The Brexit Anomaly
The European Age of the British

by Laurent Warlouzet

Given the United Kingdom's impending split from the European Union, Laurent Warlouzet shows how their complex relationship is the fruit of strategic co-operations, resulting from the vagaries of history, rather than of any "natural" isolationism.

Brexit – the United Kingdom's exit from the European Union as decided by referendum on 23 June 2016 – is the subject of two complementary interpretations. One attributes this event to the rise of nationalism, the extreme right and leaders who are manipulating disadvantaged social groups with their anti-elite discourse revived by the economic crisis and the growth of inequality. The other more diachronic approach, on the other hand, seeks to isolate the specific features of the UK's relationship with Europe in order to understand the origins of Brexit. Such is the aim of this contribution, which builds on recent advances made in the field of historical research in order to show that London has often exerted considerable influence over the organisation of the continent, a far cry from the image of a loner, isolated from the main decision over European cooperation by the continentals.

To do so, it is important not to focus solely on the European Union (EU) and its predecessor, the European Economic Community (EEC), but instead to take into account all forms of European co-operation. The association between Europe and the EU indeed constitutes a lazy synecdoche that hides the diversity of the projects undertaken and the achievements made in the area of European co-operation.[1] On the contrary, the British influence over the organisation of Europe started in the interwar period and even persisted partially during the period when the UK was not part of the European Community. Finally, it has been fully apparent since the UK became an active member of the EEC in 1973.

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[1] Kiran Patel, "Provincialising European Union: Co-operation and Integration in Europe in a Historical Perspective", *Contemporary European History*, 22, 4, 2013, p. 667.

The United Kingdom and the League of Nations

The idea of European integration was based on both peace and the desire to counter the decline of Europe.[2] From 1919, this awareness of the need to find new forms of relations between the European states grew among decision-makers: the First World War clearly revealed the emergence of new powers – the United States and Japan – in the face of a Europe ravaged by internal wars. Certainly, an archaeology of the European idea would take us back well beyond 1919, but any study of the decision-makers and their chief advisers must highlight the rupture caused by the 1914-1918 war.

French authors such as Paul Valéry and Albert Demangeon are often cited in evidence of this awareness, but such an approach overlooks the fact that it was actually an illustrious Briton, John Maynard Keynes, who first proposed a coherent project for Europe organised around the idea of a single market. Although his 1919 work *The Economic Consequences of the Peace* is remembered as a critique of Reparation policies, it also contains a chapter of counter-proposals based on the creation of a "Free-Trade Union [...] under the auspices of the League of Nations of countries undertaking to impose no protectionist tariffs whatever against the produce of other members of the Union"[3]. European companies could thus benefit from the same advantages as their American competitors and achieve the same level of productivity. The cancellation of interallied debts and a generous American loan were included in the scheme. Keynes had anticipated the granting of the 1947 Marshall Plan as well as the promotion of a return to the liberalisation of trade in Europe within the framework of the Organisation for European Economic Co-operation (OEEC), the first ever European organisation, founded in 1948. The proposal drawn up by the British economist did not derive so much from fervent Europeanism as from a desire to promote peaceful internationalism, as can be seen by Keynes' reference to the League of Nations.

Indeed, the UK was the country of choice for movements supporting the League of Nations, which had undeniable popular appeal with membership of the League of Nations Union (LNU) reaching almost 650,000 in 1928.[4] French historiography of European integration tends to focus primarily on the Franco-German rapprochement orchestrated by Briand and Stresemann, as well as on the French minister's ambitious plan submitted to the League of Nations' General Assembly on 5 September 1929, proposing to create some kind of "federal link" between the European states. However, this view overlooks the fact that at the time neither the French nor the Germans were willing to allow any major delegation of their sovereignty. The framework of the nation-state remained unalterable, even in the transnational

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[2] See more generally: Jean-Michel Guieu et al., *Penser et construire l'Europe, 1919-1992*, Paris, Belin, 2007 ; in English :Mark Gilbert, *European Integration: A Concise History,* Washington, Rowman & Littlefield, 2011.
[3] John Maynard Keynes, *The Economic Consequences of The Peace,* London, MacMillan, 1920, pp. 248-253.
[4] Jean-Michel Guieu, *Le rameau et le glaive. Les militants français pour la Société des Nations*, Paris, Les Presses de Sciences Po, 2008, p. 95.

Christian Democrat networks that were forming at the time.[5] Briand's reference to a "federal link" did not imply the creation of a Federation in the institutional sense, like Switzerland or the United States. Hence, the British position appears to have been far less hostile to European co-operation than a superficial study of the idealistic rhetoric of Franco-German reconciliation would suggest. While London did not argue for any specific scale for European co-operation, the British government did support an increase in international co-operation.

After the 1929 crisis, however, the UK played a decisive role in the return of economic nationalism. It was one of the first countries to devalue its currency, as early as September 1931, thus engaging the rest of the world in a race for competitive devaluation. Then, in February 1932, London took protectionist measures through the *Import Duties Act*. In a short article published in 1933, Keynes himself acknowledged that he had been too much in favour of international free trade in his past publications.[6] Even so, he did not make a complete retraction: in 1933, then again in his major 1936 work *The General Theory of Employment, Interest and Money*, Keynes stated that too much international competition was harmful, but he remained in favour of international negotiations aimed at reducing tariffs.[7] London was not the only country to adopt an uncooperative attitude. The United States launched a trade war by increasing its tariffs in the famous *Smoot-Hawley Tariff Act* in 1930, which was discussed even before the October 1929 crash. The British government thus played a positive role in promoting international – and therefore European – co-operation during the 1920s, without idealism, to be sure, but this was merely in keeping with trends at the time.

Inside Europe but outside the European Community

After the Second World War, relations between the UK and the continent shifted dramatically. The two driving forces behind European integration – peace and the fight against decline – did not act in the same way in the UK as in other European countries, particularly in the six founding members of the European Communities – France, Germany, Italy and the three Benelux nations of Belgium, the Netherlands and Luxembourg. Repeated wars and an increased mortality rate between 1870 and 1945 had ravaged France and Germany. In contrast, although the UK had lost over one million people during the two world wars and suffered major bombardments during the Blitz, its territory had not been invaded. More than anything, their respective relations with national institutions were not the same. The British model had been marked by a period of great stability since the Glorious Revolution of 1688, which saw the adoption of a parliamentary monarchy still in place today. It was strengthened by the industrial

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[5] Wolfram Kaiser, *Christian Democracy and the Origins of the European Union*, Cambridge, Cambridge University Press, 2007, pp. 72-118.
[6] David Todd, "Protectionism as Internationalist Liberalism. Birth and Spread, 1789-1914", *Books and Ideas*, 20 October 2009. URL: http://www.booksandideas.net/Protectionism-as-Internationalist.html.
[7] John Maynard Keynes, "National Self-Sufficiency", *The Yale Review*, 22, 4, 1933, pp. 755-769 ; John Maynard Keynes, *The General Theory of Employment, Interest and Money*, Palgrave Macmillan, 1936, chapter 23.

and colonial expansion of the 19th century and then by a clear victory in the Second World War, while the British Empire was the only power to resist the Axis forces allied to the USSR between June 1940 and June 1941. In contrast, the institutional history of the other major European states, France, Italy and Germany, was marked by various military failures, with the smallest Benelux states having served as a battle ground. Some political leaders of the Inner Six were therefore more inclined to accept new models of state organisation after 1945, particularly delegations of sovereignty to supranational organisations. This was unthinkable for the British.

Moreover, given its size, the British Empire was a world unto itself. Much larger than the French colonial empire, it was above all far more populous. Neither Paris nor Berlin could therefore contemplate proceeding alone. Even in his famous Zurich speech of 19 September 1946, Churchill called for the establishment of a solid European project without ever considering that the United Kingdom could be a part of it. If one adds to this the insular peculiarities of British culture and history, which are real enough but should not be overstated,[8] this utilitarian relationship between the British and the European project, far from being idealistic, finds a logical explanation.

The lack of British participation in the early stages of the construction of the European community should not be seen as a failure on their part, despite the popular theory of Britain "missing the boat" of European integration put forward by the British Europeanists in the 1960s and reflected in Tony Blair's Bruges speech in 2000[9]. Nor should it be considered an exclusion of the UK by the Inner Six. It was rather the result of a rational calculation.[10] Given the scale of its trade with areas outside the Six, particularly in the former colonial Empire, and considering its continued desire not to alter a sovereign nation-state political model that had once again proven its effectiveness during the war, it seemed quite logical for the British not to join the European Community. The EC represented a new kind of European co-operation: Keynes in 1919, as well as Brian in 1929, had not explicitly envisaged the creation of federal institutions. The first European organisations – the OEEC in 1948 and the Council of Europe in 1949 – followed an intergovernmental style of organisation. In contrast, the Schuman Declaration of 9 May 1950 proposed the establishment of supranational institutions with their own powers and independent from the member states. This was carried out through the European Coal and Steel Community (ECSC, 1951) and then the European Economic Community (EEC, 1957), which combined intergovernmental and federal dynamics. In both cases, the British were invited to take part in negotiations between the Inner Six to help establish these organisations, but they declined. They considered the limited size of these

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[8] Émile Chabal and Stephan Malinowski, "Can Britain Be European?", *Books and Ideas*, 19 June 2015. URL: http://www.booksandideas.net/Can-Britain-be-European.html.

[9] Nick J. Crowson, *Britain and Europe. A Political History Since 1918,* Abingdon, Routledge, 2010, p. 11.

[10] Wolfram Kaiser, *Using Europe, Abusing the Europeans. Britain and European Integration, 1945–63*, Basingstoke, Macmillan Press, 1996; Alan S. Milward, *The Rise and Fall of a National Strategy, 1945-1963*, London, Whitehall History Publishing, 2002.

communities and the prospect of delegating sovereignty to supranational authorities to be objective shortcomings.

Once again, however, London should not be considered the black sheep of Europe. On the contrary, like many non-Communist European states, the United Kingdom was one of the founding members of the first two European organisations, the OEEC on the economic side (1948, which later became the OECD in 1960) and the Council of Europe on the political side (1949). Faced with the prospect of the conclusion of a six-party treaty – the future 1957 Treaty of Rome – creating a common market, the United Kingdom launched a complementary European project aimed at creating a free-trade area.[11] This involved expanding the small, closely integrated Europe of Six into a much larger Europe that encompassed the 17 countries of the OEEC and required minimalist co-operation, essentially the liberation of trade for industrial products. In a sense, this project thus represented a specific contribution of the UK to European integration.

In fact, the free trade area quickly became a tool used to try to de-legitimise the EEC, both by the British and by some Europeans on the continent who were disappointed in the European Community's insufficient level of free trade. This was particularly true of the German economy minister Ludwig Erhard, who called for international trade liberalisation without the safeguards provided by the EEC at the request of more protectionist countries such as France and Italy. The manoeuvre ended in failure in late 1958, with what can be considered the first Gaullist veto of the UK's vision of Europe. Although the French president defended a Europe based on regulated liberalism, whose western anchoring was tempered by his confirmation of a "European Europe" that concealed the French leadership's true aims, the British concept was based on minimalist free trade and strong Atlanticism.[12]

In 1960, London again took the initiative in creating the European Free Trade Association (EFTA) between seven European countries not wishing to be part of the EEC. Admittedly, the UK's candidacy for entry into the EEC in 1961 cast doubt over its commitment to EFTA. However, British policy remained consistent: it was always about promoting a Europe based primarily on trade, both outside the EEC with EFTA and within the EEC by steering the latter in the direction of British interests. Recent studies by historians on the British candidacy of 1961 have highlighted the intransigence shown by the British, who quickly made many enemies by trying to renegotiate the Community's entire way of functioning, even if it was General de Gaulle who took responsibility for the breakdown of talks in 1963.[13]

A break came in 1967 when Harold Wilson, the new Labour prime minister, launched a second application to join the EEC. This attempt is generally forgotten because it was quickly

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[11] Wolfram Kaiser, *Using Europe, op. cit.*; Alan S. Milward, *The Rise and Fall, op. cit.*; Laurent Warlouzet, *Le choix de la CEE par la France (1955-1969)*, Paris, Cheff, 2011.
[12] Laurent Warlouzet, *Le choix de la CEE par la France (1955-1969), op. cit.*
[13] Piers Ludlow, *Dealing With Britain. The Six and the First UK Application to the EEC*, Cambridge, Cambridge University Press, 1997.

blocked by another Gaullist veto. It in fact marked a turning point that is noted in British historiography,[14] because it showed the full acceptance of the European Community model by the British. Wilson proved to be far more open than his predecessor Macmillan had been in 1961 in his acceptance of the Community model. He even launched a new plan to create a "European Technology Community" aimed at deepening technological cooperation in Europe. In fact, London was involved in numerous European cooperative ventures in cutting-edge sectors, with Concorde being merely the tip of the iceberg. Charles de Gaulle's resignation paved the way for further accession negotiations with the British, resulting in their joining the European Communities in 1973.

An active European within the Community

In recent debates on Brexit, some have condemned the betrayal by European elites on the continent who, they claim, maliciously lured the naive British into what they thought was a strictly commercial co-operation in 1973, only to then embark on a no-return descent into a United States of Europe. However, a recent historical study of the 1971 debates in the British parliament on the ratification of EEC accession have shown that the political elites in the UK joined with full knowledge of the facts.[15]

Three main arguments were used against joining the EEC: it was an attack on British sovereignty; it represented a threat to the ideal of international free trade promoted since Cobden; and it challenged the imperial agreements. The first objection had been swept aside by the vital need for the British to join the Community in order to maintain their standing on the international stage. Moreover, the 1972 Community was largely dominated by intergovernmental rather than federal dynamics. The second objection was overshadowed because it was largely based on a fantasy: at the time, the UK's tariffs were higher than those of the Europe of the Six.[16] The final argument gave rise to epic debates on New Zealand butter and Caribbean sugar, but in the end the UK reached a series of compromises with the EEC over the course of the 1970s.[17]

Once a member of the EEC, the British often adopted an aggressive and clumsy negotiating style that sometimes isolated them, particularly in the eyes of the Franco-German

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[14] Oliver J. Daddow (ed.), *Harold Wilson and European Integration. Britain's Second Application to Join the EEC*, London, Frank Cass, 2003.

[15] Piers Ludlow, "Safeguarding British Identity or Betraying It? The Role of British 'Tradition' in the Parliamentary Great Debate on EC Membership", *Journal of Common Market Studies*, 53, 1, 2015, pp. 18-34.

[16] Laurent Warlouzet, *Governing Europe in a Globalizing World: Neo-liberal and Social Choices (1973-1986)*, London, Routledge, to be published in August 2017 (www.routledge.com)

[17] These were either ad hoc compromises by product, or more general North-South co-operation agreements such as the 1975 Lomé Convention. See: Guia Migani, "L'aide au développement : entre anciennes priorités et nouveaux défis", in Éric Bussière et al. (ed.), *La Commission européenne, 1973-1986. Histoire et mémoires d'une institution*, Luxembourg, The Publications Office of the European Union, 2014, pp. 401-420.

alliance. In 1975, the UK held a referendum on a possible exit from the European Community, which deeply divided the Labour party but resulted in a resounding vote to stay. Nevertheless, studies that focus on the decision-making process rather than on European rhetoric alone show that the British remained a key player in the European game between 1973 and 2016 for three reasons.

First of all, London was not often isolated by the Franco-German partnership, whose cohesion should not be over-estimated. It only really existed between Schmidt and Giscard from 1976 to 1981 (when Barre was prime minister of France)[18] and again between Mitterrand and Kohl from 1983 to 1995. Subsequent rapprochements (Chirac/Schröder, Sarkozy and Hollande/Merkel) have been rarer and more superficial. In addition, these political connections conceal profound differences in economic structure and policy: the strength of the Franco-German partnership lay in being able to overcome these.

Second, the United Kingdom has always succeeded in renegotiating European agreements in order to obtain exemptions from the rule. In 1978, the European Monetary System was created with all EEC countries except the British. In 1984, Thatcher extracted the famous *chèque britannique*, a rebate on the UK's budget contribution that has been in place ever since. In 1991, London was exempted from the monetary union and the Social Charter. The same thing happened in 1994, when the Directive on European Works Councils was adopted. Subsequently, during the euro crisis, London, together with a number of other European countries, obtained the right to monitor the strengthening of institutions in the euro zone to avoid creating two separate institutional systems. In the area of defence, the UK has always managed to maintain the central role of NATO in European defence.[19]

This, incidentally, constitutes the third sign of British influence: London has rarely been isolated in European debates. It has an affinity with Scandinavian Europe, both on an institutional level, with a shared mistrust of supranational institutions capable of threatening national parliamentary democracy, and on an economic level, with their desire to preserve a national model that is considered effective (even if their respective models are different)[20]. After the end of the cold war, London also proved to be more influential than Paris or Berlin among the former Communist countries of central and eastern Europe: in 2003, during the Iraq war, the US-British intervention received support from a coalition of governments in "new" Europe as well as many countries of "old" Europe (Portugal, Spain, Italy, Denmark and others). The

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[18] The macroeconomic convergence between France and Germany allowing the establishment of the European Monetary System dates from the Barre period (1976-81) and did not exist under the Chirac government: Emmanuel Mourlon-Druol, *A Europe Made of Money. The Emergence of the European Monetary System*, Ithaca, Cornell University Press, 2012.
[19] Thierry de Montbrial, Georges-Henri Soutou (ed.), *La Défense de l'Europe, entre Alliance atlantique et Europe de la Défense*, Paris, Hermann, 2015.
[20] Wolfram Kaiser, "Culturally Embedded and Path-Dependent: Peripheral Alternatives to ECSC/EEC 'core' Europe", *Journal of European Integration History*, 2001, 7, 2, pp. 11-36; Matthew Broad, "Keeping your Friends Close: British Foreign Policy and the Nordic Economic Community, 1968-1972", *Contemporary European History*, 25, 3, 2016, pp. 459-480 ; Thierry Chopin, Christian Lequesne, "Differentiation as a Double-Edged Sword: Member States' Practices and Brexit", *International Affairs*, 92, 3, 2016, pp. 537-538.

UK was then one of the few states not to request a transition period for the free movement of workers coming from the new countries that joined the EU from 2004 onwards. This was evidence of the principles of commercial and Atlantic Europe, further reinforced by the Thatcher era.

Finally, the recent isolation of the British is largely self-imposed. Former prime minister David Cameron was alone in deciding to hold a referendum on the UK's exit from the European Union after obtaining new institutional concessions in February 2016. His decision followed several years of increasing British isolation within EU institutions, which is somewhat reminiscent of Macmillan's desperate efforts to oppose the EEC and then to model it in his own country's image. The prejudice of the British leaders goes beyond the EU and also includes the European Court of Human Rights of the Council of Europe. The Cameron government accused it of hindering British sovereignty on many occasions and sought ways to evade its influence. And yet the British played an important role in drawing up the 1950 European Convention on Human Rights. On the whole, it is during these periods of British withdrawal that the country's influence in Europe has tended to wane, without, however, increasing in other parts of the world.

Thus, since Keynes' premonitory reflections of 1919, the United Kingdom, through its intellectuals and government, has often played an active part in promoting European co-operation. The specific nature of the Franco-German relationship after 1945 and its role in the early development of the European Communities, in which the British did not take part, should not cause them to be relegated to the role of mere spectators. The British government has always been involved in major European negotiations, even if it did not exercise its full influence in the early stages of the EEC, from 1958 to its accession in 1973. Since becoming a member of the EEC, the British government has often had considerable influence over the direction taken by Europe, despite the fact that it is usually France and Germany in the spotlight.

After the historic vote of 23 June 2016, the UK needs to take advantage of Brexit, building a new kind of relationship with the EU and perhaps a new form of European co-operation. There are several options available, such as joining the European Economic Area or setting up a Customs Union.[21] Even though Prime Minister Theresa May recently ruled out the Norway solution of remaining in the single market, she has nonetheless left the door open for a large number of ad hoc agreements, particularly on cars, financial services and the status of British residents in the EU.[22] While she may be calling for a "Global Britain" linked by free trade agreements independently of the EU, the history of the last century shows that London has not always been a model of free trade liberalism. The election of Donald Trump, the protectionist president, will not provide the UK with an alternative to Europe, unless it opens

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[21] For points of reflection on the EU after Brexit, see in particular the articles published in *Commentaires*, 155, autumn 2016.
[22] On the speech given by Theresa May on 18 January 2017 laying down the principles of Brexit: Laurent Warlouzet, "May fixe le cap : un Brexit dur dans les principes, flexible dans les details", Latribune.fr, 19 January 2017.

its markets up even further to the USA than to Europe. There is no real opposition between these global and European visions, because London can no longer afford to turn its back on Europe. It must choose between yearning for a global, a-European past, linked to the nostalgia of an idealised empire, and a more open vision that could maintain British influence over the organisation of European co-operation.