project, albeit obviously from the sidelines of the European Union. I think it is doable.

Lord Tugendhat: Thank you very much. That is very comprehensive.

Q16 Lord Wood of Anfield: What is your view of how the UK should approach the EPC? What kind of role do you think the EPC will perform, and how should the UK engage with it? The Prime Minister and the Government's engagement with the EPC seems to be positive at the moment, but they are very keen that the EPC does not develop a secretariat run by the European Commission or tread on the toes of other multilateral bodies. Is that consistent with how you see EU countries viewing the role of the EPC going forward?

Professor Alexander Stubb: That is another good question. If we rewind a little bit and remember when the EPC was launched by President Macron, some people immediately stood back and said, "Oh no, this is a typical French suggestion whereby they want to keep the countries that want to join the European Union outside, and the ones that do not want to on a margin". The war changed this. The EPC suddenly became a very interesting, important, and potentially impactful geopolitical tool.

I think it is too early to say whether it needs a secretariat or not, because we do not know what the exact future European security structure is going to be. I probably should not say this because I was chairman of the OSCE when I was Foreign Minister of Finland and negotiated peace in the war in Georgia, and because I come from Finland, which has the Helsinki Accords from 1975, which were basically the foundation of the OSCE, but if the OSCE is unable to function as the basis of a European security order because Russia is not willing to stick to the rules of the OSCE and the Paris Accords about territorial integrity, sovereignty and conflict, could we think about the EPC as some kind of new security structure? The Council of Europe in Strasbourg is not going to be that, and the OSCE cannot be that, but we still need a joint forum in Europe to discuss security.

This is more about soft security than NATO, which I still think is the key pillar to security in Europe, but again not all the EPC countries are going to be in NATO, so perhaps this would be a way forward. As a Brit, as a British civil servant, politician or Member of the House of Lords, I would

take it very seriously and try to create a network—I would try to work with the French, who after all are the fathers and the mothers of this idea—and see what could be done together in this forum. Do not think it will become a new European institution yet. I come from a small state, so I am not a big fan of, say, the G7 or the G20. As a matter of fact, the Nordic countries together would be G9. For me, the EPC can be a little bit of a substitute for this, but it is basically too early to say. For me, the EPC symbolises the fact that, because of Russia, we are moving slightly away from principles in foreign policy—in foreign policy, it is always about principles and practice—such as common values, human rights and democracy. We are getting a little more transactional and looking a bit more at geopolitics and power. For me, the EPC symbolises power to a certain extent.

Finally, the crux of your question is whether it will be intergovernmental or institutional. I would keep it intergovernmental at this stage and not institutionalise it yet. The next meetings will take place—the second one will be in Moldova, the third in Spain—and by the time we reach the fourth one in the UK we should be wiser. I think it is a great initiative, and the UK should be engaged.

Lord Wood of Anfield: It is fascinating that you used the term “soft security”. That seems to me, just from these early stages, to be where it is going; we do not know yet, because it could go in different directions. But thinking of it as a soft security collective rather than an organisation, with shared interests rather than shared values at the heart, is interesting. In a way, the Ukraine crisis is the ideal formative moment for it, because there is obviously such a shared interest in that. Again, it is very early days, but how much consensus is there about this view of it among EU countries and particularly inside the Commission and Brussels?

Professor Alexander Stubb: We cannot speak of any form of consensus yet, because it is such early stages. We should just rejoice at the fact that the meeting was a success, symbolically and politically, from many different perspectives. We had a lot of people around the table who are not usually around the table, including the Armenians and the Azeris, Turkey and many others.

One of the things that you might want to think about in your preface and in the report regarding soft security is the fact that this war is going to be over at some stage—we can talk about that later—and we will live in a world where the line between war and peace has been blurred. The instruments of war are much broader than they used to be, and everything can be weaponised. Currency, technology, energy and information can all be weaponised. If we are in this “age of unpeace”, to use the term of Mark Leonard, some kind of forum that holds 44 states, almost a quarter of the world’s countries, and is intergovernmental is very useful in creating a European collective feeling and sentiment.

I am very careful about institutionalising it, because the more institutional it becomes, the more contentious it becomes, especially in the United Kingdom. That is a mistake we cannot afford to make right now, because,

as much as I lament the fact that Brexit happened, and I have my own opinions about what a historic and tragic mistake it was, the last thing we now need to do is to isolate the UK. The first thing we need to do is find convenient and practical ways to integrate the UK with Europe, and the EPC is a good start.

Q17 Lord Lamont of Lerwick: Good afternoon, Professor Stubb. It is a pleasure to have you here. You have touched on my question quite a bit already, but what impact do you think Brexit has had on defence, foreign policy and security co-operation between the UK and the EU, and between the UK and individual countries, including Finland?

Professor Alexander Stubb: It is tragic to say, but it has been win-win all around.¹ I can say that, coming from a country with 1,340 kilometres of border with Russia, Putin's strategic blunder in trying to be the master tactician has meant that everything has turned out exactly opposite to what he wanted. He wanted to "russify" Ukraine; it became European. He wanted to split the European Union; I have never seen it more united or efficient. He wanted to split the transatlantic partnership; we are back to where we were during the Cold War with the added bonus that the United Kingdom got seriously involved. He wanted to split NATO; we are back to 1948 and the original purpose of the alliance—function as a deterrent, then to the Soviet Union, now to Russia.

And, of course, as the icing on the cake, Finland and Sweden applied for NATO membership, which would never—I stress, never—have happened were it not for Putin's aggression. Finland was 50% against and 20% in favour of NATO membership, but that changed overnight after the attack. Figures are now north of 80% in favour of NATO membership. Without Putin, it would not have happened. For Sweden, it was like changing a religion, not even denomination; it would have never joined NATO were it not for this. The Ukraine crisis has completely changed the security structure in Europe. To some extent it has happened out of necessity, and it is a good thing.

I do not mean this to be a commercial break for the Finnish military, but this is very much a value-added for the alliance—and by "the alliance" I

mean NATO. Finland has mandatory military service; I myself am a lance corporal, and my son is about to enter military service. We have 900,000 reserves, which is more than Italy and France combined. We have 280,000 men who can be mobilised in wartime within a matter of weeks. We have 64 F18s and we have just bought another 64 F35s. We have one of the most sophisticated land-to-air/air-to-land missile defence systems. This will all increase security in the Baltic Sea region.

¹ Note by witness: this refers to the impact of the Russian invasion of Ukraine on defence, foreign policy and security co-operation between the UK and the EU, and between the UK and individual countries, including Finland.

We are already getting the UK practically involved. Of course, that would have been done through NATO, but now we also, through PESCO, have a little project led by the Dutch in which the UK has been involved. I am not even touching upon key issues linked to the provision of British intelligence, which is the most sophisticated in the world. Again, I come back to the notion that a common enemy has united us through practical engagement and co-operation, which is a very good thing.

Lord Lamont of Lerwick: Where does Brexit come into all that?

Professor Alexander Stubb: Brexit comes into all that in the sense that, had this not happened, we would not be co-operating this closely, because there is still this sentiment that, whether British or non-British, people are unable to detach themselves—this is normal human behaviour—from the disappointment of Brexit on the one hand and, on the other, the notion that “We want to prove that you were wrong in leaving the European Union”. Therefore, the sentiment in Brussels is very much, “If you don’t want to join us, well, then stay out”. But now, because of necessity, Brexit has been put on the back burner a little bit.

I am not saying that this is the back door into the European Union, but it is potentially the beginning of more pragmatic and closer co-operation than we would have had without the war. Were it not for this, it would still be all about getting Brexit done and “Brexit means Brexit”, fights about the Northern Ireland protocol, and other things. It is now easier to mentally have a conversation. I am not taking issue with your domestic mayhem, but hopefully the change in government in the UK might have also helped; the jury is still out on that. You have to understand that the sentiment in Brussels is still quite complex. I can also talk about what this means for education and university co-operation and how deep this sentiment goes, but that is a different story.

Q18 Lord Faulkner of Worcester: Thank you very much for being with us this morning. You are giving us some wonderful answers, if I may say so. Can I take us back to October 2019 when the withdrawal agreement was signed, which in our case was three Prime Ministers ago, which is perhaps a little surprising.

Professor Alexander Stubb: Just like Italy.

Lord Faulkner of Worcester: The agreement referred to the possibility of establishing “a broad ... comprehensive and balanced security partnership”. In the end, it was not adopted by the subsequent Government in Britain. Do you think it would add value if we had one now?

Professor Alexander Stubb: It would definitely add value. Again, I come back to my previous answer about the possibility that we have right now; the sentiment of “never waste a good crisis”. The way I think the European security structure will evolve is that we will probably end up with what could be called a more European NATO.

Europe was naive on two accounts in the post-Cold War era. One was to rely purely on American security, and the second was to rely on Russian energy. The second one we will drop completely; that is fine. But on the first—American security—after this crisis is over I think we will start seeing a shift towards what has generally been called strategic autonomy. I am fine with that as long as it still means American engagement and involvement. But then, within the context of NATO or even outside, if we can have some bilateral security structures between the European Union proper and the United Kingdom, that will benefit us all. I would leave it to the professionals to decide what exactly that means: what kind of exchange of information, co-operation, potential operations, troops, centres or exchanges are needed to bring us closer.

The problem I had with the rhetoric on Brexit, apart from the fact that many of the issues claimed at the time were false, was that there were a lot of people on the Brexit side saying, “Oh, we can just continue with the internal market on co-operation”—well, that did not work, did it?—or “We can just continue on security affairs”. Well, it did not work, so now it is time to put our gloves on and start working on these things together. I would go back and look at what happened in 2019. I do not know the details of it, but I would start co-operating on that basis.

Lord Faulkner of Worcester: I was going to ask you what form you think the framework might take, but I think you have answered that by saying that you would rather leave it to the experts. Is that right?

Professor Alexander Stubb: Yes, I think so; I am not well enough versed in the latest structural complexities. By the way, never underestimate the capacity of the European Union to make complex structures in European security and defence.

Lord Faulkner of Worcester: There have been plenty of precedents, though, for frameworks for foreign policy co-operation between the European Union and its neighbours and particularly with aspirant EU members. Do you think any of these have been successful in encouraging foreign policy and security co-operation? Have they been worth while?

Professor Alexander Stubb: Yes and no. I am a sad case: I wrote my PhD on differentiated integration, the capacity of the European Union to do different things at different times with different members. It had always been the case throughout the history of the European Union to do that, whether the opt-out from the euro, opt-outs like Denmark’s from the defence co-operation, staying outside Schengen, or just in day-to-day legislation. There is always the capacity to be very flexible within the system.

The problem with the security structures is that they started to come alive with European political co-operation in the 1980s, which then led to a common foreign and security policy—the CFSP—in the 1990s through

the Maastricht treaty, and later moved on to defence co-operation and even to security guarantees. A lot of the co-operation that happened previously with countries that were not members of European Union was that they were participating in some of the crisis management operations that the European Union might have had.

However, as much as I would like to see the development of a European defence capacity, a European security capacity, et cetera, I still see NATO as the basis, which in many ways also gives an advantage to the United Kingdom. From there, it can pick and choose a little bit from what could be realistic forms of co-operation together with the European Union, so outsiders can also be there on the big questions. Perhaps the European Political Community in Prague could be a good place to discuss this.

Lord Faulkner of Worcester: If the UK were to decide that it did want such a framework, would the EU be receptive to that and, if so, on what sort of terms?

Professor Alexander Stubb: Yes, the EU would be receptive. Obviously, the first conversation to be held would have to be with the French, because if a break were to come from anywhere, it would come from France. Security quite often involves intelligence. It is tit for tat. That means that, now the United Kingdom has shown its willingness to co-operate and its capacity to help—say, with arming in Ukraine, doing security guarantees with Finland and Sweden before they join NATO, or in general working constructively with its partners—I do not think there will be tremendous conditions, so it's quite realistic, actually.

Q19 Baroness Scott of Needham Market: Thank you very much for coming to talk to us this afternoon. I want to turn to the security declarations that were agreed in May between Sweden, Finland and the UK. What is the significance of that sort of bilateral agreement? Is it mainly about solidarity, which is not unimportant, or is there something more in it for the participants?

Professor Alexander Stubb: There are a few significant issues here. The number one issue is symbolic: it was very important for countries like Finland and Sweden, which were floating in a grey zone between NATO membership and outside NATO membership before clearance and before the ratification processes had started, to get a clear sign from a P5 member, a nuclear power like the United Kingdom. They needed pen on paper saying, "If you're attacked, we'll help you out". The symbolism of that cannot be undermined. It is as important as the first visit of my President and then the Prime Minister of Sweden to see Joe Biden after the war had begun. These are extremely strong signals.

I always knew on which side of the football team we were, but Russia needed to understand that as well, and I think it did from the beginning. It should not be forgotten that we were already involved in JEF—I think it is called—co-operation with the United Kingdom and some Nordic states, so the ties were very close. It is and has been both symbolically and practically very important, which is why it has been so appreciated in

Finland. I have not even talked about the co-operation we see between our Defence Ministers, our Foreign Ministers and our military.

Finally, on this point, a lot of people in the Finnish case do not understand that it was realised in the early 1990s that we could not simultaneously join the European Union and NATO because of public opinion, our defence forces, defence ministry and political leaders at the time decided that the key was to integrate our weapons system—our military—as closely as possible to the West. That is why in 1992 we bought the F18s. That is why we have done a lot of training, operations and co-operation with the United Kingdom, the United States and NATO. That is why, during my time, we were involved in ISAF in Afghanistan and, before my time, in KFOR in Kosovo, basically participating in all the NATO operations. We were just materially so integrated into the system. This is a long way of saying that the icing on the cake was the signature of the agreements both in Stockholm and Helsinki with Prime Minister Johnson, and they were very important and very timely indeed.

Q20 Viscount Trenchard: Professor Stubb, thank you very much for coming and talking to us today. Obviously, Finland has a strong interest in the current situation in Ukraine. How do you assess the quality of UK-EU cooperation over the response to Russia's invasion of Ukraine? Would you agree that the UK's quick and strong response to the invasion would not have been possible if the UK had still been an EU member state and that the UK's fast unilateral response led the EU to respond in a tougher manner than it otherwise would have done?

Professor Alexander Stubb: I love British parliamentary debate; the questions can be a little bit leading at times. Let me try to lead with my own. No matter whether the UK had been a member or not, the situation was so grave that we would have buried our differences and moved along. If I take Covid as another crisis—a dissimilar crisis, but a crisis nevertheless—it was quite clear during Covid that there was competition between the UK and the EU about who was able to procure vaccines and vaccinate their populations faster. There has been none of that during this war. I have never seen a European Union as united and effective before. If you compare it to the euro crisis, it took almost four years to put out the ESF, the European stability mechanism. If you look at the Covid crisis, it took four months to get things sorted and get on track. If you look at the war, it took somewhere between four hours and four days to do it.

For me, that meant, first, the political condemnation, which was key. Secondly, it meant the roll-out of sanctions, which were three waves very quickly. Thirdly, it meant the reversal of decades of policy on exporting arms and arms finance. Fourthly, it meant providing money for Ukraine. The speed at which this all happened was unheard of. There was very good co-ordination not only between the UK and the EU but between the US, the UK and the EU. So I would say that we collectively dealt with this

quite well. If anything, our sanctions regime was so robust and so quick that the US was left behind, but the UK came along quite nicely, so I would not have made this into a competition. I think we would have been able to do this regardless of whether the UK was in the EU or not, because you are such a central player when it comes to security, when it—[*Inaudible.*]— **The Chair:** You have frozen. What a shame.

Viscount Trenchard: I think we heard most of your response, but just to go a little deeper into this, what lessons are there to be learned from the experience of co-operation over the response to Russia's invasion of Ukraine for the wider UK-EU foreign policy security and defence cooperation?

Professor Alexander Stubb: As a starting point, things worked out quite well. Thinking out loud and a little outside of the box, one of the things I would probably set up between London and Brussels is some kind of crisis unit that can deal with these types of crises very quickly in open channels of communication. I am sure they exist in one form or another between, say, the defence ministries and others, but there needs to be some quick way to give a collective response to a situation. This cannot be a WhatsApp or Signal group et cetera. It would be useful to have something a bit more serious; some kind of loose intergovernmental institutional structure would be good.

Q21 **Lord Liddle:** Thank you for coming along and talking to us. You have made me feel more optimistic about the possibilities of Britain playing an active role in Europe than I have for a very long time. I want to ask you about the NATO and EU defence relationship, as it were, between the cooperation in NATO and the desire to have a stronger European defence pillar. This has always been extremely controversial in Britain. How do you feel all this has played out in the Ukraine crisis? Do you think we will see a reversion to some of the NATO-EU tensions despite the practical cooperation we have seen as a result of the Ukraine emergency, or do you think the corner has been turned on that? How does that affect the UK, given that here there is still quite a lot of nervousness about the idea of European defence?

Professor Alexander Stubb: The optimist in me is trying to find a “third way” in the relationship between the UK and the EU, and I hope my optimism will work in this case as well. I am not sure yet whether we have turned a corner. If I may say, it depends a little bit on French behaviour and, to a certain extent, on what America and the UK decide to do when it comes to EU-NATO co-operation. As a Nordic, the way I want to frame it is that we now have two EU states joining NATO that have a lot of defence and security value-added for the north-eastern part of Europe in terms of military material and resources in general, which is why it is very important to be pragmatic and non-ideological with the EU-NATO relationship.

One problem is that some people are actually quite ideological. For them, NATO is just a haven for American security. We need to find a balance, making NATO a little more European, which then means that the United

States stays engaged and the UK can have a central role. For the time being we are okay, but there could be a time when war fatigue sets in, we no longer have the common enemy, we start looking for new European security structures. This will change, but right now NATO has proved it is worth while.

In my ideal world, we would have all the EU member states being NATO members as well, but that is not going to happen anytime soon. The interesting thing is to see the attraction power of both NATO and the EU in the sense that all the western Balkan states want to join the EU. Most of them want to join NATO of course, bar Serbia, and countries like Georgia, Moldova and Ukraine want to join both. We should not get involved in these old-school ideological debates and think that it is a binary, black-and-white issue: join either the EU or NATO. It is actually both, but with NATO in the lead.

Q22 The Chair: Earlier in your evidence you mentioned education. The committee has been very interested in research and education, and we have certainly been active in the debate over the Horizon programme. What are your views on the scope for the relationship between the UK and the EU to be developed in education and research terms? That is both an Horizon-type question and an Erasmus-type question.

Professor Alexander Stubb: First, I will have to begin not necessarily by recusing myself but by expressing my interest, which is both family-based and professionally based in the sense that my daughter is currently studying at UCL in London and my son is applying for universities in the United Kingdom. I declare that immediately. It is great that they have British passports, so in that sense I am not worried. Also, I sit at the European University Institute, of which the United Kingdom was a steadfast member until Brexit. The negotiations for a new deal between the United Kingdom and the EUI here in Florence have now ended, and unfortunately there will be no direct co-operation, which I find a sad state of affairs.

When we think about education, I still think very much in the Aristotelian sense that there is nothing more noble than teaching the young, but at the same time the exchange of ideas and minds that can move across channels from the continent to the British Isles and back is extremely important. I would of course argue, coming from the liberal international school, the rational school or whatever, that a lot of the ideas that we deal with on the continent have been born on the island and vice versa. This exchange needs to continue. The UK still have the best universities in the world, because it is a melting pot of ideas and has been so historically. You have been able to integrate, to be open, to exchange, to debate, to discuss and to ration yourself to conclusions.

In terms of practicalities, from what I understand there is this association to Horizon, which you mentioned, but there are some problems linked to

ratification. When I was doing research for today's testimony, I found quite a good quote from you, Lord Chair. I think you said somewhere that, "This is a mutual self-harm problem". I fully agree with that. Why would anyone want to cut themselves off from an exchange of ideas? If we want to be really pragmatic about it, we need to have a flow not only of finance, but of people and ideas between the United Kingdom and the European Union. It is a no-brainer, so I wish that we could sort this out. It is one of the key issues.

There are a lot of people who are much better versed in this and know what it is all about. I have a number of friends in Europe who are now basically saying, "I can't go to the United Kingdom and study because it's too expensive". You know what, you lose out on that, and we lose out on that a lot. We still want the United Kingdom to have the top universities in the world. Of course, you can get brain power from elsewhere. I do not deny that. You can get it from Asia, China, the US, Latin America and Africa. That is fine, but we have a mental connection between the continent and the British Isles when it comes to academia, and that needs to be maintained and nurtured.

The Chair: The good news is that you see scope for development. There is no block in the road that you can foresee if the two parties put their mind to it?

Professor Alexander Stubb: Yes, I do see scope for development. To go back to where we started, now that the relationship is thawing, now that at least I can detect an improvement where there is no public bickering on both sides all the time, I hope we can start mending fences here and start working on it—and yes, start on security and work on the crisis, on climate and on energy, but please let us go back to the basics—in other words, education—and try to work on that together as well, because it is a fundamental part of the success of our civilisations.

The Chair: I am sorry to lead the witness for my final point on this, but you also see that it is a matter of mutual benefit to get this going again?

Professor Alexander Stubb: As someone who comes not only from the happiest country in the world—although I question the look of us sometimes; we do not express the happiness too much—but from a country that has one of the best first-level education systems, according to the PISA studies, and having done my PhD in the UK, I can only see mutual benefits in this. There is so much best practice and things that we can learn from each other in these systems. It is certainly a two-way street, not a one-way street, and my heart bleeds when I find myself in a situation where, for example, I want to hire a British professor but because of tax reasons or something like that I cannot do it. Fortunately, my school, the School of Transnational Governance, teaches a master's programme and we have no problems with UK students coming, but our PhD programmes are basically skewed to the owners of the university—in other words, the remaining 23 member states of the EU²—so we cannot have British PhD

students. It is a travesty. It means that we cannot have the Simon Hix-es of this world anymore.

The Chair: Thank you very much indeed for a thoroughly interesting session and the great insight you have shown in the problems of the day, which will be very helpful in our inquiry. With that, I declare the evidence session formally over, and I know all my colleagues would thank you as well.

² Note by witness: this refers to the 23 EU member states who are currently contracting states of the European University Institute.