

Brexit: Prehistory and Reasons

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Bargaining is a repulsive habit;
compromise is one of the highest human virtues.
The difference between the two being that the first is
practised on the Continent,
the latter in Great Britain.

George Mikes, *How to Be a Brit*, 1946

IN MARCH 2017, the European Union was given notice for the first time that one of the integrational association's member countries was leaving: Great Britain. The United Kingdom, which had joined the then-European Economic Community in 1973, almost immediately held a special place in it. Relations between Britain and the European Union were not equable and depended largely on the vicissitudes of the inter- and intraparty politics that determined government policy. Today's speculation on "Russia's interference" in the referendum on Britain's membership in the European Union, now being heard especially around the British Isles, ought not to delude us: Before anything else, the harsh battle over the "European Question" literally tore apart the Conservative Party, which is not known for its sympathies with Russia.

"Euro scepticism" Began with Churchill

BRITAIN'S official attitude toward European integration can perhaps be dated to Winston Churchill's September 1946 speech in Zürich.¹ It was then that he proposed creating a sort of United States of Europe – a regional European union based on an alliance between France and Germany, in order to put an end to European wars and solve "the German Question." It is noteworthy that in Churchill's plan, neither Britain, nor

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Question.” It is noteworthy that in Churchill’s plan, neither Britain, nor the British Commonwealth of Nations, nor the United States, nor the Soviet Union would join the union. Rather, they would become “friends and sponsors of New Europe.” The Council of Europe, in whose shaping Britain played a leading role, was created in 1949. Supporting the plans for a European defense organization, Britain also joined NATO in 1949.

The United Kingdom was interested in strengthening European security, but in economic relations counted on world trade and the Commonwealth. Upon the creation of the European Coal and Steel Community in 1951, the first step toward economic integration, Britain thus did not want to entrust governorship over its own steelmaking and coal industries to a supranational entity. In 1957, however, the ECSC grew into the European Economic Community (EEC). In 1960, as a counterweight, Britain created the European Free Trade Association (EFTA) for European countries that either could not or did not want to join the Common Market, as membership in EFTA did not require concessions on matters of national sovereignty. The British believed the United Kingdom should be with Europe but not in it, assuming that participation in the EEC would compel the country to change its “Imperial preferences” – a preferential tariff system in its trade with the Commonwealth (which at the time accounted for nearly half of Britain’s foreign trade turnover).

In the 1960s, however, following the breakup of Britain’s colonial empire and its withdrawal from areas “to the east of Suez,” London realized the country could find itself on the periphery of the world economy, and even in political isolation in Europe. In the competition between EFTA and the EEC, the latter came out ahead: Britain was unable to create a counterweight to the EEC as an integrated group of nations. For Britain, membership in the EEC (and later the EU) was more a forced measure, due to the lack of alternatives. In 1973, the United Kingdom left EFTA to join the Common Market; it became a member of Euroatom and the ECSC as well. The European vector thus became more important to Britain than relations with its overseas territories. Despite not having participated in Eurointegration at its initial stage, Great Britain still managed to secure a firm position in the already existing structure but became an “uncomfortable partner” for its members in upholding its own national interests.² The problems began as soon as it started to apply.

The United Kingdom tried to join EEC twice in the 1960s, but French President Charles de Gaulle, fearing that Britain would play the role of a U.S. Trojan horse in Europe, vetoed both applications. (Only after he

retired was Britain admitted to the EEC.) The two Anglo-Saxon countries did indeed continue to be bound by their common history, language, and traditions.

Relations between the United States and Britain during the Second World War were deemed “special” due to close ties in the areas of defense and intelligence and remain “intimate” today – far closer than

those between London and its continental neighbors. In the EU, the position of Britain – which wants to be the United States’ most reliable ally – is thus often complicated by its support for U.S. interests (as, e.g., during the Iraq war, which France and Germany were against).³ At the same time, Germany is now advancing toward the role of the United States’ main partner in the EU (even more so considering Brexit), although U.S. relations with the EU have been complicated by Donald Trump being elected president.

However, conflicts of interest were characteristic not only of interstate relations within the EU (France-Germany-Britain), or between London and Brussels. In the United Kingdom itself, disagreements over the “European Question” never ended.

The Domestic Political Battle over the “European Question”: The Interests of the British Establishment and Public Opinion

FROM 1973 to the present, there has been no consensus in Britain with regard to European integration. The government policies have depended on which party is in power, the predominance of its Eurosceptics or Euro-optimists at any given time, and the influence of interest groups and the mass media. The position with respect to the country’s place and role in European integration cost some political and government figures their careers, while parties lost power.

The British Labour Party was thus skeptical of European integration, and in 1962 came out against joining the EEC, viewing it as an association of monopolies against the working class in which the principle of the free market reigned, preventing state planning.⁴ In 1967, however, the Labour government of Harold Wilson applied for membership in the EEC (de Gaulle vetoed it a second time), even though the rancor between the

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left and right wings of the party had yet to die down. It grew worse on the eve of Britain's accession to the EEC (in 1971, a majority of the Labour faction voted in Parliament against the country's membership in the EEC) and after it joined in 1973 (under a Conservative government).

Heading a Labour government once again, Wilson, ceding to the Eurosceptics in his own party and throughout the country, held a referendum in 1975 on the country remaining in the EEC. Around 70% of those who voted supported Britain's membership in the EEC, since they associated European integration more with the possibility of lowering unemployment and slowing the rise in prices than with the loss of sovereignty. At the beginning of the 1980s, when the Labour Party turned sharply to the left, its leadership called for the country to leave the EEC.⁵ Meanwhile, the part of the party's right wing that held a pro-European position left it and subsequently joined the Liberal Party. This led to the creation of the Liberal Democrats Party, which has unequivocally and consistently supported stepping up Eurointegration.

Toward the end of the 1980s, the Labour party under the leadership of Neil Kinnock, and especially Tony Blair, shifted to the center of the political spectrum and generally began to favor deepening European integration. The European Social Charter rejected earlier by a Conservative government was ratified under a Labour government. In addition, Blair believed Britain could become a bridge between the United States and the EU, was an active proponent of expanding the EU to the east, and called for bringing the country into the Euro zone. Gordon Brown, the finance minister in Blair's cabinet, was against doing away with the national currency and switching to the euro. Brown proposed five economic conditions for Britain joining the Eurozone, which in the end kept the Prime Minister from holding a reform on switching to the euro. Once he had replaced Blair in the post, Brown, fearing the mood of Euroscepticism in the country, did not hold a referendum on the Treaty of Lisbon amending the European Constitution, which had been rejected in referendums in France and the Netherlands in 2005. The British Parliament ratified the Treaty in 2008. From that time on, up to the 2016 referendum on British membership in the EU, disagreement over the "European Question" was quelled in the Labour Party, which had gone over to the opposition.

There had always been strong Eurosceptics in the Conservative Party, with the same political figures switching their positions time and again, depending on the circumstances of domestic and foreign politics. In the 1975 referendum, future prime minister Margaret Thatcher was in favor of

the country joining the EU. Her opinion changed, however, she as head of government insisted that part of the British contribution to the EU budget be given back to London in the form of a rebate since it was mainly French farmers who benefited from subsidies under the EU's Common Agricultural Policy. Thatcher regretted signing the Single European Act in 1986, since it envisioned not only the creation of a single EU market but political cooperation among EU members starting in 1992. In her famous 1988 speech in Bruges,⁶ she spoke out against a "super-state" with centralization of power in Brussels, upholding her earlier idea of "sovereign states enjoying the prosperity of open trade." She would later oppose introducing a single EU currency.

The battle between Eurosceptics and Euro-optimists inside the Conservative Party has grown hotter ever since.⁷ It was presaged, however, by the voluntary resignation of political heavyweight Minister Michael Hazeltine. In his 1990 book, he spoke of the EU as both an economic and a political union. This was followed by the Ridley Affair, Nicholas Ridley being Thatcher's Minister of Trade and Industry in 1990. At the time, the media and public harshly criticized his opinion that the plans for a single EU financial policy were "a German racket designed to take over the whole of Europe," and if London were to renounce sovereignty in favor of Brussels, it might as well "give it up to Hitler."

Thatcher was forced to accept her fellow Eurosceptic's resignation. This was followed by the resignation of Geoffrey Howe, deputy prime minister and leader of the House of Commons, who believed (in solidarity with former prime minister Harold MacMillan) that Britain should become an integral part of the European community. The resignation of Thatcher herself triggered the far from last feud inside the party over the "European Question." Shortly before she resigned, Thatcher, under pressure from Euro-optimists John Major and Douglas Hurd, enrolled Britain in the European Exchange Rate Mechanism (ERM). Major became party leader and prime minister, since Eurosceptics were in the minority. In September 1992, however, came "Black Wednesday," with a sharp drop in the exchange rate of the pound sterling, and Major, Thatcher's successor, withdrew the country from the ERM.

At the same time, the logic of integration then dictated a course of cooperation not only in the area of the economy but in social policy, international relations and security, the justice system, and domestic affairs as well (the Maastricht Treaty entered into force in 1993, marking the start of today's European Union). Having lost the parliamentary elections of

1997 to the Labour Party headed by Tony Blair, the Conservatives fell into a prolonged crisis and split into factions over attitudes toward European integration. With Tory leaders coming and going every few years (William Hague, 1997-2001; Iain Duncan Smith, 2001-2003; Michael Howard, 2003-2005), the Conservatives were unable to overcome their discord over the EU. In addition, the Eurosceptics in the party began to gather strength once again. Only after suffering their third defeat in a row at Westminster did the Tories elect a younger politician, the “moderate Eurosceptic” David Cameron, as their leader. The conflict within the party died down over time, once it had returned to power. At the European Parliament in 2009, Cameron withdrew his party from the center-right European People’s Party, creating the European Conservatives and Reformists faction, the members of which favor decentralization of the EU and the super-state.

In the 2010 elections, the Conservatives failed to win a majority in Parliament and were forced into a coalition with the pro-European Party of Liberal Democrats. The coalition agreement thus called for mutual concessions that left supporters of both parties dissatisfied. Cameron refused to hold a referendum on the Treaty of Lisbon (as he had planned to do while in the opposition), evoking the ire of Eurosceptics. He nevertheless pushed through the so-called “referendum lock.” Now any act of Parliament to transfer additional powers to the supranational level had to be approved in a referendum. The Liberal Democrats in turn could not implement their idea of Britain transitioning to the euro.

The intra- and interparty battle naturally reflected the conflicts not only in the British establishment but the mood of the public as well, and of different segments of the electorate. Public opinion in Britain with regard to the EU was quite volatile: the share of both proponents and opponents swung above and below the 50% mark. Over the next several years, around 30% of the public consisted of hard-core supporters of EU membership; around 20% of it did not. The British displayed a sense of Euroscepticism no more strongly than the citizens of other EU countries. Their attitude toward the EU changed in proportion to the state of the economy in the Union after the first wave of its expansion (2004); then in regard to immigrants from the “newcomer” countries (East Europe); and in 2015–2016, with respect to the migration crisis (the uncontrollable flow of refugees from the Near East and North Africa into the countries of the EU).⁸ At the same time, it cannot be said that ordinary Britons make a sharp distinction between immigrants from third countries and

those arriving from the EU. What they call the “migration crisis” did not affect Britain directly, since it is not in the Schengen Zone. The flow of migrants from the countries of the Near East and North Africa that swept through the continental EU bypassed the British Isles (Britain concluded an agreement with France on border controls at Calais – on the territory of France, where so-called “jungles” (camps of migrants trying to cross the English Channel through its rail tunnel) sprang up). Not being bound by the Schengen Agreement, Britain was not obliged to take in refugees according to the quotas established in Brussels. The British, seeing the situation on the continent, nevertheless imagined they would be the next country to be flooded with them, raising the level of Euroscepticism even higher.

With respect to those arriving from the EU (“mobile citizens of the EU,” according to Brussels’ terminology), even official British sources (e.g., the Office for National Statistics) refer to them as “immigrants from the EU countries.” The phenomenon of the “Polish plumber” – someone from a different way of life and political culture who was willing to be paid less than people born and raised in Britain – entered the public consciousness.

This phenomenon was created by the British authorities themselves. The government favored the admission of new members into the EU, since it believed integration spreading farther would slow its spreading deeper. The logic was that Brussels would have to postpone stepping up integration in the social and political spheres until the “newcomers” reached the level of “old-timers.” Britain actively promoted the admission not only of the countries of Central and East Europe but of Turkey as well.

These expectations backfired, however, since the flow of immigrants (“mobile citizens of the EU”) into Britain evoked the displeasure of the islanders. Blair opened the country’s doors to Poles the year Poland joined the EU (2004), having waived the seven-year transitional period for them. The number of Poles living in Britain is now 900,000 – the second largest diaspora after Indians (of whom there are 1 million). Among those born abroad, Poles have become the second most numerous group after émigrés from India (a former British colony). According to data from the latest census (2011), Polish is now becoming the second main language in the country after English in England and Welsh in Wales.⁹ Overall, 1.3 million people from the countries of New Europe now live in Britain.

The Logic of Integration Begets Conflict

EUROPSCEPTICISM arose due to more fundamental reasons – the very logic of integration, which inevitably required a close union of EU member countries, while Britain demanded exceptions for itself.¹⁰

The mood of Euroscepticism grew both in the British establishment and among large groups of the population as a result of the Treaty of Lisbon (which Eurosceptics viewed as a step toward federalism) entering into force, the financial crisis of 2008–2009, and the deteriorating economic situation in the countries of the Eurozone. Measures in the form of strengthening the EU's Economic and Financial Union, proposed jointly by France and Germany, were seen in London as a threat to create a single Eurozone economic authority. In 2012, Britain vetoed the EU's European Budgetary Pact (which called for greater integration in the tax sphere and strict limits on national budget deficits throughout the Eurozone and in certain countries beyond it), remaining outside the EU Banking Union (so as not to hand control of British banks over to Brussels). It also did not support introducing the post of Europrosecutor or raising the EU's multi-year budget for 2013–2020 above the level of inflation, along with other EU plans. Great Britain, not wishing to participate in a financial union or deal with the debt problems of the Eurozone countries, intended to go on enjoying free access to the single European market: "Put bluntly, access to the single market is the main (and sufficient) condition for London."¹¹

The emergence of a "two-speed Europe," i.e., one with different levels of integration became increasingly obvious: an economic nucleus of Eurozone countries and the ten remaining EU members, out of which Britain failed to create a bloc.

For Britain, the negative aspects of EU membership were objectively reduced to its negative balance of trade with the EU; the unfair distribution of income from the common European budget; the unprofitable common agricultural and fishery policies; the excessive regulation of business; the inflexible employment policy; and the centralized monetary policy and ineffective fiscal policy. Meanwhile, the common trade policy and Customs Union distorted the structure of British trade and held back the development of Britain's trade relations with other countries of the world.¹²

"Capital localized in Britain loses to competition in the common market, and the country loses financial resources as a result of a trade deficit.

This leads to a desire to resort to state aid to ease the blows from competitors through tariff and nontariff restrictions, i.e., by rejecting the principles on which the EU is built. Brexit is the first swallow, and others may follow.”¹³

The Anatomy of Brexit

BRITAIN’S political class – the governing elite – is not monolithic, and different interest groups were unable to reach agreement on the country’s degree of participation in Eurointegration. From this came the idea of holding a referendum – returning to direct democracy, as in 1975, to cut the Gordian knot. The system of checks and balances built up over the centuries to moderate the positions of different parties, and the representative system of government embodied in the model of what was referred to earlier as Anglo-Saxon democracy, were cast aside. David Cameron was forced to resort to means of direct democracy by taking the matter of Britain’s relations with the EU out of the Party’s back rooms and submitting it to a referendum.

In January 2013, under pressure from a tightly-knit, resolute group of around 100 Tory backbenchers,¹⁴ Cameron promised to hold a referendum. The Prime Minister did his best to placate Eurosceptics in his own party to keep it from being split in the runup to the elections of 2015. Members of the Conservative Party elite consistently and forcefully spoke out in favor of the country’s parliamentary sovereignty versus the “dictate of supranational Brussels” – well, divided parties do not win elections.

Cameron’s second task was to prevent Tory voters from switching to Nigel Farage’s United Kingdom Independence Party (UKIP), which had unequivocally called for Britain to leave the EU and was gathering votes. It had registered the population’s dissatisfaction with the level of immigration and from the beginning spoke out in favor of the supremacy of the national parliament. Hence its name: The United Kingdom Independence Party.

Note that the UKIP has consistently gained political weight in elections with proportional representation (in the 2014 elections to the European Parliament, it did better than either the Tory or the Labour candidates). The majoritarian election system did not, however, allow it to enter the national parliament. This is quite common, since so-called tactical voting is widespread under a majoritarian system. We may therefore

assume that the UKIP's influence was much greater than its share of votes in the elections. (In the elections of 2015, it won 12% of the national vote but only one seat in Parliament.)

It is thought that Cameron did not expect he would have to keep his promise. This was because a referendum could not be held so long as the government was of a coalition nature (i.e., not until the elections of May 2015), as it contained the pro-Europe Liberal Democrat Party. Long before the elections, the results from all public opinion surveys indicated that no party would win a majority. It therefore followed that the new government would also be a coalition (with or without the Conservatives), freeing Cameron of the need to keep his promise.

However, real life overturned all predictions and surveys: The Conservative Party scored a resounding victory in the elections, formed a single-party government, and Cameron, having won the battle, had to keep his word. It was thus the Prime Minister himself who hurt the country's strategic interests while trying to resolve partisan political issues. (And he believed Britain should remain in the EU.) The premier of a one-party government fell hostage to his own maneuvers to solve a tactical problem as the field for them grew ever smaller. In the end, he faced a "war" – a solution more difficult and monumental for the country. He lost it: In the referendum of June 23, 2016, the opponents of Britain's membership in the EU prevailed by a slim margin.¹⁵ Cameron resigned and Theresa May took his place, saying "Brexit means Brexit."

The fractious political elite thus divided all of the United Kingdom: The harsh battle between the supporters and opponents of Britain's membership in the EU flared up with new force, engulfing even ordinary Britons. What kind of Brexit will there be? "Hard"? "Soft"? Or will it come down to "Brino" – a Brexit in name only?

NOTES

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¹⁰ Babynina L.O. *Gibkaya integratsiya v Evropeiskom soyuze. Teoriya i praktika prime-neniya*. Moscow. URSS. 2012.

¹¹ *Dilemmy Britanii: poisk putei razvitiya*. Ed. A.A. Gromyko, E.V. Ananieva. Moscow. Ves' mir, 2014, p. 319.

¹² Kuznetsov A.V. "Brekzit: istoricheskii rakurs." *Ekonomicheskiye aspekty Brekzita. Doklady Instituta Evropy*. No. 345. Moscow, Institute of Europe, Russian Academy of Sciences, 2017, pp. 28-30.

¹³ Bazhan A.I. "Konkurentsya kak prichina Brekzita." *Ekonomicheskiye aspekty Brekzita. Doklady Instituta Evropy*. No. 345. pp. 51-71. In 2015, Britain's trade deficit in overall intraregional exports and imports was €118.2 billion.

¹⁴ D'Arcy M. "Brexit: How rebel MPs outfoxed Cameron to get an EU referendum" // <http://www.bbc.com/news/uk-politics-parliaments-38402140>

¹⁵ For information on the preparations for and results of the referendum on Britain's membership in the EU, see: Ananieva E.V. "Brekzit: golosovali serdtsem." *Mezhdunarodaya zhizn'*. 2016. No. 7, pp. 47-61; Ananieva E.V. and Kanevsky P.S. "Brekzit-1 i Brekzit-2: Britaniya i SShA menyayut paradigmu?" *Doklady Instituta Evropy*. No. 334. Moscow, Institute of Europe, Russian Academy of Sciences, 2017; Ananieva E.V. "Tori: vnutripartiinaya bor'ba vokrug referendumu i ee posledstviya. Konservativnaya partiya posle Brekzita." *Referendum o chlenstve Britanii v Evrosoyuze: khod, itogi i posledstviya. Doklady Instituta Evropy*. No. 330. Moscow. Institute of Europe, Russian Academy of Sciences, 2016. Pt. I, pp. 44-49.

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