Euroscepticism, Thatcherism and Brexit

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“The British people have spoken and decided to remain in [a] reformed European Union,” British Prime Minister David Cameron planned to proclaim on Friday, June 24, 2016.[1] Instead, he delivered his resignation speech, saying, “I was absolutely clear about my belief that Britain is stronger, safer and better off inside the EU…But the British people made a different decision to take a different path.”[2] The outcome of the United Kingdom European Union membership referendum sent shockwaves around Britain, Europe, and the world.[3] Brexit constitutes the first time a state has voted to exit a major supranational institution and has since left the UK’s role in a globalized world in a state of uncertainty.[4] The cause of this unexpected referendum result is highly contested. On the one hand, the Brexit vote can be viewed as a revolt by the ‘losers’ or those left behind by globalization.[5] On the other hand, the unexpected outcome may be attributed to, as Tim Shipman put it, “the culmination of three decades of Euroscepticism cloaking a nation in its suffocating embrace.”[6]

Euroscepticism, defined as opposition to the powers of the European Union (EU), has been a growing phenomenon in Britain since the first European membership referendum in 1975; it found its full voice during the premiership of Margaret Thatcher. This essay explores: To what extent was Margaret Thatcher’s Euroscepticism in 1985-1990 drawn upon by the “Brexit/Leave” movement? In this essay, I argue that Margaret Thatcher’s Euroscepticism during her premiership initially built the momentum of a Eurosceptic movement within the Conservative Party, eventually resulting in Brexit decades later. Through public statements and speeches, she continued to embolden others within the Conservative Party. In addition, during the European Debt Crisis, she strengthened support among the Conservative Party after she predicted the failure of the single European Currency. Thus, Thatcher’s legacy heavily influenced the Leave movement in 2016.

Throughout its history, Britain’s island geography has shaped its social, political, economic and cultural structures, leading to a strong national identity as a unified state, more so than its European counterparts.[7] As historian R. W. Seton-Watson put it, “Britain’s hybrid position as part of Europe, and yet in some respect outside it served as a natural stimulus to overseas commercial and political development – trade following the flag – and reliance upon a strong navy.”[8] This dependency upon a strong navy made it a natural competitor in the quest for Empire, leading to the formation and the rise of national attributes of ‘English liberty and commerce,’ which were less developed in other European states at the time.[9] This early formation of the British identity greatly contributed to Britain’s vision of its place in Europe and the world.[10]

The British Empire was the world’s largest empire, spanning the globe. It was said that “the sun never set on it, since it was always daytime somewhere in the empire.”[11] In 1945, Britain’s Empire and Commonwealth held one-quarter of the world’s population and land mass.[12] Britain emerged from the Second World War as one of the victorious powers, in contrast to the continental European countries that had been occupied by Germany during the war.[13] This disparity heightened the perceived differences from and distance to Europe and instilled feelings of superiority among Britons.[14] At this time, it would be inconceivable to think that Britain would pool its national sovereignty with its European neighbours, which had recently been defeated by Nazi Germany. As British Foreign Secretary Anthony Eden told an American audience, the idea of joining “a federation on the continent of Europe is something which we know to our bones, we cannot do… For Britain’s story and her interests lie far beyond the continent of Europe.”[15] If the British Foreign Secretary claimed that joining Europe was out of the question, why then, as Burk asks, “did it apply to join [the European Economic Community] in 1961, again in 1967, and yet again in 1971?”[16]

Despite emerging as a victorious power, after the Second World War, Britain ceased to be a global power.[17]
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During the postwar period, Britain gradually lost her colonies and mandates as a result of the exhaustion by war and the rise of Afro-Asian Independence movements. Post-war, Britain lost Jordan in 1946, India and Pakistan in 1947, and the Palestinian mandate, Ceylon and Burma in 1948. In the 1950s, she lost Sudan in 1956, and the Malay states and Ghana in 1957. And, in the 1960s, Britain lost Nigeria, the Caribbean and most of the rest of her African colonies. The loss of empire diminished Britain's distinction from the rest of Europe; without its empire, it began to search for a new place in the world to avoid being a minor power in a world of only two superpowers – the United States and the Soviet Union. Due to the retreat of empire and its consequences, Britain applied for EEC membership three times before successfully gaining entry on January 1, 1973 after the 1969 resignation of French President Charles de Gaulle, who vetoed the first two applications. As Former Deputy Prime Minister of the United Kingdom Nick Clegg stated, “If you’re one of the founding members, the creation of the European Union was a triumph, an absolute blinding triumph of peace over war, of democracy over tyranny. If you’re British, actually haltingly and begrudgingly joining in 1973 was a kind of admission of weakness, of loss of empire and a sense of that if you can’t beat them then you better join them.”

Two years after Britain successfully joined the European Economic Community (EEC), the predecessor of the EU, on January 1, 1973, the UK’s first-ever referendum was held on whether or not Britain should stay in the EEC. The electorate voted ‘Yes’ by 67.2 per cent to 32.8 per cent, with a voter turnout of more than 65 per cent. The decision to stay in the EEC occurred at a time of stagnation for the UK economy – a mix of high unemployment and inflation, low productivity, and industrial unrest – that had left the UK as the “sick man of Europe.” The EEC referendum result also occurred at a time where the Conservative Party had been broadly united in supporting membership of the Common Market. In stark contrast, 41 years later, on June 23, 2016, with a groundbreaking voter turnout of 72.2 per cent, 51.89 percent of the British electorate voted “Leave” – Britain should leave the EU – and 48.11 percent voted “Remain” – Britain should stay in the EU. The Brexit vote, like the 1975 EEC membership referendum vote, occurred at a time of great inequality and low productivity in Britain. This inequality led to people being and/or feeling ‘left-behind’ by globalization. However, in sharp contrast to the 1975 referendum, the Brexit vote occurred during a time of growing Euroscepticism within the Conservative Party. This difference between the backdrop of the two referendums is important, since the latter sparked the Brexit movement, which entangled the consequences of neoliberal economic policies with membership of the EU, garnering the support needed for electoral advantage.

Although the 1975 referendum on EEC membership had a comfortable majority, it prompted a discussion about the merits of the common market, sparking a rise to a Eurosceptic movement in the Conservative Party. This movement gained momentum during the premiership of staunch Eurosceptic Prime Minister Margaret Thatcher. During her tenure, she fought against what she viewed as the “excessives powers” of Europe and the creation of a European “super-state.” She began her long battle with the European Community at the Dublin European Council in November 1979, where she demanded a rebate declaring, “[w]hat we are asking is for a very large amount of our own money back, over and above what we contribute to the Community, which is covered by our receipts from the Community.” This speech helped Thatcher realise the immense political potency of Euroscepticism. Taking advantage of that, she continued to further fuel Euroscepticism within her party. At a Conservative Party Conference in October 1987, she asserted that, “[w]e haven’t worked all these years to free Britain from the paralysis of Socialism only to see it creep in through the back door of central control and bureaucracy from Brussels.” By likening further European integration to “Socialism” at the height of the Cold War, Thatcher was deliberately fuelling Euroscepticism within her party.

The most blatant condemnation of further European integration by Thatcher was in her Speech to the College of Europe, more famously known as “The Bruges Speech” in September 1988. In her speech, Thatcher emphasized her opposition to further European integration, saying, “[w]e have not successfully rolled back the frontiers of the state in Britain, only to see them re-imposed at a European level with a European super-state exercising a new dominance from Brussels.” Interestingly, unlike her Conservative Party Conference speech, Prime Minister Thatcher refrained from using the word “Socialism,” but alluded to it throughout the speech. The Margaret Thatcher Foundation describes Thatcher’s The Bruges Speech as a “defining moment” for Britain, with Thatcher herself proclaiming, “[n]ot even I would have predicted the furore the Bruges speech unleashed.” The MT Foundation argues that it was that speech that kickstarted the transition of the Conservative Party from being

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“the party of Europe” to Euroscepticism, and drove a wedge between Thatcher and her Foreign Secretary Geoffrey Howe. Howe, who was also formerly Thatcher’s Chancellor of the Exchequer, resigned shortly after, citing Thatcher’s euroscepticism as the reason:

[T]he nightmare image sometimes conjured up by my right hon. Friend, who seems sometimes to look out upon a continent that is positively teeming with ill-intentioned people, scheming, in her words, to “extinguish democracy”, to dissolve our national identities and to lead us through the back-door into a federal Europe”. What kind of vision is that for our business people, who trade there each day, for our financiers, who seek to make London the money capital of Europe or for all the young people of today?

Throughout the speech, Howe directly criticised Thatcher’s uses of language falsely painting Europe as infringing on British democracy, sovereignty and national identity. Howe’s resignation was a significant blow, leading to Thatcher’s ousting two years later.

The real effect of Thatcher’s Euroscepticism came to the forefront during her staunchly pro-European successor John Major’s tenure with the Maastricht Treaty. After Thatcher’s resignation, the Conservative Party still had a few prominent and high-ranking pro-European voices or Europhiles, but these were increasingly and gradually challenged and replaced by more outspoken Eurosceptics, who were the products of Thatcher’s Eurocepticism. Those increasingly vocal Eurosceptics constantly undermined John Major’s leadership, which made it difficult for him to maintain control of the party or have any semblance of unity. These issues were exacerbated by the Maastricht Treaty, which provided the Thatcherite Eurosceptics with “a cause celebre around which they could mobilise and hone their critique of the emerging European Union.” The 1992 Maastricht Treaty, known more formally as the Treaty of the EU, reformed the structure of the EC structuring the organization of the European Union around three pillars, namely, the Single European Act, the Common Foreign and Security Policy, and the Justice and Home Affairs. These three pillars strengthened economic integration between member countries (which now included united Germany) and essentially established a political union with a focus on developing a bigger social dimension for the EU.

For Eurosceptics, the Treaty of the EU constituted the very things that Thatcher had warned and spoken out against – Brussel’s determination to create a European “super-state” and to impose a Socialist agenda. As Conservative Eurosceptic John Redwood put it, the Maastricht Treaty “represented a major step on the way to a single country.” He further added that it is difficult for someone reading the treaties for the first time not to “conclude that the intention is none other than the establishment of a new country called Europe.” With Eurosceptics holding that view and Thatcher making public speeches criticizing the recent developments, the parliamentary ratification of the Maastricht Treaty heightened divisions within the Conservative Party. This increased hostility made it even more difficult for Major to provide authoritative leadership or unite his party. The divisions ultimately led to the fall of the Conservative Party, giving way to New Labour under pro-European Prime Minister Tony Blair.

Still, Euroscepticism within the Conservative Party continued to grow to the point where only seven Conservative MPs elected in 2010 (constituting 2.3% of the parliamentary Party) were pro-European. At that time, the former intra-party divisions between Europhiles and Eurosceptics were supplanted by a division between ‘soft’ and ‘hard’ Eurosceptics. Even Prime Minister David Cameron, who led the 2016 Remain campaign, was not an EU enthusiast, but rather a ‘soft’ Eurosceptic. In his 2001 election campaign for his Oxfordshire seat, his summarised his views on the EU as “no to the single currency, no to further transfer of powers from Westminster to Brussels, and yes to renegotiation of areas like fish where the EU has been a disaster for the UK.” This shift towards overall Euroscepticism was strengthened by the European Debt Crisis, over which Margaret Thatcher resurfaced. Thatcher was very publicly opposed to the idea of giving up the pound for a single European currency, and with the Eurozone crisis, she was remembered as having predicted the failure of the Euro. Therefore, this shift towards overall Euroscepticism within the Conservative Party, reflecting the “Thatcherisation” of the Conservative Party in the late 1980s made it impossible for Cameron to lead the Remain campaign to victory; as Damian Green stated, “If no Tory leader for twenty years had said anything good about Europe, which broadly speaking was the case, then trying to turn that round in six months was impossible.” By extension, it could be
argued that the Remain campaign “was lost a long time ago with the relentless drip, drip of anti-European propaganda,” as Alistair Burt put it.\[^{[50]}\]

The Brexit vote can also be viewed as a revolt by the ‘losers’ or those left-behind by globalization. From this perspective, Brexit, like the election of Donald Trump as President of the United States, is part of a larger wave of global populist movements arising from the failure of neoliberal economic policies and distrust of technocratic elites and institutions.\[^{[51]}\] The globalization winners and losers argument can be framed as the ‘losers’ feeling/being ignored, maligned and impoverished – against the cosy metropolitan consensus on Europe, the benefits of immigration and the belief that national economic prosperity.\[^{[52]}\] The implementation of neoliberal economic policies led to the socio-economic problems of inequality and insecurity, which also led to the rise in political distrust in technocratic elites and institutions.\[^{[53]}\] The referendum results are consistent with globalization winners and losers argument finding that people who supported Leave belonged to regions most impacted by import shocks from China and those that had a sharp rise in immigration especially from Eastern Europe under EU rules.\[^{[54]}\] Additionally, analyses of the referendum vote show that the ‘winners’ of globalization such as those belonging to greater London, were more likely to vote Remain.\[^{[55]}\]

Ironically, during her tenure as Prime Minister, Margaret Thatcher radically implemented neoliberal economic policies – focusing on free-market competition and “rolling back the state” – at the heart of the losers’ grievances. In pursuit of “set[ting] the economy free and unleash[ing] the creative forces of the market,” Thatcher privatized or denationalized industries, implemented regressive taxation systems such as poll taxes, eliminated exchange controls, directed monetary and fiscal policy towards combating inflation, and shifted industrial relations in favour of employers, among other market liberalization measures.\[^{[56]}\] These policies, implemented and promoted by Thatcher, have significantly contributed to rising poverty and inequality, economic disruptions and uneven growth, leaving more people feeling and/or being ‘left-behind’ by globalization as the consequences take full effect. The Leave campaign leaders conflated the Middle East migration crisis with the consequences of neoliberal policies to lead a victorious campaign. While the consequences of neoliberal economic policies is an important argument and fits squarely with the data, Euroscepticism is what drove David Cameron to bring the question on the merits of European Union membership to the British public in the first place leading to this outcome.

In conclusion, whether it’s sowing the historical seeds of Euroscepticism in the Conservative Party or implementing the neoliberal economic policies which led to inequality and insecurity, Brexit is part of Margaret Thatcher’s legacy. She was key in fomenting Euroscepticism in the Conservative Party during and after her tenure, forcing David Cameron to hold the referendum. The shift in intra-party divisions from Eurosceptic vs. Europhile to ‘soft’ vs ‘hard’ Euroscepticism left it impossible to make the case for Europe.

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Notes


[4] Ibid.


[9] Ibid, 8.


[13] Ibid.


[17] Ibid.


[19] Ibid.

[20] Ibid.

[21] Ibid.


[23] Ibid.
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[28] Ibid.


[37] Ibid, 28-30.

[38] Ibid, 37.


[40] Ibid.


[42] Ibid.

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[45] Ibid, 36.

[46] Ibid, 37.


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[55] Ibid.


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