

Will 'Eurosis' condemn Britain to be an outsider looking in?

by Blog Admin

*The last two and a half years have seen the biggest change of Britain's European policy in its four-decade membership of the European Union. In the first of a series of blogs on EU institutions and their history, **Anthony Teasdale** argues that, whereas the development of a two-speed or two-tier Europe was once a situation the UK sought to avoid at all costs, it now seems to be tolerated, if not promoted, by the British government. The country risks being left as an 'outsider looking in' on EU decision-making. The inability of the country to recognise the dangers of this situation reflects a wider British 'Eurosis' about the sovereignty-sharing that lies at the heart of the Union process.*



For most of its forty-year membership of the European Union, Britain has fought to avoid being 'on the outside looking in', as Peter Jenkins characterised the prospect in a powerful article written during the June 1989 European elections. Reacting to Margaret Thatcher's 'Diet of Brussels' advertising campaign, Jenkins saw the United Kingdom drifting away from the European mainstream in the face of pressure for Economic and Monetary Union and a social Europe.

Almost a quarter of a century later, it is now clear that, from the June 1975 referendum until the end of the Cold War, successive British governments largely succeeded in riding the twin horses of European integration and domestic public scepticism towards continental entanglements. Although Britain failed to join the European Monetary System (EMS) in January 1979, the notion of a 'variable geometry' or *à la carte* Europe was long frowned upon in both London and in Brussels – being seen as strategically disadvantageous in one capital and as anti-*communautaire* in the other.

Ironic as it now seems, the Conservatives in opposition even chastised the Callaghan government for its 'obstructive and malevolent attitude' in staying outside the EMS. Mrs Thatcher described Britain's non-participation as 'a sad day for Europe'. From 1985, the new European Commission President, Jacques Delors, resisted pressure to sanction a 'two-speed' Europe. The prevailing philosophy remained that all member states should, wherever possible, move forward together towards the same goal, even if it meant progressing at the speed of the slowest. Britain often exploited this situation, rather like car driving as slowly as possible down the fast lane of a motorway, refusing to move over, leaving others behind flashing their lights in irritation.



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Maastricht moment

The Maastricht settlement in December 1991 marked the moment that the UK-EU relationship first shifted towards a serious form of differentiated integration. The Commission reluctantly accepted British opt-outs on EMU, social policy and justice and home affairs (JHA) – which in turn were hailed in London as major negotiating successes. A pattern was set: even if Tony Blair closed the social chapter opt-out, Labour in

power deepened the JHA opt-out and secured a partial exemption from the Charter of Fundamental Rights. Nevertheless, throughout the long years from Maastricht to the 2010 general election, there was a solid determination in Downing Street to try to keep Britain at the top table of EU decision-making. Messrs Major and Blair both described a two-speed or two-tier Europe as unacceptable. At Ellesmere Port in May 1994, Mr Major flirted with the idea of a 'multi-speed' or 'multi-tier' Europe, but only so long as the UK was not excluded from any kind of settled inner core.

Overall, in the 1990s and 2000s, Britain wanted the opposite of the EEA states: to exercise political maximum power from within the club, whilst exempting itself from rules it found inconvenient. During his premiership, Gordon Brown managed to ensure that Britain participated in the first eurozone summits, and even influenced their conclusions, without making any commitment to join the single currency. He was determined not to repeat his own mistake as Chancellor of casual indifference to the emergence of the Eurogroup of eurozone finance ministers.

Strategic shift

The Conservatives' relationship with the EPP Group in the European Parliament represented, in microcosmic form, an apotheosis of this UK approach. Tory MEPs served as EPP Group spokesmen on many key legislative committees – including environment, single market and employment – but equally enjoyed complete freedom to diverge from a group whip that they played a disproportionate role in shaping. The decision by David Cameron to force the Conservatives out of the EPP Group in July 2009 was thus more than just, as many assumed at the time, a marginal sop to Eurosceptics: it was an important early indicator of what was to become a major strategic shift in Britain's European policy.

The last two and a half years have in fact seen the biggest single change of government policy on EU issues in the history of British membership. From almost his first day in office, the Prime Minister indicated he would not attend eurozone summits, much to the chagrin of Angela Merkel and the disappointment of many in the City. His government said that 'closer integration was for the eurozone only' and passed an Act of Parliament, the 2011 European Union Act, that requires referenda for any significant transfers of power to European level. Fear of the need for parliamentary approval to an EU treaty change applying only to the eurozone resulted in his vetoing this route in December 2011: the intergovernmental Fiscal Compact Treaty was the result. Mr Cameron assumed that he could lead a coalition of the 'outs', but in practice eight of the ten non-eurozone countries, nearly all seeing themselves as 'pre-ins', quickly signed up to the new treaty anyway.

Outsider looking in

The Cameron policy on Europe combines the 'opt-out mentality of an opt-out government', as Tony Blair famously described his predecessor's approach to policy exemptions in the 1990s, with a new and unprecedented willingness to tolerate the UK's non-involvement in key decision-making structures. Critically, the idea of a two-speed or two-tier Europe, with the UK located in an outer grouping, however small, is no longer anathema. Indeed, the 'inexorable logic' of eurozone integration is accepted as likely to transform Britain's relationship into that of an outsider looking in on the real politics and power of a deepening and widening eurozone core. The main preoccupation is to try to ring-fence that process and contain any spill-over from the core to the (political) periphery of the Union.

Perhaps to make the reality of marginalisation less painful for Britain, the Prime Minister would prefer the EU as a whole to evolve towards a complex variable-geometry system, in which the central obligations of membership are minimised for everyone. If this change cannot be achieved, the UK alone should be given a wide range of new, additional, country-specific opt-outs. Back in May 1999, William Hague as opposition leader already foreshadowed this concept in his now largely-forgotten Budapest speech – interestingly written by George Osborne – when he proposed that common EU policies, backed by supranational law binding on all, should essentially be limited to three areas: the single market, competition policy and external trade. Everywhere else, there could be a 'mix and match' Europe. Today, it is argued, this formula should be allowed to apply to Britain on its own, even if everyone else were to shun it.

For the first time since Harold Wilson in October 1974, Britain has a Prime Minister who no longer defends the terms on which the country belongs to the European Union. The fact that a significant majority of the current House of Commons almost certainly *can* support continued membership on these terms seems strangely immaterial. Whereas Mr Wilson planned to resolve this problem with a largely cosmetic renegotiation, followed by a referendum within nine months, Mr Cameron looks to a much more radical reformatting of the UK-EU relationship in four years' time.

Setting aside whether the Prime Minister can actually negotiate the outcome he wants – and what other countries might seek to extract in return – this situation reveals a striking failure by pro-Europeans in Britain to win acceptance for the key notions that most governing elites on the continent largely take for granted – notably, the idea of a European 'destiny shared in common', as Robert Schuman put it in May 1950, based on sovereignty-sharing in many areas of policy.

Eurosis

Whether because of the Westminster-centric nature of Britain's national institutions, the media's indifference to political life outside SW1, or the triumph of the English language and of Anglo-Saxon thinking in global discourse, a basic neurosis about Europe still exists at the heart of British politics and culture, and it shows no sign of abating. The consequences of this 'Eurosis' are now becoming much more acute, exacerbated by the seeming impossibility of the Conservative party ever reconciling itself to the true nature of European integration.

One is reminded of what John Connally, President Nixon's Treasury Secretary, is alleged to have said when the United States broke the link between the dollar and gold in 1971: 'the President has a problem and he wants to share it with his friends'. After being held in check, but left unresolved, during the Blair-Brown years, Britain's European problem is now back with a vengeance. It has recently been shared by the Prime Minister with our friends on the continent and has now become Europe's British problem too.

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