

**The British Labour Party from Kinnock to Blair: Europeanism and Europeanization**

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**Introduction**

This paper considers the 'Europeanization' of the Labour Party and the response of the party to the demands of European Union (EU) membership. The shift of the Labour Party to a much more positive EU stance has been one of the most significant developments in British party politics in the last fifteen years. Moreover, the acceptance of the European commitment has itself produced an important dynamic behind wider policy changes (Holden, 1999). Yet, the shift on Europe is all the more remarkable given that the Labour Party in the early 1980s appeared to be one of the least likely candidates in the then EC to be 'Europeanized'. Its problems in steering a united and consistent position on the major questions of European integration are well known. Nevertheless, the Blair Government today is the most pro-European administration to be found in London since Heath first took Britain into the EC in 1973.

**Analyzing 'Europeanization'**

What does it mean to say that Labour has become 'Europeanized'? The term has gained widespread usage as a result of the EU gaining a higher profile since the mid-1980s in the political and economic life of its member states. Like 'globalization', 'Europeanization' is a term that can be stretched in different directions, at the cost of some debasing of its meaning. The academic use of 'Europeanization' has also been eclectic, with very different understandings and applications evident between authors. In some instances, the overlap between 'Europeanization' and the basic precepts of the

now largely discredited theory of neo-functionalism can give the impression that the term is being used as something of a subterfuge, to revive what was previously left for dead. It is, therefore, important to try to offer a definition and an operationalization of the term in order to distinguish what is meant.

The essential characteristics of 'Europeanization' refer to the relationship between the domestic level of politics and that taking place at the level of the EU. As Bulmer and Burch (1998) point out, this is a two-way relationship. Participation in the EU is both *iterative* (the time factor) and *interactive* (the linkage between levels of activity). A conventional, positivist social science approach may thus be misleading here, as Bulmer and Burch argue. 'Europeanization' as an independent variable explaining domestic outcomes (the dependent variable) simplifies the two-way relationship between the European and the national level, levels which are themselves intertwined. To avoid such ontological traps, it is useful to locate the dynamics of 'Europeanization' within alternative approaches. The core rationale behind 'Europeanization' is of the domestic and the European systems being inherently relational, displaying a mutual dependency and an internal relatedness. Such an understanding relates in a general manner to the ontology of the critical realist approach as developed by Roy Bhaskar (1979), and to Anthony Giddens' concept of *structuration* and *the duality of structure* (Giddens 1984). The relevance of such notions to international relations has been elaborated by Wendt (1992) and by Checkel (1998), and EU studies can benefit from taking account of such concerns.

Further complication arises from the fact that 'Europeanization' can be a subject and an object, a dependent and an independent variable. Thus, the Labour Party can be seen as an actor that has been 'Europeanized' and as an actor that is affecting and/or responding to an external process of 'Europeanization'. The two processes are analytically distinct: the latter involves a response to the effects of 'Europeanization' on the U.K. economy and society, a process operating beyond the party. The former relates to the party itself: its identity, attitudes, and behavior. This first meaning of 'Europeanization' refers to:

- *The conception and assertion of interests on the part of key actors and institutions, and their cognitive and affective response to participation in EU activities*

This usage owes much to the work of Ladrech. In an oft-cited definition, Ladrech saw 'Europeanization' as "a process reorienting the direction and shape of politics to the degree that EC political and economic dynamics become part of the organizational logic of national politics and policy-making" (1994:69). Inherent in Ladrech's conception is the notion that actors redefine their interests and behaviour to meet the imperatives, norms and logic of EU membership. In a much earlier study, Kerr (1973) distinguished between the cognitive response (understanding) and the affective response (attitudinal shift) of national parliamentarians sent to work in the European Parliament. His psychological focus relates directly to recent understandings of 'Europeanization' as a mind-set. Delors has referred to those who are 'Europeans of the heart' and those who are not. This conceptualization provides the basis on which the 'Europeanization' of the Labour Party can be judged.

### **Labour's self-image and European Social Democracy.**

To be 'Europeanized' involves a shift in a party's self-image. The starting-point for Labour in this respect was of some divergence from its sister parties in Europe. The party's development shows a number of important differences from that of its counterparts elsewhere in Europe and this affected its historical 'weltenschaung'. In brief, Labour has traditionally displayed:

- *A 'revisionist' ideology from the start, with little influence being accorded to Marxist ideas<sup>1</sup>.*
- *The strong influence of Christian Socialism<sup>2</sup>.*
- *The strongest links to organized labour in Europe<sup>3</sup>.*
- *No recognized need for coalition strategies with other parties<sup>4</sup>.*

The British Labour tradition has been distinct, reinforcing the more general sense of national separation from the rest of Europe. As Kendall noted in 1975, "In outlook, organization and behaviour the labour movement in Britain is closer to the labour movements of Australia and New Zealand half the globe away, than it is to its nearest neighbours in France, Belgium and the Netherlands across the narrow width of the 'English' Channel" (Kendall, 1975:180).

In the late 1940s, Labour's reluctance to consider proposals for European unity was based, in part, on a belief that the prospects for socialism on the continent were poor. A lack of understanding gave rise to some arrogance in Labour's relations with its continental counterparts. Traces of this attitude were evident as late as the 1980s. But in the immediate post-war era there was also a pride in Labour's success and a belief that change in Britain could be domestically-driven. The title of its 1950 manifesto – "Put the Nation first" – unconsciously reflected this sense. Later, even a revisionist like Hugh Gaitskell did not consider himself to be a 'European' and he found some of his most important contacts with continental social democrats unpleasant and troublesome (Williams, 1979:702).

### **Labour's path from national independence to Europeanization**

Since Gaitskell warned in 1962 that British membership of the EEC threatened "a thousand years of history", the party's stance on European integration has blown 'hot' and 'cold'. The history of this inconsistency is documented elsewhere (Newman, 1983; Featherstone, 1988, Tindale, 1992; George and Haythorne, 1996). The key stages are well-known: in 1967 the Wilson Government, backed by the party, applied for EEC entry; after 1970, the party opposed the terms negotiated by Heath; in 1975 a Labour Government backed membership in a referendum; later, the party opposed direct elections to the European Parliament; both the Callaghan Government and the party opposed entry into the Exchange Rate Mechanism; and, finally, in 1980 the party committed itself to EC withdrawal.

For much of the three decades following Gaitskell's trenchant stance, the European issue was one that seemed to pit the majority of the leadership against the majority of party members. The choice of a favourable or negative stance depended in large part on the internal politics of the party, notably the ability of a 'right-leaning' leadership to steer policy and manage its 'left-leaning' troops. 'Europe' divided the party deeper and longer than any other post-war foreign policy question. But the

party's European stance was not simple opportunism. 'Europe' combined issues about Britain's role in the world (the principles of Atlanticism and the Commonwealth clashed with closer European ties) with soul-searching questions about the ideological values and purpose of the party. Connecting both dimensions was a deep-rooted attachment to national sovereignty, seen as an essential requirement for democracy and an effective vehicle for reform. The attachment to sovereignty frequently imbibed the party discourse with a patriotic fervour.

The party manifesto in 1983 was reportedly dubbed by Gerald Kaufman as the 'longest suicide note in history'. It had declared that EC withdrawal would be "completed well within the lifetime of the parliament". Recognition that the commitment to withdrawal had contributed to the party's worst post-war election defeat shifted the pendulum within the party to a more accommodating stance. Neil Kinnock, elected as leader in 1983, accepted the need for change if the party was to have a credible chance of winning office. But the shift was cautious and gradual. The new leader had himself been an 'anti-marketeer' and had defeated Roy Hattersley, a well-known 'pro-European', to gain the post. 'Europe' remained a difficult question of party management.

Extricating Labour from its opposition to the EC required Kinnock to assert a wider control over his party. There were other 'dragons' to be slain first. Kinnock had to strengthen the position of those like himself who were identified as being 'soft' Left rather than 'hard' Left. The soft Left were more pragmatic and accepted the need for compromise to win power. Kinnock's success was to isolate the hard Left and to expel the Trotskyist 'Militant Tendency'. The passion with which Kinnock denounced the Militant-controlled Liverpool City Council at Labour's 1985 annual conference was a key turning point, but it was part of a careful step-by-step re-structuring of the party. Kinnock acted when he could be confident of overwhelming majorities within the parliamentary party, the shadow cabinet and the National Executive Committee (Shaw, 1996:219).

The shift of policy on Europe in the mid-1980s was bound up with the broader tactical re-alignments within the party. The shift was often subtle and implicit, involving changes of tone and being more important for what was not said than for what was actually stated. Kinnock and his supporters preached a 'new realism' in setting policy objectives: this was the basis of his attack on Militant and on Arthur Scargill's leadership of the coalminers. This suggested that the shift on Europe was tactical and opportunistic, and the early policy statements seemed to lack a genuine commitment. The conversion was not complete until the end of the decade.

Kinnock's early moves appeared grudging. The 1984 manifesto for the European elections stressed the need for fundamental reform of the EC, rather than Britain's exit. It recognized that "Britain will remain a member of the EEC (*sic*) for the term of the next European Parliament". The option of withdrawal had to be retained. Kinnock wrote that Britain's future "may" lie with the "EEC" (in Curran, 1984). Unlike in 1979, Labour was willing to sign a common manifesto with its partners in the Confederation of EC Socialist Parties, but it recorded its disagreement on a range of issues (the EMS, the powers of the European Parliament, and the EC budget). The next big test of European commitment still found Labour isolated. The party leadership described the Single European Act, negotiated in 1985, as "wholly irrelevant" (George Robertson in the House of Commons, 23 April 1986). Instead, the party wanted radical reform of the CAP, greater funding on regional and social policies, and a more cautious approach on the internal market. In short, the Single Act

was “a diversion from the real task before us” (Robertson).

Subterranean movements were occurring, however. The leadership wanted to keep the changes on Europe away from the clutches of the party’s rank-and-file. In 1985 and 1986, the party conference did not debate a single motion on the EC. But the intellectual initiative had changed. ‘Soft’ Left leaders, like Frances Morrell, were beginning to accept the EC as a vehicle for a Europe-wide package of economic reform, not least to create jobs (Featherstone, 1988:65). Joint policy commissions were set up between Labour and the SPD in Germany and with the PS in France. These considered economic policy and defence. The spirit within the party had moved significantly: Labour was more willing to listen to its continental counterparts and prepared to consider the EC in a more instrumentalist fashion. Significantly, the 1987 general election manifesto made no mention of EC withdrawal being an option for Britain. It said very little on the EC and it balanced positive and negative signals. Labour would aim to be “constructive”, but would “stand up for British interests” and “reject EEC interference” with its domestic recovery programme.

The 1987 election defeat was shattering for the party. The smooth professionalism of the party’s campaign and its policy changes to date had proved insufficient to win back many voters. The Kinnock leadership now accepted that a more fundamental reappraisal of the party’s policy stance was necessary in order to regain electoral credibility. A ‘Policy Review’ was formally established, comprising seven policy groups. The ‘Britain in the World’ group, under Gerald Kaufman (shadow foreign secretary) and Tony Clarke (trade union member of the NEC), included a sub-committee on Europe, chaired by George Robertson. But ‘Europe’ was a thread running through each of the policy groups.

The review shifted the party’s stance yet further. It accepted the single market and foreign policy cooperation (EPC). It sought further EC action on a range of issues (the environment, social policy, reflation). It wanted to preserve the national veto right and enhance scrutiny at Westminster, but in a somewhat loose formulation it accepted that decisions should be taken at the level where democratic control and effectiveness was greatest. The party’s manifesto and campaign for the 1989 European elections signified a very clear shift to a more positive stance. The second policy review report, “Meet the Challenge, Make the Change”, was approved by the party’s 1989 conference, though the refusal to allow any amendments suggested a lingering concern that the policy changes would not meet the wholehearted endorsement of the party’s rank-and-file.

Labour was now a ‘European’ party because of the policy changes it had made, but it was increasingly also *the* ‘European’ party on the domestic scene given the more anti-EC stance adopted by the Thatcher Government in this period. Both developments indicated the electoral imperative behind Labour’s changes, as the party sought to rebuild its credibility and to reap the tactical rewards of a burgeoning disunity within the Tory leadership over Europe. The Thatcher Government had regarded the 1985-87 period as a high-water mark of its sympathy with Europe. The single market programme, most notably, had signified the close compatibility between the EC’s agenda and ‘Thatcherite’ beliefs. But the new EC initiatives appearing in 1988 and subsequently were antithetical to Mrs. Thatcher’s programme. The new EC agenda left the Thatcher Government behind: from 1988 onwards it fought a rearguard action against the Social Charter and EMU. Thatcher, Lawson and Howe also embarked on their bitter internal war over the question of sterling’s entry into the ERM. Mrs. Thatcher also adopted a critical tone on German unification. The Tories

became more 'Eurosceptic', a feature most glaringly portrayed in its disastrous 1989 European election campaign. By contrast, on each of these aspects – the ERM (backed in 1989), the Social Charter, Germany, and modestly on EMU – the Labour Party showed itself to be much closer to the evolving EC agenda. In short, Labour was far more in tune with 'Europe' and it could exploit Tory divisions to assert its own credibility.

In sum, Labour's Europeanization was prompted by a number of factors, each of which was of varying importance at different stages. As already indicated the scope for a change of policy was circumscribed by the tactical alliances existing between the competing factions within the party. The change of policy began with Kinnock, but he had first to establish his authority within the party. The most fundamental factor behind the policy change was electoral: the need to broaden the party's appeal. This remained a basic consideration throughout, but it stood out most prominently in the early years. Subsequently, the electoral impetus was joined by a tactical consideration: namely, the advantage of exploiting Tory divisions on Europe. The problem of party management over Europe passed from Labour to the Conservatives. The intellectual justification behind a more positive stance on Europe came with a gradual shift in cognitive beliefs about how to achieve desired goals. This meant the rejection of the principles of national economic independence underpinning the 'Alternative Economic Strategy' advanced by the Left in the 1970s and early 1980s and an acceptance of the realities of increasing interdependence in the international economy. With the evidence of the constraints on autonomous action coming from the experience of the French Socialists in 1981-83, the impact of Thatcherite de-regulation at home, and the significance of financial market liberalization across the international system, Labour had to come to terms with globalization. As John Smith, Kinnock's successor as leader, argued in 1993:

Whether we like it or not interdependence is the reality of the modern world. Matters of vital importance to our lives such as our economic prosperity and the protection of our environment all depend on international collaboration. These days no country can go it alone (in Sassoon, 1996:770)

But not only did national economic independence seem obsolete, the acceptance of the new European agenda was seen as giving a greater credibility to Labour's economic policies. By accepting ERM membership and by being more sympathetic to EMU than the Tories, the party's leaders could present themselves as 'responsible' economic managers. It made possible the party's 'charm offensive' in the City of London.

The momentum of change within the party was helped significantly by the parallel shifts of attitude and priority occurring within the domestic trade union movement. The steer of the party was dependent traditionally on what was happening within the affiliated trade unions and this was certainly the case with Labour and Europe. Many British trade unions, rebuffed by the Thatcher Government at home, came to see the EC as an alternative means of achieving their goals on employment rights and social policy. As a result, trade union leaders encouraged the Labour Party to take a similarly more pragmatic view. The party leadership could rely on the support and the votes of the trade unions for this purpose. The TUC's Europeanism was shown in the enthusiastic reception it gave to the rather anodyne speech given to its congress by Jacques Delors in September 1988. More recently, at its 1996 congress, the TUC backed British participation in a single currency and the TUC

General Secretary, John Monks, has been a strong advocate of this cause.

Labour's Europeanization is evident in the surveys conducted of opinions held within the party. Baker *et al* (1996) conducted a survey of Labour MPs in the 1992-97 Parliament. They found an overwhelming majority backing Britain's EU membership and accepting that globalization made membership more necessary than ever. In addition, a strong majority accepted that British sovereignty could be pooled. Such responses were a world away from the balance of opinion expressed by Labour MPs in 1979. Then, the maintenance of national sovereignty was a major concern. Moreover, a 1979 survey found majorities opposed to federalism (65%), Political Union (51%), EMU (53%), and more powers for the European Parliament (55%) (Featherstone, 1981). Some of these differences were still apparent in the 1990s: Baker *et al* found a striking contrast in the attitudes of Labour MPs according to when they were first elected. For example, they found 33% of MPs first elected before 1983 believing EMU to involve the end of British sovereignty, but only 11% of those elected in 1987-92 believed the same. In 1995-96, 74% of Labour MPs rejected this view. The turnover of Labour MPs has clearly been important in this respect: local parties have adopted candidates with more pro-European views. Indeed, a press survey in 1996 of Labour candidates inheriting safe or key target seats found 64% backing British participation in EMU and only 19% opposed (Daniels, 1998:90).

By the time that Kinnock stepped down as party leader in 1992, following the party's third successive election defeat, Labour had learned to 'love' Europe. The party's Europeanism deepened after the 1992 defeat, under John Smith, and then again under Tony Blair, when he took over following Smith's death in 1994. The impetus for change had been largely domestically-driven and this factor remained pre-eminent under Kinnock's successors. Indeed, the sudden caution on EMU and other European issues shown by Blair before the 1997 election was largely the result of a desire to protect the party's support from any attacks of being 'soft' on Europe (Macintyre, 1999). The Eurosceptic press of Rupert Murdoch and Conrad Black had to be appeased. Prior to that, the embrace of Europe under both Smith and Blair became indistinguishable from the continuing revision of the party's programme. Blair's 'New Labour' was European to the core. The irony was that the EU's agenda (notably EMU) was itself founded upon a new orthodoxy in monetary and fiscal policy the like of which neither the party nor the EU would have accepted a decade earlier. Both Labour and the EU had moved on, but undoubtedly it was Labour that had travelled furthest.

### Responding to 'Europeanization'

Beyond any particular party, 'Europeanization' can be understood as a process operating within the wider system. Indeed, historically, 'Europeanization' meant the exporting of the European state system to the rest of the world (Mjoset, 1997). With the prospect of EU enlargement, a similar understanding is again relevant. Within the EU states themselves, the most fundamental conception of 'Europeanization' refers to:

- *a transformation in the structural power of domestic actors.*

Although he does not use the term 'Europeanization', Moravcsik (1994) argued that the effect of European integration has been to strengthen the domestic power of the state over both economy and society. Integration shifts control over the domestic agenda towards governments; places domestic institutions in a weak position to revise or oppose EU-level agreements and laws; reinforces the advantages national

governments have over their domestic opponents in terms of the quality and flow of technical expertise and political information; and, provides governments with a wider justification for their policies. The argument is a powerful one when taken in general terms. Yet, the problems in this interpretation stem from the fact that Moravcsik does not differentiate the impact of EU membership between distinct national settings and conditions. He makes no reference to 'core' and 'periphery' distinctions, for example.

By contrast, other writers have seen 'Europeanization' as involving powerful transformative effects *within* and *between* state institutions, depending on the domestic setting. Dyson and Featherstone (1996) argued that in Italy the effect of the prospect of an EMU agreement was to empower technocrats within the Tesoro and the Banca d'Italia, at the expense of the *partitocrazia* and its champions. In a wider challenge to Moravcsik's thesis, Ioakimides (1998) argued that Greek membership of the EU has resulted in a redefinition of state-society relations, not always to the advantage of the government. EU membership, he argued, has imposed regulatory constraints on state intervention in the domestic market; expanded the functional tasks of government institutions, strengthened regional authorities and also social actors in relation to central government, and weakened the clientelistic tradition of the *partitocrazia*. Moravcsik's thesis thus appears too sweeping.

A discussion of how EU membership has transformed the structural power of actors within the British system is too broad a subject to be tackled adequately by this paper. Here the focus is on Labour as a party and as a party in office. The response of a party to 'Europeanization' can be gauged by reference to the following dimensions:

- *The nature and scope of policy agendas and of specific options;*
- *The will to engage in, and the level of, policy learning and policy emulation.*

In parallel to the above, some writers have seen 'Europeanization' in terms of the narrowing of domestic policy agendas, the privileging of certain options, and the use made of an external EU constraint to engineer otherwise difficult domestic reform. Grande (1995) considered the utility for member governments of binding constraints imposed by the EU, whilst Dyson and Featherstone saw Italian support for EMU as, in part, a search for a 'vincolo esterno' in order to establish greater monetary and fiscal discipline at home. Ioakimides (1998) and Featherstone (1998) examined the way in which the domestic reform agenda in Greece had been shaped and eased by EU obligations, aggravating the conflict between 'modernisers' and 'traditionalists'. Radaelli (1999) has considered the EU as a system inducing a process of policy learning and policy emulation between member states.

- *The functional tasks of institutions and their coordination:*

Perhaps the commonest use of 'Europeanization' is to conceive of it in terms of 'institutionalization' and the adaptation of institutions. Hanf and Soetendorp (1998) used this notion, in part, to gauge the impact of the EU on small states. Ioakimides (1998) highlighted the establishment of special EU units within Greek ministries and the marginalization of the national parliament in relation to EU matters. Bulmer and Burch (1998) analysed how EU membership had affected the established norms and practices of Whitehall in the elaboration and coordination of policy on the EU. By contrast, Mjoset, (1997) applied institutionalization and institutional adaptation to the EU level, in order to



gauge the progress of 'Europeanization' (integration).

- *The calculation and deployment of strategy and tactics in EU negotiations*

Hanf and Soetendorp (1998) measure 'Europeanization' in terms of the strategic adaptation of policy-makers to the demands of EU processes. They refer here to the bargaining strategy that is followed, attempts at coalition-building within the EU, and the assertion of actor interests. Dyson and Featherstone (forthcoming) examined the negotiations on EMU prior to 1991 by highlighting the crucial role of agency (in addition to structuralist explanations) and their choice and deployment of strategy.

As Bulmer and Burch (1998) point out, actor engagement in the process of 'Europeanization' is not merely a passive act, but may involve an active response in the projection of ideas and interests. Here, the term 'transformative' is preferred to 'passive' in order to emphasise the process of change, whilst 'active' can be understood as the conception and assertion of identities, interests, ideas and strategies.

In principle, each of the applications of 'Europeanization' elaborated above are relevant to the case of the British Labour Party and the Blair Government. Each application suggests a number of substantial research questions, covering too broad a range for a paper such as this. From the different meanings of 'Europeanization' elaborated above it is necessary to highlight an indicative set of research questions. The paper will then offer some preliminary answers to them by offering illustrative examples of how the Blair Government has responded to 'Europeanization'. A useful set of preliminary research questions is:

- How has the Blair Government's agenda been framed by its EU commitments? Have the latter privileged particular policy options, making their adoption more likely?
- To what extent has the Blair Government displayed a will and capacity to engage in a shared policy learning process with its EU partners? Is there evidence of policy emulation on the part of the Blair Government?
- How has the Blair Government managed its own policy coordination on EU matters?
- What has been the strategy and tactics of the Blair Government in EU negotiations? How successful has it been in forging new coalitions with its EU partners?

### **The Blair Government and the Challenge of 'Europeanization'**

Not since the Conservative Government of Edward Heath, between 1970 and 1974, has Britain had a government so desperate to be accepted as 'European'. From before taking office, Labour has endeavoured to emphasise how far its policies are compatible with existing EU commitments. Blair – first elected on the anti-EC manifesto of 1983 – proclaims as leader that he "share(s) the European idealism"<sup>5</sup>. He has also argued that a "political vision for Europe is necessary now more than ever". In 1998 he was awarded the prestigious Charlemagne Prize for his Europeanism. There has been a contrast, however, between the Blair Government's proximity to its partners on the agenda for the EU and the greater distance between the domestic

content of the Blair project and those of its sister parties. Labour spin-doctors have often tried to downplay these differences, not least in case party workers at home become too enamoured of foreign radicalism. In reality, though, the differences are significant in terms of both the policy principles and tools that have been adopted.

The Blair project has been framed with the prevailing EU commitments in mind and the two are often difficult to distinguish. The European frame has affected the choice of particular policy options. The most prominent example here is the granting of *de facto* independence in the setting of monetary policy to the Bank of England in May 1997. This decision greatly surprised political commentators. It emphasized the difference between previous Labour (and Conservative) governments and that of Blair. The Bank had been nationalized under Attlee and it was inconceivable that any previous Labour government would have enacted such change. Independence gave the markets reassurance as to Labour's responsibility. But, the reform was also fully in keeping with a desire to move Britain closer to EMU entry. The adoption of other flanking measures – the 'golden rule' of borrowing only for investment not consumption, and the 'sound money' paradigm – are also entirely consistent with securing EMU entry. These measures have a dual cause: they are a response to the Thatcher legacy, but they also satisfy the EMU goal. The suggestion that Gordon Brown, as Chancellor, was keen to move rapidly to EMU (but was held back by Blair) testifies to the symmetry between these various reforms and the accepted EU commitments.

It is in the elaboration of a new agenda for European social democracy that the distinctiveness of the Blair project is most clear. The dominant impression is of a desire to proselytise – to export its own policy model to its partners – rather than to emulate or import, though there are traces of the latter. Blair is nothing if not a missionary with a cause and he has the drive to seek new converts. Blair has dubbed his project 'the Third Way', distinct from a right-wing neo-liberalism and the old statist Left. Domestically, this had the benefit of emphasizing the 'newness' of Labour – encapsulated by Blair's revision of Clause IV of the party's constitution in 1995 – whilst castigating the harshness and philistine nature of the Tory programme. But the tailoring of the appeal to a domestic market distinguished by its Thatcherite legacy meant that sales elsewhere in the EU would encounter all kinds of market barriers. Social democracy is far from establishing its own 'single market' in Europe: domestic markets still exhibit very different characteristics.

As a missionary, Blair has his own guru: Anthony Giddens of the LSE. This parallels Mrs. Thatcher's leadership, of which Blair has spoken with some favour. But few other Labour leaders have had such a dominant guru and the contrast with Thatcher is that Blair has chosen a social theoretician, not a free-market economist (Alan Walters). The 'Third Way' has an enigmatic quality, however, given its apparent breadth and fungible nature. There is no single social theory easily linked with Giddens. The tone of his writings reflect the influence of 1960s radicalism (*The Guardian*, 23.3.99). His emphasis is on the changing nature of social identity – he refers to a "reflexive modernization" – which has distanced us from traditional defining structures and contexts. Increasingly, we form our identity in a globalized world: one that is inter-connected but uncertain. Giddens is unclear, though, about the scope for reversing globalization and about the spread of its impact. But, the main point is that globalization means that we live in a "risk society" marked by uncertainties, for example over health and the environment. These conditions demand a new politics of the radical centre, promoting an active civil society (with a democratic family and

positive welfare) whose key characteristic is inclusiveness within a cosmopolitan nation. The task is not to shrink or expand the state, but to reconstruct it. This requires devolution, the renewal of the public sphere, administrative efficiency and more direct democracy.

The domestic reforms of the Blair Government include many examples of such ideas being applied in practice. More particularly, Blair's rationale for such policies equates with Giddens' thinking. Blair has described the present period as a

“world in which ordinary people see change happening at a pace and depth they find frightening. They seek security amidst the whirlwind. They try to retain some control over their lives as change hurls them this way and that”<sup>6</sup>.

The essential task of government is “how to provide security in a world of change”. When giving a speech to the French Parliament on 24 March 1998, Blair sought to defend his project against charges of “ideological confusion”. His “conviction” was that,

“we have to be absolute in our adherence to our basic values, otherwise we have no compass to guide us through change. But we should be *infinitely adaptable and imaginative* in the means of applying those values. There are no ideological preconditions, no pre-determined veto on means. What counts is what works” (emphasis added).

Much of this openness stems from the enforced revisionism of post-Thatcher British politics, but Blair has turned the electoral imperative into a personal crusade. His Paris speech confused and divided his audience; his stance seemed too diffuse.

One year later, at the congress of the Party of European Socialists, on 2 March 1999, Blair elaborated his philosophy in front of the leaders of Europe's social democratic parties. He defined four basic principles: (a) an enabling, not controlling, state; (b) welfare reform to tackle social exclusion and help people into work; (c) a tough stance on crime as part of an emphasis on reciprocal rights and duties; and (d) the promotion of international solidarity (with the Third World, but also regulation of the financial markets). The Blair project is based on an acceptance of market mechanisms as being efficient and necessary for growth. Thus, in Milan, Blair spoke of the need for European social democrats and Clinton Democrats to learn from each other about welfare and job creation. “We can't argue”, he said, “with the fact that US unemployment is lower, growth higher – and it's not all low-skill service jobs”. Blair also distinguished his philosophy from the neo-Keynesianism in vogue in Germany and France.

It was widely reported that Blair's speech in Milan “drew scant applause” from his social democratic peers. The passages on structural reform and on the US “passed in silence” (*Financial Times*, 3.3.99). Blair was clearly out of step with the majority of his audience in the emphasises he gave to particular policy instruments. The document approved by the congress reflected the bias of the majority. It reaffirmed the goal of full employment achieved on the basis of Keynesian demand management policies, something that Blair would be unlikely to propose himself<sup>7</sup>. It did also, however, give acknowledgement to the need for other reforms as well. Similarly, Blair's stance on the EU's “Employment Pact” was distinctive in its attempts to limit neo-Keynesian principles with the support for increased labour market flexibility.

The ‘Third Way’ of Blair is clearly distinct from the emphasises of Jospin and SPD policy under Oskar Lafontaine, if not Schröder himself. Other social democratic

leaders in Europe are closer to the Blair project, such as Costas Simitis in Greece. But the prospect of Blair selling his domestic wares to the rest of Europe unmodified is not great in the short-term. The values and interests of many of his peers are resistant to his Clintonesque or neo-Thatcherite references.

Where Labour has displayed a will and capacity to learn from its European partners is in relation to their long-term policy models. In short, it has appeared to be more willing to learn from their partners' past than from their present. The earlier embrace of the EU's Social Charter of 1989 represented a significant break with the *laissez-faire* approach to employment rights sustained by Labour in the 1960s and 1970s. Similarly, the adoption of the minimum wage policy was an intervention which earlier Labour governments had eschewed. In both respects, here was the adoption of continental-style intervention in the workplace. More generally, a number of key items in Blair's reform agenda reflect an admiration for the German political model. The commitment to decentralization – not only to Scotland and Wales, but also to the English regions – and the consideration being given to including a regional dimension in the selection of new members for the House of Lords run parallel to the German constitutional structure. Again, the willingness to consider electoral reform – to adopt proportional representation – and the specific type of voting system adopted for the new Scottish Parliament (which is similar to that used in Germany) are consistent with the same model. The incorporation of the European Convention on Human Rights into British law also moves the UK closer to the European norm.

The Blair Government has displayed a willingness to rethink the means by which Britain's European policy is coordinated and advocated. Thus far, Whitehall has adapted to the demands of EU membership more by stealth than radical overhaul. The basic institutional adjustments were made in 1960-61 and subsequent changes were accretive. The EU "was easily accommodated within Whitehall's established approach to handling policy" (Bulmer and Burch, 1998:601). Within the EU, the Whitehall machine is often lauded for its efficiency and tight coordination. But, the strategic and tactical errors made by successive British governments in relation to Europe are unlikely to be the sole responsibility of the ministers in charge. The Blair Government has begun to rethink how EU policy is handled. An internal review has been instigated. More generally, sympathy has been shown for the idea of giving deputy prime ministers an institutional role at the EU level for the negotiation and coordination of EU policies. There has also been press speculation about Blair appointing his own new, high-level advocate in Brussels. Paddy Ashdown has been mentioned in this regard.

The distinctiveness of the Blair stance on Europe is encapsulated in its desire to pursue a more effective strategy with its partners: to be truly "at the heart of Europe", to use John Major's much-abused phrase. Indeed, in the heady days after the May 1997 election victory and ahead of its EU presidency in the first half of 1998, Blair and Cook spoke of Britain "leading Europe". At other times, they referred to Britain entering a triumvirate leadership with France and Germany. The implication was that leadership was available to Britain, with a government possessing a strong European commitment and innovative policy ideas at home. Such an assertion seemed to mix arrogance with naivety. The Italians were offended at a perceived slight to their EU status, the French feared too close a rapport between Blair and Schröder, and the SPD Government appeared puzzled over British assumptions about the basis for joint leadership. In a telling signal as to German priorities within the EU, Schröder – despite being dubbed a German clone of Blair - made Paris the destination for his first

foreign trip as Chancellor, just as Kohl had done in 1982. He did not visit London until a month later. The Schröder Government played down talk of a new special relationship with Britain or of a new triumvirate. Similarly, the Blair Government has lowered its own rhetoric in the face of such signals. In Milan in March 1999, Blair spoke instead of his right to comment on policy in the 'Euro-zone' given his government's developing commitment to EMU entry.

But it is the laggardly nature of Britain's position on EMU that fundamentally constrains Blair's leadership aspirations in Europe. On 23 February 1999, Blair described his government's "changeover plan" for the euro to the Commons as a change of gear, rather a change of policy. If the decision to join a single currency was taken in the first half of 2001, the pound would not be finally replaced by the euro until late 2004. Blair's caution on EMU stems, in part, from his defensiveness in the face of the Eurosceptic press of Rupert Murdoch and Conrad Black and his sensitivity to the mood of "middle England". But his options have been fundamentally circumscribed by the legacy bequeathed by the vacillating John Major. The Tory 'opt-out' and the lack of preparation made prior to 1997 meant that the schedule for entry had to be delayed. Blair is trapped by his electoral caution, but also by Major's deferral strategy.

Nevertheless, significant moves since coming to office towards closer cooperation with its sister parties in France and Germany have been made by Labour. Stronger ties appear to have been forged with Bonn than with Paris. Peter Mandelson, a strong Europeanist, was appointed by Blair to collaborate with Schröder's nominee, Bodo Hombach, to harmonize the thinking of Labour and the SPD. Both figures are regarded as the protégés of their leaders. That some speculated initially that "The main point of this alliance is to stave off an alternative intellectual bond between Herr Lafontaine and Mr. Brown" testifies to the wider factional rapport between the two parties (*The Independent*, 4.11.98). Blair has established a good personal rapport with Jospin, meeting him on his family holidays. But the most substantial evidence of Anglo-French coalition building is in defence and the discussion of the EU's responsibilities in this area<sup>8</sup>. Blair and Chirac signed a joint communiqué in Saint-Malo on 3-4 December 1998 on the future of European defence. It urged that the EU be given "the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises". It talked of making a reality of the provisions in the Amsterdam Treaty for "a common defence policy" albeit on "an intergovernmental basis". Whilst the communiqué acknowledged that the different obligations to NATO should continue to be respected, it represented a major shift in the British willingness to think 'European'. Clearly, the will to collaborate with its EU partners is considerable, though the tangible results may not yet be very great.

## Conclusions

This paper has endeavoured to unravel the concept of 'Europeanization' in order to analyse how the British Labour Party has changed. Some six different conceptions of the term 'Europeanization' have been enumerated. These allow important distinctions to be drawn in how 'Europeanization' has affected the party's self-image, policy project, policy coordination, and negotiating strategy. Within a paper such as this, only a preliminary examination of the subject has been possible. Nevertheless, the discussion has indicated that:

- Labour's shift to a pro-EU stance was initially determined by electoral self-interest, but the pace of change was circumscribed by the ability of Kinnock to forge a new leadership coalition for himself within the party.
- Opinion within the party has shifted very significantly towards a pro-EU stance. Blair has very little problem here in terms of party management, unlike in the Conservative Party.
- Labour defined its project in terms that made it fully compatible with the known EU policy commitments prior to coming to power.
- Blair believed that his electoral success, his innovative ideas in domestic policy, and his pro-EU orientation gave him the scope to exert British leadership in Europe. In reality, the domestic constraints preventing him from making a stronger commitment to the adoption of the single currency have curtailed the possibilities for leadership. In addition, Blair's policy project has been so tailored to the distinctive legacy of Thatcherism that proselytism of its core elements has a restricted appeal to other European social democrats.
- Both the party and the government have displayed a will to share with and learn from its sister parties in the EU, but the divergence in the Blair project from that of at least some of the other European social democratic parties constrains such a coming together.
- The experience of government has led Blair to embark on a review of how British policy on the EU is determined and advocated, in recognition of the need to improve Britain's strategic position.

All of this suggests how far the Labour Party of 1983 has travelled. The history of the party has displayed a vacillation in European policy, between 'pro-' and 'anti-' positions. Yet, the depth of the Blair commitment to Europe is much greater than any previous embrace of Europe by the party. Such a 'love affair' will be difficult to break in the future. The Europeanization of the party has been profound and is tailored to an integration process that is itself imposing stronger and more far-reaching policy obligations on domestic polities. Like many of its predecessors, the government's European advocacy is constrained by perceptions of public sensitivity. But the Blair Government has avoided 'bashing' Brussels and pandering to Euroscepticism. It has sought to diffuse the BSE controversy, for example. It is, perhaps, the first in a generation not to succumb to this temptation.

And yet the experience of the first two years of the Blair Government indicates the limitations on Labour's 'Europeanization'. The design of the Blair project in its domestic commitments is out of step with that of many of its kindred parties in the rest of the EU. Labour continues to have difficulty in being part of the core consensus on the EU's future agenda. Its own economic stance has made Labour's position on the 'Employment Pact' distinctive, though it is forging a new alliance with the French on defence. In short, Britain is not a major leader on most aspects of the EU's agenda. There is still, therefore, a divergence in thinking and a shortfall in strategic influence. Undoubtedly, there are wider cultural and economic reasons for this political situation: not surprisingly, Labour remains a prisoner of the British tradition. To complete his European mission, Blair has to rise above these impediments and to proselytise the EU cause at home as he seeks to preach abroad. The success of his domestic project may well depend on him doing so.

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<sup>1</sup> 'Labourism' accepted the possibility of social change through the existing framework of society, it rejected the revolutionary ideas implicit in Chartism, and it accepted the parliamentary road from the start. Fabianism stressed gradual, piecemeal reform. Unlike for most of its continental counterparts, Marxism was of minimal influence from the start: the Labour Party was revisionist without having anything to revise. This affected the attitude towards grand theorizing and left the party to accept the basic Anglo-Saxon, liberal notion of the state. When Labour won a parliamentary majority in 1945, Hartley-Shawcross could proclaim "We are the Masters now". The state was open and neutral, Labour could pull the levers.

<sup>2</sup> Morgan Phillips' comment that the Labour Party owed more to Methodism than to Marxism signified the influence of Christian Socialism in general, and non-conformity in particular. Modern British society has not had a clerical/anti-clerical divide, as was apparent in continental states and as influenced the strategies and priorities of continental social democrats.

<sup>3</sup> The British Labour Party was born out of the "bowels" of the trade union movement (in Bevin's famous phrase of 1935). With the exception of the Irish Labour Party which developed later, it is the only social democratic party in Western Europe to have been created in this manner. In consequence, alone among European social democratic parties it gave a voting majority to trade union affiliates at its sovereign annual conference.

<sup>4</sup> Since 1945, Labour has never entered a coalition. It is the only social democratic party in the EU not to have done so. The simple plurality electoral system in Britain removed the perceived need for such alliances. This has affected the attitude towards how to win and exercise power. It has denied the need for compromise with coalition partners. Instead, pride has been given to implementing the party's own manifesto in a 'pure' fashion. Only in 1977-78 did Labour have a 'pact' with the Liberals, when it lost a majority, though Blair has established a pattern of cooperation with the Liberal Democrats since 1997 when he has possessed a huge parliamentary majority.

<sup>5</sup> Speech to the Assemblée Nationale, Paris, 24 March 1998. The following quote is also from the same speech.

<sup>6</sup> Quotes here are from Blair's speech to the Assemblée Nationale, Paris, 24 March 1998.

<sup>7</sup> At the Pörttschach European Council meeting on 25 October 1998, Blair did indicate agreement on the need to tackle unemployment, however. "We plainly have moved from a situation where people have been concerned about inflation to one where the concerns are on the other side, and policymakers should take account of that" (The Guardian, 10.11.98). But this was no shift to rely on neo-Keynesian tools.

<sup>8</sup> A Franco-British Task Force was also established by the Blair and Jospin governments in 1998 to examine new ways of establishing support for small businesses.