CHAPTER 10

THE POLITICAL ECONOMY OF THE BRITISH LEFT AND EUROPEAN INTEGRATION

INTRODUCTION

This chapter interprets the data presented in the previous four chapters, enabling the central research question – *have the European policies of the British Left changed over the 1945 to 2004 period and, if so, how and why* – to be answered and the four hypotheses to be tested. The first three sections answer the constituent parts of the central research question: *have* policies changed, *how* did they change and *why*? However, although at this stage the thesis has identified several previously neglected explanatory factors, allowing the first three hypotheses set out on Chapter 1 to be tested, the answers as to how and why policies have changed produce a wide variety of disparate and inchoate accounts. The fourth section assesses the explanatory power of rival theoretical approaches, whilst the fifth section applies the Coxian approach. The thesis therefore advances the state of knowledge by providing an integrated and overarching analytical framework to explain how *and* why policies have changed, thus enabling the fourth hypothesis to be tested.

10.1 *HAVE* THE EUROPEAN POLICIES OF THE BRITISH LEFT CHANGED?

The following institutions changed their policies on European integration during the 1945 to 2004 period, some several times:

- The Trades Union Congress (8 times)
- The Labour Party (7)
- The Co-operative Party and the engineers' union (6)
- The municipal workers' union, Plaid Cymru, the Scottish National Party and the Transport and General Workers' Union (5)
- The Ecology Party/The Green Party (4)
- The National and Local Government Officers' Association, the National Union of Miners, the Communist Party of Great Britain, the International Socialists and the Labour Research Department (1)

Having adopted a favourable stance, the following institutions consistently supported European integration:

- The Alliance for Workers' Liberty
- The Centre for Democratic Policy-making
- Communists for Europe
- The post-1991 Communist Party of Great Britain
- Compass
- The Democratic Left
- Demos
- The Fabian Society
- The Foreign Policy Centre
- The Independent Labour Party
- The Institute of Public Policy Research
- The Labour Committee for Europe
- The Labour Movement for Europe
- The New Politics Network (Citizens for Europe Project)
- The Social Democratic Party
- Trade Unionists for Europe
- The Trade Union Committee for Europe

From their inception, the following institutions were sceptical of, and/or opposed to, European integration:

- The Campaign Against Euro-Federalism
- The Centre for a Social Europe
- The Class War Federation
- The Communist Party of Britain
- The Communist Party of Scotland
- The International Marxist Group/The International Socialist Group
- Labour Against the Euro
- Labour Against a Superstate
- The Labour Committee for the Five Safeguards on the Common Market/The Labour Common Market Safeguards Committee/The Labour Euro-Safeguards Campaign
- Militant Tendency/Militant Labour/The Socialist Party
- The New Communist Party
- The People's Europe Campaign

- The Revolutionary Communist Party (Marxist-Leninist)
- The Scottish Green Party
- The Socialist Labour Party
- Solidarity Federation
- Trade Unions Against the Common Market
- Trade Unionists Against the EU Constitution
- Trade Unionist Against the Single Currency

The following institutions favoured a policy of abstention, neither opposing nor supporting European integration:

- The Alliance for Green Socialism
- Cymru Goch
- The Scottish Socialist party
- The Socialist Alliance
- The Socialist Party of Great Britain

Of the 55 institutions surveyed, 14 changed their European policy over this period, whilst 41 did not. The answer to the first part of the central research question, *have* policies changed, seems to be a negative one. However, judged in terms of the size of their membership and their influence – that is their exercise of, and/or proximity to, political power – the key institutions on the British Left did change their positions. The answer to this part of the central research question is therefore, in this qualified sense, affirmative.

10.2 *HOW* DID POLICIES CHANGE?

Broadly speaking, there were three 'tectonic' shifts in the European policies of the British Left, taken as a whole, over the post-war period. From 1945 onwards, sections of the British Left abandoned their disinterest or neutrality to adopt policies that were supportive of European integration. There were four streams to this movement. First, the CPGB called for working class unity across Europe. Second, the Co-operative Party, the ILP and the Labour Party favoured a federal United States of Europe. Third, the TUC backed a united Europe, and fourth, the Labour leadership supported an imperial third force strategy based on some form of European entity. The first 'tectonic' policy shift was consolidated nearly 20 years later when the Co-operative Party, the Labour Party and the TUC (plus the engineers' union and municipal workers' union – see Appendix 2) offered conditional support for entry in the early 1960s, plus support for Labour's application to join the EU in 1967.

The second ‘tectonic’ policy shift occurred in the late 1960s and early 1970s, when sections on the British Left changed their position to one of scepticism towards, and then opposition to, entry. There were three streams to this movement. First, the Co-operative Party, the Labour Party and the TUC (plus the engineers’ union) shifted from a position of conditional support or support for the 1961 and 1967 applications to one of opposition to entry by 1971 or 1972. (Likewise the already sceptical TGWU moved from a position of opposition to entry without safeguards to one of outright opposition by 1971.) Second, Plaid Cymru and the SNP transformed their policy of opposition to the entry negotiations without representation to one of opposition to entry by 1970 or 1971. Third, the International Socialists abandoned their abstention policy in favour of opposition to entry in 1971. These institutions joined the CPGB, a long-standing opponent of the EU, (plus the NUM) in organising against entry.

The second ‘tectonic’ policy shift culminated in the CPGB, the Co-operative Party, the International Socialists, the Labour Party, the Militant Tendency, Plaid Cymru, the SNP and the TUC (plus the engineers’ union, the NUM and the TGWU) campaigning for a No vote in the 1975 Referendum. It also led to the CPGB, the Ecology Party, the Labour Conference (if not the party leadership), the SNP and the TUC (plus the engineers’ union and the TGWU) to support withdrawal in the late 1970s and early 1980s. (The anti-EU tide was such that even members of the long-standing pro-EU municipal workers’ union unsuccessfully attempted to establish a withdrawal policy in 1984 and 1985.)

The second ‘tectonic’ policy shift, however, was far from complete. The Co-operative Party, the Labour Party and the TUC were particularly divided, evident in the significant votes for pro-EU motions, resolutions and amendments at the Co-operative Party Conference in 1962, the Labour Party Conference in 1967, 1969 and 1970, and the TUC Congress in 1962, 1970 and 1972. Furthermore, there were a significant number of votes in favour of a federal United States of Europe at the Labour Conference in 1967, 1971, 1972 and 1973.

The third ‘tectonic’ policy shift occurred in late 1980s when sections of the British Left returned to a position of support for European integration. There were three streams to this movement. First, the CPGB, the Labour Party and the TUC (plus the engineers’ union and the TGWU) reversed their policy of withdrawal in favour of continued membership. Second, the Green Party abandoned its opposition to continued membership, seeking the reform of the EU from within, and third, Plaid Cymru and the SNP adopted a policy of independence in Europe.

The empirical evidence presented in Tables 8 to 15 suggests that the Europeanisation of the Labour Party and the TUC was successful, in that there was a significant fall in the number of anti-EU motions, resolutions, amendments and speakers at the Labour Conference and TUC Congress. However, the recent emergence of division over the euro and the European Constitution within the Labour Party, the TUC and the wider trade union movement – manifest in the proliferation of pressure groups such as LATE, LAS, TASC and TUAEUC, plus the formation of the CSE – challenge this view. Furthermore, many ambivalent or pro-United States of Europe institutions – such as Green Party, the Socialist Alliance and the SSP – pledged to campaign for No votes in the future referenda on the European Constitution and the euro. These developments suggest that the Europeanisation process on the British Left, the third 'tectonic' policy shift, has been far from complete.

10.3 *WHY* DID POLICIES CHANGE?

The data presented in the previous four chapters suggest that there were several reasons why the European policies of the British left changed over the post-war period. This section distils these factors, whilst testing three of the four hypotheses.

Hypotheses 1

The first hypothesis is that *the British Left supported the integration of Europe in the early post-war period. Economically, it was seen as a means of creating a socialist Europe, whilst politically it was viewed as a way of avoiding future wars, and as a potential vehicle for creating an independent third force between the two Cold War superpowers.* Several factors can be advanced to explain the first 'tectonic' policy shift from disinterest or neutrality to support for European integration in the late 1940s, culminating in conditional support, or outright support, for entry in the 1960s.

European Integration as a Means to Project British Power

To the Labour leadership, particularly Bevin, and the Foreign Office, a British-led process of European integration was conceived as an effective vehicle for projecting British power and thus safeguarding its position as a 'great power'. Hence the Labour leadership's support in the late 1940s for some form of European customs union, the 'Euro-Africa' plan (see Kent, 1989) or a 'West European Union', which would provide the economic means to sustain what was, essentially, an imperialist political project.

Idealism

Following the devastation of the Second World War there was a measure of determination not to return to how things were, and a spirit of optimism that a better society was possible. Such idealism found its expression in the election of the Labour government in 1945 and the desire to forge a new European order, in the form of a United States of Europe. It was reflected in the tenor of Co-operative Party, CPGB, ILP, Labour and TUC conference and congress debates in 1947 and 1948, and it was manifest in their endorsement of federalism.

Nationalism versus Internationalism

An important component of the idealism discussed above was the notion that nationalism was 'bad', having resulted in war, and that some form of European integration was 'good'. Indeed the arguments advanced during Labour Conference and TUC Congress debates, that European integration was internationalism in action and that it would help to ensure peace in Europe, date from this period (see Figures 9 and 17), having been put forward by federalists at the Labour Conference in 1948.

The Role of Pressure Groups

The Europe Group and the Keep Left group within the PLP played an important role in propagating federalist ideas within the Labour Party and the trade union movement in the late 1940s. Likewise the creation of the LCMC in 1961 and the establishment of the TUCFE in the late 1960s played an important role in promoting entry.

The Role of Propaganda

The federalist propaganda campaign, organised by the European Movement and Federal Union and directed at the Labour Party in the 1940s, played a significant part in shifting the opinion of party members. It contributed to Labour adopting a pro-federalist policy in 1948. It also contributed towards changing opinion in the Co-operative Party, the CPGB, the ILP and the TUC. (Moreover, pro-integration forces, if not federalists, populated the higher echelons of the 'big four' unions – the engineer's union, the NUM, the municipal workers' union and the TGWU – during this period. Consequently, they exerted considerable influence, both directly via their membership of the TUC-GC and through their delegations to the Labour Conference and TUC Congress, and indirectly through their promotion of a European federation amongst their memberships.) This campaign was followed by a national propaganda offensive in 1962-1963, organised by pro-EU forces in an attempt to prepare the British public for entry, which both involved and targeted the left (see Chapter 5.3).

Socialism on One Continent

Given the destruction wrought by the Second World War, there was a need to rebuild Europe, both economically and politically. Organising and pooling scarce resources, on a Europe-wide, planned and socialist basis, was a key objective of the Co-operative Party, the CPGB, the ILP, the Labour Party and the TUC in the late 1940s. In the 1960s pro-EU forces promoted entry, promising that the EU would provide British industry with a bigger home market, whilst arguing that British and Commonwealth markets alone were not sufficiently large. They also promised that entry would increase the economic growth rate, raise the standard of living, provide a means of controlling MNCs, strengthen trade unions and benefit the working class. They argued that the EU enjoyed a higher level of public ownership, plus better wages, welfare benefits and working conditions. They also argued that Britain would benefit from EU regional and structural funds and that a majority of continental socialists and trade unionists wanted Britain to join. Such arguments were advanced during Labour Conference and TUC Congress debates in the 1960s (see Figures 9 and 17). Even those previously sceptical, such as Benn in the early 1960s, adopted a more favourable stance in the late 1960s. He viewed the EU as a means of arresting Britain's decline and controlling the growing power of the MNCs. He also saw the potential benefit of a European Technology Community.

The Role of Harold Wilson

Wilson was a federalist in the 1940s (see Pinder, 1998). Furthermore, as Labour Leader and Prime Minister in the 1960s, Wilson played a key role in shifting left opinion in favour of entry. Jay (1980, pp.367-368) attributed Wilson's enthusiasm to a fear of a hostile campaign by the pro-EU *Mirror* newspapers. Castle (1984, pp. 247) focused on the strategy of stealth employed by Wilson: 'the whole long-drawn out nonsense has been ruthlessly stage-managed, under cover of the soothing phrase "it is of course for the Cabinet to decide".' Barratt Brown believed that Wilson sought entry because of pressure from big business, which did not want to be excluded from the EU market.[1] Wistrich felt that George Brown played a major role in influencing Wilson,[2] whilst Holland (1997, p.10) concluded that the 1967 application was 'classic Wilsonian short-termism; he appeased the right by applying, and pleased the left by failing in the attempt.' Wilson also believed that entry, more specifically the EU MTEP, would augment Labour's National Plan and help him deliver his promised 'white heat of technology' revolution.

[1] Interview with Michael Barratt Brown, 4 October 2002
[2] Interview with Ernest Wistrich, 9 September 2002

The European Union as an Alternative to the Anglo-US 'Special Relationship'

In the 1960s pro-EU figures such as Brown and Jenkins promoted the EU as an alternative to the Anglo-US 'special relationship'. The argument that entry would grant Britain independence from the US was advanced during Labour Conference and TUC Congress debates in the 1960s (see Figures 9 and 17).

The Role of the Soviet Union and the United States

The declassified record reveals that the Soviet Union favoured some form of co-ordinated European recovery plan and was ambivalent about the formation of a European federation. This encouraged sections of the British Left, such as the CPGB, to support such objectives. Likewise, the US encouraged Atlanticist forces to support European integration and specific policies such as the ERP. Using the Bilderberg Conference, the CIA, plus the covert funding of federalists and the social democratic network in the Labour Party and trade union movement, the US promoted European integration, and British participation in the process, from the 1940s onwards. In the 1960s the US continued to press for British entry, manifest in the secret 1965 agreement between Johnson and Wilson. The superpowers, particularly the US, therefore played a significant role in shaping the European policies of the British Left.

This section confirms that the European policies of the CPGB, the Co-operative Party, the Labour Party and the TUC changed in the early post-war period, concluding that they favoured some form of European integration. It also advanced several reasons why the first 'tectonic' policy shift occurred. The first hypothesis is therefore true. Furthermore, with the exception of the CPGB, these institutions' pro-European integration stance led them to offer conditional support, and then outright support, for entry in the 1960s.

Hypothesis 2

The second hypothesis is that *the British Left underwent a process of nationalisation in the 1960s, opposing European integration in favour of a national socialist strategy. Whether it was centre-left support for Keynesian macroeconomics, 'hard left' support for radical Keynesianism in the form of the AES or far left support for the British road to socialism, the British Left generally believed in the efficacy of national state power to advance socialism. It subsequently developed European policies that were sceptical of, if not opposed to, the EU.* Several factors can be advanced to explain the second 'tectonic' policy shift, from conditional support to opposition to entry in the late 1960s and early 1970s, culminating in their campaign for a No vote in the 1975 Referendum and the endorsement of withdrawal in the late 1970s and early 1980s.

The Ascendancy of the Left

Disillusion with the 1964-1970 Labour governments helped to precipitate a shift to the left within the Labour Party, the TUC and the trade union movement in the 1960s, a process assisted by CPGB and Trotskyist infiltration. It was reflected in the election of Jack Jones and Hugh Scanlon as the general secretaries of the TGWU and the engineers' union in 1967 and 1969 respectively. Given the 'association' thesis discussed below, the leftwards drift had a significant impact on the European policies of the Labour Party and the TUC (plus the engineers' union and the TGWU). The CPGB, the Co-operative Party, the International Socialists, the Labour Party, the Militant Tendency, Plaid Cymru, the SNP and the TUC (plus the engineers' union, the NUM and the TGWU) were united against entry by 1972.

The 'Association' Thesis

Historically, an 'association' was made between being a socialist and opposing the EU; indeed, to be 'left-wing' was to be anti-EU. It was an important factor in the late 1960s and early 1970s. The ascendancy of the left, particularly within the Labour Party, the SNP and the TUC, corresponded with the shift from conditional support for entry to one of opposition. The 'association' occurred at an individual level, personified by the anti-EU Bevan and Benn, the leaders of the left in the 1940s/1950s and 1970s/1980s respectively. It was at times so powerful that pro-EU figures, such as Williams, felt compelled to argue that 'you can be a good socialist and still be in favour of European integration.'[3] The 'association' also operated at an institutional level; in 1971 the International Socialists abandoned their abstention policy to join the rest of the British Left in opposing entry. It also explains why most of the British Left campaigned for a No vote in the 1975 Referendum.

Opposition to the Conservatives

One variant of the 'association' thesis was that, because the Conservatives were in favour of entry, having submitted Britain's third application in 1970, then Labour, as the official opposition, should oppose it. Williams believed that 'Labour opposed entry in the early 1970s precisely because Heath supported it.'[4] At the 1972 Labour Conference Foot and Shore pressed the argument that the Conservatives possessed no mandate for entry. Thereafter, the argument was frequently deployed by opponents of entry during Labour Conference and TUC Congress debates (see Figures 8 and 16).

[3] Interview with Shirley Williams, 15th October 2002.
[4] Ibid.

Labour in Government or Opposition

Labour's European policy oscillated according to whether the party was in or out of power. In opposition, between 1959 and 1966, it was against entry. In government, between 1966 and 1970, it was in favour. In opposition, between 1970 and 1974, it was against. In government, between 1974 and 1979, it was in favour. In opposition, from 1979 until 1988, it was against. To explain the pattern, which persisted until 1988, it is necessary to understand that, in government, the Labour leadership was under considerable pressure from the pro-EU Foreign Office. In opposition, however, the rank and file tended to reassert itself, as it did post-1970, and it was invariably more sceptical of the EU than the party leadership. Gould believed that 'Labour leaders come under huge pressure, that in order to gain votes and get the support of the press, they find themselves, without even realising it, under pressure to moderate their position. I think that the closer you get to power, the more you have to take on Establishment policies.'[5]

The European Union as a threat to the British Economy

Gould argued that the EU constituted a threat to the British economy and that it was not in the national interest to join:

> Historically, Britain was the first industrialised country, we'd had a global empire, we had created an economy that had a completely different trading pattern, we had subsidised agriculture but low agricultural prices, and we had the cheapest sources from around the world as a result of our former empire. We also had a relatively inefficient manufacturing economy that was able to find preferential markets in the countries that we were trading with. Europe, by contrast, has been much slower to industrialise, didn't have the advantage of cheap food, and consequently, developed a protectionist agricultural policy. In order to overcome that cost disadvantage, they had actually become more efficient as manufacturers than we had. So, from their viewpoint, they wanted a system that had free trade in manufactured goods but protection for agriculture. Economically and politically, that's what Europe needed. This was the exact reverse, the antithesis, of what Britain needed.[6]

The argument that entry, and then continued membership, would damage the British economy was deployed by anti-EU forces during Labour Conference and TUC Congress debates from the late 1960s onwards (see Figures 8 and 16).

[5] Interview with Bryan Gould, 18th July 2003.
[6] Ibid.

The European Union as a Threat to Labour's Programme

During this period anti-EU forces argued that entry, and then continued membership, threatened Labour's programme and would restrict its freedom of action in government. Economically, it would result in a worsening balance of payments, lower economic growth, higher food prices and a falling standard of living, and the imposition of VAT. It would preclude economic planning, export, import and capital controls (thus risking capital flight), public ownership and state aid. It would also threaten trade with the Commonwealth, particularly the sterling balances, plus Labour's full employment and regional policies. Politically, it would hinder Labour's ability to pursue an independent foreign policy and would undermine parliamentary sovereignty. Such arguments were contained in Labour's 1967 and 1970 White Papers, in Labour's 1969 and 1970 NEC policy statements, and in the TUC's 1970 and 1971 policy statements. These arguments dominated Labour Conference and TUC Congress debates during the late 1960s and early 1970s (see Figures 8 and 16), so much so that pro-EU forces were forced onto the defensive in an attempt to refute them (see Figures 9 and 17). Such arguments were also deployed in CPGB publications.

Loyalty

The phenomenon of loyalty had a significant impact on the European policies of the British Left, in three senses. First, although the Labour Conference, NEC and party leadership often disagreed over policy, specifically European policy, with the exception of the 1975 to 1978 period the Labour Conference invariably supported the party leadership 'line' on the EU. Labour's policy-making process was 'managed' by the party leadership, discussed below, and loyalty to the Party Leader, the refrain of 'back me or sack me', was an important component of this. However, the relationship was a reciprocal rather than linear one; the party leadership had to respond to, and accommodate the views of, the membership. Nonetheless, the Labour Conference conditionally supported the party leadership's 1967 application, whilst in 1971 it joined the party leadership in opposing entry. Second, the loyalty of rank and file union members to their respective general secretaries, and to the positions on the EU adopted by these union leaders; there is a positive correlation between the stance of TUC general secretaries, their tenure in office and the TUC's European policy (see Figure 21). (A similar relationship can be found within the 'big five' unions.) Third, the Co-operative Party and the TUC, as affiliated organisations, were loyal to Labour, more specifically the Labour leadership. Such loyalty is manifest in their European policies, which tended to parallel that of the Labour Party (compare Figures 7, 15 and 24); they specifically followed Labour in opposing entry from 1971.

British Nationalism

Several interview participants argued that the British Left was not insulated from, nor aloof to, nationalism and that such views coloured its attitudes and policies towards the EU; in short, the British Left opposed the EU because it was nationalistic. Williams, for example, identified 'a strong sense of nationalism among the British people and this is true of the left too.'[7] Furthermore, left nationalist opposition to the EU was often cast negatively, as an example of 'British exceptionalism' (Britain as 'better' and 'different') and as a legacy of Britain's imperialist past.

The Role of 'Organic Intellectuals'

During the early 1970s a number of prominent Labour figures changed their position on European integration. A long-standing advocate of a federal United States of Europe, Eric Heffer publicly announced that he had changed his stance in April 1970. He argued that those on the left who supported entry 'never advocated that this should be taken without regard to cost. Until recently I have been convinced that the cost need not be too high, but certain developments have given me cause to think again' (Heffer, 1970). Having opposed the ECSC and the 1961 and 1967 applications, Healey signed the *Guardian* statement in favour of entry in May 1971 and published an article in the *Daily Mirror* in which he argued that the EU 'won't solve any of our problems. But if the terms are right it will give us a better chance of solving them' (Healey, 1971). However, by July he was opposed to entry on Conservative terms. Anthony Crosland, who had supported the 1961 and 1967 applications and signed the aforementioned *Guardian* statement, expressed doubts about entry, leading to his estrangement from his social democratic allies. On the eve of the House of Commons vote in October 1972, Crosland complained to Jenkins that 'you could make your European stand without voting for Edward Heath.' He also presciently warned Jenkins that 'in the long run you are damaging yourself as well as the Labour Party' (Crosland, 1982, p.221). Having supported entry in the late 1960s, Benn's experience as a Cabinet Minister prompted him to change his position. By 1974 he viewed the EU as a capitalist bureaucracy with a growing democratic deficit that aspired to superpower status. These figures were particularly influential within the Labour Party and trade union movement: Benn and Heffer amongst the left, and Crosland and Healey amongst the right. Their shift against entry played a significant role in changing, or validating, the anti-EU views of rank and file party and union members.

[7] Interview with Shirley Williams, 15th October 2002.

The Role of Propaganda

In 1971 Labour launched a 'no to entry on Tory terms' campaign. The CPGB, the International Socialist and the TUC (plus the TGWU) also organised campaigns against entry. Meanwhile, pro-EU forces launched a second national propaganda campaign in 1971, both involving and targeting the left, in an attempt to increase public support for entry (see Chapter 5.3). The pro-EU campaign, funded by big business and the CIA and enjoying the considerable power resources of the state, elicited many complaints from Labour members and trade unionists (see Figures 8 and 16), who pointed to the fundamental imbalance between the rival campaigns. Such concerns led the Labour Party and the TUC to demand a referendum on entry. Furthermore, the 1974 Labour Conference adopted a resolution insisting upon an equal balance, in terms of finance and media support, in any referendum.

Gould discussed the impact of such propaganda, particularly the large amounts of money spent by pro-EU forces. He stated that

> I have always objected to an elite deciding what they want and then misleading the people. In my view, from Heath onwards we have been lied to by our political leaders; they say let's take this little step and then we say, but that's a step towards federalism and they would say no, of course it's not. This is just another little step that we should take. We take that step forward and then that is used as a baseline from which to take the next step. There is always this denial that there is a long-term objective in mind.'[8]

Likewise, John Monks, the pro-EU TUC General Secretary, conceded that 'people were misled about going into the EU initially. Britain's leaders, from Harold Macmillan onwards, were never frank about what it entails and about the loss of sovereignty. They all said it's just an economic thing; well it wasn't, it was much bigger.[9]

The Role of Harold Wilson

In 1971 Wilson came out against entry on the terms negotiated by the Conservatives, having revised his position in light of the rising anti-EU tide within the Labour Party and the trade union movement. It was also an attempt to maintain party unity. To Williams, Wilson's priority 'was to keep the party united',[10] whilst Mitchell believed that Wilson 'was a master politician whose objective was to neutralise the issue of the EU, while keeping it in play to deny the Tories being able to run with it.'[11]

[8] Interview with Bryan Gould, 18th July 2003.
[9] Interview with John Monks, 23rd July 2002.
[10] Interview with Shirley Williams, 15th October 2002.
[11] Interview with Austin Mitchell, 6th March 2003.

Opportunism

Plaid Cymru and the SNP opposed entry on the basis that the Welsh and Scottish nations had not been adequately represented in the entry negotiations. Theirs was not a policy of opposition to entry in principle. Moreover, by their own admission, some members campaigned for a No vote in the 1975 Referendum hoping to exploit any division with England, a Yes vote in England but a No vote in Scotland and Wales, to their own political advantage. In short, their opposition to the EU was more opportunistic than determined. Similarly, the International Socialists' abandonment of its abstention policy in 1971 was criticised by some of its own members as opportunist. To Callinicos, 'the British Left's opposition to the EU was based on a nationalistic economic programme, which we regarded as unrealistic because it did not take into account the growing internationalisation of capital. However, this fact was less important than the fact that the left represented the forces of resistance to right-wing policies.'[12]

The Failure to Fundamentally Reform the European Union

Following the Yes vote in the 1975 Referendum, the Labour Party and the TUC (plus the TGWU) abandoned the policy of withdrawal, and joined the Ecology Party in opting for a policy of fundamentally reforming the EU. However, the failure to achieve such an objective led these organisations to return to a policy of withdrawal by 1980 or 1981.

The Alternative Economic Strategy

The Labour Party and the TUC officially adopted the AES in 1973. The CPGB and the Militant Tendency (plus the engineers' union, NALGO and the TGWU) also supported the AES. Capital, import and export controls, the expansion of public ownership and the extensive use of state aid, essential components of the AES, were contrary to the 1957 Treaty of Rome; the EU was therefore perceived as a barrier to the implementation of the AES. Consequently, by the early 1980s the incompatibility of the AES and continued membership prompted Labour and the TUC to adopt a policy of withdrawal. This incompatibility was explicitly recognised by the Labour Conference and the TUC Congress in 1981, and figured in the 1981 TUC *Economic Review*. (It was also recognised by the AUEW Engineering Section between 1982 and 1988, and by the TGWU between 1980 and 1985. NALGO backed the AES but did not support withdrawal.)

[12] Interview with Alex Callincos, 28th October 2002.

The European Union as a Barrier to Advancing Socialism in Britain

The far left, namely the CPGB, opposed the EU from the 1950s onwards because it was viewed as a block in the British road to socialism. The centre-left, including the Labour Party and the TUC, opposed British participation in the European integration process in the late 1960s and early 1970s because it was anticipated that it would hinder the implementation of a national Keynesian programme by a future Labour government. The 'hard left', including the Bennites and the Militant Tendency, favoured withdrawal because it believed that the EU would undermine, if not preclude, the AES. In all three cases the EU was perceived as a barrier to advancing socialism in Britain, hence the turn against entry, and then continued membership, during this period. Benn argued that sections of the left opposed the EU because it was 'a capitalist club arming itself to see that no socialist ideas penetrated, and no communist armies invaded.' He further alleged that the pro-EU right within the Labour Party, together with the SDP, supported European integration as means to 'finally legislate socialism out of existence.'[13]

This section confirms that most institutions on the British Left changed their European policies in the late 1960s and early 1970s, having rejected entry and then continued membership. It also advanced several reasons why the second 'tectonic' policy shift occurred. However, as noted above, the shift was far from complete; the Co-operative Party, the Labour Party and the TUC remained divided on the issue, and pro-EU forces enjoyed considerable support. The second hypothesis is therefore true, subject to the above qualification. The establishment of the EU, on the basis of the 1957 Treaty of Rome which prioritised the free movement of capital, goods, services and people, prompted many on the left to view the EU as a barrier to advancing socialism. It therefore precipitated a process of 'nationalisation', as the British Left devised programmes based on the idea that national state power was needed to advance socialism. Analysis of the discourse of the Labour Conference and TUC Congress debates between 1947 and 1987 clearly reveals a widespread belief in a *national* socialist strategy (see Figures 8 and 16), or at least a critical engagement with it (see Figures 9 and 17). Furthermore, the arguments deployed and language used in Labour and TUC policy documents, resolutions, motions and amendments during this period add further weight to this view.

[13] Interview with Tony Benn, 25th April 2002.

Hypothesis 3

The third hypothesis is that *the British Left underwent a process of Europeanisation in the 1980s. Following the end of the Cold War and the emergence of the globalisation thesis, whereby nation-states are perceived to be powerless, the British Left shifted to a pro-EU position. It was argued that national Keynesianism was redundant and that the left faced a stark choice between the European and the US models of capitalism. The British left therefore returned to a position of supporting a European socialist strategy, adopting European policies that were supportive of further European integration.* Several factors can be advanced to explain the third 'tectonic' policy shift, from withdrawal to support for continued membership, and further European integration, in the late 1980s.

The End of the Cold War and the 'Defeat' of Socialism

The end of the Cold War, following the collapse of the Soviet bloc and Soviet Communism in 1989, allegedly signalled the defeat of socialism. It also precipitated a general retreat from policies such as nationalisation, unilateral disarmament and withdrawal from NATO and the EU by the British Left.

Defeatism and the Retreat from Withdrawal

The Yes vote in the 1975 Referendum represented a defeat for the anti-EU left. The 1976 IMF crisis, the 1979 and 1983 General Election results, and the 1984-1985 Miners' Strike further eroded the British Left's confidence and influence. Callinicos lamented the 'counsel of despair' in the late 1980s 'and the acceptance of the belief that the organised working class lacked the resources and the strength to resist the Tories.'[14] Such defeatism precipitated a general retreat from the policy of withdrawal. Ramsay claimed that the left abandoned its opposition because 'the game is up and we have lost.'[15] Mitchell argued that 'withdrawal is not a salient issue' and that the 'position has got to be thus far and no further.'[16] Hopkins argued that 'simply withdrawing from the EU would not actually change it fundamentally.' He preferred to promote 'democratic socialism across Europe.'[17] Even David Stoddart, a longstanding opponent of the EU, conceded that withdrawal was 'not on the cards at the moment.'[18] In the post-1988 period the Green Party, the Labour Party, the SNP and the TUC abandoned their commitment to withdrawal in favour of continued membership.

[14] Interview with Alex Callincos, 28th October 2002.
[15] Interview with Robin Ramsay, 22nd August 2002.
[16] Interview with Austin Mitchell, 6th March 2003.
[17] Correspondence from Kelvin Hopkins, 29th August 2003.
[18] Interview with David Stoddart, 15th October 2002.

The Retreat from Empiricism and Marxism

The end of the Cold War heralded a retreat from empiricism by sections of the British Left. No British government, whether Conservative or Labour, has conducted a cost-benefit analysis of EU membership. Nevertheless, during the Cold War period the Labour Party and the TUC issued a number of policy documents that contained empirical analyses of the impact of entry, and then continued membership, on Britain's economy and its political system. However, the post-1988 period, following the reversal of support for withdrawal by the Labour Party and the TUC, witnessed the publication of policy documents that contained little if any empirical analysis. Instead, they offered negative arguments (such as 'there is no alternative' to the EU), aspirations (pledging support for a 'European social model' whilst New Labour actively blocked progressive EU directives) and emotional exhortations (such as membership of the EU is Britain's destiny). These themes were commonplace in Labour Conference and TUC Congress debates during the post-1988 period (see Figures 11 and 19). This period also witnessed a retreat from Marxist analysis by some sections of the British Left. Such a perspective helped to inform the economic programmes of the Labour Party and the TUC in the 1970s and 1980s, particularly in the case of the AES. Meanwhile, the CPGB abandoned Marxism altogether in 1989.

The Perceived Redundancy of National Keynesianism

Following the French Socialists' capitulation to the strictures of the ERM, following the 1981-1983 'Mitterand experiment', some Labour and TUC members argued that national Keynesianism was redundant and that 'socialism in one country' was impossible (see Figures 11 and 19). Such arguments encouraged sections of the British Left, specifically the Labour Party and the TUC, to abandon the AES and the associated policy of withdrawal. Barratt Brown, for example, believed that 'there is no future in nation-states.'[19] Sections of the British Left, such as New Labour, also abandoned any belief in an interventionist economic policy based on demand management. Gould, for example, noted that

> Historically, the left took the view that it was an important function of government to be able to run the economy in the interests of the people that elected them. Today's orthodoxy, by contrast, is that the government should just hold the reins and maintain the value of the currency, and hand over all these decisions, which are said to be purely technical, over to a central bank, and the bigger the bank, the bigger the economic area, the better.'[20]

[19] Interview with Michael Barratt Brown, 4th October 2002.
[20] Interview with Bryan Gould, 18th July 2003.

The Role of 'Organic Intellectuals'

The 1980s and 1990s witnessed two waves of prominent left-wing figures who changed their position on the EU. The first wave, in the early and mid-1980s, saw Cripps and Ward, Holland, Kinnock, Morrell and Rowthorn and Grahl abandon their belief in the AES to explore the possibility of a European alternative, the AEUS. The second wave, in the late 1980s and early 1990s, saw Sedgemore back the ERM and Livingstone call for a European federation subordinate to the European Parliament. These moves encouraged others on the British Left to change their position on the EU.

Choosing between the Rival Models of Capitalism

Delors' speech to the 1988 TUC Congress contained the allure of a 'social Europe', which many within the Labour Party and trade union movement found attractive. Post-1988 the EU was seen by many Labour and the TUC members as a means to advance socialism. Pro-EU forces claimed that the Social Chapter would benefit workers, that 'social dialogue' would transform industrial relations, that the Single Market presented new opportunities, and that the EU was essential to tackling unemployment. The reason why the EU was seen as attractive was identified by Ramsay: 'the EU was a welcoming environment for party and trade union officials; they were welcome in Brussels but not in Westminster.'[21] (Such a view was also shared by John Edmonds, GMB General Secretary.) Post-1988 pro-EU forces at the Labour Conference and TUC Congress exhorted members to support the construction of a 'social Europe', warning that the left faced a fundamental choice between the Anglo-Saxon and European models of capitalism. They also claimed that the EU was internationalism in action, that it provided the means by which to control MNCs, and that it was essential to the preservation of peace in Europe (see Figures 11 and 19).

Anti-EU Forces Portrayed as 'Extremists' that are 'Out of Touch'

Pro-EU forces attempted to portray opponents or sceptics of the EU as 'extremists' who were 'out of touch'. They argued that continued membership was essential for exports, jobs and investment, warning that withdrawal was a 'dangerous' policy that threatened Britain's influence in the world (see Figures 11 and 19). Gould complained that 'the major organs of public opinion, the captains of industry, leading academics, all of the great and the good, were all supportive of the EU. So anybody that stood aside from that was easily portrayed as an extremist. It was actually quite difficult to maintain respect as a sceptic.'[22]

[21] Interview with Robin Ramsay, 22nd August 2002.
[22] Interview with Bryan Gould, 18th July 2003.

The 'Contamination' Thesis

The 'contamination' thesis expounded by Ramsay (1997) referred to the fear of the anti-EU left of being associated with, and thus 'contaminated' by, right-wing Euroscepticism. The thesis was advanced in the 1990s, a period which saw the Conservatives and Labour switch positions on the EU. However, the evidence suggests that the left feared such an association as early as the 1960s. Members of the anti-EU left at both the Labour Conference and the TUC Congress during this period insisted that they were not insular, nationalistic or xenophobic 'little Englanders' just because they opposed the EU (see Figures 8 and 16).

The concept of 'contamination' returned to the fore in the 1990s as pro-EU forces on the left repeatedly attempted to portray opposition to the EU as a right-wing cause. Barratt Brown associated an anti-EU position with the Conservatives and claimed that the 'Eurosceptic movement is based on nationalistic, chauvinistic nonsense'.[23] Benn insisted that he was 'not a nationalist, I am an internationalist.'[24] Gould felt that many people 'assumed that anyone who was anti-EU was a 'little Englander' and didn't know anything about it.'[25] Kinnock argued that the anti-EU position was 'basically nationalistic and often – though not invariably – xenophobic.' He also argued that 'national or regional introversion is incompatible with social democracy/democratic socialism' and that 'the effort to make the two compatible – mainly between 1979 and 1983 – produced farce, division and ended in massive defeat.'[26] Ramsay described Gould, Shore and himself, as

> left Keynesian nationalists – people who believe that you have to get to grips with capital at a national level. However, if you are going to oppose the EU, that puts you in same camp as the Democracy Movement and the British National Party, making life complicated and uncomfortable for people, particularly those who are concerned about being 'right on'. Since Marx, opposing nationalism, as a 'bad', has been the bedrock of left thinking.[27]

[23] Interview with Michael Barratt Brown, 4th October 2002.
[24] Interview with Tony Benn, 25th April 2002.
[25] Interview with Bryan Gould, 18th July 2003.
[26] Correspondence from Neil Kinnock, 29th January 2003.
[27] Interview with Robin Ramsay, 22nd August 2002.

The European Union as Practical Politics

Scott argued that for trade unions in particular the EU became the principal arena of practical politics as the EU extended its mandate over policy areas previously the preserve of the British government. 'The EU, particularly the Single Market project, was a reality for the labour and trade union movement. Programmes were set up within trade unions to respond to the 1992 programme, encouraging a practical engagement with initiatives such as 'social partnership' and the European Works Council.' These initiatives 'informed the industrial strategies' of trade unions such as the TGWU, almost 'without debate. However, there was no Damascene conversion, it was just practical working.'[28]

The European Road to Independence

Plaid Cymru abandoned its scepticism and the SNP reversed its support for withdrawal in 1988. Thereafter both parties supported a policy of independence in Europe. As the prospect of withdrawal faded during the 1980s, both parties began to see continued membership as a means of attaining Scottish and Welsh independence without the economic and political dislocation involved in dissolving the United Kingdom and separating from England. Both parties subsequently strove to achieve national recognition within the EU as member states in their own right.

The European Road to a Green Society

The issue of European integration has particularly divided the Green Party. The basic division is between party members who view the EU as a barrier to the implementation of Green policies, particularly its localisation agenda, and those party members who see the potential to reform of the EU into a confederation of regions. As the 1990s progressed, the balance of power tipped party policy in favour of the latter position. The main reason for such volatility is the paradox that is the EU. Although the EU has a common environmental policy, making it, in Lucas' opinion, 'a positive force for change',[29] it is also responsible for the environmentally damaging CAP. Furthermore, its Single Market, euro, enlargement and European Constitution projects make it more difficult to achieve the sort of reforms sought by the Green Party. Nevertheless, given the remoteness of the withdrawal option, the Green Party shifted to a position that was broadly supportive of 'Europe' in 1995.

[28] Interview with Regan Scott, 8th October 2002.
[29] Interview with Caroline Lucas, 13th October 2003.

The Role of Pressure Groups and Think Tanks

While membership of the anti-EU LESC declined during the 1980s, there was a proliferation of pro-EU pressure groups and think tanks, in that decade and in the years that followed. These included pressure groups such as the LME and TUFE and think tanks such as the CDP, Demos, the FPC and the IPPR. The latter played an important role in helping to change Labour's European policy in the 1980s, discussed below. Meanwhile, the published output of the Fabian Society shifted distinctly in favour of the EU as the 1990s progressed.

The Role of Propaganda

Following the third national propaganda campaign organised by pro-EU forces, to ensure a Yes vote in the 1975 Referendum, which again involved and targeted the left, specific campaigns were organised in the 1980s and 1990s which targeted the Labour Party and trade union movement. The first, organised by the European Movement, targeted the Labour Party prior to the 1983 General Election in an attempt to neuter party members' support for withdrawal. Others were organised by the TUC, as it attempted to promote the Social Chapter and Single Market (in 1989), the euro (in 1999), a 'social Europe' (in 2003) and the EU more generally (in 1993 and 2004), amongst trade unionists.

Opposition to Margaret Thatcher

In a complete reversal of the situation in the early 1970s, when Labour opposed entry because the Conservatives supported it, in the 1990s Labour increased its support for the EU as Thatcher became more sceptical. Ramsay argued that 'sections of the left supported the EU just because Thatcher was starting to express doubts about it.[30] Similarly, Mitchell observed that 'the left, given their loss of self-confidence, came to see the EU, post-Delors as a socialist formation. Furthermore, Thatcher came to see the EU as socialist and this made it more attractive to the left.'[31]

[30] Interview with Robin Ramsay, 22nd August 2002.
[31] Interview with Austin Mitchell, 6th March 2003.

The Role of Neil Kinnock

Kinnock, by his own admission, employed a strategy of stealth to change Labour's European policy following his election as Party Leader. Following Labour's defeat at the 1987 General Election, the responsibility for campaigning, communications and electoral strategy was transferred to the newly-established Campaign Strategy Committee, chaired by Kinnock and composed of senior MPs, selected NEC members and union leaders. However, real power over policy and presentation was increasingly transferred to unofficial bodies such as the Campaigns and Communications Directorate (headed by Peter Mandelson), the Shadow Communications Agency (directed by Philip Gould) and the Leader's Office (staffed by Kinnock's chief of staff, Charles Clarke, and his press secretary, Patricia Hewitt). This informal network, which incorporated staff from the IPPR and MORI, was directly answerable to Kinnock. Policy-making and its presentation was therefore increasingly concentrated in the hands of the Party Leader and trusted members of the Shadow Cabinet, whilst the NEC was sidelined. To facilitate these developments, Kinnock courted the 'soft left' and the right, whilst sidelining the 'hard left' (see Hughes and Wintour, 1990; Heffernan and Marqusee, 1992; Shaw, 1994). Kinnock's chosen vehicle for changing Labour's European policy was the Policy Review, discussed in Chapter 6.10.

The Electoral Motive

Another important factor influencing Labour's European policy shift in the 1980s was the electoral motive. Labour suffered a dismal poll result in the 1983 General Election, as a result of electoral competition from the pro-EU SDP-Liberal Alliance. This contrasted with Labour's good showing in the 1989 European Election, following its reversal of support for withdrawal. Furthermore, the polling evidence suggested that the electorate was steadily moving in favour of continued membership in the late 1980s and early 1990s (a process reversed by the 1992 exit from the ERM). These factors helped to reinforce the argument advanced by pro-EU forces, that a pro-EU position was an electoral necessity. Ramsay believed that when Labour 'started contesting the European Elections, opposition to the EU started to evaporate.' Furthermore, 'fighting European Elections became a proxy for fighting Thatcher.'[32] Likewise, Mitchell contended that 'as public opinion changed, so did policy.'[33]

[32] Interview with Robin Ramsay, 22nd August 2002.
[33] Interview with Austin Mitchell, 6th March 2003.

The Conflation of Europeanisation with 'Modernisation'

Part of Kinnock's strategy of stealth was to conflate Labour's Europeanisation with its 'modernisation', a tactic subsequently deployed by Smith and Blair. Ditching the withdrawal policy was sold to the Labour Party and the TUC as a necessary component of 'modernising' Labour in preparation for office. Kinnock himself declared that 'something that Labour increasingly understood from the mid-1980s was that necessary change in policies is life, blinkered stagnation of policies is death.'[34] Similarly, Mitchell observed that the policy transformations of the 1980s and 1990s were 'associated with the party's modernisation' as it 'got rid of its unpopular commitments.'[35]

The European Union as 'Reality'

Kinnock attempted to portray the EU as a 'reality' that had to be accepted by the British Left. 'Participation in the EU – or opposition to it – are, in reality, mainly matters of politics not matters of values. Like everyone else, Labour was confronted by the reality of the permanence of the EU.' Furthermore, 'policies had to move to match those realities. Politics had to change.'[36]

The Role of Parapolitics

The British and US intelligence agencies have a long history of intervening in British politics, including the politics of the British Left. They were particularly concerned about Labour's economic and European policies during this period, specifically the threat posed by the anti-EU left. As William Rogers of the US State Department explained during the 1976 IMF crisis, the US saw it as

> a choice between Britain remaining in the liberal financial system of the West as opposed to a radical change of course, because we were concerned about Tony Benn precipitating a policy decision by Britain to turn its back on the IMF. I think if that had happened the whole system would have begun to come apart. God knows what Italy might have done; then France might have taken a radical change in the same direction. It would not only have had consequences for the economic recovery, it would have had great political consequences' (quoted in Fay and Young, 1978, p.30).

[34] Correspondence from Neil Kinnock, 29th January 2003.
[35] Interview with Austin Mitchell, 6th March 2003.
[36] Correspondence from Neil Kinnock, 29th January 2003.

The intelligence agencies subsequently renewed their support for the pro-EU social democratic network within the Labour Party and trade union movement, manifest in their funding of the SDP in the 1980s and the BAP in the 1990s. The objective of the former, according to Benn, was to destroy the possibility of a Labour government committed to withdrawal from the EU, plus other radical policies, whilst the objective of the latter was to ensure that the Labour Party returned to the control of pro-EU Atlanticist forces.

Despite the importance of the parapolitical dimension to explaining the changing European policies of the British Left, the issue has been generally avoided or ignored, for three main reasons. First, the fear of being labelled a 'conspiracy theorist'. Second, the tendency of the left to elevate structures over actors and the economic 'base' over the political 'superstructure'.

> The left in Britain, and elsewhere, is reluctant to admit that individuals, or little groups of people, have influence over what happens. They believe in structures, historical materialism, etc. The left thinks that the economic base is all-powerful. Up to a point they are right. It is true, the base, the money, does pull the strings. And in a sense, parapolitics is simply asking, which bit of the base, of money, is pulling the strings, which string and who is at the end of the string they are pulling? Parapolitics is concerned with the transmission device, which the left takes for granted. The left, unconsciously, thinks that policy formation is automatic. The intelligence agencies have always regarded politics as being too important to be left to politicians. When you are dealing with the interests of the state, let alone defending the 'free world' and democracy against the communist conspiracy, there is little point in relying on politicians who are perceived to be a bunch of self-serving careerists, opportunists and vacillating people. The intelligence services have always played a central role in British politics: MI5 making sure that Britain didn't 'go left' and MI6 trying to steer Britain's foreign policy. One of the policies they effected, largely at the CIA's behest, was to get Britain into the EU. However, there is widespread ignorance about this area. It is not part of Labour Party discourse; it's not part of the discourse of the left generally. There is a general prejudice against the notion that individuals and groups are significant; this is a powerful feature of left thinking.[37]

Third, the very nature of parapolitics presents researchers with the problem of evidence. How can you demonstrate that intelligence agencies, and specific covert operations, were responsible for policy change when there is no 'paper trail' and/or when such documents are classified?

[37] Interview with Robin Ramsay, 22nd August 2002.

The Role of the United States

Ramsay argued that it was a major US foreign policy objective to 'get Britain into the EU, as a nice safe haven for capitalism, so keeping Britain away from all those socialists in the Labour Party.'[38] Likewise, Gould alluded to a parapolitical dimension when he considered the role of the US in shaping Labour's European policy in the 1980s.

> Looking at the whole development of British policy over the post-war period, I think it is inconceivable, although it didn't appear to me at the time, that the US didn't have a strong influence in what was happening. I think they were terrified by Michael Foot and Tony Benn, and also of Neil Kinnock. I'm sure that they would have done whatever they could to stop Kinnock from being elected. I think they put enormous pressure on Kinnock, through people like Peter Mandeslon, to shift his position. I also think they had some influence on who succeeded to the leadership.[39]

This section confirms that the European policies of the CPGB, the Green Party, the Labour Party, Plaid Cymru, the SNP and the TUC (plus the engineers' union and the TGWU) changed in the late 1980s, when they abandoned their scepticism or support for withdrawal in favour of European integration. It also advanced several reasons why the third 'tectonic' policy shift occurred. The key institutions on the British Left have returned to a position of support for a European socialist strategy. The turn is reflected in qualitative terms in the radically altered discourse of the Labour Party and TUC from 1988 (see Figures 11 and 19). It is also reflected in quantitative terms in the dramatic fall in the number of critical resolutions, motions, amendments and speakers during Labour Conference and TUC Congress debates in the post-1988 period (see Tables 10, 11, 14 and 15). However, as noted above, the shift was far from complete; the recent period has witnessed the formation of new anti-EU organisations, suggesting that the Europeanisation of the British Left has been far from total. The third hypothesis is therefore true, again subject to the above qualification.

Many of the above factors can be classified as discursive, institutional or relating to political economy. However, while many of these factors are 'new', in that they have been neglected by the literature to date, taken as a whole they do not, in themselves, significantly advance our understanding of how and why the European policies of sections of the British Left changed. The next section evaluates the different theoretical approaches that could be employed for the purpose of data analysis, whilst Chapter 10.5 applies the Coxian approach to the data presented in the previous four chapters.

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[38] Ibid.

[39] Interview with Bryan Gould, 18th July 2003.

10.4 THE EXPLANATORY POWER OF RIVAL THEORETICAL APPROACHES

Before applying the Coxian approach, this section evaluates the explanatory power of the rival theoretical approaches outlined in Chapter 3. Section 6 of that chapter discussed the insights that would be generated and the limitations that would be encountered if the institutional, discursive, political economy, public choice or power resources approaches were applied to this thesis. This section revisits that debate, exploring the advantages and disadvantages of each approach in light of the data.

An institutional approach would have yielded a rich insight into *how* the European policies of the British Left had shifted over time. Such an approach would have focused on the different policy processes within the British Left. It would have contrasted the relatively open, and therefore contestable, federal policy structures of the Co-operative Party, the Green Party, the Labour Party, the Nationalist parties and the TUC with the relatively closed, and therefore stable, democratic centralism of the Communist and other far left parties. It would also have assessed the impact of these policy processes on the European policy outputs of the British Left. This assessment would have identified the different faction(s) that dominated the policy processes and their adopted stance on European integration.

A discursive approach would have provided a useful account of *how* the discourses on European integration had changed within the British Left and within British society more generally. Such an approach would have evaluated the power of different groups to limit the European debate, and thus set the policy agenda, and would have specifically highlighted the impact of concerted propaganda campaigns on the policy processes within the British Left.

A political economy approach would have permitted a relatively sophisticated and multi-level analysis of the policy processes and the European policy outputs of left-wing institutions. Such an approach would have explored *how* power structures at the national and global levels impacted upon the British Left's European policies. From a global perspective, it would have considered the influence of Soviet and US foreign policies on the British Left. From a national perspective, it would have studied Britain's changing trading relations with Europe and the rest of the world to ascertain how significant, or not, trade with Europe was, and what the consequences of this economic reality was on the adopted European policies of the British Left.

By focusing on the motivations of policy-makers, a public choice approach would have highlighted *how* influential individuals, such as party/trade union leaders and/or organic intellectuals, had shaped the policy processes and European policy outputs of the British Left. In so doing, it would have ensured that the role of actors, as opposed to structures, received the attention it deserves.

A power resources approach would have explained *how* different factions within the British Left had managed to capture and control the policy processes and thus determine the European policy outputs. Such an approach would have identified the transformations in the balance of power between rival factions within the British Left. It would also have ascertained what the impact of these transformations was on European policy outputs.

The application of any one of these approaches would provide a different, albeit partial, answer to the question of *how* the European policies of the British Left changed over the 1945 to 2004 period. However, none of these approaches, standing independently of the others, possesses the capacity to explain *why* European policies shifted over this period. Consequently, the impasse discussed in Chapter 3.6 remains. There is therefore a need for a new, integrated and overarching conceptual framework. As the next section demonstrates, the Coxian approach provides the required conceptual framework, thus enabling the central research question of how *and* why European policies have changed over time to be answered.

10.5 THE COXIAN APPROACH

Chapter 3.7 set out the four main advantages of the Coxian approach over other ontological, epistemological and methodological perspectives: its commitment to critical inquiry rather than problem-solving, its historicist foundations, its incorporation of historical materialism, and its attention to dialectics. In terms of this thesis, employing the Coxian approach is beneficial in four inter-related senses. First, just as Coxian historicism is committed to the critical project, seeking not just to understand the world but to change it, so the progressive social forces of the British Left aim to transform the world, by reform or revolution.

Second, its historicist foundations, specifically its use of the method of historical structures, provide the essential wider context that enables the changes in the European policies of the British Left to be situated. It is possible to identify three dimensions, or levels, of change: the world of events (day to day fluctuations), conjunctural transformations (over a period), and Braudel's (1980) notion of the *long durée* (across an epoch). This thesis is primarily concerned with the second level: policy shifts during the post-war period. Following Cox, changes in European policy should be located within the context of particular configurations of material capabilities, ideas and institutions, and with reference to specific social forces, forms of state and world orders. Furthermore, movement should be analysed at one particular point in time (the synchronic dimension) and over a period of time (the diachronic dimension). Such analyses should then be merged.

Third, its incorporation of historical materialism allows policy change to be analysed with reference to the social forces engendered by the production process. 'These forces are located in the wider structure of the social relations of production, which *do not determine but shape* their interests and identity' (Bieler and Morton, 2001a, p.17). In terms of the post-war period, two broad categories of social forces can be identified. First, national social forces of capital and labour based on production that is organised on a national scale. Second, transnational social forces of capital and labour based on production that is organised on an international basis. The latter can be further sub-divided into nationally-oriented transnational capital and labour, which produce for a national market, and internationally-oriented transnational capital and labour, which produce for an international market. Analysing the impact of these social forces on the European policies of the British Left is critical because the British Left does not exist in a vacuum, but formulates policy as both part of, and in opposition to, the dominant capitalist structures.

Fourth, its attention to dialectics facilitates the study of the social forces that are organising to change policy, plus those that are resisting such change. The outcome of this struggle shapes the development of these social forces, and subsequent policy formation.

Hypothesis 4

The fourth hypothesis *is that the processes detailed in the first three hypotheses, and the associated changes in the European policies of the British Left, are functions of the transformation of historical structures. Cox (1987, 1996, 2002) defined historical structures as particular configurations of material capabilities, ideas and institutions. Historical structures can only be understood dialectically, as the product of, and the motor for, the social relations of production. These, in turn, give rise to particular social forces, and to certain forms of state and world orders. This thesis suggests that the British Left, as a constituent element of post-war historical structures, formulated and changed its European policies in response to these dynamic forces.* To assess whether or not this hypothesis is true it is necessary to apply the Coxian method of historical structures to the post-war period. This involves three main stages. First, identifying the main hegemonic blocs of this period. Second, highlighting the principal features of these blocs with reference to material capabilities, ideas and institutions at the global, regional (in this case European) and national level (the synchronic dimension). Third, specifying how and why one hegemonic bloc was transformed into another (the diachronic dimension), and then synthesising the synchronic and diachronic dimensions. Having deployed the Coxian method, it is possible to re-examine

the European policies of the British Left in the context of the social forces operating within these hegemonic blocs to assess whether such an approach has greater explanatory power.

Post-war Hegemonic Blocs

Applying the method of historical structures to the post-war period, it is possible to discern two hegemonic blocs: the Cold War order from 1945 until to mid-1970s and the post-Cold War order, commonly termed the New World Order, from 1991. The latter represents a qualitatively new historical structure, although there are fundamental similarities between the two, most notably US hegemony.

The Cold War Order

With much of Eastern Asian and Europe in ruins, the US emerged from the Second World War in a stronger position, economically, politically and militarily, compared to its allies (Britain and France) and the axis powers (Germany, Italy and Japan). The defining feature of the Cold War order, in terms of *material capabilities*, is that such a position enabled the US to shape the post-war world order according to its own interests.

The dominant *ideas* underpinning the Cold War order included the division of the globe into Soviet and US 'spheres of influence', and the official US policy of 'anti-Communism'. However, in reality, the latter was a policy of opposition to nationalist-populist regimes pursuing alternative models of development that challenged US designs and the global capitalist system.

Post-war US hegemony was established and maintained through a system of multilateral governance and a liberal economic order. *Institutionally*, such objectives were manifest in the formation of NATO and the United Nations, plus the creation of the IMF and the World Bank (termed the Bretton Woods system). These objectives also underpinned US economic aid programmes (such as the ERP), the 'open door' policy (to ensure free trade and markets that were accessible to MNCs), and the formation of client states (such as Israel) and subordinate states (such as Britain). When such institutional mechanisms failed, the US projected its economic and political power, both covertly and overtly, to safeguard its interests and that of the capitalist system as a whole.

At the *global* level, the central features of the Cold War order included the rescue of capitalism through the rebuilding of war-torn states and markets, and the reconstitution of a core-periphery system in the form of triangular trading patterns between the South, Europe, Japan and the US. The latter was achieved by implementing the Grand Area plan.

At the *European* level, the Cold War order witnessed the division of Europe between the two Cold War superpowers, with Western Europe firmly within the US 'sphere of influence'. To Chomsky, the 'primary concern of the US 'when it took over as global manager in the 1940s was to ensure that Europe would follow the "right course"'. It favoured European integration 'because of the enormous advantages that it provides to US-based corporate power. On the other hand, it has always been wary of the threat that Europe might adopt an independent course, undermining US global domination – not by military force but in other ways.[40]

At the *national* level, the Cold War order was characterised by state-led industrialisation and modernisation. In the Western, capitalist states such objectives were achieved through Keynesian macro-economic policies, Fordist industrial production, corporatist labour relations, military Keynesianism (to underpin an advanced technology sector), extensive public ownership and the construction of welfare states.

Polanyi's (1953) notion of the 'double movement' is instructive in terms of understanding the Cold War order. The first phase of the movement, pre-Second World War, witnessed the hegemony of *laissez-faire* and the withdrawal, or absence, of the state from economic activity. The second phase, following the war, saw society's response to the socially destructive consequences of self-regulating markets. The Cold War order was founded upon an accommodation between capital and labour, in the form of the social democratic settlement. Although an essentially defensive strategy, capital supported this settlement for two main reasons. First, by boosting wages and workers' purchasing power, capital was able to create new market opportunities and thus restore profitability. Second, by co-opting labour, capital was able to prevent the spread of revolutionary ideas and movements that threatened the capitalist system. However, the Cold War order contained the seeds of its own transformation.

The Transformation of the World Order

International co-operation, manifest in the Bretton Woods system, contributed to a sustained period of economic expansion and stability in the world economy in the 1950s and 1960s (see Table 17).

[40] Correspondence from Noam Chomsky, 18th December 2002.

Table 17: Annual Average Rates of Growth of Total Output in Selected Western Nations (1913-1969)

Country	1913-1950	1950-1959	1960-1969
Britain	1.7%	2.7	2.8
France	0.7	4.6	5.8
Italy	1.3	5.8	5.7
Japan	1.8	9.5	10.5
United States	2.9	3.2	4.3
West Germany	1.2	7.8	4.8

Source: Newton (2004, p.56).

The falling rate of profit in the West from the mid-1960s, however, as a result of increased competition within and between national economies, plus higher wages (see Brenner, 1998), produced a general capitalist crisis. The situation was compounded by the 1973 and 1979 oil price hikes, the 1974 call for a New International Economic Order, the 1975 US defeat in Vietnam, economic 'stagflation' (high inflation and high unemployment), and a general 'crisis of democracy' (see Crozier, 1973) in Europe and North America. The response of capital, which required new opportunities for investment in order to restore its profitability, was to transform the world order by shifting from a defensive to an offensive strategy.

Capital's strategy was a two-stage one. The first stage involved the liberation of capital from restrictive state controls, resulting in the fundamental restructuring of the world economy. It is manifest in the growth of capital markets (as capital and exchange controls were abolished), the expansion of international trade (as import and export controls were abandoned), and the emergence of MNCs. In terms of capital markets, Eatwell (1993) observed that 'in 1971, just before the collapse of the Bretton Woods fixed exchange rate system, about 90 per cent of all foreign exchange transactions were for the finance of trade and long-term investment, and only about 10 per cent were speculative.' By contrast, by the early 1990s 'well over 90 per cent of all transactions were speculative.' In terms of trade, in 1960 the share of world merchandise exports in the world gross domestic product was 10 per cent. By 2000 it had climbed to 20 per cent. The share of services in world output was 3 per cent in 1960 and almost 5 per cent in 2000 (United Nations Conference on Trade and Development [UNCTAD], 2002). In terms of MNCs, UNCTAD (1998) reported that there were 53,000 MNCs in the late 1990s compared to 7,000 in the early 1970s, and that two-thirds of these were based in 14 industrialised countries. The second stage witnessed the construction of the neo-liberal world order in which labour was subordinate.

The New World Order

In January 1991, with the collapse of the Soviet bloc leaving the US as a world's sole superpower, US President George Bush announced that the US would lead a New World Order. Once again, in economic and military terms, the power of the US was unrivalled. Such *material capabilities* allowed it to restructure the world order and thus ensure its hegemonic position for decades to come.

The dominant *ideas* underpinning the New World Order included the alleged failure of Keynesianism and socialism, plus the 'end of history', the 'powerless state' and the notion that 'there is no alternative' theses. In 1989 Fukuyama (1989, pp. 1-2) announced the historic triumph of the 'Western ideal', as a result of 'the total exhaustion of viable systematic alternatives to Western liberalism', thus heralding 'the end of history'. Since the end of the Cold War, many academics and journalists have concluded that globalisation renders the state redundant and 'powerless' (see Weiss, 1998). Likewise, one of Thatcher's favourite mantras was 'there is no alternative' to globalisation. For most of the Cold War period, labour, predominantly national in its organisation and outlook, used the nation-state to advance its interests. The function of ideas such as these was to undermine labour's strategy and thus consolidate the power of (increasingly transnational) capital over labour.

Following their 'capture' by neo-liberal forces, *institutions* such as the state in Britain, the US and other Western countries, plus international organisations such as the IMF and the World Bank, helped to construct the New World Order. These institutions were instrumental in helping to restructure the world economy and to embed the new balance of power.

At the *global* level, the construction of the New World Order accelerated the internationalisation of finance and production, augmenting the already considerable power of MNCs and precipitated the restructuring of production from Fordism to post-Fordism, that is from mass production, utilising economies of scale, to 'just-in-time' flexible production. This process led to the internationalisation of the social structure, particularly the emergence of a transnational managerial class, and the internationalisation of the state, whereby it became a transmission mechanism for adjusting the national economy to the exigencies of the global economy. The internationalisation of the state, in turn, precipitated the transformation of the state system established by the treaties of Westphalia from 1648. Consequently, two new levels of political authority developed within the structure of world order, above and below existing states at the macro- and micro-regional levels.

At the *European* level, the New World Order precipitated a neo-liberal turn in the trajectory of the European integration process, manifest in the Single Market, euro, enlargement, European Constitution and Lisbon agenda projects. Driven by social forces

such as the ERT, these developments were supported by the US. In the post-Cold War period, the US 'has been pressing the EU to integrate the Eastern European countries and Turkey in the expectation that they will serve as, in effect, US agents blocking the threat that a prosperous and powerful Europe will follow an independent path. Sometimes the expectations are expressed with astonishing vulgarity, as in an article in the *Washington Post* cheering the prospect that the accession of these countries will erode Europe's welfare states, undermine labour, and generally drive Europe towards the US model.'[41]

At the *national* level, the New World Order witnessed the demise of the post-war Keynesian settlement, as a new form of capitalism, termed 'hyper-liberalism' (Cox, 1996) emerged. Led by the British Conservatives and US Republicans, hyper-liberalism envisaged a return to nineteenth-century economic liberalism and the abandonment of Keynesian policies. It sought to restructure the state by 'rolling back' its progressive functions (social services), extending its repressive apparatus (the intelligence services and the military), expanding corporate welfare (public subsidy for private profit), whilst re-organising the labour force ('flexible' labour markets) and social relations of production.

In a Polanyian sense, the New World Order can be seen as a reversal of the second movement that resulted in the Cold War order. However, just as the Cold War order contained the seeds of its own transformation, so the New World Order has given rise to counter-hegemonic forces that are challenging the neo-liberal order.

The Cold World Order and the European Policies of the British Left

Having sketched, in general terms, the essential contours of the two post-war hegemonic blocs, it is possible to integrate the synchronic and diachronic dimensions of the Cold War order and the New World Order and apply this analytical framework at the global, regional, national and/or institutional levels. This section focuses on the interplay of social forces in the British context during the Cold War order, and how these social forces shaped the European policies of the British Left.

At the national level, the Cold War order witnessed the continuation of pre-war conflict and compromise in Britain at three levels. First, the struggle between capital and labour, both economically and politically. Second, the struggle between different fractions of capital, that is, financial versus productive capital. Third, the struggle of British-based capital to maintain and expand its position in the global economy, more specifically its market share, whilst safeguarding its overseas assets. Capital and the state, namely the Bank of England, the Foreign Office and the Treasury, were generally allied in these struggles.

[41] Correspondence from Noam Chomsky, 18th December 2002.

At the institutional level, the Cold War order precipitated division within the British Left between radical forces (whether Anarchist, Communist, Trotskyist or non-aligned) and anti-socialist forces. Since its formation, Labour has been divided over its ideological and programmatic commitment to socialism. Generally speaking, the left of the party advocated some form of socialism and defended the authority of the Annual Conference, whereas the right tended to favour some form of social democracy and greater independence for the PLP. However, Minkin (1980) characterised the left as 'outsiders', in contrast to the right, which, with the support of several union leaders (the anti-Communist 'Praetorian Guard') and the party machine, usually dominated the major forums of the party. The Labour leadership, together with a relatively small number of NEC members, party officials, union leaders and co-opted specialists, tended to dominate the policy process, whilst the wider party membership was largely excluded. Minkin (1980) claimed that this process, and the Annual Conference as a whole, was a 'managed process' involving the 'manipulation of procedures' and the 'mobilisation of bias' in favour of the Labour leadership. Similar processes operated within the TUC (and the 'big five' trade unions).

Benn (1981) identified five ways in which the Labour leadership exercised authority over policy-making. First, vetoing policy with which it did not agree. Benn cited the example of Wilson's 1973 veto over the NEC's commitment to nationalise 25 of the biggest 100 companies, and his veto of the 1977 Conference decision to abolish the House of Lords. Second, covertly sabotaging policy. Benn (1981: 184) revealed that Wilson 'drafted letters addressed to himself for the City to send back to him to give him a chance to repudiate NEC policy.' Third, appointing special advisors to devise policy alternatives. Benn recalled how one such advisor stated that as a result of their efforts, 'the main areas of economic policy, monetary and fiscal, were conducted without the ministers involved.' Fourth, using the system of patronage to promote allies and to sideline opponents. The Labour leadership used the power of appointment to control both the Cabinet/Shadow Cabinet and the PLP. Fifth, dominating the process of drafting the manifesto. Benn claimed that Callaghan effectively controlled the drafting of the 1979 manifesto, to the exclusion of the Cabinet and the NEC.

The First 'Tectonic' Policy Shift (1940s)

'Europe' was a concept rather than an economic or political reality in the immediate post-war period. Nevertheless, the idea of some form of united Europe, as an economic and/or political entity, was attractive to sections of both capital and labour during this period.

There were two main fractions of capital in the 1940s: national capital, producing for the domestic market, and British-based transnational capital with financial investments across the former British Empire. National capital was ambivalent about European integration, whilst transnational capital supported the Europe-based imperial third force strategy promoted by Bevin and the Foreign Office, viewing it as an effective means of consolidating and protecting its commercial interests. However, transnational capital was opposed to the socialist third force strategy advocated by sections of the British Left, seeing it as a threat to the capitalist system.

There were two main fractions of labour in the 1940s: national labour, organised on a national basis and working for firms that produced for the domestic market, and transnational labour, organised on a national basis but working for firms that were dependent on international trade, principally with the Commonwealth. In terms of domestic policy, both fractions supported the Labour government's economic and political programme. However, in terms of foreign policy, there was some divergence. Attracted by the idea, despite the fact that it had no material basis in reality, most sections of labour, whether national or transnational, backed the formation of a socialist United States of Europe. Committed to internationalism and enthused by the promised economic and political benefits of federalism, institutions such as the CPGB, the Co-operative Party, the ILP, the Europe Group and the Keep Left Group within the PLP, plus the TUC, pledged support for a socialist third force in 1947. The Labour leadership, however, allying itself with the Foreign Office and the interests of transnational capital, favoured the imperial third force strategy and the joint exploitation of Europe's former colonies, under British leadership. Nevertheless, this confluence of support for 'Europe', whether an imperialist or socialist formation, heralded the first 'tectonic' policy shift on the British left in favour of European integration.

The first 'tectonic' policy shift proved to be short-lived however. Rather than becoming an enduring policy objective, support for European integration dissipated in the late 1940s for three reasons. First, the CPGB followed the Soviet Union and reversed its policy of support for European integration. Second, in 1948 the Labour leadership abandoned its imperial third force strategy in favour of the Commonwealth option, conceding that Britain did not possess the economic and political resources to sustain an independent foreign policy. It understood that the British economy, protected by the system of Imperial Preference, was dependent on Commonwealth trade. It also acknowledged that, to sustain its domestic programme, Labour needed access to the sterling balances provided by its former colonies. Critically, the Labour leadership, in parallel with transnational capital, realised that the European entity favoured by socialists on the continent would force

Britain to dismantle these tariffs and would lead to the dissolution of the Sterling Area; a European federation was therefore perceived as a threat. Third, the US supported moves towards a federal Europe, but only if it was securely anchored within the capitalist, Western system. In short the US opposed the development of an independent, neutral United States of Europe, acting as a socialist third force, which was the favoured option of sections of the British Left.

Although the US favoured European integration, and British leadership of the process, it tolerated Britain's attempt to pursue the Commonwealth option as the price to be paid for a compliant 'junior partner'. Furthermore, Britain's attempt to maintain its 'great power' status, manifest in its defence of sterling as an international reserve currency, its high military spending and its deployment of troops 'east of Suez', was of benefit to the US in the sense that Britain could share the burden of global rule. The US therefore permitted a degree of independence, enabling Britain to stand aside from the early attempts at European integration. Labour participated in the ERP, supported the formation of the Council of Europe and the ECSC, and backed the EDC proposal. However, in all these cases, it favoured intergovernmentalism over supranationalism. Where European institutions such as the ECSC were established on a supranational basis, it stood aside and did not participate.

The Second 'Tectonic' Policy Shift (1960s and 1970s)

While national capital continued to produce for the domestic market, the formation of the EU in 1957 precipitated a number of structural changes in the British economy and in Britain's international trade relations. British-based transnational capital divided between those sections that produced for the EU market, and those that continued to invest and trade globally. Boyd (1975) reported that British exports to the EU increased from 14 per cent in 1958 to 21 per cent in 1963, whilst British imports from the EU increased from 8 to 10 per cent over this period. In 1956 the Federation of British Industry (FBI), overwhelmingly representing transnational capital, was opposed to British entry. By 1961, however, the FBI declared itself in favour of entry.

These economic and institutional changes coincided with two important political events. First, the 1956 Suez crisis, which confirmed in the minds of the Foreign Office that Britain could not sustain an independent foreign policy, prompted a re-evaluation of Britain's policy towards European integration. Second, the November 1960 election of US President John F Kennedy, who favoured British entry to the EU, encouraged the Foreign Office to shift its policy in favour of entry. These events, and the pro-EU policy of the FBI, prompted the Conservatives to submit Britain's first application to join the EU in 1961.

There were three main fractions of labour in the 1960s and 1970s. National labour, organised on a national basis and working for firms that produced for the domestic market, looked to the British State, or to the formation of new states in Scotland and Wales, to advance its interests. Represented by the Communists, the Ecology Party, the anti-EU Labour Left, the Militant Tendency, Plaid Cymru, the SNP, the SWP and trade unions based within the domestic manufacturing and public sectors of the economy, these social forces supported a national socialist strategy and therefore opposed British participation in European integration. Transnational labour was divided between those sections that worked for firms that produced for the EU market, and those sections that worked for firms that produced for the Commonwealth and/or global markets. The former was represented by the Co-operative Party and trade unions based within the export sectors of the economy, whilst the latter was represented by the Labour Right. National labour was opposed to entry, believing that the EU represented a barrier to the left's national socialist strategy, whilst transnational labour offered conditional support to the 1961 and 1967 applications to join the EU, on the basis that entry would provide access to a larger market. However, those workers employed by firms that traded with the Commonwealth were cautious about entry, seeking to safeguard the benefits of the Imperial Preference system, hence their conditional support. The Labour leadership, meanwhile, attempted to straddle the divisions between the interests and policy objectives of national and transnational labour so as to maintain party unity.

The second 'tectonic' policy shift, whereby sections of the British Left shifted from a position of support for European integration to one of scepticism towards, and then opposition to, entry, occurred for four reasons. First, the 'Keynesian consensus' encouraged sections of the British Left to abandon the notion of a European socialist strategy in favour of 'socialism in one country'. Tomlinson (1981) challenged the idea that there was a Keynesian revolution in post-war economic policy. Likewise, Kerr (2001, p.15) challenged the conventional narrative that the evolution of post-war politics involved a 'movement from consensus to conflict'. The narrative was based on the idea that there was a consensus, which lasted from the 1950s to the 1970s, built upon a social democratic-welfare state settlement, which gave way to a period of conflict under Thatcher. Kerr argued that, on the contrary, there was a gradual shift from conflict 'between social democratic, progressive liberal and classical liberal views on the role of the state', to relative consensus based on Thatcherism. However, he conceded that 'policy-making in this period was underpinned by a coherent discursive commitment to social democracy.' Nevertheless, the 'Keynesian consensus', albeit in rhetorical more than practical terms in Britain, was an integral part of the Cold War order and had an significant impact on the thinking of the British Left.

Second, Labour's attempt to forge a 'producers' alliance' with national capital, specifically British-based manufacturing industry (see Newton and Porter, 1988), manifest in the 1965 National Plan, encouraged sections of the British Left to pursue a national strategy. Third, the formation of the EU, on the basis of the free market Treaty of Rome, served to reinforce the belief within sections of the British Left that the EU was a barrier to socialism. Fourth, the anti-EU left opposed transforming Britain's relationship with the Commonwealth in favour of Europe, on political as well as economic grounds. These social forces believed that the Commonwealth could provide Britain with the economic and political means to sever the 'special relationship' with the US, thus enabling Britain to regain its independence.

This new mode of thinking, in effect a kind of 'nationalisation', became the dominant one on the British Left. Encouraged by the actions of the 1974-1979 Labour governments, which pursued policies similar to those of the 1964-1970 Labour governments, it endured for over three decades. During the 1975 Referendum, for example, which brought the debate about Europe and the choice that the left faced into sharp relief, most of the institutions on the British Left campaigned for a No vote. Even Trotskyist forces, such as the SWP which rhetorically supported a United States of Europe, abandoned their abstention policy and campaigned against continued EU membership.

However, the new mode of thinking was not total, for two reasons. First, the pro-EU left, committed to a socialist United States of Europe, retained considerable influence, reflected in the significant votes for pro-EU motions and resolutions at the Co-operative Party Conference, the Labour Conference and TUC Congress in the 1960s and 1970s. Second, the pro-EU right staged a rearguard action against the leftwards, anti-EU drift within the Labour Party and the trade union movement. The US favoured Britain's entry to, and leadership of, the EU so as to prevent the development of an independent third bloc, hence the 'Trojan horse' analogy; it therefore funded the pro-EU social democratic network in order to promote entry. Throughout the 1960s and 1970s, the pro-EU right, principally Brown, Callaghan, Jenkins and Wilson, acted at the behest of the US to promote entry or to at least to keep the option open. A variety of means were employed: procedural devices at the Labour Conference (such as 'qualified acceptance', referring resolutions back to the NEC and the 'three-year rule'), the leadership veto, and the threat of resignation. The pro-EU right participated in the two national pro-EU propaganda campaigns during this period, funded in part by the US. It successfully persuaded the Labour Cabinet to reject the AES and to support Direct Elections and entry to the EMS in the late 1970s. These efforts were reinforced by British and US intelligence, which organised several parapolitical operations in an attempt to counter the increasingly radical direction of the anti-EU left.

The Third 'Tectonic' Policy Shift (1980s)

As a result of the internationalisation of finance and production, plus the rapid growth of MNCs, national capital in Britain and elsewhere was increasingly eclipsed by transnational capital as the 1960s, 1970s and 1980s progressed. This process was accelerated in Europe by the Single Market project during the 1980s. British-based transnational capital remained divided between those sections that produced for the EU market and those that invested and traded globally. However, the impact of the former on the British economy and on Britain's international trade relations increased considerably. British exports to the EU increased from 27 per cent in 1967 to 32 per cent in 1973, to 43 per cent by 1979 and to 50 per cent by 1989. Likewise, British imports from the EU increased from 27 per cent in 1967 to 33 per cent in 1973, to 45 per cent by 1979 and to 53 per cent by 1989 (Dallison, 2002).

There were three main fractions of labour in the 1980s. National labour, organised on a national basis and working for firms that produced for the domestic market, continued to look to the British State to advance its interests. Represented by the Communists, the anti-EU Labour Left, the Socialist Party, the SLP, the SWP and trade unions based within the domestic manufacturing and public sectors of the economy, these social forces supported a national socialist strategy and remained sceptical of further European integration. However, sections of national labour that previously supported a national socialist strategy, such as the Green Party and the Nationalists, abandoned this position to support a European socialist strategy. The former looked to the EU to advance its localisation agenda, whilst the latter believed it would deliver Scottish and Welsh independence. Transnational labour, both those sections that worked for firms that produced for the EU market and those sections that worked for firms that produced for the global market – represented by the Co-operative Party, the Labour Party, the SDP and trade unions based within the export sectors of the economy – supported further European integration.

The third 'tectonic' policy shift, whereby sections of the British Left returned to a position of support for European integration, occurred for five reasons. First, the end of the Cold War, the collapse of 'actually existing socialism' and a series of defeats in the 1970s and 1980s, eroded the confidence and influence of the anti-EU left, which for over three decades had dominated policy-making within the institutions of the British Left. (Such defeats included the Yes vote in the 1975 Referendum, the 1976 IMF crisis, Labour's 1979 and 1983 General Election defeats, and the 1984 Miners' Strike.) Concomitantly, the pro-EU right restored its control of the Labour Party and the TUC after the left-wing interregnum of the early 1980s. Following its restoration, the pro-EU right consolidated its position by launching the 'modernisation', later the New Labour, project.

Second, the abandonment of national Keynesianism as the Labour Party, and, to a lesser extent the TUC and the wider trade union movement, accepted the supply-side economic strategy underpinning the Thatcherite settlement. As a result of the internationalisation of finance, production and the state, the nation-state is perceived as 'powerless', hence the support granted by some sections of the British Left to the transfer of sovereignty to the EU level in the hope of controlling MNCs and speculative capital flows. However, the 'powerless state' thesis ignores two important facts. The British State adopted domestic policies (such as the abolition of capital controls in 1979 and the privatisation programme of the 1980s and 1990s) and foreign policies (including support for IMF structural adjustment programmes) that encouraged the growth of MNCs and increased the power of financial capital. Furthermore, by joining the EU, and then signing the SEA and the treaties of Maastricht, Amsterdam and Nice, the British State reinforced its own internationalisation, more specifically its Europeanisation.

Third, the deployment of periodic propaganda campaigns by the pro-EU right, in order to change the views of Labour and union members on the EU, helped to precipitate the 1988 policy reversals in the Labour Party and TUC. Importantly, the aforementioned defeats, subsequent defeatism and abandonment of Keynesianism by the anti-EU left prepared the way for these changes.

Fourth, sections of the British Left no longer viewed the EU as a barrier to socialism or as a threat to the economic and political programmes of the Labour Party, TUC and wider trade union movement. Indeed, the EU, or more specifically the 'European social model', was seen as an opportunity to advance progressive policies in Britain and to transform the Thatcherite settlement.

Fifth, the pro-EU right, having changed their European policies of the Labour Party and the TUC, now seek to export the supply-side revolution to the EU itself, hence New Labour's EU reform agenda. The latter should be seen as part of the US-sponsored drive to dismantle the 'European social model', whilst containing the threat of an independent EU. However, as with the second 'tectonic' policy shift, the third 'tectonic' policy shift was far from complete (discussed below).

The New World Order and the European Policies of the British Left

At the national level, the construction of the New World Order, underpinned by globalisation and neo-liberalism, has not quelled the struggle between capital and labour and between fractions of capital. Likewise, at the institutional level, the present period is witnessing the continuation of division within the British Left between radical and non-radical forces; between those sections that have capitulated to globalisation and the notion that 'there is no alternative', and those sections that believe that 'another world is possible'.

In terms of European policy, encouraged by the anti-globalisation movement and the increasingly neo-liberal trajectory of the EU, sections of the British Left – specifically the Communist parties, the Green Party and several Socialist parties – have pledged to oppose the European Constitution and euro entry. They have been joined by forces of dissent within the Labour Party, the TUC and the wider union movement, manifest in the formation of new pressure groups and the Centre for a Social Europe. These social forces, which oppose the neo-liberal New World Order, may yet induce a fourth 'tectonic' policy shift on the British Left, to oppose further European integration in favour of an alternative economic and political formation in Europe.

CONCLUSION

By situating many of the factors discussed in section 10.3, this section has demonstrated that the Cold War order and the New World Order, more specifically the social forces that engendered these hegemonic blocs, shaped the European policies of the British Left. The Coxian approach provided a coherent conceptual framework for analysing the European policies of the British Left that was previously lacking. The fourth hypothesis is therefore true; the British Left, as a constituent element of post-war historical structures, formulated and changed its European policies in response to these dynamic forces.