

A Routledge FreeBook

THE EU, EUROSCEPTICISM AND BREXIT



WITH A SPECIAL INTRODUCTION BY NICK STARTIN



TABLE OF CONTENTS

04:: Introduction. 'To be or not to be? 'Should I stay or should I go?' and other clichés: The 2016 UK referendum on EU membership by Nick Startin

13:: Chapter 1. A Political System Forged By History

Chapter 1 from *How the EU Really Works* by Olivier Costa & Nathalie Brack

37:: Chapter 2. The End Of An Era? Towards A New Debate On European Integration

Chapter 12 from *On Extremism and Democracy in Europe* by Cas Mudde

40:: Chapter 3. The UK and the European Union

Chapter 13 from *Exploring British Politics: 4th Edition* by Mark Garnett & Philip Lynch

76:: Chapter 4. It's Time To End The Eurosceptic Illusions

Chapter 18 from *On Extremism and Democracy in Europe* by Cas Mudde

80:: Chapter 5. Referenda and European Integration: The case of the United Kingdom

Chapter 30 from *Routledge Handbook of Euroscepticism* by edited by Nicholas Startin, Simon Usherwood & Benjamin Leruth

97:: Chapter 6. The UK: In or Out?

Chapter 39 from *The Routledge Guide to the European Union* by Dick Leonard & Robert Taylor

For wider reading on this topic head over to our dedicated article

← Politics & International Relations: Posts

Politics & International Relations | The UK's EU Referendum

UK Prime Minister David Cameron has announced a referendum on whether Britain should remain in the European Union - to be held on Thursday 23 June.

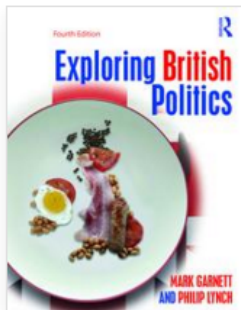
This article supplies information, and highlights titles which are relevant to the topic, and not only that - we have put together a collection of curated chapters surrounding the topic to create our *The EU, Euroscepticism and Brexit* FreeBook.

- » [Home](#)
- » [Key Facts and articles:](#)
- » [THE EU, EUROSCEPTICISM AND BREXIT FreeBook](#)

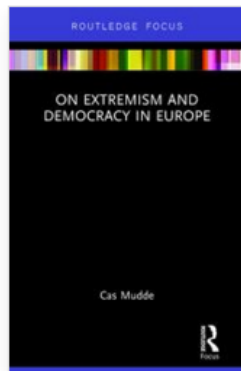


Britain goes to the polls to answer the question: "Should the United Kingdom remain a member of the European Union or leave the European Union?"

Key Titles



Exploring British Politics
4th Edition
By **Mark Garnett, Philip Lynch**
Paperback – 2016-04-27
Routledge



On Extremism and Democracy in Europe
By **Cas Mudde**



The Formulation of EU Foreign Policy
Socialization, negotiations and disaggregation of the state
By **Nicola Chelotti**

The EU, FreeBook



✓ [Find Out More](#)

Receive 20% off

Simply use the code **EUREF** when you check out from our websites to redeem the discount.

**Discount is only available on print books*


Here you will find key titles surround the topic, an interview with two significant authors, facts, articles and 20% discount on relevant titles!

[Don't miss out and discover more here.](#)

Introduction

'To be or not to be? 'Should I stay or should I go?' and other clichés: The 2016 UK referendum on EU membership by Nick Startin

In January 2013 under pressure from his own backbenchers, the growing influence of the United Kingdom Independence Party (UKIP) and the tabloid press, Conservative Prime Minister David Cameron announced that the Conservatives would hold a referendum on UK membership of the European Union (EU) if his party were to win the general election in 2015 (Startin 2015: 311). This watershed moment in the evolution of the UK debate on 'Europe', followed by the Conservative majority victory at last year's general election, led the Prime Minister to underline his manifesto promise for an 'in-out' referendum with the commitment included in the Queen's speech at the beginning of his second term. Three years on from the 2013 watershed moment, British politics in 2016 has been dominated by the Referendum debate. In February the Prime Minister negotiated an agreement with the European Council which he claimed would give the UK 'special status' in the EU (which has subsequently been ratified) and also announced the date of the referendum for June the 23rd this year. The BRExit referendum, as it has been labelled by the media, has thus become both the most predictable and the least predictable event on the horizon of British politics. Predictable in that in the three months leading up to the referendum, British politics will be dominated by the campaign; predictable in that the wording of the referendum question has been decidedⁱ and predictable in that we know who is eligible to voteⁱⁱ. It is unpredictable, however, in that the outcome remains difficult to determine. There has been a clear disparity between online and telephone based polls in recent months with the former pointing towards a BRExit and the latter towards a BRemain. Since the announcement of the government's deal and of the date of the referendum, the polls have tightened with a latest ORB poll for the *Daily Telegraph* indicating 49% in favour of leaving the EU and 47% in favour of staying. With up to a third of voters still undecided, attempting to predict the outcome is not straightforward. The situation is made more complex by the fact that according to Eurobarometer data, the UK has one of the highest levels of 'knowledge deficit' when it comes to an understanding of the EU (Eurobarometer 2015). Many voters are genuinely unsure about the pros and cons of UK membership something which has undoubtedly not been aided by the rather simplistic and sensationalist tabloid coverage of the issues thus far. There is a certain irony in the fact that the country in the EU that has arguably the least, collective understanding of the EU, will in fact be the first country to vote on whether to remain within it since the UK voted in 1975 to stay in the then European Community (EC).ⁱⁱⁱ The unpredictability surrounding the result of the referendum will also have an impact which reaches well beyond the UK. A BRExit would further galvanise Eurosceptics across the EU and strengthen demands for Referendums on EU and/or Eurozone membership in various countries. Marine Le Pen, the leader of the French Front



National, the leading party in France in the 2014 European elections, recently labelled herself 'Madame FRexit' and in France and elsewhere events in the UK will be scrutinised closely. A UK withdrawal would raise fundamental questions about the future direction of the EU, with some commentators - in the context of the 'refugee crisis' - even arguing that its very existence is at stake (Monnet Matters 2016). In this respect it should not be overlooked that against the backdrop of the economic crisis, opposition to the EU has become increasingly embedded across the EU as a whole (Usherwood & Startin 2013). Although Euroscepticism is a British invention in terms of its origins, it is a word that has become pertinent in all member states in the post Maastricht era. Whatever the outcome of the referendum it will be a watershed moment in terms of the evolution of the European project.

What will determine the outcome of the referendum?

In reality a complex mixture of demand and supply-side contemporary-driven variables are likely to determine the outcome of the referendum, although before considering these it is worth just dwelling briefly on the historic dimension of the UK's relationship with the EU as this will also undoubtedly help to shape the campaign. Stephen George (1990) famously labelled Britain as the 'awkward partner' in its relationship with the then European community. Historically, the British Eurosceptic tradition is very much linked to the past and to a nostalgic attachment to a perceived bygone era of a better Britain, one which is deeply couched in notions of sovereignty and identity (see Startin 2015: 313). Thus, notions such as the English Channel acting as both a physical and psychological barrier, the existence of a mono-lingual British culture, the UK's Special Relationship with the USA and its history of empire and commonwealth and its Second World War experience are important historic realities that provide a backdrop to the campaign.

Demand-side influences on the referendum outcome

Returning to the contemporary context and the demand-side variables likely to influence the outcome of the referendum, Eatwell (2003: 48) argues in the context of the electoral rise of Far-Right political parties that 'socioeconomic developments, such as the impact of immigration, unemployment or rapid social change' act as a catalyst in determining voter choice. Parallels can be drawn with regard to the UK referendum on the EU in that there are undoubtedly a number of similar, crucial demand-side variables which will impact on the result of the referendum. **Figure 1** provides an overview of these and it is important to stress that neither the 'in' nor the 'out' campaigns will necessarily have ownership of the demand-side issues at stake.

Figure 1: Demand-side variables as influences & impacts on referendum outcome

- Immigration – Freedom of Movement, Schengen, ‘Refugee crisis’
- Security – Terrorism; borders; Fortress Europe
- Economic Crisis – the ‘Rational Choice’ debate - How much does the EU cost? Is the UK better off in or out?
- Climate Change – Should the EU take a lead? Are fossil fuels ‘man-made’?
- EU ‘democratic deficit’ – sovereignty; transparency; Reform? – EU positives?

The impact of immigration and security are clearly two of the major demand-side issues which will have a major impact on shaping voters’ perceptions. In the context of the refugee crisis and against the backdrop of the terrible events of 2015 and 2016 in Paris and Brussels, these two issues have become intrinsically linked as discussion has centred increasingly on both the Freedom of Movement (FOM) and Schengen. One of the crucial factors in this respect is that in the UK context, the FOM and Schengen, are sometimes misunderstood to be one and the same thing. Thus, the *Britain stronger in Europe* campaign will need to emphasise robustly that the UK is not part of the latter if it is to gain any traction on the issue of immigration. On the related issue of Security, the intervention of the Armed Forces Chiefs in favour of membership (‘Generals: We are safer in Europe’) in their letter to the *Daily Telegraph* last month was a fillip to the ‘yes’ campaign as both camps seek to gain traction on these crucial demand-side issues (Dominiczak 2016).

Similar observations with regard to issue ownership are evident with regard to what is often referred to as the economic or ‘rational choice’ dimension of the campaign. Prior to the global economic recession which triggered the crisis in the Eurozone in 2008, the economic benefits of the EU as a regional actor within a cohesive single market were very much perceived as a major, positive consequence of membership. The ‘rational choice’ argument was based on the assumption that growth and jobs would ensue as a result of both the single market and currency. However, the bailouts in Greece and elsewhere, the knock-on effects of austerity, cuts and rising (in particular youth) unemployment, have undermined the force of this argument. Consequently, although the UK has not been hit as hard by the consequences of the global economic crisis as other EU countries - and although the Eurozone is showing signs of recovery - the potential economic pros and cons of membership will be hotly contested by both camps for the duration of the campaign with the ‘in’ campaign unlikely to clearly gain the upper hand. In fact, claims of the perceived financial, daily cost of EU membership, are likely to be a galvanising force for the ‘out’ campaign.

Another issue that could also influence (particularly younger) voters in favour of UK


membership is Climate Change. The perception that reducing the UK's carbon footprint in isolation without the existing EU framework, remains a strong argument in favour of staying in the EU for many environmentally conscious voters. Added to this, the existence of 'man-made' Climate Change is contested by some prominent Brexit campaigners such as Nigel Lawson, so this issue could easily gain traction and become a rather polarising bone of contention as the campaign progresses. The EU itself is also, unsurprisingly, a crucial demand-side factor, which as the campaign develops, will increasingly come under scrutiny. Broader than the questions surrounding the relative strengths and weaknesses of Cameron's negotiations secured in February - which are likely to fade as the campaign progresses - the broad-brush question of what the EU actually represents to UK voters is key. For many UK citizens (as elsewhere for that matter) the EU is perceived as an elite-driven, bureaucratic project which lacks transparency and is hostile to reform. The 'in' campaign faces an uphill battle in countering this notion and will have to extenuate some of the positives associated with EU membership, be it on major issues (like the fact there has been no military conflict between any member states since its formation) or on minor issues (like the abolition of mobile phone roaming charges). A final point worth flagging up with regard to demand-side influences on voter perception is the impact of any potential, unpredicted event(s) which might occur in the weeks or days prior to the plebiscite. For instance a further ISIS terrorist attack on a mainland European capital, or in the UK itself, would undoubtedly help to swing undecided voters (one way or the other) in the final stages of the campaign.

Supply-side influences on the referendum outcome

In terms of the supply-side variables - the messages that reach voters - a number of (sometimes overlapping) influences will contribute to the outcome. Figure 2 outlines some of the actors likely to impact on voter choice.

Figure 2: Supply-side variables as influences & impacts on referendum outcome


- Political parties & Civil Society groups
- Domestic Political leaders/elites
- Civil Society & Business leaders/elites
- The campaigns: 'Britain Stronger in Europe'; 'Vote Leave'; 'Leave.EU' , 'Grassroots Out'
- EU, EU nation-state and International leaders
- Media: The Broadcast media - e.g. BBC, Sky; Tabloid press; Social media



Although mainstream political parties appear to have less influence than in previous decades, many voters still get their cues in referendum contexts from the positioning of the major political parties and of their leaders. In the context of this referendum, how voters perceive the Prime-Minister's February 2016 negotiations with the EU to secure a 'better deal for Britain' in the areas of Economic governance, competitiveness, sovereignty and immigration, will be an important supply-side factor. With Conservative elites and voters the most divided of the UK parties on which way to vote in the referendum, the announcement by the Prime Minister of a 'free vote' for cabinet members on the issue, followed by Mayor of London Boris Johnston's decision to back the 'no' campaign were undoubtedly a boost for supporters of a BRexit. With the Conservatives looking increasingly divided as the campaign progresses, the resignation of Iain-Duncan Smith from the cabinet as Work and Pensions Secretary in March - which has been linked to the EU referendum debate by many observers- is a reminder that the civil war on 'Europe' has been simmering away within the party since the Maastricht era. Conservative divisions over Europe, and how the main protagonists within the party deal and react to these, will undoubtedly have an influence on some (in particular Conservative) voters' decision on which way to vote. The admission by David Cameron in April that he benefitted from an off-shore trust set up by his late father following the leak of the 'Panama papers' could potentially have a negative impact for the Prime Minister in his attempts to influence the BRemain vote.

Labour remains broadly united in support of the 'yes' campaign, despite leader Jeremy Corbyn's somewhat lukewarm support for the European project, with former Home Secretary Alan Johnston, leading the Labour in Europe campaign. Kate Hoey and German born Gisela Stuart are the two most prominent MPs in the Labour Leave campaign. The Liberal Democrats and UKIP have, as would be expected, clear 'yes' and 'no' stances with former Liberal Democrat leader Nick Clegg taking an active role as a BRemain spokesman for his party. As for Nigel Farage's influence, it remains to be seen whether his somewhat 'marmite' reputation will be a positive factor in terms of influencing undecided voters. North of the border, Nicola Sturgeon's Scottish National Party (SNP) has lined up staunchly in favour of a BRemain, which in part reflects the stronger support for the EU in Scotland. However, the consequences of what a 'no' vote might mean in terms of a potential, subsequent referendum on Scottish Independence is a 'sub-plot' which might influence some voters both north and south of the Scottish border.

Allied to the influence of the parties and their elites are the official 'yes' and 'no' campaigns themselves which cross-cut the traditional party divides. The *Britain Stronger in Europe* campaign is fronted by Lord Rose, the former CEO of Marks and Spencer and also has the backing of West Ham united Vice-Chair Karen Brady. The campaign which is supported by three former Prime-Ministers (Major, Blair and Brown)




has a strong focus on the perceived economic and security benefits of membership. On its home page it cites that 'Britain is stronger, safer and better off in Europe than we would be out on our own' (Britain Stronger in Europe 2016). The weakness of the 'in' campaign could well turn out to be a failure to connect with the emotional and psychological dimension of the EU membership question which is where the 'out' campaigns arguably have the upper hand.

The BRExit campaign was initially divided into two main campaign groups, *Vote Leave* and *Leave.EU*. The former was launched in October 2015 by Matthew Elliot (formerly of the Taxpayers Alliance) and Dominic Cummings (former adviser to Michael Gove) although they are no longer on the executive board of the group. Vote Leave has become the natural home for Conservative Eurosceptics although it does also include UKIP's sole MP Douglas Carswell and is part funded by UKIP donor Stuart Wheeler. Labour's most prominent 'no' campaigner Kate Hoey withdrew from the group in February but John Mills a major Labour donor remains a backer. Vote Leave, has initially focused on the economic side of the Brexit argument and has the backing of Business for Britain, the most prominent Brexit business leaders grouping. The group certainly has some kudos in terms of influencing the economic, rational choice dimension of the debate.

The other, initial major out campaign *Leave.EU* is fronted by businesswoman Liz Bilney and is backed by UKIP leader Nigel Farage. The focus of the campaign leans heavily on arguments related to immigration and EU borders, as well as the perceived financial cost of EU membership. It states on its homepage that 'We now pay a staggering membership fee of £15 billion each year to the EU' (Leave.EU 2016). One of the major funders of *Leave.EU* is UKIP donor Aaron Banks but the campaign is rather light when it comes to business backers. Following some infighting between the two main groups a third group, Grassroots Out, was formed in January 2016 by politicians from various parties including Labour's Kate Hoey and with the backing of Nigel Farage. Grassroots Out is effectively an umbrella group made up of Eurosceptics from across the spectrum, which excludes *Vote Leave*, and has pitched itself against the latter by applying to the Electoral Commission to be designated as the official representative of the Leave campaign. Irrespective of the outcome of this contest, it remains to be seen, as we move closer to the date of the referendum, how effective the various 'out' groups will be at marshalling a consistent, coherent and united voice capable of attracting wavering voters from across the political spectrum.

A central part of the 'in' and 'out' campaigns and their strategies revolves around endorsement from 'big business' and undoubtedly the voice of cooperate companies and of business elites will have a bearing on the outcome of the vote. Significantly, more than a third of the UK's biggest companies including Marks and Spencer, Asda,



HSBC and Airbus supported the 'in' campaign in a letter to *The Times* on the 23rd of February which warned of the consequences for the UK economy in terms of employment prospects of a Brexit. For the 'out' campaign *Business for Britain* which was founded in 2013 claims that 'Free from unnecessary, restrictive and financially punitive regulation...Britain will be the best place in the world to do business' (Business for Britain 2016). The group has built momentum in the campaign particularly with regard to gaining the support of small, regional companies. Added to the role of business elites, civil society and interest groups will have an important role to play. One of the notable features of the campaign in the month or so after David Cameron announced the 23rd of June date has been the intervention of pro-EU professional and single-issue groups such as Scientists for EU, Environmentalists for Europe and Students for Europe. Here, in terms of sectorial groups the 'in' campaign appears to have the upper hand.

Away from the UK, external influences will also be a factor. To what extent interventions in the campaign from EU political leaders such the President of the European Commission, Jean-Claude Juncker, and the President of the European Council Donald Tusk will be viewed as either desirable or positive by the 'Britain Stronger in Europe' campaign, given the likely response of the sceptical tabloid press, remains to be seen. Similarly, interventions from German Chancellor Angela Merkel and French President Francois Hollande in support of UK membership may be viewed by some voters as external meddling in what is perceived as essentially a British question. The intervention of Barack Obama, whose popularity remains high in the UK, and who is in favour of the UK's continued membership, has been raised as a cause of concern for the 'out' campaign.

Finally, the messages reaching voters from the media will also have a bearing on the outcome of the referendum whether it is the coverage on the BBC or Sky News or in *The Guardian* or *The Daily Telegraph*. As Daddow (2012:1221) pinpoints: 'In Britain European affairs are reported by a sceptical media to a population among whom knowledge of the EU is the lowest of all member states.' The 'lop-sided' playing field with regard to the tabloid press in the UK (see Startin 2015) with the Daily Express vehemently committed to a Brexit, and *The Sun* and *Daily Mail* moving in that direction, certainly has the capacity to shape perceptions surrounding the pros and cons of EU membership among undecided voters. Finally, the impact of social media should not be underestimated in the process of shaping perceptions as the various campaign and civil society groups use this medium to convey their message.

The chapters in this FreeBook

All in all a complex mixture of demand and supply-side variables will shape the outcome of the referendum result. This collection of chapters for this 'e book' from existing and forthcoming Routledge publications will provide some rich and nuanced background and context to this crucial referendum campaign and debate. It draws on the work of established scholars in the field to unravel some of the complexities associated with the forthcoming plebiscite. It begins with the historical introductory chapter from Oliver Costa and Nathalie Brack's excellent text *How the EU Really Works?* From here the eminent Dutch scholar Cas Mudde contributes two thought-provoking and well-crafted chapters from his new book *Extremism and Democracy in Europe*. The first, entitled 'The End of an Era? Toward a new debate on European integration', discusses the end of the 'permissive consensus', the emergence of a 'constraining dissensus' and the consequences of the changing debate on European integration for the future of the EU. The second, 'It's time to end the Eurosceptic illusions', is an impassioned critique of Europe's elites (mainstream and populist alike) and their approach towards the European project and calls for a more honest and transparent debate on European integration arguing for a different approach to Europe, one outside of the EU. The next chapters shift the focus more specifically to the UK context and the referendum debate beginning with Garnett & Lurch's clearly stated chapter 'The UK and the EU' from the fourth edition of *Exploring British Politics*. This contribution provides a clear overview of the European question in the UK from both an historic and contemporary perspective focusing on parties, elites, policy and singling out key moments in the evolution of the debate. Following on from this is Gifford and Welling's chapter 'Referenda and European Integration: The case of the United Kingdom' from Startin, Usherwood and Leruth's forthcoming *Routledge Handbook of Euroscepticism*. Gifford and Welling's chapter focuses on the context in which the referendum has become a political instrument for addressing the European issue in the UK and serves as a very cogent explanation for the background to the referendum. Finally, Leonard and Taylor's chapter "The UK: in or out?" from *The Routledge Guide to the EU* looks at some of the issues and arguments for or against UK membership and at some of the key turning points in the EU debate in the UK. With a third of voters still undecided on which way to vote, this collection provides some timely, robust and accessible analysis for what is shaping up to be the most consequential referendum since the formation of the EU.

ⁱ The wording of the referendum question was altered on the advice of the Electoral Commission which reported that the original 'Should the United Kingdom remain a

member of the European Union' was 'not balanced and there was a perception of bias' in favour of the remain campaign. It was replaced by the two-sided question "Should the United Kingdom remain a member of the European Union or leave the European Union?" with 'remain' or 'leave' replacing the previous 'yes' or 'no' answer of the original wording. Source:

ii British, Irish and Commonwealth citizens over 18 who are resident in the UK, UK nationals who have lived overseas for less than 15 years and commonwealth citizens resident in Gibraltar are eligible. EU nationals resident in the UK (with the exception of Irish, Maltese and Cypriot nationals through commonwealth status) and 16 and 17 year-olds are not – in spite of the precedent of the 2014 Scottish Independence referendum, and an attempt by Labour and Liberal Democrat peers in the House of Lords to include 16 and 17 year-olds as part of the electorate for this plebiscite.

iii It should be pointed out that Greenland, part of the Danish realm when it joined the EC in 1973, voted to leave the EC in a referendum in 1985 after Denmark had granted it home-rule in 1979.

References:

- Britain Stronger in Europe (2016) <http://www.strongerin.co.uk/#IOe7DiORA08wHI5r.97>
- Daddow, O. (2012) 'The UK media and 'Europe': from permissive consensus to destructive dissent', *International Affairs*, 88: 6, pp.1219-1236
- Dominiczak, P. (2016) 'Generals: we are safer in Europe', *The Daily Telegraph*, 24 February, p.1
- Eatwell, R. (2003) 'Ten Theories of the Extreme Right' in Merkl & Weinberg (eds.) *Right wing Extremism in the Twenty First Century*, pp.47-73.
- Eurobarometer (2015) Standard EB 83, May.
http://ec.europa.eu/public_opinion/archives/eb/eb83/eb83_en.htm
- George, S. (1990) *An Awkward Partner: Britain in the European Community*, 1st Edition: Oxford University Press.
- Leave.EU (2016) <https://leave.eu/>
- Monnet Matters (2016) 'The EU's future is at stake', March 7
<https://neurope.eu/article/eus-future-stake/>
- Startin (2015) 'Have we reached a tipping point? The mainstreaming of Eurosepticism in the UK', *International Political Science Review*, pp. 311-323
- Usherwood, S. & Startin, N. (2013) 'Eurosepticism as a Persistent Phenomenon', *Journal of Common Market Studies*, 51: 1, pp. 1-16.

A Political System Forged By History

Chapter 1. A Political System Forged By History



The following is excerpted from *How the EU Really Works* by Olivier Costa & Nathalie Brack. © 2014 Taylor & Francis Group. All rights reserved.

To purchase a copy, [click here](#).

There may be references within this chapter that refer to other chapters within the full publication. These will not apply within the FreeBook but of course can be followed up in the full publication.

It is always useful to take into account the history of social phenomena when studying a political system,¹ even more so with regard to the EU, whose institutions, skills and geography are continuously changing and where institutional and national balances have largely been determined by a succession of events and crises. It is important to pay attention to the historic dimension of European integration and to emphasize its incremental nature and manifold inspirations in order to understand the nature of its political system, its institutional architecture, the division of powers between national and European levels, the specificities of the European decision-making or the difficulties of its legitimation.² In summary, we need to consider the EU as the result of a Darwinian evolutionary process and not one of intelligent design.

The many unification projects that have marked the history of the continent from ancient Rome to Denis de Rougemont³ will not be included. Let us simply recall that the idea of structured European cooperation is very old. In 1620, the Duke ofully had already imagined “a body politic of all European states that could produce a permanent peace and perpetual trade amongst its members”.⁴ In the nineteenth century, Victor Hugo wrote: “a day will come when we will see these two vast groups, the United States of America and the United States of Europe, located across from each other, reaching out over the sea to exchange their products, their business, their industry”.⁵

However, it is only after World War II that the idea of a voluntarily united Europe has been translated into concrete achievements.


Motivations for European Integration: Return to an Old Idea

To understand the institutional architecture of the EU and discussions on its reform and future, we must first review the initial motivations for European integration. Even if this approach may seem trivial, it allows us to understand both its current operational difficulties as well as the problematic of its legitimation.

Treaty negotiations for the European Coal and steel Community (ECSC) and the European Economic Community (EEC) were motivated by three main objectives: peace, prosperity and the idea of Europe.

Peace


At the end of World War II, European states were anxious to find a way to avoid the outbreak of new conflicts. Different attempts towards European integration endeavoured to address this concern. The ECSC, the first stage of EU integration, sought



to deprive its first six Member States (West Germany, Belgium, France, Italy, Luxembourg and the Netherlands) of the means to go to war by merging their coal and steel markets. subsequently, the Euratom Treaty did the same for civilian nuclear energy. In both cases, the idea was to integrate the necessary resources for the manufacture of arms in a structure which prevented their use for military purposes and promoted cooperation between the elites and a peaceful coexistence of European nations. the goal was to create tangible solidarities among the Europeans beyond mere diplomatic dialogue and economic exchanges. It is for this reason that European Communities institutions have been endowed, from the beginning, with responsibilities that are exactly the inverse of those of a federation. instead of intervening in domains of state sovereignty (defence, justice, political, currency, foreign affairs, etc.) to which national leaders were much attached and whose integration could have generated resistance from the population, European institutions served a very practical level by offering to ensure integration of European economies and developing certain specific policies (customs union, free movement of workers and goods, a common agricultural policy, transportation). This strategy was intended to foster contacts and exchanges both between the political, administrative, social and economic elites and between European groups such as workers, students and consumers. socialization of these actors and the emergence of common interests averted the spectre of any new conflict.

Prosperity

Secondly, European construction responded to the desire to promote reconstruction and economic development. the inspiration was twofold in economic matters: state interventionism and liberalism. The arbitration between these two visions reflected the national circumstances of the time. Germany and the Benelux countries were indeed more favourable to Anglo-Saxon free trade while France was partial to state intervention in the economy. The French prevailed with the Common agricultural Policy (CAP) which resulted from the need for self-sufficient food production for the European Community and to protect farmers from overly radical reforms. The CAP implied a high degree of centralized decision-making, extensive market regulation, imposition of new agricultural practices and the establishment of redistribution mechanisms. Liberalism – or more specifically the German ‘ordo-liberalism’⁶ – however, prevailed in the domestic market. The goal was a *laissez-faire* economy by simply ensuring the proper functioning of the market, such as removing trade barriers, battle against monopolies, monitoring mergers and acquisitions, control of state assistance etc.⁷ Over time, this second motivation for integration has become increasingly important. Community institutions have proven to be much more comfortable with deregulation than regulation, for reasons that are both functional and ideological. In the Community, deregulation is




relatively easy. Decisions are made most often by a qualified majority within the Council and this approach has the support of reformers and liberals as well as the business community, at both the national and European level. In regards to regulation, decisions often require unanimity (the treaties of Nice and Lisbon have however increased the use of qualified majority) and proposed standards often cause strong reactions at the national level when they disrupt habits and traditions. Moreover, each Member State has a tendency to promote European standards which are as similar as possible to their own ('goodness of fit') and thus providing them with a competitive advantage over its partners.⁸

Europe

Finally, the ECSC and EEC were intended to finalize the long-term dream of European integration. The objective of "Europe for Europe" is often overlooked though it seems evident. It was nevertheless a strong incentive for integration. The Community project was largely shaped by the meeting of national interests in a specific political and economic context but the fact remains that the European ideal envisaged reconciliation of the states at the end of the war and initiated an ambitious process of unification.⁹ If the EU remains unique in the world given the extent of its integration, it is because regional integration experiences carried out on other continents are not based on similar factors of reconciliation comparable to European identity and the ideal of Europe.¹⁰

It should nevertheless be emphasized that Member States have always had mixed perceptions of the European project, its purposes, its methods and its boundaries.¹¹ As European integration progresses and it is necessary to specify its nature, these divergences appear more clearly.¹² Deep divisions exist in most Member States regarding the desirable outline of an integrated Europe as demonstrated by the referendum campaigns on the European treaties in the 1990s and 2000s. Citizens, politicians and economic actors thus have diverse expectations and conceptions of integration.¹³ Regarding the degree of integration, expectations vary from simple intergovernmental cooperation to full federation. As for its operating rules, different models are equally in competition: the "Community method", the classic international organization, the parliamentary system, the agency logic etc. Similarly, the scope of the EU's responsibilities provokes diverging assessments: a simple free trade area for some, for others a space of financial solidarity between territories and people, a superpower able to make its voice heard in the international arena, a welfare state or even an organization with responsibilities limited to some highly integrated policies. Discussions are also raging as to what unites the Member States: a commitment to limited core values like a market economy, democracy and human rights or more




elaborate values such as sustainable development, social progress, social and territorial cohesion. Similarly, the assessment of criteria for joining the Union is mixed. Some believe that any state (ultimately even non-EU countries) committed to the values and rules of the EU should be able to join while others feel that only European states can aspire to be candidates. Finally, others, the so-called “Christian club” would prevent states such as Turkey and Bosnia from joining the EU. Positions also differ as to the principles that should guide the EU’s action: economic liberalism, social protection, sustainable development, territorial cohesion, etc. Finally, the nature of its relationship with other international organizations (NATO , UN, Council of Europe) and certain outside countries (USA, Russia) also raises deep divisions.

Successive enlargements, from six to 28 Member States from 1973 to 2013, have steadily broadened the spectrum of national preferences and have complicated the definition of its objectives, priorities and operating procedures. While a certain consensus existed amongst the original six Member States on the objectives and methods of European integration, the positions are now much more dispersed. The use of such vague and consensual terms as “Europe”, “integration”, “Community” and “Union” no longer disguises these differences. It is necessary to take into account the multiplicity of visions and definitions of Europe that exist and fluctuate according to the interests, historical events and crises in order to understand the EU’s institutional structure, the nature of its powers, its operations and information on its reform.¹⁴ In political debate, the term “Europe” is often used without great precision. It is difficult to know if it is about the EU, Europe in the geographical sense or the Europe of the Council of Europe – that of 47 countries including Russia. Even when speaking specifically of the EU, it is sometimes to denote only the supranational institutions and sometimes to denote the group they form with Member States and all levels of government mixed together. From a geographical perspective, Europe is an abstract concept: it is the European peninsula of Asia with uncertain eastern borders. Their definition thus refers to political judgment, values and cultural elements. The concept of Europe is underpinned by both a perception of things – a product of belief, culture, history and experience – and by strategic choices.

The EU we know today is the result of more than 60 years of adjustments to expectations by the representatives of the states, those of European institutions and of various interest groups and organizations of civil society. Three phenomena have also helped to shape the EU.

First is the process of “spill over”. The phenomenon was theorized by neofunctionalist authors in the 1960s.¹⁵ This was to account for the tendency of the European Commission to systematically infringe upon the Member States powers in the name of efficient and plenary exercise of powers backed by the treaties. This pretention was not




openly challenged by the Member States until the “empty chair” crisis launched by de Gaulle (1965–1966). Before this, the States favoured the “effectiveness” of European public action and relied on the Commission to fulfil the objectives defined by the treaties of Paris and Rome.

The second important phenomenon is the legal formalism that guides the action of the players in European construction and the treaty negotiators. The attraction for simple and systematic construction explains the continued expansion of certain practices and procedures. This phenomenon has notably contributed to the merger of the executives of the Communities (1965) and to that of the three pillars from the Maastricht Treaty (as a result of the Lisbon Treaty in 2009), or to the generalization of the co-decision procedure (called today “ordinary legislative procedure”) and qualified majority voting within the Council. The search for a certain judicial elegance has always contributed to the strengthening of European integration. Indeed, the modalities of treaty negotiations do not allow moving backwards since the most pro-integration national representatives have a veto right in this regard. Moreover, in the daily operation of institutions, the Court seeks to ensure the community *acquis* and to prevent any regression.

The theme of the “democratic deficit” has also led to continued strengthening of European integration. It could be otherwise: according to its prescribed definition, the democratic deficit would be able to find a solution in the renationalization of certain policies, the increase of the powers of the Council, the effective strengthening of the role of national Parliaments in the functioning of the EU or the empowerment of judicial and control organs. Concretely, this theme has mostly benefited the European Parliament due to the strong mobilization of its members and the tendency of treaty negotiators who have been socialized in the national parliamentary systems to systematically favour institutional solutions, implying a strengthening of the European Parliament’s powers.¹⁶ The slow process of “parliamentarization” that has touched the EU has thus contributed to the degree of integration and the supranational dimension.

A Reasoned Chronology of European Integration

European integration has not obeyed an indisputable and unambiguous dynamic. It is a complex process resulting from many influences which has always been marked by a large contingency.¹⁷ The Community’s history has been shaped by the meeting of national interests, by external political and economic pressures, by the strategies specific to supranational institutions and by the ideas and ideals relative to Europe and European construction. However, it is possible to distinguish relatively homogeneous, lengthy periods, marked by dominant concerns, which have contributed, each in their



own way to define what the EU has become today. Thus, we propose to breakdown the period from 1946 to 2013 into six periods that are roughly decades.¹⁸

1946–58: In Search of a Method of Integration

Since World War II, numerous initiatives have been taken in order to pacify Europe in means of its integration. In 1946, Winston Churchill called for “the United States of Europe” – without British participation.¹⁹ In 1948, The Hague Congress brought together 1,000 delegates from 20 European countries to discuss the potential for cooperation among states at European level in order to maintain peace and national sovereignty. The Council of Europe was created in 1949 as an outcome of this Congress. However, it was a poorly integrated international organization which disappointed the expectations of the federalists. The idea of a truly political union based on the integration of states stumbled, particularly as a result of the desire of the United Kingdom to maintain its sovereignty. In the context of the reorganization of the global order driven by the Cold War, other organizations for European cooperation emerged along the lines of traditional international organizations.²⁰ As for the military, the Western Union was founded in 1948 (Brussels Treaty) and became the Western European Union (WEU) in 1954. On the economic front, the Organization for European Economic Cooperation (OEEC) was created in 1948 to allocate funds from the Marshall Plan and became the Organization for Economic Cooperation and Development (OECD) in 1961. On 9 May 1950, Robert Schuman, French Minister of Foreign Affairs, proposed – at the suggestion of Jean Monnet and his collaborators – the creation of a European Coal and Steel Community (ECSC), a Franco-German initiative open to other European countries. In 1951 then, six countries (France, West Germany, Belgium, Italy, Luxembourg and The Netherlands) signed the Treaty of Paris establishing the ECSC for a period of 50 years.

As mentioned, the option of the ECSC marked a strategic shift: the idea was to first build an economic base likely to allow for possible political cooperation in the medium term and to make reconciliation between World War II adversaries irreversible by placing the production and management of resources for the arms industry under a common authority. Within the logic of integration “by sector”, the objective was to progressively apply the model of the ECSC to other sectors of the economy and society to create economic, judicial, social and, finally, political solidarity.

Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.²¹

The goal was to achieve that citizens from different Member States ultimately experience the desire to share the same interests and to form a single community so as



to prevent the resurgence of national conflicts and to enable political integration.

The ECSC was organized around four bodies. The High Authority was a supranational institution independent of the Member States which exercised most executive, legislative and coordination responsibilities. The Council of Ministers, introduced at the request of “small” Member States for fear that the High Authority was too heavily dominated by France and Germany, was responsible for validating the legislative proposals of the latter. The Assembly of the ECSC had only very limited powers and was primarily symbolic. The Court of Justice was charged with resolving conflicts between ECSC institutions, between Member States and between the ECSC institutions and Member States. The ECSC offered a draft of a federal state in a limited sector in which integrated institutions enjoyed considerable autonomy vis-à-vis Member States. It was the antithesis of the Council of Europe, namely limited cooperation but endowed with significant resources.²²

In 1954, to address the issue of West Germany’s rearmament within the context of increased tensions between the two blocs of the Cold War and the eruption of the Korean War, Member States negotiated a new treaty. The European Defence Community (EDC – Pleven Plan) extended the path taken by the ECSC to European defence and, in the medium term, planned the creation of strongly integrated political institutions. This treaty, however, was rejected by the French National Assembly, even though it had already been ratified by all other states. This event challenged the federalist-inspired sectoral integration strategy, the implementation of which seemed overly cumbersome and uncertain.

Various initiatives were taken to overcome this failure. In 1955, during the Messina Conference, the representatives of six countries decided to abandon “sectoral” integration and to extend integration to the whole economy. They charged an intergovernmental committee to make proposals in this regard.²³ French diplomacy lost its credibility with the rejection of the EDC; therefore, the renewal originated in Belgium and its Foreign Minister, Paul-Henri Spaak, who chaired the committee.

On 25 March 1957, the six states of the ECSC adopted the committee’s proposals and signed the treaties of Rome establishing the European Economic Community (EEC) and the European Atomic Energy Community (EAEC or Euratom). The idea of sectoral integration still inspired the EAEC, created at the request of France, but was partly abandoned in favour of the establishment of a common market. This implied a degree of intervention and centralization less than that of the ECSC but the establishment of institutions that had some freedom to develop new policies based on general objectives. The goal was to gradually integrate the European economy without undermining the sovereign powers of states. To do so, the Six adopted a framework treaty which defined some policies and granted autonomy to the integrated institutions



to establish others.

The treaties of Rome entered into force on 1 January 1958, six months before the return of General de Gaulle to power in France. He disagreed with full market integration and the federal essence of the project, but instead of preventing any progress from the beginning, he first took advantage of European integration to boost French industry and provide opportunities for the agricultural sector.


1958–66: Triumphant Debuts

This period is one of success. The established institutional structure kept its promises. The Commission increased its initiatives and rapidly advanced the implementation of the common market. The “functional motor” worked: the structure (Commission) always generated more functions (policy) which in turn justified the strengthening of the structure. National leaders, satisfied with the efficient pursuit of objectives defined in the treaties and aware of their own problems, allowed them to move forward.

The Common Agricultural Policy (CAP) came into force in 1962 and a Treaty merging the executives of the three Communities was signed in 1965. A single Council and Commission replaced the bodies of the ECSC, EEC and Euratom. The Parliamentary Assembly and the Court of Justice were already common.

The first crisis of European integration took place in the second half of 1965. De Gaulle decided to practice “empty chair” politics and asked his ministers to refrain from sitting on the Council. He wanted to express his opposition to the federal nature of the EEC which became more evident with the end of the transition to qualified majority voting within the Council in certain areas (within ten years from the entry into force of the Treaty) from unanimity which had previously given the Council an essentially intergovernmental functioning. It also marked his irritation with the federalist tropism of the Commission, then headed by Walter Hallstein, who suggested replacing national contributions to the Community budget with a system of its own resources, thereby increasing the independence of the Commission and the power of Parliament. The empty chair crisis paralyzed the Council for seven months. On 29 January 1966, the Luxembourg Compromise was reached. This text, a simple political agreement with no legal authority, allows a Member State to request the postponement of a vote by qualified majority within the Council and the pursuit of further discussions on a draft EU decision when it affects “very important national interest(s)”. In addition to the oil crisis, this plunged the Community into a long period of stagnation which continued until 1984 and profoundly changed the balance of EU institutions.²⁴

The Council, which had previously operated in a fairly integrated way despite the



requirement of unanimity, gradually rose in power and established itself as an intergovernmental body. State representatives thoroughly examined the Commission's proposals seeking provisions which might affect an individual country's "very important interests". Despite the letter of the treaties, the Council no longer passed votes and the slightest provocation invoked the Luxembourg Compromise.

1966-74: The Return of Intergovernmentalism

The decade following the empty chair crisis was a period of stagnation whereby the intergovernmental nature of the Council increasingly asserted itself. Individual states sent a growing number of officials and diplomats to monitor Council activities and to dissect Commission proposals. The latter incorporated this constraint by limiting its initiatives and by proposing routine and unambitious texts. Institutional development of the European Parliament including its involvement in determining the Community budget came to a standstill. Despite this dismal context which some feared to be the end of the integration process, three positive events took place. In July 1968, the customs union was formed between the six Member States 18 months ahead of schedule. Second, the election of Georges Pompidou as President of France in June 1969 removed a number of obstacles. In 1970, the Luxembourg Treaty thus provided the Community its own resources and awarded the European Parliament with some responsibility for the budget. The same year, the Council of Ministers adopted the Davignon Report on political cooperation and provided the establishment of a mechanism for information exchange and consultation on foreign policy issues. Finally, the first enlargement of the Community took place on 1 January 1973 with the accession of Denmark, the United Kingdom and Ireland. As a result of a negative referendum, Norway refused to accede. This first enlargement was possible as a result of De Gaulle's departure since he had strongly opposed the accession of the United Kingdom. Contrary to what is often said, this enlargement did not hinder the integration process. In some ways, it even facilitated its resurgence by generating new expectations vis-à-vis the Common Market.²⁵ The three new Member States, which never hid their reluctance concerning federal integration, were interested in continuing the project of opening national markets and contributed to the revival of community initiatives.

1974-86: Europe in Search of a Second Wind

The first enlargement initiated a transition period during which an atmosphere conducive to increased European integration emerged. In 1974, in line with the Davignon Report and under the leadership of Valéry Giscard d'Estaing, heads of state or government decided to meet as the European Council three times a year to determine




broad guidelines of European policy and to initiate political cooperation. The creation of this new body can be interpreted as a powerful sign of the return of intergovernmentalism and the loss of leadership for the Commission.²⁶ More optimistically, this might also be considered as evidence that the “de facto” solidarity between the Europeans was a reality and that economic integration may be completed as a result of burgeoning political integration. The latter interpretation is substantiated by the willingness of Member States to make the Community play a role in the international arena, as seen by the signing of the Lomé Convention in 1975 involving the Community and 46 African, Caribbean and Pacific (ACP) states. In the same year, the creation of the ERDF (European Regional Development Fund) highlighted that the Community was not only a market but also an area of financial solidarity between Member States and regions.

At the Bremen Summit in July 1978 France and West Germany proposed the revival of monetary cooperation through the creation of the European Monetary System (EMS). Established in 1979, the EMS was meant to ensure the stability of European currencies so that the single market remained functional. It created the ECU (European Currency Unit) as the accounting currency of the Community. The first elections of the European Parliament (EP) by universal suffrage were also held in 1979. According to a 1976 decision, the Europeans elected 410 MEPs for the first time. On 1 January 1981, the Community recorded its second enlargement with the accession of Greece.

In 1984 and under the aegis of Italian MEP Altiero Spinelli, the European Parliament adopted an ambitious draft Treaty on European Union. Even if the text had no legal value and did not experience direct results, it inspired the negotiators of new treaties on a long term basis including members of the Convention on the Future of the Union. For the first time, the Spinelli project merged two seemingly divergent strategies: that of integration and that of political cooperation.

In 1985, based on a Franco-German proposal, the European Council launched a reflection on a revision of the Treaty of Rome with the view to the completion of the internal market and a codification of the political cooperation that existed in the margins of treaties, particularly as a result of EU summits.²⁷ This initiative was favoured by the combination of several factors. Firstly, the draft Treaty of Union proposed by the Parliament and, more broadly, the strong mobilization of MEPs in favour of deepening European integration helped the recovery process. It also benefited from the arrival of Jacques Delors as President of the Commission in 1985. Thirdly, the impact of the success of the neoliberal doctrine in Europe must be underscored. Neoliberalism considers the state to be obsolete and a source of rigidity and indicates that the state should give more powers to the EEC market to achieve the common market and to undertake reforms which cannot be made at the national level. The definition of new



goals for integration, including that of the single market, finally enjoyed renewed mobilization from transnational economic actors (multinationals, banking groups, European employers, etc.) towards European construction.

Moreover, 1986 is the year of Spain and Portugal's entry into the EEC and the signature of a new treaty, the Single European Act (SEA). It is named the Single European Act because of the inclusion within the text of a revision to the EEC Treaty (in particular the establishment of the internal market by 31 December 1992) and codification of political cooperation external the EEC Treaty. Anyway, the Single Act is fairly modest in its ambitions, particularly in relation to the Spinelli project, and simply announces the EU called for by the European Parliament and the federalists.

1986–95: The Deepening of European Integration

The period following the Single European Act was marked by preparations for the entry into force of the internal market which required the adoption of 310 European norms to replace national standards. The White Paper on the Single Market of the European Commission listed them and established a kind of legislative agenda for the period 1987 to 1992. In fact, the strategy to adopt European standards in order to organize all aspects of the domestic market ultimately was overly restrictive as a result of the uncertainties of decision making. It was gradually phased out in favour of the “mutual recognition” of standards. According to precedence set by the Cassis de Dijon decision (CJCE 120/78), Member States were therefore committed to accept the standards of their partners as valid. This principle still ensures today the free movement of goods throughout the Community without requiring harmonization of national legislations. A product manufactured in a Member State in accordance with its national standards cannot be banned from sale in another Member State even if it does not meet that state's technical and/or quality standards.

The prospect of the entry into force of the single market and the collapse of the Soviet Union in late 1989 precipitated events. Member States were encouraged to take the next step in the direction of integration and to move beyond the single market to that of an economic and political union. On 9 December 1989, the European Council, meeting in Strasbourg, decided that an intergovernmental conference on the final stages of the economic and monetary union would meet before the end of 1990. On this occasion, 11 Member States (the United Kingdom opted out) adopted the Community Charter of Fundamental Social Rights of Workers, which is recorded as the “social policy protocol” in the Maastricht Treaty. This was later integrated into the Treaty of Nice (2000) subsequent to the British Labour Party takeover of the government which was no longer opposed to the text. In 1990, under the pressure of events in




Eastern Europe, the European Council, as a result of a Franco-German proposal, convened two intergovernmental conferences to prepare treaties for an economic and monetary union and for a political union. The objective was to “complete” economic integration and accompany it with political integration. This objective of deepening was presented as a prerequisite for eastern enlargement and as a means to anticipate the effects of democratic and economic transition in countries freed from Soviet domination. However, others saw it as a way to delay the accession of Central and Eastern European countries, increasing to excess the level of “community acquis” to be respected by candidate countries. The Schengen Agreement was signed in June 1990; it sought to abolish border controls between Member States of the Community.

In December 1991, these two intergovernmental conferences succeeded in the adoption of the “Treaty on European Union”, or the Maastricht Treaty, by the European Council – it was signed by Foreign Ministers in February 1992.²⁸ This text presents a rather baroque architecture as Member States were not able to agree to introduce new goals (foreign policy, defence, domestic affairs, justice) into the framework of the EEC, but at the same time, wanted to preserve the appearance of overall unity. They also agreed to “ascribe” new forms of integration to Community institutions. The treaty’s structure has three “pillars”: the European Community (minus the term “economic”), the Common Foreign and Security Policy (CFSP) and the Justice and Home Affairs Cooperation (JHA). The Maastricht Treaty also initiated the Economic and Monetary Union (EMU), which was included in the EC pillar, anticipating the establishment of a single currency and the coordination of macroeconomic policies.²⁹ It extended the powers of the European Parliament and established European citizenship. Thus one can see a dual “politicization” of European integration through, on the one hand, the exercise of supranational sovereign powers hitherto reserved to Member States (foreign policy, defence, justice, police, currency, etc.) and, on the second hand, the affirmation of the political nature of the functioning of the Union (co-decision procedure, recognition of the role of European political parties, European citizenship, the principle of transparency, etc.).³⁰

In 1993, the Single Market and the Maastricht Treaty (after a difficult ratification process)³¹ entered into force on 1 January and 1 November respectively. The European Council of Copenhagen (1993) recognized the vocation of Central and East European countries to join the EU, but imposed economic conditions and specific policies on them that exceeded the letter of the treaties (the so-called “Copenhagen criteria”). On 1 January 1995, the EU included three new Member States: Austria, Finland and Sweden, while Norwegian citizens again refused membership to the EU.

1996–2009: The Unification of the Continent and the Constitutional Process




Since the mid-1990s, the EU has experienced a period of intensive reforms related to its territorial extension, extension of its competences and improvement of the effectiveness and legitimacy of its institutions. Despite the warmth of the majority of Member States, the prospect of the accession of ten new members made it essential to further reform the treaties, at least to simplify decision-making and adapt institutions to a Europe of 25 or 30 Member States.³²

The Amsterdam Treaty was adopted in 1997. It granted new powers to the EU, simplified the decision-making process and initiated the “communitarization” of cooperation in matters of justice and domestic affairs. This treaty, however, is not the bearer of any political project and does not implement the necessary facilities concerning the composition of the Commission (which threatens to be massive) and qualified majority voting in the Council (which promises to be increasingly difficult).³³ Once again, institutional reforms were postponed: a protocol was attached to the treaty stipulating that at least one year before the EU enlarged to more than 20 member states another intergovernmental conference would be convened. In March 1998, negotiations for the accession of Central and East European countries officially opened.

In January 1999, 11 Member Countries moved to a single currency – the euro – and from this point forward the European Central Bank (ECB) would be responsible for monetary policy of these Member States in the eurozone. In March of the same year, the European Commission, chaired by Jacques Santer, collectively resigned as a result of its mismanagement of the “mad cow disease” crisis and other various dysfunctions. At the European Council meeting in Berlin, the heads of state and government asked Romano Prodi to form a new European Commission. They also decided on the financial framework for the development and enlargement of the EU for the years 2000 to 2006 involving deep reforms of the CAP and regional policy (“Agenda 2000”^{bb}). The Amsterdam Treaty came into force in May 1999. In December, the European Council (Helsinki) on enlargement confirmed the negotiation process with the countries of Central and Eastern Europe as well as Malta and Cyprus and acknowledged Turkey as a candidate country.

The Charter of Fundamental Rights of the European Union, elaborated by an *ad hoc* convention chaired by Roman Herzog, was proclaimed in December 2000. In the same year, a new intergovernmental conference was convened, mainly to adapt the institutions to a massive enlargement of the EU. The Treaty of Nice was signed in February 2001 and came into force in February 2003. This new text extended the co-decision procedure to new areas, strengthened the CFSP and reformed EU institutions with a view to enlargement. The reform was however a *minima*, in conditions of extreme intergovernmental tensions, especially during the European Council in Nice in December 2000 as there were deep division between small and large



Member states concerning the voting weights in the Council and the Commission's size. There was a consensus to record the relative failure of this treaty and call for new institutional reform before the enlargement.³⁵


As a consequence, a "Convention on the Future of the Union" was established in December 2001 by the European Council to propose elements of a treaty reform, especially regarding the institutions. It was composed of representatives of governments and parliaments of the Member States, the European Parliament and the Commission and included observers from candidate countries. In June and July 2003, at the end of its deliberations, it delivered a full draft European Constitution to the European Council, exceeding its original mandate.

In 2002, the single currency had been achieved in 12 states, with Greece joining the eurozone in 2001.

The Brussels Summit on the adoption of the Constitution in December 2003 failed mainly due to the refusal of Spanish and Polish Prime Ministers to abandon the voting arrangements in the Council anticipated by the Treaty of Nice which were particularly favourable to them. On 1 May 2004, the EU realized its biggest enlargement with the accession of ten States although the functioning of its institutions was not fundamentally reformed. The first European elections in the EU of 25 were held in June 2004. They were followed by the launch of the procedure for the nomination of a new Commission.

The European Council finally managed to adopt the slightly altered draft European Constitution as a result of lengthy negotiations and a change of the majority in Spain. Signed in Rome on 29 October 2004, the Constitutional Treaty consolidated, enriched and clarified the founding treaties and integrated the "Charter of Fundamental Rights". The ratification process for this new treaty began. Nine states held referendums, some of which were advisory. On 22 November 2004, the Barroso Commission took office, subsequently to a reorganization of prospective college after pressure from Parliament. On 16 and 17 December 2004, the European Council decided to open accession negotiations with Croatia and Turkey in 2005, subject to certain criteria. On 25 April 2005, accession treaties for Bulgaria and Romania were signed in Luxembourg.

The rejection of the European Constitution by referendum in France (29 May 2005) and the Netherlands (1 June 2005) opened a long period of uncertainty over the EU's future. The main institutions launched initiatives to stall for time, to understand the reasons for rejection of the Constitution by citizens and to define their expectations of European integration. On 1 January 2007 Bulgaria and Romania entered the EU and the eurozone extended to Slovenia. On 23 June 2007 in Lisbon, the 27 Member States reached agreement on a draft treaty containing a large part of the Constitution but



which left out all federalist or constitutional provisions. The Lisbon Treaty was signed on 13 December 2007. It changed the Treaty on the European Union and transformed the EC Treaty to the Treaty on the Functioning of the European Union (TFEU).


On 1 January 2008, Cyprus and Malta adopted the euro, bringing the number of members in the eurozone up to 15. On 13 June 2008, the Irish referendum on the Lisbon Treaty failed and the hopes of having a new treaty to organize the European elections in June 2009 were dashed. The Irish Prime Minister agreed to hold a second referendum on the treaty before November 2009 at the European Council of 11 and 12 December 2008 in exchange for some concessions, notably on the composition of the Commission.³⁶

On 1 January 2009, Slovakia adopted the euro as its official currency. The seventh European elections were held from 4 to 7 June, 2009, 30 years after the first ballot. In September 2009, Parliament re-elected José Manuel Barroso to the head of the Commission on the proposal of the European Council. On 2 October, the ratification of the Lisbon Treaty was the subject of a second referendum in Ireland, this time with positive results. The treaty entered into force on 1 December 2009. In January 2010, the European Parliament conducted the audition of the Commissioner candidates of the Barroso Commission II (2009–2014), who took office in February 2010.

2009–2014: The EU Facing a Budget Crisis

While the period of constitutional and institutional problems seems to have come to an end, the EU is facing a new round of crises related to the stability of the eurozone. In 2008 and 2009, against the worsening US financial crisis, European states were disorganized in their response to assist their banks. This caused deterioration of the public finances of many eurozone countries and a serious erosion of market confidence in the solvency of some states such as Ireland and Greece. In fall 2009, the new Greek government announced that the country had lied for years about the extent of its deficits. In late 2009, the “debt crisis” erupted in several states, threatening the credibility and continuity of the eurozone.

This issue, and more broadly the issue of the EU’s macro-economic policies and eurozone regulation, mobilized European institutions throughout the first half of 2010. In February 2010, a special European Council meeting examined the financial situation of Greece which has been placed under surveillance by the Commission. In May, a joint aid package of 110 billion euros from countries in the eurozone and the International Monetary Fund was awarded to Greece with the condition that it establishes a set of fiscal austerity measures. EU finance ministers approved a parallel rescue package to ensure Europe’s financial viability and stability through the creation of the European




Financial Stability Fund. This was a temporary tool, perceived as a solution to stop possible contagion of the crisis and as a testimony that eurozone leaders stand behind the common currency.³⁷ In October 2010 the European Council agreed on the need for a permanent mechanism for crisis management in the euro zone (for the period post-2013) while the following month, Ireland also called on European assistance. The image of the EU's reaction to this crisis was a one of confusion as the Member States were struggling to provide a unified response, contributing at the same time to the volatility of the financial markets.³⁸

While the eurozone expanded with the entry of Estonia in January 2011, the financial crisis remained the priority of European institutions, despite divisions and tensions amongst Member States. The decision to change the Lisbon Treaty (TFEU) in the margins in order to establish the European Stability Mechanism was formally adopted in March and serves now as permanent rescue fund.³⁹ It was coupled with a strengthening of the fiscal discipline with the adoption of the “Euro Plus Pact”,⁴⁰ echoing the Franco-German idea of an agreement intended to ensure the competitiveness and convergence of economies in the eurozone. This was the condition set by Germany to join the compromise to financially assist troubled countries. The pact's mechanism provided for strict limitation of Member State public debt as well as enhanced coordination of national policies in areas critical to the competitiveness of the eurozone. However, this pact is not binding and is managed by the heads of state and government. The Commission is limited to advising on the commitments of participating countries.

In May 2011, concerns about refinancing Greek debt reappeared but Member States did not seem able to adopt a concerted response and inter-state negotiations demonstrate the limits of the European system for the coordination of finances. However, while the risk of infection has widened, Portugal, Italy, Spain and Cyprus are also being targeted by the financial markets. The eurozone's heads of state and government met again on 21 July 2011 to discuss the situation in Greece and reached a compromise, ending growing tensions between the Member States on the response to the crisis. A new aid package of 109 billion euros was adopted for Greece. The Irish and Portuguese situations were also being discussed and the role of the European Financial Stability Fund (EFSF) had been enhanced. The European Council of the eurozone also called for the rapid development of a legislative package on strengthening the Stability and Growth Pact and on the new macroeconomic surveillance (“Economic Governance”). The Six pack reforms on economic governance came then into force by the end of the year.⁴¹

In September 2011, there were growing concerns about an eventual bankruptcy of Greece and discussions about its possible withdrawal from the eurozone. On 27



October, the 17 leaders of the eurozone countries reached an agreement on an ambitious three-point plan: a boost of the EFSF up to €1 trillion; a €106 billion bank recapitalization; and, a €100 billion bail-out for Greece, including debt write-downs.

On 9 December 2011, then, the leaders of the 17 eurozone governments as well as those of the other EU Members except the UK and Hungary agreed to greater centralization of their budgets and automatic punishment for those who break the budget accord. Despite those decisions, in January 2012, the rating agency Standard & Poor's downgraded nine eurozone countries, blaming the failure of their leaders to deal efficiently with the debt crisis.


This lasting distrust of the markets encouraged the European Council to pursue negotiations. On 2 of March 2012, the Fiscal Compact (namely the "Treaty on Stability, Coordination and Governance in the EMU", or "Fiscal Stability Treaty") was signed by all member states of the EU, except the Czech Republic and the UK. To avoid the difficulties linked with the ratification process (in October 2011, the Slovakian Parliament was unable to ratify the text reinforcing the EFSF), for the very first time it is foreseen that a treaty will enter into force even if it is not ratified by all the Member States. Indeed, the treaty provides that it will become effective for every country which has ratified it on the first day of the month following its ratification by the twelfth eurozone member; if this happens after 1 January 2013, the treaty will retrospectively enter into force by this date.

In 2012, the situation continued to be very confused in Greece. In March, the eurozone members decided to back a second Greek bail-out of 130 billion euros, but in May, Greek citizens voted in general elections for parties that rejected the country's bail-out agreement with the EU. New elections in June led to a threeparty coalition favourable to the agreement with EU and IMF.

In June, the meanwhile, a report on the future of Europe was published by the Presidents of the European Council, the Commission, the ECB and the Eurogroup – MM. Van Rompuy, Barroso, Draghi and Juncker. This document advocates a federal option, in which EU institutions would be more democratic but would enjoy the ability to interfere in the conduct of budgetary and fiscal matters at national levels.⁴²

The European Council of 29–30 June 2012 happened to be an unpredicted success after 19 meetings with little results. The European Council and the Eurogroup agreed on a deal allowing banks to receive aid directly from the permanent bailout fund, the European Stability Mechanism.

As planned, the Fiscal Compact entered into force on 1 January 2013 for the 16 states which completed its ratification. Within one year after the treaty entered into force, Member States are required to enact laws requiring their national budgets to be in




balance or in surplus and providing for a self-correcting mechanism. The treaty also contains a mechanism of “debt brake” (inspired by the Stability and Growth Pact) that defines at which rate debt-to-GDP levels above 60 per cent of GDP should decrease to a level below that limit. The deep crisis in Cyprus that occurred at the beginning of 2013, as well as the lasting difficulties of Greece, Spain, Portugal and Ireland, however proves that the sovereign debt crisis of eurozone countries is not over.

It is likely that this crisis will durably remain on the European agenda. The new treaty has entered into force, but the problems are not solved. Member States are facing a difficult economic and social situation, with little growth, high unemployment and a high level of deficit and debt. Governments are constrained by their European commitments to pursue a policy of austerity and are therefore facing the growing dissatisfaction of citizens at home. EU institutions are criticized more than ever and at the same time, clearly do not have enough legitimacy to interfere in Member States fiscal, budgetary and social policies. Moreover, Member States have very contrasted visions of the EU’s future and policies, and are more and more developing individual strategies. As shown by the negotiations on the multi-annual financial framework 2014–2020, there is no EU dynamic at all: there are strong cleavages between Member States and between the European Council and the European Parliament.

To conclude with this pessimistic portrait of the EU, we can mention the announcement by British Prime Minister David Cameron in January 2013 that the Conservative Party would hold an in-out referendum on EU membership before 2017 on a renegotiated package if re-elected in 2015.⁴³ For the first time in the history of European integration, a national leader evokes the possibility of a withdrawal from the EU albeit for the purpose of domestic policy and of putting pressure on his partners. The window for such an eventuality, that never happened (if we put aside the ‘technical’ cases of Algeria, Greenland and Saint Barthélemy), has now been opened by the Lisbon treaty. It shows that some European leaders are not only questioning the need for deeper integration, but also the need for European integration as such.

The institutional and budgetary crises that have marked EU history since the late 1990s show the extent to which European integration, far from being linear and predictable, has been a succession of phases of enthusiasm, stagnation and crisis, punctuated by unexpected events.⁴⁴ Recent EU chronology attests that any prediction, even in the short term, is doomed to failure, as the parameters that control EU operation and its progress towards integration are numerous and complex. The initial European integration project based on the progressive inclusion of new sectors and a manner of “small steps” in the economic field has not, contrary to neofunctionalist expectations, led to the creation of a federal state across the continent. According to some




economists, while the debt crisis and instability in the eurozone calls for an overly extensive federalism at the European level,⁴⁵ there remain diverging opinions between the Member States and the mechanisms chosen are largely inspired by the intergovernmental method.⁴⁶ The federal perspective is also challenged by the strong resistance shown by some national leaders – beginning with the Germans – to equip the eurozone with financial solidarity mechanisms. Indeed, the Commission’s role in this crisis has been minor, “most of the major responses to the eurozone crisis have been intergovernmental”⁴⁷ and it is likely to remain like this.⁴⁸

This new phase of crisis has highlighted the fundamental tensions that affect the European integration project. Most actors and observers of the EU recognize the need for urgent action at the supranational level in order to stabilize the eurozone and avoid putting the single currency at risk. However, national political leaders appear to be in no hurry to do so, especially to pledge their resolve towards their respective public opinions. Political will to implement effective and responsive regulation mechanisms is coupled with a paradoxical refusal to do so on a federal basis and a willingness to act by way of intergovernmentalism. By definition this implies the search for unanimity and is thus not conducive to rapid decisionmaking or to radical reforms.

The turbulent and ambivalent evolution of European construction – under the combined effects of the encounter of national egos, of mediation and initiatives of supranational institutions and the dissemination of European ideals – led to the construction of an original and complex political regime. It is based on the subtle balance amongst European institutions (supranational and intergovernmental), Member States with contrasting expectations and representatives of interests from all backgrounds, and is determined through an unintelligible decision-making process, reconciling diverse various rationales.

Sixty years after the first steps, the Union is a very powerful political system: it gathers half a billion of citizens and has the largest GDP in the world. Its institutions are in charge of numerous policies and have a more diffuse influence – through the process of Europeanization – on nearly all the sectors of public action. However, the EU still suffers from a disconnection between polity, policies and politics. Since there was no consensus after World War II to undertake a political integration, European Communities aimed at establishing a common market and common policies.⁴⁹ Law and expertise became substitutes for the absence of polity⁵⁰ and for the reluctance of national government to create sovereign institutions. The Founding fathers were, in a way, expecting the progressive emergence of a European polity resulting from the economic integration. This did not happen since national institutions proved to be more robust than expected and since the public spaces remained mainly national and regional.



The Maastricht Treaty was a first attempt to induce the emergence of a European public space and of EU politics, by creating a European citizenship, acknowledging for the role of European parties and empowering the EP in many ways (legislation, budget, control, appointment). However, despite those efforts and many other reforms, the EU remains a two-level game in which the national level is predominant: national politics remain central for citizens and have a deep impact on EU activities, whereas European elections and European parties do not attract much attention from electors and media. Also, the decision-making style of the EU remains driven by intergovernmental logics, for key-decisions, and technocratic procedures, for the routine. At the EU level politics only play a secondary role, even within the EP. Citizens thus have the feeling that EU is developing important policies, but without a polity and politics (i.e. contradictory and public debates) to legitimize them.⁵¹

The EU is today at the crossroads. On the one hand, there is a concrete risk of dismantlement, with the perspective of a referendum on EU membership in UK, the success of Eurosceptic and populist movements in many Member States and the incapacity of the national leaders to define a clear and coherent vision of EU's future. On the other hand, the hypothesis of a federal Europe has been reactivated, while nobody would have bet a dime on this eventuality after the difficult negotiations that led to the Lisbon Treaty. EU institutions leaders have been strongly supporting the federal option since mid-2012. However, little has been done in that direction since, quite the contrary. Once again, it is impossible to foresee the future of European integration even at short term. The EU is subjected to many tensions and conflicting pressures and is now, more than ever, sensitive to events related to the national and international political, economic and social life. Only time will tell how the EU will evolve through this crisis.

Notes

1 Wolfram Kaiser, "History meets politics. Overcoming interdisciplinary Volapük in research on the EU", *Journal of European Public Policy*, 15(2), (2008): 300–13; Paul Pierson, *Politics in Time. History, Institutions and Social Analysis* (Princeton: Princeton University Press, 2004).

2 Craig Parsons, *A Certain Idea of Europe* (Ithaca: Cornell University Press, 2003); Paul Pierson, "The path to European integration: a historical institutionalist analysis", *Comparative Political Studies*, 29(2), (1996): 123–63.

3 Denis de Rougemont, *Vingt-huit Siècles d'Europe: la conscience européenne à travers les textes: d'Hésiode à nos jours* (Paris: Payot, 1961); Elisabeth Du Réau, *L'idée d'Europe au XXe siècle: des mythes aux réalités* (Paris: Complexe, 2008).

4 Maximilien de Béthune, Duc de Sully, *Mémoires du Duc de Sully* (1620).

5 Victor Hugo, Congrès de la Paix, Paris, 1849.

6 Peter Koslowski, *The Theory of Capitalism in the German Economic Tradition: Historism, Ordo-liberalism, Critical Theory, Solidarism* (Berlin/Heidelberg: Springer Verlag, 2000).

7 John Gillingham, *European Integration, 1950–2003: Superstate or New Market Economy?* (Cambridge: Cambridge University Press, 2003); René Leboutte, *Histoire économique et sociale de la construction européenne* (Brussels: Peter Lang, 2008).

8 Maria Green Cowles, James Caporaso, Thomas Risse-Kappen (eds.), *Transforming Europe: Europeanization and Domestic Change* (Ithaca: Cornell University Press, 2001), 1–20.

9 On the place of national interest in the history of European integration, see Stanley Hoffman, “Obstinate or Obsolete? The Case of the Nation-state and the Case of Western Europe”, *Daedalus*, 95(3), (1966): 862–915; Andrew Moravcsik, “European integration in retrospect”, in *The European Union*, ed. Simon Usherwood (London: Routledge, 2011), 393–425.

10 Olivier Costa and François Foret, “The European Consociation, an Exportable Model? Institutional Design and Relations between Politics and Religion”, *European Foreign Affairs Review*, 10(4), (2005): 501–16.

11 A mandine Crespy and Nicolas Verschuere, “From Euroscepticism to Resistance to European Integration: An interdisciplinary Perspective”, *Perspectives on European Politics and Society*, 10(3), (2009): 382.

12 Liesbet Hooghe, and Gary Marks, “The Making of a Polity: The Struggle over European Integration”, *European Integration online Papers*, 1(004), (1997); George Ross, *The European Union and its Crisis Through the Eyes of the Brussels Elite* (Basingstoke: Palgrave Macmillan, 2011).

13 Nathalie Brack and Olivier Costa (eds.), *Diverging Views of Europe: Euroscepticism within EU Institutions* (London: Routledge, 2012).

14 Du Réau, *L'idée d'Europe au XXe siècle: des mythes aux réalités*; Edgar Morin, *Penser l'Europe* (Paris: Gallimard, 1990).

15 For an overview of the main theories of integration, see Chapter 2 as well as: Ben Rosamond, *Theories of European Integration* (Basingstoke/New York: Macmillan/ St. Martin's Press, 2000); Sabine Sauruger, *Theoretical Approaches to European Integration* (Basingstoke: Palgrave Macmillan, 2014); Antje Wiener and Thomas Diez (eds.), *European Integration Theory* (Oxford: Oxford University Press, 2004).

16 Olivier Costa and Nathalie Brack, “The Role of the European Parliament in Europe's integration and parliamentarization”, in Olivier Costa, Clarissa Dri and Stelios Stavridis (eds.), *Parliamentary Dimensions of Regionalization and Globalization. The Role of Inter-Parliamentary Institutions* (Palgrave Macmillan, 2013); Berthold Rittberger, *Building Europe's Parliament: Democratic Representation Beyond the Nation State* (Oxford: Oxford University Press, 2005).

17 Brigid Laffan and Sonia Mazey, “The European Union – reaching an equilibrium?”, in *European Union: Power and Policy-making*, ed. Jeremy J. Richardson (Abingdon/New York: Routledge. “Routledge Research in European Public Policy”, 3rd ed., 2006), 31–54.

18 For a more profound analysis of the history of European integration, we suggest the following works: Marie-Thérèse Bitsch, *Histoire de la construction européenne de 1945 à nos jours* (Paris: Éd. Complexe, new edn., 2004); Desmond Dinan (ed.), *Origins and Evolution of the European Union* (Oxford: Oxford University Press, 2006); Desmond Dinan, *Europe Recast: A History of European Union* (Basingstoke: Palgrave Macmillan, 2004); John Gillingham, *European Integration, 1950–2003*; Alan S. Milward, *The European Rescue of the Nation-State* (London: Routledge, 1st edn, 1992); Bino Olivi, and Alessandro Giaccone, *L'Europe difficile: histoire politique de la construction européenne* (Paris: Gallimard, 3rd ed., 2007).

19 Winston Churchill's speech, University of Zurich, 19 September 1946.

20 Several organizations were also born in the same period, notably the United Nations (UN – 1945), the North Atlantic Treaty Organization (NATO – 1949), the International Bank for Reconstruction and Development (IBRD – 1944, World Bank), the International Monetary Fund (IMF – 1944).

21 Schuman Declaration, 9 May 1950.

22 Dinan (ed.), *Origins and Evolution of the European Union*; Gillingham, *European Integration, 1950–2003*.

23 Bitsch, *Histoire de la construction européenne de 1945 à nos jours*; Olivi and Giacone, *L'Europe difficile: histoire politique de la construction européenne*.

24 Olivi and Giacone, *L'Europe difficile: histoire politique de la construction européenne*.

25 Dinan, *Europe Recast: A History of European Union*.

26 Emmanuel Mourlon-Druol, "Filling the EEC leadership vacuum? The creation of the European Council in 1974", *Cold War History*, 10(3), (2010): 315–39; John Young, "The Summit is Dead. Long Live the European Council": Britain and the Question of Regular Leaders' Meetings in the European Community, 1973–1975", *The Hague Journal of Diplomacy*, 4(3), (2009): 319–38.

27 Reform proposals came from the ambitious Dooge Report which calls not only for economic but also political recovery, supplemented by the Adonnino Committee report of the creation of a "Europe of citizens". See in particular, Olivi and Giacone, *L'Europe difficile: histoire politique de la construction européenne*.

28 Each European Treaty refers to three dates: that of the European Council which concluded the intergovernmental conference and conducted the final arbitration; that of its formal signature, several weeks later, by the representatives of the Member States after the legal review; and that of its entry into force, after parliamentary vote or referendum vote in the Member States that may take a year or two.

29 Thomas Christiansen, Simon Duke and Emil Kirchner, "Understanding and Assessing the Maastricht Treaty", *Journal of European Integration*, 34(7), (2012): 685–98.

30 Dinan (ed.), *Origins and Evolution of the European Union*; Gillingham, *European Integration, 1950–2003*; Olivi and Giacone, *L'Europe difficile: histoire politique de la construction européenne*.

31 The French ratified the treaty by referendum but with a narrow approval as only 51 per cent voted in favour of the treaty while in June 1992, the Danes rejected the Maastricht Treaty with 50.7 per cent against during the referendum and it's only after Denmark obtained several opt-outs from treaty obligations that the Danes ratified the treaty during a second referendum in May 1993. Desmond Dinan, "The Arc of Institutional Reform in Post-Maastricht Treaty Change", *Journal of European Integration*, 34(7), (2012): 846–7.

32 Dinan, "The Arc of Institutional Reform in Post-Maastricht Treaty Change", 843–58.

33 Dinan, "The Arc of Institutional Reform in Post-Maastricht Treaty Change", 843–58.

34 A genda 2000 is a communication of the Commission from 1997 calling for reform of the CAP, regional policy and structural funds to limit the impact of enlargement on the EU's budget.

35 Bitsch, *Histoire de la construction européenne de 1945 à nos jours*.

36 John FitzGibbon, "Referendum briefing. The second referendum on the Treaty of Lisbon in Ireland", *Representation*, 46(2), (2010): 227–39; John O'Brennan, "Ireland and the Lisbon Treaty: quo vadis?", *Ceps Policy Brief*, 176 (2008).

37 Ledina Gocaj and Sophie Meunier, "Time will tell: the EFSF, the ESM and the Euro crisis", *Journal of European Integration*, 35(3), (2013): 239–53.

38 Gocaj and Meunier, "Time will tell"; François Gianviti, Anne O. Krueger, Jean Pisani-Ferry, André Sapir and Jürgen Von Hagen, *A European Mechanism for Sovereign Debt Crisis Resolution: A Proposal* (Bruegel Blueprint Series, vol. 10, 2010).

39 Desmond Dinan, "Governance and Institutions: Impact of the Escalating Crisis", *Journal of Common Market Studies*, 50 (Annual Review 2012): 85–98.

40 This pact includes the states of the Eurozone plus Bulgaria, Romania, Lithuania, Poland and Denmark (hence the name "Euro Plus Pact").

41 Michele Chang, "Fiscal Policy Coordination and the Future of the Community Method", *Journal of European Integration*, 35(3), (2013): 255–69.

42 "Towards a genuine economic and monetary union" (2012), accessed 27 June 2013, http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/134069.pdf.

43 "David Cameron promises in/out referendum on EU", BBC News, accessed 19 April 2013, <http://www.bbc.co.uk/news/uk-politics-21148282>.

44 Ross, *The European Union and its Crisis*; Pierson, "The Path to European Integration: A Historical Institutional Analysis", *Comparative Political Studies*, 29(2), (1996) 123–63.

45 See especially the interview with Jean-François Robin, "*Le marché veut le fédéralisme*", accessed 27 June 2013, <http://www.euractiv.fr/jean-francois-robin-marchevout-federalisme-interview>.

46 While French President Nicholas Sarkozy speaks of the start of a European Monetary Fund with the enhanced role of the European Financial Stability Fund, some government leaders refuse to use that term and German Chancellor Angela Merkel has been particularly reluctant to provide financial assistance to countries in difficulty if the conditions on aid and fiscal discipline have not been reinforced.

47 Dinan, D., "Governance and Institutions: Impact of the Escalating Crisis", p. 91.

48 Gocaj and Meunier, "Time will tell".

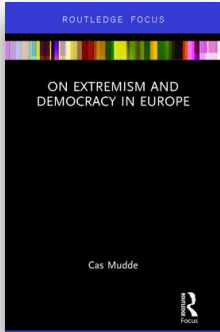
49 Nicolas Jabko, *Playing the Market: A Political Strategy for Uniting Europe, 1985– 2005* (Ithaca: Cornell University Press, 2006).

50 Mikael Rask Madsen and Antoine Vauchez (2005). "European constitutionalism at the cradle. Law and lawyers in the construction of a European political order (1920–1960)", in *In Lawyers' Circles. Lawyers and European Legal Integration*, ed. Alexander Jettinghoff and Harm Schepel (The Hague: Elsevier Reed, 2004), 15–34.

51 Vivien A. Schmidt, *Democracy in Europe: The EU and National Politics* (Oxford: Oxford University Press, 2006).

The End Of An Era? Towards A New Debate On European Integration

Chapter 2. The End Of An Era? Towards A New Debate On European Integration



The following is excerpted from *On Extremism and Democracy in Europe* by Cas Mudde. © 2016 Taylor & Francis Group. All rights reserved.

To purchase a copy, [click here](#).

There may be references within this chapter that refer to other chapters within the full publication. These will not apply within the FreeBook but of course can be followed up in the full publication.


For decades the process of European integration was an elite-driven process supported by a “permissive consensus” of the masses. While the masses were hardly involved in shaping the process of integration, and were almost never asked for their explicit approval (in elections or referendums), the elites could count on a basic level of unexpressed support. With the rise of so-called “Euroskepticism,” at least since the signing of the Maastricht Treaty in 1992, which transformed the mainly economic European Community into a much more political and social European Union (EU), this permissive consensus is no longer a given. In fact, with popular revolts like the rejection of the European Convention in referendums in France and the Netherlands in 2005, some commentators have started to speak of a “constraining dissensus.”

Recent events have shown that this dissensus exists not only at the mass level. While Euroskepticism has for long been limited to minor parties on the political fringes, notably on the radical left and right, it has well established itself in today’s political mainstream. For instance, the (soft) Euroskeptic European Conservatives and Reformist Group is the fourth largest political group in the current European Parliament, and it includes, among others, the main right-wing parties in the Czech Republic, Poland, and the United Kingdom (see chapter 16).

The current economic crisis has undermined the permissive consensus even further. For the first time many Europeans are directly faced with consequences of European integration. The idea that Bulgarians and Slovaks have to bail out Greeks and Portuguese to ensure that their social benefits are at times better than their own, has had a profound effect on people’s perception of the EU. No longer is European integration simply a good, if abstract, idea, with some tangible positive effects (e.g. the Euro, no border controls); from now on, Europeans are truly aware of (some of) the economic and financial consequences of European integration, and many people, particularly in the Northwest, are not amused.

In addition to the changing perceptions of the European masses, the European elites have changed their opinions too. Although the exact start of the “crisis of the European idea” is difficult to pinpoint, the last decades have shown little elite debate about Europe’s future. With the exception of people like Belgian ex-premier Guy Verhofstadt, now chairperson of the Alliance of Liberals and Democrats for Europe (ALDE) group in the European Parliament, no important politicians openly defend a federalist Europe anymore. In fact, whether Europhile or Europhobic, no major politician or party group propagates a clear and elaborate ideal of European integration!

The void of debates on the future is filled by the actual and symbolic consequences of recent actions and debates. Let me just focus on two of the most important. The first



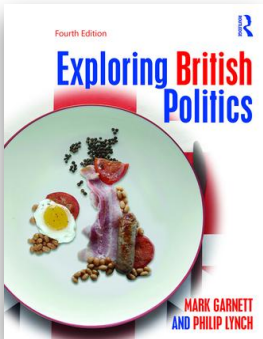
action is the recent decision of the Danish government to re-impose border controls, in an alleged effort to stem the entrance of East European criminals. While the border controls will be enforced by custom agents, rather than by border guards, this still directly opposes the spirit, if not the law, of the Schengen Treaty, which regulates the free transfer of people within the EU.

The second is the debate about the Euro and the Eurozone, which predates the recent economic crisis but is heightened by it. In the past couple of years high-ranking politicians in countries like Greece and Italy have speculated about a possible withdraw from the Eurozone. While no concrete action has been taken, so far, and most of the politicians have denied their intention when confronted with media and political pressure, the current debate about the Eurozone is no longer only about who is going to join next, but also about who might be better (off) leaving it.

The major significance of both developments is at this time not so much practical but psychological. For the first time since the start of the process of European integration, now more than fifty years ago, the implicit idea of uninterrupted progress toward further integration is challenged both in ideas and practices and by both elites and masses. More than ever before there is a need for an open debate on European integration, but this time a debate that explores all options, including the return to a less integrated EU. This requires courage and vision from all political actors, Europhile and Europhobic alike, as the economical, political and social consequences of European integration are too far-reaching to have the process linger on without any clear direction.

The UK and the European Union

Chapter 3. The UK and the European Union



The following is excerpted from *Exploring British Politics: 4th Edition* by Mark Garnett & Philip Lynch. © 2016 Taylor & Francis Group. All rights reserved.

To purchase a copy, [click here](#).

There may be references within this chapter that refer to other chapters within the full publication. These will not apply within the FreeBook but of course can be followed up in the full publication.

Introduction


The United Kingdom joined the European Economic Community – later to become the European Union (EU) – in 1973. Since then the EU has enlarged to 28 members and has extended its policy competences considerably. Member states form a single market of some 500 million people. Within the EU the UK has often been considered an ‘awkward partner’, wary of deeper political and economic integration. Domestically, the UK’s relationship with the EU remains a major issue that has caused divisions between and within the main political parties. EU membership has also required the British state to adapt some of its practices and procedures.

The development of the European Union

Following the Second World War (1939–45), West European states engaged in closer political and economic cooperation to aid their reconstruction and prevent future war. France was the driving force, putting forward the 1950 Schuman Plan that proposed the creation of a European Coal and Steel Community (ECSC). France, West Germany, Italy, Belgium, the Netherlands and Luxembourg (‘the Six’) duly set this up in 1952. As a **supranational** body with its own policy-making authority, budget and law, the ECSC differed from **intergovernmental** bodies (e.g. the Council of Europe created in 1948) in which states cooperated voluntarily and could veto proposals. Its authority, though, was limited to matters relating to the coal and steel industries of the Six.

Further integration followed when the Six signed the 1957 Treaties of Rome establishing the European Economic Community (EEC) and the European Atomic Energy Community (Euratom). The institutions of the EEC were modelled on those of the ECSC, and began operating in 1958. The EEC’s early achievements included the creation of a Common Agricultural Policy (CAP) in 1962 and a customs union in 1968, the latter involving the removal of internal tariff barriers and establishment of a common external tariff. Integration stalled in 1965 when President de Gaulle precipitated the ‘empty chair crisis’ by withdrawing French representatives from the Council of Ministers in protest at proposals to strengthen supranationalism. The 1966 ‘Luxembourg compromise’ resolved the conflict by confirming the veto power of member states, placing them, rather than the supranational Commission, in the ascendancy.

Global economic crisis contributed to a drop in the pace of integration in the 1970s. Ambitious plans for **Economic and Monetary Union (EMU)** made at the 1969 Hague summit were abandoned. But there were also advances. The first direct elections to the European Parliament (EP) were held in 1979, the year in which the European Monetary




System (EMS) was established. Its main element was the Exchange Rate Mechanism (ERM), a currency grid in which the values of member currencies were fixed against each other. The EEC also enlarged, with the UK, Ireland and Denmark joining in 1973, Greece in 1981 then Spain and Portugal in 1986.

Single market to single currency

Integration moved up a gear in the mid-1980s as member states pressed for further economic integration to improve Europe's competitive position. This initiative, plus Franco-German plans for institutional reform, was supported by an activist Commission led by the former French Finance Minister Jacques Delors. The Single European Act (SEA) was agreed in 1985 and came into effect in 1987. Its centrepiece was the creation of a single market by the end of 1992. The single market is an area without internal frontiers in which the free movement of goods, services, persons and capital is ensured. Three main forms of barrier – physical, technical and fiscal – were to be removed. The removal of physical barriers required the abolition of customs checks at internal borders. For technical barriers, the principle of 'mutual recognition' meant that goods meeting minimum standards in one member state could be traded freely in another. Professional and academic qualifications would also be accepted across the EC. New VAT procedures were introduced in an attempt to remove fiscal barriers.

The single market proved a major success, contributing to the creation of 2.75 million jobs and boosting EU GDP by some 15 per cent. But progress in some areas (e.g. the service sector) has been slower than anticipated. It also gave new impetus to the integration process as France, Germany and the Commission pressed for a greater EC role in social policy, freedom of movement for workers and EMU. Meanwhile the end of the Cold War, reunification of Germany and collapse of Communist regimes in Eastern Europe overturned prevailing assumptions about the security of Europe. In twin Intergovernmental Conferences (IGCs) in 1990–91, member states thrashed out proposals for EMU and political union.

The Maastricht Treaty, properly known as the Treaty on European Union, was agreed in 1991 and came into force in 1993. It created a European Union comprised of three 'pillars': (i) the existing EC with responsibility for the single market, trade, agriculture and so forth, (ii) an intergovernmental pillar on Common Foreign and Security Policy (CFSP) and (iii) another intergovernmental pillar, on Justice and Home Affairs (JHA). Decision-making in the second and third pillars was conducted by national governments which retained veto rights, with little input from the Commission or European Court of Justice. The Maastricht Treaty also stated that a single European currency was to be established by 1999 at the latest.



The UK won two treaty exemptions. The first, an opt-out from Stage III of EMU, meant that the UK would not have to join the single currency automatically. Instead, the UK parliament would decide at a future date whether or not to participate. Second, the UK was alone in refusing to sign the Social Agreement (often referred to as the 'Social Chapter') that extended cooperation in social policy, believing that it would increase costs for British companies.


Ratification of the Treaty proved difficult. It was rejected in a Danish referendum in 1992, narrowly approved in France and subject to a tortuous parliamentary ratification in Britain. A second Danish vote produced a positive answer, and the Treaty came into force in 1993. Since then, the EU has engaged in both 'deepening' (further integration) and 'widening' (**enlargement**).

Deepening and widening

Maastricht set out a three-stage transition to EMU. Stage I, the completion of the single market, was already under way. In Stage II, member states would engage in greater economic coordination. Stage III would see the creation of an independent European Central Bank (ECB), the irrevocable fixing of exchange rates and the replacement of national currencies with the single currency (the euro). It would begin in 1999 for those states meeting specified 'convergence criteria' – low inflation, low interest rates, sound public finances (sustainable levels of government debt) and ERM membership. The targets appeared tough but the Treaty allowed for flexibility if states were moving in the right direction.

Turmoil in the ERM with the exit of the UK and Italy (1992) and the widening of the bands of permitted currency fluctuation (1993) raised doubts about the viability of EMU. The ERM subsequently stabilised, but some states had to cut welfare spending or engage in creative accountancy to meet the convergence criteria. Eleven states – Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Spain and Portugal – formed the 'first wave' of states joining the euro on 1 January 1999. Only four unambiguously met the criteria. Britain, Denmark and Sweden opted out; Greece did not meet the criteria but joined in 2001. Euro notes and coins entered circulation on 1 January 2002 and national currencies ceased to be legal tender the following month.

Budgetary discipline was supposed to be ensured by the Stability and Growth Pact, which allowed sanctions to be imposed on eurozone states that failed to reduce excessive deficits. But political pressure saw France and Germany avoiding fines, despite persistent breaches of the 3 per cent ceiling on budget deficits. The strict criteria were officially relaxed in 2005 despite central bank opposition.



The accession of Austria, Finland and Sweden to the EU in 1995 proceeded smoothly, but the eastward enlargement of the Union was a far more ambitious project. Twelve Central and Eastern European states applied for membership in the early 1990s, having been freed from communist rule and Soviet influence in 1989. The 1993 Copenhagen European Council agreed three main criteria for their membership: a liberal democratic political system, a functioning market economy and acceptance of the *acquis communautaire* (the body of existing EU law). Meeting these criteria was sometimes painful as it necessitated major political, economic and administrative reforms in the applicant states.


Ten states eventually joined the EU in 2004: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Bulgaria and Romania joined in 2007, then Croatia in 2013 (see Figure 13.1). Seven of these states – Slovenia, Cyprus, Malta, Slovakia, Estonia, Latvia and Lithuania – have since joined the euro, taking eurozone membership to 19.

One of the most visible results of the 2004 enlargement has been the westward migration of workers from new member states – although a number of states imposed short-term restrictions. Concerns about the absorptive capacity of the EU and the particular problems posed by the next batch of applicants mean that further enlargement is a delicate question. Turkey applied to join in 1987 but was rejected because of concerns about its political system, weak economy and poor human rights record. The application remains contentious. Despite political and economic advances in Turkey, questions about how the EU could accommodate a Muslim state, albeit a secular one, were raised. The UK has been a strong supporter of Turkish entry but there is popular opposition in states with large Turkish or Muslim communities, such as Austria, France and Germany.

Macedonia, Montenegro, Albania and Serbia are, like Turkey, officially-recognised candidates for EU membership, but are a long way from joining the EU. Bosnia and Herzegovina and Kosovo are potential future candidates. Iceland applied for membership in 2009 after its financial sector was hit by the global financial crisis, but its centre-right government formally withdrew the application in 2015.

Treaty reform

EU institutions and policies would have to be reformed if a wider Union was to function effectively. The Commission's *Agenda 2000* programme began the overhaul of the CAP and regional policy. Institutional reform required four Treaty revisions: Amsterdam, Nice, the Constitutional Treaty and Lisbon.



The Amsterdam Treaty was agreed in 1997. Many policy areas within the intergovernmental Justice and Home Affairs pillar were transferred to an 'area of freedom, security and justice' in which supranational procedures applied. The UK gained opt-outs from many policies in this area. Legislation on border control issues (e.g. police cooperation) that had previously been agreed by the Schengen Group was also incorporated into EU law. The Schengen Group had been set up in 1985 by a small number of states which sought to remove their border controls without using EC law to do so. The UK is not a Schengen member but could now 'opt in' to certain aspects of the Schengen system. Flexibility clauses, allowing a majority of member states to pursue further integration without the need for all states to participate, also featured in the Amsterdam Treaty.

Agreement on institutional reform had to wait until an ill-tempered European Council meeting at Nice in 2000. The Nice Treaty set out changes to **qualified majority voting (QMV)** – a procedure in which states are allocated a certain number of votes according to their populations – and the size of the Commission and EP that would come into effect after enlargement. Its main policy innovation was a European Security and Defence Policy (ESDP) under which the EU would develop a common defence policy and have the capacity for autonomous, albeit limited, military action.

The Nice Treaty did not come into force until 2003 after a second referendum in Ireland reversed an initial 'no' vote. By then preparations for further Treaty reform were under way. The Treaty establishing a Constitution for Europe – often referred to as the EU Constitutional Treaty or 'EU Constitution' – was signed at the 2004 Dublin European Council. But it was rejected by voters in referendums in France and the Netherlands in 2005. Two years later, EU leaders agreed the Lisbon Treaty which retained most of the reforms contained in the Constitutional Treaty but dropped the concept and language of a constitution.

The main changes introduced by the Lisbon Treaty, which came into force in 2009, were:

- A President for the European Council, serving a two-and-a-half year term.
- A High Representative of the Union for Foreign Affairs and Security Policy, who coordinates the EU's Common Foreign and Security Policy and works with a new European External Action Service (which manages the EU's response to crises).
- Greater cooperation between states scheduled to hold the rotating Presidency of the Council of the EU.
- A 'dual majority' system of QMV under which legislative proposals require the support of 55 per cent of member states representing 65 per cent of the EU's population. This ends the system under which states are allocated votes according to

their population.

- Member states can agree that decisions currently taken by unanimity can instead be taken by qualified majority voting, except in defence policy. This can occur without further treaty amendment, but all member states and national parliaments would have to approve.
- The merging of the 'pillars' into one legal entity, the European Union.
- The extension of QMV to 15 more areas of EU activity.
- A clearer definition of the competences of the EU and its member states (see Table 13.1).
- A clause (Article 50) establishing the procedures for a negotiated withdrawal should a state wish to leave the EU.
- Assurances that the Charter of Fundamental Rights does not create new rights in UK law, and that the UK and Ireland have the right to opt-in to police and judicial matters.

Table 13.1 Policy competencies of the EU (selected)

Exclusive EU competence	Shared EU and member state competence	Supporting competence	Special competencies (EU coordinates domestic politics of member states)	Exclusive member state competence
Customs union	Single market	Industry	Macroeconomic policy	Many areas of taxation, including income tax
External trade	Social and employment policy	Culture	Common Foreign and Security Policy	Many areas of public spending, including social security
Monetary policy (in the eurozone)	Economic, social and territorial cohesion	Education		
Competition policy	Area of freedom, security and justice	Human health		
Marine conservation	Agriculture and fisheries	Tourism		

The eurozone crisis and Euroscepticism

EMU has a number of benefits, including an end to exchange rate uncertainty and the reduction of transaction costs on cross-border trade. But it also involves a loss of monetary sovereignty, with interest rates for the eurozone set by the independent European Central Bank. The limited economic convergence of eurozone states and the loosening of rules designed to ensure budgetary discipline and prevent excessive deficit and debt levels became a concern when some southern Europe states ran up unsustainable levels of government debt. This prompted the sovereign debt crisis that followed the global financial crisis of 2007-08. Greece, Ireland, Spain, Portugal and Cyprus were unable to guarantee repayment of their government debt and received bailouts from new EU funds. In turn, they were required to introduce new austerity measures by the 'troika' of the European Commission, European Central Bank and International Monetary Fund. In response to the crisis, member states also agreed to accelerate moves to complete EMU. The 2012 fiscal compact treaty – officially known as the Treaty on Stability, Coordination and Governance – required states to write balanced budget rules into national law and established tougher sanctions on budget deficits. It was signed by all member states except the UK and Czech Republic, and is (initially) an intergovernmental treaty outside the EU legal framework. A European Banking Union also took shape with a single rule book and ECB supervision of the stability of banks in the eurozone. Further integration in the eurozone accelerated the development of differentiated integration in the EU (see Case Study 13.1) and raised questions about the future relationship between eurozone and non-euro states.

Euroscepticism was now moving from the fringes to the mainstream of politics in many EU member states. Voters in France and the Netherlands had opposed the EU Constitutional Treaty in referendums in 2005, forcing member states to scale down some of its provisions. The eurozone crisis further fuelled the growth of Euroscepticism, both in states required to introduce austerity measures as conditions for receiving bailouts from the EU, and in states that were contributors to the bailout funds. Eurosceptic parties on the radical right and radical left gained ground across the EU.

The institutions of the European Union

The EU's institutional architecture is unique as it includes intergovernmental bodies in which national governments meet (the Council of the European Union and European Council), and supranational bodies with their own authority (the European Commission, the European Parliament and the European Court of Justice). The balance of power between the institutions has changed over time and remains fluid though national governments, particularly those of large member states such as Germany and France,

tend to be the most powerful actors.


The European Commission

The European Commission is the EU's primary executive arm, though it also has legislative functions. It has both a political role, carried out by the College of Commissioners, and a bureaucratic role, carried out by staff working in its Directorates General and Services. But the image of the Commission as a super-bureaucracy is problematic, as only 23,000 people work there – fewer than in some British local authorities. It acts in the general interest of the Union and is independent of member states.

The President of the Commission is nominated by a qualified majority vote in the European Council, and then elected by the European Parliament. The Lisbon Treaty requires the European Council to 'take account' of the result of the elections to the European Parliament and consult it on the candidates. Ahead of the 2014 European election, the political parties in the EP devised the *Spitzenkandidaten* ('lead candidate') process in which the main political groups in the EP each named a candidate for Commission President. When the centre-right European People's Party (EPP) secured most votes, its candidate Jean-Claude Juncker was proclaimed by the Parliament as the only legitimate candidate. David Cameron opposed Juncker's nomination, but only Hungary joined the UK in voting against him in the European Council. The President and other Commissioners serve a five-year term. They swear an oath to serve the EU and do not act as national representatives. The President allocates portfolios within the College of Commissioners (although deals are often brokered between governments), can reshuffle posts and may demand the resignation of a Commissioner.

The President provides leadership within the organisation but needs the support of key member states if they are to exert influence over the integration process. Jacques Delors (1985–94) was the most influential President of recent years, steering the Community towards EMU and political union. Jacques Santer (1994–99), Romano Prodi (1999–2004) and José Manuel Barroso (2004–14) were relatively low-key figures, focusing on reforming the Commission's working practices. The creation of the post of President of the European Council brought about competition with the Commission President for influence in the EU.

Each member state nominates one Commissioner, in consultation with the Commission President. Nominees appear before the European Parliament which then votes on whether to approve the College as a whole. After expressing concerns about some nominees, the EP has forced changes to the nominees in 2004, 2010 and 2014. Each Commissioner is assigned a policy portfolio. In 2014 Lord Jonathan Hill became the UK




national in the Juncker Commission, taking a post covering financial services. But this was a less prestigious position than that of High Representative for Foreign Affairs which his predecessor Baroness Ashton had held. The Commissioners meet collectively in the College of Commissioners to finalise legislative proposals and discuss developments. They are supported by officials working within 34 Directorates-General, which are responsible for specific policy areas. More than 1,000 expert committees also inform the policy process.

The Commission has the sole right to initiate draft legislation in most areas of EU activity. However, when drafting proposals, the Commission often acts on requests from member states. If it gains EP backing on issues decided by the **ordinary legislative procedure**, the Commission may be more inclined to launch ambitious initiatives. In the ensuing negotiations between EU institutions, it also acts as a persuader and broker. In the 1980s and early 1990s the Commission acted as a 'motor of integration', using a favourable political climate (e.g. the backing of key member states and the greater role for the Commission necessitated by the single market) to enhance its position. But declining support for integration and poor management within the Commission have since diminished its authority.

The Commission executes and administers EU legislation. Member states have delegated rule-making powers on technical and administrative matters (e.g. CAP price and supply measures) to it. The Commission acts as a regulatory body in the single market and competition policy, where it has the power to break up monopolies. It is also the 'guardian of the Treaties', referring states or companies that infringe EU law to the European Court of Justice (ECJ). But the Commission's limited resources force it to rely on national bureaucracies to monitor the implementation of EU legislation. Additionally, the Commission oversees EU expenditure and collects revenue but its financial management record has been criticised by the EU's Court of Auditors. Concerns about the fraudulent use of some EU funds prompted the EP to stage a vote of no confidence in the Commission in 1999. Though it survived the vote, the Santer Commission was damaged and the College resigned *en masse* months later. Reform of the Commission's management and administration, including the creation of independent agencies, gathered pace but critics still bemoan its performance. Finally, the Commission represents the EU on the world stage, notably in trade negotiations.

The Council of the European Union

Government ministers from member states take decisions on EU legislation in the Council of the European Union (formerly known as the Council of Ministers). The Council of the EU shares legislative power with the EP in most policy areas and must



await legislative proposals from the Commission. It has greatest autonomy in foreign, security and defence policy and is also responsible for coordinating the broad economic policies of member states.

The Council of the EU actually consists of ten sectoral configurations, each dealing with a specific area of EU activity. The General Affairs Council, consisting of national foreign ministers, deals with institutional and cross-cutting issues (e.g. enlargement). The Foreign Affairs Council is chaired by the High Representative and deals with foreign, security and defence matters. The Economic and Financial Affairs Council (Ecofin) is made up of national finance ministers. Finance ministers from eurozone states meet in the Eurogroup, an informal body that meets ahead of Ecofin meetings. The Agriculture and Fisheries Council handles the largest area of EU expenditure. Preparatory work is mainly carried out by national delegations headed by a Permanent Representative. These delegations meet weekly in the Committee of Permanent Representatives (COREPER). COREPER I handles issues such as the single market; COREPER II deals with sensitive issues such as those coming before the General Affairs Council. More than 150 working groups of national officials with expertise in specific policy areas also work on the details of negotiations.

Member states take turns to hold the Presidency of the Council of the EU for a six-month term. This involves chairing meetings and acting as spokesperson for the EU. States holding the Presidency seek to put their stamp on the work of the Council, but face criticism if they pursue their own interests at the expense of consensus. The previous, current and next state to hold the Presidency work in 'trios' to set goals across an 18-month period. The UK last held the Presidency in 2005 and is scheduled to hold it again in the second half of 2017.

Intensive negotiations occur within the Council as member states try to broker agreements while defending their national interests. Some three-quarters of issues are settled in working groups at the foot of the Council hierarchy, others in COREPER. For the 15 per cent or so of issues that reach the ministerial councils, decisions are reached under **unanimity** or qualified majority voting (QMV) according to the policy area in question. In the former, a proposal fails if a single member state deploys its veto (abstention is not counted as a veto). Unanimity now applies only to especially salient or sensitive policies.

QMV means that the Council should not be regarded as a purely intergovernmental body. It is used for 80 per cent of EU legislation. The 'double majority' rule set out in the Lisbon Treaty came into force in 2014. Before then, each member state was allocated a number of votes (the UK had 29 votes) according to their population, and legislation required 260 out of 352 votes in order to be approved. Now, a qualified majority is achieved if 55 per cent of member states support vote in favour (currently


16 of 28 member states) *and* the proposal is supported by states representing at least 65 per cent of the EU population. A blocking minority must comprise at least four states representing at least 35 per cent of the EU population. Until April 2017, states can request that the old QMV system be used.

In theory, QMV is an efficient way of reaching decisions in a 28-member EU. But it poses problems if member states regularly find their interests frustrated, particularly if these are keenly felt or reflect the democratically-expressed wishes of their citizens. The EU prefers to avoid such problems, so strives for consensus where possible; only some 20 per cent of votes on legislation are contested. Nonetheless, the UK finds itself in a minority more often than other member states.

The European Council

The European Council is the meeting place for the heads of government (and in the case of France and Finland, heads of state) and foreign ministers of EU member states. The Commission President and Vice-Presidents also attend. It meets at least twice per year, in June and December, but additional sessions on particular issues (e.g. on the eurozone crisis) are often held. Meetings are chaired by the member state holding the Presidency of the Council of the European Union. The Lisbon Treaty established a new position of President of the European Council. The President is elected by members of the Council to serve a two-and-a-half year term (he or she can serve only two terms). Herman van Rompuy (2009-14) was the first to hold the post and was succeeded by Donald Tusk. The President is best regarded as a conciliator who tries to build a consensus in the European Council, rather than a strategic agenda-setter or aspiring 'President of Europe'. Since its inception in 1974, the European Council has strengthened the role of member states in major decisions and curtailed the Commission's agenda-setting ability. The European Council is a political rather than legislative body. Though it does not make legislation, except in special circumstances, it has become the EU's main *strategic* body. Summit meetings are major events in the EU calendar, discussing high-profile issues and determining the Union's direction. The European Council also acts as a 'court of appeal' on unresolved issues, launches initiatives and stages final negotiations on Treaty change. It has special responsibility for decision-making on foreign policy and the economic situation in the EU. The importance of the European Council was reinforced during the eurozone sovereign debt crisis, when regular summit meetings produced important proposals for deeper economic integration.

The European Parliament




The European Parliament is the EU's only directly-elected institution. Controversially, it is based in three locations: Strasbourg (where most plenary sessions are held), Brussels (where committee meetings and some plenaries are held) and Luxembourg (where the Secretariat is based). It meets in monthly plenary sessions, except in August, but much of its legislative work is done in 20 standing committees. There are 751 members (MEPs), with seats allocated to member states in approximate relation to their population. 73 MEPs are elected from the UK.

Direct elections to the EP have been held at fixed five-year intervals since 1979. All member states use some form of proportional representation. Citizens vote for candidates from national parties, though many stand on a platform agreed by like-minded parties across the Union. MEPs sit in political groups based on ideology rather than nationality. The centre-right European People's Party (EPP) has been the largest group since 1999. Conservative MEPs were allied to the EPP group until 2009 when David Cameron pulled them out of the federalist EPP and formed a new group, the European Conservatives and Reformists. British Labour MEPs sit in the centre-left Progressive Alliance of Socialists and Democrats (S & D). To gain a majority for legislation, the EPP usually either reaches agreement with the S & D or the smaller liberal group.

The EP's powers have expanded significantly since the SEA. It shares legislative power with the Council of the EU. The EP cannot formally initiate legislation but often sends proposals to the Commission to influence its draft legislation. There are three legislative routes:

- *The ordinary legislative procedure.* This procedure gives the EP its greatest influence as it can amend and block proposed legislation. It is used for most areas of EU activity. This route requires three readings of legislation in the EP, allows the EP to negotiate amendments with the Council of the EU in a 'conciliation committee' if agreement cannot be reached, and gives it an absolute veto. This makes it difficult for the Council to ignore the EP's wishes. Before the Lisbon Treaty came into force in 2009, this was known as the co-decision procedure.
- *The consent procedure.* Previously known as the assent procedure, this route is used in limited circumstances, for example to approve the accession of new member states, and requires that the EP hold a simple majority vote.
- *The consultation procedure.* Here, the EP is asked for its opinion on a legislative proposal, but the Council of the EU and Commission are not obliged to take account of it. It is used in a limited number of policy areas (e.g. competition policy).

The EP shares budgetary authority with the Council of the EU. It exerts influence over EU spending by requesting amendments to the draft EU budget and can (as in 1998)



refuse to discharge the final budget. The Parliament also oversees Commission and Council of the EU activities by questioning their members and monitoring their actions. It can hold commissions of inquiry, as it did in 2006 on the extraordinary rendition of terrorist suspects by the US Central Intelligence Agency (CIA). The EP has extended its role in the election of Commission President through the *Spitzenkandidaten* process, and the College of Commissioners through public hearings and votes (see Controversy 13.1). The EP can also censure and dismiss the entire Commission. Its action on financial mismanagement triggered the resignation of the Santer Commission in 1999.

Supporters of the EP regard the increase in its legislative and scrutiny powers as the optimum means of addressing the EU's **democratic deficit** (see Controversy 13.1). This refers to the transfer of policy competences from national governments, accountable to national legislatures and electorates, to the EU in which the main executive body (the Commission) is not directly elected and decision-making in the Council is not open to public scrutiny. However, critics note that the EP enjoys neither the authority nor the legitimacy of national parliaments. Turnout in EP elections is low (averaging a new low of 42.5 per cent in 2014) and relatively few citizens are aware of its role.

The Court of Justice of the European Union

The Court of Justice of the EU (ECJ), located in Luxembourg, is the EU's judicial body. It consists of three courts: the Court of Justice, the General Court and the Civil Service Tribunal.

The first of these is the most important. It has one judge one from each member state, but most cases are considered by three to five judges. The Court of Justice upholds EU law, ensuring that it is applied fully and uniformly. It decides cases involving member states, EU institutions, businesses and individuals. The Court also hears requests from national courts for preliminary rulings on matters of EU law. ECJ decisions have had an important impact on the integration process, extending the EU's policy competences and the powers of its supranational institutions. In *Costa v ENEL* (1964), it ruled that EU law had primacy over national law, while the 1979 *Cassis de Dijon* case ruled that goods lawful in one state cannot be prohibited by another, thereby helping pave the way towards the single market. The General Court, formerly called the Court of First Instance, was set up in 1989 to take on some of the ECJ's caseload.

The Court of Justice should not be confused with the European Court of Human Rights. Based in Strasbourg, this is a part of the Council of Europe – an intergovernmental organisation created in 1949 to promote democracy and human rights – and is not an EU institution.

Understanding the European Union


The EU has some of the characteristics of an international organisation and some of a federal state, but fits the classic definition of neither. In international organisations (e.g. the United Nations) and regional trade bodies (e.g. the North American Free Trade Area), nation states cooperate voluntarily in areas of mutual concern but retain extensive veto rights. The EU, however, has supranational elements such as its own budget, institutions with independent authority (such as the Commission), and a body of law that has primacy over national legislation.

In federal states, the constitution divides power between two autonomous tiers of government, the federal (i.e. national) government and state (i.e. sub-national) governments. Some features of the EU suggest a federal system, even a nascent federal state. The Treaties set out the powers held by different levels of government, giving the EU sole decision-making competence in some policy areas and shared power in others. EU citizens have rights under the Charter of Fundamental Rights and are directly represented in the EP. But the powers of the Commission and EP are not equivalent to those of the executive and legislature of a sovereign state. Member states are represented in the European Council and Council of the EU, where inter-state bargaining determines the direction taken by the EU. National governments retain substantial decision-making authority on taxation, social security and foreign policy. Although European integration has brought about change in the political systems of member states, they retain many of their distinctive features. Finally, citizens still identify primarily with their nation state rather than the EU.

Integration theory

Two main theories explaining European integration have emerged in the political science literature: **neo-functionalism** and **intergovernmentalism**. Neo-functionalism was prevalent in the 1950s and 1960s. It held that interest groups and supranational bodies were the key actors in the integration process. Integration is dynamic: cooperation in one area (e.g. coal and steel) produces 'spillover' into other fields (e.g. trade). Neo-functionalists assumed that political and economic elites would then transfer their loyalties to supranational bodies. The theory fell out of favour in the 1970s when national governments reasserted their authority, but was revived in the 1980s by scholars arguing that the Commission and business interests were responsible for pushing for the single market and EMU.

Intergovernmentalism affords leading actor status to nation states: they determine the development of the EU by agreeing to cooperate in areas of mutual benefit, but defend their sovereignty in other areas. This perspective argues that EMU came on the EC



agenda because key member states saw it as being in their national interest, its precise make-up being decided through inter-state bargaining. Liberal intergovernmentalism notes that prior to such negotiations, governments form their policy preferences in response to pressures from groups and institutions in the national arena. Critics argue that intergovernmentalism downplays the influence of supranational bodies and is more applicable as an explanation for 'history-making decisions' than routine policy formation. The European Council, and particularly large member states, have been predominant in decision-making on the long-running eurozone crisis, and the problem of mass migration from Syria and other war-torn territories.

Scholars were tiring of debates between neo-functionalists and intergovernmentalists by the 1990s and looked instead to frameworks that reflected the diversity and complexity of EU decision-making. **Multi-level governance** is one such approach. It recognises that a range of actors are involved in EU decision-making, their relative importance varying according to the policy areas concerned. National governments remain the most important players, for they have authority in major policy areas and are the main players in crucial decisions such as Treaty change or defence. But they do not monopolise decision-making. Supranational bodies like the Commission have their own authority and are the most important actors in technical policy areas such as the single market. Sub-national governments also play a role in decision-making, particularly in federal states such as Germany.

The UK and the European Union

The UK rejected invitations to become a founder member of both the ECSC and EEC, because first Clement Attlee's Labour government then Anthony Eden's Conservative administration feared the loss of sovereignty it would entail. Policy-makers of the time saw Britain operating within 'three circles': the Commonwealth, the 'special relationship' with the USA and intergovernmental cooperation in Europe. They supported free trade rather than a customs union, with Britain forming the European Free Trade Association (EFTA) in 1960. Pro-European commentators argued that Britain 'missed the bus', losing out on a chance to shape the EEC from within. But it would be dangerous to assume that had it joined at the outset, Britain could have imposed its own agenda on the 'Six'.

Harold Macmillan's Conservative government applied for EEC membership in 1961. The change in policy arose from a number of factors. The Commonwealth was of declining significance for Britain: trade with Commonwealth states had fallen and Britain's leadership within the organisation was being challenged. This mirrored the UK's waning influence in world affairs, as witnessed by the 1956 Suez debacle when

American pressure curtailed British military action in Egypt (see Chapter 3). The EEC was developing successfully by the early 1960s, raising fears that Britain would be left behind. Macmillan saw EEC membership as essential to Britain's modernisation. Crucially, he also came under pressure from the Kennedy administration, which made it clear that Britain would only remain America's main ally in Europe if it entered the Community.

TIMELINE 13.1

The UK and European integration

1950 Attlee government rejects invitation to participate in ECSC

1955 British delegate withdraws from the Spaak Committee discussions on the creation of the EEC

1957 Treaty of Rome establishes the EEC 1960 UK and six other states form EFTA

1961 Macmillan government applies for EEC membership

1963 De Gaulle vetoes UK membership application

1967 Wilson government launches second membership application; it is again vetoed by de Gaulle

1970 EEC begins membership talks with UK (now led by Heath government)

1971 EEC membership negotiations concluded and ratified by parliament

1973 UK joins the EEC

1975 67 per cent 'yes' vote in referendum on renegotiated membership terms

1984 Fontainebleau summit settles the British budgetary question

1985 Thatcher government agrees to the Single European Act

1989 Thatcher's 'Bruges speech' rejects EMU and political union 1990 UK joins the Exchange Rate Mechanism

1991 Major government agrees to Maastricht Treaty; UK has 'opt-out' on EMU

1992 UK leaves the Exchange Rate Mechanism

1993 Maastricht Treaty ratified despite Eurosceptic rebellions in House of Commons

1997 Blair government agrees to Amsterdam Treaty but rules out joining euro until five economic tests are met

2000 Blair government agrees to Treaty of Nice

2003 Blair government announces that five economic tests for euro entry have not

been met

2004 Blair government agrees to EU Constitutional Treaty

2007 Blair government agrees to Lisbon Treaty, which is later signed by Prime Minister Gordon Brown

2011 Coalition government refuses to sign up to an EU fiscal compact treaty


2013 Cameron promises to seek a 'new settlement' with the EU and hold an 'in-out' referendum by 2017 should the Conservatives win the 2015 general election

The 1961 membership application is sometimes presented as a volte-face in British policy. But in reality the government hoped to secure some of its traditional objectives within the EEC. Britain did not abandon its opposition to supranationalism, but hoped to promote its vision of an intergovernmental EEC more effectively and to defend its sovereignty from within the EEC. The US would remain the major strategic ally and special arrangements for Commonwealth trade were negotiated. However, de Gaulle vetoed the application in 1963, citing Britain's Atlantic rather than European outlook. Labour Prime Minister Harold Wilson reapplied in 1967 for similar reasons, and met the same fate.

Membership negotiations proved successful under Edward Heath's Conservative government in 1970–71, by which time de Gaulle had departed from the scene. Heath was the most pro-European of British Prime Ministers and had been chief negotiator at the time of the 1961 application. Now the UK secured a number of concessions, but after joining the EEC in 1973 it quickly gained a reputation as an 'awkward partner'. Harold Wilson extracted further concessions in 1974–75, but discontent about the size of the UK contribution to the EEC budget remained. Largely to appease a divided Cabinet, in 1975 Wilson called a referendum on continued membership, which produced a decisive 'yes' vote.

The Thatcher and Major governments

Margaret Thatcher's Conservative government continued efforts to reduce Britain's budget contributions and reform the CAP, her bruising campaign eventually bearing fruit at the 1984 Fontainebleau summit. Attention was by then turning to the single market, with Britain a leading proponent as the removal of barriers to free trade dovetailed with the Thatcherite commitment to the free market. Thatcher duly signed the SEA despite her hostility to the institutional reforms it entailed. By the late 1980s Thatcher was a staunch opponent of further integration, opposing the Social Charter and EMU, which she viewed as anathema to the free market and national sovereignty. Thatcher's uncompromising attitude, expressed memorably in a 1988 speech in Bruges



which rallied Conservative Eurosceptics, provoked divisions within her Cabinet that contributed to her own downfall in 1990.


John Major had been instrumental in taking Britain into the ERM in the final weeks of Thatcher's premiership. On becoming Prime Minister, he promised a more constructive approach in the EC, but was determined to preserve sovereignty in key areas and resist pressure to join a single currency. He presented the Maastricht Treaty as a good deal for Britain: the UK had an EMU opt-out, had not signed up to the Social Agreement and had ensured intergovernmental cooperation on foreign policy and immigration. Sterling's forced exit from the ERM on 'Black Wednesday' in 1992 undermined Major's position, and fuelled Eurosceptic opposition to EMU (see Case Study 13.2). But Major maintained his non-committal 'wait and see' policy, believing that it was in Britain's interest to decide on EMU entry only when the economic situation at the launch of Stage III was clear.

Major found it increasingly difficult to rally his party behind an agreed position on Europe, and to influence the direction of European integration at a time when Britain's minimalist approach left it in a minority in the EU. Policy became more Eurosceptic in tone and substance. Major threatened to veto institutional reform and pursued a short-lived policy of non-cooperation (blocking proposed legislation) in 1996, after the EU banned British beef exports during the BSE crisis. His vision of a flexible Europe in which states could opt out of new areas of EU activity won little support.

The Blair and Brown governments

New Labour came to power in 1997 promising to play a positive, leading role in the EU. Within weeks, the Blair government had agreed the Amsterdam Treaty. Blair accepted greater use of QMV in both the Amsterdam and Nice Treaties, but continued to defend unanimity on issues of 'vital national interest' such as taxation, Treaty change and defence. In negotiations on the EU Constitution, Britain proposed a greater role for the European Council and national parliaments. Blair downplayed the significance of the Constitutional Treaty, claiming that it did not 'alter the fundamental constitutional relationship' between Britain and the EU; but he bowed to political pressure and agreed to hold a referendum on it. During the 2005 UK Presidency of the EU, Blair accepted a reduction in the size of the British budget rebate in return for a future review of EU spending.

The Labour government signed up to the Social Agreement (now properly called the Social Chapter) at Amsterdam, but opposed the further extension of EU competence in social policy. Britain was a main architect of an EU employment strategy that balanced labour market flexibility with effective social protection, echoing Blair's domestic 'third




way' approach. Blair supported the 'Lisbon Agenda' measures which aimed to improve competitiveness and develop a 'knowledge-based' economy. But economic growth in the eurozone was sluggish, unemployment high and the targets of 20 million extra jobs and annual economic growth of 3 per cent appeared over-ambitious.

At Amsterdam, the government maintained Britain's traditional opposition to supranational authority in foreign and defence policy. But Europe's relative inaction during the conflict in Kosovo convinced Blair that the EU must develop a more effective defence and security role. The 1998 Anglo-French St Malo initiative signalled Britain's new willingness to support a greater EU defence role. Britain became an agenda-setter, supporting the Nice Treaty provision for a European Security and Defence Policy. This allowed the EU to deploy rapid reaction forces in conflict prevention and crisis management situations where NATO chose not to act. But divisions between member states over the US-led invasion of Iraq in 2003 damaged Britain's standing and dashed hopes that the EU could develop a common policy.

EMU was one of the most important issues in British politics in the 1990s. Supporters of EMU entry claimed that it would bring economic benefits such as low inflation and low interest rates, and would enhance British influence in the EU. Opponents argued that the British economy differed from those of other member states and that if the UK economy ran into trouble after joining EMU, the government would be left with few policy options given that interest rates would be set by the ECB. In October 1997 Chancellor Gordon Brown announced that Britain would not join the single currency during Labour's first term in office. But the government supported British membership of the eurozone if the economic conditions were right. Labour had no constitutional objection to entry, though it would hold a referendum to seek popular approval for any Cabinet decision to join. Brown set five 'economic tests' against which entry would be judged:

- Sustainable convergence between the British economy and those of the eurozone.
- Sufficient economic flexibility.
- The impact on investment in the UK.
- The impact on financial services.
- The impact on employment.

Detailed targets were not specified, allowing the government also to take account of the bigger political picture. Should the tests be met and a referendum 'yes' vote secured, the changeover to the euro could be achieved within two years. In June 2003 Brown announced that the Cabinet had decided against adopting the euro, with only one of the tests having been met. In its detailed reports, the Treasury concluded that



the UK economy had not sufficiently converged with those of the eurozone. The comparatively high level of home ownership in the UK meant that high interest rates in the eurozone could destabilise the British housing market. Nor was the UK economy judged flexible enough to withstand economic problems in the eurozone. The employment and foreign investment tests were not met, though they would be once greater convergence had been achieved. The financial services test was met, with the City of London prospering outside the eurozone.


Despite the appearance of rational decision-making, policy on EMU was shaped primarily by political considerations and by the strained relationship between Blair and Brown. Brown was very cautious about EMU, wary of the impact membership would have on a British economy enjoying low inflation and increased public spending. Blair was instinctively more positive, viewing EMU membership as essential to full British engagement in the Union, but recognised that he had lost the battle.

The fallout from the 2003 invasion of Iraq and the Treasury's negative verdict on euro entry were body-blows to Blair's European policy. But a recovery followed. British influence increased as Blair found new allies in Commission President Barroso (from 2004), German Chancellor Angela Merkel (2005) and French President Sarkozy (2007), who backed British positions on climate change, development policy and energy security. The French and Dutch referendum 'no' votes spared Blair a difficult referendum on the Constitutional Treaty, and allowed him to argue for the less ambitious Lisbon Treaty.

Brown was not instinctively as pro-European as Blair, but his period in office saw little discernible change in policy towards the EU. Climate change, competitiveness and economic reform remained key planks of British policy. Brown followed his predecessor in refusing to hold a referendum on the Lisbon Treaty, arguing that it did not have the constitutional significance of the failed Constitutional Treaty.

Cameron's coalition and Conservative governments

Tensions between the soft Eurosceptic Conservative Party and pro-European Liberal Democrats were only partially resolved in coalition negotiations that saw the former drop manifesto commitments to repatriate policy competences and the latter accept that there would be no further transfers of power to the EU during the parliament. The European Union Act 2011 introduced a 'referendum lock' requiring future treaties transferring powers from the UK to the EU to be put to a binding referendum. A referendum would also be held if, for example, the UK joins the euro or abolishes border controls. But, because the coalition refused to take part in further EU integration, no referendum was required during its term in office. The Act also



strengthened requirements for parliamentary approval of EU action, and restated that EU law only takes effect in the UK through the will of Parliament.

The Eurozone sovereign debt crisis emerged as the dominant issue in the EU. The coalition accepted that eurozone states should strengthen EMU in order to resolve the crisis, but the UK would not take part in these measures or contribute significantly towards bailouts. Cameron vetoed an EU fiscal compact treaty at a European Council meeting in December 2011 when his demands for additional safeguards on the single market and financial services were rejected, but he subsequently accepted that 25 Member States (not the UK or Czech Republic) could sign an intergovernmental Treaty on Stability, Coordination and Governance. The coalition sought guarantees that further integration in the eurozone would neither undermine the single market nor discriminate against non-euro states. It secured a system of double majority voting in the European Banking Authority under which proposals require support from a majority of both eurozone and non-euro states, and launched a series of legal challenges in the ECJ.

The coalition had a mixed record in building alliances and shaping EU policy. It helped bring about the first real term cut in the EU budget for 2014-20, and exercised a block opt-out from 100 police and criminal justice measures (although it opted back in to 35 measures, including the European Arrest Warrant). The coalition supported EU measures to strengthen the single market, improve competitiveness and negotiate a Transatlantic Trade and Investment Partnership (TTIP) with the United States. But Cameron's fiscal compact veto and attempt to block Juncker's nomination as Commission President frustrated other member states without delivering great reward. Overall, the UK was less influential in the EU at the end of the coalition's term in office than it had been at the outset.

Facing pressure from Eurosceptic backbenchers and the rise of UKIP, Cameron announced in 2013 that if the Conservatives won the 2015 general election he would seek to negotiate a 'new settlement' for the UK in the EU and would then hold an in-out referendum by the end of 2017. But he made it clear that he would campaign for the UK to remain in the EU. Cameron identified a number of objectives for EU reform. Some were limited and relatively uncontroversial, such as a reduction in red tape, greater free trade and national parliaments being able to work together to block EU legislation. But other objectives were more far reaching. The goal of 'powers flowing away from Brussels' might encompass policy repatriation, while exempting the UK from 'ever-closer union' may require treaty change. Most controversial was Cameron's desire to restrict the right of EU migrants to claim welfare benefits as, although some states shared British concerns, they would not countenance the undermining of the principle of free movement.

An 'awkward partner'

In a key study of British policy in the EU, Stephen George described Britain as *An Awkward Partner* (Oxford: Oxford University Press, 3rd edition, 1998). George was not claiming that Britain is the only country to fight for its national interest within the EU, but that it is less enthusiastic about integration than most member states and more likely to hold a minority position. Successive British governments have been wary of, or hostile to, proposals for further integration. Rather than having a long-term vision they have often acted pragmatically, reacting to proposals rather than setting the agenda. Britain prefers intergovernmental cooperation to supranational authority, the single market to EMU, and incremental reform of EU procedures to political union.

British influence has been less pronounced than that of other large member states, notably France and Germany. The Thatcher and Major governments did not set the agenda on EMU, but reacted to proposals from other states by trying to slow the pace of integration or minimise its impact. This is not to say that the UK is unimportant in big EU decisions. The UK was an influential supporter of the single market, though it proposed a minimalist approach to institutional reform. The Blair government was also an influential player in EU defence, immigration and social policy. But the UK has not forged durable alliances with like-minded states across a range of issues, developing instead a series of one-off agreements with member states on single issues. The Blair governments established bilateral links as a basis for joint initiatives, for example with France on defence policy, Germany on social policy and Italy on tackling illegal immigration. Cameron worked with a 'northern alliance' of states (e.g. Germany, the Netherlands and Sweden) on issues such as the EU budget and the single market.

A series of domestic factors explain why Britain has been an 'awkward partner'. The first concerns the historical development of the UK. As we will see below, key principles of the British constitution such as parliamentary sovereignty are of enduring significance and are often seen as being challenged by European integration. Other European states experienced major upheavals in the twentieth century; for them, EU membership was part of their modernisation and was not perceived as a threat to national identity. Political economy is also important. British elites did not want to be drawn into exclusively regional relationships, looking instead to strategic relationships with the Commonwealth and the United States. They have rarely departed from a global economic outlook, favouring free trade and open markets, for much of the last 200 years.

This section explores four further factors in more detail:

1. The debate about British sovereignty.

2. The impact of the EU on the British state.
3. Disputes between and within the main political parties.
4. The relatively low levels of public support for European integration.


Sovereignty

The **sovereignty** implications of European integration feature prominently in British debates, but sovereignty is a contested concept (see Analysis 13.3). It has an internal and external dimension. Within the UK, the doctrine of parliamentary sovereignty states that Westminster has final legal authority. National sovereignty refers to the right of national governments to make laws that apply within their territory, free from interference from other states. A distinction between de jure and de facto sovereignty is also helpful. The de jure account links sovereignty with authority – the right to make law – whereas the de facto account couples it with power and autonomy – the ability to act without undue interference.

Eurosceptics often define sovereignty in zero-sum terms, as ultimate decision-making authority: a state either has absolute authority or it does not, there can be no middle ground. Sovereignty may be voluntarily delegated when a state signs an international treaty (e.g. to join NATO) or creates a new legislature (e.g. the Scottish Parliament) within its boundaries. But European integration is qualitatively different because, Eurosceptics argue, the EU's supranational institutions have authority independent of the member states, whose laws and interests they can override.

Sovereignty is not just a legal concept for Eurosceptics, as they believe that European integration has had a detrimental impact on British democracy and nationhood. Critics argue that the bond between political elites and the people has been weakened, as electors are unable to use the ballot box to remove from office decision-makers in Brussels. Eurosceptics also claim that legitimate authority is vested in the nation state, as people identify with national institutions not the EU, particularly in the UK where parliament is an important symbol of Britishness. They differ on how sovereignty might be restored. The Conservative Party favours opt-outs from some EU policies and repatriation of some EU competences to national governments. UKIP believes that the EU cannot be reformed from within to meet British interests, and that only by leaving can the UK regain its sovereignty.

Pro-Europeans define sovereignty in terms of effective influence and a practical capacity to act. Britain has 'pooled' or shared sovereignty with other EU member states. EU membership has, they argue, *enhanced* sovereignty by enabling the UK to achieve policy objectives such as the single market that it could not have brought about



independently. As a member of a strong EU, Britain also has greater influence in world affairs. This perspective rejects a zero-sum definition of sovereignty as supreme authority. In an interdependent world, nation states are 'porous', their autonomy constrained by developments, such as economic globalisation, migration and environmental degradation, that do not respect national boundaries. Even if Britain were to leave the EU, it could not dream of regaining full, unfettered control over all aspects of public policy.

The EU and British sovereignty

EU law has primacy over domestic law: in cases of conflict, domestic law must be amended so that it complies with EU legislation. The European Communities Act 1972 gave future EU law legal force in the UK and denied effectiveness to national legislation which conflicts with it. This was illustrated in the 1990 *Factortame* case. The 1988 Merchant Shipping Act prevented non-British citizens from registering fishing boats as British in order to qualify for the UK's quota under the Common Fisheries Policy. But the House of Lords, following a ruling from the ECJ, ruled that the Act was incompatible with EU law and should be 'disapplied'. Compensation was later paid to those fishermen affected by the 1988 Act (see Chapter 9).

The supremacy of Community law would appear to undermine parliamentary sovereignty, as it implies that parliament cannot legislate on any subject of its choosing and legislation made by parliament can be overturned by another authority. But parliamentary sovereignty is not rendered meaningless, because parliament retains ultimate legislative authority. It retains the right to withdraw from the EU by exercising Article 50 of the Lisbon Treaty and/or repealing the 1972 European Communities Act.

EU membership has impinged on sovereignty in other ways. Member states do not have the right of veto in policy areas where QMV applies. One safeguard, the Luxembourg Compromise of 1966, has fallen into disuse. The extension of EU competences has impacted upon the capacity of states to pursue independent policies in many areas. Parliament and the electorate have little opportunity to hold EU decision-makers accountable.

British governments have often spoken of defending national sovereignty. But, in practice, they have been willing to cede authority to achieve their key objectives. They have thus treated sovereignty as executive autonomy (the capacity of governments to achieve policy objectives) which might be enhanced in the EU, rather than destroyed as Eurosceptics habitually claim.


The EU and the UK polity

Membership of the EU has brought about changes in British policies and institutions, though this **Europeanisation** of the UK polity has not been uniform or as dramatic as the term suggests. The impact of European integration on UK policy varies from sector to sector according to the extent of EU competence and the distinctiveness of the British approach. In areas such as trade and agriculture, where the EU has exclusive competence, British policy has been extensively Europeanised. Since the launch of the single market, much of the legislation on the standards of goods and services emanates from Brussels. Government departments and local authorities implement these laws while the British courts enforce them by hearing cases under EU law. However, it must be noted that Britain would have been bound by the legislation on goods and services if it had chosen to withdraw from the EU while continuing to seek trading opportunities with remaining member states.

Although procedures have been adapted, EU membership has not brought about a major reorganisation of central government. The 'Whitehall ethos' of centralised decision-making remains largely intact; emphasis is placed on the effective coordination of policy. The main actors and institutions involved in developing British policy in the EU are the Prime Minister, the Cabinet Office and the Foreign Office. The Prime Minister shapes the key objectives of British policy and attends European Council meetings. In this respect, membership has strengthened the position of the Prime Minister. But Cabinet divisions on European policy undermined Thatcher and Major's positions, Blair ceded significant responsibility for policy on the euro to the Treasury, and in coalition Cameron had to appease pro-European Liberal Democrats and Eurosceptic Conservative MPs.

The European and Global Issues Secretariat, based in the Cabinet Office, coordinates policy and ensures that government departments fall in line with the agreed negotiating position. The Secretariat became more closely integrated into the policy-making machinery at 10 Downing Street under Blair, particularly after the appointment of Sir Stephen Wall as the Prime Minister's special adviser on Europe in 2000. Mats Persson, head of the soft Eurosceptic think tank Open Europe, became Cameron's special adviser on Europe in 2015. A Cabinet committee on European Affairs chaired by the Foreign Secretary develops Britain's policy position in the EU. Another Cabinet committee, the Europe Committee which is chaired by the Prime Minister, was established in 2015 to consider issues relating to the EU referendum.

The Foreign and Commonwealth Office (FCO) takes the lead diplomatic role in negotiations in the EU. The Foreign Secretary attends European Council meetings and key meetings of the Council of the European Union, as well as taking charge of many ministerial discussions. The FCO plays a strategic role in forging alliances in the EU,




and a coordinating role in instructing the UK Representation (UKRep). UKRep consists of staff seconded from relevant government departments to assist in EU negotiations and UK policy formulation. Its head, the Permanent Representative, holds regular meetings with FCO officials and the head of the European and Global Issues Secretariat to clarify the British position.

The Treasury keeps a tight rein on EU-related expenditure, preventing government departments from bypassing domestic spending constraints by using EU funds. This tough approach has periodically caused conflict between the Treasury and other bodies – for example, in a dispute over the payment of EU regional funding that forced the resignation of Welsh First Minister Alun Michael in 2000. The Treasury also staked a lead role in determining policy on EMU, setting the five economic tests and assessing whether they had been met. Most government departments have units responsible for EU matters. EU legislation forms a large part of the workload of the Department for Business, Innovation and Skills and the Department for the Environment, Food and Rural Affairs. But the extension of EU competences means that departments such as the Home Office are also heavily involved in EU policy-making. Interest groups have responded to ‘Europeanisation’ by switching some of their lobbying efforts to Brussels.

Although Whitehall has sought to maintain centralised policy-making, European integration has been a factor in the development of multi-level governance in the UK. The devolved bodies and local authorities are responsible for implementing EU legislation in their respective areas of competence. But this is not simply a top-down relationship. Pressure from local and regional elites for the UK to gain maximum benefit from Structural Funds and promote their interests more effectively within the EU fuelled demands for regionalism in the 1980s and 1990s. Poorer regions of the UK, such as Northern Ireland, Cornwall and Merseyside have received EU regional funding. The European Commission actively encouraged the participation of local and regional actors in decision-making. Many local authorities and regions have offices in Brussels to lobby on their behalf and report on policy developments. Yet central government retains a gatekeeper role in the relationship between English regional and local government and the EU, by ensuring that it controls policy-making and expenditure.

Devolution brought a closer fit between the UK state and the EU’s multi-level system. It also forced a reworking of the centralised process by which Britain’s EU policy is settled. While the EU has competence in many policy fields devolved to the Scottish Parliament, Welsh Assembly and Northern Ireland Assembly, overall responsibility for Britain’s relations with the EU is ‘reserved’ to Westminster. The devolved administrations are consulted on British policy and have had some input (e.g. on environmental policy), but once the UK government’s single negotiating line has been settled, they are bound by it. The arrangements have operated relatively smoothly to



date, but tensions between different tiers of government on EU matters occur frequently in states such as Germany. The Scottish National Party (SNP) has been critical of Cameron's decision to hold an EU referendum and has warned that if the UK as a whole voted to leave the EU but voters in Scotland supported membership, a second independence referendum could be held.


Finally, parliament debates major developments in the EU, but finds it difficult to maintain effective scrutiny of the huge volume of EU legislative and policy proposals (over 1000 a year). The latter task falls to the House of Commons European Scrutiny Committee. Ministers should not normally agree to EU legislation until parliament has had a chance to scrutinise the proposals. The EU Select Committee in the House of Lords has a deservedly high reputation for the quality of its reports on developments in the EU.

Political parties and Europe

Britain's relationship with the EU has been an issue that the main political parties have found difficult to manage. The UK has not developed the strong elite consensus on the benefits of European integration which is apparent in most other member states. Labour and the Conservatives have instead often taken contrary positions, one adopting a 'sceptical' view, critical of the pro-European outlook of the other. But the issue of Europe has also caused divisions within the two main parties, when integration is viewed as challenging their ideology or self-image. These divisions have proved difficult for their leaders to manage. Nor have they found Europe an issue that can be exploited easily for electoral purposes.

British politics is adversarial in character. The simple plurality electoral system and two-party dominance of the House of Commons encourages parties to take opposing positions on key issues. Differences of principle have been evident on Europe, notably in the early 1980s. The gap between Labour and Conservative positions has widened again since 1997. Conservative policy has become more Eurosceptic while Labour, particularly under Blair, adopted integrationist positions. For the most part, the Labour and Conservative leaderships have shared a vision of British membership of a free-trading, intergovernmental EU. But they highlight differences of detail or degree for tactical reasons: accusing your rival of failing to serve the national interest may bring political reward. So, Labour was largely supportive of the Maastricht Treaty, but found an excuse to vote against it in Major's refusal to sign the Social Chapter. Unable to rely on Labour support, Major was thus forced to confront Eurosceptics in his own party to force the legislation through parliament.

Parties' European policies are also shaped by their ideology and strategic interests.



Divisions on Europe are not always easy to locate on the left–right axis, where the left favours economic interventionism and the right the free market. In the 1980s, Nigel Lawson, Sir Geoffrey Howe and Mrs Thatcher disagreed on the ERM and EMU, despite their shared commitment to neo-liberal economics. Instead, divisions can usefully be plotted on a sovereignty–interdependence axis where pro-Europeans are willing to pool sovereignty and Eurosceptics persist in the traditional view which sees sovereignty as indivisible.


Labour and the Conservatives have swapped positions on Europe. From the early 1960s to the late 1980s, the Conservatives proclaimed themselves the ‘party of Europe’. They were the first to apply for EEC membership (1961) then secured entry (1973). There was a close fit between the free trade and free market outlook of the Tories and the EC. The signing of the Maastricht Treaty (1992) proved the high-water mark for pro-European Conservatism. Euroscepticism escalated thereafter, as European integration was seen as a threat to national sovereignty and Thatcherite economics. Mrs Thatcher’s Bruges speech of 1988 signalled the beginning of this shift in the Conservatives’ approach.

Labour opposed the 1961 application, but the Wilson government launched its own unsuccessful entry bid six years later. The leadership supported membership in principle, but opposed the EEC entry terms agreed by the Tories in 1971–72 before settling for minor concessions when back in office. Labour moved to the left after its 1979 election defeat, calling in its 1983 manifesto for withdrawal from an EEC depicted as a capitalist club that would frustrate the party’s socialist ‘alternative economic strategy’. This marked the pinnacle of Labour Euroscepticism.

Under the leadership of Neil Kinnock, later to serve as an EU Commissioner, Labour’s ideology moved closer to the ‘European social model’ favoured by other West European social democratic parties. Many in the labour movement who had viewed the single market with suspicion now looked favourably on EU social and regional policy. The shift in the party’s European policy also enabled Labour to reposition itself as a modernised and moderate party, neutralising one of the issues which had helped to promote the formation of the SDP in the early 1980s. Since the last years of that decade the effects of globalisation have convinced Labour leaders that making the British economy more competitive, while ensuring social protection for the poorest in society, can only be practicable in a European context.

Intra-party divisions

The Labour and Conservative parties are coalitions of opinion on Europe, containing convinced pro-Europeans and Eurosceptics as well as pragmatists. MPs opposed to the official line tend to stay in the party, as there are strong disincentives to leave:




resigning the whip deprives them of access to parliamentary resources, while the electoral system discourages them from setting up minor parties that are unlikely to prosper. This creates problems of party management. Party leaders hoping to develop a clear European policy often meet resistance from within their own ranks, and have to fall back on a lowest common denominator position upon which most in the party can agree. This is especially true if the governing party has only a slim parliamentary majority. Major's 'wait and see' position on EMU and Cameron's pledge of an in-out referendum were both designed to manage divisions in the Conservative Party.

Most Conservative MPs supported EEC entry in the 1960s and 1970s, though some on the right (notably Enoch Powell) warned against the loss of sovereignty. Europe re-emerged as the main fault-line in the party in debates on the Maastricht Treaty in 1992–93. Many Tories previously supportive of the SEA felt that its provisions on EMU and political union rendered Maastricht a 'Treaty too far'. Eurosceptic resistance culminated in 46 Tory MPs voting against the Bill ratifying the Treaty at third reading, forcing Major to hold a vote of confidence. Conflict on Europe dogged the remainder of his premiership: eight rebel MPs had the whip temporarily removed in 1994 (and one resigned it), then John Redwood responded to Major's 1995 invitation to his critics to stand against him in a leadership contest by launching a Eurosceptic challenge that garnered 89 votes.

In opposition, the Conservatives adopted a soft Eurosceptic 'in Europe, not run by Europe' position that opposed EMU membership, sought the repatriation of some EU policies and promised referendums on new EU treaties. Cameron is a pragmatic Eurosceptic who abandoned his commitment to hold a referendum on the Lisbon Treaty after it was ratified by all member states, but pleased Eurosceptics in his party by removing Conservative MEPs from the federalist EPP group.

Back in government after 2010, a perfect storm of factors re-opened Conservative divisions in government: the eurozone crisis, the dilution of Conservative EU policy in coalition, the growth of hard Euroscepticism on the Conservative benches, ineffectual party management and the rise of UKIP. October 2011 brought the largest ever Conservative rebellion on European integration when 81 Conservative MPs defied a three-line whip to support a backbench motion on policy repatriation and a referendum. Cameron averted another major rebellion by taking the unprecedented step of granting backbenchers a free vote on an amendment to the 2013 Queen's Speech regretting the absence of a Bill on an EU referendum. Two Conservative MPs, Douglas Carswell and Mark Reckless, defected to UKIP in 2014.

The fault line in the Conservative Party was no longer between pro-Europeans – now a small and relatively silent minority – and Eurosceptics, but between soft Eurosceptics who supported membership of a reformed EU and hard Eurosceptics who favoured




either fundamental renegotiation of UK membership or withdrawal. Cameron's renegotiation-referendum pledge kept the lid on intra-party divisions in the 2015 general election. But the creation of the 'Conservatives for Britain' group of some 100 MPs, which demanded fundamental renegotiation, illustrated that Conservative divisions would be further exposed during the referendum campaign, with a substantial section of the party likely to support withdrawal.

Serious divisions occurred in the Labour Party in the 1970s and early 1980s. Most of the Labour movement opposed the terms under which Britain joined the EEC, but the leadership supported membership in principle. Yet 69 Labour MPs defied a three-line whip to vote for entry. Many Labour Eurosceptics (e.g. Tony Benn) were on the left of the party. To limit the damage, Wilson called a referendum on continued membership (1975) in which Cabinet ministers were allowed to take opposing sides. Hopes that the 67 per cent 'yes' vote would settle the issue were frustrated. A 1980 Labour conference vote, endorsing a policy of withdrawal, prompted some pro-European MPs to quit and establish the Social Democratic Party (SDP).

Labour's subsequent pro-European conversion was relatively smooth. Pro-European John Smith defeated Eurosceptic Bryan Gould in the 1992 leadership contest, though 66 Labour MPs subsequently voted against the Maastricht Treaty. The Blair governments' support for euro membership in principle did not provoke the level of dissent seen in the Conservative Party in the 1990s, and failure to meet the five economic tests hid the scale of Labour anti-euro sentiment. Only 18 Labour MPs defied the whip to vote against the Treaty of Lisbon. 'The Labour for Britain' group set up in 2015 includes backbench Eurosceptic MPs such as Kate Hoey and Gisella Stuart. The eurozone sovereign debt crisis has also provoked renewed concern on the left (e.g. from the prominent journalist Owen Jones) about EU economic policy.

'Europe' as an election issue

The major political parties have found Europe a difficult issue to exploit for electoral advantage. Taking a clear position risks exposing intra-party divisions, so party leaders have often put forward compromise positions and downplayed the issue. But voter concern about European integration increased and the gap between Labour and Conservative positions widened in the 1990s. The Conservatives saw Europe as a potential vote winner at the 1997 and 2001 general elections because their policies on the EU and the euro were more in tune with public opinion than Labour's. However, this did not deliver substantial electoral reward because the issue was not a very important one to most voters, who were also wary of Conservative divisions on the EU. Labour and Conservative leaders then lowered the salience of the EU issue, and it barely featured




in either the 2005 or 2010 general election campaigns.

The EU issue became more prominent again after 2010, with UKIP shaping the agenda by linking the increasingly salient issue of immigration with that of EU membership. It claimed that only by leaving the EU could the UK control its borders and prevent low-skilled EU migrants from claiming benefits. UKIP had come second in the national vote in the 2009 European elections and then took first place in 2014. Voters were now presented with clearer differences between the EU policies of the main parties, with the Conservatives pledging an in-out referendum, Labour and the Liberal Democrats only committing to a referendum in the unlikely event of them transferring more powers to the EU, and UKIP campaigning for withdrawal from the EU. UKIP polled 13 per cent of the vote in the 2015 general election but only the ex-Conservative Douglas Carswell won a seat. The EU issue, unless linked to immigration, did not rank highly among voters' concerns, but Cameron's referendum pledge probably helped win over some Conservatives who had considered defecting to UKIP.

Jeremy Corbyn, who was elected Labour leader in September 2015, is more Eurosceptic than his immediate predecessors. He is critical of the perceived 'free market' agenda of the EU. However, Corbyn's Euroscepticism is less rigid than that of his one-time mentor Tony Benn, and opinion within the party has changed since Benn's heyday in the early 1980s. As a result Labour under Corbyn's leadership is expected to offer (qualified) support for continued EU membership during the 'in-out' referendum, although the party is likely to take a critical approach to David Cameron's attempts to secure revisions to the existing terms of Britain's EU membership.

Public opinion and the EU referendum

Public support for EU membership and further integration has long been lower in the UK than in other member states (see Table 13.2). It might not be coincidental that British citizens are also less knowledgeable about the EU than their continental European counterparts. A number of explanations may be offered. First, the EU has a negative symbolism, as integration is judged in terms of a loss of sovereignty and a threat to national identity. Surveys indicate that national identity is stronger in the UK than elsewhere in the EU, and identification with Europe weaker. Second, the Union's shortcomings are more prominently aired than its successes. The British public is poorly served by media coverage of the EU – opinion polls show a majority of voters want better quality information. Newspapers such as the *Daily Express*, the *Sun* and the *Daily Mail* offer a diet of populist Eurosceptic stories, while *The Times* takes a more considered Eurosceptic position. The *Daily Mirror* is the main pro-European tabloid; *The Guardian*, *The Independent* and the *Financial Times* are also largely supportive. Voters



also get information from television. But a 2005 report commissioned by the BBC criticised its news coverage of the EU for being over-simplistic.

Parliament has been the main arena for debate on Britain's relationship with the EU. Here party managers can put pressure on potential rebels to toe the line. But public debate on Europe has generally been promoted (and dominated) by dissenters eager to publicise their case. Various Eurosceptic groupings have been established since the late 1980s. Some, such as the Bruges Group (a cross-party body, though largely made up of Conservatives) emerged in the parliamentary arena; others were set up by think tanks (e.g. Better Off Out) or business organisations (e.g. Business for Britain). Party managers have often taken a relaxed attitude towards these groupings, hoping that they will release pressure building within the party, but they widened the terms of debate by promoting the option of withdrawal from the EU.

The Blair governments had proposed to hold referendums on UK membership of the euro and on the EU Constitutional Treaty. The Treasury's 2003 verdict that the economic tests had not been met ended the prospect of a referendum on EMU membership. Plans for a referendum on the Constitutional Treaty were scrapped after the 2005 'no' votes in referendums in France and the Netherlands, and Blair and Brown then refused to hold a referendum on the watered-down Lisbon Treaty. However, pressure for a popular vote on the UK's relationship with the EU was building with the Conservatives and Liberal Democrats now committed to holding a referendum if powers were transferred to the EU in a new treaty – a position given a legal footing in the European Union Act 2011.

Political parties may promise referendums on EU integration in order to resolve an issue that causes intra-party divisions, to strengthen their electoral position and weaken their rivals. This was true of both Wilson's decision to call the 1975 EEC referendum and Cameron's renegotiation-referendum pledge. Cameron's commitment to an in-out referendum dampened (but did not end) divisions in the Conservative Party, gave the party a distinctive and popular position on the EU issue as Labour refused to match the pledge to hold a referendum in the next parliament, and helped win over some Conservative voters who had considered defecting to UKIP. But, although intra-party divisions may be concealed by promises to hold a referendum, they are likely to be exposed during the campaign.


The EU referendum question will be 'Should the United Kingdom remain a member of the European Union or leave the European Union?'. The Electoral Commission recommended this question after the government initially proposed the question 'Should the United Kingdom remain a member of the European Union?', with voters opting for either 'yes' or 'no' on the ballot paper. Public opinion on this issue has fluctuated in recent decades, but opinion polls in 2015 reported majority support for remaining in the EU (see Table 13.1). They also show that a plurality of voters believe

Table 13.2 British public opinion and EU membership

Question: If there was a referendum now on whether Britain should stay in or get out of the European Union, how would you vote?

Year	Stay in (%)	Get out (%)
1977	47	42
1980	26	65
1983	36	55
1987	48	39
1990	62	28
1991	60	29
1992	52	35
1993	46	39
1994	52	36
1996	44	40
1997	49	35
1998	47	40
1999	51	41
2000	49	44
2001	48	43
2003	49	41
2007	51	39
2011	41	49
2012	44	48
2014	56	37
2015	61	27

Source: Ipsos MORI, www.ipsos-mori.com.




that the UK would be worse off and less influential outside the EU. However a significant proportion of voters in 2015 said that they could change their mind, or did not know how they would vote. Referendum campaigns also play an important role in persuading and motivating voters.

The strongest levels of support for EU membership are found among those with university degrees, young people and middle class professionals. Those who feel that the EU delivers economic benefits and have a good knowledge of the EU are more likely to have positive views of the EU. The highest levels of opposition to EU membership are found among those with few educational qualifications, older people and those in unskilled occupations. People who have strong national identities (particularly those who strongly identify themselves as English), are dissatisfied with politics and are hostile to immigration are more likely to hold Eurosceptic views. UKIP supporters are unsurprisingly most likely to support withdrawal from the EU, with Liberal Democrat and Labour supporters generally supportive of membership. When voting in a referendum, voters often take cues from the political parties they support. However, Conservative voters will receive mixed messages in the in-out referendum with Cameron urging support for membership but many Conservative MPs campaigning to leave the EU.

The in-out referendum campaign will see extensive debate on the costs and benefits of EU membership. The debate will include both utilitarian and value-based arguments. Utilitarian arguments focus on the economic costs and benefits of EU membership (see Controversy 13.2), whereas value-based arguments highlight issues such as sovereignty, democracy and identity.

Conclusion and summary

This chapter has examined 'Britain in Europe' (the positions adopted by British governments in the EU) and 'Europe in Britain' (the impact of European integration on British politics). The inter-relationship between the two is apparent in the EU referendum called by David Cameron. His commitment to renegotiation and a referendum was, in large part, a response to the challenges of party management and party competition, but it has potentially momentous consequences for the UK, the EU and the Conservatives. The most optimistic scenario for Cameron would see renegotiation and a referendum providing the elusive formula that resolves the most divisive issue in the Conservative Party and the UK's position in the EU. But the policy has significant risks. Wilson's 1975 EEC referendum could not prevent Labour splitting six years later. Cameron is not asking for, and would not get, the scale of changes to the UK's relationship with the EU demanded by many Conservative MPs. Referendum

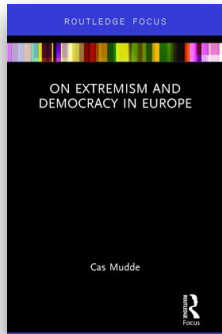


outcomes are also unpredictable. If enough voters associate the EU with economic crisis and apparently limitless migration, the campaign to remain in the EU may face a harder task than opinion polls in 2015 suggested.

Just as the Scottish independence referendum did not settle the question of Scotland's place in the Union, so the EU referendum is unlikely to resolve the question of the UK's relationship with the European Union. If the referendum produces a vote to remain in the EU, British influence would still be likely to wane further in an EU in which other member states pursue further integration which the UK chooses not to accept. Eurosceptics would continue to press for a fundamental reworking of British membership. A vote to leave the EU would not see a complete severance of ties because the government would then negotiate a new relationship in which the UK has access to the single market and enjoys preferential trading terms.

It's Time To End The Eurosceptic Illusions

Chapter 4. It's Time To End The Eurosceptic Illusions



The following is excerpted from *On Extremism and Democracy in Europe* by Cas Mudde. © 2016 Taylor & Francis Group. All rights reserved.

To purchase a copy, [click here](#).


There may be references within this chapter that refer to other chapters within the full publication. These will not apply within the FreeBook but of course can be followed up in the full publication.

Anyone (still) following the “Greek crisis” in the social and traditional media will have noticed the growing expressions of Euroscepticism. What once was a minor nuisance in the European Union (EU), relegated to mostly ostracized extreme and radical parties, is rapidly becoming the predominant sentiment across Europe, whatever the position on the EU-Greece negotiations.

The term “Euroscepticism” has always been a container concept, initially denoting anyone who had *some* critique on “The European Project,” however small or detailed. This was not very problematic until the late 1980s, as European integration was still an elite-driven process profiting from a “permissive consensus” of the vast majority of the European peoples. The Maastricht Treaty of 1992 changed this, slowly but steadily. It did not only introduce the EU and the (now increasingly cursed) Euro, but also birthed mass Euroscepticism. Sure, it took some time, but by the late 1990s Euroscepticism was so diverse and widespread, at both the elite and mass levels, that scholars like British political scientists Aleks Szczerbiak and Paul Taggart started to distinguish between “soft” and “hard” Euroscepticism, in which the former referred to detailed critique and the latter to more fundamental criticism.¹

My colleague Petr Kopecký and I elaborated upon this important innovation by going to the core of the process of European integration and distinguishing between general and specific critique/support of European integration.² By *diffuse* critique we meant criticism of the general *ideas* of European integration that underlie the EU, i.e. pooled sovereignty and an integrated market. By *specific* critique we denoted criticism of the general *practice* of European integration; i.e. the EU as it *is* and as it is developing. We reserved Euroscepticism, in line with the more general meaning of the term “scepticism,” for views that are supportive of the ideas of European integration, but critique its general practice (i.e. the EU). We termed critique of both the general practice *and* the general ideas Eurorejects, as they reject the fundamentals of the process of European integration.

The rise of Euroscepticism is not so much a consequence of changed values or priorities of the European masses, but rather of the changed nature of the process of European integration and the increasing awareness of this by the European elites and masses. Today’s EU is a very different beast than the European (Economic) Community of the 1980s. Moreover, the Great Recession has finally hit home what “integration” and “solidarity” really mean, and many Europeans don’t like it. Still, both at the elite and mass level most responses are as halfhearted and misdirected as the EU solutions to the Greek crisis and Great Recession. Consequently, although there is a minor increase in Eurorejection too – notably in the French Front National and Dutch Party for



Freedom, most elites and masses have responded with some vague form of Euroscepticism.

The most extreme example of this conflicted response to the perceived fallacies of the EU is that of the current Greek government, which literally made its career by selling an illusionary “Third Way” in between the politics of the Memorandum – mainly supported by New Democracy (ND) and Panhellenic Socialist Movement (PASOK) – and the Grexit – chiefly supported by the Communist Party of Greece (KKE) and Golden Dawn (XA). By now the last illusions of this misguided policy should be clear to all, particularly those manipulated into voting “OXI” in the Referendum, while experts are left to calculate the enormous economic and political costs that this half year of amateur-politics of Tsipras and Varoufakis has cost Greece.

Just as the Greek parties and people continue to reject a Grexit, instead complaining about the “EU dictatorship” and “German blackmail,” the vast majority of non-centrist parties of left and right keep hiding behind a socially more acceptable, but politically disingenuous, Euroscepticism. From most members of the right-wing Eurosceptic European Conservatives and Reformists (ECR) group to the majority in the left-wing Eurosceptic European United Left - Nordic Green Left (GUE-NGL) group the official mantra remains that “A Different Europe is Possible” within the EU. It is not!

The core principles of the process of European integration, of which the EU is the current representation, are and will always be: pooled sovereignty and an integrated market. In other words, the EU is inherently a transnational neoliberal project! Sovereignists of the right (and left) as well as (real) social democrats and socialists on the left should therefore be fundamentally opposed to the EU. It is unrealistic to expect, and disingenuous to suggest, that the EU can be transformed into anything else – leaving aside a couple of ‘green’, ‘national’, and ‘social’ tweaks here and there. Anything else is *by definition* not the EU. There is therefore no reason to “reform” the EU into a “European of Nations” or a “Europe of International Solidarity.” In fact, this can *only* be achieved outside of the EU!

As politicians like Greek Prime Minister Tsipras know very well, there currently is no majority support for an exit in any EU member state, not even in Greece or the United Kingdom. But rather than continuing to sell an illusion, sovereignist politicians of the left and right should shed their deceiving Euroscepticism, which in the end only strengthens the idea that the EU is the (only) way forward, and start developing a true *alternative* to life in the EU. They should explain to their supporters that what they want to achieve, cannot be realized within the confinements of the EU, and why an exit does not equate a Third World War or Auschwitz. Obviously, this goes beyond simplistic studies such as the Nexit report of the PVV in the Netherlands. Politicians will have to be honest about the probable short-term costs that will almost certainly have to be



paid for the possible long-term gains.

In short, they have to show that a different Europe is possible, but not within this EU or any future EU. Any party or political group that wants to build a really different “Europe” will have to do so *outside* of the EU. But in order to do so, they will have to denounce their official Euroscepticism and start convincing the population to do the same. Even if this will not convince a majority of Europeans, it will lead to a more honest and transparent debate on European integration. And this will benefit everyone, irrespective of their position on the EU.

Notes

1. See, among others, Aleks Szczerbiak and Paul Taggart (eds.), *Opposing Europe? The Comparative Party Politics of Euroscepticism*. Oxford: Oxford University Press, 2008, 2 Volumes.
2. Petr Kopecký and Cas Mudde, “The Two Sides of Euroscepticism. Party Positions on European Integration in East Central Europe”, *European Union Politics*, Vol.3, No.3, 2002, pp.297-326

Referenda and European Integration: The case of the United Kingdom

Chapter 5. Referenda and European Integration: The case of the United Kingdom



The following is excerpted from *Routledge Handbook of Euroscepticism* edited by Nicholas Startin, Simon Usherwood & Benjamin Leruth. © 2017 Taylor & Francis Group. All rights reserved.

To purchase a copy, [click here](#).

Please note that the following chapter - included here in advance of publication - is reproduced in unedited form from the manuscript.

There may be references within this chapter that refer to other chapters within the full publication. These will not apply within the FreeBook but of course can be followed up in the full publication.


Chris Gifford and Ben Wellings

From the origins of the European Union (EU), referenda emerged as a key strategy for securing popular endorsement for developments in European integration. Part Gaullist legacy suspicious of party politics and part federalist desire to appeal directly to the 'European people' over (or under) member-state governments, referenda were, however, fraught with difficulty especially after Maastricht. In the United Kingdom (UK) referenda have become an increasingly significant tool on the part of governing elites for securing legitimacy, especially in the face of declining support for mainstream parties, despite being alien to the British Political Tradition. The 2016 referendum on British membership of the EU can be seen as the culmination of this constitutional transformation.

The Chapter will discuss the context in which referenda have become a political instrument for addressing the European issue in the UK. It is argued that they reflect the peculiarities of the Europe-wide 'populist zeitgeist' (Mudde, 2004) as it has unfolded in the UK since the 1970s. 'Europe' emerged as an issue for which the nation was at stake and could not be contained by party discipline and loyalty. Indeed the 1975 referendum can be seen as the moment when the party system in Britain was unable to contain the tensions caused by debates about European integration, a development compounded in the 1990s and since. In this situation of the breakdown of party unity on European integration, referenda emerged as an apparent means to overcome division by invoking popular sovereignty in order, somewhat paradoxically, to shore up parliamentary sovereignty. We begin by exploring the relationship between referenda and the British Political Tradition, defined by the supremacy of parliament and the sovereign powers conferred upon the government of the day. We go on to discuss the key developments and debates concerning the use of referenda over the UK's relationship to the EU; from the 1975 referendum on membership, to the Brexit referendum in 2016. Here we take the long view, seeing the 2016 referendum as the outcome of pressure from a campaign that has been underway since the Maastricht Treaty, with antecedents in the debates about membership in the early 1970s.

Referenda and the British Political Tradition

When introducing the Coalition's European Union Bill to parliament in 2010 David Lidington, Minister for Europe stated that 'This Government is determined to reconnect with the British people by making itself more accountable for the decisions it takes in




relation to how the EU develops' (*Hansard* Vol. 515, Col. 31WS). Justifying support for a so-called 'referendum lock', he argued that it was part of a plan 'to decentralise power' to the British people on 'the big decisions on the direction of the EU'. That referenda should have come to occupy such a prominent place in British political life is surprising given that until recently they were seen as alien to the British tradition. Thus in 1974 it was possible for Conservative MP Norman St-John Stevas to refer to referenda as 'a nasty continental aberration', linked to – and tainted by – Gaullism (cited in Alderson, 1975: 74). Despite campaigning to keep Britain in the Community in 1975, Margaret Thatcher also expressed misgivings (later overcome) about referenda, citing the former leader of the Labour party when she suggested to the House of Commons that 'Perhaps the late Lord Attlee was right when he said that the referendum was a device of dictators and demagogues' (cited in Philip, 2007).

Part of this disquiet stemmed from the uneasy relationship between parliamentary sovereignty and popular sovereignty in British political culture. Edmund Burke classically defined the doctrine of parliamentary sovereignty in his 'Letter to the Electors of Bristol' written in 1774. Once elected, explained Sir Edmund, an MP is an MP and is not answerable to the electors: 'your representative owes you not his industry only, but his judgement; and he betrays you, instead of serving you, if he sacrifices it to your opinion' (cited in Bogdanor, 1981: 80). Parliamentary sovereignty avoided the deployment of French-style plebiscitary referenda in British politics, devices which were seen as risky when seeking to govern what Walter Bagehot referred to as the 'vacant many' (Bagehot, 1936 [1867]: 34) at a time of transition from oligarchy to representative democracy from the 1830s to the 1920s.

Despite this, referenda were not entirely unknown in the UK prior to the 1970s, but they tended to be deployed at a local level. Local referenda were held in England during the 19th century on the establishment of public libraries and in 1961 on Sunday opening times in Wales. Nor were these local referenda necessarily binding. In 1946, irate residents of Stevenage held a referendum in which they rejected plans for the establishment of a New Town in the vicinity – but the new town was built anyway (Kynaston, 2007: 162).

As we can see from this over-ruling of a localised expression of the general will, referenda suffered from principled problems of legitimacy in the British Political Tradition. For a start, given the doctrine of parliamentary sovereignty, any referendum could only be advisory as its decisions could technically be overturned by any subsequent parliament (although at considerable political cost that may have invalidated the initial technical assumption of sovereignty). Referenda also rested on an assumption of the existence of a homogenous political community that accepted the legitimacy of the exercise. The so-called 'Border Poll' held in Northern Ireland in 1973




illustrated this. The attempt to bolster the UK's sovereignty and defend its border against the Irish Republic solved nothing as it was boycotted almost entirely by the Nationalist-Catholic community (Hennessey, 1997: 216).

However, if we broaden our perspective to take in the political systems of what historians call 'the British world', we find that referenda are not as alien as in the UK itself. In much the same way as federalism was spurned by British elites, but adopted enthusiastically in other parts of the Commonwealth, referenda are also a standard feature of politics in many of these countries. The best known of these is in Australia whereby Section 128 of the Australian Constitution provides that any proposed change to the constitution must be endorsed by a majority of the electorate of the Commonwealth of Australia (although this expression of popular sovereignty is circumscribed by the sovereignty of the Commonwealth parliament and of the states themselves). In the Australian case, the adoption of referenda was seen as part of the 'social experiment' that characterised Australian politics at the turn of the twentieth century similar to ideas about referenda and popular sovereignty being adopted in California and Switzerland around that time (Qvortrup, 2005: chapter 1). New Zealand initially adopted referenda in 1911 and more fully in 1956, although these were not as frequently deployed as in Australia, where a referendum was automatically triggered in the case of proposed constitutional changes. Ireland adopted referenda on matters of constitutional alterations in 1987.

Thus when Harold Wilson conceded to the Anti-Marketeers' demands for a referendum in 1972, he was able to borrow from established practice in Australia, although he rejected the idea of a compulsory vote and equivocated over the use of computers to assist in the referendum count (National Archives, PREM 16/403). Most importantly, once referenda had been inserted into British political life, their increasing deployment to provide legitimacy for decisions already taken by parliaments and governments (notably devolution in the UK), and the threat of their use to forestall change (notably over the euro) set a precedent that major change had to be endorsed by a popular referendum. That precedent was set in 1975.

The 1975 Referendum

The 1975 Common Market referendum was a novelty in British politics, being the first ever UK-wide referendum. It was presented as a necessary innovation given the constitutional and historical implications of the UK's entry to the European Communities. This was true, but it was also true that the referendum was the result of a break down in party unity on the issue of Europe. It represented the moment when the party system in the UK was unable to contain differences of opinion on the UK's




engagement with the European Communities. It also came at a historical juncture when party loyalties were shifting. With national sovereignty and identity apparently at stake, the device of the referendum was used to mask disunity within the Labour party. Popular sovereignty was invoked to bolster weakened parliamentary sovereignty, paradoxically deployed by those seeking to defend that same sovereignty from the Treaty of Rome.

It was clear early on that the issue was one that could split the Labour party in a very serious way. In October 1971, at the conclusion of the 'Great Debate' in Parliament, 68 Labour MPs crossed the floor of the House in support of the European Communities Act. Alec Douglas-Home noted subsequently that, according to the doctrine of parliamentary sovereignty, parliamentary approval should have settled the matter for good (Douglas-Home, 1978: 247). But having failed to defeat the Act in Parliament, the Labour leadership pressed for the novel mechanism of a referendum to settle the matter of the UK's membership, eventually getting the proposal through an NEC and Conference that were hoping for immediate withdrawal (Wilson, 1976: 197). The Labour party took this proposal to the electorate in 1974 (twice) and when, in October, they eventually formed a majority government, the proposal was carried forward as policy.

However the issue remained divisive, both within the party and especially within the newly formed Cabinet. Harold Wilson and his pro-European colleagues were unenthusiastically determined to keep the UK in the Community as long as some of the conditions of the UK's contributions were altered. These re-negotiated terms were agreed at the European Council in Dublin in March 1975 and approved by Cabinet by 16 votes to 7. But at an acrimonious post-summit conference in April, the Party rejected the leadership's re-negotiated terms by 3 votes to 1. In order to prevent his party splitting over an issue for which he had no great enthusiasm, Wilson additionally allowed the notion of Cabinet collective responsibility to drop, giving ministers opposed to European integration the ability to speak out against government policy during the campaign (Wilson, 1976: 195).

By securing a UK-wide referendum, Wilson diluted this grassroots opposition amongst an ambivalent electorate. The use of a referendum and the second constitutional innovation of the 'agreement to differ' amongst Cabinet colleagues, prevented the split from becoming permanent in the immediate aftermath of the referendum. The referendum was also deployed as a part of intra-party rivalries, diverting the Labour left led by Tony Benn from issues seen as more important by the centrist leadership of the party such as control over industry (Donoghue, 1987: 55-8). When the referendum campaign began in the late spring of 1975, there was little evidence of idealism from either the pro- or anti-Marketeters. Indeed, the 'No' campaign thought their best chance of success was to generate as much anti-establishment feeling as would induce many



potential 'Yes' voters to abstain (Castle, 1976: 402).

The campaigning was not all negative, however. Questions of sovereignty were linked with national identity and history. Enoch Powell, one of the most high-profile and eloquent of the anti-Marketeers, argued that 'For us, parliamentary sovereignty is the form in which we are accustomed to asserting our national independence', adding that it was 'the fact for which men have fought and died, that the laws in their country are made only by the institutions of their country and in Britain that they are made only by the parliamentary institutions of our country' (BLPES, SHORE/10/59).

In an official pamphlet sent out to each household in the country, the National Referendum Campaign (NRC) argued that 'the fundamental question is whether or not we remain free to rule ourselves in our own way' (NRC, 1975: 4). The NRC was quite explicit about the ways that European integration posed a threat to the UK's independence. 'The real aim of the Market is, of course, to become one single country in which Britain would be reduced to a mere province'. The NRC continued:


The plan is to have a Common Market Parliament by 1978 or shortly thereafter. Laws would be passed by that Parliament which would be binding on our country. No Parliament elected by the British people could change those laws. This may be acceptable to some continental countries. In recent times, they have been ruled by dictators, or defeated or occupied. They are more used to abandoning their political institutions than we are (NRC, 1975: 2).

Whilst most of the argument from 'Britain in Europe' rested on material concerns about jobs and prosperity, they did counter the NRC's reservations about the effect of membership on British sovereignty, mocking this concern as anachronistic:

If we came out the Community would go on taking decisions which affect us vitally – but we should have no say in them. We would be clinging to the shadow of British sovereignty while its substance flies out of the window (Britain in Europe, 1975: 5).

In other words, ran the pro-European argument, the UK had no choice: the USA, Commonwealth countries and the Community members all wanted the UK in (Britain in Europe, 1975: 4). Thus although a referendum was ostensibly about choice, 'Britain in Europe' were effectively saying that there was no choice; the deal had been done, like it or not. 'Britain in Europe', which had the support of most big business, was able to raise far more money than the £125,000 allocated to each campaign by the Government (King, 1977: 105; 110).

Even though the 'Yes' camp was eventually successful, winning the poll on 5 June by 67.2% of the vote to 32.8% on a turnout of 64.5%, there was a good deal of popular ambivalence about 'Europe'. Opinion polling revealed this apathy and ambivalence: 'There was considerable disillusionment with "Government" in Westminster (both



Conservative and Labour)', reported the pollsters Boase Massimi Pollitt 'and therefore the loss of control to an outside body was not such a loss' (Boase Massimi Pollitt Partnership. 1975: 13). Significantly, the polling also underscored the importance of national identity during the campaign. 'All respondents stressed the importance of not losing our own unique national identity' reported the pollsters. They continued in summary:

No one wanted us to become 'an offshore island of Europe'. Britain was regarded as having a rather special historical heritage and this was in turn tied up with the monarchy; with our British individuality; with our 'own way of doing things' (Boase Massimi Pollitt Partnership. 1975: 12).

By importing the device of a referendum into British politics, the Labour anti-Marketees and those few Conservatives who were opposed to European integration had elevated questions about UK membership of the EEC to a matter of supreme importance, whereupon it became linked with questions about national identity and decline amongst an otherwise apathetic electorate.


The referendum had consequences that would become important in hindsight. The first was the impact of party division and the subsequent elevation of the issue to one of 'national' importance. The fact that there was a referendum on the membership at all had everything to do with divisions within Labour party and little to do with public interest in the issue. Nevertheless, the precedent set in 1975 established the idea that European integration was a matter of supreme importance for the future of the nation. The second was one of a weakening 'Tory statecraft' (Heppell, 2014: 174), illustrated by Enoch Powell's admission of having voted Labour in February 1974. Garnett argues that,

Powell's decision left many Conservatives disoriented – torn between their traditional loyalty to an incumbent leader and their feeling that Enoch was right on a range of crucial issues. A considerable number ultimately concluded that loyalty was less important than being right (Garnett, 2007: 41).

Powellism continued to find its expression in Margaret Thatcher's Euroscepticism that became more strident in the latter years of her premiership. For Thatcher and her followers 'Europe' emerged as a fundamental issue of national identity and they believed that referenda could tap into popular sentiment. The 1975 referendum had broken the sanctity of parliamentary sovereignty and established the principle that 'the people' were to have the ultimate say on 'Britain and Europe'.

The Importance of Maastricht


The Maastricht Treaty was a turning point in the referendum cause in the UK as it



firmly established a contemporary Eurosceptic referendum movement on the British political scene. The formation of a European Union was considered to be such a step change in European integration that the 1975 referendum result was no longer considered legitimate. While not successful in its immediate goal of a referendum on the Treaty, the movement's significance lay in its longer-term impact on British parliamentary democracy and the Europe issue. By the time that the Maastricht battles had been played out, the principle of a referendum, underpinned by the notion of popular sovereignty, was firmly established across the political class as a legitimate facet of the British political process. Hence, David Cameron's 2013 referendum commitment can be viewed as the culmination of a Eurosceptic referendum campaign that had been underway since the Maastricht negotiations, with 1975 as the key point of historical and rhetorical reference. This section therefore retraces the Maastricht referendum debate and its implications.

The primary focus of the Major government was to consolidate and extend the Thatcherite neo-liberal policy agenda, on constitutional matters it was firmly locked into the British Political Tradition. When it came to securing the parliamentary ratification of the Maastricht bill, the government relied upon the conventions of British majoritarian rule. In achieving opt outs over EMU and the Social Chapter, Major considered that he had done sufficient to unite the party following the demise of Thatcher, and his victory in the 1992 election seemed to justify this belief. A Conservative government was formed with a small but workable majority of 21 seats on 41% of the popular vote. John Major also had the advantage of not being associated with either the Eurosceptic or the pro-European camps within the party. The Conservative tradition of strong loyalty to the party leader seemed to have been re-asserted. While ratification was never going to be straightforward, the Major government had all the advantages of single party rule that was conferred on it by the conventions of parliamentary sovereignty.

Margaret Thatcher had floated the idea of a referendum on Maastricht in the 1990 Conservative leadership contest, and she returned to the issue in the Commons two-day debate on the negotiations in 1991. She argued that 'anyone who does not consider a referendum necessary must explain how the voice of the people shall be heard' (*Hansard* Vol. 199, Col. 298). On 21 February 1992 Richard Shepherd's Private Member's Referendum Bill provided an opportunity for the issue to be debated but did not get to a second reading. The government's position was set out by the junior Foreign Office minister Tristan Garel Jones; in a staunch defence of parliamentary sovereignty he referred to the 1975 referendum as 'reneging on the responsibilities of the House', and that the 'will of the British people' will be 'expressed by freely elected members of the House in the way that British democracy has traditionally settled these matters, whether they be large or small' (*Hansard* Vol. 204, Col. 629-630).




The government attempted to head off a Eurosceptic challenge by not trying to force through the Bill but allowing time for a full debate. This strategy looked promising when it successfully completed its first and second readings. However, in the words of John Major, 'all hell broke loose' when the Danish referendum resulted in a marginal vote against in June 1992 (Major 1999, 347). In the Commons debate following the result, it was initially the stalwarts of the Labour left who made the argument for a referendum. In response to Tony Benn's call for a referendum, John Major defended parliamentary sovereignty: 'common consent in this country is exercised through a parliamentary democracy and through the voices and words of Members of Parliament in this House' (*Hansard* Vol. 208, Col. 832).

In a dramatic turn of events, the Eurosceptic cause was given further impetus when the government's economic policy collapsed and the UK was forced out of the Exchange Rate Mechanism (ERM) in September 1992. Correspondingly, the demand for a referendum grew stronger. Both inside and outside of parliament, the protagonists pursued their goal in a variety of ways, including rallies, petitions and private members' bills. The Campaign for a British Referendum was launched under the Presidency of Lord Blake and held a mass rally in January 1993. Bill Cash set up the Maastricht Referendum Campaign (MARC), which ran between February and July 1993 with Thatcher as its patron. Its petition to the House of Commons collected 280,000 signatures. The campaign became synonymous with the Eurosceptic rebels in the Conservative party and meshed with their attempts to prevent Treaty ratification. However, there was considerable cross-party support. The Liberal Democrat leader, Paddy Ashdown, set out in a number of newspaper articles the argument for a referendum:

If sovereignty really did rest exclusively with Parliament, then maybe we could excuse, the Government's behaviour. But sovereignty belongs to the people. It is not Parliament's to give away (Ashdown 1992).

The pressure on the government to commit to a referendum came to a head during the Maastricht debate of 21 April 1993 when the rebel Richard Shepherd called on the government to 'trust the people' and stated that the Bill had no mandate as the public had been denied a choice on Maastricht during the election of 1992 (*Hansard* Vol. 223, Col. 383–4). Labour was not in outright opposition to the principle of a referendum, but did raise constitutional concerns. In setting out Labour's position, Dr John Cunningham, the Shadow Foreign Secretary, challenged the idea that Maastricht was irrevocable, stating that 'what might be irrevocable are circumstances in which we increasingly abdicate the responsibilities of this House by taking more and more decisions by plebiscite' (*Hansard* Vol. 223, Col. 395–6). In summing up for the government, Douglas Hurd argued that 'it is odd that those who would put most



emphasis on the sovereignty of the House believe that it needs to be buttressed, to put it mildly - I would say it would be weakened - by recourse to a referendum on the matter before us' (Hansard Vol. 223, Col. 453). While the Maastricht Bill was eventually ratified, it was a tortuous process for the government that was only achieved following a confidence motion.

On its passage through the House of Lords, Thatcher led the attack, claiming she would never have signed the Treaty, and demanding a referendum (Seldon, 1998, p. 384). In the face of a far-reaching and relentless referendum movement, the legitimacy of the traditional British conception of parliamentary sovereignty looked intensely vulnerable. The extra-parliamentary mobilization included considerable support from the press, notably those belonging to Rupert Murdoch. MARC was able to secure financial backing from traditional Tory funders and overseas supporters. It also introduced a significant figure into the European debate in James Goldsmith, 'a man of gigantic wealth who had the quixotic idea of using some of it to promote the anti-EU cause in Britain' (Young, 1998, p. 407). Surveys of grassroots conservatives indicated widespread opposition to Maastricht and significant support for a referendum (Bates, 1993, p. 3). This was echoed more broadly across public opinion, and indicated declining support for the process of European integration since the Maastricht summit of 1991.


Post-Maastricht ratification, the campaign continued unabated. On 15 February 1995, in the context of a forthcoming Intergovernmental Conference, MPs debated a Liberal Democrat motion on Europe and referendum. Various positions on the topic were discussed but by this point there was general agreement that referenda were appropriate to secure public support for substantial changes brought about as a consequence of further European integration, the precedent set in 1975. In the run up to the 1997 election, both the Conservative and Labour leadership had accepted that a referendum would be held if the UK ever decided to enter the single currency. Meanwhile, Goldsmith went on to form the Referendum party and fight the 1997 general election, attracting 811,827 votes (Carter, Evans, Alderman and Gorham, 1998, p. 483).

The twisting and turning passage of the Maastricht Bill through parliament was a traumatic moment in contemporary British politics. The symbols and principles of British elite rule were shaken in the face of demands for the expression of popular sovereignty. On Europe at least, the narrative had taken hold that elites could no longer be trusted with British sovereignty and had to be subject to the ultimate sovereignty that is the will of 'the people'. It represented a profound challenge to the legitimacy of parliamentary sovereignty as it had been traditionally conceived.

Referenda and New Labour's governing populism

As part of its modernisation agenda, New Labour confronted the legitimisation problems of the British parliamentary system. The leadership recognised that a majoritarian system, which, once the electoral process played out, conferred absolute power on the executive, was no longer up to the task of securing democratic legitimacy. In looking for a solution, New Labour recognised the appeal of popular sovereignty; indeed in its own claims to have transcended left/right divisions and political partisanship, it sought to construct a more direct relationship to the British people. While the concept of populism is generally associated with parties and movements that establish themselves in opposition to the *status quo*, New Labour adopted a form of mainstream populism in its attempt to place themselves outside of, and in opposition to, the British political tradition.

Peter Mair's (2013) work on the decline of the modern mass democratic party-system, and his writings on the changing face of democratic representation in the UK, is of particular importance in this respect. Here, the starting point is the distinction he makes between constitutional and popular democracy (2013: 10-13). While the constitutional component concerns government for 'the people', emphasising the need for checks and balances across institutions, the popular element emphasises civic and mass participation, in which governments are held accountable *by* 'the people'. Mair's central proposition is that the distinctive political characteristic of the contemporary period is the disaggregation in both theory and practice of these two conceptions of democracy. At the heart of this have been the declining significance of the political party and the erosion of its democratic role and authority. On this account, the UK under New Labour manifested as the archetypal populist democracy. This began with the consolidation of the modernising leadership over the Labour party itself and the effective neutralization of the party as an autonomous political force and then, once in power, a series of unprecedented constitutional reforms that undermined a once powerfully partisan, majoritarian political system. In common with populist developments in other parts of Europe and beyond, in these changed circumstances a plethora of new instruments and mechanisms such as civic engagement, public consultations, petitions and plebiscites were called upon to connect the decision-makers to 'the people'. Such developments were far from politicizing as the aim was to remove partisan politics from the decision making process and instead achieve stable governing positions, which, an increasingly disengaged, public, were periodically asked to endorse. While the Blair government seemed to embrace political pluralism, this was paradoxical as the modernisation agenda clearly set out to extend and embed the hegemony of New Labour. However, this did not always go according to plan, as the case of Scotland demonstrated where devolution, endorsed by referendum




in 1997, provided new opportunities for Scottish nationalists rather than consolidating Labour's supremacy.

From this perspective, it was unsurprising that Labour was quick to match the Conservative pledge of a referendum on joining the single currency. Moreover, the timing of any referendum was under the government's strict political control and subject to Gordon Brown's five economic tests for entry. A referendum would only follow once the criteria were judged to have been met. In the run up to the 2001 election, Blair announced that if elected the government would conduct a full review within two years. By the time this took place in 2003, Gordon Brown was at the pinnacle of his Chancellorship, and the UK's globalised political economy was trumpeted as the way forward for Europe. While membership of the single currency was rejected on the grounds that only one of the five economic criteria for membership had been met, it was underpinned by a belief in the superiority of the New Labour modernisation project. For Brown, this was framed as a renewed Britishness:

Britain can be more than a bridge between Europe and America: our British values -what we say and do marrying enterprise and fairness, and about public services and the need to relieve poverty, can and should, in time, make Britain a model, a beacon for Europe, America and the rest of the world (Brown, 2003).

For much of their first and second terms the Labour government, against a background of electoral and economic success, effectively managed the European issue. Eurosceptics were presented as living in the past, out of step with a modernised Britain, confident in its relationship with both Europe and the US. Conversely, Europe was viewed as in need of reform along British lines. Nevertheless, this approach depoliticised the issue rather than actively converted the British people to the value of EU membership. It was evident by 2003 that for a party and government obsessed with controlling the political agenda, a referendum would have been a highly unpredictable proposition. It would have galvanised Eurosceptic forces, and in contrast to 1975 those on the No side would have included the Conservative party and a large section of the mainstream press, notably the Murdoch papers that had up until then supported New Labour. The consistently low level of public support for membership of the single currency pointed to the possibility of inflicting serious damage upon New Labour. A foretaste of what was in store in any referendum was the Conservative's 'Save the Pound' campaign that had been launched in the run up to the 2001 general election. Albeit judged a political failure, it was indicative of the kind of populist nationalism that would be at the centre of any Eurosceptic campaign.

The capacity of the Blair government to control the domestic impact of Europe proved increasingly difficult as its own popularity waned, particularly following the Iraq invasion of 2003, and as the EU pushed ahead with a proposal for a written




Constitution. From the outset the UK government was sceptical of a move that would override and consolidate the existing Treaties. Blair described the Constitution as 'fatally named' (2011, p. 530) and it created 'a political whirlwind that blew the Prime Minister into his decision to offer a referendum' (Wall, 2008, p. 207). Eurosceptics began to mobilise in opposition to the Constitution, and demand a referendum on the issue. As the European elections of 2004 approached, the Conservatives campaigned for a referendum and were joined in their vehement opposition to the Constitutional Treaty by the Eurosceptic press. In the face of declining poll ratings and a general election in 2005, Blair took the decision to support a referendum. It did not halt Tory gains; however, the most significant development was the rise of the UK Independence Party, which went from 3 to 12 MEPs in the 2004 elections to the European Parliament. When both the French and the Dutch rejected the Treaty in 2005, Blair recounted that 'I knew at once I was off the hook', while Jack Straw, the Foreign Secretary, described it as 'great news' (2011, p. 531). When the Constitution was replaced by the Lisbon Treaty, the government claimed that a referendum was no longer necessary. Conversely the new Tory Leader, David Cameron, writing in *The Sun* gave 'a cast iron guarantee' of a referendum, only to renege on this once in power to the chagrin of many Conservative Eurosceptics.

Towards the Brexit referendum

By the time the Coalition government was formed in 2010, a consensus had been reached across the political class that on the European issue at least, referenda were necessary on any further significant transfers of power. Nevertheless, what would meet the criteria for a referendum could not escape politics, as the decision of both the main party leaderships not to support a referendum on the Lisbon Treaty demonstrated. The Coalition's European Union Act 2011 attempted to deal with this problem by enshrining the principle of referendum in law and by making it subject to a judicial decision. For many, it was a far from satisfactory piece of legislation. At the third reading of the bill in March 2011, Douglas Alexander, Shadow Foreign Secretary, described it as a piece of 'decorous legislation', constitutionally meaningless: 'the Bill cannot get away from the simple fact that each successive Parliament in the United Kingdom is sovereign' (*Hansard* Vol 524, Col. 854).

Neither did the Bill satisfy hard-line Eurosceptics such as Bill Cash, as he told the House during the debate: 'I defy anybody to find the words in the Bill which say that wherever there is a transfer of power or competence there will be a referendum' (*Hansard* Vol. 524 Col. 837). A different Eurosceptic agenda was however already emerging as the Bill completed its final passage through parliament. The Eurozone crisis provided new ammunition for Eurosceptics, and further proof of the rightness of




their cause. As the EU began to formulate proposals for further monetary and economic union in response to the crisis, the Eurosceptic argument was that the UK was going to be drawn into a new wave of integration. It was a position neatly summarised by Cash in the debate on the EU bill:

The essence of my case is that it will have such a profound impact on the United Kingdom, by creating a two-tier Europe, that a referendum would be required because it involves a fundamental change in the relationship between the United Kingdom and the European Union (*Hansard* Vol. 524. Col. 839).

Developments in the Eurozone gave a new lease of life to the campaign for an ‘in/out’ referendum. In October 2011 the Eurosceptic backbencher David Nuttall secured a Commons vote on a referendum on European membership following the People’s Pledge campaign that achieved 100,000 signatories on the government’s e-petition site. A three-line whip was imposed on Conservative MPs but failed to stop 81 Conservatives defying the whip thus making it the largest rebellion ever by Conservatives on Europe. Cameron had some respite when he vetoed proposals for a new EU wide fiscal treaty in December 2011, and was roundly congratulated by his backbench Eurosceptics. Nevertheless, the referendum campaign continued unabated and in June 2012 a letter to David Cameron from John Baron MP, signed by over 100 Conservative members, called for a referendum after the next general election. By the autumn, reports began to circulate of Conservative Ministers who would vote in favour of the UK to leave the EU. Meanwhile, the Eurosceptic press, notably *The Telegraph* and *The Daily Mail* stepped up the pressure, supporting calls for a referendum, whilst *The Daily Express* launched their own sustained populist campaign to ‘get the UK out of the EU’.

Cameron’s veto of a fiscal treaty confirmed that the traditional governing position on Europe, which aimed to avoid the UK’s marginalisation, was firmly at an end. Nevertheless, it was clear that by 2012 the Conservative leadership was struggling to control the political agenda in the face of the referendum campaign. Into this mix, entered the United Kingdom Independence Party (UKIP), which by the end of 2012 began to overtake the Liberal Democrats in national opinion polls and threaten Conservative backbenchers in marginal seats. In this context, David Cameron committed the Conservatives to a referendum if they won the 2015 election.

The immediate political pressure on David Cameron by the start of 2013 to respond to mounting forces of Euroscepticism was considerable, yet his referendum commitment should also been seen as the culmination of a radical right wing campaign to make elites accountable to ‘the people’ on Europe that had been underway since Maastricht. While initially wanting to halt the UK’s further integration into the EU, the aim was now to achieve complete withdrawal. Contemporary Eurosceptics have therefore



successfully exploited the 1975 precedent, which gave referenda in the UK constitutional legitimacy. It with their ambition to turn UK membership of the EU into a populist cause, the fruits of which were clear when the new Conservative government passed the European Union Referendum Act in 2015 establishing the constitutional basis for the 2016 Brexit vote.

Conclusion

The success of the campaign for a referendum on British membership of the EU has dramatically challenged the British Political Tradition. While governing elites may have considerable control over whether referenda will be held, and when and how they will be presented to the public, in the case of the European issue at least, those elites have become reactive to events and succumbed to Eurosceptic pressure. Since 1983 both main parties have remained committed to British membership of the EU, yet simple party endorsement registered at elections no longer suffices. However, a referendum raises fundamental questions about the meaning and application of the principle of popular sovereignty in the British context. Referenda, as the classic instrument designed to encapsulate the people's will, have consistently proved politically exclusionary because meaningful majorities are difficult to secure in complex and divided societies. For instance, the Brexit referendum presents 'the people' with a choice between staying in the EU on renegotiated terms or leaving. To vote for 'remain' is therefore to be cajoled into endorsing David Cameron's Eurosceptic EU deal. Moreover, the final decision will show no respect for the disparate voting across the regions and the four nations of the UK. The high levels of support for 'remain' in Scotland compared to 'leave' in England are indicative of the bluntness of the referendum as a constitutional instrument to secure national political legitimacy.

In all a referendum does not address the complexity of the European question; how interests and identities are legitimately represented in territories that are increasingly cross-cut by an array of transnational political, economic and cultural process. These empirical conditions make the Eurosceptic appeal to the normative ideal of 'the people', now evident across Europe, highly problematic. Popular sovereignty presupposed some degree of congruence between the idea of a state as a relatively bounded entity, as expressed in the Westphalian configuration of rule, and a civil society in which social, cultural and economic processes to a large extent corresponded to territorial rule (Ruggie 1993). In fact, here we should note that popular sovereignty was never fully articulated as a principle of British political rule precisely because these conditions were never met as they were incompatible with a modern state primarily oriented to global rather than national hegemony. Currently it appears even more problematic considering the diverse, unequal, multi-national and globalised character of British

society. The UK referendum on membership of the EU is premised on the assumption that Europe is a fundamental issue to a common 'British people', but its salience and meaning to diverse UK citizens is far from certain.

References

- Ashdown, P., (1992) 'Let the British people make their choice', *The Observer*, 5th July, p. 24.
- Bates, S., (1993) 'Grassroot Complaints Hearten Eurosceptics', *The Guardian*, 19 April, p. 3.
- Carter, N., Evans, M., Alderman, K. and Gorham, S., (1998) 'Europe, Goldsmith and the Referendum Party', *Parliamentary Affairs*, 51 (3), pp. 470–85.
- British Library of Political and Economic Sciences, SHORE/10/45 [EEC, 1974-5]. Boase Massimi Pollitt Partnership. 1975. 'Summary of qualitative research findings on attitudes and beliefs towards the EEC carried out for the National Referendum Campaign', 1975.
- British Library of Political and Economic Sciences, SHORE/10/59 'The Great Debate': Radio Three' National Archives (UK), PREM16/403. QZ01354 Confidential PM; EEC Referendum Organisation Poll, C (75) 9.
- Bagehot, W., (1936 [1867]). *The English Constitution*. London: Oxford University Press.
- Blair, T., (2011) *A Journey*. London: Arrow Books.
- Bogdanor, V., (1981) *The People and the Party System. The Referendum and Electoral Reform in British Politics*. Cambridge: Cambridge University Press.
- Britain in Europe, (1975) *Referendum on the European Community (Common Market): why you should vote yes*. London: HMSO.
- Brown, G., (2003) Speech given by the Chancellor, Gordon Brown, to the Labour Party Conference in Bournemouth. *The Guardian*, 29th September. Available at: <http://www.theguardian.com/politics/2003/sep/29/labourconference.laour1> [Accessed 12 July 2013].
- Castle, B. (1976) *The Castle Diaries, 1975-76*. London: Weidenfeld & Nicolson.
- Donoghue, B. (1987) *Prime Minister. The Conduct of Policy under Harold Wilson and James Callaghan*. London: Jonathan Cape.
- Douglas-Home, A. (1978) *The Way the Wind Blows: An Autobiography*. Glasgow: Fontana/Collins.
- Garnett, M., (2007) *Anger to Apathy: the British experience since 1975*. London: Jonathan Cape.
- Hennessey, T., (1997) *A History of Northern Ireland, 1920-1996*. Dublin: Gill & Macmillan.
- Heppell, T., (2014) *The Tories. From Winston Churchill to David Cameron*. London: Bloomsbury.
- King, A., (1997) *Britain Says Yes: The 1975 Referendum on the Common Market*. Washington DC: American Enterprise Institute for Public Policy.
- Kynaston, D., (2007) *Austerity Britain*. London: Bloomsbury.
- Major, J., (1999) *The Autobiography*. London: Harper Collins.
- Mair, P. (2013) *Ruling the Void: The Hollowing of Western Democracy*. London: Verso. Mudde, C., (2004). 'The Populist Zeitgeist', *Government and Opposition*, 39 (3), pp. 541-563.

National Referendum Campaign, (1975) *Referendum on the European Community (Common Market): why you should vote no*. London: HMSO.

Qvortrup, M., (2005) *A Comparative Study of Referenda. Government by the People*. Manchester: Manchester University Press.

Ruggie, J.G., (1993) 'Territoriality and Beyond: Problematizing Modernity in International Relations', *International Organization*, 47 (01), pp. 139-174.

Seldon, A., 1998. *Major: A Political Life*. London: Phoenix.

Stevens, P., (2014) 'Thatcher was Right about Referenda', *Financial Times*, 11th September 2007. Available at <http://www.ft.com/cms/s/0/935c343c-6007-11dc-b0fe-0000779fd2ac.html#axzz3IQUNbQ4E> (Accessed 7 November 2014).

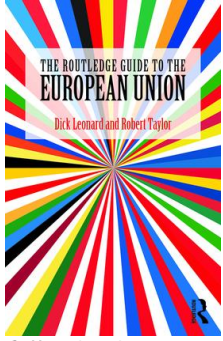
Wall, S., (2008) *A Stranger in Europe: Britain and the EU from Thatcher to Blair*. Oxford: Oxford University Press.

Wilson, H., (1976) *The Governance of Britain*. London: Weidenfeld & Nicolson.

Young, H., (1998) *This Blessed Plot: Britain and Europe from Churchill to Blair*. London: Macmillan.

The UK: In or Out?

Chapter 6. The UK: In or Out?



The following is excerpted from *The Routledge Guide to the European Union* by Dick Leonard & Robert Taylor. © 2016 Taylor & Francis Group. All rights reserved.

To purchase a copy, [click here](#).

Please note that the following chapter - included here in advance of publication - is reproduced in unedited form from the manuscript.

There may be references within this chapter that refer to other chapters within the full publication. These will not apply within the FreeBook but of course can be followed up in the full publication.

A troublemaker inside remains a troublemaker outside


There are those in Brussels and elsewhere in Europe who say it will make little difference whether the UK stays in the European Union or leaves. In or out, Britain will remain the local neighbourhood troublemaker. As a premise this is pretty sound. It also serves as a warning to the British political class, that the outcome of David Cameron's 2015-16 negotiations for change will be so modest that anti-EU hostility in the UK media, public opinion and right-wing political groups, could flare up again in a matter of months or rather weeks of the referendum.

The deal negotiated between Cameron and his EU partners is good as far as it goes. It shows understanding and readiness to compromise on both sides. The trouble is it does not go nearly far enough. In fact no conceivable deal would. What has been negotiated concerns only a tiny fragment of a much bigger canvas. Many at the referendum will not be voting on the merits of Cameron's settlement, but on the black-and-white choice of staying in or leaving the EU altogether. This is a question on a vastly different scale. In most referendums the question being asked becomes secondary. Referendums are blunt instruments, which often veer out of control. They are best left, according to Clement Attlee, Britain's first post-war prime minister, to despots and dictators.

Better on the inside

If making trouble means a robust determination to defend, or advance, the UK's national goals and policies, self-interest and common sense show that this is best done from inside the EU. Paradoxically, the thicket of EU legislation, in the form of thousands of directives, regulations and decisions, are the UK's best weapons. As a member, these laws, institutions and systems are at the UK's disposal when pursuing its interests and protecting itself in dealings with EU partners. Discard them, and you cut ground from under your feet. If it leaves the EU, Britain will still have to deal with its European neighbours on a quasi-permanent basis, but weakened by its withdrawal from EU structures. The UK would no longer be an equal among equals. Good-bye level playing field.

Playing as an EU-insider with EU structures and systems at your back, also provides leverage – acres of it. They are the tools of trade-offs and bargains. Agreements in the EU, like elsewhere, are reached on the basis of give-and-take among partners or, on occasion, of threat and blackmail. Chapter 38 showed how a small country like Greece, or even a midget like Cyprus, can use their membership of the EU and the EU legislative context to threaten, blackmail or bluff their way to safeguard vital national



interests. How much more powerful and effective would these tactics be when applied by the EU's third biggest country and second largest economy? As a full EU member the UK is able to veto any legislation that is deemed against its national interests in a number of sensitive areas. Outside the EU, the veto over unacceptable Union policies, which could affect the UK, even as an outsider, and all its leverage potential as a member state, would disappear. In any subsequent post-exit negotiations with the EU, the UK would be largely dependent on the good-will of its former partners.

Giving up vital links

Were the UK to leave, it would have to renegotiate in links with a number of EU law enforcement agencies, like Europol, the Schengen Information System and the border control agency, Frontex. In today's uncertain world the case for making any unnecessary administrative adjustments is a weak one. The same goes for the UK's cooperation with its EU partners on terrorism, migration and the massive refugee influx. On foreign policy too, the UK would have to review and revise relations with the EU's European External Action Service. In addition, the UK would have to leave or adopt a new relationship with the EU military committee and the EU's Rapid Reaction Force. There will also be implications for the Union's Common Security and Defence Policy where the UK, along with France, plays a lead role. Brexit also makes less sense given that the UK's partners have made a considerable effort to meet Cameron's demands for change. This attitude on their part not only demonstrates their solidarity with Cameron to keep Britain in the EU, it also shows great forbearance. In the light of the opt-outs (or opt-ins) on fundamental policies, and other examples of special treatment for the UK that have frayed the limits of its EU membership to near breaking point. The terms of the settlement also show the readiness of the UK's partners to overlook the negative role of British media, largely ignorant about the EU, but happy to dole out errors, half-truths and outright lies about Brussels and the rest of the EU.

Terms of the British deal


Although specifically tailored for Britain, the terms of the settlement negotiated with Cameron would be available for any other member state who wished to apply them. The draft settlement will only come into force if the UK votes to stay in the EU. If the UK leaves, the agreement will be withdrawn, and therefore will not be available to others. The agreement does not involve treaty changes; the procedures involved for negotiation and ratification in the latter case would last years rather than months. The deal comes in four parts.

- **Free movement for EU citizens.** The UK will be able to limit in-work benefits for EU workers. This could last for up to four years after they start working in the UK, but would only be allowed on an “emergency” basis. The UK would have to make a request to the EU which would require approval by the Council of Ministers. The deal would allow the UK to place more restrictions on non-EU family members of EU citizens who apply to come to the UK, and to limit the payment of child benefit to EU workers who have children in another member state. There would have to be three new EU laws, proposed after the referendum, to make all this happen.
- **Sovereignty.** A red card for national parliaments. This would require EU institutions to stop adoption proceedings for a new EU law if a majority of national parliaments (representing at least 55% of registered EU voters) objected to it, on the grounds that the issue should be handled at national, not EU level, under the “subsidiarity principle”. The proposal also addresses Cameron’s demand to exempt Britain from the idea of “ever-closer union” in the EU. It does so indirectly, spelling out different ways in which the UK can opt out of EU laws or avoid involvement in further political integration.
- **Competitiveness of the EU.** This section contains several general statements, and little of substance. But Cameron could simplify the application of EU legislation in the UK by reducing the amount of administrative red tape in the form of national regulations required to bring it into force.
- **Relations with the eurozone.** This provision allows the UK to delay draft laws being proposed for eurozone countries if it thinks they would affect British banking interests. But the UK would not have a veto. Urgent eurozone legislation would not be delayed in this way.

The reluctant member

Britain is the only member state that has not been able to come to terms with its EU membership. For other countries this issue was settled on joining. Of course, criticism and hostility exist in other countries, but they have been spasmodic, not systemic as with the UK.

Britain never wanted to be part of European integration. In the post-war period, UK political leaders from the Conservative and Labour parties saw this as the solution for long-term reconciliation and peace between Germany and the neighbours it had overrun during World War Two. As Europe’s sole victor in that war, the UK still saw itself as a world power. Its prestige among its neighbours would have given it a lead role in any initiative. But it declined the invitation of the original Six to help create the European Coal and Steel Community in 1951. For the same reason, it stayed away from



the Messina conference of 1955, which set the essential foundations for the European Economic Community two years later. Had it sat down with the Six, the UK would have been able to cast certain aspects of the treaty of Rome in ways much more favourable to British interests. Instead, in a deliberate attempt to limit the scope and action of the EEC, Britain created in 1959 the European Free Trade Association (EFTA) as a rival. But the UK was too large in relation to its partners for EFTA to succeed.

Down on its uppers by the early 1960s, the UK was in deep economic and financial trouble. The end of empire and decolonisation were difficult and costing it dear. There were insurrections in its colonies and former territories from Malaya to east and west Africa via the Gulf and Cyprus. British industry was hopelessly uncompetitive when up against resurgent German, French and other Europeans. It was about to call on the IMF for emergency financial support. Witnessing the early and rapid success of the EEC, it applied to join in August 1961. It had nowhere else to go. Given the circumstances, the UK was a sullen, reluctant partner from the outset with little enthusiasm for a project it had not helped to create, and did not particularly like. The fact that de Gaulle vetoed the first attempt after 18 months in January 1963 made the mood worse. Hoping for a change of heart in France, the UK applied again in May 1967. But this only came in 1969 when de Gaulle resigned. In the meantime, the UK had devalued sterling by 14.3% in November 1967, a much more traumatic experience than it is today.

A passenger not a driver

Thus, the UK joined the EU in 1973 on terms and conditions which were much harsher than if it had started the process in Messina as a founder member and had not come late to the party. This was particularly the case concerning the excessive British contribution to the EU budget. The reason was that the common agricultural policy is a one-size-fits-all system which penalises automatically a country like the UK with a small domestic farm base and a heavy reliance on imported foodstuffs.

The Conservative party of Edward Heath who, as prime minister, brought Britain into the EU felt more comfortable than Labour with the EEC's liberal economic policies. Although it was a Labour prime minister, Harold Wilson, who reapplied to join the EEC in 1967, the party was split on Europe. Wilson, who replaced Heath in 1974, partially renegotiated the UK's terms of entry, including the budget imbalance. The modest result was validated in the 1975 referendum. Yet the party went on to advocate unilateral withdrawal from the EU in its 1983 election manifesto. But this position changed at the TUC conference in 1988 when Jacques Delors reconciled left-wing trade unionists with the single market and the parallel social benefits that went with it. Since then the Labour party has overall been mildly pro-Europe.


Reluctance turns to resentment

With the exception of the short initial period under Heath, no British government from the left or right has tried genuinely to claim Britain's rightful place at the heart of the EU alongside Germany and France. Margaret Thatcher's European obsession from the day she took office in May 1979 was to staunch the rising outflow of UK taxpayers' money to the EU budget. It had become clear by this time, that the reduction mechanism negotiated by Wilson in 1975 was totally inadequate. Thatcher attended her first European Council in Dublin in November 1979 where she demanded her money back. All other EC activity virtually stopped for more than four years until the Fontainebleau settlement, guaranteeing a permanent rebate on the UK contribution, was brokered by François Mitterrand in 1984. The focus over a long period on a single, and controversial, issue meant that relations between the UK and Europe soured. Reluctance had veered to resentment.

North-Sea oil pays off the mortgage

Moreover by the mid-1980s, the world, Europe and the UK had moved on. By 1984, now-abundant North Sea oil and gas released the UK from EC economic bondage. It no longer needed the EC and its hand-outs. Thatcher created a close personal relationship with Ronald Reagan then US president, rekindling thoughts of a new Atlantic special relationship. This relationship continued with Reagan's successor, George HW Bush. In August 1990 in the run-up to the first Gulf war she even warned him: "George, this is no time to go wobbly". Together Thatcher and Reagan liberalised their economies and cut taxes. Thatcher launched the privatisation of state-owned utilities, which were sold off at below-market prices to ensure the success of the operation to the great joy of middle-class investors and the annoyance of other taxpayers too poor to profit from Thatcher's largesse. Financial services were freed-up on both sides of the Atlantic. The Thatcher "big bang" of liberalisation in 1986 propelled London into the role of world capital for financial services. Greed was good; tax was bad; and profits would trickle down anyway. Who needed the common market? For the UK, Brussels had become at best an irrelevance, at worst a nuisance.

But things did not stop there. By 1990 Thatcher began opposing or taking a minimalist position on most EU policy initiatives – even those that would clearly benefit the UK. She seemed to relish being in a minority of one against her EU partners. The issue of national sovereignty exercised her and right-wing elements in her party. For them transfer of sovereignty to the EU was a zero-sum: what you transfer to Brussels is lost for you; whereas the reasoning of her partners was that only by pooling their resources



in a number of fields would the member states be able collectively to achieve objectives which would be beyond their individual capacity.

It was her harsh attitude both during and after the Rome meeting of the European Council on EMU in October 1990 which shocked even her own Cabinet colleagues, leading to her replacement by John Major. Despite declared intentions to do the opposite, Major widened the rift between London and Europe by demanding opt-outs on the single currency and on the EU Social Chapter of the Maastricht treaty agreed in December 1991.

John Major chooses appeasement

These opt-outs were double-edged so far as Major was concerned. While not really appeasing the growing number of eurosceptics in his own party, they were profoundly distasteful to the Labour Party and the Liberal Democrats, on whom he was going to have to rely during the long and difficult process of getting the Maastricht ratification bill through both Houses of the UK Parliament. This was completed only in July 1993, after repeated alarms and a real risk that the government, with its slender parliamentary majority, might be swept away in the process. Major and his colleagues emerged shell-shocked from the experience and thereafter seemed to give overriding priority to keeping Tory eurosceptics happy. The party leadership has been playing to the eurosceptic gallery ever since.

This led to a resumption of Thatcherite anti-EU rhetoric by ministers, and the UK once again allied itself with those wishing to obstruct further progress towards European integration. Major tried single-handedly in March and April 1994 to get the EU to reduce the size of the minority needed to block EU legislation following the entry of Austria, Finland and Sweden in 1995. He was left high and dry by the rest of the EU, and forced into a humiliating climb-down. Otherwise he would have jeopardised the accession of four countries whose membership had been supported all along by the UK.

Worse came in June 1994 at the Corfu summit. There, Major vetoed Belgian prime minister, Jean-Luc Dehaene, to succeed Jacques Delors as president of the commission on the ground that he was a “federalist”. Yet only weeks later Major agreed without demur to the choice for the job of Luxembourg prime minister Jacques Santer, who blandly announced that his own views were identical to those of Dehaene. His eurosceptic fellow-Conservatives were not impressed. UK negativism continued on virtually all EU matters until Labour under Tony Blair beat the Conservatives in May 1997 general elections.

Labour dashes expectations


The newly elected Labour government said on taking office it would make a “fresh start” in relations with the EU, and that, although it would defend vital UK interests, it would adopt a more positive approach than its predecessors. Its first initiative, within a couple of days of the election, was to announce that it would end the UK opt-out and sign up to the Social Chapter at the earliest opportunity. But there was great disappointment later in 1997 when Gordon Brown, the chancellor of the exchequer, announced that the UK would not be one of the founder members of economic and monetary union. He set five economic tests to be met before the UK would consider joining the single currency:

- Would joining EMU create better conditions for firms investing long-term in the UK?
- How would adopting the single currency affect UK financial services?
- Are business cycles and economic structures compatible enough for the UK and others in Europe to live comfortably with euro interest rates on a permanent basis?
- If problems emerge, is there sufficient flexibility to deal with them?
- Will joining EMU help to promote higher growth, stability and a lasting increase in jobs?

A political decision

Few of these tests were susceptible to precise measurement, and there was a large subjective – not to say cosmetic – element to them. The government’s decision was, in fact, to be made on political rather than economic grounds. However since the financial and economic crisis of 2009, any prospect of the UK adopting the euro is so distant that it has fallen off the radar screen. Besides pressure from the more sceptical Brown, Blair’s cautious attitude was affected by three important factors. First, opinion polls, which consistently showed majorities of two to one, or even more, against entry, even though 80% of voters expected the UK to adopt the single currency at a later date. Second, the hostility of large parts of the press, particularly the *Sun* and the *Daily Mail*. Third, the opposition of the bulk of the Conservative Party. In sum, a bold Blair could have joined the eurozone in 1997, but did not. The rest is history.

The Blair government also participated actively in the ill-starred negotiations for an EU constitution in 2003-04. His main goal was to ensure that certain red lines guarding against the encroachment of EU powers were not crossed. More surprisingly, he even promised a referendum to validate the result of the constitutional conference. The wisdom of this decision was never tested. The constitutional agreement collapsed after



its rejection by voters in France and the Netherlands in referendums in May and June 2005. Needless to say, the treaty was stridently opposed by the Conservative party and the bulk of the British press who saw a federal super-state in the making.


No referendum for Lisbon

At Germany's initiative, the constitutional treaty which sought to make the EU more transparent and effective and to ease decision-making when membership rose from 15 to 27, was replaced by a watered-down Treaty of Lisbon (see Chapter 3). With the exception of the Irish, who had constitutional problems of their own, the EU heads of government agreed to ratify the treaty by a parliamentary rather than popular vote, and this was the view taken by the new British prime minister, Gordon Brown, and his ministers. The earlier referendum pledge, they maintained, applied only to the Treaty Establishing a Constitution for Europe. Lisbon was a different document, if similar in its effect, with no obligation to put it to a referendum. By this time anti-European feeling within the Conservative Party had built up so much – under the successive leaderships of William Hague, Iain Duncan Smith, Michael Howard and David Cameron – that the once powerful pro-European element within the party had been reduced to derisory dimensions. Virtually the whole party was now converted to a eurosceptic, if not europhobic, view – a sad commentary on a party once led by such convinced Europeans as Winston Churchill, Harold Macmillan and Edward Heath.

Outmanoeuvred by UKIP

The Conservative shift to the eurosceptic right was partly a response to the growing success of the UK Independence Party (UKIP). This started in 1991 as a single-issue anti-EU movement, adding action against swelling migration into the UK as the second string to its bow. Many of its early adherents were former conservative supporters. UKIP deftly used the European Parliament and its party-funding opportunities to break into UK politics via Europe. It entered the European Parliament at the 1999 election winning three seats. Three elections later in 2014, it won 22 seats, making it the largest UK party in the EP.

As conservative leader, Cameron took a consistently negative view towards the EU. How much was conviction and how much fear of being outflanked by UKIP is hard to say. He denounced the Lisbon treaty, and said a future Conservative government would hold a referendum on it, while recommending a “no” vote. He emphasised his anti-EU position by withdrawing the British Conservative MEPs from the centre-right European People's Party group in the European Parliament, and linking them instead with a motley



collection of extreme right-wingers, infuriating the main centre-right leaders within the EU, such as Nicolas Sarkozy and Angela Merkel. When the Irish voters finally endorsed the treaty, in their second referendum in October 2009, enabling it come into force a few weeks later, Cameron conceded that there would be no referendum in the UK despite the “cast-iron” guarantee he had given. However, he said he would seek to reopen the question by attempting to “repatriate” certain unspecified powers that had been transferred to the Union. Thus he sowed the seeds for his subsequent bid to renegotiate certain key aspects of the UK’s relations with the EU.

When the Conservatives were returned to power at the head of a coalition with the Liberal-Democrats in May 2010, their anti-EU rhetoric was translated into action. The most spectacular, but also the least effective, was the veto by Cameron at a European Council in December 2011 of a Fiscal Stability Treaty (see Chapter 3 for details). The others simply did an inter-governmental deal amongst themselves, which did not concern the UK or the EU.

Referendum confirmed

But in January 2013, Cameron came back to his 2009 commitment to repatriate power from Europe. He told a London audience that if the Conservatives won the 2015 election, he would undertake negotiations with Britain’s EU partners to repatriate some powers to London and ask UK voters to decide by referendum whether to stay in the EU or leave, in the light of the results obtained. The referendum would take place before the end of 2017. Cameron duly won the May 2015 elections, this time with an absolute majority and no need for a coalition. Things moved fast. An EU referendum bill was adopted on May 27th 2015. On September 1st a negotiating task-force was set up in Brussels under the authority of commission president Jean-Claude Juncker. On February 2nd 2016, Donald Tusk, President of the European Council, circulated a draft agreement to Cameron and other EU leaders. In between, Cameron criss-crossed Europe to explain his position to other EU heads of government. The Tusk draft went to a meeting of the European Council on February 18th for final negotiation and adoption. The referendum could take place on June 23rd.