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BRITAIN AND THE
EUROPEAN COMMUNITY IN 1990:
THE RELUCTANT EUROPEAN

ANTHONY GLEES



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THE RELUCTANT EUROPEAN

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Britain and the European Community in 1990

The Reluctant European

By Dr Anthony Glees, Department of Government, Brunel University

A Lecture Delivered To The Conference on "The Impact of an Open
Europe" At The Department of External Studies, Oxford University

on 2 May 1990

Summary

This paper seeks to provide an overview of the opportunities and the problems inherent in Britain's reluctant relationship with the European Commission and our partners in the European Community. It stresses the fact that it is important to pay proper attention to the dynamics of change within the Community and within Europe as a whole (changes which are taking place all the time but are accelerating in 1990). It is, in addition, as necessary to appreciate the potential hazards of European Union as wax lyrical about the opportunities it could provide. It concludes with a discussion of a reasonable strategy for overcoming them whilst recognising that Britain's reluctance towards Europe has deep political roots - so that there is no "quick fix" for dealing with it and that changes to Britain's policy on Europe are unlikely to emerge until after the next General Election, if at all.

The themes it raises, therefore, are concerned with 1992 and the Commission's current view of the progress already made towards the completion of a single European market; with the policy of the British Government and its chief; with the historical and political causes for Britain's discomfort in Europe; with the tensions between the European Commission and the British Parliament and, finally, with the fundamental question of democratic accountability and the existence of a "democratic deficit" in the European Community.

Introduction

The European Question is often viewed in Britain as being a dull matter. For many people, the European Community is associated with arcane questions about the precise role played by numerous political institutions with peculiar names (or merely numbers and initials), with criticisms of the wine lakes and butter and beef mountains (now happily reduced thanks to the policy of virtually

giving them away to the Soviet Union) and with huge and primeval rows between Mrs Thatcher and her continental European colleagues as well, of course, as with the President of the Commission, M. Jacques Delors.

In fact, however, the European Question is far from dull. On one level it involves a consideration of interesting if difficult matters such as the appropriate forms of democratic accountability for what are increasingly powerful political institutions well removed from regional or even national government. On another it requires us to think deeply about the impact that the European Question has had on British party politics since the 1960s. It is at any rate arguable that without Europe, we would not have had the SDP/Liberal Alliance in the 1980s, for example, nor indeed might we have had Mrs Thatcher as Leader of Conservative Party in opposition to Edward Heath. More than a little of the Conservatives' hostility towards Heath stemmed from what many of them saw as an exaggerated pro-European line on his part.

Finally, an examination of the European Question in 1990 forces us to come to some conclusion as to whether Britain should continue to resist European Union and run the risk of being left behind or whether Britain should play a more active role in Community affairs in order to ensure that the liberal democratic values this Government claims to uphold are not ignored by the Commission or our eleven partners in Europe.

For my own part, I approach this issue not as a Euro-fanatic nor as someone whose academic work is centred on the analysis of Brussels or Strasbourg policy but as someone who believes that

bilateral relations between our European colleagues are every bit as important - possibly more important - as a concentration on what the Commission or the other EC bodies are engaged in. I take the view that the core of the Community remains a bilateral relationship - that of France and the Federal Republic of Germany - and that to influence the course of European events we, too, must pay far closer attention to good bilateral relations than we have done hitherto.

Nor am I an economist; it is the political impact of economic policies that primarily concerns me - how they may be interpreted in a political relevant way.

Finally, I am sure that Mrs Thatcher's anxieties about European Union are not ill-founded: she has a point. More than that, as someone with consummate political skill, her objections and her policies are ignored at one's peril. There is every indication that very large numbers of British electors support her line on Europe and the next British General Election, whenever it comes, may well have more than a little to do with her European policies. In addition, the changes taking place in Central and Eastern Europe may well add further credibility to those policies: for one thing, changes in Western Europe may seem less desirable if the rest of the continent moves into ferment and, for another, the re-emergence of virulent nationalism in Central and Eastern Europe could be taken as proof that nationalism qua nationalism continues to be a relevant political factor as we move into the 21st century.

Indeed, I myself believe that the re-emergence of radical

nationalism must be a source of concern, whether in Western Europe, in Germany or to the East and South. Unlike the British Prime Minister, however, it seems to me that the best means of containing that nationalism lies precisely in the development of a closer European Union (although this argument has no great mass appeal at present).

My thesis, then, is that Britain's policies towards Europe appear confused, however ideologically well-founded they may be. Are we pro-European Union? Or Anti? Or merely selectively in favour (when it comes to "more market") and selectively against (when greater decision making powers are to be conferred on the Commission)?

Second, that the reasons for this confusion are significant ones and have both historical and political causes; third that there are many tensions within the Community produced by competing political ideas and plans on the part of its members, and, finally, that the key to solving at least some of these tensions lies in warmer relations between Britain and its Community partners and institutional reforms in the Community in favour of greater democratic participation.

1. The Present Confusion

That Britain is in a mess over Europe can be seen in three discreet areas: the first is the state of public opinion.

Polls show that the British are more reluctant Europeans than any of their partners. A majority of British people oppose a European currency (46:37). For Germany, for example, the figure is virtually reversed and in France the percentage in favour is 65%. A majority of British electors believe that our membership of the

EC has been for the worse (34:28 - in West Germany, for example, only 16% think this, 51% say it has been for the better). (Source: The Independent 18 November 1989).

But there is an important distinction to be made here. British electors do prefer to see some legislation being made independently of the EC (on defence, on workers' rights, on welfare, on education and on income tax) but are perfectly content to see other sorts of laws being imposed, if necessary, on Britain by Brussels (laws concerned with pollution, chemical additives and drinking water) (Source: Ibid).

The second is the confusion surrounding the disagreements between the British Government and its European partners, in particular France and the state we are now entitled to call Germany on the evolution of the Community. Britain appears to both want closer European cooperation in some areas (the market, for example, or more competition) but not in others (European Monetary Union or political union).

This confusion surfaces whenever monetary union or the exchange rate mechanism is discussed (we are committed to the latter, but not yet) and may also be seen in the disagreements between the Prime Minister and her previous Chancellor, Mr Lawson and the vague and general put-downs emanating from the Foreign Secretary.

In Paris on 24 April 1990, before the Dublin summit, he argued in favour of a "Europe of Facts" and against a "Europe of windy rhetoric".

Indeed, the Dublin Summit (28 April) was itself the subject of ambiguous comment. For some the British Prime Minister appeared

to have been taken much as St Paul was on the road to Damascus. Both the BBC and the Daily Telegraph claimed Mrs Thatcher's refusal to veto progress towards European Union represented a "conversion". Others, however, saw in Mrs Thatcher's reluctance to cause a row in Dublin and refer the issue for further study, a shrewd assessment of the domestic political impact such a row might have against the local elections, the poll-tax issue and the bizarre challenge being mounted by Mr Michael Heseltine (who, it will be remembered, stormed out of the Cabinet in January 1986 in opposition to what he saw as Mrs Thatcher's lack of commitment to Europe in terms of her refusal to offer Westland Helicopters to a European consortium).

At Dublin, Mrs Thatcher was able if not to put the kybosh on the Franco-German plan for European Union, at least to hold it up so that the June meeting on the issue (also to be held in Dublin) will produce the decisive response. Nevertheless, it was plain that Mrs Thatcher stands on one side and President Mitterrand and Chancellor Kohl on another.

Britain's confusing line on Europe is seen thirdly, in the arguments within Britain's Governing Party over Europe. Just as Mr Heseltine is seen as pro-European and supported by the pro-Europeans (as far as one can tell and as far as they dare intimate it) we must not forget that this is not the direction from where Mrs Thatcher's challenge to Mr Heath came in 1975. Indeed, Mr (now Sir) Edward Du Cann, one of her lieutenants, was also a leader of the anti-Europe movement within the Conservative Party. Finally, it is worth noting that Mr Norman Tebbit, himself seen as a possible successor to Mrs Thatcher, has in recent

months been speaking both publicly and privately about Britain's relations with the European Community, urging the Government not to give more powers to the European Parliament even to extent of warning the Germans that if this should happen, their money would be diverted away from them, a process which would increase inflationary pressures on the DM and might spark off nationalist extremism (source The Independent 15 May 1990).

2. The Roots of Britain's Confusion

The causes of the present muddle lie in differing conceptions of what the European Community is and what it should become as well as in the historical and political developments that are taking and have taken place in Europe since 1945. They are not trivial.

As far the UK is concerned, these differing conceptions which generate the tensions between Britain and its European partners are best summed up in contrasting the Commission's view of itself and its tasks as we all move towards 1992 and the view of the Prime Minister expressed so clearly in her celebrated Bruges speech of September 1988.

First, let us examine the Commission's self-perception. This is how it sees its work in respect of 1992 - when the Community will become a single market.

1992 is important - it will affect the lives of everybody in a very basic sense. Of course, to say that it will affect everybody's life does not mean that everything that everybody does will be affected: the logic of what the Commission does is dictated first and foremost by its right to construct a single European economic order. The social and public policies it

propounds are intended simply to its economic work. At the same time, the politics of these proposals will, as I shall attempt to show, affect not just every citizen but the British political system as a whole.

The Commission's view of the economic and social changes that are being brought to bear on the twelve members of the Community are based on the requirements of the Single European Act, the SEA, which became law everywhere in the Community by 1987.

The SEA "required the EC to complete the internal market and revitalise common policies before 1 January 1993:

"to do this provisions were made for an internal market, economic and social cohesion and research and monetary policy and to reform the way in which community institutions worked in order to improve decision making, give parliament a bigger say and produce better executed policies.

"The SEA is being implemented on two levels: economic - where there is statistical evidence to suggest that it has led to an increase of 7 million jobs since 1982; it has added two points to the growth rate and increased investment by 6.5%.

"The second level is an institutional one - where there has been more use of majority voting, few derogations and only ones which are subject to time limits; a bigger say for the European parliament - both the cooperation procedure (giving parliament the power of amendment and the assent procedure (for association agreements) are working well.

The Commission believes it can demonstrate improved "executive action" but even so, it still requires "fuller executive powers". To underscore its bona fides on this matter (and to counter

probable British opposition) the Commission adds that "to date no abuse of the Commission's executive powers has ever been recorded".

The Commission states that it has completed its programme of 282 proposals dealing with all aspects of the internal market two years ahead of the timetable. Better decision making procedures have meant that 60% of the programme has already been adopted. This has already had a clear effect on the dynamic of intra-Community trade which after decreasing constantly between 1973 and 1985 has now regained its early 1970s level accounting for 62% by volume of exports by the member states.

Industry is planning to step up level of investment to cope with increase in demand; firms are thinking about acquisition and cooperation for after 1992 and the impact of this can be seen in the following areas. First, the business environment is changing to give firms greater freedom within a framework of common rules: 1992 sees the introduction of rules on the safety of machinery and specific measures for the protection of workers at their place of work.

Secondly, in 1990 the first stage of the liberalising of public supply and works contracts comes into effect which will open up public procurement and "create opportunities for enterprise and cooperation".

Thirdly, measures have been introduced to permit "collective investment". Firms have been given the right to place shares in any member country; they are free to buy financial services from any bank and be insured with any company that they wish. Firms

will be able to transport goods as they choose without restrictions and the establishment of a Europe wide telecommunications area to enable firms and private citizens to use whatever equipment they chose provided they are authorised in any one member state.

At the same time, the Commission states that the rights of individuals and businesses have also been enhanced by new legislation.

Consumers can enjoy "increased protection through harmonisation and standardisation; the quality of meat has been improved by the banning of hormones and the environment has been improved by directives on fertilisers and motor cars; workers will enjoy greater safety at their place of work and greater mobility through the comparability of qualifications. In January 1991 there will be general recognition of higher education diplomas thus allowing mobility in all professions".

Finally, bona fide students will get an automatic right of residence and, indeed, the right of residence is to be extended to all individuals permitting them to live where they choose and to retire where they want.

Yet the Commission points out that many things still remain to be done. These include: a new tax framework; the removal of border controls; the elimination of tax controls and police checks on individuals - this is vital if we are to have a "people's Europe" but it must not be allowed to make "gaps" in security.

The agreement in 1988 on making the SEA work has led to an overhaul of the Common Agricultural Policy, the CAP, the establishment of a stable and adequate system of funding for the

community and the doubling of structural funds.

The budget is still a thorny issue - a revision will be needed to take account of the need for cooperation with central and eastern Europe; new deals must be made with Mediterranean, Asian and Latin American states and, perhaps most important, there must continue to be massive spending via the structural funds - cash for regions which are lagging behind (ECU 38 000 million), regions converting (7 000 million), cash for combatting long term unemployment and youth unemployment (ECU 7 450 million), cash for improving quality of the environment (ECU 3 400 million).

The Commission also argues that there has to be a "social dimension" to these economic measures. This, it claims, is the rationale behind a frontier free Europe, already, in effect, a reality. Unemployment has fallen from 11% in 1986 to 9% in 1989 although it is still high especially among young people. The priority of the Community is, therefore, the use of structural funds to increase "solidarity" (company-worker relations); to improve working conditions; to produce a "social dialogue" throughout Europe.

The community hopes to have a social charter - a charter setting out the fundamental social rights of workers and to foster the economic and social integration of the least privileged groups. It seeks to generate investment in education and vocational training - "the human investment that is essential to growth, innovation and competition and enhances genuine freedom of movement in a single European market". It wants better cooperation between universities, increased foreign language

competence and training for technological change.

The Commission also stand firmly for environmental protection; it will introduce legislation to deal with pollution of water by nitrates; to regulate biotechnology and the protection of natural habitats for flora and fauna; to reduce waste and encourage low-pollution cars. A European Environment agency ought to be set up. There must, it says, be greater cooperation in the field of research and technology. Today ECU 1.7 billion is spent on cooperative projects for firms, universities and research centres - scientific research projects like ESPRIT. Major spending on specific problems like information technology, life sciences, energy and researcher mobility.

Finally, the stability and potential of the European monetary system has been confirmed by various facts. These include the entry of the peseta into the ERM; narrower margins of fluctuation for the lira, early freeing of capital markets and elimination of two tier exchange in Belgium and Luxemburg. By 1 July 1990 the first stage of economic and monetary union will be launched.

All this, of course, adds up to a manifesto for dramatic political change, which many would find enlightened and progressive. At the same time, it is worthwhile bearing in mind that these changes are to be introduced on a supra-national level and without a full parliamentary input (something we shall come back to later on). In addition, these measures do not merely affect areas traditionally the preserve of national governments (education and finance to name but two) but also seek to push into areas into which specific national governments were elected

not to go. Neither the last Labour Government nor the present Conservative one would accept co-determination in industry, for example. (Source: Background Report of the Commission of the European Communities, ISEC/B15/90 5 April 1990).

3. Mrs Thatcher's Concept of a Europe "Open for Enterprise"

It therefore comes as no surprise to see that Mrs Thatcher's view of what the Community adds up highlights very different things and is presented in a very different manner. It was no coincidence that she claimed, after the Dublin summit, that the Commission wanted to change Britain's electoral system, to change its judicial system, to dramatically alter the role of Parliament and, most horrible of all, sack the Queen and the Royal Family.

Although, according to Mr Hurd, the Prime Minister is very ready to give to the Commission things like the fight for a better environment or the fight against drugs, it must go no further than this. She is opposed to any further centralisation in Brussels, any alteration in the role of the council, any restrictions on independent foreign policy or a weakening of NATO.

To M. Delors's taunt that if God had approached the creation of man in a similar spirit, he would never have been created, Mrs Thatcher replied that ^{He (God)} was more successful with His second thoughts - when He created Eve.

There are, therefore, serious differences and they are not simply differences between the Commission and the British Prime Minister but between France, Germany and the Commission and the Prime Minister as well as differences between France and Germany (France, apparently, seeking to give the Commission more power

whilst Germany favours giving more power to the European Parliament).

This is perhaps the real point about Mrs Thatcher's objections to European Union. They are expressed in her belief in the significance of sovereignty, of national difference and the wish to confine common policy making to economic issues and to as few of those as possible.

The Bruges Speech

Nowhere does Mrs Thatcher's philosophy on Europe come over more clearly than in her celebrated Bruges speech. It remains the clearest statement of her overall attitude towards the community and is worth considering briefly.

"Europe" she declared "is not the creation of the Treaty of Rome. We British are as much heirs to the legacy of European Culture as any other nation. Our links to the rest of Europe have been the dominant factor in our history...

"We in Britain are rightly proud of the way in which since Magna Carta in 1215 we have pioneered and developed representative institutions to stand as bastions of freedom. And proud too of the way in which for centuries Britain was a home for people from the rest of Europe who sought sanctuary from tyranny...

"But we know that without the European legacy of political ideas we could not have achieved as much as we did...(Mrs T clearly does not think that Britain's political ideas are European ones)

"We British have in a special way contributed to Europe. For over the centuries we have fought and died for her freedom, fought to prevent Europe from falling under the dominance of a single power...it was from our island fortress that the liberation of

Europe itself was mounted...All these things alone are proof of our commitment to Europe's future...

"The European community is one manifestation of that European identity. But it is not the only one...Warsaw Prague and Budapest are great European cities"

"Yes we have also looked to wider horizons and thank goodness we did because Europe would never have prospered and never will prosper as a narrow-minded inward-looking club...the European Community belongs to all its members and must reflect the traditions and aspirations of all of them in full measure...

"Our destiny is in Europe as part of the Community. That is not to say that it lies only in Europe...the Community is not an end in itself, it is not an institutional device to be constantly modified according to the dictates of some abstract theory, nor must it be ossified by endless regulation ...

"Willing cooperation between independent sovereign states is the best way to build a successful European Community. To try to suppress nationhood and concentrate power at the centre of a European conglomerate would be highly damaging...

"Europe will be stronger precisely because it has France as France, Spain as Spain Britain as Britain, each with its own customs, traditions and identity. It would be folly to try to fit them into some sort of identikit European personality...

"I am the first to say that on many great issues the countries of Europe should try to speak with a single voice. I want to see us work more closely on the things we can do better together than alone...

"We have not successfully rolled back the frontiers of the state in Britain only to see them reimposed at a European level, with a European super-state exercising a new dominance from Brussels...
"Certainly we want to see a Europe more united and with a greater sense of common purpose. But it must be in a way which preserves the different traditions, parliamentary powers and sense of national pride in one's own country..."

Mrs Thatcher's ideal Europe, therefore, is a Community which is simply "open for enterprise". But even here she opposes certain financial measures which might make this easier to achieve (for example, the idea of a European central bank). She objects to any social dimension: "We do not need new regulations which raise the cost of employment and make Europe's labour market less flexible ..."

And, for understandable reasons, the defence of Europe, she argues, must be left in the hands of sovereign national governments. "However far we may all want to go, the truth is that you can only get there one step at a time. Let us concentrate on making sure we get those steps right..."

4. The Implications of Mrs Thatcher's Position

What are the reasons for this clear - and damaging dissonance (damaging either to Britain or to the Commission, depending on one's viewpoint). It is vital to realise that many of Mrs Thatcher's objections are not only accepted as valid by a majority of British voters but also that some of the things she stands for and is proud of are things which she and we are fully entitled to stand by and be proud of.

Her stand is supported to a degree by some other Community

members: Denmark and Ireland are reported to be behind her and the Dutch are also said to be anxious about increasing power of the Franco-German axis.

Furthermore, she has a point when she says that the Community should stick to doing only those things which are part of its specific economic tasks. It is plainly the case that over the years, the Community has extended its brief considerably. Against that, however, even if we do not like it, economic union must sooner or later produce political union. Stages two and three of the EMU which will bring a common European currency cannot but bring political union much closer in the same way that a common customs union in the states of Germany after 1815 laid the path to unification in 1871.

Indeed, there are valid reasons for Britain's Euro-awkwardness. They include many significant factors that go to the heart of Britain's self-perceived statehood and to its historical self-perception revolving around differing traditions of state, bureaucracy, the law, even religion.

5. The Historical and Political Background to Britain's Stance

There are well-known and often quoted historical and political reasons for Britain's reluctance to becoming communitaire. There is something to be said for repeating the hoary old cliché - that Britain lost an empire but never found a real alternative role. Joining the Six, as they then were, was simply a desperate unpopular second best to running an Empire on which the sun never set.

The well known political reason is no less significant, though

many prefer not to be reminded of it. This has to do with the fact that the arguments that were adduced in favour of our membership of Europe - that our economy would be modernised and that our standard of living would increase - that the same benefits that accrued to the original six would accrue to us too, have plainly been shown to have big holes in them.

There may well have been no alternative to our membership of the European Community but the decline of British industry has accelerated as a result of competition from Europe; it has not been reversed, still less have we become as productive or as prosperous as the Germans, the Benelux three, France or Italy.

But I think there was another, less obvious political reason for Britain's failure to flourish as a member of the European community. The cause of this failure and the implications of this failure seem to be to go beyond the collapse of Britain's Empire across the seas. For it is also the result of something very positive in British contemporary history - the fact that of all the European states now members of the Community - Britain was the only one not to succumb either to Fascism or, indeed, to revolutionary Socialism.

For our European partners, however, Fascism's success meant that all political groupings in those states (especially, of course, in Germany and Italy but also in France and the Benelux countries) and particularly those on the centre right were forced to rethink their basic attitude towards politics, society and above all, to economics. The European Community - a community of six states bonded together by a common belief in liberal western political systems and in the vital importance of the market

system of economics was undoubtedly the fruit - if that is the right word - of the re-thinking that went on the centre right after 1945.

Britain, on the other hand, had no such need to rethink along these lines, whether on the left - who emerged as the domestic victors in the 1945 general election - or on the right. Indeed, even if Labour tried to re-invent Britain along Socialist lines as far as domestic policies were concerned, much of its foreign policy was similar to that of the Conservative Party which, on the whole, was led by people who felt there was still capital to be won by trying to exploit Britain's imperial pretensions. And even when the Suez fiasco - because that is what it was - put an end to Britain's claim for world power status, the Conservative party under Macmillan was forced to begin the painful process of joining the European community, it was not accompanied by any fundamental rethinking of Britain's perception of itself and of its European neighbours.

Mrs Thatcher's victory in 1979 seemed to some commentators to suggest that Britain would, at last, re-think its policies and create a new identity in a more European mould. But Mrs Thatcher was - and is - no friend of closer European cooperation; indeed, as we have seen, her own rise to power within the Conservative Party took place against that party's arch prophet of Europeanism, Ted Heath, and with the help of anti-Europeans like Edward Du Cann and Enoch Powell. No serious political commentator doubts for one moment the intensity and the reality of Mrs Thatcher's patriotism, her view - which history supports - that

the British political experience is quite different from that of its European partners and that our political system won the fight against Nazism and Fascism but theirs was defeated by it.

As far as the Left in Britain is concerned, it, too, has been the loser in terms of its contact with Europe. In the late 1940s, British Labour was not interested in the idea of the socially responsible market economy because it conflicted with its own faith in the value of a planned socialist economy designed to buck the market.

In the 1950s, as European Socialist parties, in particular the German Social Democratic party, the SPD, decided to stop trying to oppose the success of the social market economy (though it continued for some time to agitate against the Treaty of Rome) a decision culminating in the Godesberg Programm of 1959, some British Labour leaders attempted to get the British Labour Party to move in the same direction. Hugh Gaitskell failed, however, and the opposition to him triumphed when Harold Wilson became Labour leader.

The ability of the European question to drive a coach and horses through the British political system was next seen in 1975 over the great referendum debate and its political wreckage which extended into the 1980s and the creation of a new pro-European Social Democratic party - the SDP. Labour's leading pro-Europeanists despaired of Labour's ability to - as they saw it - move with the times and split the Centre Left so giving Mrs Thatcher at least part of two of her three victories.

Yet the European issue has, of course, still not lost its sting or its capacity to cause major difficulties for British political

parties as can be seen quite clearly from the slightly bizarre challenge to Mrs Thatcher's leadership presented by Mr Michael Heseltine.

Thus today Britain's attitude towards the European Community is still, beneath the surface, a major determinant of party political behaviour which in turn articulates British policy towards Europe. It may well be the key to the mysteries of the power struggle within the Conservative Party and the future direction of the British Labour Party may well depend increasingly on its own European policies. So much for the alleged boringness of Europe.

6. Some Contemporary Problems in Britain's Attitude towards Europe

Although the British people are hostile towards the Community, there is a distinction between legislation on some matters - which the British prefer to see coming from the EC - such as pollution, chemical additives, drinking water although other areas - such as defence, workers' rights, welfare, education and income tax where they do not.

Furthermore, there has been a dramatic change in some aspects of Britain's national behaviour which allow us to regard Britons as more European than previously. The Channel Tunnel is now being built; an increasing number of people wish to be informed about the implications of our membership of the European Community and, last but not least, there has been a significant change in our eating and drinking habits. If "you are what eat" is true, then the British are certainly less British than they were ten years

ago.

Against this, however, one has to set the difficulties that lurk on the horizon. 1992 might produce more jobs in Europe overall but it might actually take jobs from Britain. Indeed this is the thrust of a report published in April 1990 by the Industrial Society. It argues that Britain will lose 200 000 jobs as a consequence of 1992 - financial services, the food and drink sector, telecommunications and high tech companies will lose most.

British Insurance companies, it argues, will, however, do well. The report concludes that modern technology and work skills will make the difference between those who benefit and those who suffer as a result of 1992. British elitist education comes under special attack; poor vocational training has led to an under-equipped workforce. (1992 A Zero Sum Game by Amin Rajan; The Industrial Society)

Next, the Social Charter presents major political problems. The British Government will not accept worker participation on management boards and it is arguable that in the event, the Labour Party would not do so either since it might well take from the British Trade Union movement powers it deems worth keeping. Mrs Thatcher's emphasis on the central significance of nationalism and its importance seems to be confirmed by the developments in central and eastern Europe. They could be construed as constituting an argument against greater European Union. She herself drew attention at Dublin to the sympathy many feel for Lithuanian independence and contrasted this wish with her own policy vis a vis Brussels.

7. Has Britain (in Sir Leon Brittan's words) become the Prisoner of its own Anti-EC Rhetoric?

Opposition to greater European Union has two major risks implicit in it. The first is that Britain will simply have to take a back seat whilst the rest of the Community moves forward; so that once again things will happen which we could have influenced had we played a part in them but which we now must simply accept. Secondly, however, it could be argued that only a stronger European community can contain the rising tide of virulent nationalism in all parts of Europe but that for Britain to underwrite nationalism will actually increase it.

As has already been pointed out, this is not an easy argument to exploit. Just as the West German Government's case, that no one need fear the emergence of a new German nation as long as it fits into European union contains the implied threat that if it does not fit into European union, then it might be damaging, so the notion that nationalist sentiment is on the increase might prompt voters to shore up nationalist parties as a defence mechanism.

It is therefore likely to be make more political sense if those who support greater political union devote greater energy to dealing with practical political objections to further integration than with raising spirits in a way which would add to the damage they could do.

There is certainly no point in simply making general statements of good intent. What is important is getting to grips with the steps that need to be taken if Britain is to find the European Community more comfortable.

7. The Foreign Office View on Europe

It has to be pointed out that the opposition between "windy rhetoric" and "facts" is in large measure a political one. What politicians say and what they mean can, as every student of politics knows, be two quite different things. Often, politicians have to be judged more by what they do than by what they say.

It is therefore vital to point out - as the Foreign and Commonwealth Office never ceases to do - that in fact Britain does faithfully execute Community legislation - more so, they claim, than many other states - and that our contribution to the budget and reforms of the CAP have made Britain more comfortable in the Community.

Our Foreign Office describes British policy on Europe in positive, even glowing terms. We have, he said, moved away from the "non-committal, pragmatic" approach to foreign policy, we are no longer concerned to "drift lazily" as Lord Salisbury put it through the international environment.

Membership of the community, they suggest, is the foundation for Britain's overall foreign policy objectives - security, prosperity, protection of our overseas interests and our national prestige.

The British dislike fixed strategies and prefer to be reactive since events can change so fast. But this does not mean Britain should be seen as reluctantly European as it is sometimes portrayed. The view that there is over-bureaucratisation of Community affairs is wrong: there are more civil servants in the Scottish Office than in Brussels and 20% more staff in Harrods than in the British Foreign Office.

As to the future, it is the Community rather than Britain that has the vital role to play in Central and Eastern Europe, indeed, it is to be expected that shortly Poland and Hungary may join the 23 member council of Europe.

Further confirmation for this view comes from Sir Leslie Fielding a former Eurocrat who has recently pointed out that cooperation in the Community had become a substitute for "age old rivalries" - so effective that war between community members unthinkable.

The Community has played a major role in defusing East West rivalries in Europe: and a major role in promoting change in Eastern Europe. There is great coherence in the community's foreign policy - because article 30 of the Single European Act says, there should be linking of the common external economic policies of the Community and common positions on foreign policy elaborated through the European political cooperation mechanism. At Rhodes in December 1988 the heads of the Community states produced a declaration on the international role of the community making this explicit.

Yet there is, Sir Leslie argues, a real need for an increase in trade between east and west. Trade flows between east and west are very modest. Community exports to Switzerland are bigger than to all Comecon or CMEA states. Only 6% of the Community's total world trade is with eastern Europe. What should the Community do to help? A Marshall type plan seems unwise. The massive extension of credits in the 1970s did those countries no good. The money mustn't go to the same old bureaucratic crew.

One key is provided by Community trade with USSR - this represents 3% of Community trade but 11% of USSR's imports and

14% of its exports. It has exported goods to the value of 10 billion ECUs and imported 14 billion, chiefly oil, gas and other raw materials. This must increase, Sir Leslie suggests, and is likely to, for three reasons. First, Perestroika. Second, 1992 and the expansion that will accompany it and finally a freer market in the Community will spill over to help create a freer movement of goods, capital, services and people in Eastern Europe which should be bolstered by a new ten year trade agreement with the USSR.

B. The Democratic Deficit

Against this evidence of latent pro-Europeanism, however, we have to set one final problem which must be solved if membership of the European Community is to become something that deserves the wholehearted confidence of the British people - the solution to the problem of the democratic deficit, the serious lack of democratic control over the policies that emanate from Europe. It is the centrality of economic policy, Winfried Veit of the West German Friedrich Ebert Foundation has recently argued, that has led to the democratic deficit - the vacuum between the loss of competency of national parliaments and the too small increase in competency of the EP.

Present conflicts in the Community revolve around four poles: Mrs Thatcher's notion of a European market but a nationally organised "state"; the French idea of Europe becoming one national state; the left idea of a European welfare state and a Europe of regions with stronger powers for the European Parliament, as proposed by Chancellor Kohl.

If it is true as Jacques Delors claims that by 1995 80% of economic policy will be made in Brussels and bearing in mind that agricultural policy, competition policy and trade agreements are already areas where the Commission leads over national governments, then it must follow that closer European Union without increased parliamentary scrutiny must lead to a severe undercutting of the democratic rights of the individual.

Mrs Thatcher, Veit argues, is in fact torn between two conflicting ideas - the importance of national sovereignty and her belief in the market; if she is serious about the former, she must resist the latter but if she seriously wants the latter, she will have to yield on the former. The French want to preserve their national state but want a large market to modernise French industry. Europe, Veit believes, is "the stage on which French actors should play the star roles".

The only safe way forward, Veit concludes, is to give the European Parliament more powers: it should elect the president of the Commission, be given full budgetary powers, and ratify all international treaties.

B. What does European Union really mean?

The answer to this is that there are as many theories about the real meaning of European Union as there are about the causes of Britain's economic decline over the past hundred years. We can identify what could be called a minimalist idea of union, that is to say that the Community would work together on economic issues but not alter in any way the Rome Treaty. There is also a maximalist idea floating about which has, as its culmination, Federal Union. Few people today see a federal United States of

Europe as imminent but few commentators would chose to discount its existence by the 22nd century. In fact, as Michael Burgess has repeatedly, if polemically, pointed out, a federal Europe would be one way of ensuring that the rights of Europe's constituent parts would be protected - because that is what federal states are best at. The truth is that sooner or later European Unity which in some sense already exists will have become so institutionalised that a single European state will emerge.

Yet there should be no development towards greater union without a fundamental re-appraisal of the Community relationship to democratic ideals. Indeed, in view of Britain's fine democratic tradition, it seems only right that British thinkers should provide the lead on this issue.

The starting point must be the fact that Westminster, in particular the House of Commons as the body of elected representatives of ordinary people, has an insufficiently important part to play in Community affairs as things stand at present.

This problem has two sides to it. On the one, Westminster has to live with the far too limited powers of the European Parliament in Strasbourg and on the other side, it has to recognise the implications of its inability of Westminster to properly scrutinise European legislation. Furthermore as Sir Roy Denman - from 1982-89 head of the Commission's Washington Office - has recently (6 March 1989) pointed out, the British refuse to take their full share of civil service posts in Brussels. The

traditions of continental European bureaucracy where patronage plays an important role are not understood by the British and as a consequence instead of 15% of jobs going to Britain, we get only 5-10%. Britain loses out three times.

Policy making in Brussels is well protected from democratic intrusions. Although the SEA gave the European Parliament more powers, these powers are qualified. Furthermore, the initiative in policy making comes from the Commission proposing to the Council and not from the Commission and the Council proposing to the Parliament. In addition, policy making is very often the result of pressure group agitation on the Commission in Brussels by special interest groups and lobbies who also engage in national lobbying on Council members in their own countries constitute an enormously powerful source of ideas into which there is no parliamentary input at all. There are 3000 lobby groups in Brussels at the present time (of whom 100 are environmentalist lobby groups).

9. The Scrutiny of European Legislation by the House of Commons Parliament has certain rights of scrutiny by virtue of Britain's accession to the Treaty of Rome and the European Amendment Act of 1986. This means that certain legislative proposals fall into the so-called scrutiny net. They are then deposited in Parliament by Government. The most important of these are draft proposals from the Commission as well as and other documents prepared for Council of Mins whether or not they originate from the Commission.

The Scrutiny Process, as the Select Committee on Procedure has recently noted, contains important lacunae. Parliament, for

example, does not get to see the legislation made directly by the Commission using powers given by the European Treaties or powers given by the Council to implement. Furthermore, is the Government rather than Parliament who decides which documents fall into scope of scrutiny. (Source: House of Commons Fourth Report from the Select Committee on Procedure, Volume 1 "The Scrutiny of European Legislation" 8 November 1989 Nr 622-1)

The Select Committee on European Legislation decides whether a debate is necessary on legal or political grounds. Although the United Kingdom accepts the collective authority of Council of Ministers, only one of its members is accountable to Parliament. In any one year, ca. 100 documents are recommended for further consideration by the Select Committee.

Additional problems are presented if Treaties are altered by the Commission to extend its powers. There is a problem, too, about the competency of the Commission in several areas (social policy for example) and the Select Committee on procedure took the view that the Commission needed at all times to be monitored very carefully both by UK Government Departments and by the scrutineers because it might try to slip policy changes into legislation without drawing attention to this. Usually, too, debates on European legislation occur only after the relevant document has been considered by the Council and could thus have its fate already decided upon. In 1987-88 only 25 pieces of legislation out of a total of 362 were looked at before going to the Council. The actual debates on these issues were described as "cursory" and "not very well attended" with a "predictable group of members

attending". Before the important Madrid summit on monetary union, there was no debate at all. There should, the Report suggests, be a full day's debate on the issues likely to be raised before the twice yearly summits.

A large body of opinion in the Commons, the Report adds, regards the European Parliament with a degree of condescension. It was only in January 1989 that some limited pass facilities granted to MEPs. The original reason for Westminster's hostility was that the European Parliament was seen simply as a nominated assembly. But the new cooperation procedure means that the European Parliament is not simply consulted on proposals from the Commission before Council decides but once it has decided the European Parliament is now allowed either to approve or amend or reject legislation. If it amends it, the Commission can revise it. If it rejects the legislation, the Council can still enact it pass but only unanimously. MEPs have to give an opinion expressed as an absolute majority within three months.

The Report concluded with a question. Would it not be wise to allow MEPs be allowed to help Parliament in scrutiny? There would need to be new legislation to permit this and it was not recommended. But there should be more cooperation on the basis of party structures at Westminster and the European Parliament is known to be very keen on closer links.

Yet neither this Report, nor, indeed, the latest word on the policy of Mrs Thatcher's Government suggests that there will be any support at all for an extension of the powers of the European Parliament (source The Independent 15 May 1990, reporting the alleged views of the Overseas and Defence Committee of the Cabinet

who formulate blanket policy on these matters).

How can Britain get out of this quagmire? One way forward has been suggested by the man who took us into Europe, Edward Heath (as expressed in the Observer on 29 April 1990). Britain must, he said, go along with European Monetary Union "if the full benefits of a single market are to be realised" and at the same time "Economic union needs to be matched with the social dimension that is one of the fundamental characteristics of European society".

"The second major thrust to deepen the Community must be political. Its instructions should become more efficient and more democratic. More efficient means more majority voting in the Council and giving the commission enough executive authority to carry out the council's decisions fully and well. More democratic means a stronger parliament. the main remedy for the so-called democratic deficit is to require that all community legislation be agreed by the European Parliament. The council of Ministers the community's legislative chamber also needs to become more democratic by making more of its proceedings public".

There seems little prospect of this happening. At the same time, however, we should bear in mind Sir Leon Brittan's warning that the British Government could well become the prisoner of its own rhetoric. On 7 November 1989 in his Granada lecture he argued that there was a middle way between total European union and hostility towards Brussels - consisting of modified Social charter, ERM membership, monetary union and a central bank. Britain, he concluded, now needed to be pro-active rather than

reactive and realise that sovereignty sometimes needs to be pooled.

Has the man Mrs Thatcher sent to Brussels reportedly as a reward for supporting her anti-European stance over the Westland affair turned native? Or may the third way become reality after the next General Election? Only one thing is certain: it will not do so before then.

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