

**BRITAIN AND THE EU: A BROKEN RELATIONSHIP.
AN INTERVIEW WITH COLIN CROUCH**

Colin Crouch, interviewed by Andrea Bellini

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Andrea Bellini: Professor Crouch, as a start, let us trace briefly the history of what might be deemed “a complicated relationship”, such as that between Britain and the European Union (EU). This history began after World War II, when six European countries - Belgium, France, Italy, Luxembourg, the Netherlands and West Germany - committed themselves to promote the construction of a supranational institutional order, as a way to unify Europe and prevent further war within the continent. The first step was the establishment of the European Coal and Steel Community (ECSC), with the Treaty of Paris, in 1951. A few years later, in 1957, the Treaty of Rome was signed by the same countries, creating the European Economic Community (EEC). In these early stages, Britain decided not to become a member. It was in the late 1950s that the British political class changed its attitude. An arm wrestling with France, then, followed, since the President in charge, Charles De Gaulle, vetoed Britain’s request to join the Common Market. The deadlock was broken only in 1969, when De Gaulle resigned and Georges Pompidou became President. Afterwards, negotiations led, in a relatively rapid fashion, to the signature of an accession treaty, in 1972. Britain, thus, officially entered the EEC on 1 January 1973. No referendum was held in that circumstance. The idea of holding a consultative referendum, however, was supported by the Labour Party a year later. This led to the enactment of the Referendum Act of 1975, which set out the rules and procedures for a referendum on Britain’s membership of the European Communities (ECs), that is the first ever national referendum in Britain. On 5 June 1975, more than 17 million people (about 67 percent of total votes) chose continued membership of the ECs. From that moment on, the history of Britain’s involvement in European integration has been controversial, basically a history of limited participation. In particular, Britain obtained “opt-out” clauses, so that it was allowed not to join the Economic and Monetary Union (EMU) and the Schengen Area. The so-called “Brexit” referendum, which was held on 23 June 2016, four decades after the former consultation, might thus be seen as a culmination of a long history of suspicion of the EU. But something has dramatically changed in the relationship. The results, in fact, are well known: a slight majority, but a majority nonetheless (almost 52 percent), this time, voted for leaving the EU.

With the above in mind, a preliminary remark should be made on the reasons why governments call referenda on EU-related issues. 23 out of a total of 43 referenda held in European countries since 1957, in fact, were not constitutionally required. Both referenda held in Britain, in 1975 and 2016, for instance, were called at the discretion of the government in office. It is likely that such issues, which have to do with the national sovereignty of a state, and therefore are strongly divisive, induce the leaders of government parties to call referenda in order to seek social legitimacy, which would also allow them to strengthen their own political position. As the case of the Brexit referendum has demonstrated, nevertheless, this involves risk. Hence, the first point is why running the risk, especially in a perceivable climate of discontent about EU policies, such as those concerning immigration and asylum?

Both the UK's Europe referenda have been held for the worst of reasons: to avoid major splits in the ruling party. In 1975, the Labour Party was deeply divided over Europe, with its left wing wanting to build a "fortress Britain" protectionist economy and therefore opposing entry into what was then the EEC. The referendum campaign saw the Labour Prime Minister and the leaders of the Conservative and Liberal parties working together for a Yes vote. The opposition to Europe comprised the Labour left, and the Conservative nationalist right. As you say, the UK then became a reluctant, truculent member of Europe, always seeking opt-outs. However, on two major issues the UK actually played a central role in helping European integration. When Margaret Thatcher was Prime Minister, she was a leading advocate of the single market. Her Conservative successor, John Major, and then Labour's Tony Blair were important in encouraging the rest of the EU to open to the countries of Central Europe, then emerging from the shadow of the Soviet Union and seeking a new place in the world. Ironically, it was consequences of these two "British" European initiatives that then started to turn many British people against the EU. The single market necessarily brought the European Court of Justice to have authority over competition issues within the single market. This subordination of UK practices to a European Court offended the deep nationalism of many Conservatives. Then, extension to the East brought immigrants from Poland and other Central European countries. This encouraged xenophobic groups who were already hostile to Britain's existing immigrant populations. Hostility to immigrants and foreigners in general could be talked about in the con-text of hostility to the EU, disguising the racism that underlay the hostility to immigrants. These issues produced a major growth of anti-EU sentiment within the Conservative Party, though as the UK's most pro-business party it also contained many strongly pro-Europeanists. Like Labour in 1975, the party leadership saw a referendum as the only way to resolve the intra-party conflict.

AB: It is clear that the former Prime Minister, David Cameron, did not interpret correctly the social situation in the country. In order to better understand what went wrong, it might be helpful to highlight the differences between the situation in 1975 and 2016. In both cases, in effect, Britain was affected by the consequences of a world economic downturn, which brought growing political and social tensions.

The new issue in 2016 was immigration from Central Europe, and the way in which the anti-Europe campaign linked that immigration to the refugee crisis in the Middle

East and North Africa, and linked that in turn to Islamic terrorism. These links were irrational, but they were very powerfully and emotionally presented. There were other issues, such as general discontent with political elites, as well as nostalgia for Britain's days as an island nation with a global empire, but these mobilised only a minority. It was the immigrant-refugee-terrorist link that turned that minority into a small majority.

AB: In between the two referenda, the EMU was created. Britain's signing of the Maastricht Treaty, in 1992, gave rise to a long and passionate debate on the possibility that the country would adopt the single currency. Euroscepticism, then, spread rapidly. It developed in the Conservative Party, but it also found expression in populist political parties, such as the United Kingdom Independence Party (UKIP) and the Referendum Party. This latter, particularly, was a single-issue party, which gained consensus by invoking the necessity of a referendum on EU membership. The victory of Tony Blair's Labour Party at the general election, in 1997, then, avoided the possibility of a referendum. Eurosceptics, in effect, were still in the minority at that time. Britain, however, never joined the EMU. Why? What was the dominant feeling about the euro among the British people?

Among the people at large the main issue was a symbolic pride in the pound sterling, linked again to that nostalgia for the imperial past. Among political and financial circles there was a more sophisticated but still nostalgic concern for the pound's history alongside the US dollar as a reserve currency - it has not been a reserve currency for several decades, but there is still nostalgia for it. Then, on the left and centre, there was concern that the euro would be too strongly based on the Bundesbank's hard money approach, making Keynesian demand management difficult. Danish and Swedish social democrats took the same view, as did Keynesian economists in other EU countries. In retrospect, they were right. It is interesting to reflect that, if the UK, Denmark and Sweden had all sought to get a more Keynesian approach in the European Central Bank in exchange for joining the euro, the single currency might have been better managed in the current crisis.

AB: The impression from the outside is that, in any case, Euroscepticism was a latent sentiment, which was always present, though less visible, a "ticking bomb" set to go off at some unknown time in the future. What was the detonator, then, and how was it triggered? As a matter of fact, Brexit has occurred at a time of "multiple" crises: the refugee crisis, in fact, is only the last one in chronological order. Is this the main difference with the situation in 1975?

Absolutely. As I have already said, it was immigration from Central Europe, combined with the completely dishonest linking of immigrants, refugees and terrorists by the pro-Brexit campaign, that turned a large minority of anti-European opinion into a majority.

AB: What is noteworthy is that voters - at least, the majority of them - have ignored the warnings of influential experts about the economic costs of leaving the EU. On 20 June 2016, three days before the referendum, for instance, some economists predicted that leaving the EU would damage the economic

prospects of the British people: «lower real wages; a lower value of the pound - and hence higher prices for goods and services; higher borrowing, lower public spending or higher taxes; in the short run, higher unemployment»¹. Feeling and emotion, thus, seem to have prevailed on reason. Is this a sign that the relationship between the British people and the EU is compromised, so much so that they are willing to run such a high risk? If so, is it a question of idiosyncrasy to the “Brussels bureaucracy” or is it more a consequence of a nationalist revival?

It is important to put the Brexit referendum alongside Donald Trump’s campaign for the US presidency. In some ways, they are part of the same movement. Parts of the Brexit and Trump teams worked alongside each other, developing ways of stirring up anxieties about terrorism and linking it to other issues through a series of emotional links. Specific things like “Brussels bureaucracy” are brought into this frame, but behind it is something deeper. I prefer to look at it this way: mass democratic participation requires both reason (to enable us to relate specific electoral and policy choices to our understanding of our values and interests) and emotion (to motivate us to participate and care enough). If the emotions are neglected, politics becomes a technocratic game, played primarily by those with a strong calculating sense of their material interests. In recent decades, we have been slipping into that position - it is linked to what I have described as post-democracy². People who feel excluded by technocratic politics can fight back by denigrating the role of reason and stressing emotion instead. This is what Trump and the Brexit campaign managed to exploit. But if reason is neglected, we get “post-truth” (i.e. systematic lies) and a manipulation of mass passions that lead straight to fascism.

There is then a second aspect. We seem to take it for granted that people know who they are politically, and can make political choices and identify with parties. But, since political issues are so complex and remote from our everyday lives, why should we expect ourselves to be able to do this? I think it works in the following way: if we have a social identity that acquires clear political implications, we can then acquire a basic understanding of political identity and choice. Historically, in European countries class and religious identities performed that task for us. But they are weakening now. All that is left for many people is a sense of who they are nationally, and nationality is both social and political. Given globalization, immigration, refugee crises and a general sense of danger presented by “foreigners”, the political meaning of identity can become increasingly intense. This is what is happening, and, if we remember the 1920s and 1930s, it is very dangerous.

AB: Going more deeply into the matter, who voted in favour of Leave? In other words, how does the Brexit vote interrelate with the class divide?

Leave voters tended to be older than Remain voters, more likely to be men, and to live in small towns (both prosperous and declining ones) rather than large cities.

¹ Chadha J., Johnson P., Van Reenen J. (2016), *Leaving the EU would Almost Certainly Damage our Economic Prospects*, London: Institute for Fiscal Studies.

² Crouch C. (2004), *Post-Democracy*, Cambridge: Polity.

Working class people in ex-industrial cities in the North tended to vote Leave, but well-off people in the rich South formed a larger proportion of the Leave vote. The more educated people were, the more likely they were to want to remain in Europe. Labour and Liberal Party supporters were far more likely to vote Remain than were Conservatives. The class divide is therefore highly complex. In general, those who voted Leave were those who were in various ways unhappy with the modern world, whether because they had experienced economic decline, or because they disliked having to have dealings for foreigners, or because they believed Britain ought to be a global power in its own right again, or because they were unhappy that people from ethnic minorities were playing an increasingly prominent role. Again, there are considerable similarities with the Trump voters in the USA.

AB: In a recent article, you said that Brexit is «the loss of the future»³. Can you explain what you meant?

This follows from what I have just said. The supporters of remaining in Europe were younger, better educated, and tended to work in the more dynamic sectors of the economy. In other words, people who represented the future. Many families experienced conflict after the referendum, with elderly supporters of Brexit being criticised by sons, daughters and grandchildren for “destroying their future”. Theresa May is now trying to present the Brexit move as an expression of an outward-looking, internationalist and entrepreneurial country. But that was not the demography of the people who voted for it.

AB: In your opinion, is it possible to identify new “social blocs” that have formed around Brexit and that are likely to influence the general elections in the immediate future?

We are possibly seeing the emergence of a liberal left that represents a concern for public services, a tolerant and welcoming attitude to diversity, and a right that is nationalistic. There are then big questions: what happens in this framework to neo-liberals, who find both alternatives unattractive? And which side is best able to champion egalitarianism? These issues are being worked out in most of Europe and in the USA; they will take a long time to develop, and the outcomes will vary from country to country. The UK is in an unusual position, since the economic consequences of Brexit are going to put us through some distinctive crises.

AB: Looking ahead, what does Brexit really mean for Britain? The new Prime Minister, Theresa May, set the tone by supporting economic interventionism and by promising stringent controls on immigration. Is, thus, Britain turning against neo-liberalism?

It is best to take little notice of what Theresa May says, and wait for what she eventually does. At her party conference in October she attacked people with liberal

³ Crouch C. (2016), *Brexit, la sconfitta del futuro dai lavori del passato*, in «Pagina99», 1 July.

opinions who wanted to be what she called “citizens of the world”. Such people belonged nowhere, she argued, and cared nothing for the people of their own country. Then, in her big Brexit speech in January she virtually presented the whole of Britain as being open to the world. Yes, she has talked about economic intervention to ease the problems of working people. But she has also been “warning” the EU, that unless the UK is allowed special privileges, we shall change our “economic model”, and become a deregulated economy with very low business taxes. That has to mean an economy with few workers’ rights and either very regressive taxation or much reduced public services. There is only one thing about which she has been consistent over the years: her dislike of immigrants.

AB: And what does it imply for Europe? The relatively recent history of the EU has been marked by a certain tension between British neo-liberalism and German neo-corporatism. Examples of compromises between these two dominant souls can be found in the arenas of labour law and industrial relations, e.g. in the long and winding roads towards the implementation of the directives on European Works Councils and the European Company Statute. The future of these institutions, in Britain, relies on the promise of the government in office that all EU legislation will be translated into national law. In actual fact, it is seriously threatened by the pressures of Eurosceptics, Conservatives and business organizations. Do you think that Brexit, from this point of view, is only a problem for Britons or could it, instead, affect employee rights in Europe overall?

In general, Brexit will obviously hurt the remaining 27 members of the EU as well as the UK itself. An organisation cannot lose its second biggest member without some cost. That is why other EU countries are rightly angry with us for such an irresponsible act. The bigger problems you refer to would follow if the UK really does carry out its threat to try to become a giant offshore tax haven with workers’ rights little better than those in China. This could set up an ugly “race to the bottom”. However, in making such a move the UK would risk doing itself considerable social, economic and political damage. More optimistically, such a threat from the UK might encourage the EU to protect its member states from that kind of competition with sanctions against tax havens, etc.

AB: On the other hand, could the defection of a neo-liberal champion, such as Britain, lead to the relaunch of the European Social Model, in the long run?

The UK has not been the only neo-liberal champion within the EU, but it has certainly been the leader and the most powerful. If we combine its defection with growing realisation within the EU that the simple neo-liberal austerity strategy is not working in Southern Europe, and growing understand of the importance of the social investment welfare state for economic and social strength - we have the ingredients for a return of the Delors-Prodi model for Europe. It is at least possible.

AB: We have come to the end of the interview. Are there any concluding remarks that you would like to add?

Brexit, Trump, Le Pen, the rise of neo-Nazis in the Nordic countries are all creating a crisis on the political right, between its neo-liberal and its nationalistic wings. In the long run, these two are incompatible. In a curious way, social democracy stands between them - sharing liberalism with neo-liberals and a belief in an active social state with the nationalists. Can neo-liberals and social democrats form new social compromises to save us from a lurch into xenophobia and international conflict? Will social democrats suppress their liberalism in order to climb on to the semi-fascist bandwagon of right-wing populism? Will neo-liberals prefer to make self-contradictory deals with the populists in order to keep social democracy out of power? These are the main choices that will gradually emerge to confront all advanced countries in the coming years.

