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An Investigation of the Complicated Relationship Between the United Kingdom and The European Union

Lauren F. Crissie

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NORTHERN ILLINOIS UNIVERSITY

**An Investigation of the Complicated Relationship
Between the United Kingdom and
The European Union**

A Thesis Submitted to the

University Honors Program

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Political Science

By

Lauren F. Crissie

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Capstone Approval Page

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An Investigation of the Complicated Relationship
Between the United Kingdom and
the European Union

Student Name: Lauren Crissie

Faculty Supervisor: Dr. Michael Clark

Faculty Approval Signature

A handwritten signature in black ink, appearing to read "M. Clark", written over a horizontal line.

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ABSTRACT:

The complicated relationship between the United Kingdom and the European Union is investigated. The United Kingdom has been criticized in their attempt to maintain parliamentary sovereignty through the process of Europeanization. This paper is organized in three sections that will demonstrate the relationship between the United Kingdom and the European Union over the past half century; the beginning of the paper illustrates a history of the United Kingdom and the European Union, the second section of the paper investigates the involvement of the United Kingdom as a European Union member state, and the last portion of the paper the UK government's present and future intentions in regards to the European Union.

INTRODUCTION

The relationship between the United Kingdom and the European Union has been developing since the late 1950s following the end of World War II, decades before the European Union was officially established. As a member state, the United Kingdom has been criticized in its attempt to maintain parliamentary sovereignty throughout the process of Europeanization. The relationship between the United Kingdom and the European Union is criticized not only by other member states, but by Eurosceptics within its own government as well. This paper is organized in three sections that will investigate the relationship between the United Kingdom and the European Union over the past half century; the beginning of the paper outlines a brief history of the United Kingdom and the European Union, the second section of the paper highlights the involvement of the United Kingdom as a European Union member state, and the last portion of the paper details the UK government's present and future intentions in regards to the European Union.

HISTORY OF THE UNITED KINGDOM AND THE EUROPEAN UNION

The European issue has always been a source of contention between and within political parties since the late 1950s with the growing realization that the UK's status as a global power was under threat since the end of World War II. Criticisms within both the left and right sides of the political spectrum began to form around the inviolability of parliamentary sovereignty. The entrance of the European issue in the 1960s arose again when the UK twice applied to join the European Economic Communities in 1961-63 and 1967, both nixed by French veto, in the midst of struggling economic growth (Hay et al.,

2007). The first UK applications to join the European Community were rejected by French President Charles de Gaulle due to the United Kingdom's defense of its Commonwealth and agricultural interest. In 1969, de Gaulle resigned his role as President and was replaced by Georges Pompidou. Unlike de Gaulle, Pompidou consented to the idea of the widening of the Community with the addition of the United Kingdom (as well as Denmark and Ireland). De Gaulle's consent came with the assurance that their admission was accompanied by conditions of benefit to France such as the coordination of foreign policy and financing of the Common Agricultural Policy (Pinder et al., 2007). The United Kingdom's entrance to the European Community introduced a new political cleavage of sovereignty versus independence within the state (Hay et al., 2007).

Though the UK joined the European Communities in 1973, the European issue has since persisted. The European issue ranges from the question of membership to the degree to which the UK should indulge in European political, legal and economic integration (2007). Membership to the European Community appeared quite attractive to UK political parties come 1963 with the Conservative government's application for membership and the Labour application in 1967, as the UK was keen to be involved in an economic community with such prosperity, and the UK was finally admitted in 1973 (Budge et al., 2007).

Though their admission to the Community in 1973 gave the United Kingdom an equal voice to France, Germany and Italy, the UK differed from the 'Big Three' countries in one substantial respect; the UK viewed the European Community as an economic initiative while most other members saw it as both economic and political, an issue of potential conflict. Substantial conflict was not apparent until the 1980s for two different

reasons. First, a period of inactivity followed the rapid expansion of the European Community in the 1960s which resulted in a UK deterrent to any non-economic initiative through the 1970s and early 1980s. The UK experienced reluctant support in the Falklands due to their use of national vetoes in the 1980s as well as the threat of vetoes over a series of European Community policies unrelated to their involvement in the Falkland region (Budge et al., 2007). According to Budge et al. (2007), “these events together established the image of the United Kingdom as a ‘bad European’ among the officials and politicians of the other member states” (p. 162).

Conformation of the European Community

From 1985 to 1992 the European Community evolved from an intergovernmental organization (an organization composed of sovereign states that can leave at their own will) to a supranational (an international organization where individual governments do not have absolute say in decision or policy making) state in an attempt to allow member states to compete successfully on the world stage via full integration. In order to combat the inability of national governments to defeat inflation came the proposal of a single market and a single currency, requiring a degree of political integration to ensure enforcement and to create European-wide institutions. The first step to transformation was the Single European Act of 1986. The Single European Act was designed to rightfully enforce the goal of the Treaty of Rome (1957) of a single market of goods, capital, and labor. In addition, the act stressed federal as opposed to inter-governmental decision making, meaning decision making within the EU will take precedence to that within member states. The Treaty introduced unanimity in the Council of Ministers for

major issues, and qualified majority voting for issues of implementation (QMV)¹. The Treaty was a statement of the need for greater political cooperation between member states (Budge et al., 2007). While the UK government remained enthusiastic regarding economic provisions, incentives for increased political integration were largely opposed. According to Budge et. al (2007), “achieving a genuine common market in goods and services had long been an objective of Conservative governments. It was the marriage of this objective to political integration that was unacceptable to many members of the party” (p. 164).

The Maastricht Treaty established the creation of the European Union on February 7, 1992. The Treaty created common citizenship for member states; the creation of a single currency by 1997 through the regulation of a European Central Bank; a strict ‘convergence criteria’ for joining the single currency wherein the government in question must be able to maintain low interest rates, have a stable exchange rate in relation to other European currencies, maintain inflation and have sound government finances; acceptance of a Social Protocol setting minimum working and social conditions (i.e. limiting working hours and a minimum wage) for EU citizens; the creation of a Cohesion Fund aimed to assist poorer member states towards the goal of adjusting to economic change; and furthering the areas of co-decision making between the European Parliament and the European Council (Budge et al., 2007).

Though Conservative leader John Major signed the Maastricht Treaty in 1992, he did so only under the agreement that the UK could opt-out of the single currency (an

¹ Qualified Majority Voting: “Gives each state a number of votes, based approximately on its size. To pass, legislation requires 255 out of 345 votes, with the support of a majority of member states representing at least 62% of the EU’s population[...] Voting by simple majority is rare and mainly limited to procedural matters.” (Pinder et al., 2007)

agreement currently still enforced). Major made this decision to please the minority of intense Eurosceptics that sat in the Conservative Parliament and feared that joining a single currency would threaten UK sovereignty. Eurosceptics represent a group of people in the UK's government and public who largely oppose further integration of the United Kingdom into the European Union. The debate that membership would best serve UK interests 'when the time is right' and inflation is down caused a significant division within the Conservative Party as it questioned UK sovereignty. Both Labour and Liberal Democrats supported the Treaty significantly through its Social Protocol, which required member states to give social rights to workers. Both Labour and Liberal Democrats supported its guarantee of a minimum age and limited working hours (Budge et al., 2007).

THE UNITED KINGDOM AS A MEMBER STATE

The United Kingdom: An 'Awkward' and 'Apathetic' Member?

The relationship between the United Kingdom and the European Union has been, and is, complicated. The relationship is not only criticized by other member states but within the United Kingdom's government as well. The allegation of whether or not the United Kingdom is an apathetic or awkward European Union member state will be investigated in this section through subsequent cases both for and against the assertion.

The "Opt-out" Issue

The United Kingdom has long been criticized for its excessive use of opt-outs of EU treaties. The ongoing argument asserts that persistent opt-outs from member states of the European Union creates a division of first-class and second-class member states.

Arguments between pro-Europeans and Eurosceptics concern the effect of opt-outs; pro-Europeans argue that opt-outs cause a loss of political influence when they are devoid of a vote, whereas Eurosceptic politicians assert some opt-outs are necessary to protect UK sovereignty (i.e. the United Kingdom's opt-out on the euro) (Adler-Nissen, 2009).

An opt-out is a legal agreement that a member state does not have to participate in the adoption of EU legislation and policies of a treaty as indicated by the opt-out. Though a member state cannot adopt legislation if an opt-out applies, not all protocols are clear cut exemptions. Pre-defined opt-outs cover a specific area and are applied as soon as the treaty is enforced, whereas case-by-case exemptions (also known as opt-in protocols) allow states to select from various EU proposals allowing flexibility for the member state. This is not entirely common, for example, the Schengen Agreement created a borderless area which operates much like a single state with border controls within the Schengen Area for travelers coming to and from the area. Led by the Conservatives and other Eurosceptics, the UK chose not to participate in border control in order to insure the survival of the United Kingdom's nation. The UK opposed the border-free zone until 1997 when it became EU law. However, UK participation in Schengen was not on the table and the UK received an opt-in only in the areas of 'freedom, security and justice' (Adler-Nissen, 2009).

Critics of opt-outs say the United Kingdom is experiencing a substantial loss of influence due to their opt-outs. This is a legitimate argument, especially considering the overall purpose of an opt-out is to avoid further integration (Adler-Nissen, 2009). As highlighted by Adler-Nissen (2009), a state cannot have both autonomy and influence, so when it chooses to opt-out of legislation influence is lost while autonomy is gained. An

opt-out equals the loss of formal voting rights. Without voting rights a member state cannot participate in coalitions, which is a consequence of their loss of influence. In sum, the integration dilemma assumption states that member states with significant opt-outs have chosen higher autonomy at the expense of lower influence. Further, this belief asserts influence is linked to the ability to be perceived as a 'good European' country and core member, making the UK a half-hearted member state that is reluctant and preoccupied with national sovereignty. According to Adler-Nissen, the abundance of UK opt-outs in the last two decades has contributed to its image as an awkward and apathetic partner, whereas Denmark, a member state similarly criticized, is perceived as a 'hesitant' member state; Denmark's national role perception is oriented towards the 'heart of Europe', whereas the United Kingdom's role perception is oriented towards itself (Adler-Nissen, 2009).

However, it is not always clear whether or not a measure is covered by an opt-out. Just because states have lost the right to vote over a measure, this does not mean they are excluded from negotiations and they may still assert influence on new legislation. The UK specifically will step back slightly from Schengen debates on border control but will still try to acquire influence through strong arguments and relationships with European allies, according to its Home Office. The UK government sees the opportunity to opt-in to freedom, security and justice as permissible, as it believes they deserve influence regardless of their level of formal participation and whether or not it is considered appropriate (Adler-Nissen, 2009).

Furthermore, though some members may lose the ability to vote the Council still embraces a general search for consensus, especially in international negotiations.

Regardless of the formal rules for decision making, the United Kingdom can assert influence such as blocking and changing new legislation if the Council believes it is in the best interest of Europe. As of 2009, national opt-outs were circumvented in the pragmatic Justice of Home Affairs Council in order to allow integration to continue with consensus. Because of this, opt-out countries such as the UK and Denmark overcome protocols and the dilemma between influence and autonomy (Adler-Nissen, 2009).

Disagreements to and Challenges of United Kingdom EU Membership

The UK Public

As previously mentioned, Eurosceptics represent members of the UK government and public who largely oppose further integration of the United Kingdom into the European Union. The government must be mindful of the opinions of its people, as their democratic responsibility requires them to represent the beliefs of the public majority. Consistently, the United Kingdom's public shows more distrust towards EU institutions and negative attitudes towards membership than other member states. This is in large part due to the geographic separation between the United Kingdom and Continental Europe. The United Kingdom is an island separate from mainland EU member states, separating them from a true European identity. Further, history plays a role setting the United Kingdom apart from the rest of Europe. For example, World War II has been cited as one of the United Kingdom's 'finest hours', which is a sharp disconnect from the harsh experiences of Continental Europe during the War. According to a 2010 Economist poll, only about 30% of Britons see the EU as a good thing, and about 20% trust EU institutions, whereas nearly 60% of Germans see the UK as a good thing and nearly 50% trust EU institutions ("Not playing their games", 2010). Further, media representation of

the European Union in the United Kingdom is generally negative. Because the public is easily persuaded by media, the result has been a public that has been made “maximally aware to the drawbacks of Europeanization but few of the benefits, such that any government that moves towards greater integration risks being seen as undermining [UK] democracy” (Schmidt, 2006, p. 29).

The Common Agricultural Policy

The Common Agricultural Policy (CAP) accounts for about half of the EU's budget spending, and directly supports farmers and rural development. In the early years of the CAP, farmers' incomes were boosted by high prices paid by the consumer, in combination with taxes paid by members of the European Community to finance surpluses provoked by high prices. New tensions arose when the UK became a member of the CAP. Because the United Kingdom had a model of free trade, prices were much lower. UK CAP membership caused a rise in prices for food, low receipts from the budget due to the small size of the UK's agricultural sector, and high levels of UK contribution to the budget due to import levies on foodstuffs. In 1979 when Margaret Thatcher took office, she set out to 'get the UK's money back' from the CAP budget. Matters came to a head in 1984 when an accumulation of stocks cost so much that the European Community required a unanimous decision on behalf of its member states to raise the ceiling for its revenue from taxation. A deal was made to raise the ceiling for tax resources within the Community and the UK was given an annual rebate of about two-thirds of its net contribution (Pinder et al., 2007).

Former UK Prime Minister Tony Blair ultimately decided to cut the UK's European Union rebate on the CAP. Blair deemed the CAP rebate detrimental to the

reputation of the United Kingdom within the European Union as no other state was receiving a rebate on the matter. Blair gave up significant chunks to the rebate in return for a vague promise for reform of the CAP, which has yet to happen. Mr. Blair's decision to alter the rebate cost the United Kingdom £9.4 billion pounds over a six year period beginning in 2007 until 2013, an issue that did not resonate well with voters. Current Prime Minister David Cameron does not want to see the end of the rebate. In October 2010, Cameron saw off a potential six percent rise in the EU's budget for 2011 (Hennessey, 2010). The issue surrounding the rebate and the Common Agricultural Policy is likely to cause friction in the future between the United Kingdom and other EU member states.

The Single Currency Debate

When John Major signed the Maastricht Treaty in 1992, he evaded the issue of whether or not the United Kingdom would join the single-currency by negotiating an opt-out along with Denmark. The decision to opt-out followed the UK's original decision to enter the Exchange Rate Mechanism (ERM) in 1991 (Hay et al., 2007). The ERM was established in 1979 and required central banks to intervene in currency markets to maintain fluctuations of their respective mutual exchange rates. By the end of the 1980s the ERM had accomplished strong monetary stability. The United Kingdom was an outsider from the beginning. The UK joined at too high of an exchange rate without having experienced the past twelve years of cooperation. In September of 1992, currency crisis forced the pound sterling out of the ERM on what became known as Black Wednesday. However, other member states experienced the opposite effect of the UK. Most countries experienced the benefits of stable exchange rates, both politically and

economically, and favored the idea of the single currency. France in particular strongly supported the single currency, seeing it as a way to challenge the hegemonic American dollar and the desire to share control of a European central bank. Most other member states, aside from the UK and Denmark, supported both political and economic arguments (Pinder et al., 2007).

After Black Wednesday, monetary integration (joining the single currency) has been a tough subject for most UK politicians (2007). In October 1997, Gordon Brown New Labour Chancellor of the Exchequer, postponed controversy of whether or not to adopt the euro by proposing five economic tests that must be met in order for a decision to be made (Budge et al., 2007). "These were:

1. sustainable convergence between the United Kingdom and the economies already using the euro
2. sufficient flexibility to cope with economic change
3. positive effect on investment
4. impact on UK financial services
5. impact on employment" (Budge et al., 2007, p. 190).

Notably, the UK tests stress economic considerations questioning whether or not the UK economy will integrate well with the economies of Continental Europe, rather than solely financial considerations. However, the tests are vague. This implies the UKss tests are a front for decisions that must be taken on political grounds. For example, during a time of globally booming economies (or recessions, likewise), the economies of Continental Europe and the UK would show convergence. At other times, this may not be so. Because of this, it all depends on when the campaign to join the euro is initiated. Test two poses

the question of what flexibility actually means. If the test were legitimately applied to northern industrial and southern financial service economies within the UK they would probably show a lack of flexibility and non-convergence in the north. Additional issues may then arise, according to Budge et al., as to whether or not the United Kingdom should be split up politically as a result. Because these tests act as a front, they raise the question of how far does the United Kingdom wish to integrate with the EU? It is possible that the United Kingdom's current rate of European integration may deprive its long-term influence within the wider Europe (Budge et al., 2007).

Social Security and European Citizenship

One of the original aims of the European Union and its member states was the free movement of labor and workers within the EU. This goal is implemented alongside a free market in goods, capital and services. The idea of a single market would be undermined if citizens could not sell their skills and labor in other EU member states. In order to ensure the success of a free market, some form of legal mechanism is required to prevent discrimination by employers towards workers from other member states. Further, it is imperative for migrant workers not to be prevented from selling their labor by a national government solely for the purpose of protecting their own workforces. It is possible that this issue would not be as vital had the EU not recently expanded its borders to include eight Central and Eastern European countries formerly under Soviet control between 2004 and 2007 (A10 nations). A large amount of unemployed workers (possibly up to 700,000 from Poland alone), both skilled and unskilled, are now seeking better employment in the more established EU states, regardless of the states' potential

discontent with this movement due to their already struggling economic growth (Larkin, 2009).

Within the United Kingdom, there is a level of inconsistency between national legislative restrictions on migrant workers (A10 workers; specifically referring to migrants from the Czech Republic, Estonia, Hungary, Latvia, Poland, Slovakia, Slovenia, Romania and Bulgaria) and work-seekers. The amount of access government policy gives A10 workers to the full range of income-based social security benefits via the UK labor market remains unclear. Per the European Union, A10 workers are intended to have eligibility for income-based unemployment benefits. However, the EU permitted longer-established EU Member States the ability to restrict A10 workers access to their labor market for up to seven years via the Treaty of Accession. The United Kingdom in particular refused this Treaty due to their economic need of a supply of cheap laborers. Despite the rewards of this provision, A10 workers coming into the UK labor market have experienced an inability to claim continued benefits unless they have had uninterrupted employment for one year. For example, *Abdirahaman v. Secretary of State for Work and Pensions* involves Swedish and Norwegian nationals who were lawfully resident in the UK but economically inactive. The nationals tried to claim income-based social security benefits in the UK but were denied by Courts. This issue poses the question of how much access migrant workers have to the UK labor market and may be viewed as a divergence from the intended accessibility to free movement within the single market. This case caused additional friction as it revealed that by definition, the “right to reside” (explained below) is much easier satisfied by UK nationals, making it discriminatory. Despite discrimination by the definition, the “right to reside” was

justified as necessary to prevent the abuse of the United Kingdom's social security system (Larkin, 2009).

Unlike in many other EU member states, in 2004, the then Immigration Minister Keith Vaz promised the United Kingdom he would not restrict their labor market from Eastern European work seekers. So long as migrants were seeking work instead of seeking benefits, the UK would embrace their labor in areas that UK citizens could not accept employment themselves, as it would enrich both economies (the UK and the respective A10 nations). This reveals that all migrants from newly admitted nations should gain access as soon as possible. However, the idea that migrants may only gain full European social citizenship rights by active participation in the UK labor market is contradictory to the original intentions of EU policy. According to records and signifying a backlash, a large influx of Eastern European workers entered the UK workforce, which has been useful in filling skill deficiencies in a wide variety of occupations (from office jobs to trades) within the UK economy (Larkin, 2009).

Though the UK has adopted a liberal policy in allowing A10 workers access to their labor market, the availability of social security benefits are income-based and severely restricted during the early stages of their residency. In defense of the UK, many central reforms were already in place prior to the A10 nations joining the European Union. Regardless, this does not change whether or not UK law conflicts with respective EU law and European legislation. In the UK, A10 workers must fulfill two criteria in order to receive out-of-work income-based benefits: the Social Security (Habitual Residence) Amendment Regulations of 2004 (SI 2004/1232) stipulates a migrant worker cannot receive said benefits until they have fulfilled one year of authorized and

uninterrupted employment (“right to reside”). The second requirement is the “habitual residence” requirement, where claimants must do everything to establish residence, and many factors are taken into account. Additionally, it may be possible for an A10 worker to fulfill the first requirement without being considered habitually resident. It must also be noted that while workers are employed they are entitled to in-work social advantages, such as tax credits, giving the UK a bargaining advantage in the argument that their adoption of partial revocations contained in the Treaty of Accession in relation to social security rights are more than compensated for by social benefits through participation in the labor market (Larkin, 2009).

Recently UK social security law has become even more difficult for A10 workers to seek an advanced claim before they have fulfilled their “right to reside”. Essentially, via section 13 of the Social Security (Claims and Payments) Regulations 1987 and the Social Security, Housing Benefit and Council Tax (Miscellaneous Amendments) Regulations 2007, persons from abroad are restricted from making advanced claims. The new regulations conclude that even if an A10 migrant has fulfilled all residency requirements he or she will have to fulfill the mandatory waiting period should they need any income-based benefits covered by the regulation. This waiting period will likely cause substantial hardship to already struggling migrants while they are out of employment. Ultimately, the UK policy on social security and European citizenship significantly challenges the fundamental freedoms of the European Community. This also demonstrates the difficulties the European Union will undoubtedly face when creating a policy to be agreed upon by all member states concerning income-based social security benefits due to national public policies (Larkin, 2009).

The Schengen Protocol

The United Kingdom is exempt from the Schengen protocol, an agreement between EU states which ended border checkpoints and controls between those countries and created a borderless area which operates much like a single state within the Schengen Area. Some states, such as the United Kingdom, remain outside Schengen (Hay et al., 2007). The Schengen protocol restricts the UK's ability to opt-in to whatever policy it wants, as the UK has only received the opt-in to 'freedom, security and justice', thus limiting its ability to maneuver. Under Article 4 of the Schengen Protocol, the United Kingdom may only opt-in to certain areas of the Schengen Acquis per the unanimous agreement of all Schengen states (Adler-Nissen, 2009).

In April 2000, the UK joined the part of the Acquis pertaining to police and judicial cooperation, but remained outside of the majority of the Schengen core, including the significant common border policy. Though UK officials use the opt-in possibility to participate on most policies, they remain insistent that they will not participate in national border control. According to Adler-Nissen, Schengen Commissioners argue the UK is pushing limits in Schengen by participating constructively yet still not willing to surrender their national border control. Skeptics argue the UK should either be in or out of Schengen completely. Ultimately, perceptions aside, the Schengen opt-out policy does not create exclusion for the United Kingdom as they actively participate in EU legislation even in areas covered by Justice and Home Affairs opt-outs. It depends how opt-out protocol is designed, as seen through a very favorable opt-in possibility for asylum and immigration policies, whereas the UK faces significant legal obstacles for active

participation and influence in Schengen without participating in its core cooperation of common border policy (Adler-Nissen, 2009).

Opt-in Possibility

As of 2009, the UK has opted into all asylum measures and most civil law measures and measures concerning illegal migration, visas and border controls. The formal Schengen Protocol does not explain the full meaning of the opt-in possibility. Because of this, the UK has opted-in to discussions on the adoption of legislation in areas where its participation is not required. This is surprising considering the protocol allows other Member States to adopt measures without the UK (see the broken line in Figure 1).

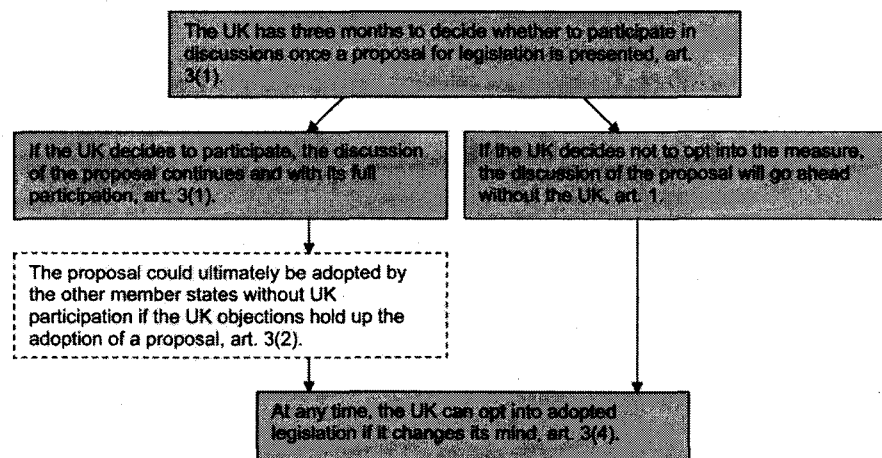


Figure 1, The UK opt-in possibility (Adler-Nissen, 2009)

Alternatively, the UK is granted an informal veto in any legislation it opts-in to from the start, as well as an informal right to veto it at the end (Adler-Nissen, 2009).

United Kingdom Challenges to Adapting to the European Union: More than Other Members?

United Kingdom Reservations with the European Union

The United Kingdom in particular has difficulties regarding the European Union's challenge to traditional democratic ideals, such as a lack of control in the hands of the UK's people due to the absolutism of EU laws, and the lack of discourse available to legitimize the changes it proposes. Due to the issues, the UK generally opposes the impact and loss of sovereignty it would face as the EU impacts domestic governing practices. However, the EU has disrupted long-standing national politics and patterns of policy-making. The United Kingdom is not only concerned with losing executive autonomy like France, but parliamentary autonomy as well. Historically, the United Kingdom has had a centralized monarchy ever since the Magna Carta which has found its executive power tempered by the evolving legislative power of Parliament. Sovereignty was constituted between the executive and the legislature as vested in the duality of the 'Crown in Parliament', unlike in France, where sovereignty was associated solely with the executive, which means any increase in EU power is seen as a threat to not only executive but also parliamentary autonomy and sovereignty. Ultimately, EU legislation in this regard can be seen by the UK as a threat to its historically established rights. In comparison, French political rights are justified by reference to the universal rights of man as acknowledged at the time of the French revolution. Therein, while European integration in the UK is perceived as a threat, in France it is perceived as an enhancement of their universally established rights (Schmidt, 2006).

Substantial Challenges to the United Kingdom's Conformation to EU Policies

In comparison to federalized states, unitary states such as the United Kingdom and France are affected more substantially by changes in governing practices due to EU membership. United Kingdom governing activity has traditionally rested more in a single

authority via unitary states, majoritarian politics and central government control on policy-making. The EU practices more easily conform with those of Germany, which has a compound, federalized state with proportional representation electoral laws, much like its own operation. These differences bring difficulties for the UK in how they adapt their institutions, preferences, policies and policy implementation to the EU. Unitary states risk loss of executive autonomy due to the diffusion of decision-making upwards in the EU, sideways to core independent judicial authorities and downwards to more autonomous regional authorities. The loss of autonomy has been less substantial to federal states such as Germany, given that their executive has always shared authority and power with other units of government. In contrast, the UK's Parliament has lost influence and power to EU institutions (Schmidt, 2006).

The European Union has disrupted policy-making, policy formulation, and policy implementation in the UK. This has been troublesome to both the administrative discretion policy-making in France and the self-regulation policy-making in the United Kingdom. However, in policy formation the UK has much less to learn than the French with respect to exerting influence at the EU level. The UK already possessed this savvy having honed their lobbying skills in parliament and bureaucracies, whereas the learning curve for French interest groups hoping to exert influence at the EU level required approaching policy-makers early rather than relying on political arbitration late in the process. In policy implementation, the EU's codification of rules goes against the UK's tradition of self-regulation and informal agreements has given rise to complaints of increasing rigidity in the public sphere with the spread of statutory rules (Schmidt, 2006). For example: Schmidt (2006) argues "when Margaret Thatcher[...] declared: 'We have

not successfully rolled back the frontiers of the state in [the United Kingdom] only to see them re-imposed at a European level', she was not just voicing her objections to EU initiatives on social policy and the single currency. She was also indicating more generally held [UK] concerns about any Brussels-generated rules that would result in a reduction in the space left open to the private sphere" (p. 23).

Majoritarian electoral systems typically provide a stronger government with little need to negotiate and find consensus. In contrast, the EU-related compromises are quite ambiguous and likely to cause problems for UK politicians and electorates. The EU challenges the UK political structure which expects the government to impose its electoral program without compromise. The challenge within the EU arises as its governing practices involve policy-making without elected government or partisan political positions. Instead, politics typically occur out of national interest through the Council, organized interests through the Commission or public interests through the European Parliament. The issue this creates at the national level is political accountability without full responsibility over EU mandated policies, and as is often the case in the UK, no political commitment to them. National politics takes the heat for EU decisions because national citizens lack a system where 'scoundrels' at the EU level can be thrown out (Schmidt, 2006).

Social and Domestic Policy Making

The United Kingdom struggles to keep control over domestic policy while remaining within the evolution of European integration and the EU governance that drives it (Armstrong, 2006). Schmidt argues that one of the areas most affected by European integration in the United Kingdom is social policy which endures extensive

transformation. However, due to the UK opt-out of the Maastricht Treaty's "Social Chapter", areas of UK social policy remained unaffected by EU governance until Tony Blair and New Labour. Blair chose to opt-in to the "Social Chapter" which required a massive transformation in many areas due to inconsistencies of UK policies with EU policy content (Schmidt, 2006). Blair paid significant attention to the neediest members of the public. Blair's government accepted the European minimum wage in an effort to direct money towards those in need. In addition, much to the credit of Gordon Brown, the New Labour government made health services more efficient and better funded, all in an effort to improve the quality of life for those at the bottom (Budge et al., 2007). Transformations made by the UK government on social policy maintained a reasonably good compliance record. In contrast, France often had a better fit with EU mandated policies but a worse compliance record than the United Kingdom, while Italy was worse in both the former and the latter, both perhaps due to governance practices of federal versus unitary states, as previously mentioned (Schmidt, 2006).

Social exclusion is the process by which individuals or entire groups of peoples are excluded from opportunities and rights (such as housing and employment) and has become a popular source of debate in UK social policy. Social exclusion can often be seen as controversial because it is multidimensional and dynamic, making it open to definition in various ways. The European Union believes social exclusion is a European problem, requiring a European policy response (Armstrong, 2006). The European Council adopted an article to combat social exclusion in the European Community. Article 137(2) EC aims to tackle social exclusion through an open method of coordination, in line with the Lisbon Treaty. Open methods of coordination intend to

promote action and stimulate reflection on behalf of member states' policies to combat social exclusion (Armstrong, 2006). Social inclusion is a process which ensures those at risk of social exclusion and poverty gain access to necessary opportunities and resources (Hay et al., 2007). The European Union plan to facilitate social inclusion is outlined below:

- “1. Facilitate participation in employment and access by all to resources, rights, goods, and services.
2. Prevent the risk of exclusion.
3. Help the most vulnerable.
4. Mobilize all relevant bodies” (Armstrong, 2006, p. 82).

Unlike many other EU policies and governance relating to economic and employment processes, the social inclusion process is entirely voluntary and weakly institutionalized (although the commitment is endorsed at the highest level – the European Council). In accordance with the efforts of the European Union, advancements made by New Labour at the time were also designed to draw the attention of domestic policy makers towards the people who were at greatest risk of social exclusion and poverty. The policies and strategies of the Labour government to combat social exclusion, according to Armstrong, exhibit a transformation of the relationships between central government civil servants and a group of social nongovernmental organizations in the preparation of the National Action Plan on inclusion. This adaption is a rare example of the UK government's attempts to Europeanize its social policy on a voluntary basis (Armstrong, 2006).

Are Challenges to the UK More Substantial than Other European States?

Each member state is responsible for implementation of EU laws within its own system. Should a state not comply, the first stage of the non convergence procedure as set forth by the Commission is the infringement proceeding, wherein the member state has the opportunity to conform voluntarily to the EU law in question ("Infringements of EU law", 2009). The United Kingdom has a much better record of compliance with EU policies in comparison to Germany, Italy and France regarding infringement proceedings between 1998 and 2004 (see figure 2 on the next page).

Figure 2: The European Court of Justice Judgements 1998-2004

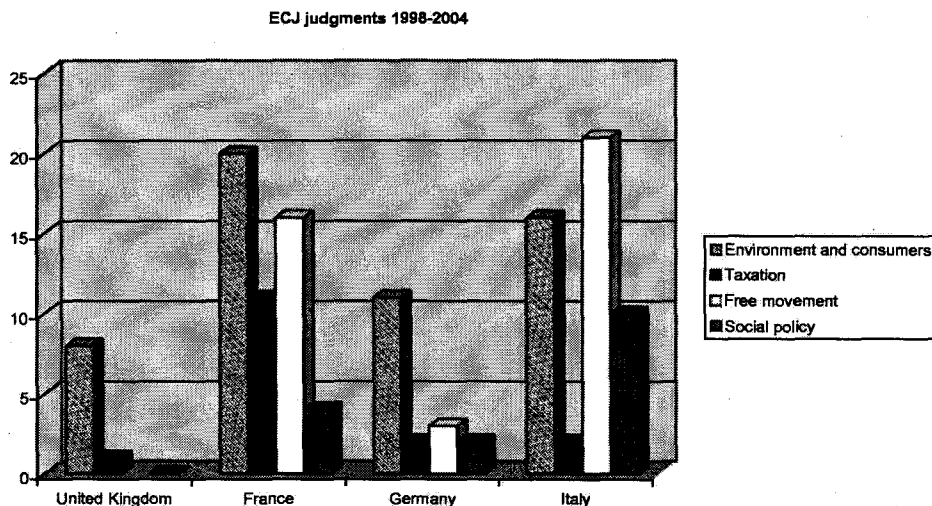


Figure 2, European Court of Justice Judgments 1998-2004 (Schmidt, 2006, p. 17)

For example, the table clearly shows Italy has diverged from the European Court of Justice rulings in regard to the free movement of labor. Just over 20% of the Court's rulings in this area were against Italy, whereas the United Kingdom shows no discrepancies. Most notably, the United Kingdom has managed to adapt their national policies to EU regulations in a large range of areas without having to change most of their policies as significantly as France, Italy and Germany. This is much to the credit of the United Kingdom reforming ahead of the EU in the economic arena, as they had already

transformed economic governance rules in response to the growing pressures of globalization. The UK privatization of state-owned firms in the 1980s came at a faster pace and much earlier than any other European state at the time. The deregulation that came with this privatization (i.e. telecommunications, gas and railways) anticipated many of the same initiatives that the European Community would later set forth. As a result, instead of having to transform economic policies as other member-states have, the United Kingdom has simply absorbed EU-related policies without having to make major changes to its own policies (Schmidt, 2006).

The UK absorbed EU policy in the deregulation of telecommunications in the 1990s, as it had already deregulated and privatized in 1984. In contrast, Germany, Italy and France all had to transform their communication sectors in response to EU policy. Though both Germany and France had engaged in some internal reform in this arena, it was not until the European Commission pushed deregulation of the market that they fully complied, and Italy finally began deregulation. Much like telecommunication, the United Kingdom was also little affected by the deregulation of electricity as it had already begun the process in 1990. France and Germany had largely resisted transformation in the sector throughout the 1980s and early 1990s, but were forced to conform to the Commission in response to the electricity liberalization directive of December 1996 (Schmidt, 2006).

UK Cooperation with the EU – A Positive Influence

Despite the significant challenges the United Kingdom faces in cooperating with the European Union, it is largely a cooperative and positive member state. UK officials have been very active since the early 1990s in developing a European asylum policy parallel to the EU's Asylum and Immigration Appeals Act (1993). The government

participates fully in all discussions concerning operational work of the European Border Agency on an ad hoc basis. In line with their self-interests in the areas of border control and immigration, the United Kingdom both tries to influence and imitate EU measures on immigration and asylum cooperation. Additionally, UK officials support Union-wide European efforts to combat transnational crime and terrorism in coherence with the intergovernmental pillar of the EU. The UK government and officials have been actively pressing hard for mutual recognition in criminal and civil judgments, and has accepted QMV for police matters and crime during negotiations (Adler-Nissen, 2009).

UK efforts within the European Union are not used only to strategically further their national interests. UK officials often participate in arguments even in areas they choose not to opt-in, but still attempt to be a part of the debate and get influence using allies and good arguments. The United Kingdom, as with the rest of EU member states, wants what is best not only for their own state but also for Europe as a whole, and believe their participation in the Justice and Home Affairs is necessary to gain full perspective. Though the Justice and Home Affairs and other member states may find opt-outs problematic in principle, the ambitious approach the UK provides especially in the arenas of asylum, immigration and civil law in combination with participation in areas where they have not opted-in means the UK should be regarded as a constructive and influential player in the EU. Consensus-oriented norms enable inclusion; the UK is not a 'bad European' by any means (Adler-Nissen, 2009).

THE UNITED KINGDOM AND THE EUROPEAN UNION: PRESENT AND FUTURE

Modern UK Intentions for the European Union

The Conservative Party Manifesto, 2010 and the Coalition Government

The Conservative government believes the United Kingdom should play an important role in the European Union, but no further areas of legislation should be transferred to the EU without a referendum. This approach aims to strike a balance between playing a positive role in the European Union and maintaining the most important issue, protecting national sovereignty. The government ensures the following:

- There will be no further transfer of areas of power or sovereignty over the course of the Parliament. In addition, the Conservatives have introduced a United Kingdom Sovereignty clause to make it evident that ultimate authority remains within Parliament
- The Conservatives will continue to ensure Europe is equipped to face major issues of the twenty-first century such as global warming, competitiveness, and poverty
- The Conservatives defend the UK's national interests in the EU budget negotiations and to put focus only on the areas where the EU can add value
- The Conservatives press for the European Parliament to have only one seat, in Brussels
- Any further enlargement of the EU is supported should the candidates meet all strict accession criteria (Mabbutt, 2010).

For the first time as Prime Minister, David Cameron has stated that he is indeed a Eurosceptic. Mr. Cameron made the explicit statement against further Europeanization in 2010 at an EU summit at its EU headquarter of Brussels, Belgium. At the same time, Cameron expressed his view that the EU does not spend its money appropriately and must be restricted from becoming a superstate. Mr. Cameron made these statements following criticisms by Conservative MPs that he is not taking a hard line on his approach to Europe, as well as his refusal to hold a referendum on the Lisbon Treaty and his choice to accept a £430 million rise in UK payments to the EU within the next year. In response to these criticisms, Mr. Cameron explained that he is skeptical about granting more powers to the EU as well as how the money in the EU is spent, and that the EU should be member states working together rather than one superstate. The European issue continues to be a sensitive subject for Mr. Cameron's coalition government, as his Liberal Democrat counterparts avowedly pro-European (Kirkup, 2010).

Potential issues within the current coalition government regarding the Europe issue could arise due to the fact that the Liberal Democrats want more European integration and the Conservatives favor taking back more powers from Europe. Though the two parties do clash in this arena, they have been able to reach a common position on the issue. The Liberal Democrats have agreed with the Tories on two issues: more power and sovereignty should not be transferred to the EU, and the United Kingdom will not join the euro in the foreseeable future (Charlemagne, 2010). However, although the coalition government claims to have reached a common approach to Europe, the presence of their conflicting core views on the issue means it cannot be assumed there will not be conflict over Europeanization in the future.

The EU Bill

The Conservative party has introduced a Bill in order to amend the 1972 European Communities Act which legalized the United Kingdom's membership in the EU (2010). The Bill is made in an effort to rebuild trust and reconnect its people to EU decisions. The Bill ensures any European legislation that removes power or any area of policy from the UK to the EU, the government will require a national referendum assuring the consent of the people of the UK before power is transferred. The Bill also includes a clause that states every power that a sovereign Parliament has the ability to do, also has the power to undo. Finally, under the new Bill the UK will allow the 18 UK MEPs gained under the Lisbon Treaty to take their seats during the current European parliamentary term, while also gaining an additional MEP in accordance with the procedure outlined by the Bill and based on a recommendation from the Electoral Commission ("The EU Bill", 2011).

The EU Bill will give Parliament more say over important EU decisions by requiring the government to pass primary legislation before it can give a full agreement to the use of certain parts of existing Treaties, known as ratchet clauses. The Bill stresses that Parliament is sovereign, and EU law will only take effect with the will of Parliament ("EU Bill Factsheet", 2011). This legislation will ensure both Parliament and the people of the United Kingdom will have their say on the transfer of power from the UK to the EU, as led by the preparation of the Foreign Commonwealth Office ("Britain's relationship with the European Union, 2011). The United Kingdom's government remains committed to playing an active and positive role in the European Union. The government and Bill continue to strive for an open external market, and support the

negotiation of new Free Trade Agreements. The UK continues to express support for the expansion of the single market, including the energy market, in order to promote growth. The United Kingdom maintains its allegiance to work through the European Union to achieve international objectives ("EU Bill Factsheet", 2011).

CONCLUSION

This paper has provided an outline of the complicated relationship between the United Kingdom and the European Union since the late 1950s. The relationship first began following World War II as the United Kingdom's place as a great world power declined and the economic incentives of the European Economic Communities (to later become the European Communities and ultimately the European Union) appealed to an economically struggling United Kingdom. Since 1973 the issue of Europeanization has manifested itself in UK politics. The UK's relationship with the European Union has been criticized by members within and outside their own government, especially relating to the excessive use of opt-outs in areas such as the single currency, social security and European citizenship and the Schengen protocol. However, the UK in particular has reservations regarding the loss of parliamentary sovereignty to EU laws, especially as it has had to undergo significant transformation in the realm of social policy. Despite significant challenges the UK faces in cooperating with the EU, the UK aims to be a cooperative and positive member state. Currently, the UK's Conservative Party Manifesto (2010) highlights its desire to play an important role in the EU while protecting its parliamentary sovereignty. The relationship between the UK and the

European Union evolves with different policies by each sitting government and will continue to do so.

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