

## CHAPTER VII

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In December 1982 Britain completed Ten years of membership in the European Economic Community. These ten years have been a tumultuous period in recent British history, dominated as they were by the persistent struggle between two different trends - one oriented towards Europe and the other seeking to preserve the status quo. Long years of geographical and political isolation from the continent of Europe had contributed to the development of an ethos which was essentially non-European and internationalist in character. Despite the rather long gestation period, thanks mainly to General De Gaulle's obstinacy, before Britain eventually entered the EEC, its efforts at adaptation to the new environment have only been a bitter and painful experience. The failure to derive the expected benefits, however unrealistic they might seem to have been, made the process of adjustment an even more bitter pill to swallow. It was the misfortune of Britain and also that of Europe that this period of Britain's membership has been economically the most unfavourable phase since the Second World War when skyrocketing oil prices sent almost all the industrially advanced economies of the West into the most severe economic depression seen since the 1930s. The phenomenal growth rates that propelled the original six members of the EEC to a period of unprecedented prosperity in their history in the 1960s had, to all intents and purposes, come to an end within a year of Britain joining them. This failure to reap quick economic benefits from the European Community membership aggravated domestic tension.

As already noted, the realization that Britain could not expect to have an effective voice and play a useful role in international affairs on its own had motivated Harold Macmillan and successive British Government leaders to choose the European road despite its pitfalls. The increasing isolation and irrelevance of Britain to important affairs of the world was a telling demonstration of the decline it had suffered since the War. It took another ten years for Britain to realize what leaders of other European countries like Jean Monnet of France and Chancellor Adenauer of Germany had done in the 1950s - that Europe could only count in the world of the super powers as a united entity, that individual European countries, because of their small size and lack of resources, would face political and economic oblivion if they did not join hands together. This realisation and the consequent action has paid rich dividends. The EEC of today in its present form has been accepted by the United States, Japan and the Soviet Union as a world power of political and economic dimensions. This has also been confirmed by the importance that is being attached to it by China as well.

British political objective of finding a stronger and more influential voice in the forums of the world as a consequence of the EEC membership has been largely realized. Undeniably, a new European dimension has been added to Britain's existing historic links with the United States and the Commonwealth. With its close involvement with eight (subsequently nine) other compatible West European states, Britain also became a party to various trade and aid agreements the EEC entered into with other third world developing countries. This was particularly so with the Lome Convention

as has already been noted. Britain's voice has carried greater weight in international forums partly because of its membership of the EEC and the consequent influence it thus derived on EEC decision-making which is likely, in many cases, to have a crucial effect on other states, whether in trade or aid. This undoubtedly has been of immense political benefit to Britain.

However, economically the country has not fared as well. The principal economic objective of Common Market membership was the economic regeneration of Britain. The example of the original six members, and particularly that of France, was a sufficient incentive. The principal doubts in the French economic circles when negotiations for the establishment of the Common Market were going on was that open competition with Germany would ruin French industry. But just the opposite happened. The competitive thrust that French industry received came as a blessing in disguise and by the beginning of the 1970s, France had emerged as one of the top five industrial economies of the world.

But expectations of similar rejuvenation of British industry did not materialise and the reasons have already been referred to. Economic performance of Britain during these six years has been disappointing. Except for a brief period, high inflation has persistently dogged the economy; unemployment has been high and is steadily mounting; the balance of payments situation in general and with regard to the Common Market in particular, was disastrous in earlier years, but has eased somewhat of late thanks mainly to the flow of North Sea oil which has helped Britain in becoming more or less self-sufficient in its oil supplies. Industrial production has stagnated and in some years fallen. Food prices in Britain rose

more than four times since it joined the EEC. European investment in Britain also did not materialise to the extent expected.

However, as noted earlier, in general debates on British performance in the EEC, the question of British economic performance is also looked at from another angle. Exponents of this line argue that Britain's condition has worsened due, not the EEC, but to the worldwide slump and inflation in the 1970s and in fact its condition would have been even worse, had it not already joined the Community. In many ways the Community has cushioned substantially the economic effects of the crisis on Britain. The tendency in Britain is to ignore all this and blame the EEC for the country's and its people's own shortcomings.<sup>1</sup>

Be that as it may, the principal point to emerge from both the arguments is that the country has not benefited from the EEC experience as much as it had hoped to. This has aggravated conflicts between Britain and its partners on many areas of EEC policy. The stubborn nationalistic stands that the country adopted in many areas, especially on farm policy and the budget contributions during the last few years can only be explained in the light of its economic plight and the failure of the EEC to bring any perceptible material benefit. Consequently, the bitterness surrounding the budget controversy served to articulate the mounting frustration and anger Britons felt regarding the Community and all it stood for.

So far as foreign relations are concerned, a decade of European Community membership only served to reinforce trends which had been evident well before January 1973. The inadequacy of the

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1 The Times (London), 5 February 1980. 'Europa' Section - Interview with Sir Ian Gilmour, the Deputy Foreign Secretary.

Commonwealth, both politically and economically, had initially coaxed British leaders to think of Membership of the EEC as a viable alternative. Once inside the Community the relationship inevitably suffered further and rapid erosion as Britain's trade with the Commonwealth declined and that with the EEC increased at a fairly even pace during the period under review. That the importance and attraction of the Commonwealth as a political institution had undergone a process of irreversible decline in British eyes had become clear during successive Commonwealth Conferences in spite of the efforts of the Labour Government during 1974-79 to infuse some degree of warmth back into the relationship again. As noted earlier, even old Commonwealth countries such as Australia and Canada were convinced that the old British ties had become outmoded and initiated the process of forging closer ties, economic and political, with neighbouring countries and regions.

As for the American connection a decade inside the European Community had demonstrated that if British national interest so demanded Britain was capable of acting as part of a West European grouping even against expressed American Wishes. As noted earlier Britain found considerable benefit in working within the framework of the 'European Political Co-operation' with regard to various international issues which often resulted in British stands independent of and even in conflict with that of the United States and in harmony with its European partners - something quite unthinkable in the days preceding 1973. Membership of the European Community, thus imparted a considerable degree of maturity to Anglo-American relationship which, while retaining the closeness of the two peoples and their many sided linguistic, cultural and ethnic ties, was placed in a more balanced perspective.

At the time when it joined the Community there was an expectation that Britain too would influence the EEC in a significant way.<sup>2</sup> It was acknowledged on the Continent that Britain had an enviable record of political stability and democratic tradition, which had been sustained by an independent legal system.<sup>3</sup> According to a noted German commentator who had been an enthusiastic supporter of British entry the presence of Britain has enhanced Europe's role in the world. "The British contributed greatly to the diplomatic self-assertion of Europe with the traditional skills of British diplomacy - a sense of measure and purpose and style - at the service of the Ten."<sup>4</sup> The various achievements of European political co-operation bore eloquent testimony to harmonious co-operation in the field of common European foreign policy during the decade since Britain joined the community.

Britain has contributed in another respect too. As a country which had recognized world connections Britain's presence was expected to help open up Europe towards the world. There is little doubt that this expectation has been largely fulfilled. Britain's entry not only accorded the Community greater international respectability but it also considerably facilitated the establishment of the Community's economic and commercial relationship with the Commonwealth countries of Africa, Caribbean and the Pacific as well as the Indian sub-continent.<sup>5</sup> Prior to Britain's entry the Community

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2 'A Great Day for Europe', The Times, 1 January 1973.

3 Ibid.

4 Theo Sommer, "Britain and the European Community : A German view", The World Today (London), April, 1983, p. 131.

5 The present author's interviews with Simon Nuttal and Herman da Fonseca Wollheim, Senior officials with the Commission, on 26 and 27 January, 1987 respectively in Brussels.

and its activities were somewhat confined to the Francophone countries of Africa; these were now extended to the more farflung parts of the globe as the Community proceeded to set up its multi-faceted relationship with more countries in Asia, Africa, the Caribbean and the Pacific. The links of the European Community thus became truly global and British Membership can legitimately claim to have played a part, directly as well as indirectly, in bringing this about.

It is thus possible to strike a greater note of optimism than would otherwise have seemed plausible in drawing a conclusion of this study on the first decade of British Membership of the European Community. While the failure of the Community and its institutions to bring about the reforms that were promised at the time of entry proved to be a painful blow to Britain, the ceaseless proddings from London had brought about a greater awareness in Brussels and other EEC capitals of the urgent need to recast the inequitable Common Agricultural Policy which continued to consume more than two thirds of the EEC budget. And, if one were to look beyond the butter mountains and the wine lakes, the trade deficits and high budget contributions, Britain was hardly in a position, in the penultimate decade of the Twentieth century, to confront the world all on its own. Ten Years inside the EEC, its traumas notwithstanding, seem to further strengthen this position.