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Roderick Parkes\*

## Stuck in the Exit: the Dynamics of British-EU Relations

### Abstract

EU analysts treat the UK as an exception, a country destined always to be the outsider due to immutable constitutional and policy incompatibilities. This is unhelpful, adding little to the debate about the roots of the UK's relationship with the Union let alone providing insights into the emergence of other outsiders within the bloc. It is more instructive to view UK policy within the context of the broader tug-of-war between all 27 member governments. Thus viewed from the perspective of the EU's 'group dynamics', Britain is not the inevitable outsider. Its current predicament is the result of its failed attempt to pull the group in its direction, and the way it formulates its constitutional and policy positions is a function of this failure. This perspective helps explain why the UK is currently stuck in the EU exit, and possibly also which side it will come out on.

### An unfortunate sideshow

The UK has emerged as a slightly grotesque European sideshow. With the whole world scrutinising the European Union in the wake of its sovereign-debt crisis, the United Kingdom has chosen this moment for an inward-looking debate about competencies and a possible exit. With markets reacting at a moment's notice to any sign of uncertainty from the EU-27, the UK's loud euroscepticism is ill timed and could even be self-fulfilling. It has only confirmed the impression on the mainland continent that the country is unfit for EU membership. In the run-up to the critical October 2011 summit on the Euro-crisis, other

member states were bemused, for instance, to find British MPs blithely debating a British exit from the EU. MPs' excuse - that they were meekly responding to popular calls for a debate on EU membership expressed under a new e-petitions mechanism - failed to convince<sup>1</sup>, not least because such moves seem out of step even with British voters' priorities.<sup>2</sup>

Of course, when posed the question whether they would be in favour of an immediate referendum, nearly half of British voters reply in the affirmative.<sup>3</sup> Roughly the same proportion would vote in favour of EU-exit if given the

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\* Roderick Parkes heads the EU programme at the Polish Institute for International Affairs (PISM). Prior to that, he worked as a researcher at the German Institute of International and Security Affairs (SWP) in Berlin before establishing and running its Brussels office. Parkes completed an M.Phil at Cambridge and his Doctorate at Bonn University. He writes the Super Commuter blog for EUobserver.

<sup>1</sup> There was scepticism as to just how closely the sponsors of the debate were sticking to the procedures: N.N., "MPs Confusion over e-petitions", *On Procedure and Politics* (online only), 25<sup>th</sup> October 2011, <http://thoughtundermined.com/2011/10/25/mp-confusion-over-e-petitions/>; see also: Matthew d'Ancona, "EU referendum: Cameron is determined to face down his backbenchers", *Telegraph*, 22<sup>nd</sup> October 2011.

<sup>2</sup> Alistair Newton, "Britain and the EU: An 'Issues which keep me awake at night' special report", Nomura Global Markets Research, 8<sup>th</sup> August 2012, p.4-5.

<sup>3</sup> N.N., "Eight in ten voters want referendum on Europe, poll finds", *Telegraph*, 11<sup>th</sup> June 2012.

choice.<sup>4</sup> But as the country enters a double-dip recession, the exit-option offers few solutions to voters' pressing economic fears.<sup>5</sup> For all the concern about French-inspired EU interference in Britain's financial regulation, and the perceived benefits of regaining discretion over local VAT rates or working-time legislation<sup>6</sup>, the draining options of exiting the EU or clawing back competencies from Europe are little more than a diversion. Evidence over the years has shown that, although British voters can certainly get exercised about EU issues, they privilege cohesive government action over wrangling over European issues.<sup>7</sup>

And this helps explain the debate: opposition politicians are keen to use the EU issue to split the government.<sup>8</sup> Britain's coalition government is dominated by the Conservatives, who over the past 40 years have steadily abandoned their support for the EU in favour of an increasingly ideological scepticism.<sup>9</sup> But the Conservatives rely for their majority upon a minority Liberal Democrat presence, which has used its support for European integration as an important marker in a coalition arrangement that has seen it abandon virtually all aspects of its usual programme. There are clear fissures, and the prospect of seeing the government fall due to splits over Europe has persuaded some in the Labour Party to pressure the Conservatives into calling a referendum.<sup>10</sup> The pro-European former EU Trade Commissioner and Labour minister, Peter Mandelson, has begun innocently making the case for a referendum, and the Shadow Finance Minister Ed Balls has echoed these calls. For all their claims about being motivated simply by a desire to rebuild popular support for continued EU-membership, both rank as arch party-political tacticians.

So far, the Conservatives have not been bounced into committing to a referendum. The coalition has instead launched a review of the EU's competencies under the guidance of the Foreign Minister, William Hague, in order to identify those areas where a repatriation of powers might be sensible.<sup>11</sup> This effort to depoliticise the issue will, however, be increasingly tricky ahead of the next British general election in May 2015. A referendum on Scottish independence expected in 2013 or 2014 will raise questions about the UK's position in the EU, as well as potentially providing a blueprint for successful one-sided exit negotiations.<sup>12</sup> The rise of the eurosceptic UK Independence Party - equal second with Labour in the last European Parliament elections and increasingly threatening to the Conservatives in domestic elections<sup>13</sup> - give the Conservatives a strong incentive to adopt a more overtly sceptic position.<sup>14</sup> Add to this the fact that the UK will be asked to make up its mind in 2014 whether it wishes to maintain its existing EU home-affairs commitments or to opt-out en masse from these sensitive policies<sup>15</sup>, and the scene is set for a further polarisation.

In short, the most moderate scenario for the future is that the Conservative party will go into the 2015 election seeking a mandate for renegotiating the UK's membership of the EU on the basis of the Foreign Minister's audit.<sup>16</sup> This really is considered a moderate option in Britain, where a pick-and-mix, instrumental attitude towards EU cooperation prevails, and the problems associated with a renegotiation of competencies is not appreciated. Many parliamentarians, indeed, believe that the UK can use the right to opt-out en masse from its home-affairs

<sup>4</sup> N.N., "EU referendum poll shows 49% would vote for UK withdrawal", *Guardian*, 24<sup>th</sup> October 2011.

<sup>5</sup> N.N., "William Hague: 'Powerful case for EU referendum'", BBC news online, 1<sup>st</sup> July 2012, <http://www.bbc.co.uk/news/uk-politics-18663389>.

<sup>6</sup> N.N., "It can't hurt to ask", *Spectator*, 6<sup>th</sup> November 2010.

<sup>7</sup> See, for example, Francoise Boucek's extensive work on factionalism in dominant parties.

<sup>8</sup> For a full analysis of the current party situation: David Rennie (2012) *The Continent or the Open Sea: does Britain have a European Future?*, Centre for European Reform: London, pp.13-30.

<sup>9</sup> For nuanced analysis: Anthony Forster (2002) *Euroscepticism in Contemporary British Politics*, Routledge: London.

<sup>10</sup> See Rennie, *Continent or the Sea?*.

<sup>11</sup> Foreign and Commonwealth Office, "Review of the balance of competencies", <http://www.fco.gov.uk/en/global-issues/european-union/balance-of-competences-review/>.

<sup>12</sup> Timothy Garton Ash, "Just like Scotland, Britain needs its referendum too", *Guardian* (online only), 1<sup>st</sup> February 2012, <http://www.guardian.co.uk/commentisfree/2012/feb/01/scotland-britain-europe-cameron-fear>.

<sup>13</sup> Jason Groves, "Did UKIP cost Tories ten seats by fielding candidates in constituencies the Conservatives were set to win?", *Daily Mail*, 7<sup>th</sup> May 2010.

<sup>14</sup> Alistair Newton, "Britain and the EU: An 'Issues which keep me awake at night' special report", Nomura Global Markets Research, 8<sup>th</sup> August 2012.

<sup>15</sup> Rennie, *Continent or the Sea*, p.49. Roderick Parkes, 2010, *European Migration Policy from Amsterdam to Lisbon: The End of the Responsibility Decade?*, Nomos: Baden Baden.

<sup>16</sup> Alistair Newton, "Britain and the EU: An 'issues which keep me awake at night' special report", Nomura Global Markets Research, 8<sup>th</sup> August 2012.

commitments and then demand from its partners to opt back in to those it likes.<sup>17</sup> The more drastic scenario is that Labour and the Conservatives will bounce one another into offering a referendum on membership ahead of the elections. The Liberals, who have in the past supported a referendum on the pro-European grounds that it is winnable, would likely follow suit. A “no” from the electorate would not necessarily trigger complete withdrawal, but it would certainly banish the UK to an outer tier of cooperation.

### Why bother with Britain?

British politicians and commentators thus give every appearance of living in a bubble, one in which voters’ choice to exit the European Union would somehow cushion the country from the negative effects of its neighbours’ economic policies, rather than merely cutting down their scope to influence to them. Should the British government really seek to exploit the Euro-crisis in order to negotiate a repatriation of competencies from the EU<sup>18</sup>, it will quickly find the bloc unresponsive despite, or precisely because of its current weakness and fragmentation. And should the British actually test Article 50, the exit clause created under 2009’s Lisbon Treaty, they may well discover that it contains plenty of scope to punish the exiter and to prevent withdrawal becoming an attractive option for other disgruntled members.<sup>19</sup> It is, in short, impossible to escape the suspicion that the debate on the island is inherently narcissistic, dominated by people for whom the oddities of the British constitution are permanently charming and fascinating<sup>20</sup>, and where knowledge of the country’s intense links with its continental neighbours is largely irrelevant.

The very act of producing an analysis on British European policy thus risks feeding that sense of parochialism. After all, there is nothing especially captivating about British politics for mainland continentals, beyond fleeting interest in how it has come to produce this strange brand of peripheral autism. The close appreciation of

the UK’s political and constitutional oddities, which is presumably necessary to understand its current actions, makes it hard to draw parallels to the EU’s other emergent outsiders.<sup>21</sup> It is all too easy, indeed, to see the UK as an outsider amongst outsiders. In the south east of the EU, for instance, outsiders such as Bulgaria and Romania are marked by their failures of governance and refusal to implement their EU obligations. Compare this with London’s penchant for over-implementation – ‘gold-plating’ – in its EU obligations: in domestic legislation, Whitehall has a tendency to clarify at length any faults or open questions it finds in EU norms.<sup>22</sup> Meanwhile, other member states that are not party to the single currency, such as Poland or Sweden, do not share the aggressive and ideological drive of the British political class to be outside the core of cooperation.

A close focus on the UK’s domestic debate thus has the effect of making the Euro-crisis a mere intervening variable in a more exciting domestic drama, one spawned by the very particular problem of the poor standing of the British prime minister within his party. In this reading, the slow collapse of the Euro is just one of many political factors picked up on by his rivals in order to weaken the prime minister. After all, David Cameron came to power after his party, formerly an electoral machine which eschewed ideologies and whose prime aim seemed to be to retain power rather than alter it<sup>23</sup>, had lost two successive elections. Rather like the Labour Party before it, it therefore chose as its leader a candidate who promised to bring electoral success rather than one which fed its increasingly strong ideological positions. Unlike Tony Blair, however, Cameron failed to bring unalloyed electoral success, forcing the Conservatives to rely upon the Liberal Democrats for their majority. This in turn undermined his capacity to put a stop to the ideologising that had kept his party from power, in sharp contrast to Blair who buried the prospect of nationalising Britain’s industries and services (Clause IV of Labour’s party constitution).<sup>24</sup>

<sup>17</sup> N.N., “MPs urge Cameron to opt out of EU laws on policing”, *Telegraph*, 5<sup>th</sup> February 2012.

<sup>18</sup> James Kirkup, “David Cameron ‘must seize the opportunity of eurozone crisis’”, *Telegraph*, 6<sup>th</sup> June 2012.

<sup>19</sup> Sara Berglund (2006) “Prison or voluntary cooperation? The possibility of withdrawal from the European Union” in: *Scandinavian Political Studies* 29, 2, pp. 147–167; Hannes Hofmann “Should I Stay or Should I Go?”—a critical analysis of the right to withdraw from the EU” in: *European Law Journal* 16, 5, pp. 589–603

<sup>20</sup> Rennie, *Continent or the Sea*, p.16.

<sup>21</sup> For early analysis of the issue, see the special issue of *Journal of European Integration*, (2005) 27,1.

<sup>22</sup> David Stephen, “Regulation by Brussels? The myths and the challenges”, European movement policy paper, 2004, pp.10–11.

<sup>23</sup> For a nuanced analysis of their success in doing so: Timothy Heppell, “The ideological composition of the Parliamentary Conservative Party 1992–97”, in: *The British Journal of Politics & International Relations* (2002) 4, 2, pp. 299–324.

<sup>24</sup> Newton, “Britain and the EU”, p.5.

Despite the weakness of his position, and the fact that his MPs have been looking for opportunities to reassert themselves following a series of parliamentary scandals, Cameron adopted much the same disregard for parliamentarians as characterised Blair's government.<sup>25</sup> And yet, he is fundamentally constrained in his capacity to deliver his party the right-wing, ideological policies which they now believe necessary to win the next general election outright, not least due to his perceived failure to deal with the economic and political constraints posed by the EU. It is only logical, therefore, that EU membership should have emerged as such a divisive issue for the Conservatives. By placing in question the country's EU membership, Conservative MPs can reassert themselves vis-à-vis a prime minister who is internally unpopular whilst appealing to their core membership, trumping the Liberal Democrats and flexing their muscles at interference from a supranational body which has challenged the notion of parliamentary sovereignty (i.e., that parliament is the highest legislative body, that no parliament can bind its successors).

That is not, of course, to say that the proponents of such analyses ignore the political and economic implications arising for the UK from the EU's current difficulties. The possible creation of a single bank supervisor for the eurozone which could gain powers to restructure and wind down banks EU-wide; the question whether the advocates of a European financial transaction tax will seek to introduce it EU-wide; the prospects of the European Central Bank bringing in further measures that discriminate against non-eurozone banks trading in Euros<sup>26</sup>; the discussion launched by Herman Van Rompuy about separate representation for non-eurozone states in the European Parliament as well as on the viability of separate budgetary arrangements which could leave the UK grouped together with Euro-guzzling member states such as Poland – or indeed the likelihood of continued uncertainty, turbulence and even break-up in the single currency – are acknowledged as major developments of course, but appear only as aggravating factors in an essentially domestic tableau.

### The superior outsider: the UK in the EU's group dynamic

Such a perspective risks cementing the notion that the UK is somehow immutably apart from, or at least exceptional in, the EU – not to mention the impression that the euro-crisis is something that has happened *to* the UK rather than *with* or even partly *because of* it. Yet, the UK is part of the same political community as the euro-members. Its EU engagement or non-engagement, central or peripheral status, arise only in relation to other members. This calls for a more holistic conceptualisation of its position. The concept of 'group dynamics', with its focus on how members of a mutually dependent group rub along together, is useful in explaining the emergence of outsider status. Its proponents have shown how groups such as local communities display replicable patterns of dominance, competition and cooperation.<sup>27</sup> Even in a community of states like the EU, which is by nature more diffuse than other forms of human community, the forces of communal living obtain. These relations inform states' definition of their preferences and the way they regiment their domestic politics, thus meaning that their preferences and politics do not definitively mould their relationship.<sup>28</sup>

The work done on group dynamics by Norbert Elias and John Scotson is particularly useful in explaining why the UK has had such trouble integrating itself into the EU, and highlights the fact that its status within the EU group is not inevitable or indeed unilaterally defined. It shows that a peripheral, outlier status, like the UK's, does not arise from immutable differences of policy or constitution. Rather it is a result of the tug of war between all members, with each seeking to maximise its influence over the others in return for the minimum loss of autonomy. The two sociologists elaborated a theory to explain the fraught relations between the 'established' core group and 'outsiders' within communities. The original object of their enquiry was a small town near Leicester in England – 'Winston Parva' – where the settled group rejected newcomers, despite the fact that these newcomers were almost identical to them in cultural, ethnic and wage

<sup>25</sup> Alistair Newton, "Britain and the EU: An 'Issues which keep me awake at night' special report", in: Nomura Global Markets Research, 8<sup>th</sup> August 2012; James Forsyth, "Parliament's Power Surge", *Spectator*, 4<sup>th</sup> February 2012.

<sup>26</sup> Newton, "Britain and the EU".

<sup>27</sup> See Richard M. Emerson, "Power-dependence relations", in: *American Sociological Review*, 27, 1, 1962, pp. 31-41.

<sup>28</sup> Roderick Parkes, "From integration to competition: Britain, Germany and the EU's new group dynamics", *EPIN policy papers*, 30<sup>th</sup> April 2012, <http://www.ceps.eu/book/integration-competition-britain-germany-and-eu-s-new-group-dynamics>.

terms. The sociologists were also interested to discover how these efforts were reciprocated by the newcomers, who evidently allowed themselves to be consigned to a marginal status, only gaining group privileges once they had been sufficiently ground down.<sup>29</sup>

The pair suggested that close-knit communities were suspicious of newcomers who, although potentially productive contributors to the group, might undermine their cohesion and force a rethink of common norms. They thus used the cohesion between them as a tool against the newcomers. Existing social capital was cashed in amongst the settled group in order to ensure newcomers remained peripheral. Points of deviance from the commonly held norms were used to undermine the newcomers' standing, and isolated examples of bad behaviour were cited as indicative of the newcomers as a whole. Above all, they used newcomers' overriding desire to belong to the community as a means to marginalise them: the newcomers naturally lacked the cohesion that the established community enjoyed, so they were unable immediately to form a coalition to counter the established community. Moreover, the newcomers were not prepared to cooperate with one another even over the long term since this might cement their outsider status and create a structural antagonism with the insiders.

Precisely this dynamic has been identified within the European Union with regard to the treatment of aspirant member Turkey.<sup>30</sup> There are, however, also echoes in the way that successful applicants have been treated. It is clear, for instance, in the treatment of newcomer Poland by the EU's founding members. Sarkozy's France, in particular, was vocal in its view that Poland should not be included in the discussions on the future of the

eurozone.<sup>31</sup> Germany too seems to have exploited the fact of Warsaw's fear of political exclusion, with the Polish foreign minister, Radek Sikorski, feeling obliged to reiterate during his November 2011 Berlin speech the imperative that Poland must be included in discussions.<sup>32</sup> And for its part, Poland has shown the typical failure of the newcomer to build bridges to other relative outsiders. Warsaw has been inactive when it comes to exercising its self-pronounced role of 'informal leader of the new member states' as well as skimping on cooperation even with its closest neighbours in the Visegrad group.<sup>33</sup>

Accession hopefuls, in short, are expected to join the Union in a more or less pliant fashion, something which almost all have duly done. The Iberian, Visegrad and south-eastern member states viewed common EU norms as superior to their own when they joined the bloc, and have jumped through hoops in order to live up to them. Many citizens, notably in Romania and Bulgaria, continue to invest more faith in supranational institutions than their own. This pliancy should have been the case with the UK too. Joining the EU was widely perceived as a mark of national failure, the completion of a process of post-colonial domestic decline.<sup>34</sup> But the UK did not draw the expected lessons. With a long-established economic model, tested constitutional practices and unbroken history of independence, the United Kingdom was never ready to take lessons from Brussels. Pride in a transient empire was replaced by pride in durable domestic institutions, which indeed were all that held together this plurinational state in the absence of its colonial mission<sup>35</sup> (one possible reason perhaps for the propensity to gold-plate and, by inference, to master rival EU norms). When the UK acceded to the (to British minds, equally transient) EU, it brought with it a healthy superiority complex of its own.<sup>36</sup>

<sup>29</sup> Norbert Elias and John Scotson (1965) *The Established and the Outsiders. A Sociological Enquiry into Community Problems*, London: Frank Cass & Co.

<sup>30</sup> Ellen Madeker "The European Union and Turkey: An Established-Outsider Relationship?" In: Bach, Maurizio / Lahusen, Christian / Vobruba, Georg (eds.): *Europe in Motion. Social Dynamics and Political Institutions in an Enlarging Europe*, Berlin: sigma, pp.175-201, 2006.

<sup>31</sup> Ela Kaca, "Any chance for inclusive intergovernmentalism? The prospects for a Franco-Polish partnership in the European Union" PISM policy paper, September 2012.

<sup>32</sup> Agnieszka Lada, "Provided you include us in decision-making, Poland will support you" – German EU Policy as viewed by Poland", in Almut Moeller and Roderick Parkes (ed.s) *Germany as Perceived by Other EU Member States*, EPIN Working Paper, pp.50-54, 2012.

<sup>33</sup> Dariusz Kalan, "Towards a new North-South axis: Poland's cooperation with Czech Republic and Slovakia", PISM Bulletin, August 2012.

<sup>34</sup> Juan Diez Medrano (2003) *Framing Europe: Attitudes to European Integration in Germany, Spain and the United Kingdom*, Oxford: Princeton University Press.

<sup>35</sup> For discussion: Arthur Aughey, "British questions: A non-instrumentalist answer" in: *Parliamentary Affairs* 63(3), 2010, pp.407-424.

<sup>36</sup> Rennie, *Continent or Sea*, p.5.

Newcomers that are not prepared to submit to group norms in a pliant fashion pose a fundamental challenge to the group dynamics identified by Elias and Scotson. Insider benefits, such as influence over group norms and preferential access to seats, are challenged if an outsider manages to grab them or seems unimpressed by them. The tough treatment meted out to Austria, the Czech Republic, Slovenia and Ireland as well as the eastern member states in general when pursuing domestic principles over common norms, is indicative of how group *raison* can proceed in the EU. As a large member state, of course, the UK has seldom been subject to rough treatment.<sup>37</sup> Nevertheless, cohesive communities have softer means of undermining superior outsiders. Individuals who, for instance, remain largely outside shared structures tend to lack insider knowledge about how these truly function.<sup>38</sup> That leaves them with only ‘outsider knowledge’—theoretical certainties. The shrill positions articulated by British politicians such as Oliver Letwin (Minister of State at the Cabinet Office) about EU reform<sup>39</sup>, and London’s desire to ‘win arguments in Europe’ rather than engage and compromise, are redolent of this kind of soft mechanism by which outsiders effectively disqualify themselves from influencing developments.

### **In the EU, but not of the EU: three British tactics for maintaining autonomy**

According to Elias and Scotson, the core members of a cohesive community have asymmetric political resources which ensure their position. These are maintained by certain mechanisms which make demands of the insiders. First, self-discipline: core members must be predictable partners to one another. In the EU context, that probably means managing tricky domestic constituents. Second, a willingness to believe in the ‘charisma’ and positive qualities of the insider group as a whole, as opposed to the inherent qualities of the individuals making up this group. Third, a readiness to maintain loyalty to the core group, and desist from meaningful cooperation with outsiders even when this might be conducive to individual interests.

In short, the benefits of belonging to an insider group, such as passing coveted offices amongst themselves, regularly being on the winning side, or having greater scope to abuse one another and be forgiven, do not come without serious costs. The UK has not been prepared to make those sacrifices, nor indeed would the core group necessarily want it to: a core cannot exist without a periphery.

The UK has instead developed three means by which to resist these pressures and to maintain its relative autonomy within the EU. These are: exploiting hidden divisions amongst the insiders in order to make the EU’s norms more British; formalising its own exceptional status within the bloc; and nurturing a special relationship to a powerful external partner, the US. These three approaches have played out in one form or another since at least the mid-1980s, when the European Union began to develop a more pronounced and intrusive social and political edge and to move away from its strict market focus. They may be identified as typical means by which obstinate members of a community seek to maintain their influence without making fundamental compromises or submitting to group norms.<sup>40</sup> In each case, they have had effect because the UK is prepared to view itself as *in* the EU but not *of* the EU: it has clout precisely because it is a member of the community, and other members are dependent upon it, but it feels no need to conform. It is happy, for example, to use its outsider status in order to leverage special privileges.<sup>41</sup>

This has worked reasonably well. The UK has, for instance, successfully pursued an integrative form of exceptionalism which was much appreciated within the EU, even by core member states. Although based on the assumption that the UK was exceptional within the EU, this was not a chauvinist approach. It made the healthy assumption that all states, not just the UK, were in some way exceptional and odd. It was the UK’s duty to protect this diversity. When blocking EU proposals,

<sup>37</sup> Although there are examples, notably in the question of its home affairs opt-out: N.N., “EU governments blackmail European Parliament into quick adoption of its report on biometric passports”, Statewatch (online only), November 2004, <http://www.statewatch.org/news/2004/nov/12biometric-passports-blackmail.htm>.

<sup>38</sup> Robert K. Merton, (1972) “Insiders and outsiders: a chapter in the sociology of knowledge”, in: *American Journal of Sociology*, 78,1, pp.9-47.

<sup>39</sup> James Forsyth, “It must be serious... even that nice Mr Letwin’s had enough of Europe”, *Daily Mail* (online only), 12<sup>th</sup> February 2011, <http://www.dailymail.co.uk/debate/article-1356380/Oliver-Letwin-calls-Britain-leave-European-Union.html>.

<sup>40</sup> Emerson, “Power-dependence relations”.

<sup>41</sup> For an analysis of the mechanisms by which outsiders do this, see: Parkes, “From Integration to Competition”.

for instance, London would ensure that it was aligned with members shy of their reluctance.<sup>42</sup> Britain was a constructive veto-player, one that understood that if it blocked a move it must have another suggestion up its sleeve which would be acceptable to a coalition of states that had felt marginalised by the initial, official proposal of the Commission. It has led to a distinctly British influence on key issues of social, economic, enlargement and constitutional policy, but also on easily neglected but no less important issues such as how the EU institutions organise their personnel selection policy.

As noted, though, cohesive groups tend to win out in the end over oddballs. This is because less integrative members of the community tend to underestimate the advantages of committing to others and thus under-invest in their relationships. For them, relationships are principally about leveraging their own position rather than about joint or group benefits. Contacts are made, used and dropped as seems useful.<sup>43</sup> Unsurprisingly, then, the UK's relations to other states are suffering from chronic under-investment. Take, for example, the deterioration of the transatlantic UK-US link. For all the talk about a special relationship, the UK has tended to seek out the US only when it needs to boost its status in the EU. This was, for example, a theme of Tony Blair's tenure when the UK talked of inserting itself into the heart of Europe, but without any apparent readiness to integrate. The problem for the UK today is less that it is tightly bound to a US in decline than that the weakness of its relations to international partners on both sides of the Atlantic means that it does not have its pick of alternative partnerships as, say, Germany does. In this, the UK has pursued a mistaken view of relationships, viewing social capital invested in one not only as depleting other relationships but generally constraining its capacity to act.

The same narrow, utilitarian view of relations is apparent in the UK's efforts to use EU enlargement and the intergovernmentalist model in order to make the European Union 'more British', ie, more diffuse. London has certainly been successful at leveraging its conception of the ideal form of cooperation upon the EU, but underlying these efforts is a tendency to treat the Union as something to be contained, rather than as a system to which it belongs. This is problematic because the ideal style of domestic British governance is very much geared towards the close-knit community. Impersonal, legalistic modes of governance are often eschewed in Conservative circles, where it is believed that flat hierarchies, informal understandings and conventions and even particularist styles of policymaking are more desirable.<sup>44</sup> After all, these rely upon a strong degree of mutual trust and understanding between parties; centralised systems, with their reliance on impersonal norms occur when members cannot rely upon one another to behave fairly. By pursuing a looser form of cooperation at the European level, the UK has sought to disrupt the collusive style of European politics.<sup>45</sup> But that has only encouraged the bloc's reliance upon precisely the kind of impersonal mechanisms the UK dislikes.<sup>46</sup>

The pattern is similar when it comes to the UK's efforts to formalise its exceptional position. The UK might have chosen to pursue a kind of inclusive exceptionalism, insisting on EU sensitivity to national variety. Its own domestic practice contains many mechanisms designed to ensure that parties do not settle on a definitive policy design until all parties feel accommodated or which allow for a revision even after that commitment has been made. Yet, rather than pursuing a similar course of flexibility and constitutional innovation for the EU, the UK has increasingly preferred to opt-out.<sup>47</sup> Beyond smiling upon

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<sup>42</sup> Martin Kremer and Roderick Parkes (2010) "The British question: what explains the EU's new angloscepticism?", *SWP Comments* 2010/11.

<sup>43</sup> On 'promiscuous bilateralism' see: Julie Smith and Marine Tsatsas (2002) *The New Bilateralism: the UK's Relations in the EU*, Royal Institute of International Affairs: London.

<sup>44</sup> N.N., "Edmund Burke: how did a long-dead Irishman become the hottest thinker of 2010?", *Independent*, 1<sup>st</sup> October 2010. For a sceptical analysis of governance best practice: Peter Bratsis, "Corrupt compared to what? Greece, capitalist interests, and the specular purity of the state", LSE discussion paper, August 2003.

<sup>45</sup> The idea that core EU states are colluding against the UK is a common theme of British European policy: Rennie, *Continent or Sea*, p.7.

<sup>46</sup> On this idea that enlargement and the market has come back to haunt the UK: Rennie, *Continent or Sea*, p.13.

<sup>47</sup> Roderick Parkes, "The UK's commitment problem is Germany's commitment problem", Carnegie Commentary, 21<sup>st</sup> March 2012, <http://carnegieendowment.org/2012/03/21/britain-s-commitment-problem-is-germany-s-commitment-problem/bnaa>.

one or two flexible modes of governance such as the Open Method of Coordination (which actually seemed more about delaying commitment indefinitely than gradually accommodating all governments in a firm EU settlement)<sup>48</sup>, the UK has preferred to extricate itself from EU rules rather than try to alter the tendency to draw up heavily binding norms. Despite having pursued the path that seemed to promise most autonomy, the UK today find itself nervously demanding permanent commitments from the EU, seeking legal reassurance that it will retain national discretion on issues such as capital requirements for its banks. Its readiness to opt-out marks not only non-engagement on the UK's part, but also an underestimation of the way in which isolated examples of non-participation can snowball into structural exclusion.

In short, the UK's balance in the EU is not positive: despite always stressing its autonomy, the UK's room for manoeuvre in the EU has followed a pattern of ever-decreasing circles. At home, the lack of 'self-discipline' from successive British governments, and their reluctance to explain and defend group norms, has left today's government constrained by eurosceptic forces. Confronted with the binding norms designed for the cohesive core, and constantly worried about the prospect of being cheated by an inner circle of member states, domestic politicians have tried to cut themselves off from EU interference. Nor has this hostility translated into greater clout for the UK at the European level, as the classic conception of two-level games might have it.<sup>49</sup> Other governments are, instead, increasingly ready to exploit the domestic constraints of their partners in order to gain advantage of their own<sup>50</sup>, resulting inter alia in the UK's marginalisation at the famous December 2011 'veto summit'. It is no accident, indeed, that the UK has emerged as the prime victim of its long vaunted policy of enlargement and intergovernmentalism: in an otherwise diffuse Council, a core group has emerged as a pole of attraction for the disparate band of newer member states. Collusive relationships have emerged, able to use the

EU's strongly binding norms to their own ends. For all its frustration, the UK cannot resort to strong, central institutions to arbitrate.<sup>51</sup>

It has today left the British prime minister hinting loudly at the possibility of British withdrawal – most recently in the form of his allusions at the end of September 2012 on the holding of an EU referendum – in a bid to gain some sort of leverage over other member states. This is a threat that mixes all three Britain's usual tactics for exerting influence: it stresses the idea that the UK has a viable alternative to EU integration, that it is sanctioned to behave in an exceptional way, and that it is not ready to compromise, in this case on controversial proposals for a European banking union to be discussed at the October 2012 European Council. It is a move, however, that speaks of a lack of other options. And for this reason it is unlikely to prove effective. Most other member states seem remarkably at ease with the idea of British exit. They feel that it might greatly simplify cooperation and are ready to call London's bluff. Moreover, the so-called Brexit would hardly be understood as an indictment of the EU as a system: the UK has long cemented its reputation as the bloc's outsider, meaning that the exit of almost any other member state, including the smaller countries, would be more damaging to the EU's reputation. In short, the hints achieve nothing so much as to constrain the prime minister's room for manoeuvre, bringing the in/out referendum a step closer. At present it is hard to imagine the UK avoiding such a referendum during the next seven or so years.

### **Britannia's prerogative: responsibility without power**

British engagement in the EU has thus traditionally rested on three pillars – first, making the EU more British; second, carving out an exceptional niche for itself; and, third, acting as a bridge to the US. It is immediately apparent that these three strands are inherently self-contradictory. Pursuing a more British Europe at the same time as

<sup>48</sup> Armin Schaefer (2004) "Beyond the Community Method: Why the Open Method of Coordination was introduced to EU policy-making", *European Integration online Papers*, 8,13, <http://eiop.or.at/eiop/pdf/2004-013.pdf>.

<sup>49</sup> Robert D. Putnam (1988) "Diplomacy and domestic politics: the logic of two-level games." in: *International Organization* 42 pp. 427-460.

<sup>50</sup> Stephanie Bolzen et al. "Montis Höllenfahrt und das strikte deutsche Nein", *die Welt* (online), 28<sup>th</sup> June 2012, <http://www.welt.de/politik/ausland/article107288126/Montis-Hoellenfahrt-und-das-strikte-deutsche-Nein.html>

<sup>51</sup> Almut Moeller and Roderick Parkes (2012) "Conclusions: the narcissism of small differences" pp.69-72 in Moeller and Parkes *Germany as viewed by others*; see in the same volume an analysis of the Czech Republic, another case of a long-term advocate of intergovernmentalism and a governing party which has withdrawn from the European People's Party: David Kral "Good neighbours, not strategic allies? German EU policy as seen from Prague", pp.45-49.

insisting on the British exception, does not make sense. And neither the effort to make Europe more British nor the establishment of a niche position is really compatible with the desire to act as a bridge for compromise and cooperation between the US and the EU. But that would be to assume that the UK is actually pursuing any one of these approaches as an end in itself. This is not the case. Rather, these three strands are interchangeable tactics used to ensure the UK influence without compromise. By seeking external partners on an instrumental basis, by conferring an exceptional status upon itself and thus shifting collective responsibilities to other EU members, and by weakening the political bonds between the core members, the UK has sought to use its outsider status in order to shift the fulcrum of influence in its favour.

The UK's international relations are thus based on an overriding interest in maintaining its autonomy. It has not turned out well. Such an approach may work for the loose international system as a whole but in the specific context of the EU it has left London with chronically underdeveloped relationships in a community where cohesion is perhaps the prime political resource in intergovernmental negotiations. As a result, and despite all the talk about the UK as a serial spoiler in EU affairs, its policy of self-marginalisation may actually rank as an exemplary act of altruism<sup>52</sup>: London has increasingly stepped out of the way of those other members that are seeking to deepen their relations, rather than demanding compromise, inclusion or fair treatment. As a result, London today enjoys only nominal autonomy: it has a formal room for manoeuvre away from the brunt of the EU's crises, but in fact it is deeply affected by them. This is the worst of all possible positions. The UK, by choosing the opt-out route and refusing to actively shape and steer policy, has not exempted itself from responsibility for the EU's mess. But, although it bears responsibility for the EU's current crisis of governance, it has no real power to correct the situation.

What, then, are the prospects for the UK's relations with its EU partners? It is the done thing at this juncture to highlight the fact that the future of the EU is very uncertain, and much rests on the outcome of the Euro-crisis. So many questions are open - quibble analysts - we just can't read the future. Will the eurozone continue to

integrate, trespassing on key facets of the internal market and playing home to a core group which caucuses against the UK? Will the euro collapse and a looser, British-style association of states emerge in its place? Will the social capital of core-Europe members, stored over years of close cooperation, stand them in good stead whatever the outcome? Or will their close dependency see each to stretch the other's patience over the next months, locking them in abusive relations? Can the UK re-engage with whatever is left of the EU via other outsiders such as Sweden or Poland, or have relations with such states been stretched to breaking point by Britain's non-participation in their efforts to break open the eurozone black box? Will the EU exploit Scottish independence to decide that neither the rump UK nor Scotland is the successor state of the old UK, and force them both out in order to create a little more coherence in its membership? Nobody can know - it is all too uncertain.

More pertinent then is the possibility that this uncertainty itself will define the outcome of the relationship. After all, the UK's refusal to commit to the European Union reflects its response to conditions of uncertainty: London would rather leave itself room for manoeuvre than tie itself to a relationship which may prove redundant or unsuitable in a week or two. This desire for autonomy is driven by an understanding that loose ties improve one's capacity to react to unexpected events. The EU's founding members, by contrast, pursue just the opposite notion. They seek binding commitments and a common approach precisely as a means to overcome uncertainty. It is not just about seeking safety in numbers: they believe that clubbing together will help them define their environment and reduce the incidence of unknowns.<sup>53</sup> The UK has, all these years, been hedging its bets that European Union is a passing phenomenon. Founding states, by contrast, have been engaged in making the Union real and permanent by forging binding links between themselves. And the unknown is, in short, a deeply divisive factor in the relations between the UK and core Europe.

With core EU states predictably responding to the current situation of heightened uncertainty by deepening their ties, the British government is increasingly open to the option of taking its chances on its own, elsewhere. If it does pursue this option of going it alone, London will of

<sup>52</sup> Roderick Parkes, "Has Cameron saved the EU?", *New Statesman*, 18<sup>th</sup> May 2009, <https://www.newstatesman.com/uk-politics/2009/05/european-british-britain>.

<sup>53</sup> Roderick Parkes, "The UK's commitment problem is Germany's commitment problem", *Carnegie Commentary*, 21<sup>st</sup> March 2012, <http://carnegieendowment.org/2012/03/21/britain-s-commitment-problem-is-germany-s-commitment-problem/bnaa>.

course make sure to be seen to be pushed out of the EU. It will be an assertive core, rather than an ideologically eurosceptic and obstructive UK, that will be to blame. After all, the UK has no desire to make the break from the EU and risk international opprobrium.<sup>54</sup> It will thus point to other member states' efforts to regulate European financial and banking affairs as making its continued membership impossible. The ambivalence of its efforts to be part of eurozone decision-making already points in this direction, and the old dictum that "if you're not at the table, you're probably on the menu" is less threatening to British ears than might be expected. The threats made by MEPs to punish David Cameron for his actions at the December summit only reinforced international suspicions that the EU is being driven by irresponsible and ideological politicians, fostering sympathy for the UK.

Of course, even if the UK does withdraw, it would find its dilemma of enjoying only nominal autonomy heightened. After all, even after triggering the exit clause, it would remain locked in an outer ring of European integration. The EU is the regional core of international, trade and regulatory relations. Can the UK countenance the idea of becoming a Norway or Switzerland, states which have more or less explicitly ceded their sovereignty to the EU in return for the nominal maintenance of their domestic institutions?<sup>55</sup> If the patterns traced in this paper are accurate, a British variant of this approach is more than possible. More interesting, perhaps, is the question how the EU's group dynamic would evolve when this robust peripheral member disappears from the Union. The EU is already becoming a cold and unwelcoming place for peripheral members to the east and south east. Countries such as Sweden and Poland are increasingly irritated about the way British disengagement has weakened their position as fellow outsiders.<sup>56</sup> How much more intense this will be if the UK reaches for the exit.

### **"We're British, but we're trying to improve": prospects for re-engagement**

This is a bleak assessment, and it is worth posing one final question: can the UK re-engage in Europe? Certainly there is a domestic political logic for such a move. With the Labour party defying the internationalist leanings of its leader and exploring a more eurosceptic path, the

Conservatives now have a clear incentive to pursue a more engaged European policy. That way, they can maintain the stability of their coalition with the pro-European Liberal Democrats whilst painting Labour as the little Englanders. Political sources in the UK also suggest that, despite a shift in favour of eurosceptic MPs in the September 2012 Cabinet reshuffle, the coalition government will not necessarily start behaving in a more sceptical manner. The younger generation of Conservative MPs does not behave like the eurosceptics of earlier times. Whilst the older generation still seemed knee-deep in the bitter fighting over the EU in the early 1990s, and had a point to prove about the awfulness of the Maastricht Treaty, the new generation has an altogether more disinterested dislike of the EU.

More importantly, perhaps, there is also a ready formula for British re-engagement. Its old model of 'integrative exceptionalism' in which it willingly played the role of veto-scapegoat in order to allow core members to maintain their insider status could usefully be revived. In a bloc where increasing emphasis is placed upon group *raison*, this kind of constructive re-engagement might allow the UK to scoop up disgruntled EU states such as Sweden and the Netherlands as well as members that don't yet know they are disgruntled, such as Poland. This kind of role is badly needed today, especially when the shift to intergovernmentalism and the pressure of current events makes blocking, and indeed even discussing, political options a difficult exercise for all EU states. The UK might even take this role a step further, exploiting the anger at the collusive Franco-German tandem even within 'core Europe' and spearheading a new form of integovernmentalism based on disagreement and broad compromise. The trouble, though, is that the UK's stock is so low it cannot play such a role. Britain is tainted.

For founding states like the Netherlands which have traditionally broken the taboo of the core and counted on the UK, any suspicion that it was connected to London would entail reputational damage. For outsider countries such as Poland and Sweden, relations with the UK are too uncertain to be exploited as an alternative or source of leverage vis-à-vis the core. Officials in all three states report that they feel a kind of soft pressure from other members to distance themselves politically from the

<sup>54</sup> Andreas Maurer and Roderick Parkes (2012) "Is the UK jumping or being pushed?", *SWP Comments* 2012/15.

<sup>55</sup> Roderick Parkes, "Thinking Swiss", *IP Journal* (online), 16<sup>th</sup> July 2012, <https://ip-journal.dgap.org/en/blog/eye-europe/thinking-swiss>.

<sup>56</sup> Edward Lucas "Sikorski in Oxford (again)", *Economist* (online), 23<sup>rd</sup> September 2012, <http://www.economist.com/blogs/easternapproaches/2012/09/poland-and-britain>.

UK. It was a fact all too evident in the recent moves by the Council to marginalise the European Parliament in the process of Schengen reform – the idea that the UK might have orchestrated the move made it all the more infuriating for MEPs. The Netherlands and Sweden will thus maintain good relations with the UK only on relatively peripheral issue such as defence or capital requirements for banks. Poland, meanwhile, has reacted strongly against the UK, terrified of being viewed by core members as a ‘bridge’ to London.<sup>57</sup>

It is something of which British officials are deeply conscious, and they recognise that London must counter the impression of ‘disengaging’ from Europe. This will not be easy though: the laws of core-periphery dynamics work against them. The UK is no longer properly integrated into common European institutions, whether it be the EU institutions (Council and Commission resources are being used to implement Eurozone agreements), whether it be the influential party families (the effects of the Conservatives’ withdrawal from the European People’s Party cannot be overstated<sup>58</sup>) or whether it be the EU’s agencies (proposals will shortly be made for the ECB’s banking supervisory role to be strengthened). The result of this lack of exchange and daily proximity is mutual ignorance. One UK diplomat wonders for instance, how, without a great deal of knowledge, other EU members can be supposed to differentiate between the overtly eurosceptic leader of the British Conservative Party, who makes statements in favour of EU referendums, and the more consensual Prime Minister who steers a less aggressive course? These are, after all, one and the same person.

To European ears, British politicians simply sound self-interested, shrill and ignorant. It is a reflection of the dynamic highlighted above whereby non-participation in shared institutions creates a dichotomy between ‘insider’ and ‘outsider’ thinking. Insiders see things in a nuanced, compromising way – they are experiencing political realities first hand; outsiders, by contrast, are left guessing what is happening behind closed doors – they enjoy only theoretical clarity. It is a dynamic at play in the European Parliament. The Conservatives and UKIP have consigned themselves to marginal parliamentary groups, albeit to prominent posts within them. As a

result, they are not centrally involved in decisions, but do enjoy lots of speaking time. British officials lament, only half joking, that the UK would have more influence in the European Parliament if it stopped its members from opening their mouths. They also note that this mutual ignorance breeds mistrust. The UK was surprised, for example, that it had not managed to mobilise more eastern member governments in favour of its recent proposal on the multi-annual budgetary framework (the ‘Reste a liquider’ proposal). But London forfeited its good name in the last budget-round back in 2005 thanks to Tony Blair’s negotiating style, and it has done nothing to re-establish trust.

British diplomats recognise that restoring the UK’s social capital in Europe is key. But this too will be difficult. The demands of coalition government make contact with the outside world complicated for British ministers. With the government enjoying only a small and shaky minority in Parliament, ministers frequently have to stay in London and vote, rather than glad-handing Europeans. Moreover, unlike ministers in other EU countries, who do not necessarily enjoy a parliamentary mandate, UK ministers typically have to maintain contacts with their local constituencies too. Even receiving visitors from the rest of the EU is proving difficult at present. A visit from a continental dignitary can present a minefield for a government seeking to create some kind of parity between its coalition parties. Most of all, however, the need to draw up internal coalition compromises has made it near impossible for the government to subordinate its EU policy positions to the logic of European relationship-building. In short, this difficult member state no longer performs a useful function within the EU, and other members have lost patience. Faced with a cohesive core, the EU’s most principled outsider feels it cannot win.

There is, however, one ray of hope, namely that the notion of ‘core Europe’ has always been slightly fishy. It assumes the existence of a cohesive sub-group of member states, but the reality may be slightly more nuanced. For Berlin, frequently accused of being at the heart of this domineering group, being a ‘core member’ of the EU increasingly seems like a shibboleth – a means of pushing decision-taking responsibilities onto it and practicing the kinds of abusive relations that might be forgiven in a

<sup>57</sup> For a broader analysis on British relations with CEE: Tomas Valasek, “What Central Europe thinks of Britain and why”, *CER insight*, 16<sup>th</sup> July 2012.

<sup>58</sup> For early analysis: Philip Lynch and Richard Whitaker (2008) “A loveless marriage: the Conservatives and the European People’s Party”, in: *Parliamentary Affairs* 61, 1, pp. 31-51; Andreas Maurer et al. “Explaining group membership in the European Parliament: the British Conservatives and the Movement for European Reform” in: *Journal of European Public Policy*, 15, 2, pp. 246-262

truly cohesive community but not in a group that is only pretending. Berlin itself is keen to have more argument and dissent in intergovernmental relations if it means collective responsibility, more sustainable compromises and increased ownership over policy. Many in Berlin are dismayed by the British idea that they are demanding unquestioning loyalty of EU states such as Poland (some British policymakers actually seem to have read the Polish foreign minister's critical speech before a UK audience on 21st September 2012 as a coded message of loyalty to Berlin). And many in Berlin have been ambivalent about these actual shows of support – Sikorski's famous

Berlin speech being read by some Germans as a dumping of political responsibility on Berlin, with a little pathos thrown in for good measure. In short, the group dynamics of the EU, and Germany's thirst for a little more discussion and shared responsibility, may be more favourable to British intervention than initially appears the case, just as the UK's domestic political situation may just lend itself to re-engagement against all the odds. This re-engagement would, however require the UK to pull off a difficult trick – it would have to stop sulking and see that it is needed in Europe, but do so in a way that has none of its usual hectoring arrogance about it.

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<sup>59</sup> Speech by Radek Sikorski, 21<sup>st</sup> September 2012,  
<http://www.msz.gov.pl/files/docs/komunikaty/20120921MRS/The%20Blenheim%20Palace%20Speech.pdf>