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Out on the Edge Instead of Here in the Middle: The Four Reasons Why Britain Can't Resolve Its Relations with the EU

Roderick Parkes, Julian Rappold¹

Europe's economic crisis has further damaged Britain's already difficult relationship with the EU. While most Member States seek a deepening of Europe's political and financial ties, London is trying to recover its scope for independent action, ordering a review of the EU's competencies and mooted a membership referendum in 2017. The reasons are rooted in Britain's historical experience of international relations, which persists in the thinking of the main UK-wide parties. In their understanding, Britain's political trajectory and its geopolitical position are a boon, and not things to be modified through integration with neighbours. More than ever, London views the EU as an obstacle rather than a tool. Awareness of the UK's specific attitude towards regionalism may offer room for compromise.

The EU was founded with a simple goal in mind: to allow the states of Europe to escape historical and geographic pre-determinism. For centuries, differences of size, location, resources and political development had almost inevitably ended in conflict—dealt with in a zero-sum manner through the formation of continental empires (good for security, not so good for national self-determination) or in a tense balance of power constellation (good on self-determination, poor on security). Emerging from the rubble of the Second World War, Europe's nation-states sought a new system, this time based on the mutual transformation of these old points of tension. The Member States of the then-European Communities opened up their domestic institutions to the examination and participation of their neighbours, thus placing their economic, military and political development in a common context.

Ironically perhaps, the UK itself was probably the forerunner for this kind of set-up. What had once been a local English empire became with the 1707 Act of Union the United Kingdom—Europe's most successful multi-national arrangement. And it is this irony that is at the heart of the UK's current difficulties. Britain has never really felt the need to “escape” its history or geography for the simple reason that both had been largely successful. With strong domestic institutions to bind its constituent parts, and a happy seaward geography, British politicians felt they had found a formula that had eluded their continental neighbours. While most Europeans therefore welcomed continental integration as a means of altering their geography and history, Britain saw the EU as a threat. And as the effects of integration gradually made the UK's non-membership untenable, the EU came to mark a reduction in Britain's choices, not an increase.

The course of Britain's relationship with the EU can thus be charted in the efforts of its main political parties to meld their thinking to these new realities. The failure of the Conservatives, the Liberal

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Democrats and the Labour Party to achieve this task has in turn helped the emergence and rise of the UK Independence Party (UKIP), which draws on a resurgent English nationalism. This nationalism, all but invisible during times of English success, has once again raised its head at a time of decline.² The generous British values of statecraft, pragmatism and tolerance, all historically associated with a kind of English *noblesse oblige*, are giving way to something smaller and more inward-looking.³ And in painting a rosy picture of England's capacity to go it alone, UKIP is offering voters a false choice, one that could undermine not only the UK's place in the EU, but also the United Kingdom itself.

This paper explores all four strands of political thinking, before offering thoughts about the development of the UK–EU relationship in the context of the Scottish referendum vote.

The Conservative Arcadia: The Myth of Bottom-up Politics

The eighteenth century spawned the modern European nation-state—even in Britain, where the ambitions of the French Revolution were viewed very differently than in continental Europe. Initially the revolutionaries' ideas had been well received in London, of course, where calls for liberty and equality were translated for a British audience. But as the French Revolution began to eat its own children, Britain's ruling class congratulated itself on the difference in temperament between the British and the French. Modern British Conservatism has subsequently been built on the idea that British politics is not ideological. Because Britain had an organically-grown political system rooted in society, attempts to organise individuals on a "top-down" basis simply could not work.⁴

This understanding of Britain as a political system based on a "bottom-up" logic, one in which communities organise themselves and send their representatives to Westminster to deal with the few problems that cannot be solved locally, has been particularly prevalent during the government of David Cameron (in office since 2010).⁵ The renaissance of these ideas is partly a response to the radicalism of the Thatcher era, which damaged many social institutions.⁶ But above all, it is a reaction to the interventionist government of Gordon Brown (2007–2010). The Cameron government, which is subject to considerable financial constraints, now supports the idea that the state should play only a minor role, while local communities take on most social tasks themselves.

If Conservatives ascribe Britain's historical political success to its status as an unusually decentralised polity, the EU is viewed as its antithesis. What was once a mere market and a tool for continental deregulation has developed into a political project. As a result of this mission creep, Cameron's deregulation efforts are now being scuppered by European rules. The EU is thus criticised for undermining plans to limit the UK VAT rate, to reduce petrol tax in rural areas, to change working time legislation or equality rights, as well as to lift domestic red tape. Given that the British people in 1975 approved accession only to a loose European market, Cameron has advocated holding a popular referendum on British EU membership—and this alone can return a bottom-up dynamic to the EU.⁷

And yet this strand of Conservatism has always been primarily about justifying the domestic power structure in response to foreign challenges. Its original espousal of bottom-up politics was more about legitimising as "organic" and "natural" the accrual of power by elites in Westminster in the face of revolutionary ideas, than it was about decentralisation and responsive politics.⁸ As a result, the EU—for all its undeniable faults—risks being scapegoated for domestic democratic failings (not least because of the

² B. Wellings, "Losing the Peace: Euroscepticism and the Foundations of Contemporary English Nationalism," *Nations and Nationalism*, vol. 16, no. 3, pp. 488–505, 2010; K. Kumar, "Empire and English Nationalism," *Nations and Nationalism*, vol. 12, no. 1, pp. 1–13, 2006.

³ J. Buller, "Understanding Contemporary Conservative Euro-scepticism: Statecraft and the Problem of Governing Autonomy," *The Political Quarterly*, vol. 71, no. 3, pp. 319–327, 2000.

⁴ M. Butler (ed.), *Burke, Paine, Godwin and the Revolution Controversy*, Cambridge University Press, Cambridge, 1984.

⁵ "Edmund Burke: how did a long-dead Irishman become the hottest thinker of 2010?," *The Independent*, 1 October 2010.

⁶ D. Baker, A. Gamble, D. Seawright, "Sovereign Nations and Global Markets: Modern British Conservatism and Hyperglobalism," *British Journal of Politics and International Relations*, vol. 4, no. 3, pp. 399–428, 2002.

⁷ "It can't hurt to ask," *Spectator*, 6 November 2010.

⁸ G. Parry (ed.), *Political Thinkers*, vol. II: Edmund Burke, Routledge, London, 2004.

threat it poses to Britain's political class).⁹ No surprise, then, that the Conservatives now confuse the repatriation of powers with "localism."¹⁰ Nor that they are resorting to a referendum, a tool that undermines organic political development with its reductionist choices and implied finality.¹¹

The Excessive Dignity of Labour: From Exceptionalism to Isolation

The kind of critical distance to Europe shown by British politicians reflects not only its distinctive Conservative political tradition, but also geographical realities. A maritime and transatlantic world-view clearly shapes Britain's understanding of its role in Europe. But this "outward" and "seafaring" orientation frequently name-checked in today's debates reflects above all a desire to take advantage of its geographical advantages.¹² Seen in this way, accession to the European Community in 1973 was not actually a sign of a radically new vision of British foreign policy. It was in essence a very traditional move, with the British wanting to exploit their special geographical advantages and to position themselves anew in the world, only this time exploiting their position on the western fringe of mainland Europe next to a growth market.¹³

The deepening of European integration in the 1980s and 1990s showed that the idea of a no-strings engagement had been misguided, and the UK found itself being tied long-term to continental Europe. An awareness of the way integration was changing the UK's geography strengthened domestic demands for recognition of Britain's special role in the European Community—demands successfully handled, at first. Britain emphasised the diversity of *all* EU Member States, thus presenting its own special role in an inclusive context. The government of the Conservative prime minister John Major (1990–1997) avoided unilateralism and sought proximity to other Member States nervous about the EU's political dimension, offering itself up as a scapegoat for blocking European Commission proposals. Britain thus successfully fulfilled a classic balancing role in Europe, allowing it to keep engagement light.¹⁴

But Major's approach ultimately proved too subtle for his party. He was sunk—like Margaret Thatcher before him (1979–1990)—by Conservative demands to offer more overt resistance to the EU's increasingly interventionist policies.¹⁵ And his demise heralded a landslide victory for a Labour party which had just overcome its hostility to the EU precisely because of the shift from a strictly market-oriented approach. Significantly, moreover, the domestic reform agenda of this new government was rooted explicitly in continental European thinking. This pertained not only to its renewal of its Social Democratic roots but also to its constitutional thinking, which broke with Conservative domestic tradition and dipped into French post-revolutionary ideas.¹⁶ Pointing to his European affinity, Tony Blair (1997–2007) promised to draw a line under the negative British attitude towards the EU, claiming for his government a leading role in the EU.¹⁷

As positive as this may sound, however, Blair's claim to leadership was rooted in the same sense of exceptionalism as his predecessor. In contrast to Major, however, Blair neglected the former's inclusive interpretation of Britain's special status. Instead, he stressed the uniqueness of Britain's contribution. The

⁹ S. Usherwood, "The New British Policy on the European Union: Scapegoats and Crossed Fingers," *Surrey politics blog*, 17 July 2014, <http://politicsatsurrey.ideaseoneurope.eu/2014/07/17/the-new-british-policy-on-the-european-union-scapegoats-and-crossed-fingers>.

¹⁰ In reality, Europeanisation is based on the diffusion of power from London, and any such a repatriation would actually mean re-centralisation. R. Briffault, "What about the '-ism'? Normative and Formal Concerns in Contemporary Federalism," *Vanderbilt Law Review*, vol. 47, pp. 1303–1349, 1994.

¹¹ Sh. Ley, "The Politics of Referendums," *BBC News*, 31 March 2011, www.bbc.co.uk/news/uk-politics-12910672. Some argue that it is the increasingly ideological nature of the debate within the Conservative party that has prevented agreement, led to the emergence of a political class separated from most voters' concerns and forced Britain's elites to pass responsibility for the EU decision to the people. See: R. Cooper, "The EU has provided us with the best Europe we've ever had," *The New Statesman*, 16 January 2014.

¹² D. Rennie, *The Continent or the Open Sea*, CER Report, 2012, www.cer.org.uk/sites/default/files/publications/attachments/pdf/2012/rp_096_km-6277.pdf.

¹³ R. Cooper, "Britain and Europe," *International Affairs*, vol. 88, no. 6, pp. 1191–1203, 2012.

¹⁴ M. Kremer, R. Parkes, *The British Question—What Explains the EU's New Angloscepticism?*, SWP Comments, 2010, www.swp-berlin.org/fileadmin/contents/products/comments/2010C11_kre_pks_ks.pdf.

¹⁵ A. Rawnsley, "The EU: David Cameron Should Take Tips from John Major," *The Observer*, 12 January 2013.

¹⁶ S. Bulmer et al., *British Devolution and European Policy-making: Transforming Britain into Multi-level Governance (Transforming Government)*, Palgrave Macmillan, Basingstoke, 2002.

¹⁷ D. Baker, "Islands of the Mind: New Labour's Defensive Engagement with the European Union," *The Political Quarterly*, vol. 76, no. 1, pp. 22–36, 2005.

UK's maritime trading history qualified it to teach other EU members about economic reform; its outward-looking geography would transform the EU from an inward-looking constitutional project; and its transatlantic geography made it a unique bridgehead for the EU in relations with the United States.¹⁸ This attempt to use Britain's geography as the basis for a separate status failed on all fronts, leading to policy inconsistencies and strained relationships. It also left the UK ill-placed for the challenge of political—as opposed to geographic—peripherality in the wake of the euro-crisis and the emergence of a eurozone core.

The Liberal Predicament: Freedom without Responsibility

Its political and geographical heritage thus poses an age-old dilemma for Britain: how to minimise its continental engagement without risking exposure to potentially hostile alliances or instability. After World War II, British Liberals believed that this dilemma could be solved by institutional means. Soft European institutions, such as the Council of Europe, were established with British involvement as a means of propagating its liberal democratic values.¹⁹ As for the far more important institutional structures of the European Community, which would address tensions in the geopolitical heart of Western Europe, these would not enjoy British participation but would be modelled along British lines. This was clear in the emphasis on the spirit of the rules, as these institutions would not only formally bind the six founding Member States, but develop their own internal life.

Like Europe's earlier Congress system, then, the European Community institutions were not supposed to embed the UK in continental affairs so much as liberate it once and for all. This set-up would create a system akin to the UK's own domestic melding of nations. It aimed to transform geographical and political properties in mainland Europe rather than to respect and balance them. And yet, within a decade of the formation of the European Community, Britain found itself drawn back into the heart of continental affairs. But this time, it had not fallen victim to the failure of a continental system, rather to its success. By 1961 the UK could certainly congratulate itself on the way the founding states were living together in close harmony, but it had to worry about their collective economic and regulatory power. If London continued to be left out, it would inevitably be exposed to European caucusing.

From a Liberal perspective, the UK's candidacy for membership of the European Community in 1961 was not a solution so much as a new spin on an old problem. If Britain wanted the EC's political structures to retain their vivacity, it would have to commit whole-heartedly to them. Otherwise, continental tensions would be pushed up to more aloof bodies such as the European Commission or the European Court of Justice, leading to an impersonal centralisation of power. But this commitment would naturally create a source of competition for Britain's own institutions.²⁰ Not that Liberals wanted to pickle the UK's domestic institutions in aspic—these needed reform. The problem was one of temperament, for the UK's institutions were built on a desire to exploit a favourable and fast-changing world, and the EU's on an inherent pessimism and a desire to bind members.

Faced with this dilemma, Liberals have remained more or less wed to their traditional thinking, using EU institutions where possible as a means to force domestic constitutional reform, but otherwise maintaining a certain distance so as to grab global opportunities. While a German-influenced EU continued trying to reduce uncertainty through common institutions, Britain has followed the opposite strategy. Formats such as the Franco-German tandem, in which the relationship itself is placed above individual interests, remain alien because of their inherent caution and pessimism about the nature of international relations.²¹ This commitment-phobia has left the UK increasingly dependent upon the EU's central institutions for conflict

¹⁸ M. Harvey, *Perspectives on the UK's Place in the World*, Europe Programme Paper 2011/01, Chatham House, 2011, www.chathamhouse.org/sites/files/chathamhouse/public/Research/Europe/1211pp_harvey.pdf; D. Leonard, "Blair failed in Europe, will Brown do better?," Foreign Policy Centre briefing, 2006, <http://fpc.org.uk/articles/371>.

¹⁹ "Tory 'head-bangers' have won on human right, says Nick Clegg," *BBC News*, 17 July 2014, www.bbc.com/news/uk-28339686.

²⁰ M. Marcussen *et al.*, "Constructing Europe? The Evolution of French, British and German Nation State Identities," *Journal of European Public Policy*, vol. 6, no. 4, pp. 614–633, 1999.

²¹ J. Smith, M. Tsatsa, *The New Bilateralism: The UK's Bilateral Relations within the EU*, Chatham House, London, 2002; S. Bulmer, R. Parkes, *Die Berlin-London-Verbindung: Erst Funkstille, jetzt Standleitung?*, SWP-Aktuell 2008/10, 2008, www.swp-berlin.org/fileadmin/contents/products/aktuell/2008A10_bul_pks_ks.pdf.

resolution.²² Britain's Conservative-Liberal government finds itself reliant on the EU court to resolve issues around financial regulation and banking where deficient relationship-building has isolated it.

UKIP's False Choice: Dressing Up "Little England" as "Great Britain"

The UK's three principal parties have thus struggled to update their thinking to new realities, triggering a growing nostalgia in Britain. But this is not a hankering for past imperial grandeur, usually seen as the root of Britain's failure to embrace the EU.²³ If the British are today nostalgic for a past era, it is actually for the 1950s, a time when it was being freed of its colonial obligations. Indeed, if there are parallels in the political choices facing Britain and an earlier age, they are offered by the mid-nineteenth century, the time when British politicians first seriously considered de-colonisation. Then, as now, Britain feels bound to a large and inefficient captive market—then the Empire, today the EU—at a time when the attraction of global markets is growing. Then as now it is considering reducing these ties and seeking new opportunities.²⁴

Today, as then, the established parties are offering few arguments in favour of deepening Britain's commitments to its existing partners. Indeed, the Cameron government is accused of behaving like the old colonial reformers of the nineteenth century. It treats its relations with the European Union as an inheritance it did not choose and, whilst it understands that the EU, like the Empire, cannot be sustained without a common fiscal or defence policy, it has no appetite to push for this deeper political and economic integration. Like the colonial reformers before them, the Cameronites' plan is rather to forge a coalition of states (today these are the Netherlands, Germany and Sweden; back then, they were Canada, New Zealand and Australia) that will join forces and press reform on less-disciplined members of the bloc.

Then as now, the main thrust of British policy is to decentralise and streamline the workings of a system made unworkable because it requires deeper integration. Then as now, only a handful of mainstream politicians are ready to push for strengthening British commitments and deepening integration. These liberal imperialists (a term that still features in Labour thinking²⁵) point to the threat to the existing global order posed by western economic decline (then the *pax britannica*, now the *pax americana*), and underline the challenges posed by seemingly attractive alternative trade partners such as Russia or China. But, like the original liberal imperialists, this group is trying to motivate a country tired of dealing with international upheavals and has squandered its authority to act (then thanks to the Opium Wars, today the Iraq war).

Then as now, it is a relatively wealthy section of society in England that has been identified as angriest about the failure to seek out new markets.²⁶ And then as now, a new political movement has emerged to cater to them. But, just like the radical free-trade movement led by Richard Cobden in the nineteenth century, Nigel Farage's UKIP faces an existential challenge. It will remain politically marginal unless it appeals successfully to broader sections of the electorate—to the poorer voters who also feel disadvantaged by Britain's EU policy, but this time because of the adverse effects of economic competition and integration. Clearly the resulting protectionism would conflict with a core strand of UKIP's political philosophy, the pursuit of globalism and free trade.²⁷ It is a challenge that sank Cobden's free-traders, seeing them written off as "Little Englanders." But although UKIP's new protectionist tone has already begun alienating early supporters,²⁸ it seems to be faring better over time.

²² R. Parkes, *Stuck in the Exit: The Dynamics of the British–EU Relations*, SIEPS European Policy Analysis, 2012, www.sieps.se/sites/default/files/2012_11/epa.pdf.

²³ Ch. Hood, "Public Administration: Lost an Empire Not Yet Found a Role," in: A. Leftwich (ed.), *New Developments in Political Science*, Edward Elgar, Aldershot, 1990, pp. 107–125; G. Wheatcroft, "Not-so-special Relationship," *Spectator*, 5 January 2013.

²⁴ On this earlier period: J.S. Galbraith, "Myths of the 'Little England' era," *The American Historical Review*, vol. 67, no. 1, pp. 34–48, 1961.

²⁵ R. Cooper, "The New Liberal Imperialism," *The Observer*, 7 April 2002.

²⁶ V. Bogdanor, "White, Blue-collar, Grey-haired Rebels," *Spectator*, 5 April 2014.

²⁷ UKIP, which ranks as a protectionist anti-immigration party, has actually based its opposition to "freedom of movement" in the EU partly on the way it forces Britain to discriminate against immigrants from outside the EU. As such, it is a pro-immigration party. N. Farage, "UKIP Is Not 'Anti-immigration,' It Is Anti-uncontrolled Immigration," *The Independent*, 8 April 2014.

²⁸ J. Delingpole, "Does UKIP Believe in Anything Anymore?," *Spectator online*, 7 June 2014, www.spectator.co.uk/columnists/james-delingpole/9225161/ukip-needs-an-ism-and-i-know-just-the-one; D. Carswell, "The Thinking Man's Kipper," *Economist blog*, 28 August 2014, www.economist.com/blogs/blighty/2014/08/douglass-carswell.

Perspectives

The Eurozone has developed into the core of European politics. But London has remained outside most instruments of closer cooperation—the Euro-Plus Pact, the fiscal pact, and common banking supervision. Consequently, the UK is now tied to continental Europe, but is losing its capacity to influence happenings there. It is a far cry from 2010, when the incoming government made an overt effort to break with the confident exceptionalism of the Labour years.²⁹ Far from lecturing the EU about its economic failings, as Gordon Brown had done, they sat meekly at meetings. And yet they could not quite shake off the notion of a special status. Their new beginning was based on a false logic, that the Eurozone countries had made a natural exception of non-Eurozone member Britain in giving the UK a special, looser status, which protected it from their integration.

As such, Britain must take its share of the blame for the return of history and of geography as major factors shaping European affairs—not least when it comes to Germany’s renewed dominance. Cameron’s conservative-liberal government, which originally welcomed Germany taking on a burdensome leadership role with regard to Eurozone reform, has gradually come to understand that its excessive focus on Berlin and its neglect of old relationships—not least with the large number of other non-Eurozone Member States—have set back Europe’s political and institutional development. With France at a low ebb and Germany nervous about its own predominance, there is no space for Britain to play them off against each other, let alone to mobilise non-Eurozone members such as Poland, since these are careful not to jeopardise their German connections.

This situation is propelling the UK towards the exit, an outcome that is hardly desirable. A vote *against* the EU rather than *for* a new system would only exacerbate Britain’s old problem of being bound to its neighbours but unable to influence matters of mutual consequence. Continental politicians are therefore hoping that this difficult phase can be suppressed somehow (perhaps by a false show of concessions to British voters on EU competencies; perhaps if UKIP splits the Conservative vote in 2015, and a more pragmatic Labour or Labour-Liberal Democrat government takes power). And yet, this is hardly a solution. The EU was supposed to put an end to geopolitical pre-determinism and introduce choice to questions of geography and history. European integration should not be used to trap Britain.

The question is rather whether the UK can forge an arrangement that suits both itself and its neighbours. At present this seems unlikely, not least thanks to the competition that UKIP poses to all the mainstream parties. Far from offering an alternative to the rather traditional thinking of Britain’s mainstream parties, UKIP is actively strengthening it. UKIP advocates mainstream goals (Britain as a decentralised polity or as an outward-looking trading state), and it takes Britain’s failure to realise these goals not as grounds to rethink them, but as evidence of the elite betrayal. Paradoxically, this also allows UKIP to appeal not only to its core electorate, but also those disadvantaged voters left behind by globalisation and welfare decentralisation—voters who view the UK as a genuinely decentralised, globalist polity and acutely experience the mainstream parties’ failure to make this work.

Even an event as disruptive as a Scottish independence yes-vote may not force a rethink. After all, the urge to go it alone is rooted very much south of the border, in a resurgent English nationalism. And yet, the re-emergence of this kind of separatism in the UK points to another, more hopeful eventuality. In a world in which authority is ebbing away from established post-war structures, a new set-up is emerging. This is rooted simultaneously in a hypermodern recognition of global economic opportunity, and in very traditional and local forms of political organisation. Britain is the country in Europe that most neatly represents these twin trends, seeking to create a heavily decentralised political system in a very global geography. In this global set-up, regional tensions of a kind dealt with by the EU are a growing feature, but they also feel like a distraction.

²⁹ N. Watt, “George Osborne Gives First Taste of Tories’ Constructive Approach to the EU,” *The Guardian*, 18 May 2010, www.theguardian.com/politics/wintour-and-watt/2010/may/18/george-osborne-tories-constructive-eu.