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Britain and the European Union

Exploring Brexit Through a Historical
Institutionalist Lens

Bachelor's project in European Studies

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May 2019

Introduction

This thesis seeks to explain Britain's exit from the European Union (EU) through a theoretical lens. It does so by examining cases that have defined the relationship, where they provide a deeper insight for better understanding Brexit. Britain's relationship with the EU has typically been portrayed as somewhat awkward and reluctant. It is seen as the somewhat odd partner; a semi-detached member to the EU family. Examining the British-EU relations in a long-term perspective, it is possible to support this assumption: Britain joined the EU to restore its place at the centre of European affairs. Through the entire period, from the accession to present times, Britain has been in opposition to parts of integrational processes that have functioned to threaten its national sovereignty. A culmination to this special role became a fact when Prime Minister David Cameron decided to 'test' Britain's position in 2016. The electorate was then given the opportunity to vote if Britain should remain a member of, or leave, the EU through a referendum. This resulted in Brexit, and the underlying features of British opposition to Brussels and its fears of losing sovereignty are now arguably present; viewing Britain as a vastly Eurosceptical nation. As S. George argues, with some expectations, 'Euroscepticism could be said to be the position of successive British governments throughout the country's membership of the EU ... a consistency of position that has earned Britain the title of an awkward partner' (George, 2000, p. 15). This presents how Britain stands out from other member states in its relations with the EU, where it has largely remained a sceptic throughout the relationship. Hence, it is possible to claim that Britain is correctly portrayed as the semi-detached partner.

Arguing a Eurosceptic nature among members, D. Dinan states that there is a crisis of legitimacy in an ever-closer union. He argues that this crisis has evolved in terms of pace of integration and that there exists an unfamiliarity of EU institutions and treaty reforms in individual member states. As national governments fail to engage their parliaments and the public in the process of European integration, Brussels is blamed for the unpopular decisions taken (Dinan, 2014). The description of an evolving EU alone, as a reason for this scepticism, could though be argued as a very simplified explanation to why a member state would leave. The thesis partly supports the claim in understanding a member state's exit. In doing so it does not blame Brussels and the institutional structure alone. The thesis argues that Brexit is more a result of Britain's own approach, where the EU has had a gradual shift in direction ever since the accession. This, as Britain itself has contributed to providing the need for more authority

being centralized in chasing its policies at the EU-level. This centralization has in return had a negative effect on Britain's outlook on Europe. Therefore, the thesis argues that Britain's own initiatives, acting the role as an odd partner, has played a crucial role in giving Brexit. Looking at the relationship through the lens of historical institutionalism helps to explain this issue. From this, the following thesis question is answered: What can historical institutionalism reveal about Britain's decision to leave the European Union?

Taking a theoretical approach on Brexit it is possible to isolate key factors and attempt to pin-point what it was that led Britain towards leaving. Brexit is the defining issue of contemporary British politics, and theoretical approaches can be used to sift through developments and focus on those that are most important. Using theories can help us better understand the relationship and function to provide an insight on Brexit (Oliver, 2017). Understanding Brexit through the lens of integrational theories is so far something few has done. Scholars have previously applied theories in understanding the use of integration, but few have used them in explaining this new phenomenon of a member state leaving. In seeking to understand the development of European integration, P. Pierson's *The Path to European Integration* applies historical institutionalism to explain the rise of institutions and the gradual loss of authority among member states (Pierson, 1996). It is interesting to test if the perspective of this theoretical approach can provide new insights in thesis' attempt to more sufficiently explain Brexit. The theory is applied to the thesis to explain how Brexit can be understood though presenting historical developments of the British-EU relations. Using Pierson's central work, four key criteria are derived, which function as points to be tested in explaining Brexit. Other relevant work on the theoretical approach, from: J. T. Checkel, J. Jupille & J. A. Caporaso, S. Bulmer, & M. Burch, S. Saurugger, and K. Thelen, is used to support the essential claims. These scholars' work function as to strengthen the arguments this thesis puts forward. In my attempt to explain Brexit through this theoretical lens examples are presented as to how Britain has sought to make use of the integrational process to secure its position in Europe. In doing so, Britain, like other member states, has gradually opened up for more centralized institutional structures. As a result, this centralisation has gradually moved Britain in the opposite direction, towards leaving.

Methodology

The thesis adopts a mixed methods approach in order to answer the research question. It has the form of a qualitative descriptive case study, where historical institutionalism functions as the theoretical approach when the selected cases are analysed. This is a relevant theory that creates the methodological platform to explain how Brexit could more clearly be captured through understanding the British-EU relationship from its historical developments. The theory argues for the need to understand integration on the basis of history, as previous decisions have implications for contemporary and future possible choices among member states (Saurugger, 2014). Presenting historical institutionalism, it is evident that Britain's relations with the EU have been driven by path dependencies: As the nation worked on securing profit and maximize own advantages on short-term concerns, this scope has had undesired long-term consequences.

Historical institutionalism explains European integration as being a process unfolding over time. Here, history is the driving force. Actors' decision making is based on historically developed positions with the primary objective to secure a profitable future. Pierson argues the following in explaining the theory: Member states are obsessed with short-term concerns which result in undesired consequences. As each member state works to maximise own advantage, this provides the need for collective institutions to rise; to function as a governing authority. This becomes necessary due to the instability of preferences among member states and the pooling of policy between them. Institutions are structured as to govern the relations between states. In doing so, this creates gaps in member-states' control where institutions prevail, considerably stronger than anticipated (Pierson, 1996). European integration is presented as a rational process driven by member states themselves where they have made need for integrational structures in form of supranational institutions. Integration is a competition between states, of scarce resources and power, where each nation pursuit their own short-term concerns. The EU institutions are designed to effectively govern and structure the interaction between each member state. They institutions function as tools in defending interests, as a wide range of complex policy areas generate the need for them to exist (Pierson, 1996). It is worth recognizing that using institutions, member states cannot remain in full control, and gaps can emerge. This occurs as the institutions prevent or make it very difficult for member states to reassert full sovereignty on integrational matters (Saurugger, 2014). By structuring institutions, member states weaken the set of available choices in future sense. Institutions get thicker in a long-term perspective as member states short-term interests provide room for institutions to have deeper effect on their strategies and wanted outcomes (Checkel, 1999). Hence, the

development of European integration is argued as being a result of historically driven contingents. It is here seen how the theory works on the assumption of path dependencies, where a set of present decisions are limited by decisions made in the past (Saurugger, 2014). In testing the theoretical approach to the case studies, this thesis uses four assumptions as main criteria: (I) historical developments as a necessary factor in understanding integration; (II) member states as rational advantage maximisers; (III) institutions as tools to defend interests where gaps emerge as unanticipated factors; and (IV) path dependencies among member states, which limit their future strategies in ways that could be undesired.

The thesis is broadly built on a deductive design. It is deductive as it is based on general expectations that the cases put forward fits the thesis' theoretical assumptions. It functions to test the specific theory to if there is a suggested relationship and if this relationship can obtain on more general circumstances (Dudovski, 2019). The magnitude of the relationship makes it necessary to reduce the area of focus. This delimitation is made to fully concentrate on two extended cases of the British-EU relations. These I argue, are both critical junctures in the relationship. The case studies form the basis of the thesis' two chapters. In both chapters the EU is referred to as The European Community (EC), or simply 'the Community', which from accession until 1993 it was formally known (Bulmer & Burch, 2002). The first chapter examines Britain's accession and the 1975 referendum on continued membership. The focus will be set on the years between 1969 to 1975. The second chapter examines 'the shadow left after the Bruges speech'. The heritage left by Margaret Thatcher, from her speech delivered at Bruges in 1988 and her opposition towards a social aspect of the Single European Act (SEA), is given attention. One major consequence of this; a reluctance towards Europe and further integration is presented looking at how the Thatcherite thoughts would continue to flourish among British politicians. The content of each case is elaborated more closely in the introduction to both chapters. Finally, my conclusions are presented, where the thesis evaluates the key findings found examining the case studies through the theoretical lens. The findings function to demonstrate how Brexit can be explained through historical institutionalism.

Conducting the case studies, a content analysis is applied. It is important to acknowledge that this technique results in a subjective assessment of sources, where it relies heavily on my judgement as a researcher. The thesis investigates plural sources in depth, where I determine which are judged to be appropriate as evidence (Burnham, Lutz, Grant & Layton-Henry, 2008). Using this approach, the cases are supported by primary and secondary sources. The primary sources are derived from statements, speeches, and interviews with British officials who

themselves have been occupied with the relationship. Statements from Edward Heath are used to shed light on why Britain became a member of the EC and on Britain's plan to create a beneficial agreement. The speech delivered in Bruges in 1988, by Margaret Thatcher, is used to explain how she opposed integrational processes that moved beyond economic measures. An extract taken from David Cameron's Bloomberg speech from 2013 is used to view the uncanny resemblance to Thatcher's view on Europe. Interviews made with chief negotiator of the British accession, Crispin Tickell, and member of parliament, William Hague, are used to emphasise how and why Britain has chosen to act in this troubled relationship. They function as the empirical basis in each case and are supported by relevant secondary sources. Using secondary sources as support is a cost-effective way of analysing data that is already available, especially when the scales of the paper are short (Burnham et al., 2008). These sources are selected from relevant books and journal articles on European history and policy.

Chapter 1 – Accession and Referendum: First Amity, Then Hostility

In this chapter the first case study is conducted. The thesis argues the period of accession being a critical juncture in the relationship. The case focuses on the time-period from 1969 to 1975. It presents how Britain from 1970, under leadership of Conservative Prime Minister, Edward Heath, succeeded in joining the EC on its third attempt. The case presents how Britain negotiated for accession motivated by three main reasons: (I) Hoping to secure own economy; (II) as to restore its political position at the heart of European affairs; and (III) as a strategic positioning to be able to affect future developments in Europe. Further, it presents the first referendum held on continued membership and how it, already then, viewed reluctant tendencies from Britain. The first half of the chapter conceptualizes the case while the second examines the events through the theoretical lens.

Accessing the EC

Britain was, in the decades following World War II, gradually experiencing a crisis of confidence about its place in the international society. It was realised, during the 1960's, that the Commonwealth connection would not provide the necessary economic support for Britain to continue a leading role. Participation in the Community was sought for advantages that would strengthen the British position and mitigate its decline. Setting them side by side, the EC was seen as the better of the two. Britain's relationship with the Commonwealth thus witnessed a gradual distancing (Hollowell, 2003). Heath would, from his time in government, push towards accessing Europe in favour of both the Commonwealth connection and the Anglo-American 'special relationship'. As A. Spelling states, the Anglo-American relations 'reached its lowest ebb in the years that followed' where Heath was 'in favour of a whole-hearted commitment to the European Economic Community' (Spelling, 2009, p. 639). Further, Heath argued that as other countries in the Commonwealth had themselves moved away, why should Britain stay attached and not pursue its own path in securing economic and political growth? (Hollowell, 2003). After two failed attempts at membership, both vetoed by French President, Charles De Gaulle, Britain's hope of joining was revived in 1970. This, as Community attitudes towards the British had softened (Geary, 2012). It was, to an extent, because of de Gaulle's resignation the year before, where the Commission signalled to Britain that rapid progress would now be possible. Another prognosis concluded that the performance of the European Free Trade Association (EFTA), the other dominant trade bloc in Europe, was clearly inferior to that of the EC. The perception about the economical role thus started to turn (Campos & Coricelli, 2015). It presents how Britain sought accession, first and foremost, to secure economic prosperity, as

it was clear that the EC would increasingly present a threat to Britain's international influence and economy if the country was to remain outside this construction. Secondly, the common external tariff of the EC would make it difficult for Britain to sell its products, all making the economic case for entry stronger (Hollowell, 2003). It was a view reflected by several newspapers including the *Guardian* which wrote, on the day of accession on 1 January 1973, that membership was 'partly in the hope of rescuing Britain from growing political aimlessness and economic lassitude' ('Into Europe, andante', 1973).

At the Hague Summit in 1969, an initiative by de Gaulles' successor, Georges Pompidou, part of the plan was to settle the way forward, by 'widening' the EC as one of its aspects. Another aspect on the agenda was to establish new fields of cooperation, as to drive the Community forward. As A. Milward argues, Britain was not inspired to build an ever-closer union. The applicant envisioned it more a market-place than a federal structure. It 'increased the anxiety of the existing states to find some integrative policy ... which would hold more firmly in place the structure they had built' (Millward, 2003 p. 117). This was to be set in motion through 'deepening', where one of the single most exiting initiatives from it was monetary cooperation. It would be an initiative functioning to move faster towards full economic and monetary union (EMU), which for the Community would be a highly rewarding development (Ludlow, 2003). In British negotiations, it was a concern of high value, where membership would bring with it the possibility to implement 'how fast or by what means these developments could or should be brought about' (Heath, 2011, p. 365). It was important to take part in the future development of the EC, as Britain would be affected by the developments either way; both as a member or not:

Outside the Community we had to accept, subject to any transnational arrangements, whatever plans for closer co-ordination would be agreed by the Six for 1971-72. If Parliament accepted our terms, however, we would be involved as full members in deciding the acceptability of any further measures to be taken after 1 January 1973 (Heath, 2011, p. 365).

The First Referendum

Though Heath, in his own opinion, acted to strengthen Britain's position by taking part in the integrational process, accession would remain a topic of heavy debate inside Britain. Unable to accept the terms agreed, the bulk of the Labour Party signalled its hostility on membership (Butler & Kitzinger, 1996). Pressured by Eurosceptical backbenchers in his party,

the newly elected Prime Minister, Harold Wilson, called for renegotiations and accordingly, a referendum on continued membership. He signalled that Britain would remain committed to the EC, conditioned on a successful end to the renegotiations (Dinan, 2014). The main areas in need of renegotiation would be: The Common Agricultural Policy (CAP), net contribution to the EC budget, the goal of EMU, and sovereignty in pursuing regional, industrial and fiscal policies (Miller, 2015). Out of Heath's finalised negotiations, it was, from the new government, argued that the substantial share of British payments of 'own resources' in subsidising the agriculture of leading members was unacceptable. The obstacles from negotiating the CAP had therefore not been successfully met. Secondly, Heath's approval of financial regulations would be a burden Wilson sought to escape (Miller, 2015). Wilson argued that Britain was giving away too much, where accession had not functioned to secure its interests. Heath was criticised of having adopted an 'enter then negotiate' attitude, where budgetary contribution to the EC became the gravamen of focus (Hollowell, 2003). As J. Spence argues on budgetary contributions, questions were raised, as the British calculations showed an imbalance in Britain's disadvantage. Given the relatively weak economic state of Britain, coupled with its will to be involved in order to shape the future to its liking, the net contributions were of major concern (Spence, 2012). In renegotiations the focus was set on the unfair balance of revenue and expenditure. Here, the Commission proposed a general corrective mechanism set up (simplified explanation) to govern the balance to secure acceptable contributions in future sense. In the following weeks, Wilson, who wanted to remain on basis of a successful renegotiation, was able to recommend a 'yes' vote in the coming referendum (Spence, 2012). By June 1975 the referendum was held, ending with a comfortable two-thirds in favour of EC membership (Hollowell, 2003). Still, it viewed Britain as a reluctant and largely uncertain member; a role it would continue to play in the relationship. As diplomat and participant in the British EC entrance negotiations, Crispin Tickell, remembers in an interview with the *Guardian*:

... we were setting out a direction of travel, and making certain that we had the right stops on the journey ... we sought to set in train the development of something that needed to evolve inch by inch ... It was sad that in later negotiations we were always one of the more reluctant countries ... We spent our time arguing about details and were grudging members when we could have been leading members (Tickell, 2016).

As the extract quoted above argues, Britain, already in the years after accession, viewed its reluctant tendencies. Britain sought accession to reaffirm its position but would gradually

oppose the terms on membership, arguing about details. Britain made use of its first referendum to secure a renegotiation of terms. Wilson returned to Britain after renegotiations with the EC, delivering what he imagined being a better deal for Britain. This arguably resembles how Britain would, four decades later, be holding a new referendum on the same principles: It would seek guarantees of terms that would secure a more beneficial membership, but unlike Wilson and the 1975 referendum, Cameron would be unsuccessful in bringing a new deal about.

Historical Institutionalism – The Cost of Accession

Firstly, understanding the case seen in the perspective of historical developments it is clear how Britain accessed the EC to restore its position, facing a new and clear reality: The British Commonwealth was slowly stagnating, and EFTA was gradually losing ground. These developments made it a necessity to Britain to approach the EC for a third attempt at accession. This is presented through Heath's whole hearted approach towards taking part in the economic power the Community would, seemingly, provide. In 1950, Britain's per capital GDP was almost one third larger than the EC average, whereas in 1973 it was almost 10 per cent below. This serves as part of the explanation to why Britain sought accession, above all, because it 'was perceived to be the way to stop its relative economic decline' (Campos & Coricelli, 2015). Further, as mentioned, the Commonwealth was turning into something that would be unable to assist Britain to regain former international power. It was the general consensus that the Commonwealth was yet to have turned into an economic bloc; ruling it out as a substitute for EC membership (Milward, 2003). As for the Anglo-American relationship Heath wanted to move away from being the junior partner to the USA (Hollowell, 2003). Inside the EC, developments made a British accession more and more likely. It was made possible after de Gaulle's resignation, and as 'the Six' met at Hague to address future developments. An expansion with new EC members was very much back on the table. To understand integrational moves, one must emphasize the significance of processes such as rational choice and issues of institutional evolution (Pierson, 1996). Britain was acting rational in approaching the EC in gradual institutional evolution; eager to take part in deciding its future. This will be covered in the second criteria.

Secondly, Britain acted as a rational advantage maximiser in recognizing the dominance of the EC. Heath, as mentioned, made it clear that Britain had to take part in the Community as it would be affected by its future developed policies, both as a member or not. As presented earlier, Heath stated that Britain was to use membership to decide when and how these developments would be brought about. Though British negotiators recognized the need for a

beneficial membership in a long-term perspective, concessions were made. Britain agreed to pay large financial contributions to the EC budget. Heath assured sceptics that such concessions were necessary to gain momentum. Fearing that opposition to the planned terms would prolong negotiations, Heath went as far as possible to accept them (Milward, 2003). It is possible to argue that Britain made such decisions mostly interested in short-term concerns. The immediate concerns were to take part in decisions at the European level, influencing a continued integrational process. Furthermore, Britain wanted to access a market that was showing positive trends, and at a time when the EC was establishing new institutions. As a result, Heath and his negotiators saw the possibility to take a leading role in the Community and future developments. Struggling to obtain beneficial policies, Britain arguably overlooked the extent to which the EC institutions were to gradually gain control on its movability. This would limit Britain's available directions. Here, the theory argues that the member state is unable to fully account for long-term effects, such as loss of sovereignty in an ever-closer union. The effects are often heavily discounted as decision makers are frequently more interested in the immediate consequences of their actions (Pierson, 1996). Further, even though Wilson's renegotiations on terms is presented to have been used to secure a more beneficial deal, it also works to demonstrate how he sought to maximize advantage. In the finalised terms of renegotiating membership, the relief on Britain's financial contribution would not last as the mechanism set up to balance the contribution provided no rebate in the decade following (Spence, 2009). As mentioned earlier, Wilson's government assured that they would only back a remain-vote if the terms to be renegotiated were successfully met, as it did after negotiations; claiming that the majority of terms had been achieved. V. Miller argues in The House of Commons' briefing paper on the matter; 'the fact that the budget issue came to a head again not long after under Margaret Thatcher tells a different story' (Miller, 2015, p. 18). Wilson's government was arguably eager to back a 'yes' vote by appraising the renegotiations as being achieved. The governments' narrative was proven to be of positive effect in the referendum campaign (Miller, 2015). This serves to demonstrate how Wilson, knowing that EC membership was at that point the best option for British advancement, allowed parts of renegotiated terms to remain unsatisfactory.

Thirdly, working to maximize own advantage, Britain added to the need for institutions to exist as tools to defend interests. Gaps have later emerged in the long-term perspective. Britain was compelled to use institutions in the integrational process to serve its own purposes, and in order to carry out collective tasks (Pierson, 1996). Seeing this argument in relation to the

case, it is demonstrated how institutions would grow stronger as member states granted them more power: As the Hague summit outlined an ambitious set of future Community targets it would require activism from the European Commission and a gradual institutional evolution (Ludlow, 2003). As the theory argues, in near-term the institutional structures are thin – working to monitor and govern the game of politics between motivated actors, here the member states. In a long-term historical perspective, however, institutions can have a deeper effect on member states’ strategies. The institutions become intervening variables in the game of politics, where gaps in member states’ control emerge (Checkel, 1999). Heath spoke of bringing Britain in at the heart of European affairs to take part in shaping the continued route of the EC. Though he claimed that Britain was to be affected by these changes either way, accession arguably meant for these effects to occur in a greater extent than remaining an outsider ever would. In order to take part in the EC-level decision making Britain had to, in exchange, give up parts of national autonomy (Schmidt, 2006). The set of available decisions were, from the point of accession, to be considered in relation to those of the EC.

Fourthly, considering path dependencies, the period examined should be considered a critical juncture in the British-EU relations. Future opportunities would arise at which there was a clear departure from the established patterns (Bulmer & Burch, 2002). The future set of opportunities was from the time of accession now to be considered in relation to the development of processes within the EC. The British concern was to be able to influence future developments to maximize own advantage. As previously mentioned, the set of future opportunities would now be conditioned by the so-called path dependency of decisions. It locks them in and limits the available directions Britain can pursue (Saurugger, 2014). It does so in ways that could be both undesired and difficult to be in control of. Seeing this in a long perspective it is evident that decisions taken within the EC, at the Hague summit and in the years following, have had long-term effects that would affect the relationship in decades to come. Almost two decades later, the most significant element in the Maastricht treaty would in fact be one originating back to 1969 and the Hague Summit’s project of ‘deepening’. Thus, the issue that occupied the EC back then continues to preoccupy the EU today (Geary, 2012). It demonstrates how Britain, eager to maximize own advantage, still had to consider itself as part of a unit. Finally, the renegotiation of British terms and the use of a referendum also demonstrate how Britain, already in the years following accession, was reluctant in its relationship with the EC. Heath’s ‘enter then negotiate’-strategy, functioned to create further splits in Britons’ opinion towards EC membership. In Britain, the debate on membership was all but ended. As presented, the

financial mechanism would not provide a rebate in the decade that followed. As Tickell states, Britain would continue as a hesitant and grudging member, when it could have taken a more decisive role. This role will become more apparent when the second case of the thesis is presented.

Chapter 2 - The Shadow Left after the Bruges Speech

This chapter presents the second case, which arguably functions as a new critical juncture in the relationship. This case presents how Prime Minister Thatcher, in her speech at Bruges in 1988, continuously opposed social aspects of integration in the SEA; an objective ratified two years prior. She sought economic growth, but at the same time wanted to secure British sovereignty by opposing closer integrational processes. Negotiating the SEA, Thatcher set her focus on economic benefits from deregulation, a free market, and consumer choice (Daddow, 2014). The final concessions made and her signing of the SEA, would have long-term effects on Britain's membership. The Bruges speech views a long-lasting shadow; a legacy of Thatcherite thought. Here, further integration was largely opposed; leaving a divided Conservative Party back in Britain based on the direction Europe was taking. This, I argue, would have implications for Cameron two decades later, when he himself faced not only his own 'Europe' question but also another Tory revolt linked to further EU integration. This extended case is presented over the time-line from 1988 to 2013. Starting with negotiating the SEA and the reactions from Thatcher Bruges speech, before moving on to the, arguably, long-lasting effects it would have on the future of the relationship.

The Iron Lady – Against Corporatism at the European Level

The intention of the SEA was to complete the objective of a common market. Though British opinion was in favour of market liberalism, Thatcher strongly resisted other aspects of the initiative. Firstly, the use of qualified majority voting, designed to speed-up decision making which would reduce substantially the number of areas in which individual states would have the chance to reject progress (Bache, Bulmer, George & Parker, 2015). Secondly, the social aspect as suggested from Commission president, Jacques Delors, and the idea of going beyond the freeing of market and the SEA; planning to use it as the first step of a social dimension to create closer integration (Bache et al., 2015). Thatcher argued that 'willing and active cooperation between independent sovereign states is the best way to build a successful European Community' (Thatcher, 1988). Further, she approached the idea of a social dimension in stating that Britain would continue to 'fight attempts to introduce collectivism and corporatism at the European level' (Thatcher, 1988). These quotes demonstrate how Britain remained reluctant on the thought of moving beyond the original plans of the SEA. This is also well demonstrated in the following extract:

The aim of Europe open to enterprise is the moving force behind the creation of the Single European Market in 1992. By getting rid of barriers, by making it possible for companies to operate on a European scale, we can best compete with the United States, Japan and other new economic powers emerging in Asia and elsewhere. And that means action to free markets, ... action to reduce government intervention. Our aim should not be more and more detailed regulation from the centre: it should be to deregulate and to remove the constraints on trade (Thatcher, 1988).

Thatcher was never enthusiastic about a European federation, rather her priorities in Europe mirrored those at home, with a focus to secure economic growth and tight budgetary discipline. Still, eager to complete the idea of a single market, she ended with making considerable concessions during the negotiation processes to bring it about (Von Bismarck, 2016). It was in the final negotiations accepted that the programme took the form of a binding treaty, something Thatcher originally had fought to avoid (Von Bismarck, 2016). Though she made such sacrifices to secure economic benefits on a domestic level, it still smelled of defeat, as she finally agreed on the terms and signed the SEA. Whereas the original Treaty of Rome was to set in motion 'economic liberty', the new priorities in moving beyond the single market to develop social integration would mean more power shifting to Brussels (Willets, 2018). This stench of defeat would resurface in Britain, especially within the Conservative party, in the decades that followed.

The Thatcherite Legacy – Continued Opposition on Europe

After the Iron Lady's downfall, Britain's troubled relationship with Europe continued, from 1990 and onwards. Thatcher's Conservative successor, John Major, would after the painful withdrawal from the European Exchange Rate Mechanism in 1992 show little appetite for further integration, and even less so from the Tory backbenchers (Geary & Lees, 2016). The Liberal Party would also have members oppose further integrational moves. Under Tony Blair's government, Chancellor Gordon Brown established his five economic tests that would have to be met for Britain to give up the pound and prepare public opinion for eventual joining the Euro (Howarth, 2007). It was Brown's sceptical view on the realization of Britain joining the Euro that made him endorse it to his tests. It was a series of tests set up through a rule-based approach, where they were seemingly too vague to be met (Bulmer, 2008). Further, in 1998, former British Foreign Secretary, and Conservative member, Douglas Hurd posed a question at a lecture he held at Hull University: 'Where will Europe end?'. He stated that the manifold achievements in European affairs were largely hidden under a mounting pile of unsolved problems from ill-

equipped Brussels and institutional inadequacy (Miller, 2017). Though the former Tory leadership candidate never proposed for Britain to leave, he joined in line with officials insisting on making the EU more attractive for continued membership. It presents how Euroscepticism was growing among both of Britain's dominant political parties. Arguably, this can be interpreted as a heritage of Thatcherite thoughts, where free markets and competition was the key to success and social integration was trivial. This route was not just radical, it was revolutionary (Bootle, 2013). This sceptical view on European integration would have implementations on the Conservative Party and the direction to be continued. Theresa May would in 2002 address the problem at a gathering of the Conservatives. During the meeting she nicknamed the party 'the nasty party', where she went on stating that the Tories had an image problem defined largely by its outlook on the EU (Error, 2018). Though it would take an extra eight years, David Cameron would lead the Conservatives back into government from 2010, where a newly modernized party had sought to leave its 'nasty party' nickname behind. Still, it would be proven difficult to do so without alienating the party's right-wing base (Error, 2018). The following year, Angela Merkel, German Chancellor, and Nicolas Sarkozy, French President, suggested a new composition of budgetary rules in acting to pull the euro back from the brink of collapse. It was as means of facing the economic crisis. In doing so they would need to change the governing treaties of the EU. Though the reform would not touch upon Britain directly, as a non-euro state, Cameron decided to take a stand against it. Revisiting the governing treaties would contribute to the reinforcement of economic governance and a gradually deeper economic integration (Bache et al., 2015), which went against British interests in the single market. Secondly, the revolt within the Conservative Party would gain strength if Britain was to vote in favour of it. As member of parliament and Conservative politician, William Hague, stated in an interview taken from the documentary *Inside Europe: 10 years of Turmoil*, it was important to not continue a split among the Tories:

We had just told all these people ... we are not going to have any more European integration, and we came to the conclusion that while we should not block such a treaty ... there were concessions and amendments that were needed to it, to safeguard the UK position (Inside Europe: 10 years of Turmoil, 2019, 07:50).

Not getting safeguards to their position, Cameron vetoed the new EU-wide treaty, being the first ever British Prime Minister to do so. The relationship thus faced growing uncertainty on its continuance. For the British newspaper, *The Daily Mail*, the occurrence 'marked a "great divorce" and threw Britain's future in the EU into serious doubt' (Chapman, 2011). It was a

view reflected across European capitals, where the veto was portrayed as a mistake that would further isolate Britain; failing to acknowledge the importance of eurozone integration (Adler-Nissen, 2016). Even though Cameron's veto can be argued to have been applied to hinder revolts within his own party by securing the British position, it was proven to be something for Eurosceptics to further build upon. Exploring this extended case through the theoretical lens is done in two turns: The first, from Margaret Thatcher's approach on the SEA and her reaction through the Bruges speech. The latter, on the long-lasting shadow Thatcher left on British politicians, especially among the Conservative party.

Historical Institutionalism – Thatcher's Undesired Effects

Firstly, understanding the case in the perspective of historical developments it is clear how Thatcher, in her speech delivered in Bruges in 1988, argued of a traditional British initiative. This, as she welcomed economic liberty in the common market but opposed ideas of further integration. It is possible to argue that she worked in memory of previous decisions. Thatcher had experienced, first hand, what close coordination at a European level could cause. Here, among others, through the budgetary contributions throughout the first half of the 1980's and Britain's failure to change it. Before Thatcher herself would renegotiate it through the 1984 UK rebate; establishing a significant reduction (Wallace, 2012). She was now hoping to build Britain stronger in creating economic benefits by completing the common market and would fight more centralization at Brussels and interdependency between member states, as it would mean continued loss of British sovereignty.

Secondly, Thatcher worked to maximize British advantage by getting rid of barriers; bringing Britain in at the heart of a market for British enterprise to grow internationally. In doing so she ended with making considerable concessions which resulted in moving the project beyond economic measures. As mentioned, eager to complete a deal on the common market, she compromised in letting the SEA move beyond what she initially envisioned. It took the form of a binding treaty, where the use of qualified majority voting and social integration paved the way for an ever-closer union. It is here evident how she, obsessed with short-term concerns, made such concessions to bring the completion of the market about. It would result in unintended consequences as it turned Britain towards being a member of a Community that would continue its development on social integration, something far from the British mind-set. This was unintended as it was through the series of integrative measures that followed that Thatcher is argued to first have fully understood the long-term consequences of the concessions she made: From the late 1980's and up to the Maastricht treaty of 1992 (Von Bismarck, 2016).

Hence, being preoccupied with the short-term concerns in bringing the deal about, it brought undesired effects that would continue to challenge British preferences.

Thirdly, the development out of the finished negotiations of the SEA made room for more institutionalized governance. This, as the development of complex social regulations between member states required coordination, a task falling to the Commission; making additional room for influence (Pierson, 1996). Institutions, especially the Commission under Delors, gained power governing the relations between member states. Here, gaps continued to emerge as institutions gained more and more authority, as member states continuously pushed the integrational process forward in maximizing own advantage. The development of institutions are the products of concrete temporal processes (Thelen, 1999), but as member states have granted them a larger role, institutions will work out of own interests and the gaps get bigger. It was, as mentioned, arguably a concern that Thatcher addressed in her speech in Bruges. She took a hit at detailed regulation from centralized institutional structures; of the making of a federal Europe. It is then ironic that it was the Iron Lady herself that signed the SEA and with it made room for new policies and for institutions to grow considerably stronger. Pierson argues that as policy evolves the ability for member states to remain in control of the process gets weaker. It demonstrates ‘how the Commission exploited its more detailed knowledge of policy processes ... to generate influence ... that the British government failed to anticipate’ (Pierson, 1996, p. 137). This is made evident, as previously mentioned, through emphasising that it was first in the years that followed that Thatcher comprehended the consequences of her actions, whereas the Commission was strategic in exploiting its knowledge.

Fourthly, the concessions made by Thatcher worked to continue a path dependent relationship. Moving the SEA beyond market liberalism, the concessions made meant moving Britain in direction of a closer and more complex integration. The opposition among British Eurosceptics, towards such integrational processes, would in years to come be largely influenced by the Thatcherite mindset. This, I argue, would be ‘the shadow left after the Bruges speech’.

Historical Institutionalism – Thatcher’s Long Shadow on Europe

Firstly, understanding this long-lasting shadow from historical developments, it is possible to argue that Thatcher’s view on Europe would continue to play a decisive role in Britain’s, and especially the Conservative’s, European policy. Her opposition against social

integration would continue to flourish among members, as its right-wing base largely opposed further integrational processes on the area. Thus, the strategy on Europe from Cameron's government, from 2010, would be conditioned by the Iron lady's legacy. The newly elected government would struggle to gather the party in its view on Europe. The following year Cameron would apply the first ever British veto to show that further involvement was unwanted from the British stance, and as to not lose the support of Eurosceptical Tories.

Secondly, maximising advantage on the EU-level would mean working towards securing Britain's sovereignty on integrational matters, from what was portrayed as inadequate responses in the tackling of, especially, the economic crisis. Again, using the 2011 veto as an example, it demonstrates how Cameron sought safeguards of the UK position from the revisited Lisbon Treaty. This, as reforming the governing treaties would change part of the running of the EU and thus pose a threat to British sovereignty. Cameron believed that, by vetoing the treaty change, he would strengthen Britain's position in the EU. He was eager to secure its interests that were at stake in the Eurozone developments; applying the veto as a necessary safeguard on both the single market and on financial services. The strategy was to fight against Eurozone integration (Adler-Nissen, 2016). Securing Britain's interests is here the short-term concern. The long-term and undesired effects is arguably how the EU ratified the changes either way and would continue forward; leaving Britain isolated. The veto thus functioned to strengthen Eurosceptics by appeasing them in giving in to their demands. As mentioned, Cameron vetoed the fiscal rules to secure British interests, but also to hinder revolts within the party. Decision makers are frequently most interested in the short-term consequences of their actions, which in this case is Cameron working to secure right-wing Conservative interests. Here, long-term effects are often heavily discounted, principally because of the logic of electoral politics (Pierson, 1996). The veto would have the opposite effect of what Cameron imagined, as it functioned as a momentum for Eurosceptics to build further upon.

Thirdly, as institutions have gained more authority, gaps emerged to such an extent that Britain struggled to act according to its own will. I argue this as being a defining moment in the relationship, where the evolving manner gradually worked to show Britain as a gradually more Eurosceptic nation. As mentioned, after Thatcher resigned in 1990, the view on Europe would be greatly affected by her outlook. Throughout the decades that followed and to the more recent Cameron government, a growing reluctance towards Europe developed. As Cameron said in his 2013 Bloomberg speech, '... we come to the European Union with a frame of mind that is more practical than emotional' where Europe is 'not an end in itself' (Cameron, 2013). His

words resemble, to a large extent, those spoken by Thatcher 25 years earlier. He addressed the future of Europe, stating that it must have the single market at its core, and as a place where institutions would not be constantly modified (Alexandre-Collier, 2015). It is evident that Britain gradually grew tired from demands of growing supranational institutions. Britain took part in structuring institutions as to serve its needs at one time point, only now to see these institutions to later be moving in directions that depart from its original goals (Jupille & Caporaso, 1999). Here, Thatcher's long-lasting shadow is arguably present. This brings the theoretical approach to its fourth and final criteria.

Fourthly, seeking to achieve wanted outcomes, Britain's path dependent relationship is again seen to have locked it and limited its available strategies. Under Cameron's period as Prime Minister, the relation reached the critical point to where the next move would again be to bring British membership back into question. The relationship has, as presented, gradually worked to become more and more poisoned. On mature reflection this has become a strong case for a divorce, as unhappy couples simply do not stay together (Geary & Lees, 2016). Here, Britain was arguably locked in to such an extent that it would vote to leave the EU in 2016.

Conclusions

The four criteria used in testing the theoretical approach have in both case studies functioned to explain why Britain decided to leave the EU. The results found demonstrate, more adequately, how Britain's view on the EU has evolved while coinciding with structural changes within it. The theory reveals how Britain has, throughout its years as a member state, gradually limited its own set of available choices; locked in a path dependent relationship. The theoretical lens reveals how Britain eventually ended in leaving the EU as an effect. The key findings derived from the case studies work to support the initial assumption. Firstly, Britain has been presented to have constantly worked to meet the demands of its historically developed conditions. Britain decided to join the EC as to reaffirm its position as a leading international actor. Further, Britain wished for an economic upswing through liberal formations in the common market and has continuously opposed other means of integrational processes in fearing loss of sovereignty. Secondly, Britain has acted based on short-term concerns and a primary objective to maximise own advantage. This, as it has faced integrational processes with a strategy built to secure domestic prosperity. In doing so it has made use of EU-institutions, which has gradually constrained Britain, as an undesired effect. Thirdly, the considerable authority institutions have been given has created gaps between these institutions and Britain's sense of being able to control the future it desires. Fourthly, this has been argued to result in a path dependency of decisions, where Britain has gradually limited its own set of possible directions to such an extent that it ended in Cameron calling on a second referendum on settling the question on membership. Exploring Brexit through this theoretical lens has functioned to explain Britain's relations from understanding it as a historically driven development. Here, Britain has helped to pave the way for a more institutionalised EU. The EU moved in direction of more integration and an ever-closer union; working both as a political and economic construction. As a result, this step by step integration gradually moved Britain towards abandoning ship.

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