

THE END OF THE ANTI-EUROPEANS?
BRITISH INDUSTRIAL RELATIONS INTO THE 1990S

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INTRODUCTION

One of the most amazing changes that has taken place in British industrial relations is the transformation of the British labor movement¹ from being strong anti-Europeans in the late 1970s and early 1980s to fervent pro-Europeans in the late 1980s and early 1990s. With the Labour party and the TUC singing the praises of German style cooperative "social capitalism" and both supporting the Maastricht treaty on European integration, are we seeing the Europeanization of the British labor movement and, therefore, of the British industrial relations model?

In this article, I intend to argue that the British labor movement and the British model have not been Europeanized to any significant degree.² Despite its transformation from an anti- to a pro-EC position, the British labor movement remains predominantly nationally oriented and directed by national developments, deeply divided over the benefits and costs of European integration, and regards the EC primarily as an arena for furthering national and/or internal labor movement goals. In fact, the current pro-EC position of the movement is more of a reflection of the return of the traditional British industrial relations system than of the creation of a more European system.

In order to support this argument, I will examine the

¹The two main organizations of the British labor movement are the British Labour party and the Trades Union Congress (TUC).

²This work draws upon my earlier article exploring the relationship between the Labour party and the EC: Robert Geyer, "Democratic Socialism and the EC: The British Case", Journal of European Integration, (forthcoming).

historical relationships between the two main institutions of the British labor movement (the TUC and the Labour party) to the EC. Through this historical presentation, I will argue that the primary determinant of the TUC's response to the EC was the development of the struggle to transform British industrial relations in the 1970s, 1980s, and 1990s. For the Labour Party, the primary determinant was its electoral collapse and recovery during the same period. In both cases internal dynamics were primary. Direct intervention by the EC played virtually no role during these developments. However, the EC, as an ideological vision, strategy, and institution of European development, did play a substantial role in the internal labor movement debates over the viable strategies and goals of the movement.

THE EC AND THE TUC

The Struggle Over British Industrial Relations

In order to understand the importance of the current struggle over the transformation of British industrial relations, it is necessary to review some of the major elements of that system and how that system has evolved in the post-WWII period.

The British industrial relations system, until the late 1960s and early 1970s, was based on four main traits: a common law tradition, free collective bargaining, voluntarism/economism, and a socially acceptable balance of power between capital and labor.³

³Basic works on the British industrial relations system include: Henry Phelps Brown, The Origins of Trade Union Power, Oxford, Oxford University Press, 1986; Ken Coates and T. Topham,

For industrial relations, a common law system such as Britain's, is based not on abstract principles, but on precedent and tradition. It stresses the importance of free exchange and individual contracts. With this individualistic orientation, it is antagonistic to groups and collective action in society.⁴ Nevertheless, throughout the 19th and 20th centuries, a collection of statutory "immunities"⁵ were created around unions and the collective bargaining process. This created a "protected space"⁶ within common law doctrine which allowed both unions and collective bargaining to exist. Thus, instead of guaranteeing the "positive" rights of unions to exist, the unions were pushed into a contradictory legal position where they were extremely fearful of the common law courts and judges⁷ and wary of statutory

Trade Unions in Britain, London, Fontana Press, 1988; John Sheldrake, Industrial Relations and Politics in Britain: 1880-1989, London, Pinter Publishers, 1991.

⁴As Ken Coates and Tony Topham point out in their work, Trade Unions in Britain (London, Fontana Press, 1988); "Common law, which is based on the decisions of judges, is concerned almost exclusively with the rights of individuals, and therefore relates uneasily, and commonly throughout history in a hostile manner, to the collective behavior of workers and their trade union organizations" (pg.299).

⁵Pelling, H., A History of British Trade Unionism, London, Macmillian, 1976. Wedderburn, D., The Social Charter, European Company and Employment Rights: An Outline Agenda, London, The Institute of Employment Rights, 1990.

⁶Wedderburn, The Worker and the Law, Penguin Books, London, 1986.

⁷Several authors note that unions were and remain fearful of the judicial biases of judges whose education is based in the common law tradition and whose class origins are rarely from the working class. Coates and Topham note that four out of five judges have a public school/ Oxbridge education.

modifications of their immunities.

Intertwined with this, is the development of free collective bargaining. Unions, fearing the reach of the courts and common law and attempting not to become too dependent on the benevolent statutes of the Labour Party, generally opposed the imposition of legal aspects into industrial relations and collective bargaining. Employers also supported this voluntarist approach due to their general desire for autonomy, their opposition to state intrusions, and their overall power in relation to the unions. Thus, since common law could not provide a legal foundation for collective bargaining, it was left up to the power relations between unions and capitalists to regulate it.⁸ Further, as McIlroy⁹ notes:

Until the 1970s the enduring legal landmarks in British industrial relations were few. There was no law giving trade union rights to recognition and no law requiring employers to bargain with them. Collective agreements were not directly, legally enforceable.... Taken together with the immunity statutes, they made the British system of industrial relations one of the most minimally legally regulated in the world (pg.73).

These two main aspects (the common law tradition and free collective bargaining) created and were reinforced by the voluntaristic and economistic nature of British industrial relations and the balance of power between labor and capital. As mentioned earlier, the primary activities of the state were to create a "protected space" of industrial relations within common

⁸Kahn-Freund, O. 1954: "Legal Framework", in A. Flanders and H. Clegg, (eds.), The System of Industrial Relations in Great Britain, Oxford, Basil Blackwell, pgs.42-127.

⁹McIlroy, John, Trade Unions in Britain Today, Manchester University Press, Manchester, 1988.

law. As opposed to economic policy in which the British state took a very active role after WWII, in industrial relations the British state maintained a "laissez-faire" approach. Further, this exclusion of the state was supported by both labor and capital. Unions, constantly fearing the weakening of their protected space, were content to have the state remain outside of industrial relations. Of course, they maintained close links to the Labour party. However, there was a distinct separation between the political affairs of the party and the economic affairs of the unions. British capital, enjoying the benefits of hegemonic status and extensive global imperial possessions throughout the late 19th and early 20th centuries and dominated by an ideology of free markets, was content to exclude the state as well. Finally, in the postwar period of "consensus", both actors thought that state intrusions would only disturb the social balance which had been achieved.

However, as the post WWII period progressed the British economy continued to be plagued by problems of inflation, industrial strife, low productivity, and an inability to control the economy through fiscal policies alone. By the late 1960s both the Conservative and Labour parties were planning to solve these economic difficulties through a transformation of the industrial relations system. The first attempt was the Labour government's 1968 Donovan Commission Report (which led to the 1969 White Paper,

"In Place of Strife").¹⁰ Based on a belief in the state's ability to direct the economy through corporatist arrangements, this report argued that the voluntaristic and decentralized nature of British industrial relations was creating inflation, industrial strife, low productivity, and weakening the state's ability to control the economy. Following this report, the Labour government attempted to implement a series of reforms that would increase the rights of individual workers but constrain the unions within a more corporatistic framework. Workers would be protected against unfair dismissal and have the right to join a union. However, the state could demand "cooling-off" periods during strike action, enforce legally binding collective bargaining agreements, require ballots for strikes, and fine unions for breaking state orders or controls (especially regarding incomes policy).

This report was a radical turn away from the voluntarism and economism that had typified British industrial relations. The theory was that the unions would abandon voluntarism and allow the state to play a greater role in industrial relations in order to obtain greater rights for individual unions and a more socially progressive and corporatistic economy. This attempt at reform did not succeed. The unions (and much of the Labour party) could not accept such a radical change. The report was rejected with only vague assurances by the TUC to deal with some of the problems voluntarily. However, it did have one important indirect impact. As

¹⁰Peter Jenkins, The Battle of Downing Street, London, Charles Knight, 1970.

the state began to push itself into industrial relations, the TUC, and its relationship to the Labour party, became more politicized in order to counter or direct this intrusion. As the state increasingly intruded upon its industrial domain, it became increasingly important that the appropriate politicians (union oriented Labour party members) were in control of the state.

Following the change of government after the 1970 election, the Conservatives, under the leadership of Edward Heath, attempted to transform British industrial relations with the 1971 Industrial Relations Act. It was based upon the ideas of the Donovan Report. But, conservative thinking stressed that the unions had obtained too much power, especially through the development of legal immunities. In order to correct this perceived power imbalance between unions and employers, the Act included a number of elements, restrictions on the closed shop and secondary strike actions and the creation of the National Industrial Relations Court to consider disputes, geared to restraining their immunities and weakening their power. The Conservatives hoped that once this power was reduced, market influence would control wages and inflation would decrease. However, the resistance of the unions and the failure of the strategy to control inflation forced the Heath government to abandon the act and return to the previous system. Most importantly, this meant a return to some form of state directed incomes policy in order to control inflation. This was a nearly impossible task due to the antagonism that had developed between the Conservatives and the TUC.

With the return of the Labour government in 1974, the TUC-Labour party relationship had greatly improved. Based on this relationship, the government initiated the "social contract". This bargain was based on voluntary union wage restraint in order to break the inflationary wage-price spiral. In return, unions were given a direct presence in policy-making (a radical departure from previous Labour governments) and increased individual and collective trade union rights. By passing such laws as the Trade Union and Labour Relations Act of 1974, the Health and Safety at Work Act of 1974, the Employment Protection Act of 1975, and the Trade union and Labour Relations (amendment) Act of 1976, the Labour party was able to swap increased union statutory rights for wage restraint to promote Labour's incomes policy.¹¹ However, due to the decentralized and divided nature of the British union movement and the growing pressures on the economy, the social contract and incomes policy broke down in the late 1970s and completely collapsed in the 1978-1979 "Winter of Discontent". After three attempts at state directed change in the British industrial relations system, the only major change that had occurred was that the state was no longer excluded from the system. Voluntarism had been weakened.

With the return of the Conservatives in 1979, under the leadership of Margaret Thatcher, the transformation of British

¹¹As B. Hepple ("Individual Labour Law", in G. Bain (ed.) Industrial Relations in Britain, Blackwell, London, 1983) notes, by 1979 some level of statutory union rights had been established. However, relative to the rest of Western Europe, it was still significantly underdeveloped.

industrial relations took a radically new turn. Thatcher and her followers were convinced that a, if not the, central problem of Britain's economic difficulties was the power of the trade unions. To Thatcher, Heath had made a tremendous blunder by turning in 1972 from confrontation with the unions to appeasement. She was determined to avoid this failure. However, it is important to realize that there was no clear plan behind the Conservative strategy. What emerged was a mass of Conservative legislation that drastically weakened the statutory immunities that protected the trade unions from the common law.

According to a number of authors,¹² the most substantial impact the Thatcher government had on industrial relations was the drastic shrinking of the statutory "protected space" around unions. Through various legislative acts (the Employment Acts of 1980, 1982, 1988, and 1990 and the Trades Union Act of 1984) the Thatcher government has attacked this space in several ways. It has drastically weakened the ability of unions to form "closed" shops, to organize, to be recognized by employers, to regulate their internal activities, and to strike. Government anti-union action

¹²Brown, W., "The Effect of Recent Changes in the World Economy on British Industrial Relations", in H. Juris and M. Thompson (eds.), Industrial Relations in a Decade of Economic Change: Responding to Economic Change, Madison, WI., IRRA, 1985. Hepple, Bob, "Social Rights in the European Economic Community: A British Perspective", Comparative Labor Law Journal, Vol.11, Summer 1990. Sciarra, Silvana, "Regulating European Unions: An Issue for 1992", Comparative Labor Law Journal, Vol.11, Winter 1990. Wedderburn, D., "The New Industrial Relations Laws in Great Britain", Labour and Society, Vol.10, 1985.

has not been solely in the legal sphere.¹³ But, it is through the legal sphere that Thatcher has been able to critically weaken the unions.¹⁴ As S. Sciarra points out: "Legislation of the past decade (under Thatcher) has fundamentally shifted the boundaries of labour law, disclosing an approach geared toward restraining union power".¹⁵

The response of the TUC to the Thatcher government onslaught was defiance, at first. Early legislation was resisted in a manner similar to the resistance to the 1971 legislation. However, in the anti-union atmosphere of the early 1980s (a deep recession, high unemployment, and high inflation), instead of bringing about the fall of the Conservatives, the TUC only succeeded in weakening their own power. After the 1983 electoral disaster for the Labour Party, the TUC began to take a much more conciliatory approach to the new legislation. This approach was labelled "new realism". The TUC attempted to bargain with the Conservative government in order to avoid further anti-union legislation. Unfortunately for the TUC,

¹³Colin Crouch, in his chapter "Conservative Industrial Relations Policy: Towards Labour Exclusion?" (in Otto Jacobi et al., eds. Economic Crisis, Trade Unions and The State, London, Croom Helm, 1986) argues that there were five areas of anti-union Conservative policy. Actions designed to weaken the power of the unions, to increase the power of union members and/or workers against union organizations, to reduce the institutionalization of industrial relations conflict, to reduce the political legitimacy of unions, and to reject co-determination.

¹⁴Coates and Topham (Trade Unions in Britain) note that most of the Court action during the 1984 Miners Strike was based on common, not statute, law.

¹⁵S. Sciarra, "Regulating European Unions: An Issue for 1992", Comparative Labor Law Journal, Vol.11, Winter 1990, pg.156.

the Thatcherite Conservatives had no interest in cooperation. The elimination of the TUC as a significant political and economic player was their underlying goal. Hence, anti-union legislation continued. By the mid 1980s, the TUC had little choice but to accept the legislation and await the return of the Labour Party to reverse it.

The TUC-EC Relationship

Given this background, what has been the TUC's response to the EC's 1992 project and how does it relate to the British anti-union industrial relations setting of the 1980s and early 1990s? Historically, the TUC has been divided into three groups in its position towards the EC: pro-EC, anti-EC, and pragmatists.¹⁶ Pro-EC groups were generally associated with the Right of the TUC and anti-EC groups with the Left. Pragmatists tended to occupy the Center and often saw the EC as a secondary issue. From the 1960s until 1972, the pragmatists held control and adapted a "wait and see" approach which concentrated on the terms of British membership to the EC. However, when terms were established by the Conservative Heath government in 1972, the pragmatists, unsatisfied by those terms, joined the anti-EC faction and swung the TUC against British membership. This position was once again reversed due to the

¹⁶This follows the work of Chris Brewster and Paul Teague, European Community Social Policy: Its Impact on the UK, London, Institute of Personnel Management, 1989; David Butler and Uwe Kitzinger, The 1975 Referendum, London, Macmillan, 1976; Anthony King, Britain Says Yes: The 1975 Referendum on the Common Market, Washington DC, American Enterprise Institute, 1977; and Paul Teague, "The British TUC and the European Community", Millennium, Vol.18, 1, 1989.

results of the 1975 referendum, in which the British electorate voted overwhelmingly (65% to 35%) to stay in the EC. Later, as the Left was strengthened in both the TUC and the Labour Party in the late 1970s, anti-EC sentiments returned and the 1979 TUC congress voted to ask the Labour Party to pull out of the EC when it returned to power. This remained "official" policy until 1988.

Why did the TUC have such an antagonistic or at least apathetic attitude towards the EC up until the late 1980s? As I have mentioned, the system of free collective bargaining and a basic antagonism to the state oriented the TUC away from seeking benefits from the state, especially a supra-national EC state. Furthermore, as Teague points out, British unions display a "naive Keynesian policy vision".¹⁷ This vision was based on the belief that all of the major British economic problems could be solved within the confines of the British nation-state. Given this vision, the TUC had little economic reason for taking advantage of or even paying attention to the EC. As Paul Teague notes:

The overriding impression is that no serious thought (by the TUC) has been given to the type of policies that could be implemented at the European level which would advance the

¹⁷For Teague in "Trade unions and Extra-national Industrial Policies", Economic and Industrial Democracy, Vol.10, 1985; British unions "will not engage in fully worked-out action at the extra-national level, unless a radical change takes place in the naive Keynesian policy vision which appears to dominate their considerations on economic policy" (pg.235). Further, for Teague, "the naive Keynesian economic policy vision is very much the product of the golden age of economic growth when the national context was by and large the main arena for the formation and implementation of economic policies" (pg.235).

members that are less committed to the Labour party, and tend to be more positive towards relations with the EC.¹⁹ With the rise of the EC offering them the possibility of legal and economic gains, and the antagonistic Conservative government and a disenfranchised Labour party offering them none, it is no surprise that they would push the TUC towards a more pro-EC direction.

The EC And Its Possibilities

The growing realization of the importance of the EC and its possibilities was seen first and most clearly in the TUC document, "Europe 1992: Maximising the benefits: Minimising the costs"²⁰. In it, the TUC strongly emphasized the importance of the EC and the 1992 project to the future of Britain and the trade union movement in general. Further, they stressed the importance of balancing EC economic development with EC social development. The document also stressed the need for united European trade union action and for extensive lobbying of British and European MPs to support the EC's social dimension and social charter.

After this document was published, the TUC invited Jacques Delors to speak at their September 1988 congress. His speech, extolling a social Europe and Britain's place in it, received a standing ovation from the TUC audience.²¹ This speech gained even

¹⁹See Andrew Taylor, The Trade Unions and The Labour Party, London, Croom Helm, 1987, Chapter 5.

²⁰Trades Union Congress, August 1988. "Europe 1992: Maximising the Benefits, Minimising the Costs".

²¹Jacques Delors, Europe 1992: The Social Dimension, 8 September 1992, Brussels, Commission of the European Communities.

interests of the trade unions.¹⁸

Furthermore, when the TUC was forced to take a stand on the EC, such as during the membership referendum, the pro-, anti-, and pragmatic EC factions that developed within it based their positions largely on political arguments (concerns for sovereignty, continental bias of the EC, the dominance of conservative forces on the continent, etc.) instead of economic ones. This dominance of political concerns towards an issue went strongly against the economistic traditions of the British trade union movement.

However, since 1987-1988 a new vision seemed to be emerging from the TUC. This vision appeared to be based on four interrelated factors: (1) a shift in the balance of power within the TUC from Left-wing to Right-wing unions, (2) a growing realization of the importance and positive aspects of the EC's 1992 project, (3) an acceptance of weaker union rights balanced by the growing importance of individual rights for workers, and (4) a declining belief in naive Keynesianism.

The Shifting Balance of Power Within The TUC

The 1980s saw a continual shift of power within the TUC from Left-wing to Right-wing unions. As Britain continued to de-industrialize, membership in traditional manufacturing unions declined drastically. Meanwhile, white collar and public sector union membership increased. These unions have tended to support attempts to create a less political trade union movement, have

¹⁸Teague, Paul, "The British TUC and the European Community", Millennium: Journal of International Studies, Vol.18, #1, 1989, pg.40.

rights established earlier by the International Labor Organization. The TUC showed no interest in these earlier documents. When the EC's social charter was being developed (from 1988 onwards), the TUC was under the intensive legal attack by the Thatcher government. Moreover, the Labour party had just lost its third straight general election in 1987. The TUC could do nothing to stop the Conservative's legislative onslaught. Therefore, when the EC proposed a basic charter of workers and union rights that would be above national legislation, the TUC was obviously attracted. It could form a legal floor under which no new Thatcherite legislation could go. In essence, it could solve the TUC's classic problem of how to protect itself and its members from the statutory attacks of a hostile Government and the juridical attacks of antagonistic judges.

The Importance Of Positive Rights

The acceptance of the EC's social charter fit into the TUC's national position in a second way: it provided a way for the TUC to accept the new Thatcherite legislation constraining the rights of unions and encouraging the positive rights of workers. As mentioned earlier, the British industrial relations system was based on the creation of a "protected space" within common law that provided the unions with "immunities" from that law. Thatcher had drastically shrunk that protected space regarding union rights, but she had increased (following an earlier trend) the positive rights of individual workers.

At first, the unions did not accept any aspect of the

more importance to the TUC when one month later Mrs. Thatcher presented her famous anti-EC speech at Bruges.²² Many union members, who previously opposed or ignored the EC, began to think that there must be something good in the EC if Thatcher is so afraid of it.

From late 1988 onwards, TUC documents clearly show that the TUC has continued to support this positive position towards the EC and the possibilities that the 1992 project offers.²³ At the August 1992 TUC congress, the TUC leadership voted 22 to 6 in favor of supporting the Maastricht treaty and opposed holding a national referendum on the issue.²⁴

It is important to note that the development of the EC's social charter was extremely important to this growing support for the EC. However, this was not because the TUC had suddenly become concerned about the rights of all European workers. The EC's social charter²⁵ was basically a copy of an earlier charter of workers rights presented by the Council of Europe, which was based on

²²Margaret Thatcher, Britain and Europe, 20 September, 1988, London, Conservative Political Center.

²³Trades Union Congress, "Europe 1992: Progress Report on Trade Union Objectives" August 1989; "Working Document: The European Legislative Programme and the Trade Union Response" July 1990; "Economic Integration in Europe: What 1992 and EMU mean for unions" June 1991; "Building links in Europe" July 1991.

²⁴"The TUC Congress speaks out in favour of ratification of the Maastricht treaty", Agence: Europe, 7 August 1992.

²⁵The Social Charter was a key element of the EC's 1988 proposed "social dimension". It is composed of a list of twelve areas of fundamental social rights. Due primarily to British opposition, it remains in the non-binding form of a "solemn declaration"

work. Second, it's headline news which means everybody knows about it - even our employers. And third because it has come from the Community it can't be ignored. As a result it has started a whole new debate in Britain about what our rights at work should be.

Within the TUC, the importance of basic legal rights demanded by the EC and monitored by the trade unions had increasing appeal. As a July 1990 TUC working document²⁸ stressed:

The new laws from Brussels present unions with a new opportunity. With rights guaranteed through (EC) law, unions will be able to offer potential members help in ensuring that those rights are applied at the workplace.

At the September 1990 TUC congress, after substantial debate, the TUC moved strongly towards a more legally managed work environment by tacitly accepting several aspects of Thatcher's labor legislation.²⁹ What this acceptance by the TUC of some aspects of Thatcherite labor laws demonstrated was the massive legal transformation going on within British industrial relations. Since the Labour party was incapable of protecting the earlier legal position of the TUC, the TUC was forced by the weakness of its own position to accept the Conservative legislation. The EC's Social Charter provided them with an excuse to accept the legislation and held out the hope that a legal floor could be put beneath new Conservative anti-union legislation. With the failure of the Labour party to win the 1992 election and the British opt-out of the Maastricht treaty's social dimension, this strategy has

²⁸Trades Union Congress, "Working Document: The European Legislative Programme and the Trade Union Response" July 2, 1990, pg.4.

²⁹Financial Times, September 3, 1990. "Trade unions urged to try Labour recipe for reform".

Thatcherite legal attack. Then, as we have seen, by the mid-1980s, the TUC began to take a more conciliatory approach to the Conservative industrial relations legislation. This approach was tempered by the anticipation, demonstrated by a 1986 joint TUC-Labour Party document,²⁶ that when Labour did return to power they would repeal much, if not all, of the Thatcherite legislation. However, with the return of the Conservatives to power in the 1987 election and the rise of the EC and its social dimension under the 1992 project, the TUC began to look for a different strategy.

This new strategy centered around the recognition of the need to establish positive rights for individual workers and unions. This creation of positive rights would need to be implemented by the Labour party in order to ensure the appropriate level of positive rights for the unions. The weakness of this approach was that when the Conservatives returned to power they could merely reverse the Labour legislation. The question became, how to lock positive rights into the British parliamentary government structure. The answer was deceptively simple. One could use the newly emerging EC social rights as a foundation below which a future Thatcher-like government would be incapable of going. This position is pointed out by the USDAW's 1990 publication:²⁷

The Social Charter is useful for three reasons. First, compared to the anti-trade union legislation of the 1980s it provides an agenda for improving and extending our rights at

²⁶TUC-Labour Party Liaison Committee, July 1986. "People at Work: New Rights, New Responsibilities".

²⁷Union of Shop, Distributive and Allied Workers, 1990. "Europe 1992: The USDAW Workbook", pg.18.

context, the TUC's European position would also change.

This shift away from naive Keynesianism and corporatist strategies provided the TUC with the opportunity to make a four main internal changes. First, by abandoning national corporatistic strategies, the TUC could avoid the responsibility and burden of an incomes policies. True, after the Thatcher years and the growing internationalization of the economy, it would be very difficult for the TUC to maintain an incomes policy. However, a central element of corporatist strategies is the control of wages through a centralized trade union movement. Abandoning this policy leaves the TUC with no ability nor reason to participate in national corporatistic bargains. The EC with its free market foundation and vague promises of European "social dialogue" and social cooperation, has encouraged the breakdown of the TUC's sense of responsibility to all of Britain's workers and belief in their ability to contribute to national solutions to those workers' conditions.³² Meanwhile, it encourages the pursuit of these goals at the European level. A level which is much more difficult to organize than the national level.³³

rules and pretty fast (Labour Research, November, 1988, pg.16).

³²"TUC faces radical overhaul", Financial Times, 5 August 1992 The TUC announced that it would reduce its previous 17 policy areas to just 6 priority areas (full employment, promotion of an employee's charter, national lobbying, Europe, educational, health and safety, and rights services, and union movement planning).

³³For an examination of these difficulties see, W. Streeck and P. Schmitter, "From National Corporatism to Transnational Pluralism: Organized Interests in the Single European Market", Politics and Society, Vol.19, #2, June 1991.

done little to protect the unions.³⁰

The End Of Naive Keynesianism

A fourth factor affecting the change of position of the TUC towards the EC was the declining belief in "naive Keynesianism". With the collapse of the French socialist experiment in the early 1980s, the abandoning of the British Left's nationally oriented "Alternative Economic Strategy", and the rise of free market ideology following the Reagan revolution in the USA, nationally based corporatist strategies seemed inherently flawed. Furthermore, British attempts at corporatism, especially incomes policies, had tended to end in disaster (the Winter of Discontent). The EC's 1992 project, with its potential for creating a Social Europe, clearly fit in with the prevailing ideological shift away from national strategies to international ones. As capital appeared to be gaining advantages through the EC's 1992 project, the logical compliment was for labor to organize itself at the EC level as well. It is important to emphasize that this shift was not due to a growing sense of "Europeanness" within the TUC. It was caused by the weakness and lack of opportunity to obtain goals within the national setting.³¹ If the situation were to change in the British

³⁰As the Financial Times noted ("Wages councils to be abolished", 6 Nov 1992), the social dimension has not stopped the Major Government from producing a new bill to abolish wages councils, and place further restraints on union activities.

³¹As Ron Todd, chairman of the TUC's international committee said in 1988 regarding the creation of industrial democracy:
In the short term we have not a cat in hell's chance of achieving (industrial democracy) that at Westminster... The only card game in town at the moment is in a town called Brussels and its a game of poker where we've got to learn the

aforementioned factors encourage the TUC to distance itself from the party. If national corporatistic strategies are no longer viable nor desirable, there is no reason to maintain such a strong link to the party. By returning to its traditional economism and extolling the German model, support for and links to the party are merely obstacles in the pursuit of particularistic membership goals. Finally, with the acceptance of the Conservative labor legislation by the TUC and possible development of a basic floor of EC social rights, the basic foundation of the union-party relationship comes into question. The party was founded by the unions in order to help protect the unions from the statutory weakening of its legal immunities by antagonistic government legislation.³⁷ If the TUC is willing to accept that legislation and the EC can provide a floor under which no new legislation could go, what reason is there to continue the special, and expensive, link between the TUC and the party.

Fourth and finally, with the collapse of TUC's national role and its special link to the party, what role is left for the TUC? This question is especially important when one takes into account the growth of new conglomerations of unions or "superunions" that developed in the 1980s. These unions are so large that they no longer require the national coordinating services of the TUC. However, they find the costs of maintaining links to the EC to be prohibitively high. Thus, they turn to the TUC to provide such

³⁷See John Lovell, "Trade Unions and The Development of The Independent Labour Party" in B. Pimlott and C. Cook (eds.), Trade Unions in British Politics, London, Longman, 1991.

Second, by abandoning their support for national Keynesian and corporatistic strategies, the TUC has returned to its more traditional economic position of the 1950s. The late 1960s, 1970s, and early 1980s may be seen as a brief political interlude in the basic economic contours of the British labor movement. From this traditional economic position, the primary goal is labor peace and cooperation. The model that is extolled is the German social model.³⁴ If there is a vision of the future in the TUC today, it is a growing belief in the German system and that this system can only be obtained through cooperation with the CBI and the EC.³⁵ As John Edmonds, general secretary of the general union GMB, said during the September 1991 TUC congress; "in the battle to determine which should be the basis of European law, the continental system (the German system of works councils, employee consultation, and legal protection) has won hands down".³⁶

Third, by abandoning naive Keynesianism, disavowing its national responsibilities, returning to its traditional economic, and embracing the German model the TUC is also radically restructuring its relationship to the Labour party. All of the

³⁴"Follow the van", New Statesman/New Society, 30 August 1991; "Sozialpartnerschaft", The Economist, 16 November 1991; "Must Britain sink with Uncle Sam", New Statesman/New Society, 17 January 1992; and "Message received", New Statesman/New Society, 20 March 1992.

³⁵A key example of this new stress on labor-capital cooperation was seen at the September 1992 TUC congress where for the first time ever, a leader of the CBI (Howard Davies) was invited to give a keynote speech.

³⁶"European way wins support", The Guardian, 3 September 1991.

links. Therefore, due to the collapse of its national role and the dynamics of the "superunion" growth, the TUC may be pushed into a more European role without being a true reflection of the "European-ness" of the movement.

THE EC AND THE BRITISH LABOUR PARTY

As with the TUC, it is essential to establish the national context in which the Labour Party was and is operating if one is going to fully understand its relationship to the EC. Historically, the Labour Party has had a very contradictory and ambiguous relationship towards the EC and its policies. Similar to the dynamic within the TUC, the Labour Party has tended to be divided into three groups: pro-EC, anti-EC, and pragmatists. The fluctuations of Labour Party policy towards the EC can usually be closely linked to the rise and fall of these groups within the party.

Ever since the first European talks on some form of European supranational entity in 1948, Labour has expressed both support and opposition.³⁸ In 1957, they rejected membership to the EC, but

³⁸There are a number of works which explore the post-WWII relationship between the British Labour party and European integration: Kevin Featherstone, Socialist Parties and European Integration: A Comparative History, Manchester, Manchester University Press, 1988; John Grahl and Paul Teague, "The British Labour Party and the European Community", The Political Quarterly, Vol.59, 1, January/March 1988; Michael Newman, Socialism and European Unity: The Dilemma of the Left in Britain and France, London, Junction Books, 1983; and L. J. Robins, The Reluctant Party: Labour and the EEC 1961-75, Britain, Hesketh, 1979.

strongly supported the formation of the European Free Trade Association (EFTA). In 1962, the Labour Party congress supported an EC membership drive, but with reservations regarding the terms of membership. The 1971-1975 struggle over British membership, including the 1975 EC referendum, was one of the most divisive times in British Labour Party history.³⁹ Even after the referendum was approved by more than a two to one vote, and the party had agreed to accept the results of the referendum, it still could not settle its position towards the EC. By the 1980 party conference, with the growing power of the anti-EC Left within the party (and its ideas of nationally-based socialist economic revival, the Alternative Economic Strategy⁴⁰) and the departure of the pro-EC Right out of the party to form the Social Democratic Party, the Labour Party reversed itself again and called for immediate withdrawal from the EC.⁴¹ This policy became a major plank in their

³⁹Major works on this period include: Philip Allott, "Britain and Europe: A Political Analysis", Journal of Common Market Studies, Vol.13, 1975; Butler, David and Kitzinger, U. The 1975 Referendum; London: Macmillan, 1975; Byrd, Peter, "The Labour Party and the European Community, 1970-1975" Journal of Common Market Studies, Vol.13, 1975 ; King, Anthony, Britain Says Yes: The 1975 Referendum on the Common Market, Washington DC: American Enterprise Institute, 1977; and Bo Sårlik (et al.), "Britain's Membership of the EEC", European Journal of Political Research, Vol.4, 1976.

⁴⁰For an interesting review of the AES from a comparative perspective see: Manfred McDowell and Willaim Hudson, "Social Democrats Choose Europe: Comparing The European Policies of the British Labour and French Socialist Parties", prepared for the Biennial Conference of the European Community Studies Association, George Mason University, Virginia, 22-24 May, 1991.

⁴¹A useful review of the rise of the Left and the split with the Social Democrats can be found in: Geoffrey Lee Williams and Alan Lee Williams, Labour's Decline and the Social Democrats' Fall, London, Macmillan, 1989.

and the "modernizing" of the Labour party by Neil Kinnock and his supporters.

The Collapse Of Nationalist Strategies

After the failure of the French socialists reflationary policy in 1981-1982 and the Conservative victory in the 1983 British election, Kinnock and the other Center-Right modernizers concluded that nationally based socialist strategies were no longer practical nor electorally viable in Britain. The British electorate and the dynamics of international capitalism would not allow it. Hence, another road had to be found. At this time, the 1992 project was being built with the support of French socialists who had, after some debate,⁴³ also concluded that a nationalist path could no longer work. Hence, following the French example the Labour party modernizers began to turn more and more towards the EC for ideas and inspiration.

The Modernizing Of Labour

What was this policy of internal modernizing of the Labour party under Kinnock and how did it affect the party's relationship to the EC? Following the electoral defeats of 1983 and 1987, it became obvious that if Labour was ever going to return to power it would have to substantially restructure itself. Following the 1987 election, Kinnock initiated a "policy review" process which attempted to address several key weaknesses in the structure of the

⁴³Michael Newman provides an excellent overview of this debate in his work, Socialism and European Unity: The Dilemma of the Left in Britain and France, London, Junction Books, 1983, chapter 3.

1983 election platform. Obviously, in the early 1980s, the Labour Party did not see the EC or its policies as particularly useful.

However, following the famous economic policy U-turn of the French socialist government in 1982-83 and the disastrous 1983 British election (Thatcher was returned to power with a substantial majority and the SDP-Liberal Alliance polled almost as many popular votes as the Labour Party), the power of the Left (with its nationally based socialist vision) within the Labour Party began to decline with the rise of the more pragmatic and electorally oriented Neil Kinnock to the leadership of the party. Under Kinnock, the party quickly began to moderate its position towards the EC. Instead of ignoring or vilifying it; "the EC was seen in a more instrumentalist manner, in terms of its contribution to economic recovery in Britain".⁴² Thus, by the 1984 party conference, the party had changed its position from immediate withdrawal to the "option" of withdrawal.

During the 1987 election the party tried to play down the EC issue, arguing that if it were elected it would evaluate the option of EC membership. After the loss to the Conservatives, but improvement relative to the Alliance, in that election, the Labour Party began to take a much more positive view of the EC.

There are two main reasons for the increasing shift towards the EC during this period: the collapse of nationally based socialist strategies combined with the growth of the 1992 project

⁴²Featherstone, Socialist Parties and European Integration, pg.67.

legislation.

The current results of these four strategies have been mixed. In general, the influence of the unions over the party was reduced. The block vote has been weakened and the party is moving forward towards eliminating it and turning to a one-person, one-vote system.⁴⁵ However, the party is still extremely dependent on the unions for economic support. The centralization of the policy-making process by the Labour leadership has been successful, especially in controlling the policy initiatives of the hard left. The most successful reform has been the transformation of the legal structure of British industrial relations. By accepting the majority of Thatcherite legislation and stressing the importance of the EC's social charter, Labour has been able to weaken the unions dependence on the parliamentary actions of the Labour party. With this distancing of the party from the unions, Labour has been able to portray itself as independent of the unions and actively working for a better (European/German style) form of industrial relations. Furthermore, as was mentioned earlier, the unions have accepted and encouraged this legal transformation. Finally, the biggest failure of these four strategies was the attempt to create a mass membership base for the party. Membership has remained stable at 300,000, far below Kinnock's hopes of creating a party of 1 million

⁴⁵"Unions support end of block vote", The Guardian, 21 April 1992.

party.⁴⁴ These weaknesses included the power of the trade unions within the party, the ability of party factions to capture certain party institutions and policies, the divisive nature of policy formation, and the reliance of the party on trade union funding. Each of these problems was a large electoral liability. Non-democratic trade unions were seen as dominating and virtually owning the party. Captured party institutions often produced extremist and unpopular policy demands. Furthermore, the party's non-democratic aspects and divisiveness discouraged mass participation and mass membership.

Throughout the late 1980s and early 1990s Kinnock struggled to redress these weaknesses. Kinnock and the modernizing leadership in the party adopted four main strategies to eliminate these weaknesses. One, they must weaken the influence of the unions within the party by limiting the influence of the unions bloc votes and the reliance of the party on union funds. Two, they must centralize the policy making process in the hands of the party leadership. Three, they must build up a mass membership party that generates party funds through membership dues and creates a closer relationship between party members and the party leadership. Four, they must transform the legal structure of British industrial relations to eliminate the dependence of the unions on Labour party

⁴⁴This "policy review" process and Kinnock's attempts to modernize the party are reviewed in Colin Hughes and Patrick Wintour, Labour Rebuilt: The New Model Party, Fourth Estate, London, 1990 and Martin Smith, "A Return to Revisionism? The Labour Party's Policy Review", in Martin Smith and J. Spear (eds.), The Changing Labour Party, Routledge, London, 1992.

support for the parties are continuing.⁵⁰

This modernization of the party influenced its relationship to the EC in several ways. One, within the party, it was the hard Left of the party that has been the most opposed to the EC (a central example is Tony Benn) and to Kinnock's policy review. Hence, the two issues became linked together. The more Kinnock and the modernizers struggled to isolate the Left within the party, the more support for the EC grew within the party. Two, support for the EC is very high among those middle level social groups which a broader based "modernized" Labour Party should be working to attract. Strengthening EC links encouraged these voters and indirectly the party's reform process. Three, by moderating the party and distancing it from the unions, they encouraged the unions to take a more positive position towards the EC as a possible area of political and union activity. Four, the modernizing of the party made it more structurally similar to the other EC social democratic parties. Hence, the modernization allowed the party to cooperate more closely with its socialist neighbors in the EC.⁵¹

⁵⁰"To the aid of the party", The Guardian, 24 April 1992. Proportional voting would certainly break the grip of the Conservatives on government. However, it would almost certainly lead to a coalition government, a prospect that disturbs many in Britain. State economic support for the parties is one way of ending the Labour party's dependence on trade union economic support (more than 50% of their election funds come from union coffers) and at the same time levelling the electoral playing field with the Conservatives, who spent more than twice as much as Labour in the last election.

⁵¹As Kevin Featherstone notes (Socialist Parties And European Integration, pg.68), British cooperation with other EC socialist parties was very limited in the 1970s and early to mid- 1980s. However, Labour has changed so much that it was recently agreed to

members.⁴⁶

Overall, these reforms successfully eliminated some of the major criticisms against Labour⁴⁷ and turned the party into a much more viable electoral force for the April 1992 election.⁴⁸ Despite the bitter loss in that election, the party modernization process seems set to continue under Kinnock's successor, John Smith. Both the unions and Smith support a loosening of the party-union relationship, an end to the union's block vote, and a reduction of union influence over the selection of Labour MPs.⁴⁹ Meanwhile, internal party debates over proportional voting and state economic

⁴⁶See Richard Heffernan and Mike Marqusee, Defeat From The Jaws Of Victory: Inside Kinnock's Labour Party, London, Verso, 1992, pgs.325-336.

⁴⁷As the Financial Times ("Labour moves to centre ground", 17 April, 1991) said about Labour's latest policy document, Opportunity Britain, "The Tories are convinced that there is still plenty in the document to shoot at. But Mr. Kinnock has further narrowed the angle of fire".

⁴⁸There are numerous newspaper articles that explore these transformations throughout 1991 and 1992. However, the most amazing recognition of the changes in the party was given by the Financial Times. In its election day editorial (9 April 1992), the paper supported the Labour party over the Conservative party. As they wrote: "The dangers of perpetuating in power a weakened and uncertain Conservative party, set alongside the progress Labour has made in modernizing itself, justify by a fine margin the risks of a change".

⁴⁹"Unions support end of block vote", The Guardian, 21 April 1992; "Picking at the union's knot", The Guardian, 30 April 1992; "Smith calls for end to union block vote", The Guardian, 4 May 1992; and "Labour leader wins support on electoral reform", Financial Times, 19 May 1992; "How unions wield voting power", The Guardian, 19 June 1992.

Fifth, and most importantly, the modernizers used the EC as an excuse for abandoning some of the traditional commitments of the party. With a full commitment to the EC's 1992 project and the Maastricht treaty, national control of the economy had to be abandoned. Due to the restraints of the Exchange Rate Mechanism and the future European Monetary Union, full employment became secondary to inflation control, monetary stability, and government budgetary stability. National Keynesianism is no longer possible. Modernizers argued that, in any case, these goals were unattainable within the nation-state. The only way that they could be pursued was through the EC.⁵² The party would do all it could to promote these goals within the EC. However, it should not be seen as being directly responsible for these goals if it were to come to power within Britain.⁵³

With this new approach, the EC and the social aspects of its 1992 project came to be seen in a much brighter light. By 1988,

take part in a European Socialist Party that will be responsible for EC issues and decide policy by majority vote. "Socialist party for Europe gets Labour go-ahead", The Guardian, 21 October 1992.

⁵²It is important to remember that dissent within the party did exist over these issues. As a traditionalist, Ian Aitken, argues: It isn't just that we must accept that there is no alternative to cutting off the next Labour government at the knees,... If Messrs Kinnock and Smith are to be taken seriously in what they now say about EMU, then we must all pretend to be enthusiasts for the whole enterprise, even if we secretly think it is madness ("Labour's grim school of Euro-thought", The Guardian, 6 January 1992).

⁵³For a comparative evaluation of the decline of the link between social democracy and full employment see W. Visser and R. Wijnhoven "Politics Do Matter, But Does Unemployment?", European Journal of Political Research, #18, 1990.

articles in the New Socialist, the Labour Party's monthly publication, were praising the EC, Jacques Delors, the "social dimension", and especially the Social Charter.⁵⁴ In early 1989, articles were asking for the party to form a more coherent European socialist strategy and to support the European Parliament.⁵⁵ At the October 1989 Labour party conference, (following the extremely successful June 1989 EC parliament elections, Labour winning 45 of 81 possible seats)⁵⁶ the party once again reaffirmed its support of the EC and hoped that more social democratic countries (Austria and Norway) could be convinced to join.⁵⁷ By the end of 1989, Labour Party spokespersons began calling the Social Charter the "leading edge" in progressive politics.⁵⁸ In June 1990, with the publication of the Labour Party's "Charter for Employees",⁵⁹ the party aligned its union code with the demands of the social charter. And in the process, they accepted nearly all of the

⁵⁴"A year of opportunity", New Socialist, October/November, 1988.

⁵⁵"Plugging the democratic deficit", New Socialist, February/March 1990. "Europe united", New Socialist, April/May 1989. "Improving the workplace", New Socialist, June/July 1989.

⁵⁶S. George and B. Rosamond argue ("The European Community", in The Changing Labour Party, 1992) that this created a new and important pro-EC group within Labour. Earlier MEPs, reflecting the anti-EC position of Labour, had been anti-EC.

⁵⁷The British Labour Party, "Meet the challenge, make the change: A new agenda for Britain", October 1989.

⁵⁸"Charter opens chapter in workers' rights", Financial Times, December 14, 1989.

⁵⁹"Labour lets the cat out of the cage", Financial Times June 1, 1990.

October to December, Conservatives were strongly divided over the upcoming December 1991 Maastricht meeting on European political and economic union.⁶⁴ Even after the mid-December meeting, divisions still remained within the Conservative ranks over its EC policy.⁶⁵

This division within the Tories provided Kinnock with an excellent opportunity to present his modernized Labour party. In opposition to the division and uncertainty of the Tories, Labour's European policy seemed constructive and pragmatic. Labour's pro-EC policy was also strategically important in undercutting the influence of the Alliance (who later become the Liberals, following the collapse of the Social Democratic Party) who had benefitted electorally in the early 1980s from Labour's opposition to the EC. From late 1990 onwards, as the Conservative's EC policy fragmented, Kinnock and the Labour party became even more pro-European. In June 1991, Kinnock approved some aspects of greater European political and monetary integration.⁶⁶ At the September 1991 Labour party congress, Kinnock's policy for greater European integration won party backing.⁶⁷ Kinnock's policy paper, released after the

⁶⁴"Europe threatens to spoil the party", Financial Times, 9 October 1991; "Tory right-wing issues warning on EC policy", Financial Times, 5 November 1991; "Major urged to adopt tough stance against EC integration", Financial Times, 18 November 1991; and "Tories conflict on Europe unabated", Financial Times, 27 November 1991;

⁶⁵"Tory rebels act to block EC treaty", Financial Times, 17 April 1992.

⁶⁶"Labour gets ready for jeux sans frontieres", Financial Times, 19 June 1991.

⁶⁷"Policy on integration wins party backing", Financial Times, 2 October 1991.

earlier anti-union legislation of the previous 10 years. This signalled its conversion, similar to the TUC's, to a belief in the creation of a system of positive rights for both individual workers and trade unions. At the September 1990 TUC congress this transformation of the legal structure of British industrial relations, based on EC guidelines, was accepted by a wide majority of TUC unions and won Kinnock a standing ovation after his speech at the congress.⁶⁰

At this time, just when Labour's EC policy had solidified itself, the European policy of the Conservatives was becoming increasingly self-destructive. With the fall of Margaret Thatcher in November 1990 (partially over her opposition to further European integration) and the rise of the more pro-European John Major, the ruling Conservative party began to go through a difficult period in its relationship to Europe. By March 1991, Major began pushing for a more positive relationship to Europe.⁶¹ However, Thatcher and other anti-EC Conservatives quickly organized to oppose such developments. By May, they were urging Major to block moves towards greater European monetary and political integration.⁶² In June, Thatcher directly attacked Major's position towards the EC.⁶³ From

⁶⁰"Kinnock seeks new pact with unions", Financial Times, September 5, 1990.

⁶¹"Major signals subtle break with the past over Europe", Financial Times, 13 March 1991.

⁶²"Major urged to block European integration", Financial Times, 22 May 1991.

⁶³"Thatcher shakes Major's bridge to Europe", Financial Times, 20 June 1991.

congress ("Britain in Europe"), presented the party's strongest position yet on support for economic and monetary union.⁶⁸ When Major returned from Maastricht after almost sinking the meeting with his resistance to social policy, Labour was perfectly placed to portray itself as the party of pragmatic and reasonable EC integration and social policy.⁶⁹ As the April 1992 election neared, to keep the pressure on the Conservatives, Labour emphasized its commitment to the social charter and further integration.⁷⁰

Following the April 1992 election (the Conservatives maintaining a 21 seat overall majority), divisions over the EC have intensified in both of the parties. With the constraints of the election behind them, the anti-EC group (led by Thatcher) within the Conservative party has greatly increased its criticism of the Maastricht agreement.⁷¹ This criticism intensified following the Danish rejection of the Maastricht agreement on 2 June 1992. Following this, 100 Conservative MPs signed a statement saying that

⁶⁸"Labour steps up Euro-enthusiasm", The Guardian, 30 October 1991.

⁶⁹"Labour jubilant about early Christmas gift", Financial Times, 12 December 1991; "Labour baits PM on social chapter" The Guardian, 13 December 1991; "Kinnock attacks PM on social chapter", The Guardian, 19 December 1991.

⁷⁰Gerald Kaufman (Labour shadow foreign secretary) "Re-entering the world", New Statesman/New Society, 13 March 1992.

⁷¹"Tories may rebel in Maastricht vote", Financial Times, 12 May 1992: "Thatcher attacks pace of European integration", Financial Times, 16/17 May 1992: "Major's EC turning point wins support", The Guardian, 21 May 1992.

the agreement should be renegotiated.⁷² Also, anti-EC Conservatives began agitating for a referendum on the agreement.⁷³ Moreover, due to this opposition, Major was unable to push the Maastricht agreement quickly through Parliament.⁷⁴ In November 5, 1992, Major's government nearly fell, passing a vote (merely to continue debating the Maastricht treaty) by only 319 to 313 votes.⁷⁵ Furthermore, in a clear concession to the anti-Europeans, Major agreed to delay a final vote on the Maastricht treaty until after the Danes had staged a second referendum on the treaty (May 1993).⁷⁶

For the Labour party, following the election loss Kinnock resigned as party leader. His successor, John Smith, is a dedicated Europeanist. He has continued Kinnock's strategies of party modernization and support for the EC. He has also strengthened the hand of pro-Europeanists within his cabinet (following the resignation of the anti-Europeanist Bryan Gould) and within the

⁷²"European fault line splits Tories", Financial Times, 11 June, 1992: "After the Danish pasting", The Guardian, 5 June 1992.

⁷³"Euro-sceptics step up Maastricht referendum calls", The Guardian, 8 June 1992.

⁷⁴"Opposition MPs likely to obstruct Maastricht bill", Financial Times, 26 June 1992. This article notes that Major has lacked the parliamentary majority to limit debate on the issue and already the Maastricht bill has had 120 amendments and 30 new clauses proposed for it.

⁷⁵"Major wins a close victory", The Guardian, 5 November 1992.

⁷⁶"Britain puts off final Maastricht vote", The Financial Times, 6 November 1992.

party's National Executive Committee.⁷⁷ Hence, it can be expected that Labour will continue its pro-EC stance. However, following the election loss, Labour backbench MPs become more openly divided over the EC issue.⁷⁸ In a BBC poll of 100 Labour MPs, 42 opposed the treaty, 19 wanted amendments, and 25 supported it.⁷⁹ The party did unite around opposing the Maastricht treaty in November 1992 because they thought that it might bring down the shaky Major government. It was also a way for them to express their opposition to Britain's "opt-out" clause for EC social policy.⁸⁰ Clearly, despite the unity of the center-right modernizing Labour party leadership, the EC is still a very divisive issue for the party. It is also clearly secondary to the requirements of national electoral dynamics.

CONCLUSIONS

As has been argued throughout this paper, national factors played a much more central role to the development of British

⁷⁷At the September 1992 conference, two of Mr. Smith's strongest anti-EC opponents (Bryan Gould and Dennis Skinner) lost their seats on the NEC. Meanwhile, three modernizers and pro-ECers won seats (Tony Blair, Gordon Brown, and Neil Kinnock).

⁷⁸"Labour clash looms over Maastricht", The Guardian, 4 May 1992; and "Labour torn three ways on Maastricht", The Guardian, 20 May 1992.

⁷⁹This poll was referred to in "Maastricht divides UK opposition politicians", Financial Times, 28 September 1992.

⁸⁰However, even this unity had its price. A group of 15 pro-EC Labour MPs promised that they would not vote against the treaty again if the attempt to oust Major failed, "Labour MPs give warning to Smith", The Guardian, 5 November 1992.

industrial relations and opinion within the British labor movement than EC elements did. With the weakness of the EC's social dimension and social charter, there has been little direct downward intervention by the EC on the British industrial relations system or labour movement.⁸¹ The impact that was felt was at much more political and ideological level. The EC was used primarily by factions within the movement as an extension of the national arena. For the Center-Right of the British labor movement, the EC was used in a number of ways. One, it was used as a cloak for abandoning traditional policies and commitments. Two, it was used as a device for eliminating Leftists within the movement. Three, it was central to the development of the modernizers within the Labour party and weakening the relationship between the party and the unions. Four, it helped to end the belief in naive Keynesianism and replaced it with a supply-side oriented, "competitive" socialism.

Have the changes that have occurred made the British labor movement more European and as such made British industrial relations more European? Certainly, the British labor movement is more aware of EC developments and attempts to take advantage of them. Indications of this opportunistic behavior by the movement

⁸¹The only area in which the EC has directly intervened has been over the working hours of British miners. The EC's Social Affairs Commissioner, Mrs. Vasso Papandreaou, opposed the British Government's ending of a 48 hour work limit for miners in November 1991. Recently, Conservative plans for re-subsidizing the industry have been criticized by EC Competition Commissioner, Mr. Van Miert.

towards the EC have been growing since the late 1980s.⁸² Moreover, since the pro-EC Center-Right faction of the labor movement has gained power within the movement, a pro-EC policy has been increasingly institutionalized. However, the movement is still divided over its relationship to the EC. If the Left should gain power within the movement or the EC should experience difficulties (for example the continuing difficulties over the Maastricht treaty), one would expect the movement to become more anti-EC. Therefore, one can say that the movement has not developed a genuine European identity or interests.

Furthermore, the transformation of the movement from an anti-EC position to a pro-EC position has done little to Europeanize (strong central organization, corporatistic bargaining abilities, coordinated industry-wide collective bargaining) the structure of British industrial relations.⁸³ In the hands of the Center-Right faction of the British movement, the EC has been used to encourage the return of the division between the economic (unions) and political (party) wings of the movement, weaken the British attempts at creating corporatism and maintaining full employment, and support the modernization of the Labour party. Furthermore, it

⁸²See: Paul Teague, "Trade Unions and Extra-national Industrial Policies: A Case Study of the Response of the British NUM and ISTC to Membership of the European Coal and Steel Community", Economic and Industrial Democracy, Vol.10, 1989.

⁸³These key aspects are clearly elements of Northern European movements and systems. I privilege these systems over the Southern ones because they were linked more closely to social democratic movements and were more powerful and influential in the post-WWII history of Europe.

has done nothing to affect the decentralized nature of British industrial relations. However, the EC has been used to support the creation of a system of positive union and workers rights. This legal transformation would bring the British movement closer to its European counterparts. But, with the uncertainty over the social charter and current stagnation of the social dimension, it is uncertain how strong this system will be. The EC has also encouraged more cooperative behavior between the TUC and the CBI. Nevertheless, these first attempts at cooperation are still very uncertain and very weak.

Therefore, one must conclude that the EC has not had a Europeanizing affect on the British labor movement or industrial relations system. Instead, the free market ideology and socially disorganizing influence of the EC seems to be encouraging the return of the pre-corporatist British industrial relations system of the 1950s. Furthermore, if there is a model that mirrors this system it is the American, not the European. If current trends continue and the impact of the EC on Britain is generalized throughout Europe. Then, one should be looking to explore the "Britishization" (Americanization) of Europe, instead of the Europeanization of Britain.