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Path Dependencies and Unintended Consequences: A Case Study of Britain's Entry into the European Community

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Path Dependencies and Unintended Consequences:
A Case Study of Britain's Entry into the European Community

by

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of the requirements for the degree of
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Table of Contents

Abstract	ii
Chapter 1. Introduction	
I. The Problem	3
II. The Hypothesis and Methodology	5
Chapter 2: Literature Review	11
I. Explanations for Change in Governance in a Globalizing World	12
A. The Post-Modern Account	12
B. The Constructivist Account	20
C. Summary (linking the lit-review to the case-study)	23
II. Competing Theories of E.C. Integration	26
A. Neorealism and Intergovernmentalism	26
B. Neofunctionalism	31
C. Historical Institutionalism	33
1. Path Dependencies	33
2. Unintended Consequences	34
III. Andrew Moravcsik as a Counter Example in Methodology	44
Chapter 3: Case Study	49
I. Background 1945 – 1973	49
II. The First Application: Macmillan Government 1961	73
III. The Second Application: Wilson Government 1965	79
IV. Third Application and Accession: Heath Government 1973	82
V. Renegotiation and a Referendum: Wilson Government 1975	86
VI. Further Negotiations: Callaghan Government 1976 – 1979	91
VII. Negotiating the S.E.A.: The Thatcher Government, 1979 - 1990	95
Chapter 4: Findings and Conclusion	105
Works Cited	120
Bibliography	122

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Justin P. Schrefer

ABSTRACT

In order to determine how Britain's governance and sovereignty have changed since 1950, I developed a historical case study tracing Britain's political and economic integration into the E.U. starting from the early post-World War II governments through the end of the Thatcher administration. This study uses Historical Institutionalism, which seeks to explain how changes in governance and state sovereignty come about outside of state control, as a 'testing' theory to determine whether Britain's governance and sovereignty have changed since 1950. The hypothesis of this case study is: Did the past decisions on E.C. integration, made by Britain's government officials and policy-makers, have unintended consequences which caused Britain to become dependent on or locked into paths which led to losses in British state sovereignty?

This study concluded that 'unintended consequences' and 'path dependencies' were important factors in Britain's integration into the E.U. However, I found a number of antecedent conditions such as Britain's status as a weakening nation-state, its insecurities in an economically interdependent world, deteriorating trade relations with

the Commonwealth and the misperceived status as an equal partner with the U.S. that should also be taken into account in providing a comprehensive explanation.

Finally, this study found that ‘unintended consequences’ and ‘path dependencies’ did not lead to a loss of sovereignty for Britain. This case study embraces a non-traditional concept of sovereignty which defines it as constantly changing and which does not have to be linked to its territory. This new definition allows for Britain to lose sovereignty in traditional ways (domestic) and gain it in unconventional areas (E.U.). Therefore, I have determined that Britain’s sovereignty and governance have changed rather than been mistakenly ‘given away’.

Chapter 1. Introduction

I. The Problem

The question this thesis centers on is *How has the governance of Europe changed since 1950?* The year 1950 is designated because, on May 9 of that year, Robert Schuman made history by putting to the Federal Republic of Germany and other interested European countries the idea of creating a community based on shared interests. Since then the construction of this project has moved forward continually and it represents the most significant political undertaking of the 20th century in European political history.

In terms of defining governance, I would like to establish a definition that is capable of assessing the changes in world order caused by globalization. Traditionally, definitions of governance have associated governance exclusively with governments. For example, the World Bank website defines governance as “...the traditions and institutions by which authority is exercised. – Measurements of governance are: A. Processes by which those in authority are selected and replaced. B. The capacity of governments to formulate and implement policies” (<http://www1.worldbank.org/mena/>). What this definition presupposes is that in order to have governance, you must have government. However, I feel that recent trends of globalization necessitate a redefining of this concept to incorporate the existence of governance outside of national governments. James N. Rosenau in his edited book **Governance, Order, and Change in World Politics** states

that the authors in his book "...agree that in a world where authority is undergoing continuous relocation – both outward toward supranational entities and inward toward sub-national groups – it becomes increasingly imperative to probe how governance can occur in the absence of government" (Rosenau 2). Therefore, as globalization causes sovereignty and authority to diffuse, governance no longer becomes synonymous with state governments. Some of the functions of governance, in other words, are now being performed by non-national government entities. Borrowing from the ideas of Rosenau, I would like to redefine governance as a system of rule that is as dependent on shared intersubjective meanings as on formally sanctioned constitutions and charters. Moreover, governance is a system of rule that works only if it is accepted by those whose values and interests are at stake, whereas governments can function even in the face of widespread opposition to their policies. Therefore, both these terms can coexist. This is important for International Relations, which as a discipline, has long been rooted in the premise that governance is bounded by the prerogatives of sovereign powers. It also shows that there is much to be learned about governance in a context in which the actions of states, their sovereignties and their governments, are not preconditions for the way in which events unfold. Most importantly, where governance lies is not only determined by states but is free to exist wherever it has been given authority by its constituents.

II. The Hypothesis and Methodology

In order to determine how governance in Europe has changed since 1950, I will develop a historical case study tracing Britain's political and economic integration into the E.C. This study will use Historical Institutionalism, which seeks to explain how changes in governance and state sovereignty come about outside of state control as a 'testing' theory to determine whether Britain's governance has changed since 1950. The hypothesis of this case study is: Did the past decisions on E.C. integration, made by Britain's government officials and policy-makers, have unintended consequences which caused Britain to become dependent on or locked into paths which led to losses in British state sovereignty? I stated the hypothesis in this way so as to be able to test whether Historical Institutionalism as a theory can be used to explain Britain's political and economic integration into the E.C. Although Historical Institutionalism as a theory will be explained in further detail later in this study, its central claim is that while state policy makers often carefully scrutinize the pros and cons of joining various E.C. policies, their inability to foresee the actual outcomes often result in unintended consequences and cause path dependencies leading to losses in state sovereignty. Therefore, by basing the case study on a hypothesis stated in this way, I will be able to test Historical Institutionalism's explanatory capability and see whether it correlates with historical analyses of Britain.

The independent variable in this hypothesis are the decisions and policy choices made by British government officials and policy-makers concerning matters with the E.C. The hypothesis's dependent variable are the changes in British governance resulting in a loss of state sovereignty. The intervening variable are the unintended consequences and path dependencies caused by the decisions of Britain's policy-makers. Therefore, the purpose of this research will be to analyze historical sources to determine whether the Intervening Variables (unintended consequences and path dependencies) were caused by the Independent Variable (decisions of British officials), which caused changes in the Dependent Variable (change in governance resulting in a loss of state sovereignty).

In order to reveal whether unintended consequences and path dependencies led to a loss in state sovereignty or not, I will develop a case study based on the two major themes of Historical Institutionalism: 1) *Historical* – recognizing that political development must be understood as a process that unfolds over time and 2) *Institutional* – stressing that many of the contemporary implications of temporal processes are embedded in institutions such as rules, policy structures, or norms. I borrow my definition of a case-study from Stephen Van Evera's book *Guide to Methods for Students of Political Science* which defines it as a type of analysis which explores a small number of cases in detail, to see whether events unfold in the manner predicted and whether actors speak and act as the theory predicts. My case study will deviate slightly, however, from traditional definitions of case studies in that rather than relying on primary sources for my research, I will use multiple secondary historical texts to analyze Britain's political and economic integration into the E.C. The purpose of this textual analysis will be to determine whether these historical texts provide evidence that supports Historical

Institutionalism's central claims. I suggest that this research could be used as a preliminary analysis to determine whether Historical Institutionalism is a viable theory in explaining Britain's political and economic integration into the E.C. If the hypothesis holds, then it would justify further research, while also strengthening and supporting other similar pre-existing studies.

Van Evera asserts that the political science field is biased towards the creation and testing of theory over other works. He believes that thesis topics, including the application of theory to solve policy problems, answer historical questions, and the stocktaking of literature, are also worth doing (Van Evera 1997, 4). Van Evera feels that political science should embrace the task of historical explanation among its missions. Historians should not be left alone with this assignment because these academics are "...leery of generalizations, hence of the use of general theories; yet theories are essential to historical explanation" (Van Evera 1997, 5). According to Van Evera, historians are averse to writing evaluative history that judges policies and policymakers and political scientists. They are also content to "let the facts speak for themselves" and rarely set contending explanations against one another, "...as one must to fully evaluate an explanation" (Van Evera 1997, 5). Therefore, Van Evera feels that the political scientist should step in to fill the explanatory and evaluative gaps that are left by these quirks in historian culture.

In order to find causality between the independent variable and the dependent variable, I will use a method of research Van Evera characterizes as 'process tracing' (Van Evera 1997, 64). This research method is carried out by exploring the chain of events or the decision-making process by which initial case conditions are translated into

outcomes. I will try to separate the cause-effect link that connects the independent variable and the dependent variable into a sequence or structure of events and observe each step for evidence supporting the hypothesis. Throughout the case study, I will periodically stop to analyze each step Britain took towards further integration with the E.C. I will separate these sections under the heading **Case Study Analysis**.

The case study will follow one country (Britain), its different administrations and their various relationships with the E.C., from Britain's refusal to join the founding six during the Treaty of Rome, its acceptance into the E.C., its signing of the S.E.A. and, finally, the effect these decisions have on present day politicians. Specific attention will be placed on the implications the different administrations' policy making had on future U.K. governance. I will look for why (or why didn't) Britain's chiefs of government originally feel it was important to join the E.C., what their immediate and future goals were at that time, and what the eventual repercussions of Britain's joining the E.C. were. In carrying out this case study I will be looking for evidence to suggest that although Britain's chiefs of government had specific goals when joining the E.C., in time history may show outcomes that differ from these expectations. The central idea is that E.C. states lose sovereignty when joining the E.C. because they cannot foresee all the important consequences of their actions. Because of this, gaps emerge in member state control and while states never intended this to happen, path dependency and the rising cost of exit force them to accept these unintended consequences. If I find that the hypothesis is true, it will suggest that we need to recognize the E.C. as a historically new phenomenon, which requires International Relations to break out of its traditional grand

theoretical narratives and look more closely at mid-level theories which explain political change through what is actually taking place “on the ground”.

In this case study, I will be looking to see if the goals of Britain’s chiefs of government, when agreeing to join the policies, were in fact achieved without any unexpected outcomes resulting in a loss of sovereignty, transference of power or change in governance *or* even if gaps did occur was Britain able to recognize them and close them? If I do find evidence of Britain’s ability to correct its policy mistakes, this would reinforce the popular Neo-realist view in International Relations that states will always be the only actors that matter in the international system and that they will never willingly enter into any agreement that would result in a loss of sovereignty or power to govern. My research would then counter the concepts found in my hypothesis and lend weight to the idea that the E.C. is an institution made up of member-states and a continuance of the status quo where states are the only important players and remain in complete control of their destinies.

In carrying out this case study I hope to find answers to the following questions:

- Have gaps occurred in Britain’s ability to make and control domestic and international policies?
- Have E.C. institutions grown more important in influencing and directing Britain’s governance?
- Were Britain’s political decision-makers short sighted in grasping the true ramifications of E.C. policies due to short-term voter preferences?

- Even if long-term consequences were taken into account, were there any unintended outcomes that were unforeseen due to lack of information, time constraints or heavy reliance on ‘experts’?
- If these gaps did emerge, was Britain able to learn from its mistakes and rectify them as Intergovernmentalists suggest or did Britain become too path dependent to be able to close them, reinforcing the claims of Historical Institutionalism?
- How influential was Britain in being able to change E.C. policies when it joined?
- Was Britain able to make these policies friendlier to its interests or did it find itself restricted by the original institutional designers?
- Finally, has Britain found itself locked into a path that it can no longer get out of?
- Is the governance of Britain changing in ways that no longer centers on Parliament?

In my case study I hope to find answers to these questions.

Chapter 2: Literature Review

The first part of this Literature Review will analyze a series of articles written by highly regarded political scientists to summarize what contemporary opinions are on issues such as the nation-state, globalization, changes in governance and supra-national institutions.

The second part of this literature review will establish the theoretical basis for my argument. I raise the question of European governance because behind the answer lies the issue of whether the E.U. represents a departure *or* a continuation from the traditional International Relations approach, which focuses primarily on the state. Neo-realism and its explanation of E.U. integration through Intergovernmentalism will be used as the representative for the status quo argument. Historical Institutionalism and its explanation of changes occurring outside of state control will be used to test the departure assertion. If, in fact, it can be shown that there have been changes in European state governance, the next questions to ask are how has it changed, is/are the change(s) significant enough to represent a 'departure' from the traditional approach and is Historical Institutionalism, as a theory, adequate enough in explaining these changes.

I. Explanations for Change in Governance in a Globalizing World

A. A Post-Modernist Account

In his article *Polis, Cosmopolis, Politics*, R.B.J. Walker wants to release us from “modern” debates in which our collective futures are told through the *polis* (the polis expressed in modern statist claims to political community and identity). Canonical traditions and grand theoretical assertions have erased our sense of historical contingency. Because of this, Walker asserts “We now keep catching ourselves affirming the natural necessity of the modern polis by reproducing the sovereign state’s own affirming account of how it is both natural and necessary, and all other alternatives are impossible, even if in some sense they might be desirable” (Walker 2003, 268). Walker states that the state is a self-proclaimed natural necessity and is a historical achievement, and a fragile one at that. Once historical contingency and diversity enter the analysis, opportunities for critique and creativity in discussions of political possibility increase. According to Walker, many have come to believe that the polis is the problem and we must move away from it. Hobbes’s gamble that the modern sovereign state, although dangerous, was the best of all possible alternatives, has become much too risky (Walker 2003, 268). Many now insist that the claims of the modern state on either our multiple identities or our obligations are less and less persuasive as we engage with claims about globalization, multiculturalism, international human rights, humanitarian (or preemptive) intervention, and a renewed willingness to speak about empire (Walker 2003, 268).

This insistence has generated much discussion around claims of *cosmopolitanism*. This term is juxtaposed with the polis as the particular and the cosmopolis as the

universal. Walker believes that we work with a sense of complementary or dialectical relationship between the particular and universal or polis and cosmopolis (Walker 2003, 269). For example, we accept the tension between some forms of globalization and the claims of particular states that has been around since at least fifteenth century Europe. Yet this sense of complementarity is at odds with a common sense of radical dualism that pits *polis* and *cosmopolis* as opposites. We use this dualism, which encourages us to speak about the eternal return or imminent decline of the state, which in turn encourages an endless struggle between a pessimistic or defeatist tradition of political realism and an optimistic or naïve tradition of political idealism (Walker 2003, 269). It encourages us to frame our historical, political destiny as a grand trek from one to the other, from polis to cosmopolis, from nationalism to some other kind of global/human identity. Our major intellectual traditions encourage us to think in terms of either unity or diversity because they situate themselves in relation to an inside or an outside (Walker 2003, 272). We start from a society or a culture and move on to a world society or a world culture. We start from the state and move on to a world without states ending up with a common humanity. Or we start from politics and end with ethics. All of these stories move from the particular to universal (Walker 2003, 273).

Walker uses this conceptualization between the particular and the universal to reveal the difficulties in theorizing sovereignty. Contemporary claims about cosmopolitanism are difficult to disentangle from the achievements of the modern sovereign state. The consequence has been that cosmopolitanism has largely succumbed to the temptation to escape from a specific account of the proper relationship between universality and particularity by affirming the priority of universality over particularity

and to do so by appealing to traditions of humanitarian ethics rather than to questions about the possibilities of politics (Walker 2003, 279). As sources and sites of authority become increasingly inconsistent with any claim to a single authority in a specific territory, we confront an increasing intensification of the problem of sovereignty. We can look at various contemporary events - i.e. global governance, global civil society, the global market, the status of the World Bank, the WTO etc.- not in terms of some easy claim about the disappearance of sovereignty, but precisely as an intensification of the problem of sovereignty, as a sense that questions about authority have to be posed in terms other than those we have been used to (Walker 2003, 280).

It is with this understanding that Walker suggests that theses about the decline of state sovereignty and theses about the disaggregation and proliferation of sovereignties are quite compatible with theses about the continuing or even increasing scale, size, influence of statist institutions. Much of the recent discussion of globalization, for example, is seriously hobbled not only by the familiar conflation of power and authority but also by the conflation of the practices of states and the practices of state sovereignty (Walker 2003, 281).

Finally, according to Walker, all this suggests a complicated picture, and one that needs to be made even more complicated. We must try to get away from the familiar notion that state sovereignty is here forever or gone tomorrow, that the polis is obsolete and that the cosmopolis is, or should be, what we are striving for. Our futures do not lie with either the polis or cosmopolis. We confront, rather, ongoing struggles to resituate and politicize sites of political authority (Walker 2003, 284). Walker suggests that we need to be quite humble about the limits of our capacity to imagine what this might mean.

We also need to be more empirically open to the diversity of things that are taking place in the political world. What we must not do, according to Walker, is use cosmopolitanism as an excuse for not thinking hard about politics. Walker thinks that this should be "...increasingly resisted as it becomes clearer and clearer that it bears little relation to what people have to do in order to relate, or change how they relate, to the world and to each other" (Walker 2003, 285).

Walker's argument that we should not think of our futures within the either/or polis – cosmopolis debate, can be applied when conceptualizing the European Union. We should stop trying to pit the polis and cosmopolis as complete opposites. We should break out of our major intellectual traditions, which encourage us to think in terms of either the particular or universal and try to think in terms of a more complex arrangement of the two where both can coexist and constitute each other. *Intergovernmentalism*, when explaining European integration, reproduces the affirming account of how the modern polis is both natural and necessary, and all other alternatives are impossible. According to Walker this is wrong because these theorists do not take historical contingency into account and fail to recognize the nation state as a specific historical achievement rather than a natural necessity. However, Walker also warns of speaking in the language of *neofunctionalism* when explaining European integration because this encourages us to frame our destiny as a grand *trek* from polis to cosmopolis where we move from nationalism to some other kind of global/human identity. This tends to make us overly optimistic about the naïve tradition of political idealism where we appeal to traditions of humanitarian ethics rather to questions about the possibilities of politics. Cosmopolitanism tends to wish politics away and make easy claims about the

disappearance of sovereignty. What we need instead, according to Walker, is to intensify the problem of sovereignty and pose questions in terms other than those we have been used to (Walker 2003, 281).

John Gerard Ruggie, in his article *Territoriality and Beyond: Problematizing Modernity in International Relations*, looks at European transformation and finds that neorealist and neoliberal theories are inadequate in describing and explaining the emergence of this late-modern phenomenon. Ruggie believes that the orthodox liberal position that these developments somehow imply about the growing irrelevance of states is “fundamentally misplaced”. However, Ruggie also believes that the standard realist ground for rejecting the transformational potential of these developments is equally misplaced (Ruggie 1993, 140). In none of these theoretical perspectives, Ruggie states, “...is there so much as a hint that the institutional, juridical, and spatial complexes associated with the community may constitute nothing less than the emergence of the first truly postmodern international political form” (Ruggie 1993, 140). Prevailing perspectives may have difficulty in explaining the process of European transformation, but none of them suggest that it is not occurring. Ruggie feels that these perspectives have this difficulty because the available vocabulary that traditional International Relations theories provide is inadequate for describing the phenomenon of European transformation (Ruggie 1993, 146). In this article, Ruggie is devoted to the modest and pre-theoretical task of searching for “...a vocabulary and for the dimensions of a research agenda by means of which we can start to ask systematic questions about the possibility of fundamental international transformation today” (Ruggie 1993, 144).

In searching for a vocabulary that would allow us to ask questions about possible postmodern tendencies in the world polity, Ruggie deconstructs the historic emergence of the nation state as a particular form of territoriality – disjoint, fixed, and mutually exclusive – as the basis for organizing political life (Ruggie 1993, 168). From this deconstruction, Ruggie finds that the concept of differentiation is the key to uncovering the historically specific and salient characteristics of modern territoriality. Looking at differentiation brings up the question of “why is the international polity by definition a segmented realm, on what basis is it segmented?”. Ruggie suggests that the mode of differentiation within any collectivity “...is nothing less than the central focus of the epochal study of rule” (Ruggie 1993, 168). The modern mode of differentiation resulted from changes in several domains of social life. These domains include material environments, the matrix of constraints and opportunities within which social actors interacted, and social epistemes. The domain of social epistemes (political doctrines, political metaphysics, spatial constructs), was how people came to re-imagine their collective existence. These played a critical role in the modern mode of differentiation. The specificity of modern territoriality is closely linked to the specificity of single point perspective. Social epistemes affected the outcomes on which the society of territorial state formations came to rest (Ruggie 1993, 169).

Ruggie believes that Neorealism and Neoliberalism contain only partial truths in explaining the unbundling territoriality of the E.C. Neorealism examines how the national interests and policy preferences of the major European states are reflected in patterns of E.U. collaboration; and neofunctionalism anticipates the emergence of a supranational statism. Each contains a partial truth; however, from the vantage of

Ruggie's analysis, a different attribute of the E.U. comes into view: "...it may constitute the first 'multiperspectival polity' to emerge since the advent of the modern era" (Ruggie 1993, 172). Ruggie draws this conclusion because it is increasingly difficult to visualize the conduct of international politics among community members, and to a considerable measure domestic politics, as though it took place from a starting point of twelve separate, single, fixed viewpoints (Ruggie 1993, 172). There is potential to comprise a new and very different social episteme – a new set of spatial, metaphysical, and doctrinal constructs through which visualization of collective existence on the planet is shaped (Ruggie 1993, 173).

In conclusion, Ruggie finds it astonishing that the concept of territoriality has been so little studied by students of international politics; "... its neglect is akin to never looking at the ground that one is walking on" (Ruggie 1993, 174). Ruggie argues that modernity has been distinctively defined by disjoint, mutually exclusive, fixed territoriality. Changes in few other factors can so powerfully transform the modern international polity. In this article, Ruggie shows that unbundled territoriality is a useful terrain for exploring the condition of post-modernity in international politics.

Like Walker, Ruggie finds that both Realist and Neoliberal accounts of European transformation are stuck in the mires of modernity. Because of this, modernist theories have not developed a vocabulary that is adequate enough to truly explain the complexities of European integration. The European Union is a post-modern project that cannot be explained through the "modern" grand theories of the past. Ruggie feels that we must deconstruct how we came to identify ourselves with a specific territory in order to better understand the implications of the unbundling of territory today. We should not

try to explain the European Union from a single perspective through the eyes of states or supranational organizations but from a multi-perspective not linked to any given territory or exclusivity.

B. The Constructivist Account

Ian Clark, in his book, *Globalization and International Relations Theory*, believes that International Relations theory commonly tries to explain globalization as a change in external circumstance that impinges upon state capacity (Clark 1999, 44). Such an approach, Clark claims, creates a 'Great Divide' logic where there are separate internal and external dimensions to globalization rather than a symbiosis of the two. For Clark, the idea of the state-globalization relationship as being zero-sum is basically misconceived, as it fails to take into account the degree to which the state itself is the architect of globalization (Clark 1999, 46). Globalization, argues Clark, needs to be understood as a number of changes within the state, and not simply as a range of external forces set against it (Clark 1999, 52). Instead of pitting globalization and the state against each other International Relations theory should articulate how it is that globalization represents a state form. International Relations theory needs to recognize the role of state transformation in the production of globalization, and break from its traditional assumption that there is a duality between the state and forces of globalization.

Clark claims that existing International Relations theory, by relying on the 'Great Divide' approach, puts all of the state on one side of the divide (domestic purposes) and equally places all of it on the other side (for international purposes). This creates the illusion of two separate states, acting within separate fields of forces when there is actually only one state acting within a single field (Clark 1999, 56). States operate as both units of an international order, structured from the top down and expressions of 'societies' from the bottom up. Therefore, the state is always shifting accommodation between these counter-pressures (Clark 1999, 66). Clark believes that the state is a

‘political broker’ that conjoins the domestic and international. Clark also likens its role to “...a bi-directional valve, responding to whichever pressure is greater, sometimes releasing pressure from the domestic in the international, at other times releasing it from the international into the domestic (Clark 1999, 67).

Similar to the state’s relation with globalization, Clark also believes that the state takes an active role in defining sovereignty. For Clark, what the state performs is as much as a source of its sovereignty as the other way around. This is the notion that state and sovereignty reshape each other across time. This runs counter to neo-realists who believe that state identity is both constant in time and uniform in content because sovereignty makes it so. Clark’s ideas on sovereignty and globalization are similar because both are rooted in changing state practice (Clark 1999, 71).

According to Clark, sovereignty is not a given but something that can vary over time. Once this is understood, globalization and sovereignty do not become antagonistic terms (Clark 1999, 81). Clark believes that sovereignty is now being reconstituted because of its engagement with globalization. Therefore, sovereignty could very well be undergoing transformation, rather than being undermined or becoming redundant (Clark 1999, 82). This speaks to the idea that the state’s identity, in terms of its ability to perform certain key functions, may no longer be intimately connected to territory. Sovereignty and territory have been reconstituted and partly displaced onto other institutional arenas outside the state and nationalized territory (Clark 1999, 84).

So, rather than presenting sovereignty as “...the internal guardian against the marauding hordes of globalization outside” Clark sees it as interwoven developments

which "...depict processes of state transition arising out of the shifting parameters of the domestic and the international, and of the resulting balance of political pressures between them" (Clark 1999, 85). With this understanding it becomes apparent that a state could seek to remake itself in response to conflicting domestic and international pressures by discarding traditional capacities and acquiring new ones. This would show that a state delegating functions to international bodies does not definitely imply an erosion of state sovereignty. Less control over domestic affairs can be a trade-off for more international governance. Clark believes that a 'weakening of sovereignty can occur in tandem with the 'weakening' of anarchy with both diluting each other to some degree (Clark 1999, 87). If Clark's argument is accepted then sovereignty is not opposed to globalization but part of it. Any appeal for the reassertion of sovereignty to halt the advance of globalization is misplaced.

C. Summary (Linking the Literature Review to the Case-study)

Walker believes that because the state, throughout history, has come to represent so much violence and warfare, theorists are quick to wish it away. Some theorists see our modern condition as an opportunity to create a new world order. A world order that controls itself through ethical moral laws rather than the amoral laws of anarchy. If we embed cosmopolitanism now, we can have a more utopian world order later. Walker, on the other hand, would discount this vision as being overly optimistic. The boundaries between inside and outside are blurring rather than moving from one to the other. Rather than believe that we are on a grand trek from polis to cosmopolis we should look at evidence of the two coexisting with one another.

In this case study, I will attempt to heed R.B.J. Walker's warning against falling into conceptual traps where International Relations theorists view changes in the nation-state as evidence for its eventual demise or the beginnings of a new cosmopolitan world order. In analyzing Britain's integration into the E.U. and what this meant in terms of defining Britain's sovereignty, I will recognize that evidence for changes in state sovereignty do not necessarily translate into a world without states.

Clark and Ruggie also use the same language to describe the 'unbundling' of territory. Ruggie believes that we have come to associate the nation-state with a territory. This causes theorists to think in the either/or terms of neorealism and neofunctionalism. But rather than seeing territoriality as a fact that should be accepted, Ruggie believes we must try to understand how this linkage between state and territory came about. The emergence of the E.U. and changes in the world political system provide evidence for the need to deconstruct territoriality. Clark agrees with Ruggie's questioning of territoriality

in that sovereignty can no longer be seen as necessarily locked to a territory and that states are now looking outside of territorial boundaries to gain sovereignty in other areas. States may be losing their direct influence over their domestic issues, but this should not be seen as a total loss of sovereignty because they may be gaining more influence internationally by involvement with supranational institutions like the E.U. Since the state is no longer bounded to territory, the spatial definition of sovereignty is also changing. Sovereignty, therefore, is also no longer restricted to a territory.

Ruggie's and Clark's suggestion that International Relations needs a new vocabulary to explain the different reality of today's world, will be taken into consideration in this case-study. The ways the British collectively see themselves might also no longer have to be tied down to a territory. A new set of social constructs could have resulted in a new visualization of their collective existence on the planet. I will acknowledge the possibility that as Britain and its people became further integrated into the E.U.; they may have started to consider their identity as something separate from the ground they walk on. This also begs the question; is the conceptualization of Britain's sovereignty separating itself from a given territory?

Clark's views on globalization, sovereignty and the state are similar to those of Walker in that they use the same language to explain the transformation of the state as a blurring of the inside and outside. There is no longer a 'Great Divide' between the two and we must stop using explanations that encourage us to think in this way. The state is not under 'attack' from the outside so much as it is going through a metamorphosis in which its role and the relationship between inside and outside is changing. When considering Britain's role and relationship with globalization I will recognize the 'Great

divide' and determine how changes in Britain's expected role as a state may have changed its sovereignty.

All three authors' explanations of changes in the state's condition show that it does not necessarily mean it will be here or gone tomorrow. The political realities of today suggest a complicated picture that can no longer be viewed in either/or scenarios. The roles of the state and concepts of inside and outside are no longer what they used to be and we must develop new ways to adequately explain, describe and understand their significances. I will take these warnings and attempt to integrate them into the following case study.

II. Competing Theories of E.C. Integration

A. *Neo-Realism and Intergovernmentalism*

The father of neo-realism, Kenneth Waltz, believes that the international realm is anarchical. There is not a government of the governments and therefore states exist in a state of anarchy. According to Waltz, under this system of anarchy, the three (S)'s exist: *Statism* – the state is the pre-eminent actor and all other actors in world politics are of lesser significance, *Survival* – the first priority for state leaders is to ensure the survival of their state, and *Self-help* – the principle action in an anarchical system where there is no global government. Waltz claims that these three S's and the system of anarchy they exist under have continued throughout time; “Over the centuries states have changed in many ways, but the quality of international life has remained much the same” (Waltz 1979, 111). Waltz acknowledges that history has shown that this system made of states and the behavior that anarchy creates, i.e., survival and self-help, has not benefited mankind in general. That states have put survival and self-help above all other goals has led to many wars, mistrust, nuclear proliferation, unequal development etc.. However, Waltz laments that “The only remedy for a strong structural effect is a structural change” (Waltz 1979, 111). Unfortunately, this never occurs because the only actors who are capable of creating such a change are the states themselves. But because they exist under a system of anarchy which forces them to behave under survival and self-help principles, this strong structural change for the better never comes about.

Waltz acknowledges that some forms of political and economic cooperation can exist under the system of anarchy. The reason for this is that although the system is

anarchical it is also hierarchical. Under hierarchy, states, for the most part, understand and maintain their place under the larger system. Peaceful cooperation can occur because states generally see their survival and self – help interests aligned with maintaining the hierarchical status quo. *However*, Waltz believes that this cooperation is still carried out in ways that are strongly conditioned by the anarchy of the larger system. Political and economic cooperation is limited because of the states’ concerns for survival and self-help. When states cooperate they do not ask themselves ‘How can we both gain?’ but ‘Who will gain more?’. States are also extremely concerned with becoming too dependent on another states’ exports. Therefore true cooperation between states remains limited.

Intergovernmentalism is the neo-realist way of explaining E.U. integration. This understanding of limited cooperation is how Intergovernmentalists proceed to explain E.U. integration. Although the E.U. is historically a new phenomenon, it still represents a continuation of statism, survival, and self-help. For intergovernmentalists, the E.U. is, and will always be, dependent on states and *not* vice versa. Any institution or political organization that exists beyond the state is less (Hoffman 2003, 175). Cooperative arrangements have a varying degree of autonomy, power, and legitimacy *but* there has been no transfer of allegiance towards the E.C.’s institutions, and their authority remains limited, conditional, dependent and reversible.

Stanley Hoffman, in his article *Obstinate or Obsolete? The Fate of the Nation-State and the Case of Western Europe*, uses intergovernmentalism to explain the phenomenon of economic/political integration and the emergence of transnational governance within the European Union. Hoffman’s intergovernmentalist account

borrowed from Waltz's basic laws of international politics: *statism, survival, self-help*, to defend against neo-functionalist assertions that E.U. integration is an erosion of state sovereignty by supranational actors. Hoffman explains that domestic differences and different world views mean differing foreign policies. European policy making around "community building" has meant a deepening, not a decrease, of those divergences (Nelson and Stubb 2003, 166). Hoffman defends this proposition by showing an aspect of the present international system that exacerbates these divergences. Nations that coexist in the same geographical region are not dominated so much by the region's problems as by purely local and purely global ones, which conspire to divert the region's members from the internal affairs of their area. As a result, each nation, new or old, finds itself placed in an orbit of its own where the attractions of the regional forces are offset by the pull of all the other forces (Nelson and Stubb 2003, 167). Therefore, the "regional subsystem" becomes a stake in the rivalry of its members within the system as a whole. Here Hoffman borrows from Waltz's concept of state *self-interest* in which each state has different interests in relating to the outside world which inhibits them from reacting to external forces as a cohesive community. According to Hoffman, this experiment in European unification can fail not only when there is a surge of nationalism in one important part but also when there are differences in assessments of the national interest that rule out agreement on the shape and on the world role of the new supranational whole (Nelson and Stubb 2003, 169).

Hoffman believes that it has become possible for scholars to argue both that integration is proceeding and that the nation-state is more than ever the basic unit without contradicting each other. This is because, according to Hoffman, recent definitions of

integration “beyond the nation-state” point not toward the emergence of a new kind of political community, but merely toward “an obscuring of the boundaries between the system of international organizations and the environment provided by member states”(Nelson and Stubb 2003, 174-175). For intergovernmentalists like Hoffman, anything that is “beyond” is “less” where there are cooperative arrangements with a varying degree of autonomy, power, and legitimacy, but there has been no transfer of allegiance toward their institutions, and their authority remains limited, conditional, dependent, and reversible. Also, the transference of exclusive expectations of benefits from the nation-state to some larger entity leaves the nation-state both as the main focus of expectations, and as the initiator, pacesetter, supervisor, and often destroyer of the larger entity (Nelson and Stubb 2003, 175). Because of these reasons, Hoffman warns “...Those who put their hopes in the development of regional super states are illogical, those who put their hopes in the establishment of a world state are utopian, those who put their hopes in the growth of functional political communities more inclusive than the nation-state are too optimistic (Nelson and Stubb 2003, 175).

Both Waltz and Hoffman argue that changes in the international structure that undermine state sovereignty are impossible because states, as the most powerful actors, would never let this happen. Waltz believes that changes in structure of international politics can only occur through states because they are the most powerful actors in the system and therefore the only ones capable of creating such a change. However, because they are under the condition of anarchy, states consume themselves with self-preservation and cannot support international interests over national interests. Hoffman agrees with Waltz’s claim, and it is because of this that in areas of key importance to the national

interest nations prefer the certainty, or the self-controlled uncertainty, of national self-reliance, to the uncontrolled uncertainty of the untested European Union (Nelson and Stubb 2003 170). Essentially both authors feel that states have complete control over their sovereignty and their destinies. Because they are the all powerful units in the international system they will never allow changes to take place that could undermine their sovereignties or their control over them. As a counter argument to this theoretical reasoning, I now turn to Neofunctionalism.

B. Neofunctionalism

Ernst B. Haas, who is considered the acknowledged leader of the neofunctionalist school, defines political integration as "...the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new center, whose institutions possess or demand jurisdiction over the pre-existing national states" (Nelson and Stubb 2003, 145). David Mitrany, another forefather of the functionalist school, believes that this integration will bring about peace, "Not a peace that would keep nations quietly apart, but a peace that would bring them actively together" (Mitrany 1963, 51). Haas, in his book **Beyond the Nation-State**, believes that international conflict is best tamed by entrusting the work of increasing human welfare to experts, technical specialists, and their professional associations (Haas 1964, 11). This is because they are interested in tasks rather than power, and they can be expected to achieve agreement where statesmen will fail. More importantly, conflict will be sidestepped if the territorial principle of representation is abandoned (Haas 1964, 11). Because men in many nations already share certain welfare aims, this process could be set in motion without involving political sources of friction, thus sidestepping strong national loyalties (Haas 1964, 11).

Haas explains that the reform of the state and of interstate relations in the direction of human welfare can bring with it a new type of world only if the Functionalist is able to indicate how the new world will supersede the old (Haas 1964, 12). In other words, he must have a theory of change. Change will occur if nations take full advantage of what, initially, are merely converging technical interests. Eventually these interests will become *fused*. Haas admits that national loyalties are too powerful to be overcome

merely by appealing to the symbols of “One World”. He also stresses that world government cannot come into existence until the sentiment of world community has come to flourish (Haas 1964, 12). Such a feeling, however, can evolve only gradually on the basis of joint tasks of equal interest to all. Thus, the thesis of national exclusiveness can be outflanked by the antithesis of creative work dedicated to welfare. According to Haas, this will yield to the eventual synthesis of a world community (Haas 1964, 12). The result would first be a world community of sentiment, which would eventually be followed by a world government (Haas 1964, 13).

Through Haas’ thesis we can see the functionalist understanding of integration between nation-states. Rather than view it as states merely cooperating with each other in order to maximize self-interests during a time of temporary peace, functionalists see it as a means to eventually usurp state power in the name of global governance. Working towards a common welfare is a way to unite people outside of the nation-state and to bring about a world consciousness. Under this rationale, functionalists interpret the European Union as a supranational organization, which is functionally integrating itself in order to decrease state power and eliminate the inherent dangers of a state dominated world.

C. Historical Institutionalism

1. Path Dependencies

In his article *Increasing Returns, Path Dependence, and the Study of Politics*, Paul Pierson shows that through an investigation of *increasing returns*, specific patterns of timing and sequence matter; a wide range of social outcomes may be possible, large consequences may result from relatively small or contingent events, particular courses of action, once introduced can be almost impossible to reverse; and consequently, political development is punctuated by critical moments or junctures that shape the basic contours of social life (Pierson 2000, 251). By analyzing increasing returns, Pierson hopes that it will redirect questions political scientists ask, and will contribute to a richer appreciation of the centrality of historical processes in generating variation in political life (Pierson 2000, 252).

Pierson defines *path dependence* as “...once a country or region has started down a track, the costs of reversal are very high” (Pierson 2000, 252). This is because the relative benefits of the current activity compared with other possible options increase over time or the costs of exit – of switching to some previously plausible alternative rise (Pierson 2000, 252). Pierson lists some important characteristics of increasing returns processes: 1. *Unpredictability* – because early events have a large effect and are partly random, many outcomes may be possible. We *cannot* predict ahead of time which of these possible end-states will be reached. 2. *Inflexibility* – the farther into the process we are the harder it becomes to shift from one path to another. 3. *Nonergodicity* – accidental events early in a sequence cannot be ignored because they feed back into future choices. Small events are remembered. 4. *Potential path inefficiency* – In the long run, the

outcome that becomes locked in may generate lower pay-offs than a foregone alternative would have done. In all of these processes history matters because sequencing is critical; earlier events matter much more than later ones, and different sequences may produce different outcomes (Pierson 2000, 253).

In affirming the importance of history, Pierson makes the claim “We should turn to history because important aspects of social reality can best be comprehended as temporal processes” (Pierson 2000, 264). According to Pierson, it is not the past per se but the unfolding of processes over time that is theoretically central. The main properties of the increasing returns processes provide support for the key claims of the “historical institutional” analyses in political science. This is because the historical institutionalist scholarship often emphasizes critical moments in politics, distinctive developmental sequences, and the rigidities that make it difficult for social actors to escape from established paths (Pierson 2000, 265). I will now turn to how Historical Institutionalism as a scholarship applies to explaining integration among states within the E.U. and its ability to explain and predict within the post-modern framework.

2. Unintended Consequences

Paul Pierson, in his article *The Path to European Integration: A Historical Institutional Analysis*, wants to apply Historical Institutionalism to politics in order to lay the foundation for a more persuasive account of member-state constraint within the E.C. Pierson contrasts Historical Institutionalism with other alternative theories by showing how these theories are content to focus on Intergovernmentalism’s flawed fixation with grand diplomacy that does not account for the increasing number of policies

countering state interests that are being created and enforced by transnational institutions. According to Pierson, these critiques are vulnerable because it is almost always possible to explain these policies as part of a “nested game” or as an instance of side payments made to gain greater power/sovereignty in other areas. Intergovernmentalism can always draw on Rational Choice theory, as a flexible conceptual tool, to explain why member states would favor the observed outcomes (Nelson and Stubb 297). Another fault critics of intergovernmentalism have, according to Pierson, is basing too much of their argument on the growing autonomy of supranational actors. Although arguments citing the independent actions of the Commission and the Court of Justice have some merit, Pierson says that there is little doubt that the member states, acting together in the Council, remain the most powerful decision makers (Nelson and Stubb 298).

Thus, at any given point in time, the key propositions of intergovernmentalist theory are likely to hold. If theories cannot conduct a persuasive argument that accounts for how constraints on member state behavior can come about, then these arguments will not convince proponents of intergovernmentalism. Paul Pierson believes that Historical Institutionalism as a theory is a much stronger argument than other alternative theories because of its ability to explain: 1. Why gaps emerge in member-state control. 2. Why these gaps are difficult to close and 3. How these openings create room for actors other than member states to influence the process of European integration.

According to Pierson, there are four reasons that gaps occur in member-state control. First, *the partial autonomy of E.C. institutions* believes that even though supranational actors like the Court, Commission, and Parliament were created by states, these institutions begin to accumulate power and resources for their own and seek to

challenge their founding member-states. Member states, when creating these transnational institutions, needed to build arrangements that would allow reasonably efficient decision-making and effective enforcement despite the involvement of a large number of governments with differing interests. These considerations generated pressure to grant those who run these institutions considerable authority. Over time, E.C. organizations will seek to use grants of authority for their own purposes, especially to increase their autonomy (Nelson and Stubbs 304). Therefore, the governing bodies of the E.C. accumulate significant resources of their own and, as a result, they are not simply passive tools of the member states. This gap is what most alternative theories rely on when developing their arguments. However, by themselves, according to Pierson, they do not constitute an adequate response to intergovernmentalism. This is because they rely on the same principal-agent framework that the intergovernmentalists use. This leads to ambiguity, often citing the same evidence to defend opposing positions. The question both sides eventually argue over, and can never really defend, is *Do these organizations create genuine gaps in member-state control, or do they simply act as agents, fulfilling monitoring, information gathering, and implementation roles under tight member-state scrutiny?* (Nelson and Stubbs 306). Pierson states that it is here that Historical Institutionalism's strengths become apparent by not only showing more than one way that gaps can occur but also giving reasons why these gaps are difficult to close.

The second gap, *restricted time horizons of political decision makers*, occurs because many government leaders are short-sighted in their policy-making due to their concern with their immediate elections. Therefore they do not focus on the long-term repercussions of their actions. This observation exposes the weakness in

Intergovernmentalism's choice-theoretic treatment of institutions, which argue that the short-term effects of institutions explain why decision makers introduce them. Pierson counters that long-term institutional consequences are often the by-products of actions taken for short-term political reasons. This raises a serious challenge to intergovernmentalists' theories of the E.C., which stress the tenacity with which nation states cling to all aspects of national sovereignty. According to these theories, the design of collective institutions is assumed to reflect this preoccupation. However, according to Pierson, the first concern of national governments is not with sovereignty per se but with creating the conditions for continued domestic political success (Nelson and Stubbs 308). Thus, rather than being treated as the goals of policy makers, long-term institutional effects should often be seen as the by-products of their purposive behavior.

The third gap, *unanticipated consequences*, takes into account that even when state leaders do consider the long-term consequences of their policies, high issue density, reliance on experts and general unfamiliarity with unique E.C. policies keeps politicians from foreseeing all future outcomes. Within the European Union, unanticipated consequences are likely to be of particular significance because of the presence of high *issue density*. As European-level decision-making becomes both more prevalent and more complex, it places growing demands on the gatekeepers of member-state sovereignty. The past decade has increased this potential due to the massive expansion of E.C. decision making, primarily because of the single market project. The sheer scope of this decision-making limits the ability of member states to firmly control the development of policy. In this context, time constraints, scarcities of information, and the need to

delegate decisions to experts may promote unanticipated consequences and lead to gaps in member-state control (Nelson and Stubbs 1998, 309).

Finally, the fourth gap, *shifts in chiefs of government policy preferences*, comes from the fact that changes in government and party platforms occur frequently and each of these varied administrations will try to change policies to fit their outlooks. Each administration inherits a new set of arrangements from the past and each will try to place its own imprint on this heritage (Nelson and Stubbs 1998, 311). The result, over time, is that evolving arrangements will diverge from the intentions of original designers (Nelson and Stubbs 1998, 311).

Historical Institutionalism counters the Intergovernmentalist belief that member-states can learn from their mistakes and close these gaps by exposing three reasons why these gaps, once entrenched, are extremely difficult to close. According to Pierson, if these barriers are sufficiently high enough, learning will not provide a sufficient basis for correction, and member-state control will be constrained (Nelson and Stubbs 1998, 313).

The first, *resistance of supranational actors*, shows how E.C. institutions begin to take on an autonomy of their own and will protect any gaps that may occur. This assertion is taken from the neofunctionalist argument which holds that supranational actors, e.g.. the Court, Commission, and Parliament, have accumulated significant political resources and they can be expected to use these resources to resist member-state efforts to exercise greater control over their activities. Yet, Pierson warns, the neofunctionalists have failed to address the question of why, in an open confrontation between member states and supranational actors, the latter could ever be expected to

prevail (Nelson and Stubbs 1998, 313). Historical Institutionalism looks to remedy these deficiencies.

The second reason, *institutional barriers to reform*, reveals how the original E.C. policy designers foresaw member-states in the future trying to manipulate E.C. policies to fit their own interests. Therefore these original designers locked out anyone (including themselves) from being able to change the policies from their original intentions. The efforts of member states to reassert control will be facilitated if they can easily redesign policies and institutions. However, those designing institutions must consider the likelihood that future governments will be eager to overturn their designs, or to turn the institutions they create to other purposes (Nelson and Stubbs 1998, 314). Therefore, Pierson explains, institutional designers "...often can only shut out their opponents by shutting themselves out too. In many cases, then they purposely create structures that even they cannot control" (Nelson and Stubbs 1998, 314). An example of this is the most radical vehicle of institutional redesign, a treaty revision, which faces extremely high barriers: unanimous member-state agreement, plus ratification by national parliaments and (in some cases) electorates (Nelson and Stubbs 1998, 314). Pierson notes, "The threat of treaty revision is essentially the 'nuclear option' – exceedingly effective but difficult to use – and is therefore a relatively ineffective and non-credible means of member state control" (Nelson and Stubbs 1998, 315).

Finally, the third reason that gaps are hard to close is *sunk costs and the rising price of exit*. This relates to how states, when first entering a chosen path of E.U.

integration, have a series of choices. However, once they choose one, as time goes on major social and economic networks are created around this chosen path, which causes *path dependency*. Eventually, alternative choices are no longer available as the price of exit becomes too high. Therefore path dependency makes the cost of closing a gap too costly.

Paul Pierson's Historical Institutionalism presents major challenges to the inter-governmentalist vs. neo-functionalist discourse of European integration. Pierson claims that Ernst Haas's neo-functionalist argument is too simplified in that it assumes that supranational institutions will usurp power away from states in a zero-sum game of power accumulation. Haas, is faulted for relying on a 'community of sentiment' to come about locked together by the altruistic goal of world peace. Neo-functionalists fail to explain *why* supranational actors, when confronted, will prevail over member-states. Also, they seem to overlook that member-states still control budgets and appointments and possess the legal authority to determine and alter the basic rules of the game, including those affecting the very existence of the E.U.'s supranational organizations (Nelson and Stubbs 1998, 313).

Pierson supports aspects of intergovernmentalism and neo-functionalist simultaneously. Historical Institutionalism accepts that states are the central institution builders of the E.U., and that they do so to serve their own purposes. At the same time, Historical Institutionalism shows how gaps can occur in member-state control and why it becomes increasingly difficult for these states to close the gaps. This type of scholarship provides the analytical tools for us to see that the E.U. is no longer an intergovernmental international organization, but an emergent multi-tiered system of governance.

Pierson's Historical Institutionalism provides evidence that counters both Waltz and Hoffman. Both men believe that a pooling of state sovereignty towards a supranational institution could never happen because it would need the member-state's blessing. The system of anarchy will not allow this because states place their self-interests and survival over all other ideas of shared sovereignty and economic integration. Realism relies on Rational Choice theory to show that individuals will always act in their best self-interest. However, Historical Institutionalism shows that change can happen outside of state control. The unintended consequences, limited scope of state politicians, path dependencies and increasing returns all provide evidence towards this.

Historical Institutionalism reveals a form of European integration that cannot be explained through any one perspective. It shows how integration occurring outside of member-state control can happen by exposing how states initially enter into E.U. policies with goals and plans they want to have carried out. Over time these may be met but the policies they enter into often also have unintended consequences. The limited scope of their policy makers keep them from knowing the true repercussions of their actions. This reveals a type of European integration that is more chaotic than traditional International Relations arguments would like to admit.

I believe Historical Institutionalism fits into a post-modern explanation of the world. The dominant paradigms in International Relations theory, Neo-Realism and Neo-liberalism, have tried to establish themselves as theories which can predict on a grand scale. Political scientists within these schools of thought have lofty aspirations about creating a science of politics, developed with parsimony and generalization and capable of great predictive power. Analyzing European integration challenges these

goals. It suggests that we can predict, but on a more humble scale, and that what we *think* or *want* to happen is not necessarily what *will* happen. History is not inevitable but rather contingent on a series of decisions/choices and accidents that lead us to where we are today.

I think that Pierson's Historical Institutionalism can be considered as part of the post-modern vocabulary that both R.B.J. Walker and John Gerard Ruggie are looking for. Walker states that we must stop thinking in terms that encourage us to believe that we are or must move from the polis to the cosmopolis. Pierson does not show evidence that states are irrelevant nor does he feel that supranational organizations are taking over. He paints a more sophisticated picture, where member states play a central part in policy development within the European Union. However they do so in a context that they do not (even collectively) fully control. With this understanding, we are not necessarily moving from the particular to the universal but perhaps creating a dialogue between the two. Pierson's analysis also fits into Clark's and Ruggie's belief that the E.U. is a post-modern entity, which requires us to stop theorizing political life around particular forms of territory. Historical institutionalism provides evidence for Ruggie's claim that the E.U. is the first "multiperspective polity" to emerge since the advent of the modern era. Pierson shows the folly of trying to understand the emergence of the E.U. through a "states only" perspective.

Finally, the post-modern argument and Historical Institutional scholarship stand in sharp contrast to the prominent modes of argument and explanation in political science which attributes “large” outcomes to “large” causes and emphasizes predictable outcomes and the capacity of rational actors to design solutions to the problems that confront them. The emergence of the E.U. provides evidence of the folly of such grand assumptions. It is not to suggest that they are wrong in their observations but that the international world is much more complicated than we had previously imagined and we must try to better understand our limitations as predictors of the future. The international world does not have a reality which can be explained by any single theory but rather a reality which requires us to accept many different perspectives on what is happening.

III. Andrew Moravcsik as a Counter Example in Methodology

In order to illustrate the advantages that I hope my historical case study will have over the traditional methods used by both Intergovernmentalists and Neo-functionalists, I have provided Andrew Moravcsik's Intergovernmentalist analysis of the S.E.A. treaty as an example to compare and contrast my research with.

Andrew Moravcsik's article *Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community* offers a critique of neofunctional explanation's integration and upholds the relevancy of the intergovernmentalist approach. Moravcsik is a former student of Stanley Hoffmann and is a proponent of the intergovernmentalist approach which he calls the "modified structural realist" view of regime change, a view that stresses traditional conceptions of national interests and power over supranational variants of neofunctionalist integration theory (Nelson and Stubb 1998, 219). Moravcsik claims that E.C. institutions, transnational business groups, and international political leaders simply were not as important to the passage of the S.E.A. as the supranationalists claimed. Moravcsik argues instead that the S.E.A. was the result of bargaining among the heads of government of the three most powerful E.C. countries: Britain, France and Germany (Nelson and Stubb 1998, 218).

Moravcsik attacks the neo-functionalist argument that *E.C. institutions* influenced the signing of the S.E.A. to gain power. He claims this by showing that government representatives, abetted by the Commission, deliberately excluded representatives of the Parliament from decisive forums (Nelson and Stubbs 1998, 229). In addition to this, the

Dooqe Committee (which was set up to begin initial negotiations on the S.E.A.) rejected the E.P.'s "Draft Treaty Establishing European Union" and began negotiations with a French government draft instead (Nelson and Stubb 1998, 229). According to Moravcsik, this shows how member states pushed away parliamentary pressure with ease, casting doubts on the argument that it was necessary to accept rising demands for even more institutional reform. Although the Parliament protested their exclusion it "...had little alternative but to accept the *fait accompli*" (Nelson and Stubb 1998, 229).

Moravcsik states that there is little evidence that *transnational business interest groups* had any real impact on S.E.A. negotiations. Most transnational business lobbies got involved late; nearly a year had passed since the Dooqe Committee discussions were well underway.

In terms of *international political leaders*, Moravcsik does not question Jaques Delors' extraordinary political skills as President of the Commission. But Delors' most lasting contributions to the S.E.A. negotiations was not his ability to initiate supranational friendly policies but instead his keen awareness of the extreme constraints from member states under which he was acting (Nelson and Stubb 1998, 231). A reexamination of his memoirs during this time, Moravcsik explains, reveals that his arguments stress intergovernmental constraints rather than his ability to personally influence the negotiations (Nelson and Stubb 1998, 231).

Moravcsik claims that the elements of intergovernmentalism that are found in the negotiations of the S.E.A. are parallel to those in the negotiations for the E.C.S.C. and the E.C. in the 1950s. The factors encouraging a greater commitment to European unity are essentially the same: the convergence of national interests, the pro-European idealism of heads of government, and the decisive role of the large member states (Nelson and Stubb 1998, 232). If you look at the negotiations, Moravcsik points out, they were carried out by the heads of government and their direct representatives. The only major exception to lowest-common-denominator bargaining concerned whether to amend the Treaty of Rome to promote majority voting on internal market matters (Nelson and Stubb 1998, 233). Yet, later, the Thatcher government was able to keep this institutional reform to a minimalist position by keeping Q.M.V. restricted to internal market policy only. Added to that the power of the British Parliament is limited, and the future spillover to areas such as monetary policy was blocked. This confirms "...the enduring preoccupation of all three major states with maintaining sovereignty and control over future changes in the scope of E.C. activities" (Nelson and Stubb 1998, 233).

Paul Pierson, I feel, would claim that Moravcsik's argument has attempted to validate intergovernmental claims by using a method, used by both intergovernmentalists and neo-functionalists, that falls into a semantics trap. Moravcsik has attempted to discount neo-functionalism by looking at one moment of history and analyzes that moment to extract evidence to counter the neo-functionalist theory. The weakness in this methodology is that it is precisely at these critical moments that states are most aware of protecting their sovereignty. Therefore, isolating single moments in history makes it easier for intergovernmentalists to defend their positions. Moravcsik does not take into

consideration the unintended consequences, which are not apparent at these moments, allowing the leaders to feel confident after the negotiations that they successfully protected their state's interests and sovereignty. Pierson has pointed to the inadequacy of intergovernmentalists and neo-functionalists who argue over whether an act like the S.E.A. is evidence for either side's case. This is because it is impossible to see the true ramifications of these decisions until a sufficient amount of time has passed after they are institutionalized. Although member state governments may scrutinize policies for details during the negotiations, it is impossible for them to know what will happen in the future.

By focusing on a single moment in history, Moravcsik fails to account for what events or conditions brought Britain to the signing of the S.E.A. nor does he account for the repercussions of the treaty after the signing. The strengthening of E.C. decision-making seemed minor at the time of the signing which accounts for Margaret Thatcher's celebratory mood and Delors's frustration right after 1986.

In summary, Moravscik falls into the semantics trap that Pierson claims both intergovernmentalists and neo-functionalists often find themselves in. Both sides of the argument will often look at the same historic event to cite evidence as to why the event supports one argument over the other. But neo-functionalists usually lose this argument because at any given moment, especially during major treaty negotiations, it is easy to show nation-states asserting their authority and influence over supranational institutions. However, Pierson asserts that it is smaller changes that can make the 'big differences' and it is the time between the treaties that governance can shift. The purpose of including Moravscik's article was to contrast my methodology with the traditional methodologies of both intergovernmentalists and neo-functionalists. It is my hope that by taking a

broader look at history, rather than focusing on one isolated event in time, I will reveal how major changes sometimes take a longer time to evolve. It is with this methodology that I will try to assess whether a transference of sovereignty/governance has taken place within Britain over a 50 year period.

Chapter 3: Case Study

A. The Background, 1945 – 1973

Why did Britain refuse to join the E.C. after the war?

After the Second World War most states in Western Europe were concerned primarily with their own economic recovery, and with rediscovering a sense of national identity after the trauma of war (George 1994, 13). However, while these countries were formulating their foreign policies in line with such objectives, Britain continued to formulate its foreign policy in global terms. Britain, according to Winston Churchill and senior ministerial members, was the “...indispensable economic and political hinge between three centers of power within the Western world – the transatlantic relationship with the United States, the Commonwealth and Western Europe” (Kaiser 1996, 3). This ‘mediator’ position gave the British a sense of legitimacy as having a continued world power status.

The continuation of the global outlook was partly due to the international orientation of the British economy. By 1918, it had become generally accepted that the fate of the British economy had become linked to international economic forces and trends (Buller 2000, 22). After the repeal of the Corn Laws in 1846, Britain relinquished her self-sufficiency in agricultural products, and became reliant on imports of food and raw materials to feed its population (Buller 2000, 24). Moreover, because the value of British exports could never match its imports, the British came to rely on income from

so-called 'invisible' exports: earnings from British shipping, various financial services provided by the City of London, interest from the investment of British capital abroad (Buller 2000, 24). Therefore, the international orientation of the British economy up until the war represented a considerable constraint on the policies followed by any government during this period. Additionally, even though its dominance as a world power came to an end after the war, Britain did indeed retain international responsibilities. It remained protector of its colonies, and under agreements made at the Yalta conference in 1945, it had the responsibility for overseeing the restoration of civilian governments in a clearly defined 'sphere of influence'.

Of the three circles, Western Europe was initially considered less important than either the Commonwealth or the transatlantic relationship. The foreign policy bias towards America stemmed from the way in which policy-making elites thought about foreign policy. It was a long held habit of mind that although Britain's position, when compared to the U.S. or the Soviet Union, was greatly reduced, its statesmen and diplomats continued to assume it would play such a role (George 1994, 14). British statesmen saw their role as mentor to the reluctant and inexperienced U.S. on International Affairs (Kaiser 1996, 6). Therefore developing a close relationship with the U.S. became the first priority for British foreign policy after the war. However, the U.S. at this time was more interested in seeing Western European unity and was actually pushing the U.K. to join the E.C. to strengthen Europe and also to influence it towards U.S. interests. Despite all the coaxing of the United States, Britain remained steadfast in its belief in a special Atlantic relationship. This acted as a psychological barrier to Britain's policy-makers seeing the need for European participation.

The second reason for Britain's reluctance to attach its future to Europe's was its reliance on the Commonwealth. Britain's policy-makers believed that its leadership of the Commonwealth would allow Britain to speak with a louder voice in international affairs than would other European states. Commercially, in 1948, Britain sent 40 percent of its exports to the Commonwealth (Kaiser 1996, 8);(George 1994, 15). Whole sections of the British economy were dependent for their prosperity on this trade. Any trade with Western European countries would be seen as jeopardizing this relationship. Britain's reliance on the Commonwealth had become heavily institutionalized politically, economically, and socially which made it difficult to break away from.

Independent of its actual relevance in international affairs, the greatest political importance of the Commonwealth for Britain was its function as an international status symbol (Kaiser 1996, 5). Although Britain was suffering from latent economic and political weakness by the mid-1950s, it appeared that the Commonwealth could partially compensate for these vulnerabilities by legitimizing a special international role (Kaiser 1996, 5).

These factors, and a growing concern over supranational tendencies, all became real barriers to Britain's co-operation with future European initiatives like the European Defense Community (E.D.C.), the Marshall Plan's Organization for European Economic Cooperation (O.E.E.C.), and the European Coal and Steel Community (E.C.S.C.). Fears of supranationalism and a loss in status as the United States main ally, kept Britain from fully endorsing the European Defense Community Treaty in May 1952. Even after supranational elements like the additional European Political Community and the European Defense Minister were dropped from the negotiations, the British remained

negative and secretly wanted to sabotage the treaty because they were afraid it would be dominated by the 'rearmed' Germans (Kaiser 1996, 16). British reluctance to the E.D.C. helped cause it to fail and Britain proposed a more intergovernmental solution, pushing German rearmament and accession into N.A.T.O.. The Six agreed upon this initiative, known as the Western European Union and the failure of these countries to go it alone allowed the British government to regain its status as chief negotiator of Western Europe (Kaiser 1996, 17).

Under the Marshall Plan, the United States pushed for the establishment of the O.E.E.C. to not only rebuild Germany and create economic integration in Europe but more importantly to politically integrate Europe (Kaiser 1996, 18). After considerable negotiations and bargaining the U.S. convinced the French, Italian, and Benelux governments to accept the O.E.E.C. as an agreement that it would provide a suitable institutional framework for the recovery of West Germany, and that it would have a pacifying and integrative effect on postwar Western Europe. But Britain staunchly defended its outside economic interests with the Commonwealth and the Sterling Area and had no intention of giving up its independent decision-making powers to even a hint of supranational European authority (Kaiser 1996, 19). Once again, Britain's recalcitrance and the highly diverse interests of the European states thwarted true economic integration and kept all institutional structures of the O.E.E.C. entirely intergovernmental (Kaiser 1996, 19). Britain made sure that all measures calling for majority voting or the possibility of strengthening the powers of the organization were kept out.

However, during this time, a change occurred in France's domestic political situation which would have a strong influence on the future of the E.C. According to Craig Parsons, in his 2002 article "Showing Ideas as Causes: The Origins of the E.U.", after World War II most French elites agreed that France's goal should be to keep Germany weak while rebuilding France's strength. But, Parson's states, there were strong differences on how to go about achieving this. Three separate groups emerged in French politics and all of them had an equal chance of succeeding. The first group retained a conventional realist analysis, with legitimacy and security located in the independent nation-state. France would maintain direct control over Germany and, if necessary, bilateral deals could be struck with the Germans themselves. The second group favored 'confederal' strategies where the nation-state would remain the source of legitimacy and security, but like-minded states should cooperate closely, given their interdependence (Parsons 2002, 57). This group believed that France's natural partner was its liberal counterpart, Britain. Only together could they supervise the Germans. The third group, the more radical of the three, claimed that two world wars and the rise of the super-powers showed that Europe needed more than the nation-state. They claimed that only a new sort of 'supranational' institution, partly independent of governments, could lead fractious Europe to peace and prosperity (Parsons 2002, 58).

According to Parsons, this particular moment in history for France, and for the rest of Europe, represented an 'epochal moment', where ideas mattered (Parsons 2002, 57). The huge changes France faced after the war destabilized how their policy-makers and politicians understood their interests. While major changes in the objective conditions brought about new ideas, they did not dictate their success. Older ideas had

survived these major changes as well and the ‘battle of ideas’ remained to be fought” (Parsons 2002, 57).

France began to divide itself over which community model Europe should follow in May 1950, when Robert Schuman submitted a proposal to create a “European Coal and Steel Community”. According to Parsons, structural accounts always present the Schuman plan as responding directly to clear imperatives (Parsons 2002, 59). The agreement initiated Franco-German reconciliation while giving France oversight of West Germany’s nascent foreign policy, and it responded to U.S. pressure for European collaboration. Economically, it secured long-term access to German coal and supervision of German heavy industry. However, Parsons states that the structuralists overlook actual French reactions to the E.C.S.C.. In France’s parliament, two-thirds of the majority, the opposition, most high officials, and all interest groups, criticized Schuman’s proposal (Parsons 2002, 59). Many voiced opposition to supranationality and partnership with Germany. They favored plans within two weak organizations under Franco-British direction – the O.E.E.C. and the Council of Europe. These officials saw Britain as France’s irreplaceable partner against Germany and tended to regard community with Germany as suicidal or a betrayal of France’s great-power prerogatives (Parsons 2002, 60). France’s ambassador Rene Massigli wrote “From the moment Jean Monnet rallied Robert Schuman to the idea of European federalism, to which the supranational system he invented was meant to lead, I fought tirelessly for the victory of a confederal conception to which it would be possible, with time, to rally Great Britain; I could not conceive Europe without Great Britain” (Parsons 2002, 60). At the same time,

Benelux leaders and industrialists too were leery of supranationality. The Germans, although beneficiaries of the Schuman plan, had many skeptics as well.

Although there were many forces against Schuman, it was his position as Foreign Minister that allowed him to set the French agenda. He collaborated purposefully with Monnet to limit input from other actors in Paris and insisted on immediate and rapid negotiations of the E.C.S.C.. Schuman had used issue linkages and coalitional pressures to assemble a majority in the government for ratification. This was mostly done by presenting the treaty as a *fait accompli*: he alienated the British and argued that the choice was now between the E.C.S.C. and no supervision of Germany at all (Parsons 2002, 62). Most blatantly, Schuman had made side-payments on colonial policies to secure centrist and Independent votes. The Germans, Benelux, and Italians agreed, although they had pleaded for British involvement and fought to limit the E.C.S.C.'s supranational provisions. After difficult negotiations – which almost failed due to German intransigence – the treaty was signed in March 1951 (Parsons 2002, 61).

Britain refused French Foreign Secretary Robert Schuman's invitation for any European state to participate in the E.C.S.C. because coal and steel was just nationalized in Britain and they had serious doubts about surrendering sovereign economic decision-making. In Britain there existed a decided opposition to participation in a supranational project (Gowland and Turner 2000, 47).

This became most apparent when Britain, at the same time, set out to work on an alternative plan which abandoned the idea of supranational authority for an intergovernmental council appointed by and responsible to member governments (Gowland and Turner 2000, 47). There are two reasons for the differences of opinion on

this issue between the British and the French. First, while the French were concerned about guaranteed access to German coal, the British were primarily intent on ensuring the maintenance of national controls over the distribution of British coal. Second, the British did not share the view with Schuman that European integration and the accompanying loss of national sovereignty was an acceptable price for controlling or accommodating Germany within a tightly knit European system (Gowland and Turner 2000, 47 & 51).

After three weeks of inconclusive discussions with the British on the implications of sovereignty and supranationalism, Schuman announced on June 1 that the principle was non-negotiable, and that any state that wanted to be involved in the negotiations must accept it by June 2 (George 1994, 21). The British cabinet immediately rejected this condition as impossible. However, fore-warningly, Sir Oliver Hardy, the British ambassador in Paris, believed that the plan represented "...a turning point in European and indeed in world affairs".

Case Study Analysis

In analyzing the extent of British integration with Europe up until this point, all evidence seems to support an intergovernmentalist/Neo-realist interpretation. Britain was far more pre-occupied with its self-interests and its preservation as an important world power than with economic and political cooperation with Europe. In all three instances, E.D.C., E.C.S.C., and O.E.E.C., Britain decided that there were certain aspects of these treaties that would weaken its status as a world power and that the losses of sovereignty did not outweigh the benefits. Britain saw the E.D.C. as a French creation which could lead to a dominant Germany. Therefore, Britain refused to support it and successfully

pushed through the W.E.U., which was more intergovernmentalist and incorporated Germany into N.A.T.O. instead. Similarly, even against the wishes of the United States, Britain sabotaged the American version of the O.E.E.C. because it saw it as a threat to its extra-European interests and the Sterling Area and did not want to give up its independent decision-making powers to any supranational European authority. Finally, Britain again refused to cooperate with Europe in the creation of the E.C.S.C. because it did not want to surrender control over its coal to a supranational authority, nor did it deem it necessary in order to peacefully integrate Germany. All of these examples strengthen the intergovernmentalist argument that a state would never enter into an agreement that would jeopardize its self-interests or its sovereignty.

However, if Britain had successfully evaded and blocked any pushes towards supranationalism, France had a growing internal momentum towards such a goal under Robert Schuman. According to Parsons, although the battle of ideas in France was still far from being won, Schuman had won an important platform with the E.C.S.C. on which to build his ideas. France had yet to become path dependent on any community model, but the following years leading up to the Messina conference would allow for the supranational group to triumph over the 'realist' and 'confederal' groups.

By the end of 1954, Britain had successfully defended its version of a European community led by the London government. But this success was to be tested when the six European countries met at the Messina conference in June 1955 to discuss further economic integration. In France, at that time, confederal or traditional options were

universally seen as more viable than supranational steps. The supporters of these two groups saw collaboration with the backward German, Benelux, or Italian programs as far less appealing than collaboration with Britain or Switzerland (Parsons 2002, 67). In July 1956, business representatives in the French Economic Council voted unanimously to relocate the E.E.C. talks to the O.E.E.C. The prospect of automatic, supranationally administered liberalization in a “little Europe” frightened them more than the wider and weaker O.E.E.C. Similarly, French farmers were against an E.E.C. because they saw the E.C.S.C. framework as being too small a framework for French exports (Parsons, 2002,68).

The reason why the pro-community group ultimately succeeded in France against such hostile forces, according to Parsons, was that those leaders unexpectedly gained opportunities to re-assert their views (Parsons 2002, 68). A team led by Guy Mollet began lobbying interest groups to support the E.E.C. Mollet convinced farmers that the E.E.C. promised stable long-term export contracts, not menacing liberalization. Mollet was also able to gain more votes by bringing aboard the socialist party due to his being party boss. Finally, Mollet also made issue linkages with Algeria. At least 20 E.E.C. skeptics voted ‘yes’ if only to uphold Mollet’s stance against Algerian independence. Amidst this climate of persuasion, the Treaties of Rome were ratified in July 1957 by 342 to 239 (Parsons 2002, 72).

The British government, at the time of the Messina conference, began to split over this issue of joining the E.E.C. The British economic ministries saw numerous dangers in refusing to participate in a European customs union. For one, German industries would gain a competitive advantage over Britain’s industries in a common market of the Six

(Kaiser 1996, 34). Also, continental European producers could make use of all the advantages of a much larger home market to improve their competitive position in third markets (Kaiser 1996, 34). Internal Whitehall discussions between Treasury and Board of Trade officials had prophetically warned that "...if the six countries went forward with a common market on their own, it might have unfavorable effects on United Kingdom industry after a few years, and we might then be forced to join on their terms" (Kaiser 1996, 35).

In stark contrast, the Foreign Office held the belief that Britain "...could under no circumstances participate in a common market, because membership would result in a one-sided emphasis on the European role, destroying the equilibrium in the three circles of Britain's foreign relations" (Kaiser 1996, 37). The damage membership would cause to Britain's commonwealth and its prestige in world affairs, in the minds of the foreign office, superceded any economic benefits participation might have. Most importantly, to these foreign officials, membership threatened the Commonwealth which still fulfilled, in their minds, the important function of contributing to the legitimization of Britain's continued claim to a world power role (Kaiser 1996, 37).

In order to further strengthen their stand against joining the common market, the Foreign Office made claims that membership would endanger Britain's special relationship with the United States (Kaiser 1996, 37). These claims were proved false when even the Foreign Office had to admit that the Eisenhower government welcomed a British decision to take the lead in setting up a common market in Western Europe (Kaiser 1996, 38). The Foreign Office made the unfounded warning so that it could forestall serious discussion about British participation in a common market with France

and the Federal Republic, saving Britain the appearance of having declined to a medium-sized power, overstretched economically and militarily (Kaiser 1996, 38).

The Foreign Office was also adamantly opposed to the common market because it did not want to see the intergovernmental O.E.E.C. replaced by a common market with a supranational character (Kaiser 1996, 38). Officials in the Foreign Office warned against the possibility that a West European common market, even if largely intergovernmental at the outset, could always develop into a more integrated organization later. The idea of a European federation in which Britain would lose its sovereignty proved a powerful and persuasive deterrent for government officials.

Britain's economic ministries, however, recognized that the Foreign Office was no longer in step with the political reality of an increasingly interdependent world (Kaiser 1996, 39). Unlike the Foreign Office, the economic ministries had operated for some time with institutionalized transfer of sovereignty under G.A.T.T.. In contrast, despite the existence of N.A.T.O., the Foreign Office was only slowly getting used to the loss of Britain's independence to project power. This would only become clearly evident to them in the Suez war of 1956 (Kaiser 1996, 39).

Case Study Analysis

Neo-realism and intergovernmentalism still seem to hold strong as explanations for British behavior between the E.C.S.C. and the Messina conference. After successfully thwarting any supranational initiatives and creating a Western Europe as a strictly intergovernmentalist union, Britain had used its power vis-à-vis the other states to create a European order better suited to its Commonwealth and transatlantic interests.

Even the exclusion of Britain by the Six can be explained as a group of states punishing another state for obstructing their goals.

What is interesting at this point is the difference in outlooks of the Foreign Office and the economic ministries. The Foreign Office failed to see the changes in world order that had taken place. They continued to view the world in the same traditional way that Britain had done since the past century. They did not recognize Britain's diminished status as a world power and the need to adjust their definition of sovereignty to fit the changing world order (see Clark). There was a disconnect between their traditional outlook of the world and the reality of changing world politics.

In contrast, the economic ministries saw a loss in power and sovereignty for Britain in *not* joining the Six in a customs union. The economic ministries saw the customs union as a way to trade in domestic economic sovereignty for more needed international protection. Britain's economic status would suffer more by not joining the Six than by committing itself. Germany's industries would gain a competitive advantage over theirs and could replace them as the European trading partner with the outside world. The economic ministries also realized that Britain had given up parts of its sovereignty already to treaties like G.A.T.T. and N.A.T.O. where Britain depended on the protection and cooperation of other states for its external security and economic affluence. Therefore, the two offices had different outlooks on Britain's position in the world political system and what Britain's sovereignty is or should be. The Foreign Office's flawed international outlook, its definition of sovereignty and stubborn push for only intergovernmental integration fits a neo-realist explanation. However, the economic ministry's outlook of a new interdependent world, acceptance of changes in sovereignty,

and call for integration into the customs union suggests a more neo-functionalist explanation of behavior.

However, France, at this time, does not fit a intergovernmentalist analysis. France selected the E.C.S.C. and the E.E.C. projects not because clear majorities dictated them, but because leaders with support on their issues used their authority to craft one of several potential coalitions. A large portion, even at times a majority, of French politicians was actually in favor of collaborating with Britain and the O.E.E.C. However, Schuman and Mollet were in a unique position and used their political skills to get their version of the E.E.C. passed. Parsons then incorporates path dependence into his theory when he claims that after the Messina conference the E.E.C. became institutionally locked into an evolving supranational organization. The E.E.C.'s alternatives in the O.E.E.C. or W.E.U. increasingly lost relevance. Institutional inertia consolidated the pro-supranational groups E.E.C. victory into the foundation of European politics. Parsons claims that the E.E.C. of the 1960's, like many institutional frameworks, rested "on defeated and repressed alternatives" (Parsons 2002, 76).

Howard Macmillan, during the beginning of his term in office, embodied the traditional Foreign Office's outlook and maintained Britain's status quo of seeking alternatives to the E.E.C.'s supranationalism. When it became clear that the Six intended to press on with the establishment of an economic community regardless of whether Britain chose to cooperate or not, the Macmillan government produced an alternative scheme (Gowland and Turner 2000, 112). This plan aimed at the creation of a Free Trade

Area embracing all of the seventeen members of the O.E.E.C. who wished to join. It differed from the E.E.C. in that it was purely economic in scope. There were no political objectives, and there was no question of furthering political integration. In addition there were no external tariffs and it was to apply to manufactured goods only: foodstuffs were excluded (Gowland and Turner 2000, 112). The F.T.A. concept remained compatible with the traditional Foreign Office doctrine that Britain could only participate in strictly intergovernmental organizations in Western Europe (Kaiser 1996, 71). The French were fundamentally hostile to British proposals for an F.T.A. of seventeen states. De Gaulle believed that the F.T.A. plan would be far less beneficial for France than it was to Britain and he stated that he had no intention of allowing it to be implemented.

De Gaulle did in fact break off F.T.A. negotiations at the end of 1958 and the British government began to search for an alternative policy to reduce the adverse economic effects of self-exclusion from the E.C. (Kaiser 1996, 100). At this point E.C. membership was still not considered an option for three main reasons: 1) lack of preferential treatment towards the Commonwealth, 2) participation in the future E.C. agriculture policy and 3) the inevitable loss of sovereignty in an organization which, in the long term, might develop into a supranational European federation (Kaiser 1996, 100). Britain's alternative policy came from the continued discussions with countries outside of the Six who showed interest in its F.T.A. proposal. The result was the establishment of the European Free Trade Association (E.F.T.A.) in May 1960, made up of seven countries: Britain, Austria, Switzerland, Portugal, Norway, Sweden and Denmark. E.F.T.A., from the beginning, was not an answer to Britain's E.C. dilemma. The markets of its partnering countries were very small and it became abundantly clear

that E.F.T.A. could not provide a satisfactory answer to Britain's quest for an enlarged market and a more dynamic economic environment (Gowland and Turner 2000, 115). However, the British did not support the creation of E.F.T.A. because of its economic or political merits. Instead they thought that there was no realistic alternative course of action after the De Gaulle veto of the F.T.A. (Kaiser 1996, 101). To do nothing, after this defeat, was out of the question because it might be interpreted as a weakness and thus lead to a further decline in British influence and prestige in Western Europe.

The real hope for Britain's politicians was that they would be able to use E.F.T.A. as a tool to make it possible for Britain to work out an arrangement with the E.C. short of full membership (Gowland and Turner 2000, 115). To British officials, only if Britain led an institutionalized peripheral counter-alliance in Western Europe might it be possible to preserve a more or less stable front vis-à-vis the E.C. (Kaiser 1996, 101). This strategy was ultimately unsuccessful when the E.C. enjoyed many early successes and failed to show any interest in establishing an associate relationship with Britain and the rest of E.F.T.A..

Matters were made worse for the British when the United States began to show open hostility towards E.F.T.A. and a wider economic arrangement between the Six and the Seven (Kaiser 1996, 105). The British originally hoped that E.F.T.A. would safeguard their trade interests in Western Europe and please the Americans at the same time. The United States' interest at the time was to see a more politically and economically integrated Western Europe to better protect against the Soviet Union. Macmillan assumed in 1956 that Eisenhower and Dulles would appreciate the fact that the British government was now prepared to move closer to Europe, if only in trade

policy. However, the F.T.A. proposal was viewed in Washington as not going far enough and agreed with the French that the F.T.A. might be an attempt to sabotage the political development of the customs union or the ratification of the Rome Treaties (Kaiser 1996, 105).

By 1960, the options available to British policy-makers had narrowed down alarmingly. They were faced with the choice of entering the E.C. under the Treaty of Rome terms or to remain outside with all the attendant economic and political risks. Inside the E.C., Britain would be in a position to guide and shape the Community. Outside, by contrast, it would be largely powerless to influence developments that would have a vital effect on British interests (Gowland and Turner 2000, 115).

Case Study Analysis

All evidence during this time in British history seems to suggest that British government officials were very cognizant of the threat of the European Economic Community's potential for supranationalism. In fact, Britain's persistent attempts to steer Europe away from a customs union to an intergovernmental Free Trade Area shows how very aware they were of joining treaties that might cause losses of sovereignty. Yet, while clearly reinforcing an intergovernmentalist explanation, this heightened awareness does not rule out Historical Institutionalism either, which accounts for unintended consequences happening to even the most careful of policy-makers. The inability of Britain to steer Western Europe in its intended direction exposes a state whose influence is in decline. France and Germany combined with U.S. support was too much of a match for Britain. The question now becomes why would a country which was so determined to steer away from any agreement that hinted at supranationalism suddenly change course

and agree to just such a treaty? Perhaps it was Britain's growing awareness that it did not have the power to create viable alternatives in oppositions E.C. or re-direct an organization that had become path dependent towards supranationalism. I will try to address this question in the next section of the case study.

Why did Britain change its mind about joining the E.C.? What did it hope to achieve?

One of the major reasons for a change in opinion on E.C. application came from the slow but steady failure of the Commonwealth to maintain a stable British economy. There are two elements to the British economy that explain this demise: Imperial Preference and the Sterling block. Britain, during the 1930s depression, abandoned its long-standing principle of free trade in favor of protective tariffs (Gowland and Turner 2000, 86). This measure strengthened trading ties within the Commonwealth at the expense of trade links with outside countries. This system greatly emphasized the importance of sources of supply and markets beyond rather than within Europe.

The Sterling Block arose around the same time that Britain abandoned the Gold Standard (1931). The Sterling Block comprised countries which tied their currencies to sterling and traded heavily with Britain. By 1945 the Sterling Block was comparable to a monetary union where sterling was the principal reserve currency, and the area's exchange reserves were held in a common pool in London. Britain acted as the area's central banker, overseeing a variety of controls, which encouraged trade within the sterling area and limited expenditure on dollar-denominated goods (Gowland and Turner 2000, 87).

However, during the 1950s, these trading patterns, Imperial Preference and the Sterling Block, were being increasingly undermined by the continuing pressure to liberalize the system of international trade and payments by the international economy whose dominant characteristics were sustained economic growth and trade expansion (Gowland and Turner 91). Also, during this time, the fastest economic growth and trade expansion was associated with industrial economies which were trading more and more with each other rather than with the rest of the non-industrial world. Because of these changes in the international economy, the traditional trading block of the Commonwealth was becoming an anachronism with its protectionist stances and favoritism.

According to Jim Buller, in his book National Statecraft and European Integration, in order to understand why Britain changed its view on joining the E.C., one has to understand the governing principles of limited responsibility, neutrality and automatism that were central to its economic policy at the time (Buller 2000, 23). It was through these principles that the British government was able to preserve its autonomy, authority, and governing competence over its economy. The government believed that, wherever possible, the activities of British industries should be free from government intervention. Since the start of these liberal ideals in the Victorian era, there had been a deep mistrust of the role of government and politicians in economic management (Buller 2000, 24). These ideas came mostly from Adam Smith who felt that government was an inefficient organization for wealth creation. Many economists feared that Whitehall, if encouraged to take a more interventionist role in the affairs of industry, could actually have a detrimental effect on economic growth. Therefore, policy-makers consistently subscribed to a direct link between problems in the supply side of the economy and the

fortune of British manufacturers in international markets. For example, in the 1920s policy-makers in Whitehall had a problem of unemployment in their export sectors and they attributed it to a decline in world trade. They believed that this decline was linked to currency instability and could be solved by putting the pound back on the Gold Standard. This return to the Gold Standard would serve as the neutral discipline which could be applied to all domestic groups without discrimination (Buller 2000, 26).

Politicians adhered to this economic policy because it allowed them to claim limited capacity and power over the supply side of the economy. When faced with calls for industrial restructuring in the light of increased foreign competition, the Government could plead impotence and preserve its governing autonomy from these domestic pressures. According to Buller, it is these concerns with preserving 'governing autonomy' that compelled Britain eventually felt compelled to apply to the E.C. (Buller 2000, 27).

Up until the 1950s, Britain was able to keep this separation between domestic and international economies going due to a reliant Commonwealth. However, by 1960, it became apparent to Britain's governing elites that Britain was in an economic decline and this set off calls for modernizing the structure of the British economy. This criticism directly challenged the traditional 'hands off' governing code of the British government. Critics pointed to the absence of a state strategy for removing institutional restraints on the supply side of the economy. The main source of stagnation was claimed to come from the system of Imperial Preference, which insulated British manufacturing from the international competition (Buller 2000, 32).

After a series of ill-fated attempts to rectify the situation by passing laws that constrained trade unions, British officials came under fire of the increasing politicization of their economic management. Buller states that rather than make major changes to their economic strategy during this time, the British government continued to seek external solutions to escape from domestic problems. It was at this time that Britain began to look seriously at joining the E.C.

For supporters of E.C. membership, their argument was based on the premise of growth by association (Buller 2000, 38). British politicians had pointed out that the E.C. members had performed consistently better economically in the post-war period. They deduced that this came from the fact that all these countries enjoyed preferential access to a market of 170 million people. If British industry gained access to this dynamic market, it too would enjoy the benefits of its European competitors (Buller 2000, 38). However, Buller's central claim in his book is that while not denying that geo-political and economic motives played a role in Britain's decision to enter the E.C., it was the political advantages which the government found so attractive (Buller 2000, 41). At a time when it was struggling to implement corrective domestic policies, E.C. membership offered an opportunity to return to the governing principles, which ensured some element of domestic autonomy and governing competence before 1960. Faced with the uncertain economic climate of the 1960s, E.C. membership seemed to provide an *automatic* solution to the Government's governing problem. In addition, the E.C. seemed to provide a *neutral* external discipline, which would pressure industries to modernize without any government preferences.

The great advantage for the British government was that responsibility for supply-side restructuring could be off-loaded on to British firms who would sink or swim in the new European markets (Buller 2000, 42). Membership would then represent a giant European ‘invisible hand’ which would reorder and revitalize the British economy according to the logic of the market. As a result they could avoid intervening in the economy directly – the policy British leaders found so troublesome to begin with. According to Wilson, during the parliamentary debates of the 1960s membership in the Common Market would produce a rise of 20-30 percent in industrial investment and such a policy would work better than “...any artificial scheme a British government could think up” (Crossman 1976, 303). By becoming a member of the E.C., the traditional link between supply-side problems and external market solutions could be restored, along with all the benefits of domestic autonomy.

Case Study Analysis

Although it is difficult to detect unintended consequences and path dependencies at this moment in Britain’s history, there is evidence that some of the elements of Historical Institutionalism are taking place. Britain’s geo-political strategizing in terms of retaining its position as a world power fits neatly into a neo-realist analysis. They sought to strengthen themselves by being the middleman between the U.S. and Europe and thought that their connections with the Commonwealth would allow them to keep their independent status. Furthermore, when faced with a proposition to coordinate coal and steel trade with Germany and France, Britain decided that its loss of sovereignty was not worth the tradeoff. It recognized the consequences of this agreement, made a ‘rational choice’, and walked away from it. Even Britain’s grand mistake in following the

path of attaching itself to U.S. foreign policy and holding onto the Commonwealth can be explained by neo-realists as part of the international game where states rise and fall depending on how well they calculate and protect their interests.

However, it is important to note that part of the pressure Britain was under to join the E.C. at the time was a result of outside economic forces. The policies of Imperial Preference and the Sterling Block were becoming outdated due to liberal free market ideology and global trade. The British politicians' inability to control and protect its domestic economy through manipulation of international means showed a loss of sovereignty. After implementing several measures both internationally and domestically, politicians became increasingly frustrated at their inability to determine their own country's economic future. Understanding the growing feeling of frustration in their country at their own inadequacies, these politicians began to look at the E.C. as a way to remedy their predicament. This signifies a loss of sovereignty even before entry into the E.C. and should be considered an important issue for this case study. If Britain was facing a loss of sovereignty from the beginning, it may help explain why even a Euro-skeptical government would enter agreements with the E.C. that would require it to surrender elements of its sovereignty. This would counter the neo-realist belief that no state would rationally enter any agreement that would compromise its sovereignty because Britain was already facing a loss of sovereignty before it entered the agreement. However, there is no evidence of unintended consequences yet because it was not unintended consequences that caused the U.K.'s integration into the E.C. but rather the difficult political predicament it found itself in. On the other hand, the pressure policy-makers and politicians were under to find a solution to their failing economy may have caused

them to accept the idea of application in order to solve their short-term political and economic problems. This does point to Pierson's limited scope of politicians who are more concerned about immediate electoral issues than larger problems that may arise much further on. As Buller suggests, the British government had an easy decision in switching its failed economic policy with a seemingly successful European one which still allowed it to maintain its policy of neutral automation and governing autonomy. But did the British government really understand the ramifications of this decision? Was it a solution to serve short-term interests? The consequences of the British government's decision to join the E.C. are what I will now turn to in this case study.

II. The First Application: Harold Macmillan 1961

Britain, under the leadership of Prime Minister Harold Macmillan, applied for membership to the E.C. in 1961. Macmillan later called this decision "...perhaps the most fateful and forward looking in all our peacetime history" (Gowland and Turner 2000, 110). The Conservative Prime Minister did so for negative rather than positive reasons (Dinan 1999, 50). It had become apparent in London by this time that the Commonwealth was an inadequate vehicle through which to promote British interests. In contrast, the E.C. was flourishing, convincing Britain's political and business leaders that the country's interests lay in full E.C. membership.

Macmillan's decision to apply to the E.C. would be one of desperation rather than enthusiasm. After exhausting alternative plans it became clear that there was no real alternative to going in. Macmillan had come to the decision that it would be contrary to Britain's national interest to remain outside the E.C. (Gowland and Turner 2000, 116). Already at this time British trade with E.C. members was increasing at a rapid rate and it was assumed that after accession this trend would be increased. The Secretary of Treasury, Sir Frank Lee, took the view that for too long British industry had been propped up by excessive reliance on the Commonwealth and the Sterling Block. Entry into the E.C. would "...improve Britain's efficiency by giving it a much-needed dose of stiff competition" (Gowland and Turner 2000, 121).

In addition, for Macmillan, his decision to apply complemented his foreign policy priority: restoring and maintaining the Anglo-American "special relationship." Kennedy had given an unequivocal endorsement to British membership in the E.C. and this strengthened Macmillan's determination to join. However, this aroused de Gaulle's

suspensions (Dinan 1999, 50). In de Gaulle's view, a transatlantic relationship was impossible as long as Western Europe was strategically subservient to the United States. When Kennedy linked British accession and U.S. alliance strategy, he sealed the fate of Macmillan's application (Dinan 1999, 51). The climax of this mistrust came to a head during the negotiations when Macmillan and Kennedy met and created a new Anglo-American missile accord. Under the Nassau agreement, Britain would use U.S. missiles as the delivery system for British nuclear warheads. Britain's nuclear force would be integrated into N.A.T.O., except when the government "may decide that supreme interests are at stake" (Dinan 1999, 51). For de Gaulle, there could have been no more graphic demonstration of Britain's irreconcilability with his ideal of a "European Europe".

In order to understand the potential effects on sovereignty that integration with the E.C. might have, the British government put together the Lee Committee in 1960 (Kaiser 1996, 138). The Committee study found that after accession to the E.C. the British government would be expected to follow a constructive Community approach. In some cases, it would have to accept and support majority decisions that might be at variance with British interests. However, the study believed that because at least two other E.F.T.A. states with similar interests would also join the E.C., the effects of qualified majority voting would probably be limited (Kaiser 1996, 138).

Case Study Analysis

What is interesting to see here is that British officials acknowledged and appreciated the implications of common decision-making and qualified majority voting. A change had also taken place among the senior Foreign Office officials on their ideal of

sovereignty. They no longer regarded, as they had in 1955, the partial transfer of sovereignty to a supranational organization as a problem. The Suez crisis had exposed the narrow limits of Britain's independent ability to project power and consequently their understanding of sovereignty began to change (Kaiser 1996, 138). Sovereignty was no longer understood as an absolute concept of independence from external forces, but rather as a relative concept of the greatest possible international influence. Entry into the E.C. was expected to lead to an increase in British influence worldwide and the new pro E.C. policy promised to enhance executive sovereignty (Kaiser 1996, 138).

It was this change in the perceived threat of the E.C. and the various economic and strategic factors that brought Macmillan to announce the decision in 1961 to apply for membership into the E.C. During the negotiations Macmillan remained cautious and skeptical reflecting his conservative party's concerns of putting "...Europe ahead of the Commonwealth" (George 1994, 34). Macmillan would demand from the other six members special treatment and exemptions for all of the Commonwealth countries. However, Macmillan realized early on that if Britain wanted to secure its economic and political interests in Europe, de Gaulle would have to be bribed into accepting a European settlement (Kaiser 1996, 157). This was because Britain's membership into the E.C. was incompatible with de Gaulle's strategic aim for establishing the Community – to strengthen the "...political cooperation between its members, as an economically and politically cohesive organization led by France which would eventually be capable of

acting as a third force on the same level as the United States and the Soviet Union” (Kaiser 1996, 157).

Macmillan concluded that what was really necessary to persuade de Gaulle to accept a European settlement was a substantial nuclear offer which would accelerate the development of the *force de frappe*. In April 1961, Macmillan met with Kennedy to ask him to study whether he had the power, as President, to allow the British to give either warheads or nuclear information to the French (Kaiser 1996, 161). The Americans rejected any assistance to the French nuclear program because it would have contradicted American non-proliferation policy and appeared as an undeserved reward for de Gaulle’s obstructionist policy within N.A.T.O.

Although the negotiations went well at first, President De Gaulle announced a unilateral French veto on British membership in 1963. Predictably, de Gaulle cited reliance on the Commonwealth as a factor but also Britain’s continued attachment to the U.S. De Gaulle believed that if admitted, Britain would act as a Trojan horse within the Communities – changing it into a more U.S. friendly alliance (George 1994, 35). After the veto, the British government declared that it would not turn its back on Europe and left the prospect open for a renewal of its application at a later date.

Case Study Analysis

In terms of geo-political strategizing and securing state interests, Britain’s initial attempt at accession into the E.C. can again be explained through a neorealist perspective. Macmillan’s application to the E.C. was made to strengthen Britain’s position in the world by acting as the U.S.’s influential partner in the E.C. Britain’s Foreign Office began to recognize the power de Gaulle had accumulated for himself by heading the

successful E.C. and they wanted to join. The Foreign Office began to abandon its traditional foreign policy of protecting national sovereignty and decision-making power and instead trying to influence the E.C. from within. They began to recognize the possibilities of gaining sovereignty and power at the supranational level.

Britain also hoped, with the U.S.'s full support, to make the E.C. more transatlantic minded rather than European focused. However, France's *force de frappe* illustrated the futility of such an effort and exposed the incompatibility of the U.S./U.K.'s idea of nuclear deterrence and France's ideal of nuclear defense. Kennedy and de Gaulle were squaring off as to who would determine Europe's future. De Gaulle's veto, stemming from suspicion of a U.S. – U.K. collaboration to undermine his power in the E.C. can easily be explained in neo-realist terms. Three world powers were squaring off against each other by utilizing the E.C. as a tool to strengthen their power and influence in the world. Although the E.C. at this time was a transnational institution, it is obvious that states still remain in firm control and are using the institution to maneuver vis-à-vis each other's power.

However, what does not quite fit an intergovernmentalist analysis is the uncompromising position Britain found itself in after it had exhausted all alternatives to joining the E.C. Britain's inability to determine its own direction became apparent after the failed E.F.T.A. attempt. Britain's choices were dictated by economic forces that were neither state-based nor under its control. Therefore, a state's ability to act is being constrained by an outside force. In determining whether there is a causal relationship between unintended consequences/path dependencies and a loss of sovereignty in Britain's governance, this constraint by outside forces will need to be taken into consideration.

III. The Second Application: Harold Wilson 1964-67

In the 1964 general election, the Labor party won with a slender majority. Harold Wilson became Prime Minister and shared his party's view the Communities as a conservative, Catholic, and a capitalist club (George 1994, 36). However, by 1967 Wilson became an enthusiastic convert to the European cause. There are a number of reasons cited by historians for this but a key factor seems to be his experience once in office. While an Opposition leader, it was easy for Wilson to attack the Conservative government's negotiating skills with the E.C. and to claim that there was an alternative future outside of the E.C. Once in power, however, Wilson faced the same hard economic and political realities that had earlier caused Macmillan to shift his ground (Gowland and Turner 2000, 153).

When Wilson was first elected, he had presented himself to the electorate as someone who could solve the British problem of slow economic growth. He and his government planned to do this through their 'National Plan' (Gowland 2000, 159). The plan quickly failed due to two incompatible goals: providing for *expansionary* monetary conditions yet maintaining the value of the pound which required *retrenchment*. This proved to be a disaster in July 1966 when a heavy run on sterling compelled the government to introduce a severe deflationary package, including a freeze on prices and wages (Gowlan/Turner 2000, 159). The centerpiece of the Wilson government's economic policy lay in ruins and entry into the E.C. was seen as an alternative route to economic salvation.

Geo-politically, Britain increasingly began to question its special relationship with the U.S. The U.S.'s tough stance on the Suez crisis did two things: 1. it showed Britain

that the U.S. was definitely in command and more unwilling to support Britain than previously thought, and 2. de Gaulle saw how weak Britain was in not standing up the U.S., and reinforced his skepticism as to why Britain wanted to join the E.C. (Gowland and Turner 2000, 160). The first, when added to the U.S.'s unpopular Vietnam War, caused Britain to question its strategic plan of working with the U.S. and think more in terms of European partnerships. The second helped doom the Wilson second attempt to join the E.C. Citing the same reasons as he did for Macmillan's denied application (U.S. ties, commonwealth, questionable motives), de Gaulle vetoed the application in November 1967.

Case Study Analysis

A close look at the Wilson application reinforces the same observations made earlier with regard to the Macmillan application. Like Macmillan, Wilson, when first elected, rallied his party around an anti-E.C. stance. Macmillan had made a failed attempt to skirt the issue of joining the E.C. by setting up E.F.T.A. as a way of allowing Britain to only have to 'associate' with it. Wilson sought to escape his economic problems by creating his 'National Plan'. When both these attempts proved unsuccessful, both politicians found themselves looking at the E.C. as a way out of their troubles. Both leaders were in charge of economies that were growing mildly when compared to members of the E.C. and felt pressure from the electorate and their peers to do something about it. This does seem to lend weight to the idea that these politicians may have been more concerned with short-term interests of likeability and capability rather than longer-term issues of loss of sovereignty. I am concentrating on these issues because in

Historical Institutionalism it is important to look at the beginnings and understand what the original intentions were. A comparison of these original goals with later outcomes will reveal whether there were any unintended consequences.

IV. The Third Application and Accession: The Heath Government 1970 - 1974

When Edward Heath came to power in 1970, it rejuvenated the momentum behind Britain's attempts to join the E.C. Heath differentiated himself from Wilson and Macmillan by being the first Prime Minister to be fully committed to the idea of the E.C. Unlike his predecessors he had no interest in maintaining a special relationship with the U.S. and he did not feel any sentimental attachment to the Commonwealth (Gowland and Turner 2000, 168). Heath did not try to obtain fundamental changes to existing E.C. arrangements and was fully prepared to accept the E.C. as it stood, complete with the CAP and other features which were disadvantageous to British interests. Finally, and perhaps most importantly, de Gaulle was replaced by Georges Pompidou.

With de Gaulle gone, the E.C. began its slow evolution into a more dynamic institution, which was no longer held back by de Gaulle's ardent nationalism. Up until then de Gaulle sought to keep France as the head of the community and had an "... intense hostility to the slightest hint of supranationalism which served to stifle any movement towards closer integration of the Six" (Gowland and Turner 2000, 171). Pompidou set out to push through a series of measures before Britain was accepted. The first was to achieve the early stages of economic integration. The second was to move towards full economic and monetary union (E.M.U.) by 1980.. The third was to devise a mechanism for financing the E.C. budget (Gowland and Turner 2000, 172). This last measure was a deliberate attempt by Pompidou to create a situation favorable to the

French and detrimental to the British. During the negotiations on this issue the British were not allowed to attend the meetings and the decision was made to create E.C. resources by creating levies and taxes on all external imports. This made Britain's contribution to the budget far greater than the other members because Britain disproportionately imported more from outside the E.C. (Gowland and Turner 2000, 173). Therefore, by the time Britain managed entry on January 22, 1972, the French and the original members had drawn up measures to suit their own interests over Britain's.

It is important to note at this point in the case study that the issue of budget arrangements was part of a long-standing argument over national arrangements vs. supranationalism. In 1965, the Commission had suggested that the resources for the E.C. budget should come from export levies but that the E.C. Parliament should have budgetary powers. De Gaulle regarded this as an anathema to his support of national power and responded by boycotting all meetings of the Council of Ministers (Gowland and Turner 2000, 172). The result of this was that E.P. budgetary powers were taken off the agreement. Another issue that came up at this time was whether to allow majority voting in the Council of Ministers and replace the rule of unanimity once the first stage of integration was complete. France again did not welcome this development and the 'Luxembourg Compromise' was created – by which each member state would retain the right to exercise a veto on any proposal it considered to be a threat to its vital interests (Gowland and Turner 2000, 174).

The famous conservative minister Enoch Powell, who had once been pro E.C. during the Macmillan application and then turned against the E.C. for economic reasons, finally became anti-E.C. due to fears of a loss of parliamentary sovereignty. He voiced

these concerns in parliament at this time and Heath responded by stressing the Luxembourg Compromise. “Joining the Community” Heath insisted in 1971, “does not entail a loss of national identity or an erosion of essential national sovereignty” (Gowland and Turner 2000, 175).

Case Study Analysis:

Analyzing the negotiations leading up to the Treaty of Accession reveals many elements fitting an intergovernmentalist explanation. France used its bargaining power to its fullest in order to create terms that benefited its interests and to the detriment of Britain's. Creating budgetary rules that favored the French and put a disproportionate burden on the British is evidence of this. Heath, recognizing the failures of his predecessors, accommodated French demands with reassurances to his fellow parliamentarians that Britain would gain entry first, then make changes from the inside to suit British interests. The evidence is obvious here of two nation-states carefully maneuvering in order to gain the best advantages. However, Enoch Powell's reservations at this moment bring up some interesting concerns. What will be the real ramifications of this acceptance? The 'empty chair' crisis showed the power of states to block supranational power but it also showed that the threat of supranationalism was real and growing. It also showed how de Gaulle had kept the E.C., up until that point, an intergovernmentalist union. But with de Gaulle gone, was this an illusion and did the British misjudge the direction the E.C. would take? Would there always be an opposing force strong enough to hold off supranational encroachment? Heath allayed fears by playing down the sovereignty issue and had a tendency to focus on economic issues instead. Heath's critics at the time complained that he was "...guilty at best of being

‘economical with the truth’, at worst of deception” (Gowland and Turner 2000, 175).

Continuing on in this case study I will consider the impact majority voting and E.P. powers have on Britain’s sovereignty.

V. Renegotiation and a Referendum: The Wilson Government, 1974 – 1976

The Labor party won the election with a re-election of Harold Wilson in 1974, but did not gain an overall majority in Parliament. On top of this slender victory, the Wilson government faced a difficult domestic political situation and pending domestic and international economic crises (George 1994, 71). During the two years that Wilson held power, British politics was consumed with stabilizing the domestic front, and in that process the issue of membership of the E.C. played a central role.

Wilson made the renegotiation of Heath's entry terms the centerpiece of his administration. For the Wilson government, membership of the E.C. was a useful issue to focus attention on because it allowed Wilson to promote unity in pursuing the national interest (George 1994, 76). For Wilson, the idea of renegotiation was a tactical political device rather than an act of necessity. Wilson's rejection of Heath's membership terms was a useful compromise which allowed him to placate both the anti and pro Community members of his party. He presented himself to the British people as a firmer champion of the British national interest than the previous Heath administration (George 1994, 77). The Wilson government also added a 'democratic' initiative to renegotiation by putting the renegotiated terms to the British people for approval.

On April 1, 1974 various ministers headed by the Foreign Secretary James Callaghan, met with the E.C.'s Council of Ministers to consider the renegotiation terms. Up front, Callaghan insisted that the British Government reserved the right to propose changes in the Treaties as an essential condition of continued membership and that it reserved the right to withdraw from the Community if satisfactory terms could not be agreed (George 1994, 79). However, during a three-month delay caused by the

unexpected death of French President Georges Pompidou, the Labor party began to take a more pro-community stance. The delay had allowed several ministers, who were originally opposed to membership, to experience the flexibility of the Community's procedures and consequently accept a more conciliatory approach (George 1994, 81). The Wilson government changed its attitude of opposition by deciding to renegotiate membership only within the existing E.C. treaties. By doing this, they avoided the likelihood of widespread opposition among the other E.C. states to a list of treaty amendments (Gowland and Turner 1996, 190). The attempts by the anti-marketers in the Labor party to use the renegotiations to cause a British withdrawal from the Community were passed over and a more *acquis communautaire* approach was taken (Gowland and Turner 1996, 190).

Four main issues were brought up during the renegotiations: reform of the CAP; access to the E.C. for the products of the Commonwealth states; state aid to industry and the regions; and Britain's contribution to the E.C. budget (Gowland and Turner 1996, 191). The reason Wilson brought these issues up during the renegotiations was seen less as his party looking for a basis to justify British withdrawal from the E.C. than as his having no strong opinions on these matters and being prepared to argue any proposition required of him, so long as it could be made to conform to the party manifesto (Gowland and Turner 1996, 190).

While Wilson was successful in renegotiating these terms, they scarcely represented a substantial advance on Heath's original terms of entry (Gowland and Turner 1996, 195). However, the renegotiation exercise was declared a major triumph for Wilson. He had accomplished his three objectives: to keep his party in power, in one

piece and Britain in Europe (Gowland and Turner 1996, 197). His success at the renegotiations now allowed the government to hold a referendum in which the British people could vote on the issue of Britain's entry. This would decide whether British membership of the E.C. had popular legitimacy or not.

The most important question presented to the British people in the referendum was *Do you think that the U.K. should stay in the European Community (Common Market)?* This question created a campaign debate on possible losses of sovereignty and the likely consequences of membership for the British economy (Gowland and Turner 1996, 210). The 'no' campaigners alleged that if Britain remained in the E.C. it would gradually lose its political independence and in the end be absorbed into a federal Europe. Lord Benn, the Secretary of State for Industry, declared, "What you are being asked to decide, is whether you want Britain to be self-governing and independent, or whether you want to be under Commissioners you cannot remove" (Gowland and Turner 1996, 211). The 'yes' campaigners replied that there was no question of rule by Brussels bureaucrats. Important decisions were taken by the Council of Ministers, and if necessary a veto could be exercised under the Luxembourg Compromise. Also for the 'yes' campaigners, sovereignty was not simply a matter of dry, abstract theory. What counted was how British interests could best be protected, and in an increasingly interdependent world Britain could not afford to stand alone (Gowland and Turner 1996, 211).

For the British people, however, issues affecting their daily lives such as prices, living standards and the economy held equal sway with the sovereignty question. Anti-marketers tried to sway voters by blaming higher consumer prices, rises in unemployment, deterioration of the balance of payments and the devalued pound on

British entry into the E.U.. But pro-E.C. campaigners gained the upper hand by capitalizing on the most sensitive of the economic questions – the price of food. They claimed that the days of cheap food were gone for good and that Britain as a country that could not feed itself, would be safer in the E.C. which was almost self-sufficient in food (Gowland and Turner 1996, 212).

The outcome of the referendum in May 1975 was a decisive endorsement of British membership – 67.2% for and 32.8% against. Wilson pointed out that it was a bigger majority than any government had received in any general election (Gowland and Turner 1996, 212).

Case Study Analysis

At first glance, Wilson's call for a renegotiation of Heath's terms of entry seems to fit well into a Neorealist/intergovernmentalist interpretation. The British state was trying to redefine its relationship with the E.C. to fit its own interests. But a closer look exposes Wilson's real motives to be more political and temporary rather than a showdown between state power and a supranational institution. Wilson's renegotiation of Heath's terms of entry was not an attempt to get Britain out of the E.C. In fact, Wilson was afraid that the renegotiations would result in such an outcome and would make him look bad for his initial application in 1967. However, to placate the anti-marketters in his own party, Wilson had to give the appearance that he was taking entry very seriously and that exit was an option. Evidence for this is found in the initial obstinate demands for Britain's redefining of E.C. treaties and the right to withdraw at anytime. However, when his party began to take a more favorable stance towards the E.C., Wilson reacted by adopting a more conciliatory tone.

The referendum itself seems to suggest that the British people, like the Labour party, had come to see the merits of membership outweighing any claims of losses of sovereignty. Against the backdrop of a severe downturn in the world economy, brought on by Nixon's devaluation of the dollar, a quadrupling of oil prices in 1973-4, and a worsening of domestic unemployment and devaluation of the pound, the British people began to understand the protective benefits of membership. At this moment in British history, one sees a change in the perception of both the British government and the British people as to what sovereignty means. Britain, as a country, was beginning to understand that it faced a larger loss of sovereignty outside of the E.C. than any loss that membership might cause. Protection could no longer be adequately provided by the state, but was something that could be found outside of the state at the Community level.

VI. Further Negotiations: Callaghan Government 1976 – 1979

In March, 1976 Wilson unexpectedly announced his retirement from office. His Foreign Secretary James Callaghan succeeded him. Callaghan faced the same problems that had plagued the Wilson government – a divided governing party and a worsening economic recession. Callaghan was thrown into the first test of his office when high inflation, a large balance of payments deficit and increased public spending sent the sterling into a free fall on the international money market. The government tried to stop the slide but only an I.M.F. loan to Britain was sufficient to strengthen the pound (Gowland and Turner 1996, 215). The U.S., as the dominant creator of the I.M.F., largely determined both the size of the loan and also the accompanying conditions.

The I.M.F. assistance ensured that the crisis was handled in the context of the wider Western international economic system rather than an exclusive European framework. This suited Callaghan's preference for 'Atlanticist' connections over European ties. At this point there was little mention that the E.C. states might serve a useful function in resolving economic crises. So, while Callaghan was determined to maintain British membership in the E.C., he did not regard the E.C. as the principle or exclusive instrument for addressing the problem of continuing economic recession at the international level (Gowland and Turner 1996, 216-217). Callaghan believed that Europe and the U.S. had to work in tandem in order to pull the Western economies out of recession. This inclination of Callaghan expressed the long held British preference for dealing with the issues of international economic cooperation in such a way as to ensure U.S. involvement. However, other E.C. leaders did not accept this approach. German Chancellor Schmidt and French President Giscard d'Estaing, saw the American failure to

maintain the value of the dollar since the collapse of the Bretton Woods' fixed exchange rate system and were now disposed to develop an E.C. scheme for promoting monetary stability (Gowland and Turner 1996, 218).

During this time, a dominant Franco-German axis emerged in the E.C. due to a particularly close working relationship between Schmidt and d'Estaing. Callaghan, tied down by political and economic constraints, had to adopt a minimalist approach to the E.C. The formidable partnership and this minimalist approach meant that "...Callaghan was a spectator rather than a key player and it was a matter of common observation that the Franco-German partnership effectively relegated Britain to an unduly low status" (Gowland and Turner 1996, 219). This was far from the triumvirate comprising Britain, France and West Germany that Britain had expected at the time of its entry.

Illustrating Britain's outsider status to the Franco-German E.C. enterprise was Schmidt's launch of the European Monetary System. The EMS was designed to create a zone of monetary stability in the E.C. and to replace the existing arrangement of floating currencies that had emerged in the aftermath of the collapse of the Bretton Woods fixed exchange rate system (Gowland and Turner 1996, 223). This initiative was much more toned down in comparison to earlier plans for economic and monetary union because it made no provisions for a European central bank and a single currency.

Callaghan refused to support the EMS initiative partly because it coincided with his scheme for a joint Euro-American effort to rejuvenate the Western economies. Callaghan did not like the EMS because it could jeopardize the possibility of cooperation with the Americans. Callaghan also did not go along with the EMS because Britain still had overseas financial and commercial interests that were more concentrated in North

America and the Commonwealth than in Europe. This meant that Britain's interests were in the wider international economy rather than sinking sterling in an exclusively European construction (Gowland and Turner 1996, 226). Also, there was not a strong demand coming from British industry for a more stable monetary regime to facilitate intra-E.C. trade. A smaller proportion of Britain's manufacturing exports went to the E.C. than was the case with all of the other E.C. states. Participating in the EMS would also mean that Britain would have to accept an Exchange Rate Mechanism. Participation in the E.R.M. was perceived as abandoning devaluation, the one instrument that British governments had used to adjust British prices in the international economy (Gowland and Turner 1996, 227).

Callaghan's refusal to go along with the EMS meant that it would be introduced as an E.C. scheme, but with Britain as the only member state refusing full membership. The Callaghan government, however, did not rule out joining the EMS in the future. Callaghan said "...the door must be left open to the U.K. to join at any time it wished, and there must be scope to amend the scheme to make it more acceptable" (Gowland and Turner 1996, 229). Callaghan, like Wilson before him, continued to see membership as important to British interests, but was reluctant to embrace it over the United States as an answer to its economic problems.

Case Study Analysis

The Sterling crisis that Callaghan faced when first in office reiterates the danger Britain was increasingly faced with as a state standing alone in an interdependent world. The only way to rectify their economic crisis was to depend on the U.S. and agree to the terms determined by the I.M.F.. But this weakness did nothing to dissuade Callaghan

from his preference for looking to the U.S. to solve Britain's economic problems. In sharp contrast, Britain's fellow E.C. partners recognized the faults of relying on the U.S. too much as the regulator of the world economy. Germany and France realized that creating their own monetary regulatory system through the EMS would give them far greater control to divert economic crises.

Since its entry into the Community, up to this point in British history, there is no strong evidence to suggest that Britain has agreed to any treaties or policies that resulted in unintended consequences causing losses in sovereignty. Britain has remained intent on maximizing the advantages of association with the E.C. initiative while avoiding full commitment. Both the Wilson and Callaghan terms have shown how British politicians used the E.C. as a tool to shore up support within their own parties and to gain support among voters. The referendum and the government's willingness to address the E.C. in a more communal tone shows that Britain still continued to see membership as beneficial and to be supported. At this point, Britain had not yet taken any bold steps toward integration and showed no real signs of being a cooperative E.C. member. However, a change in government and party ideals (Labour to Conservative) would cause a change in British behavior and bring it much closer to the European Community.

VII. Negotiating the S.E.A.: The Thatcher Government, 1979 - 1990

Margaret Thatcher presided over three administrations from 1979 to 1990. One of Thatcher's great strengths, and weaknesses, was her "...total inability to see the other side's point of view. She simply set out her demands and then refused to budge, whatever the pressure and however isolated she became" (Gowland and Turner 2000, 245).

Thatcher's communication with the E.C. has been characterized as "megaphone diplomacy" because she was a forceful and combative individual who relished disputes with her Community counterparts. Her skeptical views on Britain's relationship with the E.C. were more closely aligned with Macmillan and Wilson rather than with Heath. She wanted the development of the E.C. to be limited to cooperation between independent nation states and was adamantly opposed to any moves in the direction of federalism. She was determined to prevent any erosion of parliamentary sovereignty and deeply suspicious of all attempts to enhance the power of the Brussels bureaucracy, which she routinely referred to as the 'Belgian Empire' (Gowland and Turner 2000, 248).

During the 1970s and early 1980s, the E.C.'s progression and development stagnated. This was particularly true on issues of growth and job creation which remained relatively slow compared to the U.S. and Asia. Many saw this as the end result of the continued persistence of national economic strategies in response to international challenges that all member states shared (Buller 2000, 69). The persistent use of the veto by member states to protect their own industries, which had resulted in the maintenance and proliferation of a number of non-tariff barriers to trade in goods and services (Buller

2000, 69). Therefore, an initiative to complete a Single Market by 1992 became the centerpiece of a program to relaunch the E.C.

Margaret Thatcher initially embraced the S.E.A. for the same reasons her conservative predecessors Macmillan and Heath administrations had for joining the E.C. The previous British governments wanted to replace their failing ‘hands off’ international economic policy with the external controls of the E.C. in order to restore their economic ideals of autonomy and automation. Many of the issues that were affecting Britain at that time: unemployment, lack of industrial competition, and preferential policymaking were still plaguing Britain under the Thatcher administration. The Thatcher government reasoned that this was because the true ideals of eradicating barriers to the free movement of goods, capital and labor of the internal market had not yet been reached.

Evidence of linking the S.E.A. with traditional domestic economic issues can be found in the British government’s White Paper ‘Europe: The Future’ (Buller 2000, 69). Unusually positive phrasing for Thatcher could be found throughout the paper. When referring to the future development of a policy for European industry, the paper talked of the need to examine “...urgently whether more can be achieved economically, by action on a Community basis rather than nationally” (HMG 1984, 74). The paper went on to say “If the problems of growth, outdated industrial structures and unemployment which affect us all are to be tackled effectively, we must create the genuine common market in goods and services which is envisaged in the Treaty of Rome” (HMG 1984, 74). This Thatcher paper makes it evident that the supply side problems that continually haunted conservative administrations from Churchill to Thatcher were now being pushed off to the European level for solution.

In addition, and in contrast to earlier stances, the Exchange Rate Mechanism policy of the S.E.A. now was accepted as an attractive solution to the unstable Sterling the U.K. historically relied on. In an open economy like that of the U.K., fluctuations in the value of the pound represented an important transmission mechanism for inflation. In the absence of a reliable relationship between domestic money supply targets and rising prices, committing the value of a currency to a fixed level would provide an alternative way of discovering the virtuous cycle of non-inflationary growth (Buller 2000, 73). The Sterling crisis of 1979 and 1986 made the urgency of this problem quite clear. A decline in the price of oil, as well as downward pressure on the dollar, allowed the authorities to account for the fall in Sterling and raise interest rates accordingly. However, the pound seemed to stabilize after the March budget, leading officials to reverse these cuts. Unfortunately, the value of the sterling plunged unexpectedly in the second half of the 1980s, despite the fact that movements in oil prices were less dramatic (Buller 2000, 74). This crisis re-emphasized to the Thatcher government the volatility and unpredictability global conditions. The E.R.M. was perceived as an external, rule-based, disciplinarian framework, which would allow the government to protect its autonomy from domestic groups.

Buller also states that the push for getting into the E.R.M. reveals an increasing lack of self-confidence within the British government concerning the possibilities for governance in an interdependent world (Buller 2000, 78). Leading politicians seemed increasingly resigned to their loss of sovereignty at this time and sought to strengthen their position by embracing European institutions. The conservative minister Heseltine revealed this new outlook: “What was clear in 1971 (accession) is even more so today.

The conditions, which made it possible for Britain to be semi-detached from Europe for so long, have vanished forever. There is no Empire to sustain us; we are no longer an industrial superpower; we can no longer pretend that Britain is in anyway an equal partner of the United States. There is nowhere for us to go except as part of a European consortium” (Buller 2000, 79)

However, from the mid 1980s onwards, Britain’s vision of the future of Europe began to significantly diverge from its European partners (Gowland and Turner 2000, 262). Britain differed from its partners on the amount of political integration that was needed to accompany economic integration. It was increasingly felt by France and the other members that, more than just taking down barriers to increase capital flow, an improvement to the E.C. decision making process needed to take place. The Commission’s new president Jaques Delors, insisted that it would not be possible to create a single market without the necessary political reforms to override national interests (Gowland and Turner 2000, 265). Proposals were made at the time which would alter the decision-making structure of the E.C. in a way that challenged the supremacy of the Council of Ministers (Buller 2000, 90). It was believed amongst the community members that the establishment of a new institutional balance was needed, both as a way to facilitate more efficient decision-making, and as a way to pull the Community out of its doldrums. This institutional debate took on a heavy federalist rhetoric that made Thatcher and her ministers in London nervous (Buller 2000, 90).

From London’s point of view the most contentious proposal was to increase the legislative role of the European Parliament (Buller 2000, 90). Article 38 set out a new cooperation procedure giving the Parliament increased input into the legislative process

of the Community. The Parliament would be given a second reading of the Council's decisions. The Council would still be given a chance to reject decisions but could only do it through unanimity. If the Council could not do this, a joint committee made of members from the Council and Parliament would be set up to try and reach a joint position (Buller 2000, 91).

A second area of concern for the Thatcher government was the increase in calls for the greater use of majority voting in the Council of Ministers. Under this proposal the veto could only be invoked in the case of 'vital' national interests, to be judged objectively by the Commission. Delors knew that the political will to complete the internal market would never translate into action unless unanimity gave way to qualified majority voting in the Council (Dinan 1999, 110). Without this type of reform in the legislative process, single market proposals would bog down in disputes among member states.

Delors had another strategy that did not sit well with Thatcher: the goal of Economic Monetary Union. Delors believed that a market could not be fully integrated without monetary union and a common macroeconomic policy (Dinan 1999, 110). A successful single market strategy then would fuel members' interest in E.M.U. Delors believed that the political and economic logic of a large vibrant internal market pointed obviously toward currency union.

Yet Delors knew that too much emphasis on the indirect objectives of the single market project would threaten to undermine the project as a whole (Dinan 1999, 110). Delors recognized that Thatcher, at the moment, was ever watchful for encroachments on

national sovereignty and would likely oppose him from the outset if he stressed the goal of E.M.U., let alone majority voting.

Although the Thatcher administration was aware of Delors' intentions and the momentum that was building for institutional reform, they found themselves in a 'catch 22' situation. The British government's own desire to complete the Single Market, a project which had been stalled in the Council of Ministers for a decade, only confirmed the need for Q.M.V. in the Council (Buller 2000, 92). Implementing the S.E.A. was proving very difficult because of the unanimity rule. But to change this rule the Treaty of Rome would have to be changed and an Intergovernmental Conference would have to be called into session. This worried the British because an I.G.C. "...would open up a Pandora's Box of reforms and alter the structural framework of the Community regime in ways inimical to the future interests of the Thatcher government" (Buller 2000, 93).

To make matters worse, the Thatcher government was largely in an unpopular and isolated position in its attempts to promote the completion of the Single Market. After years of trying to strong-arm the Community to fit British interests, they had become generally unpopular in Brussels (Buller 2000, 93). The Thatcher leadership was also isolated in its enthusiasm to promote the completion of the Single Market as the way forward. Instead, the debate at the time was dominated by proposals of supranational institutional reforms that the Thatcher government did not want (Buller 2000, 93).

Thatcher thus found herself in a novel situation. In the past, Thatcher's intransigence had thwarted the E.C.'s development. However, she was now powerless to prevent the E.C. from holding an I.G.C. that could change its character completely (Dinan 1999, 115). The paradox was especially poignant due to the fact that the main

catalyst behind the Community metamorphosis was her own single market program. To sabotage the I.G.C. would not have been beneath the British government but at the moment, "...there was too much for Britain to lose in terms of market integration by pursuing blatantly negative tactics" (Dinan 1999, 116).

Despite the threats to sovereignty and fears of federalism, Britain signed the S.E.A. act in 1986. As to why the Thatcher government acquiesced to institutional reform changes, there are a number of reasons. But the most important was that in addition to needing Q.M.V. to get their Single Market implemented, the British ended up supporting the reform because the Q.M.V. was a popular initiative that was seen by the British government as a way to lock in recalcitrant member states into supporting their more unpopular Single market goals (Buller 2000, 98). Surprisingly, when compared to the difficulties of passing the Maastricht Treaty, the British parliament approved the act with little opposition. Two conservative ministers, William Cash and Peter Tapsell, who were later to be among the S.E.A.'s biggest critics on the grounds that it represented an intolerable erosion of national sovereignty, later explained that they accepted it because they trusted Thatcher's judgment (Gowland and Turner 2000, 267).

Immediately after the signing of the S.E.A. it was determined to be Thatcher's 'delight' and Delors's 'disappointment' (Dinan 1999, 120). Delors especially disliked the stipulation in the act's "monetary capacity" subsection that further steps toward E.M.U. involving institutional change could be taken only in an I.G.C. Delors succeeded only in including a new chapter in the treaty that recognized the need to converge economic and monetary policies for the future "development of the Community". He felt

the member states had been unwilling to take bold initiatives and reduced progress to the level of the lowest common denominator (Dinan 1999, 120).

In retrospect, however, these two years 1986 and 1987 resemble the “eye of the storm” in terms of rapid acceleration of European integration (Dinan 1999, 121). The provision for Q.M.V. expedited the internal market program but also encouraged the Council to be more flexible in areas where unanimity remained the norm. Also the legislative cooperation procedure helped close the E.C.’s “democratic deficit” and boosted the E.P.’s institutional importance (Dinan 1999, 120).

When the full implications of the S.E.A. became clearer, Thatcher began to turn against her decision to join the project. She even turned against central issues to the Single Market such as the removal of national border controls and harmonization of taxes. She claimed that removal of border controls would make it impossible to check terrorism and drug trafficking (Gowland and Turner 2000, 268) Harmonization of taxes would take away from the British Parliament the power to determine levels of taxation. Delors at this time made known his future goals of having the S.E.A. lead to E.M.U. and a greater role for the Commission and the E.P.. Thatcher’s relationship with Delors at the time could be described as outright ‘feuding’. She saw Delors’ goals as a blueprint for federalism, a diminution of national sovereignty and the establishment of a centralized European superstate dominated by Brussels (Gowland and Turner 2000, 268). Her famous 1988 Bruges speech expressed her anger at the time when she said that Europe would be stronger with “France as France, Spain as Spain, Britain as Britain, each with its own customs, traditions and incentives. It would be folly to try to fit them into some sort of identikit European personality” (Thatcher 1995, 744-5).

There have been a number of conjectures given as to what Margaret Thatcher was thinking personally when she signed the act. One of them is that she felt unable to offer further resistance to the growing momentum for political integration. She later wrote, “The pressure from most other Community countries, from the European Commission, from the European Assembly, from influential figures in the media for closer cooperation and integration was so strong as to be almost irresistible” (Thatcher 1995, 547-8).

Another explanation is that she wholly underestimated the seriousness of intent behind yet another in a long line of vague, ambitious commitments to the goal of European unity (Gowland and Turner 2000, 267). This resonated with officials around her who said she had a tendency to dismiss enthusiasm for political integration as ‘airy fairy nonsense’. Subscribing to what she regarded as meaningless declarations seemed a small price to pay in order to achieve her Single Market. It has also been alleged by Charles Powell, her foreign policy adviser, that Thatcher was badly misinformed by Foreign Office advisors about what precisely was involved in the S.E.A.

Case Study Analysis

Jim Buller’s argument shows how many of the Thatcher administration’s goals in establishing the Single Market were the same goals the Macmillan and Heath governments had when applying to the E.C. during the 1950s and 1960s. During the early years of application, the British conservative governments were looking to join the E.C. as a way to solve both their domestic economic problems and preserve their economic ideals of *neutrality*, *autonomy* and *automation*. By joining the E.C. and creating a Common Market, the conservative governments could maintain neutrality by getting rid of the industrial protection system and opening them up to competition. They

could maintain their governing autonomy by maintaining a ‘hands off’ economy and therefore exonerating them from any blame cause by external forces. And the Common Market had the appeal in that their economy would be run on *automatic* with the E.C. regulating from above.

The same domestic economic issues that were problems during application – unemployment, inefficient industries, and the unstable Sterling (1986 Sterling Crisis) – were the same ones plaguing the Thatcher government. Therefore the Single Market can be seen as the final culmination of conservative efforts over the years to solve these problems, see their economic strategy implemented and absolve them of their governing difficulties.

But what the Macmillan, Wilson, Heath and Thatcher administrations did not foresee was the need for increased governance in E.C. institutions that would accompany increased economic regulation. The signing of the S.E.A. illustrates the validity of a number of Historical Institutionalism’s concepts. During the I.G.C., Thatcher first recognized the unintended consequences of pushing so diligently for her Single Market initiative. In order to see the goal met, Q.M.V. would have to be allowed in the Council because a number of states were not enthusiastic about her Single Market goal. In addition, she would have to allow increased powers of policy regulation to the E.P. All of these were being pushed by Delors, an E.C. bureaucrat who was looking to increase the powers of his supranational institutions. Pierson’s explanation of increasing autonomy of supranational institutions fits here.

Immediately after the I.G.C. Thatcher declared a victory. She had her Single Market, had kept Delors’s federalist rhetoric to a minimum, and there was no mention of

E.M.U. in the S.E.A.. Yet, in a short time Thatcher would soon realize the real consequences of what she had done and come to regret her decision. An increase in the powers of regulation and a lowering of economic barriers gave the E.C. an unprecedented growth spurt. During the late 1980s, the word ‘irreversible’ began to be used to describe the E.C. It came to mean the point at which completing “...the single market program, both legislatively and economically, had become unstoppable” (Dinan 1999, 121). Thatcher had allowed *gaps* to emerge and Delors took advantage of this situation. The E.C. was now more efficient and powerful and by signing the S.E.A. Thatcher had locked her country into further integration with it.

Explanations as to why Thatcher made her decision to sign the S.E.A. also fit into a Historical Institutional explanation. An underestimation of the true ramifications of her decision is an example of government officials being ‘inundated’ with vague new policies committing to the goal of European Unity. Thatcher’s personality and her constant dismissal of E.C. supranationalism as ‘nonsense’ lends weight to this. Pierson’s explanation of officials’ heavy reliance on experts to explain E.C. policies also fits the Thatcher situation. It has been alleged that Thatcher was “badly misinformed by Foreign Office advisors about what precisely was involved in the S.E.A.” (Dinan 1999, 267). All of these explanations fit Pierson’s reasons for why unintended consequences emerge.

Chapter 4: Findings and Conclusion

A sufficient amount of British history has been covered in this case study for me to be able to assess whether Historical Institutionalism's unintended consequences and path dependencies have taken place. In order to do this I have made a *historical* analysis which follows British policies and goals across time. Again, this is in contrast to Moravscik's article, which views the signing of the S.E.A. as an event that exists on its own. Paul Pierson makes the analogy that this would be the same as viewing a single frame of a moving picture – you miss the larger meaning of the movie by concentrating on one frame at a time.

The purpose of this case study is to analyze Britain's entry into the E.C. up until the signing of the S.E.A. to assess whether unintended consequences and path dependencies could be identified with Britain's integration into the E.C., and most importantly, whether they caused changes in British governance and losses of sovereignty. In order to do this I feel it necessary to not only distinguish the differences between Labour and Conservative outlooks on the E.C., but also the differences between Euro-skeptics and Euro-positivists within their own parties. *Please see table below.*

	Euro-skeptical	Euro-neutral	Euro-positive
Conservative Party	<ul style="list-style-type: none"> ▪ No entry with E.C. ▪ E.C. allows social policies through the backdoor ▪ E.C. threatens U.K./U.S. and Commonwealth relationship ▪ E.C. is a supranational threat to state sovereignty 	<ul style="list-style-type: none"> ▪ Entry but limited association with E.C. ▪ Maintain role as middleman between U.S. and E.C. ▪ Keep E.C. as a Free Trade Area 	<ul style="list-style-type: none"> ▪ Become very involved with E.C. affairs to gain influence ▪ Keep E.C. intergovernmental and pro-Uk interests ▪ Use E.C. to maintain 'hands off' domestic economic policy ▪ Use influence in E.C. to maintain U.K. trade interests for business groups
Labour Party	<ul style="list-style-type: none"> ▪ No entry with E.C. ▪ E.C. is big business and too pro market ▪ E.C. is anti-social policies 	<ul style="list-style-type: none"> ▪ Entry ok, but limited association with E.C. ▪ Use E.C. as a tool to manipulate public support and party solidarity ▪ Use E.C. for economic stability to protect social policies 	<ul style="list-style-type: none"> ▪ Become very involved in E.C. affairs to gain influence ▪ Use E.C. as a way to impose social policies from the outside ▪ Loss of domestic decision making is trade-off for more protection in interdependent world

After World War II, and up until the Macmillan application, both the Conservative and Labour parties took a Euro-skeptical approach to European cooperation. Britain's government officials were aware of the potential for the E.C. to become more than a form of intergovernmental bargaining and the possibility of changing into a federalist institution. It was partly in recognition of this danger that Britain made every attempt in the early stages of the E.C. to create alternatives to

membership, and to devise ways to subvert E.C. success. The British foreign office's fears of supranational powers trumping state interests, and a fervent belief that Britain would remain an important world power by being in the center of the 'three spheres', caused Britain to react negatively to pre-E.C. treaties like the E.D.C., O.E.E.C., and the E.C.S.C.. Britain sabotaged the E.D.C. due to its inclusion of a European Political Community and European Defense Minister which represented movements towards political integration. Similarly, when the U.S. pushed for a politically integrated Europe through the creation of the O.E.E.C., Britain used its influence to keep the treaty intergovernmental by excluding majority voting clauses or those that limited independent decision-making. By 1954, therefore, British Euro-skepticism had controlled the development of Western Europe to fit British interests and uphold Britain's traditional views of state sovereignty.

However, according to Parson's article, Europe's future began to take a different route than the one Britain had hoped for. Political circumstances in France, between the signing of the E.C.S.C. and the Messina conference, had allowed one particular supranational version of E.C. to be upheld over its competitors. Britain failed to recognize this 'epochal' moment in time, where ideas mattered, and made the mistake of refusing to join the negotiations of the E.C.S.C. and Treaty of Rome. Britain's influence over the future of the E.C. was kept to a minimum, while Schuman's and Monet's vision was ultimately 'locked in'. From that moment on, Britain found itself outside of Europe.

Up until this point, I found, in this case study that Britain acted in accordance with Neo-realist behavior by supporting its self-interests and successfully keeping its European allies from making anything other than intergovernmental agreements.

However, under the conservative Macmillan government, Britain began to take a Euro-neutral stance. The Conservative Euro-neutral vision of the E.C. can be characterized as being minimalist in nature, promoting and creating the framework for an effective and efficient European market, and engaging in limited and loose inter-state cooperation in policy areas where joint activities could be beneficial. Above all, the Euro-neutralists believe that the E.C. should not be challenging or threatening to the powers of national governments who are supposed to make decisions in the interests of their citizens.

In the beginning, Macmillan continued to exercise conservative Euro-skepticism with Europe when the E.C. began to push for a common market. Britain did not want to see its intergovernmental O.E.E.C. treaty usurped by a more politically integrated common market, so it created the alternative E.F.T.A. which would be a more loosely affiliated Free Trade Area. However, this plan failed when the E.C. chose not to affiliate with the agreement and the United States did not support it.

This case study reaches an interesting point when Macmillan, half way through his term, makes a switch from Euro-skeptical to Euro-neutral by deciding that Britain should apply for entry into the E.C. What accounts for this change in attitude? An intergovernmentalist would claim that the E.C. did not represent a threat to state sovereignty, and that through entry, Britain realized it could manipulate Europe's interests to better suit its own. Evidence I found in this case study supports such a claim in that Britain felt it could gain more prestige with the U.S. by representing it from within. Also, trade with Europe was increasing, and Britain needed to have more influence in trade matters.

However, this case study also found evidence that what changed Macmillan's attitude towards the E.C. does not fit a Neo-realist/intergovernmentalist explanation. Britain began to have major domestic problems such as unemployment, inflation, and uncompetitive industries. Britain, up until that time, used a hands-off economic approach practicing automation and neutrality. These problems, however, needed governmental intervention and required unpopular measures. It was at this time that the British government began to look to the E.C. as an external solution to its internal problems. Britain, frustrated by its inability to control its economy and be competitive in the global market, could use the E.C. to act as a neutral initiator of tough policies and allow the government to keep its 'hands off' policy.

This latter explanation for why Britain felt the need to become a member of the E.C. supports Ian Clark's argument that states act as brokers between international and domestic forces. As a state, Britain's role as regulator between these two forces was changing and Britain's economic ministries were quicker to realize the need for change than their counterparts in the foreign office. In order to solve domestic problems, Britain changed its international role to suit these needs. It is important to note that this change came from within the state rather than being imposed from the outside.

In addition, at the time of Britain's decision to join the E.C., the transnational institution did not look threatening to its state sovereignty. De Gaulle was largely in charge of its direction, and after the Empty Chair crisis and the *Force de Frappe*, it looked as though the Community was created by states, for states, which used the E.C. as a tool to gain power vis-à-vis one another. De Gaulle had kept the E.C. at an intergovernmental bargaining level, which reassured the British governments that losses

in sovereignty were not going to be an issue. It was only after Britain joined the E.C. that political integration and institutional strengthening became an issue and the British government began to reconsider whether its decision to join had been a mistake.

However, Parsons points out that the Empty Chair crisis is not necessarily evidence for how a national leader can trump the powers of supranationalism. Alternatively, it was a showing of De Gaulle's powerlessness against institutional forces that were set in motion during the Treaty of Rome. It is a mistake, Parsons believes, to view the Empty Chair crisis as evidence of states reasserting their power over supranational institutions. The crisis was really a result of the frustrations felt by an ardent nationalist leader (de Gaulle) over his inability to stop the E.C.'s growing momentum towards supranationalism. Schuman's vision had become locked in and the E.C. had become path dependent towards greater supranationalism. As it was for De Gaulle, it was a mistake for British officials to take comfort in the crisis.

Like Macmillan, Wilson played the Euro-skeptical game when first in office by looking for solutions to Britain's problems outside of the E.C. Wilson had planned to solve Britain's domestic economic woes on his own by implementing his 'National Plan'. But a run on Sterling caused him to have to freeze prices and wages. His inability to solve Britain's domestic problems caused him to re-evaluate his anti-Community stance and he decided to apply to the E.C. Again, this supports Clark's main idea that a state's function and role is not static, but is constantly redefining itself to meet new challenges.

Unlike Macmillan and Wilson, Heath took a decidedly Euro-positivist outlook from the beginning. Heath's mantra at the time was to gain "entry first – negotiate the conditions after". Heath assuaged any Euro-skeptical fears about supranationalism by

citing de Gaulles's added 'Luxembourg Compromise' which gave each member state the right to veto any proposal it considered to be a threat to its vital interests. This is more evidence that Britain felt assured that the E.C. was truly an intergovernmental organization.

Wilson made his second term agenda of renegotiating the terms of entry and bringing a referendum to the people appear Euro-skeptical, but in reality he was Euro-neutral and just wanted a way to strengthen his political position. The renegotiation was less about exercising intransigence within the E.C. than about appearing nationalistic and stronger than the Conservative Heath government. Likewise, the referendum was more about making Wilson a champion of democracy than testing the worth of entry. At no time did Wilson want either of these initiatives to end in a withdrawal. Therefore, although appearing Euro-skeptical, Wilson was in fact a Euro-neutralist.

Callaghan was immediately introduced to Britain's vulnerability in the international economy when an I.M.F. loan was needed to save Britain from a severe Sterling crisis. Although Germany and France had created the EMS as a zone of monetary stability, it was not enough to persuade Callaghan to look to Europe rather than to the U.S. for economic protection. Callaghan, like his predecessors, struck a middle ground between Euro-skepticism and Euro-positivism. He continued to support E.C. membership but refused to let it supercede its traditional relationships with the U.S. or the Commonwealth.

Up until the Thatcher government, I did not find evidence to suggest that there had been any unintended consequences of Britain's policies towards the E.C. I account this to Britain's maintaining a minimalist relationship of association with the E.C.

Although remaining a member, Britain chose to stay outside of European treaty making and hold onto the U.S. alliance and Commonwealth relationship. From the Thatcher government on, however, Britain became much more involved in E.C. affairs. Thatcher's determination to see her version of the S.E.A. implemented required substantial commitment to E.C. treaty making. It is here, as I state earlier in the case study, that the case can be made for not only the unintended consequences of Thatcher's signing the S.E.A., but also Britain's new path dependency on further integration into the E.C.

In order to see her unpopular version of the S.E.A. passed, Thatcher would have to compromise by allowing Q.M.V. into the Council. I think Thatcher, although recognizing the danger, misjudged the importance of this provision. What Thatcher did not foresee was that the Q.M.V. provision would be a major factor in facilitating the rapid acceleration of the E.C. into a powerful supranational institution. This was brought about by a smoother decision-making process, coupled with the further breakdown of economic barriers of the S.E.A.. Evidence for this 'misjudgment' can be found when Thatcher's celebratory mood quickly evaporated after the E.C. became the E.U. and brought about a true E.M.U., a common currency and increases in Brussels decision making power.

To return to my hypothesis, I ask again *Did the decisions of Britain's policy-makers have unintended consequences which led to path dependencies causing a loss in state sovereignty?* The most obvious constitutional change brought about by membership of the E.C. is the surrender of the U.K.'s parliamentary sovereignty to the primacy of Community law. This forfeiture of power was brought about when Thatcher accepted Q.M.V., which took away Britain's veto power and meant that they would have to accept E.C. laws even if they disagreed with them. It is now a fact that the British parliament

cannot refuse to accept Community law, nor debate it, nor repeal it, unless Britain cancels the Treaty of Accession and withdraws altogether from the European Union. So it must be accepted that the U.K. has surrendered parts of its parliamentary and national sovereignty through the act of joining the E.C.

In terms of a Conservative Euro-skeptical version of events, I would conclude in this case study that Pierson's unintended consequences and path dependencies did allow for a loss in Britain's state sovereignty. Although this case study ends with the signing of the S.E.A., it is of interest to note that by the time John Major resigned the Conservative leadership after the 1997 election defeat, the Conservative party members had become predominantly Euro-skeptical. This change in attitude towards the E.C. can be attributed to their opinion that the unintended consequences of achieving their free market principles by joining the E.C. under Heath and pushing for the Single Market under Thatcher in 1986, has brought about an unacceptable loss in parliamentary power and national sovereignty. In their minds, Thatcher's mistake during the S.E.A. negotiations led the evolution of the E.C. to the Maastricht Treaty which resulted in the E.M.U. and single currency and strengthened the power of E.C. supranational institutions while weakening British Parliamentary decision-making.

This case study has revealed enough evidence to suggest that for the British Euro-skeptics, unintended consequences and path dependencies did in fact lead them in a direction which they did not intend to take. But it is not enough to show how the choices/actions of the governments of Macmillan, Wilson, Heath, Callaghan and Thatcher led them down an unintended path. This case study also sets out to show how these choices and actions led to changes in governance and losses in sovereignty. The

Euro-skeptics claim that it did so because they define sovereignty as retaining *all* decision-making ability. This study will now return to the authors included in the literature review (Walker, Ruggie and Clark) to assess whether the conservative Euro-skeptics are correct in making this claim.

When the question as to whether Britain suffered a loss of sovereignty by joining the E.C. is examined in the context of globalization, the issue becomes one of how to determine the concept of sovereignty. For example, Euro-skeptic conservatives were against membership of the E.M.U. because it would mean that the government and the Bank of Britain would surrender control of short-term economic issues through fiscal measures such as the exchange rate. But, as this case study has shown, the Sterling Crises of 1967, 1986 and 1992 had little to do with decisions made within the British economy and much more to do with global problems associated with the German, Japanese and U.S. economies (Pilkington 2001, 88). Furthermore, Britain's membership with G.A.T.T., N.A.T.O. and their use of I.M.F. loans and Bretton Woods exchange rate mechanisms reinforces that Britain relied on international institutions and governance mechanisms long before admittance into the E.C. In my mind, the fact remains that many years ago the British government lost the ability to deal alone with medium to long-term economic issues. This inability to manipulate its own economy, as shown in this case study, was an important reason as to why Britain wanted to enter the E.C. The sovereignty that the Euro-skeptics talk about returning to ended long before entry, and it is what can be determined as 'theoretical' sovereignty.

It can also be suggested that the European concept of pooled sovereignty could be a loss of theoretical sovereignty, but in reality it means an increase of 'real' sovereignty.

Under this viewpoint, the sovereignty in some areas of governance could be traded in order to secure a greater overall level of 'real' sovereignty. Therefore, the unintended consequences of Thatcher's S.E.A. treaty could be determined as having led Britain down a path to greater rather than less sovereignty for Britain. A more efficient and powerful E.U. means that Britain has become an important and influential member in an institution that has a greater impact on world affairs. In this outlook, a strengthening of supranational power also means a strengthening of British power.

I believe that Walker's polis vs. cosmopolis logic trap was the cause of frustration that conservative Euro-skeptics came to feel over the unintended direction the E.C. had taken. The Euro-skeptics were too reliant on the polis, as a concept, to define where Europe's future should and would head. The skeptics had self-proclaimed the state as a natural necessity rather than a historical achievement. By doing this the skeptics had reproduced the sovereign state's own affirming account of how it is both natural and necessary, and all other alternatives were impossible (Walker 2003, 268). However, when the historical contingency of the state is taken into consideration, new ideas of ways of organizing political life become possible.

My case-study gives evidence to support Walker's claim that it is both a mistake to predict that the international political world is moving away from the particular (states) as it is to suggest it is necessarily moving towards the universal (cosmopolis). The danger in the latter type of predicting is that it encourages us to think in either/or terms. My case study of Britain's integration into the E.C. supports Walker's warning because I found evidence for both a weakening in Britain's sovereignty and a strengthening of it. Walker states that when it becomes increasingly difficult to attach sites of authority with

any given territory we become confronted with the intensification of the problem of sovereignty. In other words, questions about authority have to be posed in terms other than those we have been used to. Again, this speaks to the mistake of the skeptics in only defining sovereignty in the traditional terms of the polis.

My case study also supports Ruggie's assertion that the available vocabulary traditional International Relations theorists have used to explain the phenomenon of European transformation is inadequate. It would be faulty to use a Neo-realist explanation of Britain's integration into the E.U. by only examining the national interests and policy preferences of Britain's leaders because this ignores unintended consequences and the E.C.'s path dependency towards greater supranational powers. Conversely, my case study also provides evidence that neo-functionalists would be wrong to anticipate the emergence of a supranational state. My case study showed that as Britain integrated further into the E.C. it gained more power and influence within the community. From the vantage of Ruggie's analysis, each theory contains a partial truth, yet the E.U. may require new concepts to describe a very different 'social episteme' – a new set of political doctrines, political metaphysics and spatial constructs "...though which visualization of collective existence on the planet is shaped" (Ruggie 1993, 173). This would require a post-modern viewpoint breaking from modern explanations that have been defined by disjointed, mutually exclusive, fixed territoriality. Ruggie's call for an 'unbundling of territoriality' is a useful tool to explain Britain's evolution as a member of the E.U.. This case study has shown that it is important to explain the E.U. not from a single perspective through the eyes of states or supranational organizations, but from a multi-perspective not linked to any given territory or exclusivity.

This interpretation reinforces Ian Clark's aforementioned view that sovereignty could be undergoing a transformation, rather than being undermined or becoming redundant (Clark 1999, 82). The state, according to Clark, could be seeking to remake itself in response to conflicting domestic and international pressures by discarding traditional capacities and acquiring new ones. This shows that a state delegating functions to international bodies does not necessarily imply an erosion of state sovereignty. Buller's explanation of Britain's looking to the E.C. as an answer to its domestic economic problems speaks to this idea. Britain, under pressure from no longer being able to protect and control its domestic economy through international means, began to look to the E.C. to perform this role. But this does not necessarily mean a loss of sovereignty for Britain, since it also gains power, as an important member of the E.C. Less control over domestic affairs can be a trade-off for more international governance. Therefore, because Britain now exists in a globalized world, it has chosen to redefine its sovereignty, roles and responsibilities.

It is my belief that the Euro-skeptics in the British government today have lost track of the lessons their own preceding administrations learned over the forty years since the original E.C. application. The lessons of inefficiency in protecting the Commonwealth and the unstable Sterling taught the British government that "...no state in the modern world is truly sovereign or independent in that its decision-makers can take whatever decisions they judge to be in the national interests without any reference to external constraints or restrictions" (Pyper/Robins 2000, 204).

In conclusion, although I did find in my research evidence to suggest that there were unintended consequences to some of Britain's decisions concerning the E.U. which lead to new path dependencies, I disagree with the Euro-skeptical view that they led to a loss of sovereignty. Britain's status as a weakening nation-state in a globalized world accounts in most part for why Britain is where it is today. The independent variables of unintended consequences and path dependencies, by themselves, do not adequately account for the changes in Britain's governance or sovereignty. Britain's insecurities in an increasingly globalized world its status as a declining world power and its inability to reverse Schuman's 'locked in' path towards supranationalism, must also be taken into consideration as strong antecedent conditions which led to Britain's integration into the E.C.

In contrast to the conservative Euro-skeptics, the Labour party of today is prepared to accept European integration as a shared political and economic enterprise in which states engage in a wide range of joint policy activity for their common good. Within limits, Labour is willing to accept the further transfer, or pooling, of sovereignty if the construction of this enterprise requires it (Pyper/Robins 2000, 216).

This modern outlook of the Labour party is in stark contrast to the Conservative 'awkward partner' relationship with the E.C. because it takes a more positive attitude towards its role with the E.C. When the party came to power in 1997 under Tony Blair, they had three strategies: to normalize relations with the E.C.; to exercise a leadership role within the E.C.; and to mobilize E.C. support behind its 'third' way strategy of combining market-based economic dynamism with social justice (Pyper/Robins 2000, 201). Today's Labour party differs from their Conservative counterparts in that they

accept and embrace the social dimension of the E.C. and the increased powers for the Council and Parliament (Pyper/Robins 2000, 203). These issues have not been as problematic for Labour because they are not as obsessed as the Conservatives with preserving a largely 'fictitious' sovereignty. Labour's newly revised positive E.C. stance could make the chances of mistaken losses of power less likely as they will learn to play the E.C. game more astutely and become more discerning members.

I agree with Labour's positive view of the E.C. and discount the Euro-skeptic view that accession was a mistake. Thatcher's stubborn nationalism personifies the nation-state itself which "...still conscious of its historical achievements, stubbornly asserts its identity at the very moment it is being overwhelmed, and its power eroded, by the processes of globalization" (Habermas 2001, 124). In my mind, the state should instead follow Labour's Euro-positive lead by making an effort to overcome its own limitations and construct political institutions capable of acting at the supranational level. By becoming a better E.C. member, this would alleviate some of the ills of globalization and the citizens would be better connected to the processes of democratic will-formation. Britain would also regain some of the governance it has lost in the globalized world and increase its ability to become dependent on paths that were *intended* rather than unintended.

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