

Acknowledgements

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**A reluctant partner:
the pattern of Denmark's involvement
in the European Community**

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**Thesis submitted for the degree of Ph.D., 1995
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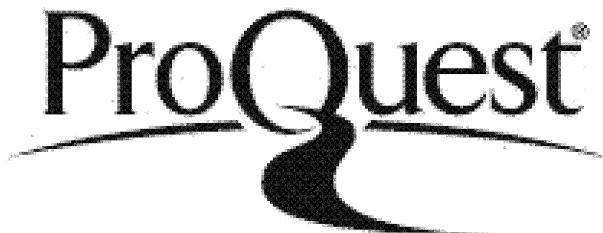
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A reluctant partner:
the pattern of Denmark's involvement
in the European Community

Denmark joined the European Community (EC) on 1 January 1973 together with the United Kingdom and Ireland. Its relationship with the EC has since then been uneasy, culminating with the popular vote against the Maastricht Treaty in June 1992 which threatened for a moment to halt the European integration process. Although Denmark's uneasy relationship with the Community has been noted by external observers, the reasons behind its reluctance towards European integration are not widely understood. The aim of this thesis is to explain the pattern of Denmark's involvement in the EC during three crucial periods in the evolution of the Community by analysing Denmark's adaptation to EC membership and response to the developments in the process of European integration.

The thesis's theoretical framework combines the concept of *acquis communautaire* with the four basic elements of the theory of International Regimes - principles, norms, rules and decision-making procedures. These four basic elements are used to analyse Denmark's compliance with the rights and obligations of EC membership defined as the 'regime contract'. The concept of an integration dilemma serves to help to examine Denmark's attempts at balancing through a set of strategies, the external and internal pressures stemming from the process of integration.

The empirical part of the thesis focuses on three episodes in Denmark's EC membership: the accession to the EC, the relaunch of the Community leading to the signing of the Single European Act and the negotiations and ratification of the Maastricht Treaty.

The main conclusion of the thesis is that Denmark has been a reluctant partner in the European integration process mainly because of its difficulties to embrace the principles of the 'Community regime'. This reluctance towards the principles of European integration has conditioned Denmark's pattern of involvement in the EC and influenced its behaviour as a member of the EC.

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Chapter 1

Outline of the Thesis

I. Introduction

In January 1973, Denmark acceded to the European Community (EC) together with the United Kingdom (UK) and Ireland, beginning an uneasy relationship as an EC member state. In June 1983, Denmark attached a number of footnotes to the Solemn Declaration of Stuttgart indicating its disagreement with the aim and content of European Union (EU). In January 1986, a majority in the Folketing rejected the proposals for reform to the EC Treaties in the form of the Single European Act (SEA). In February 1986, the Danish parliament's rejection was reversed by a referendum in which 56 per cent of the population voted in favour of the SEA while 44 per cent voted against. In May 1992, a large majority in the Folketing endorsed the outcome of the intergovernmental conferences (IGCs) on the Maastricht Treaty¹ reforming the EC, strengthening cooperation in foreign and security policy, and in justice and home affairs. On 2 June 1992, the Danish population shocked the whole European political establishment by rejecting the Maastricht Treaty by a narrow margin. In an effort to safeguard Denmark's membership of EU, while respecting the verdict of the Danish people without necessitating a renegotiation of the Maastricht Treaty, the political leaders of the EC member states agreed to grant Denmark special status in EU by reaching a solution in the shape of the Edinburgh Agreement at the European Council's meeting in December 1992. Pledging that the Edinburgh Agreement guaranteed a substantially different basis for Denmark's membership of EU paving the way for a new European policy, the Danish government convinced the population to endorse Denmark's new status in EU in a second referendum on 18 May 1993. Since then Denmark remains a member of EU, but, by agreement with the other eleven member states, important features of EU do not apply to the country. In the act of ratification of the Maastricht Treaty, Danish politicians have, in their turn, given a guarantee to the population that Denmark should not renounce its special status without the population's consent.

Many of these facts are well known and could be found in any major literature on the EC

¹The denomination 'the Maastricht Treaty' will be used throughout the thesis, as this is more common than 'Treaty on European Union'.

covering the periods mentioned. The reasons behind Denmark's position as an EC member, and the often dramatic events which have surrounded major developments of the Community's life, are much less known. In fact, to my knowledge, there is no literature in the English language which gives a thorough and detailed account of Denmark's position during the three major episodes which are covered by this thesis's study of Denmark. Literature in English on the EC is more concerned with the general development of the Community, theoretical aspects of European integration or the influence of EC institutions, big member states and European-wide interest groups, rather than the predicament of a small member state, although its difficulties have more than once threatened to halt the European integration process. This is not a criticism of the choice of focus of the English EC literature, but to show that this thesis will fill a gap in the literature on the Community and the conditions of European integration.

The theoretical framework which is set up to assist the analysis of Denmark's participation in the European integration process presents an alternative and, to my knowledge, a new approach to the study of the Community. Its main claim is that it focuses on the rights and obligations of Community membership by elaborating a conceptual framework around the *acquis communautaire* combined with the four basic elements of the theory of International Regimes. *Acquis communautaire* is a concept which is often used in the context of the Community, but its full significance has not been explored, nor has it been linked to the development of European integration. This thesis identifies and defines the *acquis communautaire*, combines it with the four elements of Regime Theory and establishes a link between development of the Community with the rights and obligations of EC membership. In conceptualizing the body of rights and obligations of EC membership, it is possible to learn something about the nature of a member state's participation in the integration process and thus evaluate the position of this individual member in the process. It is my hope that this new framework of analysing the requirements on an EC member state will contribute to the study of European integration.

1. Key Areas of Concern

This thesis investigates the pattern of Denmark's involvement in the EC by addressing the complex nature of its EC membership. Its main concern is to find the reasons behind the

perception of Denmark as a reluctant partner, to substantiate this perception and to draw conclusions from the findings on the nature of Denmark's participation in the European integration process.

The thesis starts from the assumption that during twenty years of EC membership Denmark has been a reluctant partner in the European integration process. This reluctance has conditioned its pattern of involvement in the EC and has influenced Denmark's domestic political environment. The questions to be asked are:

- Is it possible to show that Denmark has been a reluctant partner in the European integration process while it has shown diligence in keeping to Community rules and implementing legislation passed by the EC into national laws?
- Has the reluctance towards European integration conditioned Denmark's pattern of involvement in the EC?
- Has the reluctance towards European integration been a major concern in domestic politics and has it influenced the political environment in Denmark?
- Have Danish governments had to balance internal reluctance towards European integration with external pressures to deepen the level of integration in order to safeguard Denmark's membership of the EC?
- Has the reluctance towards European integration influenced the nature of Denmark's participation in the development of the process?

2. Framework of the Thesis

To produce answers to these questions the main body of the thesis has been divided into two parts: one shorter which sets up a theoretical framework to provide tools for the research into a member state's participation in the European integration process and one longer which investigates empirically three key episodes of Denmark's EC membership.

The aim of the theoretical chapter (chapter 2) is to gain insight into the European integration process by focusing on an individual member state, its position in the integration process, and the influence by internal and external pressures on the member

state to reduce or intensify its participation. To learn more about an individual member state's position, the analytical approach identifies the rights and obligations of membership, in other words, the terms of membership, which delineate the framework within which external and internal pressures are at play. Therefore, we need to know something about the fundamental character of the conditions regulating the interplay between member states in the European integration process. In chapter 2 an analytical framework is constructed which combines the four basic elements of the theory of International Regimes - principles, norms, rules and decision-making processes - with the concept of *acquis communautaire*, which is identified and defined. This approach makes it possible to introduce the concept of a 'Community regime' which is regulated by a 'regime contract'. The regime contract is made up by the *acquis communautaire* whose political dimension is mainly composed of principles and norms while its judicial dimension is mainly composed of rules and decision-making procedures. There is, however, a link between the two concepts in that deeper European integration has been secured through integration by law.

The theoretical framework also introduces a dynamic dimension of the concept of Community regime, which serves as a tool to analyse steps towards deeper European integration.

To link an individual member state's participation in the European integration process, in this case Denmark, with the domestic political environment, the concept of an 'integration dilemma' is introduced. This concept serves to help us understand the position of a small state in the process of European integration, a state which perceives the principle of integration as a threat to its democratic, social and cultural values. As it is too small to halt or influence substantially the development towards deeper integration, but cannot afford to be abandoned by other member states, it perceives an integration dilemma. Governments, or other parts of the political or administrative elite which fear the cost of being abandoned more than the risk of being entrapped, adopt strategies to balance internal and external pressures with the aim of securing the state's participation in the integration process.

The aim of researching into the three episodes in Denmark's EC membership is to analyse:
(1) Denmark's motivation to seek membership of the EC, the reason for the conditions set

up for joining the Community, the nature of the Danish debate on whether or not to join the EC and its consequences for the basis of Denmark's EC policy after accession (chapter 3); (2) the foundations of Denmark's traditional *status quo*-oriented EC policy, adopted after accession, which increasingly came under strain with the relaunch of the European integration process in the early 1980s, the minority government's attempts to balance increased external pressure for reform of the EC Treaties with the integration-sceptical majority in parliament led by the Social Democratic Party, and the referendum on the SEA (chapter 4); and (3) the change of direction of Denmark's *status quo*-oriented EC policy by a majority of the integration-sceptical political elite which enabled Denmark to adopt an active policy in view of the major reforms to set up EU, the attempts to find a solution to the popular rejection of the Maastricht Treaty based on exempting Denmark from a number of areas of the Union, and, finally, the content and significance of the Edinburgh Agreement (chapter 5).

The study of these three episodes examines Denmark's response to the Community regime at the time of accession, to the change within the regime with the signing of the SEA, and to the major reform brought about with the Maastricht Treaty. It describes the domestic political debate between government and opposition which determined Denmark's involvement at the EC level during the accession period, and the SEA and Maastricht periods. It also takes into account the public opinion and the influence of the social partners and other pressure groups on the Danish EC policy. The integration dilemma in which Danish governments found themselves during these three episodes is analysed with the help of identifying their strategies to find a middle way between being abandoned or entrapped.

The concluding part (chapter 6) discusses the strengths and weaknesses of the theoretical framework, the implications of the thesis's approach and its possible contribution to research into European integration. This discussion is accompanied by an analysis of the findings of the periods studied, and discusses the underlying fundamental reasons for Danish reluctance towards European integration while identifying some complexities of the nature of Denmark's membership of the EC. The chapter concludes that Denmark has an inherent reluctance towards the political dimension of European integration. This

reluctance did not come to the fore during the accession negotiations with the EC, mainly because the development of integration at that time had reached few tangible results, remaining largely the ideal of some groups in the original six member states. The public reluctance, however, was appreciated by the Danish politicians who tried to alleviate the fear about the result of European integration by trivializing its importance. With the drive towards deeper integration in the mid-1980s, the traditional Danish EC policy came increasingly under pressure. In the referendum of 1986, the pro-European government was able to present the SEA to the population as a limited functional adjustment to the existing treaties without any political implications. With the IGCs on EU, and despite the Maastricht Treaty receiving support from a parliamentary majority in favour of the new treaty, the population rejected what it saw as the erection of a state-like entity likely to threaten Danish democratic, social and cultural values. The Edinburgh Agreement can therefore be interpreted as a deal between Denmark and other EU member states on the terms for Danish participation in the Union, in which Denmark is exempted from some important features, concrete or symbolic, of the political dimension of the Union. Since the Edinburgh Agreement, the political dimension of the *acquis communautaire* of EU is applied differently to Denmark than to the other member states, Denmark thus holding a partial membership of EU, although still being a full member of the EC.

3. Assessment

The thesis contributes to the study of the EC/EU in three main areas:

- It analyses the nature of Denmark's membership of the EC by explaining the challenges and constraints met by Danish policy-makers during three key periods. It highlights the importance of specific features of the Danish political system, such as the emergence of a system of weak minority governments and strong parliamentary control in the shape of the Market Committee. It accounts for the forming of Danish positions in the accession negotiations, the IGCs leading to the signing of the SEA and the Maastricht Treaty and the gradual emergence of a sort of direct democracy in respect to important decisions regarding Denmark's membership of the EC.
- It sheds light on the nature of the rights and obligations of Community

membership by identifying the *acquis communautaire*, its different dimensions and its link to the European integration process with the help of the four basic elements of the theory of International Regimes. It analyses the development of the *acquis communautaire* with the dynamic process of European integration.

- The introduction of the concepts of 'Community regime' and 'regime contract' makes it possible to analyse the pressures resulting from participation in the European integration process as perceived by Denmark. These pressures, stemming from internal and external sources, are defined as Denmark's dilemma of integration, which is a useful concept when analysing the specific position of a small country with an inherent scepticism towards the political dimension of European integration.

The thesis investigates the position of a particular country in the context of European integration, which inevitable limits the account of pressures among and from other member states and EC institutions, all having an impact of the outcome of the accession negotiations, the SEA and the Maastricht Treaty. It does not, therefore, attempt to give a full overview of positions and the multilateral bargaining process leading to the first enlargement or deeper integration. The aim of the theoretical framework is to assist the analysis of the pattern of Denmark's involvement in the EC, not to present a fully-fledged analytical structure, although it is my hope that the approach chosen in the thesis might introduce a new element into the research on European integration. Particular points of the theoretical framework and the analysis of Denmark's EC membership are discussed in chapter 6, part I.

II. Methodology

As outlined above, the main body of the thesis is divided into two parts, one theoretical and one empirical, whose content and aim are explained in the previous section.

The reasons for choosing to develop a new theoretical framework for the empirical analysis was to establish the complexity of Denmark's involvement in the EC and to pinpoint the intriguing, but somewhat intangible, rights and obligation of EC membership governing the dynamic process of European integration. The objective was to establish a

framework which satisfied the thesis's aim to present new understanding about European integration, by gaining knowledge about the specific character of the process and the conditions of participation facing an individual member state.

The reason to study three episodes in Denmark's EC membership was to capture the Danish response to the development of the 'Community regime' and its evolution during these periods of Denmark's EC policy, and to examine the nature of internal and external pressures facing Danish governments during three crucial events, and their attempts to find a way of balancing the pressures. To focus on only one of the three key episodes would have meant that the influence of the dynamic process of European integration would have been missed, representing only a snapshot of an isolated event in time, but not the development over time. The three successive accounts illustrate the influence the European integration process has on an individual member state. The choice of a closing point for the last episode in the study of Denmark's EC membership fell just after the second referendum on the Maastricht Treaty on 18 May 1993, as this point in time constitutes a natural break between the events surrounding the ratification process and further development in Denmark's policy towards European integration.

The thesis focuses mainly on the political, popular and administrative elites' response to the 'Community regime', while putting less emphasis on the reasons behind the Danish electorate's reaction to moves towards deeper integration. This limitation in focus was necessary to be able to investigate properly the impact of the 'Community regime' on the Danish political process in the space available. The investigation of the electorate's response to deeper integration, mainly during the referenda which have been held in Denmark and the elections to the European Parliament, is an interesting and important task, and would have merited being the subject for a thesis in its own right. The Danish EC referenda have been the subject of extensive research from which a series of publications have resulted.²

²See, for instance, Peter Gundelach, Ole Riis, *Værdiforandringer i Danmark 1981-1990*, Institute of Political Science, University of Århus, Århus, 1990. Niels Henrik Haahr, *Folkeafstemningen 2. juni 1992 om dansk ratifikation af Maastrichttraktaten*, Institute of Political Science, University of Århus, Århus, 1992. K.E. Miller, 'Policy-Making by Referendum: The Danish Experience', *West European Politics*, Vol. 5, No. 1, 1982, pp. 54-67. Hans Jørgen Nielsen, 'Danskerne og EF', *Økonomi og Politik*, Vol. 56, No. 3, 1982, pp. 25-34. Hans Jørgen Nielsen, 'Det skæve Danmark', *Økonomi og Politik*, Vol. 51, No.

As mentioned above, literature in English on Denmark is very scarce. This implies that almost all the literature on Denmark and Denmark's relations with the EC had to be collected in Denmark: this was done during several trips to Copenhagen and one to Århus. Access to Danish public libraries and newspaper records is easy. On the other hand, the much celebrated Danish tradition of open government, does not apply to the Foreign Ministry's records, and therefore only some official records are used in the thesis. The relative secrecy of ministerial records has probably had little impact on the accuracy of events, as it is the tradition in Denmark that political affairs are reported in great detail by the media, and that politicians and civil servants often express their views on policies or on the chain of events in publications destined for the commercial market or as background material in university teaching. Danish politicians and policy-makers are usually accessible and willing to grant interviews (including to foreign research students).

For a more detailed account of the source material, see the bibliography.

3, 1985-86. Hans Jørgen Nielsen, 'The Danish Voters and the Referendum in June 1992 on the Maastricht Agreement', in Morten Kelstrup (ed.), *European Integration and Denmark's Participation*, Copenhagen Political Studies Press, Copenhagen, 1992, pp. 364-80. Nikolaj Petersen, *Attitudes Towards European Integration and the Danish Common Market Referendum*, Institute of Political Science, Århus, November 1975. Nikolaj Petersen, 'Europeanism and its Foreign Policy Attitude Correlates: A Political Belief System', *Cooperation and Conflict*, Vol. X, No. 3, 1975, pp. 143-66. Karen Siune, 'EF debatten 1972, et apropos til 1979', särtryck til *Pressens Årbog*, 1979. Karen Siune, Palle Svensson, Ole Tonsgaard, *Det blev et nej*, Forlaget Politica, Århus University, Århus, 1992. Ole Tonsgaard, 'Folkeafstemningen om EF-pakken', in Nikolaj Petersen and Christian Thune (eds.), *Dansk Udenrigspolitisk Årbog 1986*, Jurist og Økonomiforlaget, Copenhagen, 1987. Torben Worre, 'The Danish Euro-Party System', *Scandinavian Political Studies*, Vol. 10, No. 1, 1987, pp. 79-95.

Chapter 2

Theoretical Framework

I. Introduction

The objective of this chapter is to explain distinctive features of the mode of cooperation in the Community by using some propositions from International Regimes Theory. The Community regime of cooperation will serve as an analytical framework to understand the challenge of integration which has to be met by the member states, in this case Denmark.

The analysis of the Community regime concentrates on the role of the *acquis communautaire* and *politique* (the shorter *acquis communautaire* will be used unless there is a special reason to distinguish the two) in the cooperation between the member states. The Community is understood as being based on a contract between the member states which stipulates, implicitly and explicitly, principles, rules of cooperation and an agreed behaviour. The institutions are seen as distinct actors whose role is to promote the integration process by performing specific tasks, but the focus remains on the member states. The terms of the contract are the *acquis communautaire*. The *acquis communautaire* is perceived as an entity of written and unwritten principles, norms, rules and decision-making procedures to which member states of the Community have to comply.

The Community regime is dependent on the members' acceptance of the *acquis communautaire* as forming the framework of cooperation. In this framework the risks are controlled and the costs are distributed more or less equally among the members.

The role of the *acquis communautaire* as the framework of the Community regime is highlighted during major renegotiations of the EC Treaties or the formulation of a new Treaty, and in the event of enlargement of the EC. The applicant country has to accept the rights and obligations of *acquis communautaire* as only exemptions in time are granted. It involves a process by which the country adapts to make national provisions compatible with the requirements of EC membership. This is a more or less strenuous process depending on the applicant's economic, political and technological development. The process of adaptation is also dependent on the applicant country's perception of its own political, economic and social regime *vis-à-vis* the Community and to what extent the two are seen as compatible.

This chapter aims to:

- Explain the role of the *acquis communautaire* in the Community,
- Analyse the insistence of the existing members states on the compliance of applicant countries to the *acquis communautaire*,
- Link the *acquis communautaire* to the theory of International Regimes, thus defining the characteristics of the Community regime,
- Develop a framework for analysis of Denmark's membership of the EC in the light of the Community regime,
- Analyse the link between Denmark's internal politics and the constraints of the Community regime.

II. The Theory of International Regimes

1. Criticism and Definition

The theory of International Regimes emerged in the 1970s and was developed further during the 1980s. The theory has been mostly referred to by American academics who focused on the declining dominant position of the USA which became increasingly visible at the beginning of the 1970s.

1.1. The Background to the Theory of International Regimes

The 1970s witnessed an increased interdependence between states in the international system. Two major events underlined this tendency; the breakdown of the Bretton Woods monetary system and the first oil crisis in 1973. John Gerhard Ruggie (1975, p. 569) described the emerging awareness of 'living in one world' as implying that 'technological, ecological, political, economic and social environments are becoming so globally enmeshed that changes taking place in one segment of international society will have consequential repercussions in all others'. Governments and international organizations were no longer capable of managing the changes taking place. A new situation of interdependence emerged and states realized that the need for international cooperation was more compelling than before.

The concept of interdependence was used to analyse governments' attempts to collaborate in new issue-areas and their efforts to manage mutual sensitivity. The increase

in transnational relations implied that national actors were becoming increasingly involved with each other and this tendency changed the scope, nature and level of cooperation. Interdependence was used as a paradigm to explain why states chose to cooperate, although cooperation threatened their sovereignty.

Increased cooperation in international relations became the focus of many scholars. Contrary to the discussion on definitions, there was near-consensus among scholars on the situation in which regimes emerge: interdependence. The theory of International Regimes emerged as a framework to study and explain patterns of cooperation among states.

Ernst Haas (1980, p. 357) explained that 'the need for collaboration arises from the recognition that the costs of national self-reliance are usually excessive', while suggesting that there are new features in the contemporary world that seem to make collaboration generally more desirable. They are: scientific and technological knowledge in the attainment of economic welfare; a greater number and types of participating actors; channels of international communication are more numerous and diverse; and a seemingly greater reluctance to use force in the solution of economic disputes.

1.2. Criticism of the Theory of International Regimes

The theory of international regimes has been criticized from various aspects. Susan Strange (in Krasner, 1983) summarized her criticism of regime theory in five points: (1) it is a fad, a shift of fashion on behalf of American academics that will have no impact over a longer time-period; (2) it is woolly and imprecise, as 'regime' is used with different meanings; (3) it is value-biased as it implies an exaggerated measure of predictability in the political system; (4) it distorts by overemphasizing the static and underemphasizing the dynamic elements of change in world politics; and (5) it is narrow-minded, rooted in a state-centric paradigm that limits the vision of a wider reality.

Kratochwil and Ruggie (1986, pp. 753-54) explain that the critique against the regime concept as 'yet another academic fad' is a misunderstanding of the efforts of scholars to analyse new patterns of international cooperation. They place international regimes somewhere between formal institutions and systemic factors and suggest that international regimes have become associated with the concept of international governance.

In the same article, Kratochwil and Ruggie (pp. 763-71) give an account of the

problems in the practice of regime analysis. They refer to Strange's criticism of the 'woolly' character of international regimes, agreeing that there exists no agreement on basic issues such as boundary conditions; where does one regime end and where does another start? Nor is there agreement on how to evaluate the proposal that any set of patterned or conventionalized behaviour be considered as evidence of a regime (in Oran Young, *Regime Dynamics: The Rise and Fall of International Regimes*).

According to Kratochwil and Ruggie, there are two fundamental difficulties which arise when analysing regimes. First, no angle exists from which regimes can be viewed as they 'truly' are. This is because regimes are conceptual creations not concrete entities. They reflect common-sense understanding, actor preferences and particular purposes for which analyses are undertaken. Concepts analysed in the regime theory, such as 'power' or 'state', are difficult to define. Second, the problem concerning epistemological difficulties relates to the definition of regimes as social institutions around which expectations converge in an international issue-area. Kratochwil and Ruggie's analysis relies on the assumption that regimes are known by their principles and shared understanding of desirable and acceptable forms of social behaviour, spelled out in the four analytical components, principles, norms, rules and decision-making procedures, of which the first two are highly subjective concepts. When studying international regimes it is difficult to separate a change in members' behaviour from fundamental changes in the regime. In these authors' view the contradiction between converging expectations, prescriptions for desirable behaviour and the interpretation of the development of a regime give rise to much disagreement about the value of regime analysis.

1.3. The Definition of International Regimes

The concept of international regimes has been given different definitions. Krasner's often quoted definition (1983, p. 2) describes regimes as 'sets of implicit or explicit principles, norms, rules and decision-making procedures around which actors' expectations converge in a given area of international relations'. Ruggie (1975, p. 570) referred to Krasner's definition, but also introduced mutual expectations, plans, organized energies and financial commitments. The role of governments was elaborated by Keohane and Nye (1977, p. 5) who define regimes as 'governmental arrangements where governments regulate and control transnational and interstate relations by creating or accepting procedures, rules and

institutions for certain kind of activity'.

In this thesis the Community regime is defined as a set of principles, norms, rules and decision-making procedures which determine the conditions of cooperation. The conditions are specified in the regime contract which is made up by the *acquis communautaire* of the EC/EU. The dynamic character of the Community regime will be analysed by stressing the important role of principles and norms.

This definition is, however, not satisfactory when analysing the case of Denmark's pattern of adaptation to the Community regime. The framework of analysis elaborated here serves to create a link between the Community regime and the Danish political process. It aims at clarifying one of the major weaknesses of Regime Theory mentioned by Haggard and Simmonds (1987), who claimed that the theory overlooked the domestic political process, which, according to them, determines to a great extent the behaviour of the state in the international system.

2. The European Community and International Regimes

This section aims at clarifying the link between the EC and the theory of International Regimes. Certain aspects of the Community mode of cooperation can be analysed according to the above-mentioned definition of regime theory, although the fundamental characteristics of the EC/EU show it is more than a regime. These characteristics are both important ingredients in the Community mode of cooperation and vital to the four components of the Community regime, principles, norms, rules and decision-making procedures:

- The EC/EU has fundamental objectives combined with a strong integrative character, as spelled out in the Treaties of Paris and Rome and the Maastricht Treaty, which go beyond the kind of cooperation that is normally described by the scholars of regime theory.
- The EC/EU goes further than an international regime in demanding that member states give up formal competences. The direct applicability and priority of Community law over national law and the special role of the European Court of Justice (ECJ) are examples of this. Other examples where the member states have conceded sovereignty are areas of exclusive Community competence, like the

Common Agriculture Policy (CAP) and the Common Commercial Policy and Customs Union.

- The EC/EU covers a wide scope of policy areas in a complex network of cooperation, while examples of international regimes are often taken from cooperations in single issue-areas or in an area covering similar and inter-linked interests.
- The Community's institutional framework is stronger and more coherent with its quasi-constitutional structure and independent institutions than the international organizations described in International Regimes.

2.1. The Role of Institutions in International Regimes

The theory of International Regimes is ambiguous when explaining the role of institutions. Haggard and Simmonds (1987) point out that a regime is not an institution. To them, the basic assumption of regimes is their fundamental feature of national sovereignty and the pattern of cooperation among states. Keohane (in Krasner, 1983) likens a regime to a contract between independent actors, without the authority to enforce rules. In another work (1985, p. 63), Keohane states that international regimes should not be interpreted as 'elements of a new international order "beyond the nation-state". They should be comprehended chiefly as arrangements motivated by self-interest: as components of systems in which sovereignty remains a ~~constitutive~~ principle.' Keohane modifies this by proposing that 'regimes can certainly affect expectations and may affect values as well'. Haas (1980, p. 359) agrees with this modified approach by stating that 'complex interdependence suggests that states are no longer certain how various goals should be ranked when opportunity costs of adopting new goals at the expense of old ones must be evaluated'.

Nevertheless, institutions are clearly central to the regime as they build on its capacity to reduce the inherent risks stemming from cooperation. The role of the institutions is, according to Keohane (in Krasner, 1983), to provide high-quality information. Scholars of international regimes do not see institutions as independent entities to which members have conceded an agreed amount of sovereignty. The institutions of regimes are, however, necessary to channel correct information and facilitate decision-making in order to make the regime arrangements efficient. In

comparison with classical integration theories, the institutions of international regimes are not promoting, implementing or controlling activities undertaken by the regime, but constitute a central part of the mechanism of cooperation.

In the Community regime the EC institutions play an important and independent role. They are however dependent on the degree of sovereignty transferred to them by the member states, and only have competence within the scope assigned to them by the Treaties.

2.2. The EC and the Theory of International Regimes

Scholars of international regimes have seldom taken the Community as an example in their studies and no attempts have been made to analyse the EC as such. Keohane and Hoffmann (1991, p. 10) state in their three propositions about the European institutions that 'the EC is best characterized as neither an international regime nor an emerging state but as a network involving the pooling of sovereignty'.

Specific features of the EC, however, have been used as examples of regimes, like the STABEX scheme of the Lomé Convention between the EC and some developing countries (Keohane in Krasner, 1983, p. 169). Nevertheless, Keohane points at a wider use of regime theory when citing Jervis's concept of European integration in the same article (p. 158, see also footnote 38). He defines the notion of reciprocity as 'the belief that if one helps others or fails to hurt them, even at some opportunity costs to oneself, they will reciprocate when the tables are turned. In the Concert of Europe, this became a norm specific to the regime, a standard of behaviour providing that statesmen should avoid maximizing their interests in the short term for the sake of expected long-run gains.'

Keohane elaborates Jervis's concept of reciprocity with what he calls 'the norm of generalized commitment - (which) precisely forbids specific interest calculations'. According to Keohane, the norm of generalized commitment 'rests on the premise that a veil of ignorance stands between us and the future, but that we should nevertheless assume that regime-supporting behaviour will be beneficial to us even though we have no convincing evidence to that effect'.

III. The Concept of *Acquis Communautaire*: A Survey of the Literature

The concept of *acquis communautaire* often emerges in the debate when the EC is facing major changes in its internal structures. They can be caused either by external actors in the event of enlargement or by internal developments as new constitutional structures or reforms of the existing treaties are discussed.

This survey contains examples of both sets of changes, but focuses on the issue of enlargement since the examples are more numerous and more easily detected. The concept of *acquis communautaire* has developed over time both in scope and interpretation, and is used increasingly rigidly as pressures from potential membership candidates have grown stronger and the Community's agenda has become more complex and comprehensive. Since the SEA, the concept of *acquis communautaire* also comprises the *acquis politique* covering the actions taken within the framework of European Political Cooperation (EPC). The most decisive development of *acquis communautaire* was in the Common Provisions of the Maastricht Treaty where, for the first time, it was given a legal value. The mentioning of *acquis communautaire* in Articles B and C underlines the enhanced role of the *acquis communautaire* in the process towards EU.

1. The Concept of *Acquis Communautaire*

When literally translated into English *acquis communautaire* means 'what the communities have achieved' (Nicoll and Salmon, 1990, p. 29). Attempts have been made to give it an English translation, but as Juliet Lodge (1986, p. 106) puts it, *acquis communautaire* is 'unsatisfactorily translated as "Community patrimony"'. Anthony J.C. Kerr (1990, p. 196) continues on the same subject '..the *acquis communautaire*, as the French Foreign Minister...called this complex of values, laws and procedures evolved over a period of years. The interpreters...generally translated this expression as "the Community set-up" or the "Community patrimony", but there was no really adequate English term for something which had been thought out in French and generally in accordance with French ideas.' As the English language has no counterpart to the word, the French term is almost exclusively used. According to Hugh Thomas (1991, p. 37), the practise of bringing foreign terms linked to the EC in the English language has had an adverse effect in the UK. He writes 'the culture of the Community, with its strange, French, untranslatable words (*acquis*

communautaire) has struck no chord in British life'.

In general the concept of *acquis communautaire* is little known to the public in any of the member countries and even less in the countries outside the EC. Marie-Françoise Labouz (1988, p. 26) argues that 'Il [*acquis communautaire*] est fait de principes dégagés des traités et de la pratique par la Cour de Justice de Luxembourg beaucoup plus que de réalisations connues du grand public. Il reste *a priori*, par sa technicité et son caractère évolutif, affaire de spécialistes.'³

When analysing literature on the EC, the concept of *acquis communautaire* appears in two different forms which give way to two different definitions. The first is minimalistic and appears in judicial texts. It will be referred to as the 'judicial definition'. The second is maximalistic and appears in texts where the author analyses features and decisions taken by the EC in order to explain a specific course of events or the reasons behind Community strategies. It will be referred to as the 'political definition'.

2. The Judicial Definition

An expert in Community law would without doubt have much more to say about the concept of *acquis communautaire* and its importance in the judicial system, in particular its development since the Maastricht Treaty. This is not, however, the objective of this chapter. The following discussion serves as background for the next section where the political definition of *acquis communautaire* is elaborated.

2.1. The Rulings of the ECJ

The judicial definition of *acquis communautaire* has both an internal and external dimension. The internal *acquis communautaire* concerns the legal competencies of the EC derived from the EC Treaties. This dimension gives *acquis communautaire* its purest definition, which is, according to Kerr (1990, p. 12) '..the sum of Regulations, Directives, Decisions, etc....in addition to the Treaties.'. The external dimension concerns the Community's relations with countries or organizations outside the EC framework.

³It (*acquis communautaire*) is made out of principles emerging from the Treaties and the practice of the Court of Justice in Luxembourg rather than achievements known to the general public. It remains *a priori* because of its technicality and evolving character a matter for the specialists.

The basic definition of *acquis communautaire* has developed since the beginning of the EC through the rulings of the ECJ. Labouz (1988, p. 26) argues that '...elle préserve au fil de ses arrêts un *acquis* qu'elle contribue à enrichir au détriment des Etats et souvent à leur insu. L'*acquis* jurisprudentiel dégagé des traités de base est en effet redevable de l'interprétation centralisée du droit communautaire et des méthodes juridictionnelles qui s'y attachent avec quelque excès aux yeux des Etats.⁴' This implies that the ECJ has enlarged the scope of the *acquis communautaire* by interpreting the Treaties teleologically. The show of force is directed towards the member countries and plays an important role in establishing the competencies of the institutions. This has resulted in the success of the ECJ in promoting European integration internally with the Treaties as a base. Labouz continues (1988, p. 26) '...mais l'*acquis* jurisprudentiel qui s'en dégage est un facteur d'intégration. Il s'impose en effet aux récalcitrants comme aux candidates d'adhésion, et surtout, édifié par strates sédimentaires, il est extensible.⁵

2.2. *Introduction as a Treaty Provision*

The importance of the *acquis* to integration was given additional weight in the Maastricht Treaty. Article B of the Common Provisions reads 'the Union shall set itself the following objectives:...to maintain in full the *acquis communautaire* and build on it with a view to considering...to what extent the policies and forms of cooperation introduced by this Treaty may need to be revised with the aim of ensuring the effectiveness of mechanisms and the institutions of the Community'. Article C continues 'the Union shall be served by a single institutional framework which shall ensure the consistency and the continuity of the activities carried out in order to attain its objectives while respecting and building upon the *acquis communautaire*'. The reason for giving the *acquis communautaire* a legal value was to prevent the Union from being diluted by internal tendencies of asymmetrical

⁴..It [the Court] protects through its rulings an *acquis* which it contributes to extend at the expense of the states and often without their knowledge. The judicial *acquis* emerging from the fundamental treaties derives in fact from the centralized interpretation of Community law and from the judicial procedures which are part of it and which the states find excessive.

⁵..But the judicial *acquis* deriving from the Court of Justice's interpretation is an element of integration. It imposes itself in fact on both the sceptics and the membership applicants, and, above all, being built on sedimentary layers, it is elastic.

integration among member states and external pressures in the event of enlargement. When the constitutional structure was discussed during the IGC of 1991, the member states favouring the unitary 'tree construction' had to give in to those member states favouring a 'pillar construction' which separated the Community from the areas of foreign and security policy and home affairs. In this context, the mention of EU's federal objective was also removed from the common provisions. The member states which had favoured an explicit statement on a federal Union based on a unitary framework were recompensed by the introduction of the *acquis communautaire* in the common provisions.⁶

The external dimension of the *acquis communautaire* comes to the fore in the event of enlargement of the EC. On no other occasion is the content of the *acquis communautaire* so thoroughly analysed.

2.3. *Acquis Communautaire and Enlargement of the EC*

The concept of *acquis communautaire* was mentioned officially for the first time in the Communiqué issued by the Heads of State and Government at the Summit of The Hague on 2 December 1969. The Heads of State and Government, with the French President, Georges Pompidou, at the forefront, agreed to open accession negotiations with the UK, Denmark, Ireland and Norway. But the candidates had to fulfil one fundamental condition if the negotiations were to be successful: paragraph 13 reads 'in so far as the applicant states accept the treaties and their political finality, the decisions taken since the entry into force of the treaties and the options made in the sphere of development, the Heads of State or Government have indicated their agreement to the opening of negotiations between the Community on the one hand and the applicant states on the other'.

This condition became one of the absolute requirements for a candidate country. It forms the basic principle of the total acceptance of the *acquis communautaire* which ever since the first enlargement has served as a yardstick to measure the true conviction and readiness of the candidate country to become a member of the EC.

Guy Isaac (1989, p. 18) states this principle by explaining 'soucieuse de se protéger contre les risques de dénaturation, la Communauté avait fait accepter, à l'occasion de ce

⁶Poul Skytte Christoffersen, *Konferencen vedrørende traktaten om den europæiske union*, Jurist og Økonomiforbundets Forlag, Copenhagen, 1992, p. 54.

premier élargissement, le principe que l'adhésion se réalise sans remise en cause du système (principe de l'*acquis communautaire*)'.⁷ Later in the same text (pp. 27-8), he distinguishes between two types of conditions; technical and political. '...Une *condition technique*:...Cette condition s'exprime dans le principe de l'acceptation de l'*acquis communautaire*, clairement dégagé lors du premier élargissement. Il signifie que les candidats doivent accepter immédiatement non seulement les traités, mais encore l'ensemble des actes adoptés sur leur base et, plus généralement tout ce que, à titres divers, recouvre l'oeuvre des Communautés depuis leur création....Ensuite, une *condition politique*: par le préambule du traité C.E.E., les fondateurs invitent à s'associer à leur effort les autres peuples d'Europe 'qui partagent leur idéal'.⁸

The Community has thus been most careful not to run the risk of diluting its *acquis communautaire* in the event of enlargement. It would, however, be an impossible task for any candidate country to adopt the increasingly extensive *acquis communautaire* from the date the accession treaty enters into force. The EC has therefore added to the principle of acceptance of the *acquis communautaire*, the establishment of transitional measures that will help the candidate country absorb the problems of adjustment that membership brings about. Loukas Tsoukalis (1981, p. 162) makes this perfectly clear when he explains 'the negotiations between an applicant country and the Community are only about the type and length of the transitional period which follows accession. The *acquis communautaire* itself does not come into question during those negotiations.'

⁷Anxious to protect itself against a transformation of its fundamental character, the Community, at the occasion of the first enlargement, imposed the principle that enlargement is achieved without questioning the system (the basic principle of *acquis communautaire*).

⁸..A technical condition:..This condition manifests itself in the principle of the acceptance of the *acquis communautaire*, which became clear during the first enlargement. It means that the applicants must immediately accept not only the treaties, but also the body of acts adopted on the basis of the treaties, more generally everything that, under different headings, encompasses the work of the Communautés since their creation. Then, a political condition: through the preamble of the EEC Treaty, the founders invite other peoples of Europe 'who share their ideal' to join them in their efforts.

3. The Political Definition

Authors who have specialized in political science tend to see the concept of *acquis communautaire* in a different way than the judicial experts. They put more emphasis on the consequences of the use of *acquis communautaire* when they search to explain the reasons behind the strategies adopted by member states and EC institutions.

3.1. A Wider Concept

Helen Wallace and Wolfgang Wessels (1991, p. 3) give a short definition of the *acquis communautaire* when writing '..*acquis communautaire* (the corpus of Community legislation and commitments)'. Helen Wallace (1985, p. 2) underlines '..the symbol of the *acquis communautaire* as shorthand for everything already agreed within the Community'.

The content and legal definition of *acquis communautaire* is treated with less precision by political scientists. Their analyses, however, provide understanding about its wider concept and implications. *Acquis communautaire* occurs in the context of enlargement and major changes of the Treaties and is often used as a means to describe the cooperation process among the member states, therefore close to the definition of norms in regime theory.

Political scientists have given different interpretations to the *acquis communautaire*. A straightforward approach is given in the five-institute report (1983, p. 41); 'the Community rests upon an implicit contract, that its member states accept mutual obligations in return for mutual benefits. Continued respect for that contract requires a sense in all member states not only that the costs and benefits of membership are distributed equitably, but also that the rules and obligations which each has accepted are accepted and observed by all.' This definition is similar to the discussion of regime principles which makes explicit the shared goal of a regime and norms to regulate members' behaviour.

Helen Wallace (1985, p. 20) stresses that 'the basic concept prevails that EC membership directly implies the involvement of all member states in the pursuit of an agreed set of policy objectives, in the acceptance of mutual obligations and common disciplines, and in the collective pursuit and financing of common policies. This is after all what comprises the *acquis communautaire*.'

William Wallace (1983, p. 411) elaborates on the symbolic value of the political

concept of *acquis communautaire*; 'a certain mythology has grown up around the "grand design" of European integration allegedly shared by the "far-sighted" statesmen who negotiated and signed the Treaties of Paris and Rome. Such myths have their political value;...in the European Community, this has served to underpin the *acquis communautaire*, the package of policies and rules agreed to under the Treaties and in the fifteen years which followed their signature.' His definition is close to the regime principles which clarify the goal of the Community regime.

3.2. *An Inflexible Concept*

As *acquis communautaire* is a concept which serves to preserve what has already been achieved changes to the *acquis communautaire* can be implemented only if member states agree. Therefore, a degree of inflexibility follows in the cases where there is no agreement on the dynamic character of the regime principles. William Wallace (1983, p. 419) writes that 'only a sustained effort by a coalition of governments to reopen the redistribution issues which underlie the CAP, an exercise which requires political attention and action from outside the sector to cut across the entrenched interests, could successfully amend the *acquis*'. He continues (p. 422) 'the development of a Community process,..., has been hesitant and slow, the underlying issues at stake submerged until the early 1980s by the mythology of the *acquis* and the compartmentalized structure of the decision-making process'.

Frank Vibert (1990, p. 141) criticizes an unjustifiable rigidity of 'the doctrine of *acquis communautaire* (or patrimony) [which] states that once a function or power has been obtained at the Community level, it should never be relinquished'. Vibert has found a scapegoat for this inflexibility in 'the idea that old functions should always be sustained and new policies always additional is a bureaucrat's dream. The concept of *acquis communautaire* is a doctrine invented by the bureaucrats for the benefit of bureaucrats.' In his criticism, Vibert seems to seriously misunderstand the importance of the *acquis communautaire*. He overlooks its deeper role as a basic element in the European integration process, regulating members' behaviour and restraining excesses of self-interest which would harm cooperation and integration in the long term. He seems to confuse the changes to the *acquis communautaire* as an integral part of a benign integration among states, with the ever-centralizing EC institutions acting supposedly outside their

competences. He also neglects the legal relevance of the concept as a basis for legal certainty, which smaller member states in particular regard as fundamental.

3.3. Acquis Communautaire and Enlargement of the EC

The criticism of *acquis communautaire* focuses to a large extent on its role in the three enlargements of the Community. The EC has shown a tendency to perceive candidate countries as potential threats to the established principles and norms, thereby encountering challenges to them with thorough perseverance. The first time this came to the forefront was in the 1960s when the UK presented its membership application to the EC. The original six states, in particular France, were not convinced that the UK shared the long-term political goals of the Treaties and feared a dilution of the process of European integration as the UK might seek to undo the Community obligations. This fear, together with concerns of balance of power and the distribution of economic benefits, prompted General de Gaulle to veto British accession in 1963 and 1967. The General expressed doubts about UK commitment to the principles and norms of the Community, but was fundamentally worried that the accession of a big country, with traditionally strong ties to other parts of the world and some very different policy interests, would upset the balance within the EC in which France had the leading role.

K.R. Simmonds (1968, p. 16) made the following comment regarding the French position on UK membership of the EC: '..the fundamental French objection to an expansion of the Community membership derived from a fear of change in the institutional balance laid down in the Treaty'.

The situation changed towards the end of the 1960s as Georges Pompidou, who succeeded General de Gaulle as President of France, did not share the General's concerns about UK accession and the future development of the Community. At the Summit of The Hague in December 1969, the Heads of State and Government agreed on a strategy in three parts - completion, deepening and enlargement - for the future of the EC. The political leaders concluded that accession negotiations could be opened with the four candidate countries, the UK, Denmark, Ireland and Norway, on the condition of their total

acceptance of the *acquis communautaire*.⁹ Throughout the negotiations the EC held firmly to this principle, leaving the length of the transition agreements to be decided on.

Helen Wallace (1985, p. 2) has commented as follows on the inflexible character of the *acquis communautaire*: 'already at the time of the first enlargement of the Community in 1973, some doubts had emerged about the feasibility of maintaining momentum in the face of the disparate policy interests represented by the new members. The reflex of the founder members was to sharpen the definition of the prevailing "orthodoxies". Institutional problems would arise from the accession of new members only if the rules of the Treaties were disregarded. New policies might be embraced which would be advantageous to new members, but only on condition that the existing policy objectives and instruments of the EC were fully accepted by the governments of the acceding countries. Out of this debate emerged the symbol of the *acquis communautaire*...'

Helen Wallace (1983, p. 49) also forwards some explanatory remarks on the problem of a badly adjusted *acquis communautaire*. She writes 'there are...problems arising from the Treaty base and subsequent *acquis*. First, the Treaties were formulated in the economic and political circumstances of the 1950s. Their policy prescriptions are no longer entirely appropriate to current policy needs, although much depends on how Community and national policy-makers choose to interpret Treaty provisions. Secondly, the Treaties embraced the policy interests of the six founder members and have often been interpreted in a way which constrains the adjustment of policies to meet the need of an enlarged EC.'

The SEA was an attempt to try to rectify the deviance between the provisions of the Treaties and the existing policy needs. The IGC on the SEA was prompted by internal and external pressures to adjust the Treaties to the development, in the scope of cooperation between EC members that was already in place or that was necessitated by new policies and projects (the internal market), and to accommodate the changes made necessary by enlargement of the EC.

⁹The communiqué stated 'in so far as the applicant states accept the treaties and their political finality, the decisions taken from the entry into force of the treaties and the options made in the sphere of development, the Heads of State and Government have indicated their agreement to the opening of negotiations between the Community on the one hand and the applicant states on the other'.

Many of the examples found in the literature comment on or analyse the role of the *acquis communautaire* in the event of the first enlargement and with particular focus on the UK. The reason why the UK accession seems to have been especially difficult, is undoubtedly linked to the UK's special political and economic position in the world in the past, and its different experiences than the continental European states during the Second World War. In the case of Denmark, which had few problems in accepting the terms of entry, the difficulty for many Danes in accepting the principles of integration resided in an uneasiness with the objectives and ideals of the Community.

3.4. Extending the Acquis Communautaire Outside the EC

The scope of the *acquis communautaire* has grown considerably during the 1980s. Not only by the SEA, the first major amendment to the Treaties of Paris and Rome, but the 1992-project establishing the internal market has also added weight to the *acquis communautaire*, and the Maastricht Treaty has strengthened its legal and symbolic significance.

The attraction of the internal market made neighbouring European Free Trade Association (EFTA) countries eager to forge closer links with the EC. The Community, which at the time did not want to consider further enlargements, offered a new kind of relationship to the EFTA countries based on the extension of the internal market's four freedoms and flanking policies - the European Economic Area (EEA). The idea of the creation of an EEA, which was first presented by the Commission President, Jacques Delors, in January 1989, appealed greatly to the EFTA states, as it would grant them the necessary access to the EC markets without them having to consider the difficult political problems posed by EC membership. The objective of the EEA was spelled out at a ministerial meeting in 1989 between the EFTA states and the EC: 'atteindre la réalisation de la libre circulation des marchandises, des services, des capitaux et des personnes, sur la base de l'*acquis communautaire*, identifié conjointement; des exceptions éventuelles, justifiées par la sauvegarde d'intérêts fondamentaux, ainsi que des dispositions transitoires pourraient être l'objet de négociation.'¹⁰

¹⁰to achieve the free circulation of goods, services, capital and people on the basis of *acquis communautaire* identified jointly; possible exceptions justified by the protection of fundamental interests, as well as transitional provisions, might be the object of

However, the EEA negotiations were to become more difficult than expected, mainly because of the fundamental problem of extending the *acquis communautaire* to countries which were not members of the Community. The conflict between the EFTA states' demands for a genuine participation in the Community decision-making process and what the EC was able to deliver was finally taken to the ECJ by the European Parliament, to establish whether the EEA institutional set-up was compatible with the EC Treaties. The Court ruled that the provisions in the EEA Treaty giving the EFTA states access to the Community's decision-making process were incompatible with the Treaties and the latter was therefore invalid. The Court's message was clear: only members of the EC which share the rights and obligations of membership have the right to take part in the decision-making process.

4. An Assessment of Acquis Communautaire

This analysis has shown that the *acquis communautaire* is a central concept in the Community. The concept itself has no exact definition, although in its judicial meaning the term is more clearly identifiable.

For the member countries and Community institutions, the *acquis communautaire* represents the cornerstone of European integration, and regulates the mode of cooperation between them. The *acquis communautaire* spells out the terms of the membership contract, and in this capacity becomes the preserver of what has already been achieved within the Community. The *acquis communautaire* has become rigid in its design to maintain the *status quo*. Only occasionally have efforts been made to adjust the *acquis communautaire* to developments in the Community mode of cooperation.

The *acquis communautaire* comes to the fore in the event of enlargement of the Community. The *acquis communautaire* is used as a tool to measure an applicant country's true desire to adhere to the principles of integration and its capacity to fulfil the rights and obligations of membership. This has given way to one of the basic principles of EC membership, which is the applicant's acceptance of the *acquis communautaire*. The reason behind this requirement touches a fundamental factor of European integration: in order to survive, the EC must be able to guarantee its members that the price they have had to pay

negotiation....

in terms of loss of sovereignty is balanced by gains in political influence and cooperation in policy areas. The costs which membership implies must, in the long term, be distributed equally. As EC membership is deemed irrevocable, members also demand an assurance of stability over time and robustness towards external pressures. As there is no European constitution in the proper sense of the word, the concept of *acquis communautaire* has become its stand-in, and, some would argue, its poor substitute.

The fact that the *acquis communautaire* is not negotiable when the Community is dealing with third states, has often made the terms of entry to the EC hard to accept for acceding states. The EC is therefore subject to criticism which focuses on the inflexibility of the *acquis communautaire*. This orthodox character, sometimes taken as an excuse for member countries to maintain advantageous arrangements achieved through the Community cooperation, is an integral part of the integration process. On the other hand, it should be pointed out that the member states can, and do continuously, adapt the *acquis communautaire* to the progress of EC policies.

The Community has in recent years started to claim the principle of acceptance of the *acquis communautaire* in negotiations beyond enlargement. In the case of the EEA negotiations, the EFTA states were asked to define what they believed to be the relevant *acquis communautaire*. It was then possible for them to leave out some of the more complicated parts, like the CAP. The exercise proved nevertheless frustrating since the EC showed little willingness to negotiate alternatives to full participation in the decision-making process. The Community proved to be very sensitive about conceding any substantial derogations or exceptions to the *acquis communautaire*, although the objective of most EFTA states was not at the time to become members of the EC.

Over the years the *acquis communautaire* has developed continuously through the everyday functioning of the Community machinery, successive enlargements and amendments to the original Treaties. It has been argued that the more comprehensive the *acquis communautaire* becomes, the more rigidly the concept will have to be applied. It is certainly true that as the EC moves towards EU, it will demand an increasingly greater effort by new member countries to adjust to the *acquis communautaire* and successfully settle down in the Community. The concept of *acquis communautaire* is now written into the Maastricht Treaty, which may be a deliberate strategy to protect the fundamental characteristics of Union membership.

IV. *Acquis Communautaire* and the Theory of International Regimes

1. Four Basic Elements

International Regimes have been defined by Krasner (1983, p. 2) as 'sets of implicit and explicit principles, norms, rules and decision-making procedures around which actors' expectations converge in a given area of international relations'. These four basic components of a regime can be used as analytical tools to establish the conditions of cooperation, and once the regime is in place, they are what is needed to make the cooperation successful. The Community mode of cooperation has a similar set of distinctive components, but before analysing them, the conceptual framework based on principles, norms, rules and decision-making procedures must be defined more closely.

1.1. Principles

Krasner (1983, p. 2) defines principles as 'beliefs of fact, causation, and rectitude'. Keohane (1985, p. 58) somewhat differently writes that 'the principles of regimes define, in general, the purposes that their members are expected to pursue'.

The principles and purpose of regimes, in the Community context, can be found in the text of the preambles of the Treaties where the overall aims of European integration are stated:

Determined to lay the foundations of an ever closer union among the peoples of Europe. Resolved to ensure the economic and social progress of their countries by common action to eliminate the barriers which divide Europe (Treaty of Rome),

or,

Moved by the will to continue the work undertaken on the basis of the Treaties establishing the European Communities and to transform relations as a whole among their States into a European Union, in accordance with the Solemn Declaration of Stuttgart of 19 June 1983 (Single European Act),

and

This Treaty marks a new stage in the process of creating an ever closer union among the peoples of Europe, in which decisions are taken as closely as possible to the citizens (Maastricht Treaty).

The declarations of the European Council are meant to give input from the highest political level, in the form of guidelines for the Community's future action. These guidelines are supposedly compatible with the fundamental objectives of the Treaties and should lead the member states and institutions further along the path towards integration:

Desiring to consolidate the progress already made towards European Union in both the economic and political fields, the Heads of State and Government reaffirm the following objectives:...' (Solemn Declaration on European Union).

The rulings of the ECJ have an important role in interpreting the Treaties. The resorts to teleological interpretations have spelled out the intentions of the founding fathers. The Court has clarified and reinforced, and in some cases indirectly established, the principles of the Community regime.

Scholars of international regimes have argued that none of the four elements explain explicitly why a regime is created. In the case of the EC, however, it is possible to deduce from the wording in the preambles of the Treaties the fundamental principles for cooperation: to achieve a lasting peace in Europe through an ever closer union among the peoples and a constant improvement of their working and living conditions. The overarching principles of the Community have a clear integrative objective, which is meant to be shared by all member states as a point around which their interests will converge. The principles are therefore the fundamental component of the Community regime, and what gives it its purpose. If the principles are shared by the member states, the Community regime functions coherently. If they are not, the Community regime may weaken or divert from its original direction. The principles have so far not been renegotiated, but reinforced by successive reforms of the EC Treaties. But some member states' difficulties in sharing the principles have weakened the *acquis communautaire* and

have threatened to weaken the Community regime, e.g. the arrangement on Social Policy attached to the Maastricht Treaty.

1.2. Norms

Krasner (1983, p. 2) defines norms as 'standards of behaviour defined in terms of rights and obligations'. Keohane (1985, p.58), in his turn, has written that 'norms contain somewhat clearer injunctions to members about legitimate and illegitimate behaviour, still defining responsibilities and obligations in relatively general terms'. Haas (1980, p. 397) states shortly that 'norms tell us why states collaborate'.

The problem is to distinguish a norm from a principle. If principles are seen as objectives for the whole Community process and tell us something about the direction towards which the EC should head, norms are explicit and implicit notions about the formulation of this process. The norms say more about the process of cooperation than the principles (which constitute an overall umbrella of common values). The authors point to the rights and obligations of Community membership. Violation of a norm causes concern in the EC as it implies a violation of the mode of cooperation. An example of violation of a norm was Margaret Thatcher's unrelenting pursuit of a refund for the British budget contribution. The reaction from other member states was one of great disapproval at the persistence and aggressiveness with which the claim was pursued. The French Foreign Minister, Roland Dumas, was reported as complaining that the British way of handling the matter was not 'the Community way'.

In Krasner's and Keohane's definitions norms are important regulators for the behaviour of the members of the regime. Rather than Haas's 'why states collaborate', norms show how cooperation takes place and the conditions that are necessary for collaboration to be maintained. The violation of a norm is often connected to the non-acceptance of a Community principle. At least when a member state, known not to share the Community principles, breaks a norm, it has a more severe impact on the Community regime than when a member which accepts the principles breaks a norm. The fear that the non-acceptance of a principle may threaten the Community regime turns the breach of a norm into a serious matter. The fact that the violation of principles or norms is outside the jurisdiction of the ECJ, because principles and norms concern the mode of cooperation between the member states makes compliance a matter for the member states. The relative

size and importance of a member state decides the assessment as to the cost of breaking a norm (exclusion or being disregarded). A big member state's violation is likely to force other member states to consider accommodating it in some way, while if a small member state considers breaking or breaks a norm the fear of exclusion or complete disregard of any legitimate grievance is more likely. On the other hand a small member state's violation of a norm may also result in a special status ^{being} granted that country, while a big member state may not be granted a special status as it would be considered to have an even more serious impact on the Community regime.

1.3. Rules

Rules are in Krasner's definition (1983, p. 2) 'specific prescriptions or proscriptions for action'. Keohane (1985, p. 58) writes that rules are difficult to distinguish from norms, but that rules are more specific, indicating in detail the rights and obligations of members. In the case of the Community, Krasner's definition of rules seems to coincide with praxis. Clearly, rules are explicit expressions of actions that the regime should take to develop further the cooperation. The Council's law-making capacity fits this definition. Regulations and directives, and to a certain extent decisions and recommendations, are tools to ensure that actions are taken in the areas of Community competence. An example is the framework directives, in which general principles of Community policy are explained and their objectives prescribed, while the practical implementation rests with the member state. The rules form the secondary legislation of the Community, as well as the decisions taken within the framework of EPC (as part of the *acquis politique*).

Rules are on a different level from principles and norms in the Community regime. Being part of the Community framework as explicit measures for action in areas stated in the EC Treaties, they are proposed, amended, implemented and safeguarded by the EC institutions. The violation of a rule may be sanctioned by the ECJ when a member state is found guilty of not complying national legislation to EC legislation. Breaking a rule may therefore be less dramatic than breaking a norm or not accepting a principle, as the Community regime has a direct and effective way of establishing and condemning the violation. Regulations are special in the respect that they are directly applicable in the member states.

1.4. Decision-making Procedures

Krasner (1983, p. 2) defines decision-making procedures as 'the prevailing practices for making and implementing collective choice'. Keohane (1985, p. 58) puts them 'at the same level of specificity as rules, but referring to procedures rather than substances, the decision-making procedures of regimes provide ways of implementing their principles and altering their rules'. Haas (1980, p. 397) sees procedures as an 'answer to the question of how the collaboration is to be carried out. Procedures, therefore, involve the choice of whether specific administrative arrangements should be set up to regulate the issue-area.'

These definitions all point at the administrative character of the decision-making procedures. The procedures are tools for facilitating and regulating the effective management of the cooperation. In the Community, decision-making procedures fulfil the crucial task of prescribing the act of taking decisions. Behind the administrative dimension, however, looms the important role of the procedures to balance power among members by weighted majority voting, and to safeguard further loss of sovereignty by prescribing vote by unanimity in some major areas and reforms of the treaties. Refusals to comply with the prescribed decision-making procedure are evidence of a more fundamental disagreement on the principles of the EC. The most striking example is the 'crisis of the empty chair' in 1965, when the Community decision-making process was blocked for several months because of France's refusal to accept the rules of majority voting. The underlying reason was a fundamental mistrust by the French President towards the EC institutions, so he attempted to stop what he regarded as an erosion of French sovereignty. The Luxembourg compromise is an anomaly that has had a negative effect on the functioning of the Community. It was not only a flagrant breach of voting procedures, but also violated norms of behaviour and therefore the fundamental principle of integration. It also influenced the applicant states in the run-up to the first enlargement.

In the Danish parliamentary debate, it was discussed whether Community membership was a threat to national sovereignty. The proponents pointed to the Luxembourg compromise as a guarantee that Denmark, despite being a small state, could not be forced to accept future integration. The so-called 'veto-right' became a condition for Danish entry and has remained in the EC debate. A more recent example is the Ioannina compromise of April 1994 between the Twelve member states over the voting procedures in an enlarged EU. This was prompted by a complaint from the UK and Spain

about big member states' relative voting strength in the case of qualified majority voting.

The decision-making procedures have a bearing on the other components in that they are necessary to make the Community regime move forward. If the decision-making stalls, no rules are adopted, and it is likely to amount to a violation of a norm. It is indirectly a non-acceptance of the principles of the Community regime, as the principles proscribe integration among the member states as a dynamic process which is necessary to move forward and not to lose its *raison d'être*.

2. Dynamics, Development and Adaptation

In the previous sections, the Community regime has been defined and linked to the four basic elements of the theory of International Regimes. *Acquis communautaire* has been defined as the terms of the regime contract. This approach has analysed the Community regime as a static framework where its features are described. However, the Community regime is, by its integration principle, a dynamic phenomenon designed to move forward towards the goals stated in the preambles of the EC Treaties. In the same way the *acquis communautaire* has progressed over time, both in its continuous everyday development through the adoption of new rules, and by substantial steps to strengthen the principles and norms of the Community regime through intergovernmental negotiations. The purpose of this section is to (1) introduce a dynamic concept of the Community to explain the development of the Community regime; (2) analyse the motivation for participation and the impact of violation or non-acceptance of the basic components (since regime development is dependent on the member states' active involvement); (3) analyse the relative position of an individual member state in the Community regime and introduce a notion of its perception of this position; and (4) analyse a member state's strategies to deal with the need to adapt to the regime and its development.

2.1. The Dynamic Character of the Community Regime

Changes in principles, norms, rules and decision-making procedures imply change of or within the regime. Krasner (1983, p. 5) has elaborated further the significance of these four components in the event of change.

He distinguishes between principles and norms on one hand, and rules and procedures on the other. Principles and norms provide the basic defining characteristics

of a regime. Therefore, changes in principles and norms are changes of the regime itself. Changes in rules and decision-making procedures are changes within the regime provided that principles and norms remain unaltered.

Change in the principles of the EC implies either a fundamental reformulation of the objectives or the beliefs of the preambles to the Treaties, or a radically different institutional and legal set-up. An example is the European Parliament's project on the Draft Treaty establishing European Union, orchestrated by Altiero Spinelli, which would have changed the EC into a federal system had it been adopted.

Under the same overarching structure, the Maastricht Treaty incorporates the Community pillar, reinforced with Economic and Monetary Union (EMU), and two pillars of intergovernmental character: the Common Foreign and Security Policy (CFSP), and justice and internal affairs. It attempts to regulate the division of competences between the Commission and national and regional administrations through the principle of subsidiarity, but it does not radically change the balance between the EC institutions and the member states. The Maastricht Treaty is an important change in the Community regime as it strengthens the links between the different areas in which the member states cooperate and defines better the roles of the EC institutions. It strengthens the Community regime in that it gives it a common framework, EU, and some symbolic values, e.g. the Union citizenship. The decision, however, by eleven member states except the UK, to implement the Social Charter outside the Maastricht Treaty but using the Community's institutional framework, the British and Danish opt-outs, and the Edinburgh Agreement, are elements which are likely to have weakened the Community regime.

It is still too early to judge whether the Community regime has been strengthened through the Maastricht Treaty, or if the intergovernmental character of the Treaty will weaken European integration. As the Treaty did not deal with the difficult question of defining the institutional structure of EU and the balance between the big and small member states, it is necessary to wait for the next IGC in 1996 to evaluate if, on the whole, the Maastricht Treaty fundamentally changes the regime. A foretaste of the difficulties in endowing EU with a new institutional structure came during the accession negotiations of February and March 1994 with the dispute over the procedures for qualified majority voting in an enlarged EU.

The SEA did not change the principles of the Community. On the whole, the SEA

was not a change of, but in, the Community regime. It modified the EEC Treaty (and the Treaties of Paris and Euratom to a minor extent) by introducing new policy areas linked to the internal market, and it rendered the decision-making procedure effective in these areas by introducing majority voting. Although the SEA codified the EPC and the European Council, it did not amount to a change in principles since both fora were part of the Community regime. The SEA was a change in the regime in that it strengthened the contract between the member states by making the objectives of market integration and economic and social cohesion clearer, and the decision-making rules more efficient.

Norms of the Community are standards of behaviour defined in terms of rights and obligations. A change of norms must therefore be either a change in the members' perceptions of the value of the rights and fairness of the obligations, or a change in the rights and obligations themselves.

Perceptions of the value of the rights and fairness of the obligations are subject to a normative evaluation by the member states on an individual basis. The difficulty in analysing a change in norms resides in this fundamental problem: a member state's perception of its rights and obligations of Community membership. It is inevitable that member states will perceive norms differently and that one member state's perceptions will be evaluated by others according to the prestige of the former. Another difficulty is found in the lack of exact definition of the Community norms. As norms define standards of behaviour, it is implied that what is approved as acceptable behaviour is a matter of subjective judgement. From this argument stem the value-biased propositions about 'good' and 'bad' member states. 'Good' members, like the founding Six, are granted more leeway in their behaviour as their compliance with the norms (and principles) is often taken for granted.

There seems to be consensus among the EC member states and the Community institutions that access to the rights and obligations of the EC is a privilege for member states only. During the negotiations over the EEA, southern EC members complained that the EFTA states were being granted access to the rights of EC membership without having to take on the obligations. This view was shared by some representatives of the Commissions and the ECJ, which ruled that the EEA institutional set-up was in breach of the EC Treaties. This conflict was solved through a compromise based on a much

reduced access to the right of participation in the decision-making process, and fulfilment in part of some obligations through the establishment of a cohesion fund financed by the EFTA states for the benefit of poorer EC members.

Were there to be a general change in the perception of the value of the rights and the fairness of the obligations of EC membership, the norms attached would have to be reformulated. A general change of the norms would amount to a change of the regime. One member state's violation of a norm does not change the Community regime. An occasional violation, even if general, does not change the regime, but a repeated violation, either general or by a single member and tacitly accepted by the others, would amount to a change in the norm and therefore of the regime.

The SEA (see also above) is an example of codifying in a legal text both a change within existing norms and new norms which have become accepted by the member states as features belonging to the Community regime. The SEA makes provisions for the European Council and the EPC. Both forms of cooperation had developed as general praxis between the member states in the 1970s, but had no legal value before the SEA. Although the introduction of majority voting in the areas related to the internal market changed the norm of voting behaviour, the change was not general, being confined only to a limited area. In the long run, however, it has proved to pave the way for the acceptance of a major change in the voting procedure in the Council of Ministers, by respecting the rules of the Treaties. The norm of economic and social cohesion which had been agreed in principle with Spain and Portugal during the accession negotiations and expressed in the declarations of the European Council as a desirable objective for the Community, had no explicit provision in the EEC Treaty. The SEA opened a whole new chapter on the economic and social cohesion. This is an example of a norm agreed upon between the member states and then introduced by an amendment of the Treaty.

Changes in rules, defined as the secondary legislation of the EC, take place within the framework of the principles stated in the preambles, the norms spelled out in specific provisions in the Treaties or implicit or explicit norms agreed upon by the member states. A new rule can originate from the declarations of the political leaders in the European Council, who express their wish for action in a specific policy area. Changes in rules are provided for in the decision-making process of the EC and take place in a context of

bargaining between the member states, assisted by the Commission. Rules that are changed in the EC framework are a change within the regime. Changes of the rules are easier to realize than changes of principles and norms, as they are normally not perceived to threaten national sovereignty by being defined within the scope of the Treaties.

According to Krasner, this is also true for changes in the decision-making procedures. In the context of the Community and European integration, however, the reality is more complex and Krasner's argument does not hold true. In the Community mode of cooperation, the change of decision-making procedures does in most cases also amount to a change of the principle of parity between the member states.

The legal set-up of the decision-making procedure is a complex mix between unanimity and majority voting, according to the sensitivity of the area concerned. In those areas where decisions are taken by majority voting, a balance is struck between large and small member states through a system of weighted votes. Each member's votes are distributed so that no permanent voting block is established, nor is any one member able to block a decision. The system of weighted votes creates a dynamism between groups of states; small/large, rich/poor, southern/northern, or traditional groups like Portugal and Spain, the Benelux countries or Ireland and the UK. The legal dimension of the decision-making procedure is a way to balance differences in power between member states. In this respect, a change of the decision-making procedure is more than a small change within a regime, since the underlying reason is of a more fundamental character. It would imply a change in a norm and therefore a change of the regime.

Some changes in the decision-making procedure have taken place as a result of attempts to strengthen the intergovernmental dimension of the Community at the expense of the supranational institutions. The most obvious examples of such changes within the procedures, but outside the initial scope of the Treaties, are: *Comité des représentants permanents* (Coreper), which was created to make the Council's decision-making more efficient; and the Comitology, which emerged as a result of the member states' concern to control the Commission's capacity to execute decisions in areas delegated to it by the Council. The Comitology is a borderline case between change in a procedure and change of a norm, as it clearly restricts the Commission's freedom of manoeuvre.

Finally, Krasner (1983, p. 5) discusses the difference between the weakening of a regime and changes within, or of, a regime. Krasner gives the following definition for

the weakening of a regime, 'if the principles, norms, rules and decision-making procedures of a regime become less coherent, or if actual practice is increasingly inconsistent with principles, norms, rules and decision-making procedures, then a regime has weakened'.

Before the Maastricht Treaty the Community experienced a number of amendments to the founding Treaties. The amendments were necessitated by the emerging discrepancies between the legal texts and praxis which had developed out of the process of cooperation. Adjustments were often found to be necessary in order to increase the efficiency of the institutions. Examples are the Merger Treaty which put the institutions of founding Treaties under the same legal framework and made provisions for Coreper, or the treaties modifying the budgetary and financial dispositions. In its first and third titles, the SEA codified practices which had developed in parallel with the Community. The second title, which covers amendments to existing Treaties, is to a large extent an anticipation of changes necessary in scope and decision-making provisions to ensure a successful realization of the internal market.

The IGC on EMU included changes to the existing Treaties, deemed either necessary because of the internal market, or desirable as logical developments in the process of economic integration, while the IGC on Political Union (PU) was called less because of internal logic, but rather because of external events (the German reunification, the break-down of the communist system in central and eastern Europe and the disintegration of the Soviet Union). EU represents a major change as it incorporates within its framework a more comprehensive set of issues for the Community regime, making it more coherent and therefore stronger. It is possible to argue, however, that the Maastricht Treaty has weakened the Community regime, by a drift towards decomposition of the 'solidarity mechanism' through the introduction of a kind of differentiated membership. Although the Community has long since dispelled differing abilities to comply in practice with the rights and obligations of membership, this new component of the Community regime stands out clearly in the section of the third stage of EMU where those member states which comply with the convergence criteria in 1996, or 1999 at the latest, can choose to forge ahead and introduce a common currency, and in the protocol on Western European Union (WEU) where those EC members which are not members of the WEU are invited to become members but are not obliged to do so. Even more striking is the arrangement for eleven member states on Social Policy, the British

and Danish opt-outs from the third stage of EMU, and the Edinburgh Agreement which stipulates Denmark's membership conditions of EU. These features of EU are an explicit breach of one of the fundamental principles of the Community regime, since they are a break with the rule that the *acquis communautaire* should be the same for all members (although some provisions largely outside the scope of the EC Treaties, like the early monetary arrangements, displayed incomplete participation). Now the *acquis communautaire* contains treaty-based opt-outs and a differentiated membership. The next IGC scheduled for 1996 will have to try to deal with the difficult institutional arrangements for an enlarged EU and with two member states which have chosen not to take part in all the rights and obligations of EU.

It seems true that changes within the Community regime are brought about by a necessity to adapt the legal framework to developments which have already occurred. Treaty amendments have to a great extent been steps to strengthen the functioning of the cooperation, or to take corrective measures in order to halt a lurking weakening of the regime. These kinds of measures have implied amendments to decision-making procedures and in some cases to the norms. But they seemed, before the Maastricht Treaty at least, not to have provoked changes in the principles or any of the more fundamental norms, and they have therefore been relatively easy to implement. When changes have taken place in principles or norms, there has been much more reluctance to ratify the new measures. Keohane (1985, p. 62) has written that principles of the regime have to be weaker than national principles, as principles touch national sovereignty. This proposition confirms the reluctance towards changing principles, and, were a change to take place, it is probable that an external challenge would have provoked it. The effect of the German reunification on the Community and the desire to negotiate PU are examples of the impact of external events in pushing integration further.

During the 1970s and early 1980s, the modest achievements of the Community, the obvious malaise in the decision-making process and serious economic difficulties, dubbed Eurosclerosis, were caused by a weakening of the regime as EC member states turned their backs on cooperation to pursue their national interests. The development revealed much inconsistency between norms and principles of the Community and the behaviour of member states.

2.2. Member States' Motivations

By studying the Community regime, that is the Community mode of cooperation as spelt out by the *acquis communautaire* and *politique*, it is possible to learn more about the integration process between the EC member states. The focus is on the member states, not because the EC institutions are not important, but because the member states, as 'sovereign' states, agreed initially to cooperate within the EC framework, and because the development in the Community is dependent on the dynamics between them. The argument takes account of the capacity of EC institutions to promote and enable further integration. The role of the institutions is defined as part of the dynamic process between the member states. The following study of Denmark's EC membership concentrates on intergovernmental negotiations between the EC member states, either in the context of enlargement or reform of the Treaties.

Since the aim of this thesis is to analyse Denmark's EC membership, it is necessary to distinguish individual member states as entities in the integration process. The link between the domestic political process and the behaviour of individual states at the level of cooperation is the point of focus in the case of Denmark.

Before studying this link, it is necessary to distinguish those characteristics in the Community regime which have an impact on the cooperation between member states, and to deduce from them some assumptions about the individual state's decision to participate in the regime, as well as the conditions under which it operates.

The fundamental characteristics of the structure of the Community regime are:

- An independent overarching goal of EU, guiding the development of European integration.
- An independent legal framework, including the ECJ capable of ruling on infringements, non-action or breach of treaty provisions, and to interpret the meaning of the Treaties. Some of the Community's legal acts have direct effect in the member states' jurisdiction, creating a direct bond between the EC and the domestic level.
- An independent control function carried out by the Commission to ensure that member states which break the rules or do not implement new provisions are

detected.

- Independent institutions which propose and facilitate new legislation (the Commission) or legitimize the Community regime (the European Parliament).
- New provisions reached through a process of bargaining between the member states in which the Commission and the European Parliament have a stake.
- The Treaties, which stipulate the rules of adopting decisions, and in the case of majority voting, assign a weighted vote to each member.

The following assumptions can be made about the Community regime:

- States which choose to participate in the regime estimate that the gains of cooperation will compensate for the loss of (formal) sovereignty.

Gains/losses can be **material** and **direct** through participation in Community policies, e.g. CAP, common commercial policy, the internal market, common fishing policy, and in the structural and regional funds.

They can be **material** and **indirect** by creating a level playing-field through cooperation in social and environmental policies, common transport and common energy policies; by enjoying greater weight in international negotiations, e.g. being represented by the EC in the GATT trade negotiations; and by enjoying improved predictability in national economic performance through intra-EC trade and a degree of economic convergence.

They can be **immaterial** and **direct**. By sharing information and constant interaction, the predictability about member states' actions increases as well as an individual member's safety (no more wars). Concerted action on the political level leads to increased influence in the international context. Being a member of the Community regime may stabilize the domestic political situation and prevent undesired developments.

They can be **immortal** and **indirect**. Being part of the European integration process may be an ideological objective. It directs future development in the member states towards peace, democracy, economic well-being and the respect of human rights.

- For a state which is a member, the costs to leave the Community regime are extremely high, both in material and immaterial terms.
- Despite the *acquis communautaire* and the EC institutions which are there to safeguard it, the relative influence and margin of manoeuvre are not equal between member states. The big member states have a greater capacity to influence the development of the EC, they have more to offer when negotiating in terms of side-payments and concessions, and they carry a greater weight in the intergovernmental aspects of the Community regime. Small states, however, gain disproportionately, both in direct and indirect terms, and benefit from a strengthening of the Community regime. There are, therefore, reasons to expect that small member states evaluate the regime cooperation differently and are more sensitive to changes in the *acquis communautaire* than bigger states as the balance between existing members in the EC may alter during the process of change. Small states in the EC have, however, taken a quite different view on the benefits of deeper economic and political integration and have evaluated their interest of deeper integration as either an opportunity (e.g. the Netherlands and Belgium) or as a threat (e.g. Denmark).

2.3. Individual Member States and the Community Regime

A Danish political scientist (Kelstrup, 1992, p. 23) has likened Denmark's position in the Community to an integration dilemma. The dilemma lies in the choice between proceeding with the development of integration and being 'entrapped', or not following and being 'abandoned'. He writes that 'I have never heard a German or a Frenchman claiming that either state has an integration dilemma in relation to the EC...while in small states such as Denmark this dilemma is self-evident'.

Kelstrup's concept of the integration dilemma seems to signal a fundamental aspect of Denmark's relation to the Community and European integration. By analysing the choice between being 'entrapped' or 'abandoned', it should be possible to determine the impact of the integration dilemma on Denmark's position as a member of the Community regime, and Danish attempts to reconcile the two extremes.

To undertake such an analysis, it is necessary to establish the factors behind the notion of being 'entrapped' or 'abandoned'. But first some considerations about the concept have to be taken into account: since the integration dilemma is **perceived** as such by Denmark, Danish **perceptions** about the EC and European integration have to be evaluated. The factors behind the perceptions cannot be expected to be evaluated identically, nor similarly, by actors on the Danish political scene. They have to be investigated separately in order to analyse the dynamic process of Danish EC policy.

The notion of being 'entrapped' is taken here to mean the costs of endorsing further integration. The reasons why further integration is perceived as inflicting costs on Denmark has to be investigated. The notion of being 'abandoned' is taken to mean the costs of having to leave (or being penalized in some other form) the Community regime. Originally, Community cooperation was perceived as benefiting Denmark, or at least it was felt that Danish interest would be damaged if Denmark stayed outside while the UK became a member of the EC.

2.4. Strategies of Adaptation

Following this analysis, it should be possible to distinguish Danish strategies designed to reconcile domestic reactions to, and expectations of, EC membership with the progress of the Community regime. The strategies should explain both Denmark's behaviour as a partner on the EC level, and the process of adaptation taking place inside the country.

Denmark's adaptive behaviour in the international context and in bilateral relations with neighbouring countries has been analysed by Hans Mouritzen (1988). In an attempt to develop a general theory of adaptive politics, he establishes a link between strategies and modes of adaptation. Modes of adaptation are '..characterized by the value account

that a regime¹¹ is prepared to live with in relation to its salient environment..', and strategies are '..the regime representatives' action programmes *vis-à-vis* the environment, designed with the intention of safeguarding the regime values.' (p. 75). According to Mouritzen, it is possible to establish whether a value account is positive, negative, negligible or balanced by adding the value implications of the regime strategies in use. Mouritzen operates with five strategies: the strategy of concessions, the strategy of non-commitment; the bastion strategy; the counter-weight strategy; and the strategy of détente and mediation (p. 76).

In the context of Denmark and the Community, Nikolaj Petersen uses in parts Mouritzen's concept of adaptation and his typology of strategies to explain the nature of Denmark's membership of the EC, in particular with regard to the popular rejection of the Maastricht Treaty in 1992. Petersen (1993, p. 82) interprets the process of adaptation in foreign policy as the decision-makers' attempts to adapt to external and internal pressure in such a way that the national interests, as defined by the decision-makers, can be pursued in an optimal way. Depending on the strength of the external and internal pressure the adaption process takes a different character. If the internal factors are stronger than the external, the foreign policy takes a 'dominant' character, while in the opposite case, the foreign policy becomes adaptive, 'acquiescent'. If the internal and external factors are equally strong, the foreign policy becomes 'balancing'. According to Petersen, the latter was the case with Danish EC policy during the period between 1990 and 1992, as external factors were dominant in the first phase while internal factors dominated in the second, with the referendum of June 1992 marking the turning point.

Petersen presents the strategies and techniques used by the policy of adaptation. Pointing to Mouritzen's typology, he states that the most important are the concession strategy, the condition strategy and the bastion strategy. The concession strategy implies the acceptance of an outcome which would not have been accepted without external pressure; the condition strategy implies the acceptance by external actors of an outcome they otherwise would not have accepted; and the bastion strategy implies the erection of conditions of a more ultimate character or prevention of future concessions.

¹¹Here, not used in the sense of 'international regime', but '..as an actor that strives to safeguard each of the following values: its own autonomy; its identity; and its control over a certain territory, including its population and material assets' (pp. 41-2).

Denmark's EC membership is evaluated in this study. The analysis attempts to cover the middle ground between studies of international cooperation and domestic politics. It concentrates on Denmark's adaptation to the process of integration within the Community regime, and the strategies designed to accommodate pressures from the domestic level by the rights and obligations implied in Community membership (*acquis communautaire*).

The study deals with three stages of the development of Denmark's membership of the EC: the first chapter covers the accession period, when, for more than ten years, Denmark considered membership of the EC and other alternatives to gaining market access in western Europe. In 1970, Denmark, together with the UK, Ireland and Norway, began to negotiate for EC membership. Denmark had, like the other applicants, to accept in full the *acquis communautaire* of the Community and to become increasingly familiar with the Community regime. The second chapter deals with the period of renewed dynamism within the EC leading up to the IGC on the SEA. The SEA was the first major reform of the existing Treaties and was an important step in strengthening the existing contract between the EC member states (the Community regime) towards European integration. The third chapter deals with the intergovernmental negotiations leading to the signing of the Maastricht Treaty, the difficult situation created by the Danish rejection of the Treaty in the referendum on 2 June 1992, and the Edinburgh Agreement. The IGCs on EMU and PU were attempts to change radically the Community regime.

The reason for focusing on these episodes in the Community is to analyse how Denmark dealt with the different features of the Community regime and the process of European integration on one hand, and domestic pressures on the other. The following questions will be asked in the study of the three episodes of Denmark's EC membership:

- How has Denmark responded to the Community regime, i.e. the *acquis communautaire*, and the process of European integration? How has Denmark responded to changes within it, or of it?
- Why is European integration perceived as a dilemma in Denmark?
- What strategies were developed to deal with the integration dilemma?
- How has Denmark adapted to EC membership? How has Denmark adapted to the four elements of the Community regime (principles, norms, rules and decision-

making procedures)?

- How has Denmark's position influenced the Community regime and how has the Community regime influenced Denmark's political system?

Chapter 3

Denmark and the Enlargement of the European Community

1961-1973

I. Introduction: In Search of a European Market Solution¹²

Early attempts to establish a structured (federal) European order, which had resulted in the creation of the Council of Europe in 1949, were regarded with scepticism in Denmark. At the time, Denmark shared the views of the UK, Norway and Sweden in advocating cooperation in the form of trade arrangements of mutual benefit instead of integration, and in 1950 the Uniscan agreement was signed between these countries. In parallel the Nordic countries searched for forms of deepening cooperation, either by a defence union, a plan which never came off the ground as Denmark and Norway opted for membership of NATO, or by creating an internal Nordic market. During a session of the Nordic Council (created in 1952) in October 1954, Danish, Norwegian and Swedish ministers agreed to investigate the possibilities for a Nordic customs union. To that end, a ministerial committee and a committee of civil servants were established. In 1956, Finland became a member of the Nordic Council and took part in the preparatory work. The Nordic Council decided in 1957 that the Nordic customs union was compatible with a large European free trade area, but that the plans for its creation should be postponed until the work of the Maudling committee (see below) was finished.

After the establishment of the European Coal and Steel Community (ECSC) in 1952, a committee, led by the Belgian Foreign Minister, Paul-Henri Spaak, was set up at the Messina conference in 1955. It was given the task of drawing up a report on the creation of a common market between the six signatories of the Treaty of Paris (Belgium, the Federal Republic of Germany, France, Italy, Luxembourg and the Netherlands). The committee's work resulted in the Treaty on the European Economic Community (EEC) signed between the Six in 1957 in Rome. In response to the efforts of these six continental European states, the UK, which had so far rejected participating in plans leading to closer integration and supranational institutions, proposed a plan, in 1956, to create a large European free trade area. The British plans were supported by the Nordic countries and other free-trade-minded small states. Denmark expressed satisfaction with plans for a large European free trade area, but was less pleased with the British reluctance

¹²Jacob A. Buksti, *Dansk Markedsopolitik: Historisk, kronologisk oversigt*, Institute for Political Science, Århus University, September 1973. Carsten Lehmann Sørensen, *Danmark og EF i 1970erne*, Borgen, 1978.

to include provisions on agriculture. The negotiations were opened in 1957 under the auspices of the OEEC (Organization for European Economic Cooperation), and were led by the British Paymaster-General, Reginald Maudling. At the time, the Danish government sought assurances that agricultural products would be included in the agreement.

Plans to create a large European free trade area seemed to offer a solution to the political dilemma of the Danish market. Denmark, whose agricultural production amounted to approximately 25 per cent of GNP, was dependent on market access for its large agricultural surplus. Traditionally, the main Danish markets for agricultural products were Germany and the UK and for industrial goods, the Nordic countries, especially Sweden, were becoming increasingly important. The policy, which in the Danish debate was known as the 'wider market solution' embracing the continental European countries, the UK and the Nordic countries, was aimed at fulfilling the requirements of market access. The policy was criticized by agricultural interest groups representing farmers with large holdings, which argued that only inside the EC could Danish farmers enjoy the advantages of the agricultural policy being set up among the Six; neither the large European free trade area, nor a Nordic customs union could offer similar favourable terms.

When the Maudling committee's negotiations broke down in 1958 because of disagreement between France and the UK over the organization of the free trade area, a British proposal was launched to create a free trade area, the EFTA, composed of the European countries outside the EC. This plan put Denmark in a dilemma, as becoming a member of either the EC or EFTA would imply restricted access to either German or British markets. The Danish government announced in parliament that Denmark was seeking a way to resume the negotiations between the EC and other OEEC countries so that the trade war threatening Europe could be avoided. It also confirmed that an internal Nordic market including agricultural products could not be expected, and that plans for a Nordic customs union were to be put aside during the negotiations on EFTA.¹³

At the end of the 1950s, Denmark saw three options for its market policy: isolation, membership of the EC, or membership of EFTA, none of which provided an entirely satisfactory solution.

¹³Buksti, *Dansk Markedsopolitik*, p. 11.

Isolation was not a real alternative as Denmark was dependent on the import of basic resources and the export of industrial and agricultural goods.

Membership of the EC, advocated openly only by the farmers' organizations and the Liberal Party, was not on the agenda of the other parties. The ruling Social Democratic Party was sceptical about EC membership because of both the characteristics of the Community, and because of the British position which remained incompatible with EC membership. Although Danish industry, which exported two-thirds of its produce to west European markets, needed an arrangement which could guarantee tariff and quota-free export for Danish goods, it was not keen on Danish membership of the EC because trade would then take place under the provisions of the EC customs union. A report, the 'shock report', published in 1958 by the Danish Foreign Ministry, argued that Danish industry was protected to such extent that a customs union could endanger more than 40 per cent of the industrial production.

Membership of EFTA, although not satisfactory for Danish agriculture, was left as the only possible alternative. Denmark signed the EFTA Convention in Stockholm in 1960, after having sought assurances from other EFTA members that agriculture would be included in the agreement and that EFTA was the first step towards an all-European free trade area. Denmark had already signed a bilateral trade agreement in 1958 with West Germany to ensure market access for its agricultural products, and it now sought German assurances that membership of EFTA would not be perceived as an unfriendly act.¹⁴

II. Denmark's Route to EC Membership

1. European Deceptions and the Search for a Nordic Alternative

In economic terms, the Danish government knew before signing the Stockholm Convention in 1960 that EFTA would not be satisfactory for the agricultural sector. In political terms, the division of Europe into different trade systems worried Danish policy-makers as it was seen as a threat to the security cohesion among the member states of NATO. But opinions on which alternative could best serve Danish interests varied across the socio-political spectrum.

¹⁴Buksti, *Dansk Markedspolitik*, p. 14.

The farmers' central association (*Landbrugsrådet*), supported by the Liberal Party, advocated membership of the EC primarily because of the benefits set out in the emerging agricultural policy of the EC.

Danish industry had less unified views on a European trading framework. Although isolation was not possible, a free trade arrangement could have a negative impact on the less competitive sectors. The Conservative Party at first reflected the hesitating position of industry, but finally decided to advocate membership of EFTA.

Small farmers' organizations (*Husmandsforeningerne*) did not share the interests of farmers with large holdings. They and the party associated with them, the Radical Liberal Party, were against Danish EC membership, and advocated closer links with the Nordic countries. They therefore supported membership of EFTA as long as a Nordic alternative was not available.

The labour movement was against EC membership and in favour of Nordic cooperation *per se*, which, they argued, could also be pursued in the framework of EFTA. The Social Democratic Party, particularly its leadership, was not as negative to EC membership as the trade unions, but had to respect their views. Being in government from 1953 to 1968, often without its own majority in parliament, the Social Democratic Party also had to take into account the opinion of the Socialist People's Party, on which it had been dependent for parliamentary support since 1960. This party was categorically against EC membership.¹⁵

1.1. The First Application and Negotiations with the EC, 1961-62

When the UK government under Harold Macmillan indicated that a British application for EC membership was imminent, the basis for the Danish market policy changed. Denmark, which was not satisfied with the progress in the agricultural area within EFTA, saw the prospects of having its two main importers - the UK and West Germany - both in the EC offering great opportunities if Denmark also joined, but disaster if it remained outside.

In a speech to the NATO Ministerial Council in May 1961, the Danish Foreign

¹⁵Lehmann Sørensen, *Danmark og EF i 1970erne*, pp. 36-8.

Minister, J.O. Krag,¹⁶ welcomed the British move, adding that if the UK entered accession negotiations, Denmark 'would also want to initiate such negotiations with the EEC'.¹⁷ On 31 July 1961, the British government stated its intention to seek EC membership in the House of Commons. A few days later, on 4 August, the Danish government's decision to apply for membership was endorsed by the Folketing. In a parliamentary debate, the Foreign Minister argued that only full membership of the Community could solve Danish problems, especially those in the agricultural area, and give the country access to the Community decision-making process. He listed the conditions for Danish EC membership: accession together with the UK and for the interests of other EFTA states, especially the Nordic, to be taken into account.¹⁸ On 10 August 1961, the Danish and British applications for EC membership were officially presented to the Community.

The decision to seek membership of the EC on these conditions won the approval of all political parties in parliament with the exception of the Socialist People's Party. The reaction of groups outside parliament was mixed.

The farmers appeared on a united front in favour, since the prospect of a British accession to the EC also convinced small farmers of the necessity for Danish membership.¹⁹

The position of industry was still hesitant, as opinions on EC membership varied depending on the sector in question, and as it was on the whole satisfied with the EFTA agreement. Prospects of a British entry to the EC, however, made the President of the Federation of Danish Industry, I.C. Tygesen, adopt a slightly more favourable attitude to EC membership.²⁰ An underlying reason for the shift in attitude was the rapid

¹⁶Jens Otto Krag, born 1914, dead 1978, MP for the Social Democratic Party 1947-73, Minister of Commerce 1947-50, Minister without portfolio 1953, Economics Minister 1955-57, Minister for External Economics 1957-58, Foreign Minister 1958-62, Prime Minister 1962-68 and 1971-72, Head of the EC Mission to the USA 1974-75.

¹⁷Frances Nicholson and Roger East, *From Six to Twelve: The Enlargement of the European Communities*, Longman, Harlow, 1987, p. 102.

¹⁸Buksti, *Dansk Markeds politik*, p. 19.

¹⁹Lehmann Sørensen, *Danmark og EF i 1970erne*, pp. 58-9.

²⁰Buksti, *Dansk Markeds politik*, p. 24.

development of Danish industrial production since the late 1950s, which had made industry more dependent of the large markets of the EEC and more able to compete. A governmental report on the economic implications of Danish EC membership in 1961 stated that 20 per cent of the industrial output was likely to be at risk if Denmark acceded to the Community, compared to the 40 per cent predicted in the 1958 report.²¹

The labour movement was split, but in the end the Social Democratic Party was able to turn the Confederation of Danish Trade Unions in favour of the membership application on the basis of the conditions the government had arranged. The Norwegian decision in May 1962 to seek EC membership, and the Swedish decision to seek association with the EC, were even more important in winning over the trade unions and the population.

Popular movements against the EC emerged during the early 1960s. Their central organization sharply criticized statements made by the Social Democratic Foreign Minister, Per Hækkerup,²² at a ministerial meeting with the EC Six in 1962, in which he stressed Denmark's willingness to participate in the Community's political cooperation. His statement came as a great surprise to the Commission, and was undoubtedly directed to those in the Community who doubted Denmark's acceptance of the political dimension of EC membership.²³

On 14 January 1963, General de Gaulle declared that the UK's accession to the Community would radically change its character, as the General had the impression that the UK was unwilling to accept the conditions for EC membership that were crucial for France. The General's statement, which turned into a veto shortly thereafter, made Denmark's simultaneous accession with the UK impossible. Prime Minister Krag, who had been offered the possibility of Denmark alone becoming a member of the EC by the General during a visit to Paris from 26-29 January, clarified Denmark's position in London on 30 January by declaring, after consultations with the British, that Danish

²¹Lehmann Sørensen, *Danmark og EF i 1970erne*, p. 59.

²²Per Hækkerup, born 1915, dead 1979, MP for the Social Democratic Party 1950-79, Chairman for the Social Democratic Parliamentary Group 1966-68, Foreign Minister 1962-66, Economics Minister 1971-73 and 1975-77, Chairman for the Danish Mission to the United Nations General Assembly 1961-66.

²³Buksti, *Dansk Markedspolitik*, pp. 23-4.

accession to the EC without the UK was inconceivable, and that the government's objective remained accession to the EC as soon as possible together with the UK, Norway and other EFTA states.²⁴

During the following years, Denmark made several unsuccessful attempts to extend the EFTA agreement to agricultural products, all of which failed because of British reluctance to set up an agricultural trading system supported by other Nordic countries (which wanted to protect their vulnerable farming sectors). Denmark's frustration with the progress within EFTA increased in 1964 when the UK introduced an import surcharge of 15 per cent on most industrial imports. The UK was criticized for breaking the rules of the Stockholm Convention and was urged to revoke the decision.²⁵

1.2. The Second Application, 1966-67

The Danish government cautiously continued to seek openings which could lead to the reopening of accession negotiations. The government, along with the Radical Liberal Party and the Conservative Party, stressed that any solution to Denmark's market problem had to be found in conjunction with the UK or other Nordic countries, while the Liberal Party argued that the time had come for Denmark to seek EC membership on its own.²⁶

During 1966 and early 1967, the British government under Harold Wilson explored the possibilities of reopening the negotiations with the EC Six on UK membership. The British government decided in May 1967 that the time was ripe for a second membership

²⁴Nicholson and East, *From the Six to the Twelve*, p. 103. Buksti, *Dansk Markedspolitik*, p. 24. The event was confirmed in an interview in Copenhagen on 26 October 1993.

²⁵T. Clive Archer, 'Britain and Scandinavia: Their Relations within EFTA', *Cooperation and Conflict*, Vol. XI, No. 1, 1979, pp. 1-23. The author argues that the reason why the Danes (and the Norwegians) were more upset by the British decision than the Swedes was that 'the weaker states had the most to lose if the rules of EFTA could be broken at will by any member without protest... The smaller states were particularly aware of the value of any such institution in EFTA for applying pressure and for mutual consultations: a value that was nullified if the largest member attached little importance to it', p. 7.

²⁶Nicholson and East, *From the Six to the Twelve*, pp. 103-104.

application, which was subsequently presented on 11 May.²⁷

On the same day, the Danish government, which had been following the situation closely, opened for discussion in parliament the question of a second application for EC membership. Parliament endorsed the government's recommendation to resume accession negotiations with the EC together with the UK with 150 votes in favour and the 20 MPs from the Socialist People's Party voting against. The second Danish application for membership was presented by Denmark's Ambassador in Brussels on 11 May.

Shortly thereafter, an explanatory memorandum from the Danish Foreign Ministry was presented to the Commission President, Jean Rey. The memorandum stressed Denmark's willingness to accept all obligations arising from the Community Treaties and all regulations taken under them; its wish to participate in further economic and political development of the Community; and its hope that other Nordic countries would be able to negotiate satisfactory arrangements with the Community. The memorandum noted several technical questions which were likely to arise during the forthcoming negotiations. It pointed out that Danish agriculture would be adjusted before the accession so that no transitional period would be necessary for agricultural products and that Denmark only wanted a short transitional period for industrial goods. It expressed the wish that the Danish accession negotiations be parallel to the British, with the view to a simultaneous accession of the two countries.²⁸

In July 1967, the Swedish government decided to seek some form of association with the EC and the Norwegian government decided to follow Denmark in applying a second time for EC membership.²⁹

The British application, however, was again met with French opposition. General de Gaulle declared on two occasions, in May and November 1967, that some economic and political factors made the UK's entry into the Community impossible, and that the very survival of the Community could be put at risk. The other five member states did

²⁷Jens Christensen, 'Danmark, Norden og EF 1963-72', in Birgit Nüchel Thomsen (ed.), *The Odd Man Out? Danmark og den Europæiske integration 1948-1992*, Odense University Studies in History and Social Sciences, Vol.169, Odense Universitetsforlag, Odense, 1993, pp. 135-52.

²⁸Nicholson and East, *From the Six to the Twelve*, p. 104.

²⁹Buksti, *Dansk Markedspolitik*, pp. 35-6.

not share the French view, and enlargement became an increasingly contentious issue between the Six. In December 1967, at a meeting of the Council of Ministers, the diverging views between France and the Five came into the open as the Council was unable to agree to open accession negotiations with the applicant countries, but decided to let the applications remain on the agenda.

The new Danish right-wing government (from 1 February 1968), a coalition between Liberals, Conservatives and Radical Liberals, assessed the situation after the second French rebuff of the British membership application. The government expected that it would take a long time before enlargement could be agreed between the Six as President de Gaulle had been re-elected in December 1965 for a seven year period. The previous Social Democratic Prime Minister had in 1967 discussed with high officials in the Foreign Ministry the options in the event of a second French veto. They agreed that an enlarged Nordic economic cooperation aimed at preparing these countries for EC membership was a good alternative, albeit risky. If the initiative failed, however, Nordic cooperation would have been tried and this might convince opponents that there were no Nordic alternatives to EC membership.³⁰

The government knew EFTA was a good solution for Danish industry, but had little to offer the agricultural sector. Steps in the Community towards setting up the CAP were making progress and its implications were already felt by Danish farmers in terms of decreasing export to the Six. The right-wing government, however, decided to try to promote cooperation within EFTA and strengthen the ties with the Nordic countries while retaining the EC membership application. Earlier proposals from the Liberal Party on Danish membership without the UK were forgotten in the name of government cohesion, as the Radical Liberals were against while the Conservatives had never showed support for this alternative.³¹

³⁰ Jens Christensen, 'Danmark, Nordek og EF 1963-72', in Dan Larsen, summary of contributions and debate at the conference, *Danmark og den europæiske integration i efterkrigstiden*, 10-12 February 1992, Statens humanistiske forskningsråd, Copenhagen, 1993. The events were confirmed in an interview on 26 October 1993.

³¹ Buksti, *Dansk Markedspolitik*, p. 37.

1.3. The Nordek Negotiations

At the Nordic Council's meeting in February 1968, the Danish Prime Minister, Hilmar Baunsgaard,³² set forward a proposal to create closer Nordic economic cooperation aiming at preparing the Nordic countries for future accession to, or association with the EC. He suggested that a Nordic IGC be convened, which the other Nordic ministers accepted.³³

The IGC was convened in April 1968, during which it was agreed to continue the work to find common positions on a range of issues, including a Nordic customs union, Nordek. A working committee presented its report on wider Nordic economic cooperation in January 1969, concluding that the centrepiece of Nordic cooperation would be a customs union, but that it should not prevent the possibility of EC membership.

In Denmark, the plans for a Nordic customs union were received with satisfaction from all the parties in parliament, except for the Left Socialist Party which remained critical. The trade unions, which had advocated closer Nordic cooperation for some time, welcomed the Nordek project, while the Confederation of Danish Industry was very critical to plans for a customs union. The farmers' central association warned on several occasions that the CAP had already inflicted severe damage on Danish agricultural exports to the Six, and that a Nordic customs union would not meet Danish farmers' needs for European markets. It called with increasing impatience for the government to investigate the consequences of Danish EC membership without the UK. The Minister for Market Affairs, Poul Nyboe Andersen,³⁴ found himself in a difficult position, having to satisfy demands from within his own Liberal party, while balancing the interests of the coalition government holding a pro-Nordic line. The government never failed to point out that by

³²Hilmar Baunsgaard, born 1920, dead 1989, MP for the Radical Liberal Party 1957-77, Chairman for the Radical Liberal Parliamentary Group 1971-75, Minister for External Trade 1961 and 1962-64, Prime Minister 1968-71. After retiring from politics, he held a number of appointments to the boards of Danish companies.

³³Frantz Wendt, *Danmark, Norden og EF*, Udenrigspolitiske skrifter, Serie 14, No. 1, Det Udenrigspolitiske Selskab, Copenhagen, 1979, pp. 12-13.

³⁴Poul Nyboe Andersen, born 1913, Professor in economics at Copenhagen Business School, MP for the Liberal Party 1971-77, Minister for Economics, Minister for Market Affairs and Nordic relations 1968-71, Minister for Economics and External Trade 1973-75, Chairman of the board for Andelsbanken 1976-81, appointed to the board of Danish companies and associations.

promoting Danish membership of an enlarged Community, its objective of a wide European market would be made possible.

During autumn 1969, the work on the treaty establishing Nordek reached a stalemate. Different policy interests in the Nordic countries made it impossible to find a satisfactory compromise, and when changes in French politics suggested that the deadlock on the question of EC enlargement could soon be overcome, the political objective of Nordek was contested. The Finnish government clarified in January 1970 that it retained the right to withdraw from the Nordek negotiations if a Nordic country decided to participate in formal negotiations with the EC, as Finland's political situation necessitated that Nordek remained an entirely Nordic affair.

The Danish government was heavily criticized in parliament by the Social Democrats for failing to show leadership at a crucial stage of the Nordek negotiations. The government maintained in February 1970, however, that Denmark was now closer than ever before to realize its dual-market political objective: EC membership together with the UK and close Nordic cooperation.³⁵

At the meeting of the Nordic Council from 7-12 February 1970 in Reykjavik, four Nordic heads of government unanimously endorsed the proposal on the Nordek Treaty, with a view to finalizing the formal Treaty for signature and ratification before the summer. On 24 March, the Finnish government announced suddenly that it would not sign the Nordek Treaty, explaining its decision to withdraw by pointing at the undermining of the Treaty's independence and longevity by the intention of some Nordic countries to start negotiating with the EC for membership. When the Danish Prime Minister Baunsgaard complained that the Finnish decision was both unexpected and annoying, the Finnish Foreign Minister, Väinö Leskinen, replied that 'we have finally to realize that foreign trade is also foreign politics. The creation of economic blocks leads to the creation of political blocks.'³⁶

Denmark's position in the Nordek negotiation was characterized by its dual-market political objective: securing closer cooperation with its Nordic neighbours while keeping the door to EC membership open. The Danish government was convinced that this policy

³⁵Buksti, *Dansk Markedspolitik*, pp. 43-8.

³⁶Frantz Wendt, *Danmark, Norden og EF*, pp. 18-19.

would enable it to forward its fundamental foreign policy objective: to promote, and hopefully create, a solution for a large European market. In practice, the objective was hardly realistic, but served the four established parties as the main consensus of Danish foreign policy.

The Nordek exercise showed that Danish politicians had not realized, or had not wanted to realize, the political pressures under which Finland conducted its foreign policy. Finland's representatives on the other hand must have registered the fast development which had taken place during the EC in the latter half of 1969, leading to the Summit of The Hague in December 1969. The explanation why the Nordek negotiations failed is found in the fundamental difference in political and strategic constraints and the composition of the economic interests of the Nordic states.

Toivo Miljan commented on Denmark's decision to put forward the plan to set up Nordek as fulfilling a two-fold purpose: to strengthen the economic relations between the Nordic countries which would have been to the advantage of Denmark while it awaited the Community deadlock to end, and to strengthen Denmark's bargaining position *vis-à-vis* the Community through its participation in a strong, economic cooperation with the Nordic countries.³⁷

2. Accession Negotiations, 1970-71

In 1969, after the departure of General de Gaulle, Georges Pompidou won the approval of the French population in the June presidential election. Georges Pompidou's position on EC enlargement was from the outset less well known, but was not as categorically sceptical as that of the General. Soon after taking office, Pompidou committed himself to a European summit to solve the difference of opinions between the Five and France about the future development of the Community. On the question of enlargement he said 'we have no objection in principle against a possible accession by the UK. But we do think it right that the Six should first reach agreement amongst ourselves.'³⁸

³⁷Toivo Miljan, 'Denmark: The Anxious European', in *The Reluctant Europeans: The Attitudes of the Nordic Countries towards European Integration*, C. Hurst and Company, London, 1977, p. 178.

³⁸Quoted in Uwe Kitzinger, *Diplomacy and Persuasion*, Thames and Hudson, London, 1973, p. 69.

At The Hague Summit on 1-2 December 1969, the French Foreign Minister, Maurice Schumann, spelled out a number of conditions on the Community's own development which were accepted by the other Five, conditions which had to be settled before accession negotiations could be opened with the applicant countries. He insisted on the necessity to strengthen the Community through a three-fold plan of action - *l'achèvement, l'approfondissement, l'élargissement* - completion, deepening and enlargement. Completion was shorthand for finding a solution to the Community's financial arrangement, for which the Six agreed to endow the EC with a system of own resources. Deepening concerned integration in the political and economic and monetary areas. To this effect two committees were set up under the chairmanship of Etienne Davignon and Pierre Werner to produce reports on the prospects of political cooperation and EMU. The reports were presented to the Council of Ministers during the course of 1970.

The Six agreed that the basic condition that the applicant states had to accept before becoming members of the EC was the *acquis communautaire*: the Treaties establishing the Communities and the decisions which had been taken under them, including their political objectives. The summit adopted a formula on the procedure of negotiations which, as opposed to the 1961-62 negotiations, was to be conducted between the Community, represented by the Presidency, and the four applicants.³⁹

The Danish government, at the time involved in negotiations on Nordek, was immediately prepared to take up negotiations with the EC. The Minister for Market Affairs, Poul Nyboe Andersen, reiterated the resolutions adopted by parliament in May 1967 and May 1968 empowering the government to resume accession negotiations on EC membership together with the UK, and expressed his hopes that other Nordic countries would be able to establish satisfactory relations with the Community.⁴⁰

The accession negotiations between Denmark and the Community, less contentious than those of the UK and Norway, were opened on 30 June 1970 at a ministerial meeting

³⁹Christian Franck, 'New Ambitions: From The Hague to Paris Summits (1969-72)', in Roy Pryce (ed.), *The Dynamics of European Union*, Croom Helm Ltd, Beckenham, 1987, pp. 130-48.

⁴⁰Folkeetingstidende, Copenhagen, No. 25. Cols. 3362-3, 5 February 1970.

between the Community and the four applicants in Luxembourg. Denmark was well prepared for negotiating as in 1966 a committee of civil servants, the Market Secretariat, had been established to monitor developments within the EC and produce reports on the progress of the Danish economy. The reports assessed the points of divergence between developments in Denmark and the EC, and how Danish legislation could be adapted to be compatible with Community rules. The preparatory work proved to be very useful for the government and the civil service in establishing Danish positions in the accession negotiations.⁴¹

The first negotiations with the Community in 1961-62 had already set the parameters for Denmark's accession to the EC. In some areas the fact-finding period was already accomplished, as Danish EC policy had not changed much in the intermediate period, and a series of legislative adaptation had been carried out to ensure that new laws as well as existing laws were compatible with EC legislation.⁴² During the intermediate period the Danish economy had developed in the direction of the Community, with the result that the harmful effects of adaptation predicted in the early 1960s were no longer valid. Fear of mass unemployment caused by adjustment problems for the Danish industry, one of the major worries of the trade unions, was no longer part of the public debate and the agricultural policy had been adapted to the Community system whereby no adjustment was necessary. There were, however, three areas of contention during the first accession negotiations which were also difficult at the second: the common Nordic labour market; the provisions for free transfer of capital; and the fear of harmonization of social policies.⁴³

The common labour market between the Nordic countries, which had been established in 1954, was incompatible with free movement of labour of the EC which prescribes preferential employment for EC workers. An abrogation of the Nordic labour market regulation, however, would have given Danish anti-EC groups a powerful

⁴¹Toivo Miljan, 'Denmark: The Anxious European', in *The Reluctant Europeans*, p. 179.

⁴²Interview in Copenhagen on 26 October 1993.

⁴³Toivo Miljan, 'Denmark: The Anxious European', in *The Reluctant Europeans*, pp. 173-5.

argument in the forthcoming debate. In the accession negotiations a solution was found which gave Denmark the right to a system of double preferences, making it possible to comply with the provisions of the Nordic labour market and EC legislation.

Free movement of capital was not a real problem in the negotiations. Nevertheless, popular fears that traditionally high interest rates would attract foreign speculation and disrupt the capital market emerged and influenced the Danish debate. The subject was dropped in the 1970 negotiations, as, according to a preliminary report on the terms of accession, it was expected that Danish interest rates would converge, i.e. decrease, during the transition period.⁴⁴ This assurance did not prevent free movement of capital becoming a contentious issue in the referendum debate.

In the area of social policy, problems emerged because of different systems of funding. In Denmark, social security was largely funded by indirect taxes, while in the Community the system was based on employer and employee contributions. The Community did not allow special provision for Denmark in this area for the rules already in place in the EC, feeding anti-EC arguments about the loss of national independence in the economic and social areas which would lead to the dismantling of the Danish welfare system.

With the experiences from the first round of accession negotiations in mind, the Minister for Market Affairs Nyboe Andersen, had formulated his opening speech on 30 June around the acceptance of the *acquis communautaire* which had been picked up in the political discourse after the negotiations of 1961-63. While accepting the political objectives, the minister added that Denmark had noted with satisfaction that foreign political cooperation would be carried out outside the institutions of the Community, and that it regarded political cooperation of this kind as a natural consequence of an extensive degree of integration.

The Danish government wished for no period of transition, and was willing to assume the obligations of membership from the time of ratification of the accession treaty. It recognized, however, that other applicant countries would demand some form of

⁴⁴Markedssekretariatet, *Notat. Det foreløbige resultat af forhandlingerne om Danmarks medlemskab af De europæiske Fællesskaber*, Udenrigsministeriet, 16 July 1971, p. 14.

transition period and that the Community was in agreement with this. The Danish minister accepted to establish the terms of transition during the negotiations, but hoped that negotiations would be confined to a minimum and would concentrate on the customs union, transitional arrangements for agriculture, economic and monetary cooperation, the Faeroe Islands and Greenland and the EC institutions. He underlined the Danish government's wish to maintain and develop closer Nordic cooperation, and expected the Community to agree that this was not only a natural policy for a Nordic country, but could also serve common European interests.⁴⁵

The Danish accession posed no political problems, nor any fundamental problems of substance for the Community. Had it not been for problems in the negotiations with the UK over the budget contribution, transitional arrangements and the Commonwealth agricultural export, and with Norway over the fisheries policy, Denmark's negotiations would have been accomplished within a few months. Some of the issues in the Danish negotiations, such as the transition periods for agricultural and industrial products and budget contribution, were delayed because of the direct link to the agreement between the Six and the UK. This in itself was no disadvantage from a Danish point of view, as a recurrent theme in the debate during the negotiations was the worry that the British negotiations would break down while the Danish were concluded successfully. Regardless of whether the Community would have accepted the accession of only one or two of the applicants, accession without the UK would probably not have been politically possible in Denmark.

In the summer of 1971, the Danish Minister for Market Affairs, Nyboe Andersen, concluded after a meeting at ministerial level that the main difficulties of the negotiations were overcome. The main points which remained to be solved were the terms of transition for agricultural and industrial products and Denmark's budget contribution. The solutions found later in the year corresponded to Danish requirements: immediately after accession Denmark would be subject to the mechanism of the CAP while the adaptation to the Community's price level would take place over a five-year period; and contributions to the Community budget would be subject to a digressive rebate making 1978 the first year

⁴⁵ Udenrigsministeriet, 'Økonomi- og markedsminister P. Nyboe Andersens tale på det første møde mellem De europæiske Fællesskaber og de fire kandidatlande i Luxembourg den 30 juli 1970', in *Supplerende Redogørelse: Utviklingen i 1970*, Appendix I/1, 1971.

in which Denmark would pay in full - a share of 2.42 per cent of the total budget (which was less than Denmark's share of the GNP of the enlarged Community).⁴⁶

Other questions of solely Danish importance, such as the acquisition of property by persons not permanently resident in Denmark and special provisions for the Faeroe Islands and Greenland, were also solved within the framework of the negotiations by arrangements which were in some respects not compatible with the *acquis communautaire* of the EC.⁴⁷

More troublesome at the domestic level were the Community's plans in the political and economic and monetary areas, which were criticized publicly, and other issues, not part of the negotiations, which were brought into the debate by opponents, e.g. the impact of EC membership on the social security system and the welfare state, in particular the policy of redistribution of income.

A statement by the Danish Minister of Foreign Economic Affairs, Ivar Nørgaard⁴⁸ (of the newly appointed Social Democratic minority government), at a meeting of ministerial level between Denmark and the EC on 9 November 1971, sparked a crisis in the Danish debate. In an attempt to defuse Danish worries over the possibility of EMU, the minister pointed out that the Danish government believed it essential to retain the possibility of carrying out national policies to ensure a more just distribution of income and greater equality and personal freedom for the individual citizen. The minister added that the Danish government could adhere to the resolution on EMU, but only on the condition that 'our participation in the planned cooperation must not prevent the Danish parliament from deciding an economic policy, including a tax policy and a social policy

⁴⁶'Det danske forhandlingsresultat', in *Traktat om oprettelse af Det europæiske økonomiske Fællesskab*, EF-forlaget, Holte, 1971.

⁴⁷Lehmann Sørensen, *Danmark og EF i 1970erne*, p. 77.

⁴⁸Ivar Nørgaard, born 1922, MP for the Social Democratic Party since 1966, Member of the Social Democratic Party's executive committee from 1961, Economics Minister 1965-68, 1979-1981 and 1981-82, Minister for Foreign Economic Affairs 1967-68, 1971, 1972-73 and 1975-77, Minister for External Trade 1977-78, Minister for the Environment 1978-79, Member of the European Parliament 1974-75 and Chairman of the Market Committee since 1991.

which will ensure greater equality between the various groups of the population'.⁴⁹

The statement, intended to sooth public fears, had the opposite effect. It led to an uproar among the anti-EC groups, which interpreted the minister's statement as proof that Danish welfare policy, including social policy and taxes, would be decided in Brussels if Denmark became a member of the EC. The storm was only somewhat calmed down by a reassuring statement from the Commission's President, Jean Rey, during a visit to Denmark.

The accession negotiations between Denmark and the EC were concluded in December 1971. The government was empowered to sign the accession treaty after parliament had endorsed the negotiating result by 141 votes to 32 on 16 December 1971. The previous day, when outlining the result of the negotiations, the Minister of Foreign Economic Affairs, Ivar Nørgaard, had assured parliament that the terms of entry were satisfactory for Denmark. Other Nordic countries were to forge fruitful relations with the EC and cooperation with the Nordic countries was compatible with Denmark's obligations as a member of the Community. Concerning the Community's plans on further development in specific issue-areas, such as industrial, social, environmental and regional policies, the minister found them all acceptable to Denmark, and in the case of social policy there were no provisions of harmonization among the existing EC member states. On the subject of plans for the creation of EMU, Ivar Nørgaard found it natural for applicant countries to make their views known to the Community. It was in this light that his statement at the ministerial meeting on 11 November had to be seen, but myths that the President of the Council of Ministers, Aldo Moro, had warned Denmark not to expect to be able to pursue national economic and social policies were false. On the plans for political cooperation, the minister pointed out that there was no agreement among the Six where an institutionally structured cooperation was implied, which Denmark opposed, or regular consultation between the Six, which Denmark welcomed. In conclusion, the minister pointed out that an enlargement to include the UK, Ireland, Norway and Denmark would strengthen the democratic forces in the Community. This, together with the strengthening in the EC's economy, would create new possibilities to promote peace and

⁴⁹Udenrigsministeriet, *Statement by the Danish Minister for Foreign Economic Affairs, Ivar Nørgaard, at the Meeting at Ministerial Level between Denmark and the European Communities*, Copenhagen, 9 November 1971.

détente in the world.⁵⁰

The accession treaties were signed by the four applicant countries on 22 January 1972 after tough negotiations on fisheries had been concluded between Norway and the EC.

3. The Debate on Danish Membership of the EC

When the Danish Prime Minister, J.O. Krag, signed the Danish accession treaty in January 1972, he stated that 'more than ten years have passed since I, in October 1961, as Foreign Minister on behalf of the Danish government, presented Denmark's application for membership of the European Communities...We had, admittedly, not expected that it would take so long to reach the end of the road. But we have not been waiting in silence. Hardly any question has been discussed so much...At every opening of the Danish parliament, in all major parliamentary debates in Denmark, in all ministerial meetings of EFTA since its start, in the Nordic Council, in the Council of Europe, at visits to the European capitals, one of the principal subjects has been how the economic split-up of Western Europe could be overcome.'⁵¹

The words of the Prime Minister illustrated the Danish pursuit of a wide European market solution which had been the dominant feature of the political debate in Denmark since the first attempts to create political and economic cooperation in Europe. Denmark, whose traditional foreign policy orientation was formulated on the basis of universal, Atlantic, European and Nordic considerations, sought to find ways to overcome the perceived artificial and detrimental economic division of western Europe. This view decided Danish foreign economic policy in the 1960s, when different, and from the outside somewhat contradictory, options of cooperation and integration were pursued. EC membership was the undisputed option only for the Liberal Party and the farmers' organizations. Other political parties, interest groups and popular movements had many diverging views on the benefits of Danish membership of the EC. Subsequently, only EC membership on the condition of the UK's simultaneous accession, and association

⁵⁰Udenrigsministeriet, *Udenrigsøkonomiministerns tale i folketinget den 15. december 1971 vedrørende udvidelsesforhandlingerne mellem Danmark og De europæiske Fællesskaber*, Copenhagen, 1972.

⁵¹Quoted in Nicholson and East, *From the Six to the Twelve*, pp. 112-13.

arrangements between the Nordic countries and the EC, could rally strong political support.

3.1. The Political Parties

The Social Democratic Party has always played a key role in Danish political life. The party held power between 1953-1968, 1971-73 and 1975-1982, and has been the biggest political party (in percentage of votes) in Denmark since 1924.⁵² The Social Democratic Party was traditionally a working class party with strong institutionalized links to the trade unions.⁵³

Although it was under the coalition between Social Democrats and Radical Liberals that the decision of 1961 to apply for EC membership was taken, the Social Democratic Party had laid down an EC policy whose main focus was on a large market in western Europe, not European integration. Carsten Holbraad argues that 'the Social Democrats, always the largest and most of the time also the governing party, have exerted a particularly strong influence both on the security, alliance, and defence policy, and on the Community policy of the country'.⁵⁴ The Social Democratic Party, however influential in formulating early EC policies, was weakened by an internal division on EC membership which became increasingly troublesome as the debate developed. The division went right through the party and trade union movement while there was consensus on cooperation with other Nordic countries. The feeling of closeness to their Nordic counterparts was enhanced by frequent contacts and shared views on economic and social policies. The Social Democratic Party, however, was not in ideological terms the strongest advocate of a united North. Both the Socialist People's Party and the Radical Liberals pursued an even more pro-Nordic policy. In the intermediate period, between the

⁵²Erik Damgaard, 'Stability and Change in the Danish Party System over Half a Century', *Cooperation and Conflict*, Vol. 9, No. 9, 1974, pp. 103-25. Peter Hansen, 'The Formulation of Danish European Policy', English manuscript, December 1972, later published as 'Die Formulierung der dänischen Europapolitik', *Österreichische Zeitschrift für Aussenpolitik und Internationale Beziehungen*, Vol. 13, No. 1, 1973.

⁵³Carsten Lehmann Sørensen, 'Danish Party Politics on European and Nordic Cooperation', *Cooperation and Conflict*, Vol. XIV, 1979, pp. 171-91.

⁵⁴Carsten Holbraad, *Danish Neutrality: A Study in the Foreign Policy of a Small State*, Clarendon Press, Oxford, 1991, p. 157.

two rounds of negotiations with the EC, Nordic cooperation was an important issue in the political debate, and remained crucial when the Social Democratic Party, in governing position, advocated in favour of Danish EC membership.

When in opposition in February 1968, the Social Democrats had deplored French opposition to the British application, while at the same time favouring plans to create close Nordic economic cooperation through Nordek.⁵⁵ In October 1969, at the time when the French position on EC enlargement was changing, the Social Democratic Party criticized the government for not doing its best to conclude the Nordek negotiations. In early February 1970, a Social Democratic spokesman expressed his satisfaction that the Nordek negotiations were close to conclusion, and expressed his pride in his party for initiating the plans for Nordic cooperation under the former Social Democratic government. He expressed doubts about the government's assessment of The Hague Summit, but argued that if enlargement was to take place, Nordek would give Denmark a stronger position in the accession negotiations.⁵⁶ After the Finnish government's declaration in March 1970 that it would not sign the Nordek Treaty, the Social Democratic Party agreed with the other Danish parties that Nordic cooperation should be extended and initiated in all possible areas, but within a framework which was compatible with the requirements of EC membership. When official accession negotiations were opened between Denmark and the EC in 1970, the Social Democratic Party endorsed, in agreement with the government parties, the decision to empower the government to negotiate on the basis of the conditions laid down in 1968.⁵⁷

The Social Democratic Party's leadership kept to its cautiously positive position on EC membership based on the twin conditions of entry, and hoped that not only Norway, but also Sweden, would seek EC membership. Within the party, however, there was a growing worry that EMU would interfere with Denmark's policy of redistribution of income, regarded as a cornerstone of the Nordic welfare model. To ease these tensions, Ivar Nørgaard, as Minister of Foreign Economic Affairs, made a statement at a ministerial meeting between Denmark and the EC in which he sought to make clear that Denmark

⁵⁵Ivar Nørgaard, *Folketingstidende*, 31 October 1968, col. 1125.

⁵⁶Ivar Nørgaard, *Folketingstidende*, 5 February 1970, cols. 3381-5 and cols. 3451-4.

⁵⁷Ivar Nørgaard, *Folketingstidende*, 11 November 1970, cols. 1178-9.

would not accept EC policies that would interfere in Danish tax and social policies (see section 3.1). EMU was only one issue among many which convinced the labour movement that the Community was fundamentally an economic and social clash of interests between farmers and capitalists on one side and workers on the other, in which workers were to lose out to the free market forces reigning in the Community.⁵⁸ Other EC policies, such as free movement of capital and workers, were seen as means to the same end. Because the Social Democratic Party could not accept some parts of the *acquis communautaire*, it had to pursue a difficult balancing act between radical and moderate forces, which translated into insisting on the economic necessity of membership while down-playing political and institutional implications which were seen as harmful to Danish society.

The division within the party and its voters made the party leader, J.O. Krag, play the constitutional card. In May 1971, the party's Executive Committee and the Social Democratic MPs decided to demand that a binding referendum be held before accession to the EC, even if parliament ratified the accession treaty by the constitutionally required five-sixths' majority. The decision was also a political manoeuvre to prevent EC membership becoming a key issue in the general election which was scheduled for 21 September 1971, where an open split could harm the party and force traditional Social Democratic voters who opposed EC membership to vote for anti-EC parties to the left of the Social Democrats.

The 1953 constitution stipulates in Article 20 that powers vested in the constitutional authorities can be delegated to international authorities by a five-sixths' majority of the members of parliament. If this majority cannot be reached, a referendum will decide the matter. Parliament can also through a special law decide to hold a binding referendum which in that case takes precedence over a parliamentary vote.

The parliamentary consensus on foreign policy in the 1960s had secured the five-sixths' majority required for all votes relating to the EC until the vote on 16 December 1971 (after the September election) empowering the government to sign the accession treaty. The governing parties, therefore, at first contested the Social Democrats' decision

⁵⁸Toivo Miljan, 'Denmark: The Anxious European', in *The Reluctant Europeans*, p. 186.

and intended to follow the provision of Article 20 of the constitution. Tacitly, the Radical Liberal Party, which was also split on the EC question, supported the Social Democratic line, as it would spare the party from too much internal division. The Social Democratic Party, however, referred to Article 42 in response. This requires 30 per cent of MPs to vote in favour of submitting a bill to a binding referendum. At the time, the Social Democrats held 62 seats in parliament, amounting to 35 per cent.⁵⁹ The idea of a referendum was accepted with varying degrees of enthusiasm by all parties as a political necessity, but became a constitutional requirement when parliament, in the vote on 16 December 1971, could no longer muster the five-sixths' majority on questions relating to the EC.

The traditional basis for parliamentary consensus on foreign policy had been changing during the 1960s. The first sign of a more polarized system came with the weakening of the traditional alliance between the Social Democratic Party and the Radical Liberal Party, as the former formed two single-party minority governments from 1964-66 and 1966-68. The break of the alliance was completed when the Radical Liberals formed a majority government with the Conservatives and the Liberals from 1968-70. During the second Social Democratic minority government from 1966-68, there had been a 'workers' majority' in parliament composed of the Social Democrats and the Socialist People's Party. By the time of the third Social Democratic minority government from 1971-73, the party once more enjoyed the informal support from the Socialist People's Party, although the alliance was less formalized than in the 1960s, partly because the parties held opposing views on EC membership. During the 1960s, the Social Democratic Party had shifted to the left because both its traditional social liberal alliance partner, the Radical Liberal Party, chose to reorient itself slightly more to the right, and the Socialist People's Party, founded after a split in the Communist Party in 1959, won parliamentary representation in 1960.

Because of the polarization among the political parties, the Social Democratic Party increasingly competed for electoral support with the Socialist People's Party, and

⁵⁹Toivo Miljan, 'Denmark : The Anxious European', in *The Reluctant Europeans*, pp. 182-3.

had to find a way to accommodate the anti-EC tendency among many left-wing voters.⁶⁰ The call for a referendum was an attempt to prevent parts of the Social Democratic electorate, who were negative or hesitant on Danish membership of the EC, to give their support to the Socialist People's Party. The strategy worked quite well for the Social Democratic Party in the 1971 election, as it won eight additional seats reaching 37 per cent of the seats in parliament. The Socialist People's Party also did well, and the election resulted in an overall increase of seats for the anti-EC forces. J.O. Krag managed to form a minority Social Democratic government with informal support from the Socialist People's Party and two representatives from Greenland and the Faeroe Islands. But the alliance was fragile and did not hold together in the strategically important vote to authorize the government to sign the accession treaty on 16 December 1971. The opposition block consisted of all the MPs from the Socialist People's Party, eleven Social Democrats (who voted against the official recommendation of their party), and four Radical Liberals.⁶¹ Some of the Social Democratic MPs who voted against the government line belonged to the Cooperation Committee for Social Democrats against the EC, which had been founded on 13 December 1971 and which was composed of representatives from the trade unions, the youth organization, Free Forum (*Fritt Forum*) and the Social Democratic Society (*Socialdemokratiskt Samfund*).

The Socialist People's Party was the only wholly anti-EC party in parliament during the period from 1961-72.⁶² It had been founded by the former Communist Party chairman, Aksel Larson, who was expelled from the Communist Party in 1959 after having criticized

⁶⁰Erik Damgaard, 'Stability and Change in the Danish Party System over Half a Century', p. 112, table V. Ib Faurby, 'Party System and Foreign Policy in Denmark', *Cooperation and Conflict*, Vol. XIV, 1979, pp. 159-70.

⁶¹Buksti, *Dansk Markedspolitik*, p. 60.

⁶²Apart from the Left Socialist Party, which had broken away from the Social People's Party after accusing the leadership of cooperating too closely with the Social Democratic Party. The Left Socialists won representation in parliament in the 1968 general election, but lost it again in the election of 1971. To win seats in parliament, political parties need to reach a 2 per cent threshold of total votes.

the Soviet Union's policy in Hungary⁶³, and it had its roots in the labour movement based on a socialist ideology. In the 1960 general election, the Communist Party lost its representation in parliament, but the Social People's Party won enough votes to take its place on the left of the Danish political spectrum.

The party was fundamentally against membership of the EC, and was very critical of the character of the EC and European integration. The reasons for its dislike were formulated on ideological grounds. The political and integrationist dimensions of the EC were seen as threats to Danish sovereignty which would result in the United States of Europe, including a defence union, possibly forming a part of NATO (the party was also against Denmark's membership of NATO). The EC seemed to symbolize efforts to consolidate capitalism in western Europe after the Second World War, and its extensive agricultural policy appeared to favour farmers at the expense of workers. The Socialist People's Party's national congress in November 1970 adopted a resolution calling for the withdrawal of the application for EC membership, warning that as a member, Denmark would be exposed to the dominance of the continental, capitalistic companies with serious consequences for the labour movement and democracy. Integration would endanger Danish sovereignty and reduce the country to a German province.⁶⁴

Nordic cooperation, which became an emotional nationalistic argument, appealed to the labour movement both because of its close relations with other Nordic trade unions and Danish industry's expansion in Nordic markets. The party's arguments for the Nordic socio-political culture which was based on stable and democratic foundations, as opposed to what was perceived as the capitalist and undemocratic societies of Germany and France, were strengthened by the political unrest in these countries in 1968.⁶⁵ The emotional anti-EC arguments, which warned against membership often combined with political motives, had an effect on the Social Democratic Party's officially positive line (and other parties in favour of membership). As a counter move the Social Democratic

⁶³Lehmann Sørensen, 'Danish Policies on European and Nordic Cooperation', pp. 185-6.

⁶⁴*Udtalelse om markedsforhandlinger*, Socialistisk Folkepartis landsmøde (Socialist People's Party's national congress), 19 November 1970.

⁶⁵Toivo Miljan, 'Denmark: The Anxious European' in *The Reluctant Europeans*, p. 186.

Party tried to tone down the political dimension of the EC and to bring forward the economic advantages for Denmark.

The Socialist People's Party, whose seats in parliament in 1971 represented about 10 per cent of the electorate, had a disproportionate influence on the EC debate. As the referendum campaign gained momentum, the popular movements against the EC partially drew their strength from connections to the Socialist People's Party's rank and file.⁶⁶

The Radical Liberal Party had positioned itself in the middle ground between the left- and right-wing parties by adopting a social liberal policy. In the 1960s it was distinctively pro-Nordic, and it was under the Radical Liberal Prime Minister, Hilmar Baunsgaard, that Denmark took the initiative on the Nordek negotiations. The party, however, adopted a pragmatic line on EC membership, which made it possible to accept, as a coalition partner with the Social Democrats, the first Danish application for EC membership in 1961. Again forming a coalition government in 1968, this time with the Conservatives and the Liberals, the Radical Liberals pragmatically accepted the opening of accession negotiations with the EC in 1970. The party did, however, underline the importance of the Nordic countries to coordinate their EC policies, and hoped that Denmark would not be the only Nordic country to accede to the EC.⁶⁷

The careful positive position of the leadership was not shared by the rank and file of the party, which was split on the EC question. Many had doubts about the EC's policy towards Third World countries, supranational institutions and whether Nordic cooperation would survive Danish membership of the EC. The position of the Radical Liberals was in many ways similar to that of the Social Democrats. The party leadership, however, adopted no official line on EC membership and made no recommendations to Radical Liberal MPs. After the debate on 16 December 1971, 4 of the 27 Radical Liberals voted against authorizing the government to sign the accession treaty.⁶⁸

⁶⁶Damgaard, *Stability and Change in the Danish Party System over Half a Century*, p. 122, table XII.

⁶⁷Niels Helveg Petersen, *Folketingstidende*, 5 February 1970, cols. 3408-10.

⁶⁸Lehmann Sørensen, *Danmark og EF i 1970erne*, pp. 83-4.

The Conservative Party adopted early on a pro-European line within the framework of the established Danish objective of a wide European market solution, and based Danish EC membership on the conditions of British accession and as close an agreement between the EC and other Nordic countries as possible. The party supported closer Nordic cooperation and the Nordek Treaty.

Drawing on support from Danish industry, the party traditionally advocated free trade on the widest possible basis. As a result of Danish industry's adaptation in the early 1960s, making it gradually more positive towards the economic possibilities offered by membership, the Conservative Party was able to echo the economic arguments of industry, welcoming the EC's trade and commercial policies. As a strong supporter of Denmark's membership of NATO, the Conservative Party accepted plans for more extensive political consultation among the EC member states, but hoped that this cooperation would not only be confined to the EC, but would also include the Atlantic partners.⁶⁹

The Liberal Party was traditionally the most pro-European political party, and the only in favour of a federal Europe. The Liberals had already adopted in the 1950s the goal of Danish membership as the basis for its official EC policy. Although in favour of EFTA and Nordek, the party never failed to point out that they could only be intermediate solutions, not substitutes for EC membership. During the period between the French vetoes, the Liberals harboured the idea that Denmark could seek membership on its own merits without the UK. Behind the activist pro-European attitude of the Liberals lay the interests of the Danish farming community. The chairman of the farmers' central organization, Anders Andersen,⁷⁰ was also MP for the Liberals and Chairman of the Market Committee during the right-wing government of 1968-71, and the Liberal MP, Poul Nyboe Andersen, was in charge as Minister for Market Affairs for the negotiations with the EC. In December 1971, Poul Nyboe Andersen, then member of the opposition, expressed the view that it was in Denmark's interest to hold on to the policy of EC

⁶⁹Haunstrup Clemmensen, *Folketingstidende*, 11 November 1970, cols. 1059-69.

⁷⁰Anders Andersen, born 1912, landowner, President of the Agriculture Committee 1960-73, MP for the Liberal Party 1953-79, Minister of Finance 1973-75, Minister for Economic Affairs 1978-79, Economics Minister 1982-87, Chairman for the Market Committee 1968-71.

membership even if Norway did not accede to the Community. Within an enlarged Community Denmark could take the role of bridge builder for Norway and other Nordic countries.⁷¹

3.2. The Social Partners

The farmers' organizations, with the exception at first of the small holders' organization, advocated Danish membership from the moment it became clear that the EEC would adopt an agriculture policy. In October 1957, the farmers' central organization argued that if Denmark remained outside the EEC, exports of agricultural goods might be hit by protectionist measures. It gave a pessimistic account of the UK market, which received by far the biggest share of Danish exports (see figure 3), but whose market was stagnating, while export to the Six was rising steadily.⁷²

During the whole period from the early 1960s to accession in 1973, the farmers' organization pressed for EC membership, preferably together with the UK, but when the British accession negotiations ground to a halt, the farmers pleaded for a unilateral Danish approach to the EC. Throughout the political debate on a suitable market solution for Denmark, the farmers argued that neither EFTA, nor Nordic cooperation, could satisfy their needs for export markets. The CAP came to be seen as the promised land that they were unjustly denied.

The economic structure of Denmark changed between 1950 and 1970. The agricultural sector, which accounted for 61 per cent of the total export, declined steadily to 22 per cent in 1970, while during the same period the industry's share of total exports rose from 30 per cent to 65 per cent (see figure 2). The reasons behind this were both the beneficial effect on Danish industry of free trade within EFTA and the detrimental effect of the EC preferential trade in agricultural products.⁷³

Danish industry took a more ambiguous view on economic integration in Europe. Positions on EC membership varied depending on different sectors' prospects of

⁷¹Quoted in Buksti, *Dansk Markedspolitik*, p. 61.

⁷²Buksti, *Dansk Markedspolitik*, p. 7.

⁷³Hansen, *The Formulation of Danish European Policy*, pp. 13-14.

competing within Europe.

An official report in 1958 warned industry against Danish inclusion in the EEC customs union, predicting that 40 per cent of the industry would run the risk of decline. The degree of industrial protection in Denmark was such that large parts of industry were not ready to meet European competition. The Confederation of Danish Industry opposed the Nordic customs union on the same grounds, arguing that the EFTA agreement had already opened the free trade necessary to satisfy Danish industry's needs.⁷⁴

During the 1960s, industry managed to increase its international competitiveness, and overtook agriculture as the main provider of export earnings. The Nordic export market increased significantly, from a total of 31 per cent in 1950 to 37 per cent in 1970, to be compared to the EC Six whose imports from Denmark in 1950 accounted for 16 per cent and in 1970 19 per cent (see figure 4).

Towards the end of the 1960s, the Confederation of Danish Industry became more positive to EC membership. Several factors lay behind the change of attitude: the development of the industry during the last ten years had reduced the risk of competition within the EC,⁷⁵ and the prospects of remaining outside the EC in the case of the UK becoming a member threatened industry's possibilities to compete.⁷⁶ The effect of EC membership on Danish industry, however, remained different from sector to sector, and this explained why the Confederation of Danish Industry took a carefully optimistic position, but never argued directly in favour of EC membership.

The trade unions and the labour movement were divided on the question of EC membership. Among the anti-EC groups, there was a strong tendency to see membership as an emotional, political, almost nationalist question where the capitalist, catholic and continental societal systems were challenging the Nordic, democratic, welfare state. There were strong anti-German and pro-Nordic sentiments combined with arguments that

⁷⁴Buksti, *Dansk Markedspolitik*, pp. 9 and 44.

⁷⁵Markedssekretariatet, *Danmark og De europæiske Fællesskaber*, Udenrigsministeriet, Copenhagen, June, 1971.

⁷⁶Industriraadet, *Dansk industri og Fællesmarkedet*, 3rd edition, Copenhagen, February 1972.

accession to the EC would erode Danish sovereignty, crush Danish (Nordic) socialism and separate Denmark from cooperation with the Nordic countries. The anti-EC feelings of the left-wing forces within the labour movement strongly influenced the EC debate.

The dilemma of the Social Democratic leadership to defend its pro-EC position without losing support from more left-wing groups within the party, in some ways mirrored the dilemma of the leadership of the Danish Confederation of Trade Unions. The Confederation was composed of 60 to 70 specialized unions of which the General and Semi-skilled Workers' Union, the Retail Clerks' and Office Workers' Union, and the Smiths' and Machinists' Union were the biggest.⁷⁷ Although the Confederation waited until May 1972 to adopt an official position on EC membership, the leadership supported the pro-European line of the Social Democratic government. The trade unions' central leadership, however, could not guarantee ^{the} complete loyalty of its members to the Social Democratic line on the EC.

The division on the question of membership was also felt inside the trade unions. The chairman for the General and Semi-skilled Workers' Union, Anker Jørgensen,⁷⁸ argued at a congress in September 1971 that it would be unrealistic to believe that Denmark could stay outside the EC while maintaining economic progress. He believed it reasonable to support EC membership as long as certain conditions were fulfilled: Norway and the UK becoming members of the EC, and Sweden concluding a form of association preventing customs barriers with Denmark; the preservation of the Nordic labour market; the continuing operation of the Nordic free trade area; the social and monetary policies remaining national prerogatives; and, in general, that the European cooperation did not go too far in the direction of integration and supranational institutions. Although Anker Jørgensen strongly advocated EC membership at an extraordinary congress in April 1972, the trade union delegates voted against with 354 votes to 297. The Smiths' and Machinists' Union also took ^{up a} position against EC membership, and its

⁷⁷*Dansk Arbejdsmann- og Specialarbeiderforbund*, 250,000 members; *Handels- og Kontors funktionærernes Forbund*, 100,000 members; and *Dansk Smede- og Maskinarbejder Forbund*, 100,000 members.

⁷⁸Anker Jørgensen, born 1922, Member of General and Semi-skilled Workers' Union 1962-68 and President 1968-72, MP since 1964 for the Social Democratic Party, Prime Minister 1972-73, 1975-1982, Chairman of the Social Democratic Party 1973-87, Chairman for the Danish Delegation to the Nordic Council 1982-93.

leader, Hans Rasmussen, became the leading opponent to the Confederation's official line.

The Confederation positioned itself cautiously in favour of EC membership, but had to allow scope for opposite views when formulating its EC policy. To avoid too deep a split the Confederation decided to adopt a wait-and-see attitude until the result of the accession negotiations was known, not adopting an official position until an extraordinary congress in May 1972. At the congress the Confederation decided, with 524 votes against 406, to support Danish membership of the EC.⁷⁹

3.3. The Popular Movements

The People's Movement against the EC (*Folkebevægelsen mod EF*) was created in parallel with the development of the debate on EC membership. The original groupings had the character of ideological organizations which, although right-wing rather than left-wing, did not adopt any party-political positions. Their ideology aimed at safeguarding Denmark's national, cultural, political and social values based on a fundamentally bourgeois outlook. The first organization to take a position against Danish membership of the EC was Danish Rally (*Dansk Samling*) which had its roots in the resistance movement during the German occupation in the Second World War. Being very active in the debate, Danish Rally set the tone for the opposition to EC membership and influenced the EC debate for a long period.

In 1962 an umbrella organization composed of the two most active groups against the EC, including Danish Rally, was set up, named the Cooperation Council of 1962 against the Rome Union (*Samarbejdsudvalget af 1962 mod Rom-unionen*). Although the Committee claimed to cut across party-political lines and received financial support from big industrialists, it was largely identified as left-wing. When the accession negotiations broke down in 1963, the Committee decided to stay on guard for the revival of the negotiations.

Nordic cooperation was often forwarded as an alternative to EC membership by the popular movements against the EC. Attempts to forge institutionalized links between the Nordic countries in the second half of the 1960s led to the establishment of two groups, Nordic Action (*Nordisk Aktion*) and Free North (*Frit Norden*), which became part

⁷⁹Buksti, *Dansk Markedsopolitik*, pp. 57 and 63-4.

of the popular movement against the EC when accession negotiations between Denmark and the EC were reopened in 1970.

At the beginning of 1970, many groups voiced opposition against EC membership, including the Cooperation Committee of 1962 against the Rome Union, Nordic Action and Free North. The necessity to create a strong and coherent organization became increasingly important. This would have to include both established anti-EC organizations from the early 1960s, Nordic-oriented groups, left-wing parties and youth organizations. Its creation became a struggle between those who wanted the movement to cut across party-political lines, and those who wanted the organization to take a political position. The founding groups were reluctant to include political parties as they feared that these parties, with their superior administrative machinery, would dominate the umbrella organization and change its character from a popular movement to a platform serving party-political interests, in particular for parties such as the Communist Party, which were not represented in parliament. An attempt in September 1971 to create a coordinating committee only partially succeeded, and it was the promise of government grants to the referendum campaign which disciplined the various groupings to coordinate their efforts. The constituent assembly was composed of groups ranging from political parties, such as Denmark's Justice Party, the Communist Party, Danish Rally and Socialist People's Party, to youth organizations attached to the same political parties and the Radical Liberal Party, and a number of ideologically based groups. Groups within the Social Democratic Party opposing EC membership did not take part, arguing that it would not cooperate with groups opposed to the EC solely on nationalistic grounds.

This initiative marked the creation of the People's Movement against the EC. It was based on a compromise limited to coordinating the efforts of the groups, not to an integration of their activities. The reasons why the groups opposed Danish EC membership were based on different values and motivations, but they shared some fundamental views on the EC. They opposed the federal character of the Community, which in their view was set to develop into a political union in which individual countries would lose national identity and sovereignty. They believed there would be development towards a state-like Community, based on German and Roman principles which were incompatible with Nordic traditions. The trade unionists, who were opposed to EC membership, believed that the EC would cement a capitalistic order in the society at the

expense of the labour movement, while the socialist group believed that the EC spelt the end to a socialist society. They were divided between the older generation of Communists who based their opposition on nationalistic arguments, and the younger generation who opposed Danish EC membership either as the continuation of the 1968 youth revolution or because they believed Denmark's Third World policy would be ruined by the Community which they perceived as founded on old colonialist values. All these groups shared the fear of political union.⁸⁰

The People's Movement against the EC became the opposition to federal ideas and ideology which had inspired the creation of the EC and was the driving force behind European integration. Their anti-federalism resided in a fear that traditional Danish values might disappear in a large state-like continental entity. There was a strong perception that Danish society, economy, culture and democracy was incompatible with the European integration process and would be negatively influenced inside the Community which was to a large extent founded in the traditional perception of the Danish society as influenced by the Danish nineteenth century philosopher N.F.S. Grundtvig. Elements of big-state dominance, block-formation or a super-state creation were important in channelling fears about a future development towards EU. The Nordic orientation of the centre and left-wing parties was based on a perception that the Nordic welfare model was unique and different from those on the continent. The Community regime was seen a threat to traditional social-democratic values and objectives. The cornerstone of European integration, to promote peace and social and economic stability, never became a strong argument in the EC debate as deep down many Danes felt they could better attain this on their own, remaining outside the Community.

4. The Referendum on EC Membership, 2 October 1972

When the Social Democratic minority government took office in October 1971, it became the task of the Prime Minister, J.O. Krag, to carry out the decision of parliament of 18 May 1971 to call a binding referendum. After the signing of the accession treaties in Luxembourg in January 1972, the date for the Danish referendum became the target for

⁸⁰Hans Martens, *Danmarks Ja, Norges Nej. EF-folkeafstemningerne i 1972*, Dansk Udenrigspolitisk Instituts Skrifter 6, Munksgaard, 1979.

much speculation and strategic manoeuvring. The main reason why the date of the referendum was tactically important was the prospect of influencing public attitudes to the EC in Denmark and Norway, but also, to a lesser extent, the outcome of the negotiations between the EC and the other EFTA states, which would be known before the referendum, as the terms of the Nordic countries' arrangements with the EC were important. The referendum, however, had to be held in time for necessary adjustments to be made before 1 January 1973 when membership was set to come into force.

Another factor complicating the decision was the resolution adopted by the Social Democratic Party in August 1971, which stated that if Norway failed to join the Community 'a new situation would have been created', implying that the Danish referendum should be later than the Norwegian. This was forced through by opponents to membership within the party, and reflected tactical considerations that if the Norwegian result was negative, the chances for a negative result in Denmark would increase substantially.

Despite Prime Minister Krag and his Norwegian counterpart, Trygve Bratteli, knowing that the decision on the referenda dates was crucial, there was no cooperation on setting the dates between them. The Norwegian Prime Minister had been warned against the reaction of the public if it became known that there had been cooperation with the Danish government. Both prime ministers were convinced that a negative result was more likely in their own country, and both preferred that the neighbouring country voted first. The Norwegians had, however, for domestic, practical reasons to set a date for the referendum earlier than the Danes, a tactical disadvantage for the Norwegian government.

In February, pressure on Prime Minister Krag increased. The right-wing parties advised him to call the referendum not later than the same day as the Norwegian, while opponents to EC membership within his own party and the Socialist People's Party announced the same month that they would hold the government responsible for the resolution adopted at the Social Democratic party conference the previous summer. They would not accept the referendum being held on the same or the following day, arguing that if there was a negative result in Norway, there would not be enough time to reassess the situation.

The internal cohesion of the party was certainly an important factor for Prime Minister Krag when deciding on the date, but it has been argued that his conviction that

Norway's referendum would end in a positive result and that the outcome of the Danish was much more risky, in the end made him make up his mind.⁸¹ On 3 March 1972 the Norwegian government announced that the referendum would be held on 24 to 25 September, and on 7 March Prime Minister Krag announced that the Danish referendum would be held on 2 October, a week after Norway.

When the referendum campaign got underway in late 1971, the Danish population was not unaccustomed to public debates on EC membership. It was, however, pursued with an unprecedented intensity and many groups and individuals in society became engaged. Opinion polls throughout the 1960s had showed a large majority in favour of Danish EC membership, but this tendency was broken in April 1971 when the majority in favour decreased substantially to 37 per cent, while the rate against increased to 30 per cent and the 'don't knows' jumped to 30 per cent (see figure 5). The shift in the electorate took place some months before the referendum campaign had started, but was seen as evidence that the population realized the salience of the prospects of EC membership.⁸²

Analyses of the referendum campaign highlight the different levels of argument between the opponents and the proponents of Danish membership of the EC. While the latter emphasized the economic advantages for Denmark were it to become member and down-played the institutional-supranational consequences, the former underlined the political-integrationist character of the Community and warned against the objective of creating an ever closer union among the peoples of Europe, in which they saw the arrival of the United States of Europe and the end for the nation-state.⁸³

On the political level, the yes-campaign was directed by the Conservative and Liberal Parties, and, with somewhat less enthusiasm, the Social Democratic Party. The leadership of the Radical Liberal Party was divided; the leader of the parliamentary group,

⁸¹ Martens, *Danmarks ja, Norges nej*, p. 50.

⁸² Hans Branner, 'Danish European Policy Since 1945: The Question of Sovereignty', in Morten Kelstrup (ed.), *European Integration and Denmark's Participation*, Copenhagen Political Studies Press, Copenhagen, 1992.

⁸³ See, for example, Hans Branner, 'Danish European Policy Since 1945' in Kelstrup (ed.), *European Integration and Denmark's Participation*, pp. 314-5. Peter Hansen, 'The Formulation of Danish European Policy', pp. 17-9. Carsten Lehmann Sørensen, *Danmark og EF i 1970erne*, pp. 81-8.

Hilmar Baunsgaard, the party political spokesman, Niels Helveg Petersen,⁸⁴ and most MPs were cautiously in favour of membership, while the party's foreign affairs spokesman and three other MPs were against. Two of these MPs were prominent members of the People's Movement against the EC. On the socio-economic level, business and industry and the farmers' associations took the yes-side of the campaign. Contrary to the opponents, the yes-side did not form a strong platform for cooperation and coordination of the campaign. Some organizations were created, such as the Committee for Accession to the EC, but their influence was minor in comparison to the People's Movement against the EC.⁸⁵ The campaign in favour of Danish EC membership was to a large degree managed through the channels of the pro-European political parties.

In parliament,⁸⁶ the debate largely concentrated on four themes: the effect on the Danish economy; the political and security dimension of the EC; other Nordic countries; and institutional issues and integration. Economic arguments were almost always in favour of EC membership, focusing on the necessity for Denmark to gain access to EC markets for industrial and agricultural products: the CAP would guarantee Danish farmers a high level of income; free movement of capital would lead to lower interest rates and access to EC capital funds. These arguments in favour were based on a series of reports from the Ministry of Foreign Affairs's Market Secretariat and the Ministry of Finance. MPs underlined that the consequences of staying outside the EC had become costlier as the House of Commons had voted in favour of British accession and most EFTA countries, such as Sweden, had concluded free trade agreements with the EC. Worries that plans for EMU would endanger Danish sovereignty on social and tax policies were rejected on the grounds that no provisions in the Rome Treaty made harmonization in these areas necessary, and that the plans towards further economic and monetary integration were as yet only plans. They would only become reality by a unanimous decision in the Council

⁸⁴Niels Helveg Petersen, born 1939, MP for the Radical Liberal Party 1966-74, and from 1977, *Chef de Cabinet* for Commissioner Gundelach 1974-77, Chairman for the Radical Liberal Parliamentary Group 1977-88, Economics Minister 1988-90, Foreign Minister since 1993.

⁸⁵Martens, *Danmarks Ja, Norges Nej*, p. 181.

⁸⁶Collected from parliamentary debates, *Folketingstidende*, 15 March 1972, cols. 3629-49; 26 April 1972, cols. 5278-484; 4-6 September 1972, cols. 7036-700.

of Ministers. If the EC member states decided to take steps towards exchange-rate cooperation, Denmark would argue for the participation of non-EC members, for instance Sweden and Switzerland. The parties opposing EC membership argued that the government's and right-wing parties' assessment of the effects of a negative referendum result on the Danish economy was exaggerated and an attempt to intimidate the public. In their opinion the economic arguments were of minor importance when Denmark's national identity and independence were at stake.

The political dimension of the EC was described by the proponents in terms of a natural development between states which cooperated closely in the economic area. Political cooperation should develop pragmatically and remain outside the EC Treaties and the EC institutions. The opponents regarded the political dimension of the EC as a step towards a united Europe, a union that was aiming to play a part in the formation of political blocks, and with a negative impact on the process of détente between NATO and the Warsaw Pact. It was argued that the political ideology associated with the Community was influenced by the politics of former colonial powers having a negative impact on the shaping of the Community's policy towards the Third World. Denmark, as a small country, would lose its national sovereignty along with traditional social, cultural and political values.

The proponents argued that Nordic cooperation was compatible with EC membership, and that no provision agreed between the Nordic countries would have to be given up were Denmark to become member of the EC. In reply to the opponents' opinion that Nordic cooperation was an alternative to EC membership, they pointed at the lack of common interest and political will to agree on a Nordic customs union during the Nordek negotiations. The fact that other Nordic countries had concluded free trade arrangements with the EC, prompted the proponents to advocate Danish membership of the EC as a step towards a large European market, while the opponents were convinced that Danish EC membership would stall and possibly make further Nordic cooperation impossible. Meanwhile, a rejection of the EC in Denmark and Norway would unite the North, and closer Nordic cooperation would emerge as the only realistic option.

On institutional questions, the proponents argued that the competences of the EC institutions should develop pragmatically in accordance with the development of the Community. Institutional development, however, was not an aim in itself and should be

carried out under the control of national parliaments. The proponents were positive to further integration in areas where there was substantial interest and need for cooperation, and favoured opening new areas of cooperation to non-EC countries, wherever possible. In the context of integration, they underlined the importance of the Luxembourg compromise as a political and treaty-based security guarantee for a small country. The opponents argued that the degree of integration within the EC would force Denmark to give up a substantial amount of sovereignty to the EC institutions. They claimed that the long-term objective of the Community was to create a state-like entity based on a high degree of bureaucratization at the expense of democracy and decentralization.

In the run-up to the referendum, it became increasingly clear that the government wished to pursue a clearer position in favour of EC membership, but felt bound by the obligation to reassess the situation in the event of a negative result in the Norwegian referendum. The government became the target of strong criticism in parliament from those opposed to EC membership, for a statement by the Minister for Foreign Economic Affairs, Ivar Nørgaard. At the Norwegian Labour Party congress in April 1972, he claimed that the Danish government would pursue its policy of EC membership regardless of the outcome of the Norwegian referendum. The minister's statement was defended by Prime Minister Krag saying that this had been the government's policy ever since the signing of the accession treaty in January 1972. The government did not intend, however, to bind the Social Democratic Party to this policy, as its position on EC membership would not be concluded before the extraordinary party congress on 10 September 1972.⁸⁷

The Social Democratic Party had called for an extraordinary party congress after parliament's final vote on Danish EC membership, following the Confederation of Trade Unions' extraordinary congress in May at which, after a long and stormy debate, a resolution in favour of Danish membership was adopted.⁸⁸ The Social Democratic Party's position was finally adopted on 10 September 1972 with a majority of 272 votes to 95 in favour of EC membership. The resolution favoured EC membership because the party foresaw no Nordic alternative, and Denmark would best serve Nordic interests as a

⁸⁷Quoted in *Folketingstidende*, 26 April, 1972, cols. 5423-4.

⁸⁸Buksti, *Dansk Markedspolitik*, p. 64.

member of the Community.⁸⁹

Parliament's final vote on Danish membership of the EC took place after three days of intensive debate. The ratification act was adopted on 8 September 1972 by 141 votes to 34. The result was just short of the five-sixths' majority necessary for transfer of sovereignty, but parliament had anyhow already overridden this provision by deciding to hold a binding referendum on Denmark's membership of the EC (see section 4.1).

The next decisive event was the referendum in Norway on 24-25 September. Prime Minister Krag's belief that the Norwegian population was likely to vote in favour of EC membership proved to be wrong. On 26 September a majority of the population rejected Norwegian membership of the EC. The Danish government held on to its pro-EC position, recommending the Danish population to vote in favour in the referendum, and arguing, together with the pro-European political parties, that if Denmark acceded to the Community, it would be able to act as a bridge between the Nordic countries and the Community. The Prime Minister warned that were Denmark to reject EC membership, the Danish currency would be devalued and trading was suspended to prevent speculation.

The run-up to the referendum on 2 October 1972 was dramatic. The political debate had been very intensive and had opened divisions in at least two of the parties represented in parliament. The public campaign was by no means less intensive. The level of popular interest in the EC was high. Research carried out in May 1972 showed that 42 per cent of the population was very interested, while only 25 per cent was very little or not at all interested in the debate.⁹⁰ The arguments used in the public debate by opponents and proponents mirrored the debate in parliament. A senior civil servant commented on criticism directed towards the way in which proponents argued for EC membership on economic grounds, by underlining that it would have been futile at the time when the Community's future development was laid down in statements of intent, but when no concrete actions or plans had been taken, to try to convince the population of the virtues of political integration. Consequently, no clear answers could be given to questions about the EC's future, and speculation would only have given rise to further fears of loss of

⁸⁹J.O. Krag: Klart resultat, vil påvirke befolkningen', *Berlinske Tidende*, 11 September 1972, p. 8.

⁹⁰Karen Siune, 'EF-debatten 1972, et apropos til 1979', Särtryck till *Pressens Årbog* 1979, 1979, p. 202.

national independence and sovereignty.⁹¹

The effect of the debate on the public was presented in a Gallup poll published on 16 July 1972.⁹² The poll concluded that the debate had turned public attitudes steadily towards favouring membership. On the question of Denmark's economy, 30 per cent of the respondents believed the effect would be positive, while 15 per cent believed the effect was likely to be negative, and 26 per cent expected no change. Significantly, 60 per cent of those who claimed to vote in favour of membership in the referendum were convinced that it would have a positive effect on the economy (1 per cent thought the effect would be negative), while only 6 per cent of those who would vote against membership believed the effect would be positive (42 per cent expected a negative effect). On the question of the effect of membership on national independence, 55 per cent believed it would be much or somewhat reduced, while 24 per cent believed national independence would not be affected. Among those in favour of membership, 46 per cent believed Denmark's independence would be much or somewhat reduced, while 81 per cent of the opponents were convinced that the effect would be negative.

The poll showed a strong belief among supporters of the Conservative Party and the Liberal Party that membership would have a beneficial effect on the economy, while Social Democratic and Radical Liberal voters were equally divided between believing in a positive effect or no effect. A majority of the Socialist People's Party's supporters did not believe membership would have a significant influence on the economy, while a minority expected a worsened economy. The Conservative and Liberal voters expressed equally divided opinions as to whether EC membership would have some effect or no effect at all on national independence. The Social Democratic and Radical Liberal voters believed that their independence would be somewhat reduced, while the Socialist People's Party's supporters overwhelmingly (92 per cent) believed national independence would be much or somewhat reduced. This survey found that the views expressed by the population mirrored to a large extent the arguments of the parties which they supported. The internal division in the Radical Liberal Party and the Social Democratic Party reflected their supporters' equally divided views on whether EC membership was favourable to Denmark.

⁹¹Interview in Copenhagen, 26 October 1993.

⁹²'Danskernes opfattelse af EF i skred', *Berlinske Tidende*, 16 July 1972, p. 3.

On 2 October 1972, the Danish population voted by 63.3 per cent to 36.7 per cent in favour of Danish membership of the EC. The participation was high, 90 per cent of the population cast their votes. From opinion polls carried out after the referendum, it was clear that arguments on the economic advantages of membership had been the most important for those who voted in favour. Among those who voted against, the fear of losing national sovereignty and influence over the personal situation had been decisive.⁹³

III. Political Implications and Administrative Adaptation

1. A Political Landslide

On 3 October 1972, the day after the referendum's positive result, Prime Minister Krag announced in parliament his decision to resign. The decision surprised many parliamentarians, despite the Prime Minister's claim that he had wanted to retire from politics for some time. The leadership of the Social Democratic Party decided unanimously to propose Anker Jørgensen, the President of the General and Semi-skilled Workers' Union, as candidate for the post as Party Chairman. Two days later, on 5 October, Anker Jørgensen was appointed Prime Minister. In his opening statement to parliament on 10 October, Prime Minister Jørgensen confirmed that the policy of the former government remained the basis of the new government. He assured that Denmark would not become member of the EC in order to delay or obstruct the development of the Community. On the contrary, Danish interest could be better safeguarded if it remained member of the Community, and that success in economic and social policies was dependent on EC membership.⁹⁴

Until the general election in 1973, the Danish party system had shown an exceptional degree of stability for the previous five decades. The elections of 1968 and 1971 were to some extent precursors of the radical change which was to come into full effect in 1973, for they had introduced a higher degree of polarization between the five

⁹³Peter Hansen, Melvin Small and Karen Siune, 'The Structure of the Debate in the Danish EC Campaign: A Study of an Opinion-Policy Relationship', *Journal of Common Market Studies*, No. 2, 1976, pp. 93-129.

⁹⁴Buksti, *Dansk Markedspolitik*, pp. 69-70.

parties represented in parliament, eroding the traditional consensus on foreign policy issues. There were signs that the electorate had become increasingly volatile in their support of the established parties, while there was an increase in support of parties without parliamentary representation. The question of EC membership, although not the central issue of the 1971 election, was present in the debate, highlighting the difference between the four 'old' established parties and the Socialist People's Party.⁹⁵

The election of 1973 has often been described as a landslide in Danish political life. The four 'old' parties experienced heavy losses as their share of parliamentary representation dropped from 90 per cent to 60 per cent and five new parties entered parliament. Of these five, two parties had only recently been founded: the right-wing Progress Party, which had started as a popular movement against the established political and administrative elites, the traditional policies of the political parties, particularly on taxes, and which showed general discontent with the excess of red-tape and high degree of bureaucratization in society; and the Centre Democratic Party, founded by MPs breaking away from the Social Democratic Party because of discontent with what they saw as radicalization of Social Democratic policies. These two parties won 23 per cent of the vote (15 per cent and 8 per cent respectively). The other three 'new' parties, the Communists, the Justice Party and the Christian People's Party, won representation by playing on the general discontent among the public with the established parties.

The result of the 1973 election spelt the beginning of a new period in Danish politics, characterized by frequent elections and weak minority governments. On both sides of the party-political spectrum, the established parties had difficulties in forming stable coalition governments, either because of difficulties in agreeing on important areas such as foreign policy or economic and social policies, or because some of the new parties were regarded as unacceptable coalition partners. This was especially true for the Progress Party, which, in its manifesto, had declared to be against the existing form of parliamentarism based on consensus and agreements of support on important questions. The Progress Party saw this as evidence of rot in the political system, and therefore obstructed the workings of parliament. In addition, its leader, Mogens Glistrup, had presented his personal systematic

⁹⁵Damgaard, *Stability and Change in the Danish Party System over Half a Century*, pp. 121-3.

tax frauds as a legitimate way of beating an unfair system. When a legal case was brought against him, the parliamentarians voted to nullify his parliamentary immunity, with the result that Mogens Glistrup was tried and sent to jail. The fact that he conducted the party chairmanship from his prison cell did not increase the acceptability of his party as a coalition partner.

The overall implication of the 1973 election was to change the basis of successive governments' EC policy. Constitutionally, foreign policy is a prerogative of the government, but as the parliamentary situation after 1973 gave a new, and fundamentally stronger, position to parliament, it could exert tighter control on the direction of matters of foreign policy. As Denmark's membership of the EC had remained a highly politicized issue, parliamentary influence was especially felt in questions relating to the Community. The Market Committee was set up as a direct result of parliament's desire to control the development of Denmark's membership of the EC.

2. The Parliamentary Control System

One of the most characteristic features of Danish EC decision-making is the way in which parliamentary control and information on EC affairs is ensured by the Market Committee. The precursor of the Market Committee was set up on an *ad hoc* basis at the time of the first accession negotiations of 1961-62, and was revived when official negotiations between Denmark and the EC were reopened in 1970. The Market Committee is one of parliament's standing committees, whose legal basis is enshrined in the Danish act of accession. The provisions lay down the government's obligation to inform the Committee of the proposals for adoption by the Council of Ministers which are directly applicable to Denmark, or which need the collaboration of parliament for implementation. The Committee's methods of work and authority have been developed and extended through a series of reports.

The parliamentary situation after 1973, characterized by weak minority governments, has been of fundamental importance in the development of the Committee, which has become crucially important to governments in ensuring that their EC policy gains parliamentary support, especially as the contentious nature of Danish EC policy has increased the degree of politicization. The composition of the Committee is a direct result of strong parliamentary interest in EC matters. The members reflect the distribution of

seats in parliament, and parties are often represented by party chairmen, or foreign affairs spokesmen, and even former ministers occupy seats in the Committee.

Cooperation between the government and the Market Committee has evolved into a form of consultation, where the minister in question (most often the Foreign Minister or the Foreign Economic Minister) presents an outline of the government's negotiation position on a question of major importance on the Council of Ministers's agenda. In theory, it is the government that decides when to put an issue on the Committee's agenda, but in practice the parliamentary strength of a particular government determines whether it is necessary to seek parliamentary support. In the 1980s, a special relationship developed between the members of the Committee and the governments, as the Market Committee became part of the decision-making elite and some MPs came to regard it as a second chamber.⁹⁶ The ministers' account of the Danish negotiation position is always presented orally, in order to secure confidentiality on Danish ministers' positions in the negotiations in Brussels.⁹⁷

Governments have been criticized for supplying the Market Committee with too little information too late in case this undermined the effective control over the government. The reasons behind this are the technicality of the proposals from the Commission, the rushed time schedule of the EC, and the obligation to safeguard the confidential negotiation positions of Denmark as well as other member states. The Market Committee has the right to bring in specialized parliamentary committees to give advice on a technical issue, but this has not become part of the routine, both because of the obligation of confidentiality, and the fear of erosion of the Committee's authority. The specialized committees have lost out to the Market Committee which enjoys more prestige. Although the Market Committee has a number of distinguished members, they do not always have the special knowledge required to control detailed legislation from Brussels to the extent necessary. The elitist character of the Market Committee has attracted criticism from other MPs, who feel that the Market Committee has attained too

⁹⁶ Interview in Copenhagen on 23 February 1993.

⁹⁷ *Beretning fra markedsutvalget*, Folketingsåret 1972-73, Tillæg B. (82), cols. 1297-300. K.E. Tygesen, 'Den danske EF-beslutningsproces', Niels Jørgen Haagerup and Christian Thune (eds.), *Folketinget og uderigspolitikken*, Jurist og Økonomforbundets Forlag, Copenhagen, 1986.

strong a position in relation to other, more specialized, parliamentary committees, and that its members have sometimes become remote from grass roots politics.

Danish officials have often met with criticism from other EC member states that Denmark's Market Committee complicates and delays the negotiation process in Brussels. The officials are of the opinion that this attitude is a sign of lack of understanding of the link between government and parliament, and the control of individual ministers and the government by the committee. On the contrary, officials argue, the Market Committee is essential in the decision-making process, for ensuring that legislation adopted by the Council of Ministers has support in the Danish parliament and that it can be effectively and speedily implemented in national legislation. Denmark has succeeded in implementing EC legislation despite the fact that almost all governments since accession have been without majority in parliament. Also, when a government has had a working majority on other issues, EC policy has been an area of great contention because of diverging views between the government parties and the opposition, making consultation within the Market Committee even more important.⁹⁸

3. The Administrative Adaptation

The process of administrative adaptation necessitated by EC membership had started already at the time of the first accession negotiations between Denmark and the EC.⁹⁹ The practices which were established throughout the 1960s and the first two years of the 1970s laid the foundations for Danish EC decision-making.

During the initial phase of negotiations with the EC (in fact during the whole of the 1960s), the Market Secretariat of the Foreign Ministry held a strong position both within the Foreign Ministry and in relation to other ministries. It enjoyed a high degree

⁹⁸See Jørgen Ørstrøm Møller, 'Danish EC Decision-Making: An Insider's View', *Journal of Common Market Studies*, Vol. XXI, No.3, 1983, p. 255. K.E. Tygesen, 'Den danske EF-beslutningsproces', pp. 57 and 65-6.

⁹⁹This section is based on Sven Auken, Jacob Buksti and Carsten Lehmann Sørensen, 'Denmark joins Europe', *Journal of Common Market Studies*, Vol. XIV, No. 1, 1975. Jørgen Grønnegaard Christensen 'Da Centraladministrationen blev international' in Niels Amstrup and Ib Faurby (eds.), *Studier i dansk udenrigspolitik*, Forlaget Politica, Århus, 1978. Jørgen Ørstrøm Møller, 'Danish EC Decision-Making'. Interview at the Foreign Ministry on 22 February 1993

of independence, underlined by the appointment of a special minister for Foreign Economic Affairs under the right-wing coalition government in 1968, a practice which continued under the Social Democratic minority government of J.O. Krag. In 1971-72, the decisions on the future shape of the administrative decision-making structure were to be taken. After internal negotiations for a central position in the decision-making system, a compromise was reached in 1972, in which, although the Market Secretariat was still assigned an important role in the system, the functional ministries were given a greater role than initial plans had foreseen.

The Danish EC decision-making process, as it was set up in 1972 was composed of four levels: the special committees, the EC Committee, the Government's EC committee and the Market Committee (see figure 1).

There were originally 21 special committees, but they were soon increased to 27. They were set up to correspond largely to the Commission's Directorates-General and the working groups under the Council of Ministers and Coreper. Each special committee is composed of representatives from three or four ministries (or more if required) and their task is to examine and communicate the content and nature of the Commission's proposals which are presented to the Council of Ministers and its working groups, and then to refer its recommendations to the next level, the EC Committee. The special committees consult the interest groups concerned whenever necessary or desirable, according to the procedures of the ministry in charge. The civil servants taking part in the work of the special committees often represent their ministries in the preparatory phase, before the Commission's proposal is drawn up. It has been proved in practice that the special committees have a great influence on the ultimate decision, as their recommendations are often confirmed by subsequent levels. This has increased the role played by functional ministries, especially the Ministries for Agriculture and Economic Affairs, because of their knowledge and expertise in dealing with highly technical proposals from the Commission, while diminishing the central position of the Department of Foreign Economic Affairs.

The EC Committee is composed of senior civil servants from all ministries involved, with the Department of Foreign Affairs assuming the presidency and the secretarial obligations. The task of the EC Committee is to identify, decide upon and observe the development of the Community. The task of identification implies ensuring that in substance and procedure the recommendations of the special committees are

consistent with the objectives of Danish EC policy. The EC Committee decides whether the position is within the general framework of Danish EC policy, and can in that capacity approve, change or refer back a recommendation to the special committee in question. The points on the EC Committee's agenda are divided into A-points and B-points following the procedure of the Coreper and the Council of Ministers. The EC Committee also discusses the more general development of the Community. Since the Danish Presidency of 1982, the EC Committee is responsible for handling the presidency.

The Government's EC Committee is composed of all ministers involved in EC questions, including the Prime Minister, and sits under the chairmanship of the Foreign Minister, or when appointed the Minister of Foreign Economic Affairs. Its main task is to give political guidelines for Danish EC policy. To ensure consistency with deliberations at official level, the head of the Department of Foreign Economic Affairs (now the North Group) who is chairman of the EC Committee, is secretary to the Government's EC Committee and attends the meetings of the parliamentary Market Committee.

Two ministries have established a particularly independent and strong role in the decision-making machinery. First, the Foreign Ministry whose Department for Foreign (political) Affairs was at first not involved much in EC affairs. However, with the development of the political dimension of the Community, the department has re-established its competence in this area. The Department of Foreign Economic Affairs, the successor of the Market Secretariat, has become the most central element of coordination of Danish EC policy. The department is responsible for preparing briefs for the Danish representatives in the Council of Ministers or the Coreper, after the matter in hand has been discussed by the EC Committee or the Government's EC Committee. It has assumed the important role of coordination between the Permanent Representation in Brussels and the rest of the decision-making machinery. The staff in Brussels, whether they are originally from the Foreign Ministry or functional ministries, report to the department of Foreign Economic Affairs. Equally, ministries should channel contacts with Brussels through this department. Lastly, the Department for Foreign Economic Affairs is responsible in practice for ensuring that the Market Committee is supplied with information.

In 1991 the first stages of a radical reorganization of the Foreign Ministry were implemented, as the need for a more efficient coordination and rational utilization of the

Ministry's resources was recognized. The artificial separation between the Department of Foreign Economic Affairs and the Department of Foreign (political) Affairs had become increasingly untenable with the development of the Community. In view of future reform of the Community Treaties, the Foreign Ministry was reorganized into two functional geographical groups, North and South, which conduct both economic and political activities. Western and eastern European countries and North America belong to the North Group, as do the EC, NATO and the Organization for Economic Cooperation and Development (OECD). The rest of the world, including the UN, belongs to the South Group. The reorganization was aimed at improving the coordination of all matters dealt with within the EC framework and areas in close relation to it, such as EFTA, the USA and Japan.¹⁰⁰

Second, the Ministry for Agriculture was reformed, which before accession to the EC was not a ministry in the proper sense of the word but a coordinating body serving the agricultural organizations (which in turn were in charge of many of the managerial functions of the agricultural policy). When the question of administrative adaptation to the complicated framework of the CAP came on the agenda, the farmers' organizations sought to keep their dominant position. The Ministry for Agriculture was at first positive to plans that most administrative tasks would be carried out by the farmers' organizations. This was, however, disputed by other functional ministries, in particular the Ministry of Trade, which feared that the agricultural arrangements could set a precedent for interest groups related to trade. A compromise solution was found by which the relative strength of the farmers' organizations were weakened and the ministry's competences were extended. The Special Committee on Agriculture has assumed an independent position, which has further increased the strength of the Ministry for Agriculture at the expense of the Department of Foreign Economic Affairs.

¹⁰⁰ Udenrigskommissionen, *Betænkning fra Kommissionen af 1. april 1989 om udenrigstjensten*, Statens Informationstjeneste, Copenhagen, 1990. Jørgen Grønnegård Christensen, 'Udenrigsministeriets reorganisering', in Nikolaj Petersen and Christian Thune (eds.), *Dansk Udenrigspolitisk Årbog 1991*, Jurist og Økonomiforbundets Forlag, Copenhagen, 1992.

IV. Conclusion

The motivation behind the Danish decision to seek membership of the EC in 1961, and again in 1967, was primarily to secure access to external markets for the Danish economy. Denmark, having no primary resources other than arable land, was dependent on agricultural exports. Its industry, based on processing raw material into finished goods, was dependent on international free trade both for its import requirements and export needs.

Denmark did not embrace the ideals of the federal movement in the post-Second World War period. Its long-standing tradition of neutrality did not prevent Denmark from joining NATO in 1949, but contributed to Denmark's reluctance to take part in attempts to unite western European countries under a common institutional framework. The resistance movement, which was one of the major forces behind early federal movements in several continental European countries, was in Denmark the founding force behind the People's Movement Against the EC. Some have traced this 'long tradition of avoiding involvement in anything which tasted of *Grosspolitik*'¹⁰¹ back to 'a spirit reminiscent of that which had overcome the nation after 1864, [which] expressed grave doubts that the country would be able to maintain itself as an independent state'.¹⁰² In this context, many Danes preferred to identify themselves with the Nordic countries, to which they felt closer in terms of democratic, social and cultural values and traditions. The labour movement, which represented 95 to 100 per cent of Danish workers, the radical left-wing parties and some Social Democrats, played an important role in advocating national, 'Nordic' values of the welfare society and neutral attitudes, against the block-building politics of some European countries and the USA. A feeling of social and democratic superiority to the continental countries lay behind the insistence on Nordic values.

Denmark, therefore, deplored the inability of the western European countries to agree on a large free trade area under the auspices of the OEEC in the late 1950s. The

¹⁰¹ Peter Hansen, 'Denmark and European Integration', *Cooperation and Conflict*, No. 1, 1969, p. 15.

¹⁰² Holbraad, *Danish Neutrality*, p. 165. In the war of 1864 against Germany, the Danes lost a large part of its territory in southern Jutland, now part of Schleswig-Holstein in Germany.

idea of a large free trade area was a recurrent theme in the foreign policy debate, and was perceived as securing Denmark with the freedom to fulfil the four main objectives of Danish foreign policy: the universal (towards the Third World), the Atlantic (in security policy), the European (for market access and good neighbourly relations with continental European countries, especially Germany), and Nordic (for cultural, democratic and social values).

When the CAP was established, negatively influencing Danish agricultural exports, the pressures on the government from the farming community increased. In parallel, industry had undergone a major restructuring process in the late 1950s, preparing it for competition in the EC markets. When the UK government therefore announced its intention to seek membership of the EC, the Danish government was ready to follow. Danish EC policy of 1961 was based on three conditions being fulfilled before Denmark joined the Community: accession together with the UK; satisfactory arrangements for those EFTA countries which chose not to opt for EC membership; and the possibility of maintaining Nordic cooperation.

The basis for Denmark's EC policy was maintained during the 1960s, and was reconfirmed by parliament as official accession negotiations were opened between Denmark and the Community in 1970. The only change from 1961 was that the insistence on satisfactory arrangements between the EC and other EFTA countries had become an 'expectation' that 'the Nordic countries' would find solutions for their relations with the Community. To assure doubters inside the EC about Danish intentions to seek membership, the government stressed that Denmark would comply with the *acquis communautaire*, including plans for future development and the political aims of the EC.

After the accession treaty was signed, the terms of accession were presented to parliament. As mentioned, the detailed terms of entry were not the focus of the debate, as Denmark had already obtained favourable terms of entry. It was the character of the Community, and the implications of membership on Danish society in the wide sense of the word which were debated. The Market Committee's report submitted in August 1972 on Danish EC membership¹⁰³ was endorsed by all members but four, of which two were

¹⁰³Markedsutvalget, *Betænkning over I. forslag til lov om Danmarks tiltrædelse af De europæiske Fællesskaber og II. forslag til lov...De europæiske Fællesskaber*, 25 August 1972, Folketinget 1971-72.

Social Democrats and two were from the Socialist People's Party. This report made clear that Danish politicians had not embraced the ideals of European integration, nor accepted the goal of the Treaty of Rome - the creation of EU. In this report, the politicians pointed out a number of areas, political and economic, where Denmark would oppose deeper integration, effectively spelling out the terms of Denmark's adherence to the 'Community regime'. The terms were largely based on a notion that expansion of the rules and decision-making procedures was acceptable in limited areas, but that only limited implementation of the principles and norms in the form of deeper integration would be accepted by Denmark. This notion was the basis for the *status quo*-oriented Danish EC policy, as it developed after the accession.

The population, which was positive to the EC during the 1960s, had not taken an active interest in the early debate on European integration and federalism. The impact of federalist ideas was less significant in Denmark than in the original Six, as public interest was mostly focused on the question of whether the accession negotiations would succeed. Consequently, Nikolaj Petersen wrote, 'it was natural for opponents to concentrate their propaganda on the negative effects of membership on Danish sovereignty and self-determination. In their view, membership would not only subject Denmark to the considerable degree of supra-nationalism already achieved in the EC: still worse, the level of integration was seen as bound to rise steadily, even exponentially, according to the 'laws' of integration.'¹⁰⁴ Nikolaj Petersen's study on popular attitudes to European integration concluded that there was a low level of support for federalism and European integration in general in Denmark at the time of the referendum (and after), and that 'Danish politicians did not obtain any mandate for a federalist or integrationist EC policy in the 1972 referendum, but neither did they seek one'.¹⁰⁵

When negotiating with the EC, Denmark pledged to accept in its totality the *acquis communautaire* of the EC, including its future objectives and the spirit of the Treaties. The negotiations were conducted smoothly and the terms of accession were never

¹⁰⁴ Nikolaj Petersen, 'Attitudes towards European Integration and the Danish Common Market Referendum', *Scandinavian Political Studies*, Vol. 1, New Series, No. 1, 1978, pp. 23-41. Quotation from pp. 30-31.

¹⁰⁵ Petersen, 'Attitudes towards European Integration', pp. 40-41.

disputed, as most Danish demands had been obtained. Denmark had no problems in accepting or participating at the Community's level of cooperation at the time. The problem lay in the objectives of European integration, the principles of the Community regime, and in the gradual development of these principles in the form of deepened integration. This was perceived as an integration dilemma and prompted the political elite to interpret the obligations of EC membership in a way which smoothed over the perceived incompatibility between the Community regime and Denmark, as well as signalling to the EC at an early stage those developments that Denmark would find hard to accept. The political elite adopted a form of strategy of adaptation, which will be analysed with the help of Nikolaj Petersen's modified typology (see chapter 2).

The **bastion strategy** was dominant when Denmark decided to seek membership of the EC on three conditions: accession with the UK, satisfactory trading agreements between the Nordic countries and the EC, and maintenance of the existing Nordic cooperation. These three conditions concerned Denmark's external position more than the *acquis communautaire*, and were accepted by the EC. A clear sign that Denmark did not share the principles of the Community regime was its insistence on the Luxembourg compromise. This was seen as the basis for its EC membership and enshrined in the Danish act of accession, Article 3. It was also perceived as the ultimate safeguard for a small country wanting to protect its national interests or its sovereignty in a particular matter. The Luxembourg compromise was seen as a way for Denmark to escape the integration dilemma.

Denmark erected a whole set of bastions for its participation in the Community regime, in particular with regard to the Community's future development. At the time, the development of the Community was still at an early stage. Danish reservations about the future development of the EC, although part of the *acquis communautaire*, were therefore not part of the actual accession negotiations. In addition, the reservations, with some exceptions, were designed for domestic consumption and did not receive much attention in Brussels as the negotiators concentrated on the problems of the UK and Norwegian negotiations.

The bastions were, however, quite fundamental in character. The most conspicuous was the bastion on a future EMU, raised by the Danish minister, Ivar Nørgaard,

concerning the right to lead an independent budgetary policy, a cornerstone of the Social Democratic welfare policy. The perception of threat by EMU to the welfare system was so strong in Denmark that he already felt compelled to signal Denmark's fundamental opposition to Brussels at this stage. Other bastions concerned the EC institutions where the Market Committee report had announced that future developments should be based on the political reality and practical needs for cooperation. It could be no objective in itself to create new institutions, or extend the competences of existing ones. In addition, the power should remain with the Council of Ministers and the competences of the European Parliament should be extended only if desirable for practical purposes. Yet another bastion was erected by the Market Committee on foreign political cooperation, deemed desirable as long as it remained intergovernmental and outside the scope of the EC Treaties.

Many of these bastions would prove incompatible with the development of the Community regime, but as the EC entered into a long period of slow development or even regression shortly after the first accession, the Danish reservations did not emerge before the mid-1980s.

The **condition strategy** was not prominent in the accession period, as Denmark as an applicant country had to accept the *acquis communautaire*. Denmark, however, obtained some remarkable results in the accession negotiations, for instance in maintaining domestic legislation barring foreign ownership of secondary homes, the retention of the Nordic labour market provisions and the favourable terms for its net contribution to the Community budget (Denmark, although one of the richest member states of the EC *per capita*, receives more from the EC than it pays out).

Another condition granted to Denmark was the translation of the word 'union' of the EEC Treaty's preamble into *sammenslutning*, corresponding to the word 'unity' although 'union' does exist in the Danish language. This was an important concession granted to Denmark for domestic reasons, as it enabled Danish politicians favourable to EC membership to argue that the implications of political integration were insignificant, in short that the threat by the 'Community regime' to Danish societal values was exaggerated.

The **concession strategy** was prominent as a mirror of the bastions set up for future development of the Community regime. Contrary to 1961, in 1970 Denmark pledged to

accept in its totality the *acquis communautaire*, including the future objectives of the European integration process and the spirit of the EC Treaties. Pledging its adherence to the principles of the Community regime in Brussels, Denmark set up a set of bastions at home to signal its fundamental opposition to some of the future plans discussed in the Community at the time. The concession of accepting the judicial (technical) part of the *acquis communautaire* had to be made, however, as a condition for opening accession negotiations by The Hague Summit in 1969. The Community spirit was accepted by some groups in Denmark, but the public at large, and the main part of the political and administrative elite, did not share it. This became clear in the referendum campaign as no one advocated in favour of Denmark joining the Community because of the principles of European integration, but solely because of economic advantages. European integration and EU were used only by those opposing EC membership and therefore became associated with highly negative projections for the future.

There was no feeling in Denmark of adhering to the principles of the 'Community regime' nor sharing its norms as a set of mutual values. The proponents' pledges that the integration needed to implement the rules and decision-making procedures to obtain the economic advantages of EC membership would not interfere with Danish traditions and values, were in strong contrast to the opponents' warnings about the principles and norms of the 'Community regime' which threatened the foundations of the Danish welfare state, political culture and popular democracy.

Chapter 4

Denmark and the Single European Act

1983-1986

I. Introduction

1. The Social Democratic Party's Dilemma¹⁰⁶

1.1. Destabilizing Factors after Accession

The period from 1973 to 1983 has often been named Eurosclerosis as it was characterized by a combination of severe economic recession and loss of confidence in European cooperation. There were several factors behind the recession, but the economic problems were aggravated in particular by the oil crises of 1973 and 1979 and the period of international monetary instability in the 1970s. The inability of the Community's member states to agree on a common response to the problems in the energy sector, and the tendency to rely on national action programmes to assist ailing industries, made the Community spirit from the late 1960s and early 1970s evaporate. This period produced little that was concrete in terms of new Community policies or common action, and lowered moral in the EC institutions.

For Denmark, as a new member state of the EC, the economic recession with its high inflation and unemployment could not have come at a worse time. The proponents of Danish EC membership had promised that Denmark, as a member, would enjoy increased economic prosperity: EC membership was seen as a prerequisite for maintaining the Danish welfare state. The economic problems which hit Denmark after the first oil crisis were not in themselves linked to accession to the Community, but with its high expectations of the effects of EC membership, the Danish population was bound to be disappointed. Opinion polls which had showed a majority of the population in favour of EC membership just after the referendum in October 1972 dropped, and in 1973 there was a majority which claimed it would have voted against EC membership had there been a second referendum (see figure 6).

In 1974 a British Labour government came to power on an electoral promise to renegotiate Britain's terms of entry to the Community. The start of the renegotiations between the UK and the EC kept alive a belief among Danish anti-EC groups that Denmark could also have a referendum on whether to remain in the EC. There is no

¹⁰⁶Erik Meier Carlsen, *Plads for dem alle? Strid og forvandling i Socialdemokratiet*, Forlaget Hovedland, Copenhagen, 1992. Birgit Nüchel Thomsen (ed.), *The Odd Man Out? Danmark og den Europæiske integration 1948-1992*.

evidence¹⁰⁷ that the leadership of the Social Democratic Party was at any stage seriously worried that the UK would leave the Community, but the prospects of a second referendum kept anti-EC groups alive both within and outside the Folketing.

The situation was difficult for the Social Democratic Party, which held power from 1971 to 1982 (except for a brief period between 1973 to 1975 when a Liberal minority government held office). Immediately after the referendum, the Social Democratic Party lost its leader and prime minister, Jens Otto Krag, when he suddenly and unexpectedly resigned for personal reasons. Anker Jørgensen, appointed in his place, inherited the difficult task of bridging the division in the party and the labour movement over EC membership. Opponents to the EC remained active and enjoyed support in the Folketing from the young generation of Social Democrats elected to parliament in 1971. The decrease in the number of Social Democratic seats in the 1973 general election, and the low support for EC membership in the population, made the shaping of the government's EC policy a delicate matter. Another factor destabilizing the shaping of the Danish EC policy was the fundamental change in the parliamentary structure by the landslide election of 1973 (see chapter 3, section 6).

To the Social Democratic Party the electorate's change in attitude towards the left posed a serious dilemma. In view of the division in the party over the EC and the threat of losing votes to the radical left, shortly before the election of 1973 the Social Democratic leadership promoted some of its most prominent Euro-sceptic MPs to government positions (Ritt Bjerregaard¹⁰⁸ and Karl Hjortnæs) and to Chairman of the Market Committee (Jørgen Hansen). The strategy backfired in the election of 1973, which saw not only the breaking away of the party's right-wing under Erhard Jakobsen to form the Centre-Democratic Party, but also the re-election of the Communist Party with 6 seats. The Social Democratic Party lost a third (from 71 to 47) of its seats in parliament and decided to leave government.

¹⁰⁷ See comment by Niels Thomsen, 'EF som stridspunkt i dansk politik 1972-1979', in Nüchel Thomsen (ed.), *The Odd Man Out?*, p. 163.

¹⁰⁸ Ritt Bjerregaard, born 1941, MP for the Social Democratic Party since 1971, Minister for Education 1973, 1975-78, Minister for Social Affairs 1979-81, Chairman for the Social Democratic Parliamentary Group 1981-82 and 1987-91, Vice-Chairman 1982, Member of the Foreign Affairs Committee since 1982, President for the European Movement since 1992, appointed commissioner in the new Commission of 1995.

The Social Democratic government also experienced internal problems over the adoption of an economic policy which could balance the consequences of recession, while at the same time meeting the demands on the welfare society. The government initially adopted an economic policy of expansion, both to satisfy the expectations of its voters and to prevent a trend of increasing popularity of the Socialist People's Party. This policy led to a large budget deficit,¹⁰⁹ forcing the government to resort to substantial borrowing abroad which further weakened the Danish krone. In 1979 the national debt (35.7 billion kroner)¹¹⁰ had become so alarming, while attempts to introduce a more restrictive economic policy remained unsuccessful, that the Social Democratic Finance Minister, Knud Heinesen,¹¹¹ resigned declaring that Denmark was approaching a bottomless economic pit.¹¹²

As it was in power until December 1973, it fell upon the Social Democratic government to lay the foundations of Denmark's EC policy. Ivar Nørgaard, as Market Minister, formulated a policy based on pragmatic functionalism which favoured more cooperation in the economic and social areas, supporting the creation of a stable currency system and liberalization of international trade, while opposing the transfer of competences to the EC institutions, reforms of the Treaties and insistence that the 'veto-right' be maintained. Although the Liberal minority government between 1973 and 1975 tried to adopt a more positive EC policy, it was prevented from doing so by the Social Democratic Party's sceptical attitude in the Market Committee, supported by the Socialist

¹⁰⁹In 1975, the budget deficit was recorded at Danish Kroner 4,350 million from a surplus the previous year. The budget deficit reached new heights in 1980 at 10,002 million kroner and peaked in 1982 at 37,552 million. (International Monetary Fund, *International Financial Statistics Yearbook 1993*, New York, 1993, pp. 312-15).

¹¹⁰Ibid, p. 315.

¹¹¹Knud Heinesen, born 1932, Lecturer in economics at Copenhagen Business School 1968-71, MP for the Social Democratic Party 1971-85, Vice-Chairman of the Social Democratic Party 1980-85, Minister for Education 1971-72, Finance Minister 1975, 1978-79 and 1981-82, Minister for Public Works 1981. In 1985, he left politics to become President of the Copenhagen Airport and to hold a number of appointments to the boards of Danish companies and organizations.

¹¹²Quoted in Erik Meier Carlsen, *Plads for dem alle?*, p. 41. Also in Anker Jørgensen, *Brændingen: Fra mine dagbøger 1978-1982*, Forlaget Fremad, Copenhagen, 1990, p. 291.

People's Party and the Radical Liberal Party. When the Social Democrats returned to power in 1975 they continued the cautiously sceptical EC policy, and were wary not to aggravate the division in the party and in other anti-EC parties in the Folketing on whose support they relied. The government's low profile was also helped by the right-wing opposition parties, which although positive to the Community, were eager not to turn Denmark's EC policy into a parliamentary question, both because of weak support by the general public for European integration and the fear of undermining Denmark's position among other EC member states. The fact that the Community did not achieve much in terms of new policies or institutional reforms in the 1970s helped the government to conceal a potential division on European integration between Denmark and the founding members. By the early 1980s, Danish politicians still did not believe there would be a revision of the Treaties, and the political parties had not considered it necessary to prepare their political hinterland, nor the population, for the prospect of further integration.¹¹³

1.2. Events during the First Years of EC Membership

Three events are worth mentioning concerning the Social Democratic government's attitude to European integration. First, Prime Minister Anker Jørgensen participated in the Paris Summit on 20 October 1972, signing the declaration in which the political leaders confirmed their will to establish EU by 1979. On his return to Copenhagen, Jørgensen confessed that he had some doubts about the term 'Union', but had let it pass because it was so vague.¹¹⁴

Second, the plans for direct elections to the European Parliament were more troublesome for the Social Democratic government. Under the Liberal government, the Social Democrats had succeeded in ensuring a resolution on the conditions under which

¹¹³Interview in the Foreign Ministry, November 1993.

¹¹⁴Niels Thomsen, 'EF som stridspunkt i dansk politik 1972-1979', in Nüchel Thomsen, *The Odd Man Out?*, p. 159. The Prime Minister's evaluation of the validity of the term was also shared by the entourage around President Georges Pompidou which had suggested the term. When the Secretary General of the Elysée asked the presidential aide Edouard Balladur what it meant, he is reported to have replied: 'Nothing...But then, that's the beauty of it'. Quoted in Christian Franck, 'New Ambitions: From the Hague to Paris Summits (1969-1972)', in Pryce (ed.), *The Dynamics of European Union*, 1987, p. 145, and footnote no. 36.

Denmark could accept direct elections to the European Parliament: the election should be held on the same day as an election to the Folketing, and only MPs could be elected members of the European Parliament. In December 1975 the Folketing decided to accept direct elections to the European Parliament without explicitly mentioning the conditions. When in July 1976 the European Council agreed on the rules and distribution of seats, individual member states were allowed some leeway in the implementation, ensuring that the Folketing's conditions could be maintained. As the Folketing was about to finalize the implementation, there was initially some hesitation from the right-wing parties about abandoning these conditions. They were concerned about the risk that the People's Movement against the EC would gain a substantial number of seats, but in the end the conditions were dropped.¹¹⁵

Third, the Social Democratic government had to make its attitude on further European integration clear in the report on EU by the Belgian Prime Minister, Leo Tindemans, commissioned by the Paris Summit of 1974. The government's report to Leo Tindemans was based on a recognition that Denmark had subscribed to the goal of EU at the Paris Summit of 1972, but although favouring more cooperation between the EC member states, it endorsed the Luxembourg compromise, stressed improving the functioning of EC institutions within the existing Treaties, and advocated that expansion of the activities of EPC should be kept separate from the Treaties.¹¹⁶ Although Danish politicians were attributed with the unflattering description of 'foot dragging Danes' by Leo Tindemans,¹¹⁷ the government endorsed the Tindemans Report as a 'piece of realistic politics' which did not threaten the 'veto-right', nor propose reforms of the Treaties.¹¹⁸ Although the Tindemans exercise showed that the leadership of the Social Democratic

¹¹⁵ Niels Thomsen, 'EF som stridspunkt i dansk politik 1972-1979', in Nüchel Thomsen, *The Odd Man Out?*, pp. 167, 169 and 171.

¹¹⁶ *Bogen om EF-Unionen*, 'Regeringens oplæg til Tindemans', Europabevægelsen i Danmark, Copenhagen, 1976.

¹¹⁷ Attributed to the Danes by Leo Tindemans during a BBC interview in 1976. Quoted in Uffe Ellemann-Jensen, *Da Danmark igen sagde ja til det fælles..*, Schultz Forlag, Copenhagen, 1987, p. 22.

¹¹⁸ Niels Thomsen, 'EF som stridspunkt i dansk politik 1972-1979', in Nüchel Thomsen, *The Odd Man Out?*, pp. 168-70.

Party had progressively adopted a more positive attitude towards the EC, it had not abandoned its pragmatic functionalist EC policy. The younger generation had become politically more responsible by holding positions in government or other important posts, but had not become less sceptical towards European integration.

II. The Relaunch of European Integration

1. The Solemn Declaration on European Union, 1983

In January 1981 the German Foreign Minister, Hans Dietrich Genscher, announced a major initiative to relaunch EU at the *Freie Demokratische Partei* (FDP) party congress.¹¹⁹ Genscher's initiative was supported by his Italian counterpart, Emilio Colombo, and together they lent their names to the initiative, the Genscher-Colombo Plan. In November the same year the two Foreign Ministers sent copies of the plan to their counterparts in EC capitals, the Commission and the European Parliament. The Social Democratic Foreign Minister, Kjeld Olesen, gave a cautiously positive response to the plan, but stressed that it contained some points incompatible with Danish EC policy.¹²⁰

The Genscher-Colombo Plan was discussed by an *ad hoc* group, composed of high foreign ministry officials, during the three presidencies of Belgium from January 1982, followed by Denmark and Germany.¹²¹ Meanwhile a new right-wing government was formed in Denmark with Poul Schlüter¹²² of the Conservative Party as prime minister and Uffe

¹¹⁹Gianni Bonvicini, 'The Genscher-Colombo Plan and the 'Solemn Declaration on European Union' (1981-83)', in Pryce (ed.), *The Dynamics of European Union*, pp. 174-87.

¹²⁰Kjeld Olesen, declaration of 14 November 1981 concerning the German-Italian deliberations on a European Union, in Christian Thune (ed.), *Dansk Udenrigspolitisk Årbog 1981*, Samfundsvideuskabeligt Forlag, Copenhagen, 1982, p. 296.

¹²¹Gianni Bonvicini, 'The Genscher-Colombo Plan and the 'Solemn Declaration on European Union' (1981-83)', in Pryce (ed.), *The Dynamics of European Union*, p. 179.

¹²²Poul Schlüter, born 1929, lawyer, MP since 1964 for the Conservative Party, Member of the Conservative Party's Executive Committee 1952-55 and since 1971 and party Chairman 1974-77 and 1981-93, Member of the Council of Europe 1971-74 and since 1979, Prime Minister 1982-93, Member of the European Parliament since 1994.

Elleemann-Jensen¹²³ of the Liberal Party as foreign minister. Despite the Christian People's Party and the Centre-Democratic Party joining the coalition, the government remained in minority in parliament.

The new minority government was composed of parties which all favoured the Community although to varying degrees. With the support of the Radical Liberal Party, the government had a majority on economic issues which excluded the Social Democrats from decisive influence in this area. It remained, however, in line with the Social Democrats on the EC, with the result that EC policy and security policy became the battleground for opposition politics. The reasons why the Social Democratic Party chose these two areas to base their attacks on the government was partly because it needed to stem the loss of votes to the radical left, and partly because the radical wing of the Social Democratic party was influenced by the neutral tendencies of the peace movement which strongly criticized the American policy in NATO and campaigned for a nuclear-free zone in Scandinavia.

With the first Schlüter government a period began where EC policy was directed by an alternative majority in the Market Committee, in most cases synonymous with the policy of the Social Democratic Party supported by other opposition parties. This situation clearly emerged when on 18 November 1982, during a parliamentary debate, Foreign Minister Elleemann-Jensen was asked to give an account of the negotiations on the Genscher-Colombo Plan. He assured parliament that the current government had taken over the positions of the former and that an agreement on EU had been reached in the Market Committee to deepen cooperation as far as possible without changing the institutional structures. The Social Democratic spokesman on EC affairs, Ivar Nørgaard, commended the efforts of the new government to conform to the EC policy of the former, and spelled out the details of the Social Democrats' position on the Genscher-Colombo Plan. A majority in the Folketing composed of the government parties, the Social Democrats and the Radical Liberals approved a resolution which confirmed that the existing government continued the EC policy of the former, also in relation to the

¹²³Uffe Elleemann-Jensen, born 1941, journalist at the Danish television 1970-75, Editor-in-chief for *Børsen* 1975-76, MP for the Liberal Party since 1977, Chairman of the Market Committee 1978-79, Chairman of the Liberal Party since 1984, Foreign Minister 1982-93.

Genscher-Colombo Plan.¹²⁴

Despite the modest compromise reached at the European Council meeting in Stuttgart on 17-19 June 1983, the Danish Prime Minister was obliged by the parliamentary resolution to make reservations to a number of points in the Solemn Declaration of European Union,¹²⁵ much to the annoyance of other member states.¹²⁶ The reservations covered a variety of areas many of which were easily traced back to traditional Social Democratic views on the Community: that security policy should be kept out of the deliberations of the EPC; that harmonization efforts should not be extended to social security; that there should be no increase in the competences or status of the European Parliament; and that there should be no cooperation in the judicial area as it might entail future reform of the Treaties.

2. The First Steps towards Reform of the EC Treaties¹²⁷

There is no consensus on the precise factors behind the European 'relaunch' in the mid-1980s. Some authors stress intergovernmental dynamics and internal political changes in some EC member states;¹²⁸ others the functional logic embedded in the transformation of systems as supranational and transnational elites and national political leaders were mobilized towards a shared goal;¹²⁹ and others again stress the role of the EC institutions,

¹²⁴*Folketingstidende*, debate on the Genscher-Colombo Plan, 18 November 1982, cols. 1873-1922.

¹²⁵*Solemn Declaration on European Union*, European Communities, *Bulletin*, EC 6-1983, Luxembourg, 1983, pp. 24-9.

¹²⁶Uffe Ellemann-Jensen, *Da Danmark igen sagde ja til det fælles...*, pp. 24-5.

¹²⁷The following chapters are in part based on Niels-Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt...*, Working Paper No. 15, Institute of Political Science, University of Copenhagen, 1987. Some points were discussed in depth with Mr Nehring during an interview in November 1993.

¹²⁸See for instance, Andrew Moravcsik, 'Negotiating the Single European Act', in Robert O. Keohane and Stanley Hoffmann (eds.), *The New European Community: Decisionmaking and Institutional Change*, Westview Press, Boulder, 1991.

¹²⁹See for instance, Thomas Pedersen, 'Political Change in the European Community: The Single European Act as a Case of System Transformation', in Kelstrup (ed.), *European Integration and Denmark's Participation*, 1992, pp. 184-212.

in particular the European Parliament and its initiative on the Draft Treaty establishing the European Union, which acted as a catalyst for further integration.¹³⁰ It is difficult to establish which was the most important factor. It seems, however, safe to say that each of these factors, and others such as enlargement and the realization of external technological challenges, had an impact on the process towards the IGC leading to the signing of the SEA. From discussions with politicians and civil servants in Denmark, who were involved in the process, it is clear that they had great difficulties at the time in assessing the determination of other EC member states and institutions to forward European integration.

2.1. The French Presidency

It was during the French Presidency in the first half of 1984 that momentum grew towards a qualitative change of the underlying conditions for a major revision of the Treaties.

The economic policy of France's left-wing government had shifted between 1981 and 1983 from having been based on the nationalization of ailing industries and massive injection of public money to stimulate the French economy to promoting economic and monetary stabilization through a number of austerity measures and devaluation of the currency. In line with the new economic policy and the decrease of Communist influence in the Cabinet, President Mitterrand adopted a more pro-European stance. In a speech to the European Parliament on 24 May 1984, the President gave his support to European integration and outlined a number of measures to improve the functioning of the Community. Finally, he proposed 'preparatory consultations, perhaps leading up to a conference of the Member States concerned.' to correct a number of inadequacies in the EC institutions.¹³¹

Mitterrand's speech led to considerable political speculation in Denmark on the true intentions and possible consequences of the shift in French EC policy. Uffe Ellemann-Jensen expressed his surprise, along with other Danish politicians, at France's new position, which he partly attributed to internal political considerations prompted by

¹³⁰See for instance, Richard Corbett, 'The 1985 Intergovernmental Conference and the Single European Act', in Pryce (ed.), *The Dynamics of European Union*, pp.238-72.

¹³¹'Address by Mr François Mitterrand, President of the European Council, 24 May 1984 in the European Parliament', *Europe Documents*, No. 1312, 28 May 1984.

the elections to the European Parliament in 1984, and he foresaw an end to Danish EC opponents counting on France to stop initiatives towards EU.¹³²

2.2. The Folketing's Resolution of May 1984

President Mitterrand's speech was the focus of a major EC debate in the Folketing on 28 May 1984. The debate was prompted by Social Democratic and Radical Liberal efforts to establish a narrower framework for the government's EC policy. In the months preceding the debate, there had been increasingly harsh discussions in the Market Committee between the opposition and the Foreign Minister. Now the Social Democratic Party and the Liberal Party proposed a motion to resolve the conditions for Denmark's future EC policy. Speculations stemming from President Mitterrand's speech fed into the debate, particularly his allusions to the possibility of Europe progressing at different speeds or with variable geometry, restricting the Luxembourg compromise and reforming EC institutions. The Folketing had reacted with dismay in February 1984 at the Draft Treaty establishing the European Union, refusing to debate it in parliament and finally rejecting it with the parliamentary resolution of May 1984.

The government, in particular the Foreign Minister, was not happy with the detailed wording of the proposed resolution, but conscious of the necessity to establish conditions for cooperation with the opposition, the governing parties¹³³ voted in favour of the resolution, forming a large majority together with the Social Democrats and the Radical Liberals.

The resolution, which became absolutely crucial for the Danish position in the forthcoming negotiations, summed up a number of well-known points of Danish EC policy:

The Folketing confirms that the basis for Denmark's membership of the EC is the preservation of the veto-right and the preservation of the division of competence between the Council of Ministers, the Commission and the European Parliament,

¹³²Uffe Ellemann-Jensen, *Da Danmark igen sagte ja til det fælles...*, pp. 29-30.

¹³³Except for two Centre-Democratic MPs.

and therefore the Folketing rejects the Draft Treaty of the European Parliament concerning the establishment of a European Union.

After stating the fundamental principles of Danish EC policy, the resolution drew up an agenda, based largely on Social Democratic policies, to be implemented at the European level. It continued:

The Folketing confirms that Denmark will work actively within the EC during the coming years for: (1) a substantial effort against unemployment, including a coordination between the member states for a reduction of working hours; (2) the realization of new common activities within the areas of industry, research, technology and energy; (3) a coordinated effort to improve the internal and external environment which does not hinder individual members' capacity for independent national progress; (4) a tightening up of the control of multinational companies; (5) the retention of the principles of the CAP; (6) an improvement of the economies of developing countries; and (7) a strengthening of the cooperation with the EFTA states.¹³⁴

The resolution effectively spelt out the limits of Denmark's acceptance of European integration policy and set an agenda for the Community's future development, thereby considerably limiting the government's margin of manoeuvre in future negotiations.

2.3. The Fontainebleau European Council, July 1984

On 25-26 June 1984 the European Council met in Fontainebleau. President Mitterrand, who invested much personal prestige in the successful end of the meeting, had undertaken a trip around the EC capitals to consult and discuss solutions to a number of problems on the Community's agenda, of which the British budgetary problem was the most pressing. When the President came to Copenhagen, Prime Minister Schlüter was anxious to find out the possible consequences of his May speech to the European Parliament. The French

¹³⁴*Folketingstidende*, 28 May 1984, cols. 7160-232.

President assured Poul Schlüter that France did not foresee any major changes of the EC, favoured a reduction of the misuse of the Luxembourg compromise, and was favourable about inviting non-EC states to a future IGC. Reassured that the European Council would not present any disagreeable surprises, the Prime Minister later gave a soothing message to the Market Committee on the basis of his discussions with President Mitterrand and had no problems in obtaining a mandate from them.¹³⁵

The Fontainebleau European Council succeeded in finding a solution to the British budget problem and Chancellor Kohl's demand for compensation to German farmers for the abolition of the Monetary Compensatory Amounts. These problems solved, the European Council went on to discuss the future of the Community. It was decided to convene two committees to advance the concept of EU; on People's Europe and on the improvement of cooperation within the Community. The committees later became known under the names of their Chairmen, the Adonnino and the Dooge Committees.

Prime Minister Schlüter was able to secure approval from the Market Committee on Denmark's participation in the work of both committees, on the condition that Denmark would not be bound to the outcome in advance. Because of the general wording of the mandate, the Dooge Committee was not seen as a major institutional initiative and the Market Committee therefore at first paid more attention to the committee on People's Europe. The Danish Foreign Ministry did not believe the Dooge Committee would in the short term lead to any major change in the institutional structure. The reason for misjudging the situation, according to one commentator, was a phenomenon already identified by Danish diplomats: because of Denmark's well-known and rigid positions on institutional questions it had become uninteresting as a discussion partner for other EC member states; in other words, Denmark was increasingly disconnected from crucial discussions on the future institutional structure of the EC.¹³⁶ Not sharing the principles of European integration, the 'reform-friendly' member states were wary not to let Denmark,

¹³⁵ Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..* pp. 20-21.

¹³⁶ Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..* pp. 21-4. As the work of the two committees proceeded, the Dooge Committee attracted most attention from the Market Committee. The Adonnino Committee is not mentioned in the following account as it had little impact on the successive events in Denmark.

as a reluctant partner, put a stop or water down the process in its early stages. In this way they protected what they saw as the Community's *acquis* from losing its dynamism.

3. The Work of the Dooge Committee, 1984-85

It soon became clear to the Danish representatives, Otto Møller from the Foreign Ministry and Niels Jørgen Nehring from the Prime Minister's Office as his alternate, that the Dooge Committee was different than previous working groups which had operated within the framework of the Treaties. The committee was composed of personal representatives of the member states' political leaders, which thus gave it prestige and patronage from the highest quarters.¹³⁷ This was the case of Maurice Faure, the French representative, who was personally instructed by President Mitterrand and reported directly back to him. The European Parliament was indirectly represented by the Italian and Belgian representatives (Mauro Ferri and Fernand Herman) who were members of its Institutional Affairs Committee. The informal structure and lack of explicit rules made the Danish position even more delicate. Those member states which wanted the Dooge Committee to produce concrete results¹³⁸ took an uncompromising attitude to the reluctant member states, by letting it be known that this time the rule of the smallest common denominator would not be applied. Denmark, together with the UK and Greece, soon found itself marginalized in a position where it could not resort to the threat of veto. The fact that the UK wanted to avoid marginalization and had more room for manoeuvre than Denmark, put the Danish negotiating position under increasing pressure.

The committee, under the chairmanship of the Irish senator James Dooge, set out to meet for two days fortnightly in order to submit a preliminary report to the Dublin European Council in December 1984 and to finalize the work during the Italian Presidency. Disagreements in substance came to the surface at the committee's very first

¹³⁷The personal prestige and closeness to the political leaders varied between the representatives. In some cases, like the German, their appointment was the source of internal discussion (*Europe*, No. 3917, 31 August 1984, p. 2, No. 3926, 13 September 1984, p. 3).

¹³⁸Both Niels Jørgen Nehring and Uffe Ellemann-Jensen refer to a clear French-German understanding that the committee should reach a politically acceptable result to bring further integration at a later stage (*EF-pakken: Hvordan det kom så vidt..*, p. 25, and *Da Danmark igen sagte ja til det fælles..*, p. 33).

meeting on 28 September 1984, and to avoid reaching stalemate at an early stage, the committee decided to give Maurice Faure the task of drafting a policy document.¹³⁹ Although the committee received a number of papers from other representatives, the report of Maurice Faure remained the most influential document and became the basis for the preliminary report to the European Council in Dublin.

As the preliminary report took shape, Denmark felt compelled to insert a number of reservations in the form of footnotes: a general reservation in which the overall approach of the report was questioned; and to specific points which could give the Community new impetus.¹⁴⁰ The Danish reservation on the chapter on efficient and democratic institutions, considered by other representatives as the only measure of real importance, singled out Denmark's fundamental scepticism about EU. Although the UK and Greece also raised reservations on some points, Denmark's position stood out as the most uncompromising. The approach of the Dooge Committee thus succeeded in separating out the 'reform willing' from the 'reform sceptic' member states.

In the run-up to the European Council in Dublin on 3-4 December 1984, the Danish government became increasingly worried about the consequences of the preliminary report, which potentially threatened the basis of Denmark's EC membership. The report mentioned the possibility of convening an IGC to negotiate a draft EU Treaty and that a decision to that extent could already be taken at the Dublin European Council. The government had to assess the situation and its likely consequences before approaching the Social Democrats, with the aim of reaching a common understanding about the strategy to adopt in the following months, and to share responsibility with the Social Democrats and the Radical Liberals by keeping them continuously informed about the work of the Dooge Committee. At the meeting of the Market Committee before the Dublin European Council, the Prime Minister succeeded in obtaining an agreement that Denmark should remain in the Dooge Committee to try to influence the work during the following months. The Social Democrats, however, were worried about the consequences of the preliminary report, but like the government, lacked a clear idea of what might

¹³⁹ *Europe*, No. 3939, 1-2 October 1984, p. 3.

¹⁴⁰ 'Interim Report of the *Ad Hoc* Committee in Institutional Affairs to the European Council', *Europe Documents*, No. 1333, 2 December 1984.

follow.¹⁴¹

The European Council in Dublin took note of the preliminary report and invited the Dooge Committee to submit a final report to the European Council in Brussels on 29-30 March 1985. During the discussions, the British Prime Minister Thatcher directed strong criticism towards the working methods of the Dooge Committee and demanded that consensus be the rule. Her criticism gave Danish and British representatives a stronger hand when the Dooge Committee convened again after Dublin. The final report did not deviate much from the preliminary as the political context for including further points of an integrationist character were not ripe. The areas of security policy, economic convergence and EMS was further developed, which led to a series of reservations from Ireland, Germany and the Netherlands.¹⁴²

As Prime Minister Schlüter oriented the Market Committee before the European Council in Brussels, he reported with satisfaction that the substance of the report had been strengthened while institutional issues remained unchanged. Ultimately, the Brussels European Council, which concentrated on finding a solution to Greece's block to the accession of Spain and Portugal, referred the debate on the Dooge Committee's final report to the European Council in Milan in June.

The work of the Dooge Committee aroused public speculation about EU in Denmark and fuelled the rhetoric of anti-EC groups, in particular the People's Movement against the EC. For the latter, a return of the discussion on EU albeit in the form of the Dooge Committee's report, was an opportunity to attract public attention again and score some points at the expense of the government. The People's Movement against the EC, and its allies in the Folketing, had long tried to secure a second referendum on Denmark's EC

¹⁴¹ Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..*, p. 28.

¹⁴² Report of the *Ad Hoc* Committee on Institutional Questions to the European Council, *Europe Documents*, Nos. 1349-50, 21 March 1985. Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..*, pp. 28-30, and Uffe Ellemann-Jensen, *Da Danmark igen sagde ja til det fælles..*, pp. 33-5.

membership with the aim of terminating it.¹⁴³ In December 1984 it circulated pirate copies of the preliminary report of the Dooge Committee as evidence that their warnings about future EU were true. In March 1985, the Left Socialist MPs tabled a motion for a resolution in the Folketing, which amounted to a mandate for the government in the coming negotiations on EU. The proposition was not passed to a vote as no other party, except the Socialist People's Party, supported it, but it did fulfil its aim of heating up the debate in parliament on reforms of the EC.¹⁴⁴

4. The European Council in Milan

In the period between the European Councils in Brussels and Milan, the Danish government had to find out the intentions of the other EC member states, in particular the big three and Italy which held the Presidency. The assessment of this period, both in the Prime Minister's office and the Foreign Ministry, was of general confusion and conflicting signals. The situation was therefore precarious for the government, which had to find a balance between the constraints of the Market Committee majority based on parliament's resolution of May 1984 and the possible developments at the Milan European Council.

4.1. The Danish Government's Assessment of the Situation

The situation looked less positive for those states and institutions in favour of institutional reform in early spring 1985, because of dwindling support from Germany and opposition in the UK. The Italian Presidency, however, took on the task of consulting other EC members and institutions in the run-up to Milan, in order to identify possible compromises. Representatives of the Presidency conducted a tour of the EC capitals and reached Copenhagen on 9 May. The Danish Foreign Minister interpreted the visit of Mauro Ferri, instead of Prime Minister Craxi or Foreign Minister Andreotti, as proof of the Italians' conclusion that Denmark's rigid positions made it not worthwhile to seek

¹⁴³Victor Andersen, 'Det store opgør om union kommer snart', *Weekendavisen*, 4 January 1985.

¹⁴⁴*Folketingstidende*, 'Forslag til folketingsbeslutning', 12 March 1985, and 'Forhandling', 21 March 1984, cols. 7806-27.

openings to Treaty reforms.¹⁴⁵ The Prime Minister and the Foreign Minister were not able to gain any insight from the discussions with Mauro Ferri into the positions of other EC states, but made the following assessment of the situation before the Milan European Council:

- The European Parliament has a close ally in the Italian Presidency which is ready to go far to accommodate its demands. The Commission, with its new president, Jacques Delors, is playing an increasingly active role in seeking to relaunch the Community. It has been given the task by the Brussels European Council to draw up a programme for the internal market (Lord Cockfield's White Paper - a programme and a time table for the provisions necessary to implement the internal market) to be presented in time for the Milan meeting. The EC institutions, however, will not participate in the decision to call an IGC and their influence on the process is not regarded as crucial.
- Germany has changed its position in the Dooge Committee during the second phase of the deliberations. As the committee's work enters specific policy areas, such as the EMS, German resistance has surfaced due to internal opposition. The discrepancy between Chancellor Kohl's pro-European rhetoric and German opposition in specific policy areas has come dramatically to the forefront since May 1985, when the German Agriculture Minister Kiechle evoked the Luxembourg compromise on the price on cereals.¹⁴⁶ This event is a recurrent issue in the debate on the 'veto-right' in Denmark, forwarded as evidence that the 'reform-friendly' member states are paying lip-service to their European credentials while using the veto in areas where they have special interests.
- The Franco-German understanding on an institutional break-through is increasingly strained because of the incoherent German EC policy. The relationship has deteriorated further since the two countries showed openly diverging positions at

¹⁴⁵ Prime Minister Schlüter had consultations in private with his Italian counterpart and Foreign Minister Andreotti on 12 June. Andreotti asked for specific Danish openings and did not try to conceal his ambitions (*Europe*, No. 4108, 13 June 1984, and Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..*, p. 36).

¹⁴⁶ *Europe*, No. 4092, 20-21 May 1984, pp. 7-9.

the G7 meeting in Bonn from 2-4 May 1985, and the influence of Prime Minister Thatcher on Chancellor Kohl in trying to build up a relation of confidence between two right-wing politicians against socially inspired policies.¹⁴⁷ In Denmark there is awareness about President Mitterrand's personal stake in relaunching the European idea. It is also known that the EC was an area where President Mitterrand might succeed in splitting the right-wing opposition of the Gaullist *Rassemblement pour la république* (RPR) and the integration-friendly *Union pour la démocratie française* (UDF). Subsequent, unclear, French declarations of intent are being interpreted in Denmark as a sign that once German pressure for reforms falters, France will resume its traditional EC policy.

4.2. Bilateral Consultation

Bilateral consultations between the Presidency and the member states were accompanied by written reports and proposals for changes to the Treaties, which made Denmark's assessment of the developments even more difficult. At the Foreign Ministers' meeting in Stresa on 8-9 June 1985 the British Foreign Minister, Geoffrey Howe, presented the UK's proposal, the Howe Plan, which was largely in line with the positions of the memorandum¹⁴⁸ presented to the European Council in Fontainebleau the previous year, and which proposed to strengthen the intergovernmental aspects of the EPC and to reduce the misuse of the Luxembourg compromise.¹⁴⁹ The Danish government reacted positively to both documents and the Foreign Minister considered them as a good and realistic basis for Denmark in future negotiations. The fact that the British government expressed opposition to Treaty reforms and tried to deflect pressure towards pragmatic solutions based on intergovernmental agreements, raised the hope of the Danish government that they would be able to reach a solution compatible to the Folketing resolution of May

¹⁴⁷In an editorial, Emanuele Gazzo wrote that 'Chancellor Kohl has been subject to internal political influences and strong pressure from Mrs Thatcher (who could not bear the idea of an initiative headed by two socialist leaders, Mr Craxi and Mr Mitterrand, being successful)', *Europe*, No. 4111, 17-18 June 1985.

¹⁴⁸European Communities, 'Europe: The Future (United Kingdom Memorandum)', *Europe Documents*, No. 1322, 26 July 1984.

¹⁴⁹*Europe*, No. 4115, 22 June 1985.

1984. In the last few days before the Milan European Council, France and Germany jointly presented a paper, in an attempt to regain the initiative and to mend the Franco-German understanding on Europe. The initiative was presented as a redrafted version of the British paper on EPC, but with the important difference that the changes proposed were presented as a draft treaty of EU. Because the preparation of the draft treaty was unclear, as no previous negotiations had taken place, it gave rise to confusion among the member states.¹⁵⁰ Just after the announcement of the Franco-German draft treaty, a French memorandum on Europe's future was presented, which summarized the French government's overall position on a number of aspects of European integration.¹⁵¹

News of the two initiatives reached Prime Minister Schlüter and Foreign Minister Elleemann-Jensen as they were departing for Milan. The late presentation of the initiatives increased both their confusion about the likely outcome of the European Council and their feeling of political isolation.¹⁵²

4.3. The Folketing's Debate in May 1985

During the debate in the Folketing on 23 May 1985, the ruling parties, the Social Democrats and the Radical Liberals, reiterated their positions from the previous year which were largely reflected in the resolution forwarded by them. The text reconfirmed the resolution of 28 May 1984 as a basis for Denmark's EC policy, and it pre-empted the opening of deliberations between the EC member states on the future of European cooperation by stating that Denmark was not bound in advance by the negotiation result, making it clear that Denmark was free to decide whether it should participate in an extended cooperation after the negotiations were concluded. The resolution also requested that the government work for strengthened cooperation between the EC member states and

¹⁵⁰ *Europe*, No. 4119, 28 June 1985, p. 3. Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..*, pp. 37-8. Uffe Elleemann-Jensen, *Da Danmark igen sagte ja til det fælles..*, pp. 39-40. The Foreign Minister expressed his and the Foreign Ministry's worry, prompted by the news of the Franco-German draft treaty, as they thought that Denmark had not been consulted (along with Greece and Ireland) while other member states had. The Foreign Minister believed that if this was true, it meant that Denmark had received the red card and been put aside as no longer worthy of being a negotiation partner (p. 40).

¹⁵¹ *Europe*, No. 4120, 29 June 1985, p. 6-bis.

¹⁵² Uffe Elleemann-Jensen, *Da Danmark igen sagte ja til det fælles..*, pp. 36-7.

other West European countries.

Ivar Nørgaard, the Social Democratic EC spokesman, commended the Danish representative in the Dooge Committee for maintaining the Danish reservations in line with the May 1984 resolution. As a reply to those 'super-European' member states which wanted to see a reduction in the use of the Luxembourg compromise and an increase in the European Parliament's competences, Ivar Nørgaard recalled that the German Agriculture Minister had evoked the Luxembourg compromise despite Chancellor Kohl and Foreign Minister Genscher being in favour of institutional reform and EU. Ivar Nørgaard argued that the Luxembourg compromise was crucial for small member states, as the big states in reality always have a veto-right regardless of the existence of the compromise.¹⁵³ The government's line, presented by the Foreign Minister, was designed around the May 1984 resolution, but was expressed in a forthcoming way. The government assessed as small the risk that the Milan European Council would convene an IGC, as the bilateral consultations between the member states had not reached the stage where a consensus was taking shape.¹⁵⁴

The Prime Minister adopted the same position when he presented the situation to the Market Committee and the Foreign Affairs Committee¹⁵⁵ before leaving for the European Council in Milan from 28-29 June 1985. The government believed that the prospects of an IGC were unlikely, although the European Council was poised to take a decision on the internal market. Regarding changes to the EPC, the government proposed that Denmark should support British proposals as they rested on an intergovernmental character. The Prime Minister assured ^{the Committee} that the EPC secretariat, unacceptable for the Social Democrats unless placed in Copenhagen, was to be independent of the EC institutions, although the government's efforts to win agreement for the secretariat to be in the Danish

¹⁵³Ivar Nørgaard, *Folketingstidende*, 23 May 1985, cols. 10423-27.

¹⁵⁴Uffe Ellemann-Jensen, *Folketingstidende*, 23 May 1985, col. 10421.

¹⁵⁵The European Council was to discuss matters on the EPC which come under the jurisdiction of the Foreign Affairs Committee. As this committee has only consultative competence, the Prime Minister also increasingly discussed EPC matters in the Market Committee, thereby subordinating himself to the majority views of the Folketing. The Prime Minister had begun to follow the procedure of the Foreign Minister and the specialized ministers in the run-up to European Council meetings, to compensate for the lack of institutionalized working procedures of the European Council.

capital had been unsuccessful. The government supported the internal market on two conditions: no harmonization of indirect taxes which could influence the policy of income distribution, and no majority voting in areas covered by the internal market.

Possible institutional reforms were played down in the prime ministerial statement. The government argued that Denmark should accept: some formulations about EU; the extension of the consultation procedure between the European Parliament and the Council; a preliminary hearing by the European Parliament of Commission proposals; and an increased use of Article 148(3),¹⁵⁶ or the introduction of a procedure to prevent misuse of the Luxembourg compromise.

The Social Democratic Party accepted without enthusiasm to extend the consultation procedure, restrain the misuse of the Luxembourg compromise and establish an EPC secretariat separate from the EC institutions, but opposed the preliminary hearing of the European Parliament and a strengthening of the decision-making process of the European Council, as this institution was not subject to the same parliamentary scrutiny. The Radical Liberal Party expressed cautious scepticism for the possible changes in the Community, while condemning the strengthening of EPC by an independent secretariat.¹⁵⁷

4.4. *The 'Coup' in Milan*¹⁵⁸

At the outset of the European Council in Milan it was unclear as to whether the meeting would result in any concrete progress on Treaty reforms. The meeting was opened by the Prime Minister Craxi, followed by Chancellor Kohl who stressed that the moment of truth had come and that Germany was prepared to go beyond the Treaties to accept procedural changes (but listed a number of conditions before an IGC could be convened). President Mitterrand stated that France was prepared to go far if needed, but that he was also in favour of more limited progress. Margaret Thatcher insisted that there was no need for

¹⁵⁶Article 148(3) states that a member state abstaining from voting does not prevent the Council from adopting a measure by unanimity.

¹⁵⁷Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..*, pp. 41-7.

¹⁵⁸Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..*, pp. 47-56. Uffe Ellemann-Jensen, *Da Danmark igen sagte ja til det fælles..*, pp. 40-2. Margaret Thatcher, *The Downing Street Years*, Harper Collins Publishers, London, 1993, pp. 548-51. *Europe*, No. 4121, 30 June 1985 (special edition).

Treaty changes, nor an IGC, as the European Council in Luxembourg could set itself up as an IGC and adopt any necessary measures. She called for progress with the internal market, political cooperation, the decision-making process referred to by the Howe Plan, and some changes to the role of the European Parliament. Prime Minister Schlüter expressed his support for the British position, stressing the need to strengthen cooperation in areas such as research and technology and the internal market, but that he saw no need for institutional changes to achieve this.

The debate the following day concentrated on the Franco-German text on institutional changes. When the discussion reached an impasse between the 'integration-friendly' member states and Denmark, Greece and the UK, Prime Minister Craxi decided to make a *tour de table* to establish who was in favour of calling an IGC on the basis of Article 236 of the Treaty of Rome (stipulating simple majority for convening an IGC). The manoeuvre singled out Denmark, Greece and the UK, whereby the Presidency concluded that there was a sufficient majority to call the IGC.

It was left to the incoming Luxembourg Presidency to formally convene the IGC. The reluctant member states had to decide whether to take part and influence the outcome or be placed before a *fait accompli* with the risk of a two-speed Europe. The fact that an IGC follows a well-known formula where unanimity is the rule made it easier for the sceptic member states to take part. The Danish government's position was clear: Denmark should take part and try to reach an acceptable outcome with the help of an alliance with the UK and Greece. The key was the extent to which Margaret Thatcher would be willing to compromise in order to avoid marginalizing the UK. The problem was now whether the alternative majority in parliament would permit Denmark to take part in the IGC and under which conditions.

The Prime Minister and the Foreign Minister reported back on the outcome of the Milan European Council to the Market Committee on 5 July. They had a difficult task in evaluating the consequences of the 7:3 majority in favour of an IGC and how the situation would develop during the Luxembourg Presidency. The Social Democratic and Radical Liberal parties referred to Danish EC policy as defined by the parliamentary resolutions of May 1984 and 1985, emphasizing that Denmark could participate in the IGC if there were no prior conditions for accepting the outcome; while the Socialist People's Party and

the Left Socialist Party were against Danish participation.¹⁵⁹

III. Denmark and the IGC

1. Intergovernmental Negotiations

The call for an IGC not only put the minority government in a difficult position, but also the Social Democratic Party and the Radical Liberal Party, which would have to confront large Euro-sceptic groups within their parties which rejected any Treaty reforms and debates on EU.

1.1. The Dilemma of the Moderate Opposition

The Social Democratic Party's internal problem in relation to the EC was highlighted by the two elections to the European Parliament in 1979 and 1984. In the 1979 election, the Social Democratic Party lost 67 per cent of the votes compared with the preceding general election (1977), and obtained three seats in the European Parliament. The same happened in the 1984 election when the party lost 64 per cent of the votes compared with the general election in the same year, and again obtained three seats in the European Parliament. It is noteworthy that the Radical Left Party experienced losses of 50 per cent of the votes in 1979 and 66 per cent in 1984 compared to the general elections, and did not obtain any seats in the European Parliament. The big right-wing pro-European parties, the Conservative and Liberal Parties, did not lose as large a share of their votes in the European Parliament elections compared with the general elections: 7 per cent and 32 per cent respectively in the 1979, election and 47 per cent and 39 per cent respectively in the 1984 election. The most striking feature of the Danish elections to the European Parliament, however, was the fact that the People's Movement against the EC managed to win 4 of the 16 seats in both the 1979 and 1984 elections to the European Parliament. The rate of participation in the Euro-elections was much lower than in general elections: 47.8 per cent in 1979 and 52.4 per cent in 1984, compared with 88.7 per cent in the 1977

¹⁵⁹ Niels Jørgen Nehring, *EF-pakken. Hvordan det kom så vidt..*, pp. 54-6. Uffe Ellemann-Jensen, *Da Danmark igen sagte ja til det fælles..*, pp. 44-6. Tøger Seidenfaden, 'Uafsluttet drama i Milano', *Weekendavisen*, 5 July 1985.

and 88.4 per cent in the 1984 general elections.¹⁶⁰

Ritt Bjerregaard's attempts to radicalize the Social Democratic Party in order to win over voters from the Socialist People's Party ruled out a pro-European line during the IGC and were influential in the debate. Ritt Bjerregaard had strong support for her non-compromising line in the Social Democratic parliamentary group, while Anker Jørgensen, the party chairman, and Sven Auken,¹⁶¹ the political spokesman, favoured a more pro-European line. The traditional sceptic line was also represented by the EC spokesman, Ivar Nørgaard. The internal split in the party leadership and the labour movement and a Euro-sceptic electorate turned the prospects of an IGC into a serious dilemma for the Social Democrats.¹⁶²

Although the situation was somewhat similar for the Radical Liberal Party, it was different in respect of its position as a small party which often played the pivotal role in the middle ground of Danish party politics, but did not aspire to the leading position in a majority government. Since the general election in 1984, the Radical Liberal Party lent parliamentary support to the minority government in the economic area, but in respect of the EC the situation was different. While the Radical Liberal Party was not opposed to Danish membership of the EC, a large number of its voters were hostile to or hesitant of supranational integration and intergovernmental cooperation in the areas of security and defence. The Party Congress in September 1985 had taken a resolution against codifying the EPC in a treaty and extending its activities into the security policy field.¹⁶³ The Party Chairman argued that EU should be rejected, since it was necessary for a small country like Denmark to maintain the 'veto-right' and not agree to more transfer of sovereignty to

¹⁶⁰ Carsten Lehman Sørensen, 'Danmarks EF-valg i 1979 og 1984', in Jørgen Elkliit and Ole Tønsgaard (eds.), *Valg og vælgeradfærd*, Forlaget Politica, Århus University, Århus, 1984, chapter 16, table p. 348.

¹⁶¹ Sven Auken, born 1942, Lecturer at Århus University 1973, MP for the Social Democratic Party since 1971, Political Spokesman 1977 and 1983-92, Minister for Labour Market Questions 1977-81, Vice-Chairman of the Social Democratic Party 1985-87 and Chairman 1987-92, Minister for the Environment since 1993.

¹⁶² Erik Meier Carlsen, *Plads for dem alle?*, pp. 48-52.

¹⁶³ Solveig Rødsgaard, 'Ole Vig Jensen om EPS: Stor betydning for dansk udenrigspolitik', *Weekendavisen*, 7 February 1986.

supranational institutions.¹⁶⁴

Prime Minister Schlüter and Foreign Minister Elleemann-Jensen, who had initiated informal contacts with the Social Democratic Party and the Radical Liberal Party during the work of the Dooge Committee, decided to intensify these contacts as prospects for an IGC now seemed real.¹⁶⁵

1.2. Preparations for the IGC

On 5 July the Luxembourg Presidency presented a proposal for reform of the Treaty of Rome to the General Affairs Council. The Foreign Ministers were to meet in Luxembourg on 22 July to convene the conference, set the agenda and agree on procedures. On 19 July the Danish Foreign Minister met with the Market Committee to decide on his mandate for this meeting. The government's line that Denmark should participate in the IGC was accepted, but the Social Democrats insisted on a number of conditions: the alliance between Denmark, Greece and the UK from Milan should be preserved; the European Parliament could only take part as an observer; and EPC-and EC-related matters should be kept separate.

The General Affairs Council agreed that EPC and EC affairs should be kept apart. The EPC was to be negotiated by the Political Affairs Directors of the Foreign Ministries who should complete their work by 15 October. Reforms to the Treaty of Rome were entrusted to an *ad hoc* group under the chairmanship of Jean Dondelinger from Luxembourg. The group agreed on a draft document on the reforms to the Treaty of Rome whose non-committing wording would help the Danish government to meet domestic criticism.¹⁶⁶ The Danish Foreign Minister was satisfied with the results, although

¹⁶⁴ Niels Helveg Petersen, 'Unionsmodellen duer ikke', *Weekendavisen*, 5 July 1985.

¹⁶⁵ Erik Meier Carlsen confirmed in an interview that Sven Auken was convinced that a rejection of the SEA would have negative consequences for Denmark. The objective of the informal discussion between Anker Jørgensen, Sven Auken, the Prime Minister and the Foreign Minister was to find a way for the Social Democrats to be able to endorse the result of the IGC.

¹⁶⁶ The brief of the conference was worded 'a revision of the Treaty establishing the European Economic Community should be undertaken with a view to: improving Council decision-making procedures; strengthening the Commission's implementing power; increasing the European Parliament's powers; as well as extending Community policies

opposed the Commission being present at the EPC deliberations.¹⁶⁷

During the summer recess the Danish Foreign Ministry formulated Denmark's strategy for the IGC. It was agreed that the best way for Denmark to influence the outcome was to present a number of proposals for changes, drafted in the form of Treaty provisions.

In August the media debate intensified. In a series of newspaper articles, the Foreign Minister presented the reasons why Denmark was to take part in the IGC and what outcome could be expected. He tried to tone down the fears of EU by de-dramatizing the anti-EC groups' rhetoric. The anti-EC groups, represented by the People's Movement against the EC, the Left Socialist Party and the Socialist People's Party, warned against the IGC, EU and the soothing phrases of the Foreign Minister which they claimed were designed to hide the truth. They also attacked the Social Democrats for passively going along with the government's EC policy. On 5 September Ivar Nørgaard hinted that the party was prepared to take a more positive attitude towards the IGC, including accepting a number of measures designed to strengthen some aspects of the Community. He warned, however, that the Social Democrats might provoke a general election if the government agreed to weaken the 'veto-right'.¹⁶⁸

1.3. A Danish Initiative

On 5 September the Foreign Minister presented the proposal for Treaty changes to the

to new areas of activity. These amendments should be based on the proposals made by the Dooge Committee and Adonnino Committee and also on some aspects of the Commission proposal on the free movement of persons' (quoted in *Europe*, No. 4139, 25 July 1985, p. 3, (unofficial translation).

¹⁶⁷ Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..*, pp. 56-65. Uffe Ellemann-Jensen, *Da Danmark igen sagte ja til det fælles..*, pp. 46-7. *Europe*, No. 4137, 22-23 July 1985, p. 3.

¹⁶⁸ Uffe Ellemann-Jensen, 'En styrkelse af det europæiske samarbejde', *Weekendavisen*, 26 July 1985. Uffe Ellemann-Jensen, 'EF-Europæisk Union', *Information*, 12 August 1985. Ib Christensen, 'Unionen toner frem', *Weekendavisen*, 19 July 1985. Keld Albrechtsen, 'Kapitalens Vesteuropa-EF på vej mod unionen', *Weekendavisen*, 2 August 1985. Gert Petersen, 'Danmark må sige klart fra over for EF-unionen', *Weekendavisen*, 16 August 1985. Vibeke Sperling, 'Nørgaard: Vi kan framprovokere et valg, hvis regeringen slækker på veto-retten', *Information*, 5 September 1985.

Government's EC Committee. There was broad support for the initiative, especially as it had been designed to correspond to Social Democratic views, thus raising its chances of being accepted.¹⁶⁹ The following day the Foreign Minister presented the initiative to the Market Committee, but support for the initiative was not whole-hearted: the Social Democrats wanted the proposal to reflect Denmark's fundamental EC principles, including a codifying of the EMS, an obligation to lead an expansive economic policy when unemployment reached a certain limit (4-5 per cent), and a reduction in the number of Commissioners. The Social Democrats were convinced that the British opposition to radical changes to the EEC Treaty would be maintained and that there would not be a result in time for the European Council in Luxembourg in December. The Radical Liberals referred to the parliamentary resolutions as the basis for Denmark's EC policy, and the far left-wing parties were opposed to any Danish initiative.¹⁷⁰

During the General Affairs Council in Luxembourg the member states presented their positions: the Benelux countries, Italy and Germany wanted to see concrete and far-reaching results in the IGC, France adopted a wait-and-see policy, the UK and Greece were reticent. To the despair of the Danish Foreign Minister no member state, except Denmark, ruled out reform of the Treaties.¹⁷¹ After the Council meeting Uffe Ellemann-Jensen did not conceal his fear that Denmark was already isolated because of its dogmatic attitude. His remarks did not go down well with the Market Committee, where he was

¹⁶⁹The initiative was composed of four main components: merging the EEC, ECSC and Euratom Treaties to one treaty; implementing a series of pragmatic institutional changes (introduce an ombudsman institution, reduce the number of Commissioners, codify the Council's Secretariat, automatically dismiss proposals from the Commission after a certain period, and establish an administrative court of justice); codifying a number of new policy areas, e.g. research and technology, internal and external environment, energy, right to participate in local elections, development assistance and third country participation in EC policies; and introducing intergovernmental agreements on culture, education, public health and judicial cooperation.

¹⁷⁰Niels Jørgen Nehring: *EF-pakken. Hvordan det kom så vidt..*, pp. 76-9. Uffe Ellemann-Jensen, *Da Danmark igen sagte ja til det fælles..*, pp. 47-9.

¹⁷¹*Europe*, 11 September 1985, No. 4159, pp. 3-4.

accused of giving away Denmark's negotiating position.¹⁷² In particular the two radical left-wing parties sharply criticized the Foreign Minister for not respecting the parliamentary majority. The left-wing parties' attack on him was partly directed to the Social Democrats to remind them of the Euro-sceptics in their own party. Their strategy was to try to stir up as much ado as possible to prevent the party consolidating itself, as this, they feared, might lead to a realignment with the government. The People's Movement against the EC took part in this campaign, petitioning the MPs of the Market Committee.¹⁷³

The Danish government saw the Dondelinger Group's deadline of 15 October approaching, but the Market Committee still had not agreed to submit proposals. The informal contacts with the Social Democratic leadership, and positive statements in the press by Ivar Nørgaard, made the government opt for a resolute strategy: to present a revised Danish initiative in time for the Market Committee meeting on 11 October, to be finally decided at the meeting on 16 October.¹⁷⁴ At the first meeting, the revised initiative was discussed. As no agreement was in sight, the Foreign Minister hinted at the possibility that the Market Committee did not formally agree about submitting the initiative, whereby the responsibility would rest with the government. This was an

¹⁷² Claus Toksvig, 'Jagten på ordene er gået ind', *Weekendavisen*, 13 September 1985. Agner Ahm, 'Firkløver-kamp om vælgerne', *Politiken*, 20 September 1985. The author of the article refers to speculation about why the Foreign Minister exposed himself to the criticism caused by his statement. The possibility that he wanted to give himself a stronger profile in the government is mentioned as the most plausible, but no evidence has been found elsewhere to support that argument.

¹⁷³ Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt?*, pp. 83-5. He confirmed the important influence the People's Movement against the EC has had on making MPs in all parties hesitate.

¹⁷⁴ The initiative had been revised after contacts between Social Democrats, in particular Sven Auken, the Radical Liberal Party Leader, Niels Helveg Petersen, and the Foreign Minister. The initiative was now in three stages: limited institutional changes according to previous proposals; specification of new policies pertaining to Article 235 and codification of some principles (along the lines of the previous proposal); and intergovernmental agreements on some areas outside the scope of the Treaties, such as culture, education, public health and some judicial measures. The most significant change was the scrapping of the proposal to merge the Treaties, but otherwise the revised initiative was similar to the original. The initiative received some attention in the Dondelinger group and was quoted in *Europe*, No. 4186, 18 October 1985, pp. 3-4.

opening to the Social Democrats not to force them to commit themselves before the outcome of the negotiations was known, but also not to distance themselves prematurely from elements they might agree to once their internal deliberations were concluded. At the extraordinary meeting of the Market Committee on 16 October, the Social Democrats agreed to the proposal as long as it was solely the government's responsibility. The party expressed reservations about the introduction of new areas of intergovernmental cooperation and some of the proposals on limited institutional changes, while supporting far-reaching measures in the environmental arena.¹⁷⁵

1.4. The Work of the IGC

Meanwhile, work in the two groups of the IGC continued in Brussels. The EPC group worked on the basis of the proposals tabled at the Milan European Council and the Dondelinger Group based its deliberations on proposals received from all EC member states, except the UK, and the Commission.¹⁷⁶ The two groups reported to the Foreign Ministers who met six times before the Luxembourg European Council.

At the second ministerial meeting on 21 October, which dealt with the EEC negotiations, the Foreign Ministers had to take into account a substantial number of proposals. It became clear that the difficult points centred around the extension of the competences of the EC institutions (in particular the European Parliament), reform of the decision-making procedures and the introduction of new Community policies.

Inspired by French proposals stressing the need to find common ground between the member states, the Luxembourg Presidency took on the role of mediator by setting the agenda and proposing compromises. At the informal ministerial meeting of 26 October, it was therefore decided that negotiations should concentrate on six areas: the internal market, research and technology, the powers of the European Parliament, the executive and management powers of the Commission, the decision-making procedure of the Council and monetary cooperation. The following ministerial discussion should be

¹⁷⁵ Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt...*, pp. 90-6. Uffe Ellemann-Jensen, *Da Danmark igen sagte ja til det fælles...*, pp. 54-8.

¹⁷⁶ Richard Corbett, 'The 1985 Intergovernmental Conference and the Single European Act', in Price (ed.), *The Dynamics of European Union*, p. 244. For the Commission proposal, see, for instance, *Europe*, No. 4174, 2 October 1985, p. 3.

based on proposals drawn up by the Presidency.

As the principle was to find a solution to which all members could adhere, the negotiations became 'a process of limiting the scope and intensity of reform...'!¹⁷⁷ The dynamics of the process were dependent on the extent to which the three big member states, France, Germany and the UK, could reach agreement on the outcome of the IGC. The Commission and the European Parliament, however, played significant roles by presenting proposals for reform, and pressurizing national politicians and parliaments to speak for their views. For Denmark, which was negotiating within a very limited margin of manoeuvre, the decisive factor was the outcome of the bilateral and trilateral talks during October and November with the political leaders of the UK, France and Germany. By the ministerial meeting of 11 November the Danish Foreign Minister, who sensed that an understanding was emerging between these three, urgently had to find out the exact position of the UK. To that effect, Uffe Ellemann-Jensen asked for a meeting with Geoffrey Howe on 18 November, before the EEC negotiations were resumed the following day. The Danish Foreign Minister left the meeting with the impression that the British had actively tried, together with France and Germany, to reach an agreement even if it meant that the British side would have to allow some concessions.¹⁷⁸ After a conversation with President Mitterrand the Danish Prime Minister concluded that France also wanted concrete results from the IGC. The same message came from the Prime Minister's meeting with his Luxembourg colleague Santer.¹⁷⁹

Because of the number of additional proposals¹⁸⁰ which had reached the Presidency by mid-November, an extra ministerial meeting, a conclave, was convened for 30 November. The main elements to be discussed were identified by a Presidency document of 27 November, and issues the foreign ministers were unable to conclude at this meeting

¹⁷⁷ Andrew Moravcsik, 'Negotiating the Single European Act', in Keohane and Hoffmann (eds.), *The New European Community*, p. 61.

¹⁷⁸ Uffe Ellemann-Jensen, *Da Danmark igen sagte ja til det fælles.*, pp. 60-61.

¹⁷⁹ Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt.*, pp. 110-13.

¹⁸⁰ For instance, on 20 November the Benelux countries adopted a communiqué in which they outlined their priorities. The French Foreign Minister Dumas presented an 'Act of European Union'. Both quoted in *Europe*, No. 4208, 21 November 1985, pp. 3 and 5.

would be brought to the European Council on 2-3 December.¹⁸¹

The EPC negotiations started with a clearer framework for a solution than the Dondelinger Group. The basis for the negotiations was the Howe Plan, the Franco-German proposals (which had been tabled at the Milan European Council), and two other proposals, one Dutch and one Italian. The texts all proposed codifying the existing structure, but diverged on the principles and aims of political cooperation and on whether security matters should be dealt with within a European, NATO or WEU framework.¹⁸² Documents prepared by the EPC group were discussed during the ministerial meetings of 19 and 26 November, but the final texts were to be decided by the conclave and the European Council.

*1.5. Government and Opposition I*¹⁸³

As a successful outcome of the IGC seemed possible, it became increasingly urgent for the government to establish the position of the opposition, in particular the Social Democrats and the Radical Liberals. The Foreign Minister had three meetings with the Market Committee leading to the decisive meeting on 29 November before the European Council meeting.

On 9 November, the Foreign Minister reported to the Market Committee about the development of the IGC. He concluded that the general picture was still unclear, but that the ambitions of some member states should not be underestimated. The Social Democrats, whose overall position on the IGC was firmly anchored in the parliamentary resolutions of May 1984 and 1985, called upon the government to work for Danish interests in the environmental area, and asked that the government should actively give the other member states the impression that under no circumstances would Denmark

¹⁸¹ *Europe*, No. 4212, 27 November 1985, p. 3.

¹⁸² Richard Corbett, 'The 1985 Intergovernmental Conference and the Single European Act', in Pryce (ed.), *Dynamics of European Union*, pp. 251-3.

¹⁸³ Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt?*.. pp. 117-32. As the director of the Prime Minister's Office, Mr Nehring was always present at the meetings of the Market Committee. He also acted as the Prime Minister's stand-in during the Committee's meetings if necessary.

accept a shift in the institutional balance.

At the next meeting on 15 November, the Foreign Minister reported that the emerging Franco-German understanding had increased the possibility for reform of the Treaty of Rome. He confirmed that Denmark would continue to press for EPC to be opened to third countries, that the proposal for a unified act under the heading 'European Union' would be rejected, and that Denmark would oppose any proposals to change the institutional balance. (Denmark was still arguing against any change in the decision-making procedure pertaining to the internal market as it might endanger national environmental standards).

During the following meeting on 22 November, the Foreign Minister underlined the seriousness of the situation, as the possibility of an agreement among France, Germany and the UK was increasing. At the ministerial meeting of 19 November, their views had converged on some central points, such as the decision-making rules for the internal market combined with a mechanism for national environmental protection.

The Social Democrats were still not convinced that the IGC would succeed during the European Council meeting in Luxembourg. Referring to contacts with French and German politicians, they concluded that the chances of Denmark obtaining its most important interests were still good. The Radical Liberals criticized the EPC text, referring to the resolution adopted by the party conference which firmly rejected an EPC treaty.

Parallel to the Market Committee meetings, the Prime Minister and Foreign Minister had informal meetings with the Social Democratic leadership. They underlined the possibility of a successful outcome for the IGC as the big three member states seemed to have come closer to an agreement on the most central areas, and they pointed out that because British reservations had to some extent been accommodated in the process, the outcome was also likely to be more acceptable for Denmark. The government still hoped that continued information to the Social Democrats could help the party to overcome its internal problems and thereby secure Denmark's ratification of a reform of the EC Treaties. The vague statements from the Social Democrats in the Market Committee, however, had made it impossible for the government to clarify Denmark's positions on a range of areas in the IGC. If the situation in the Market Committee was not unblocked before the European Council meeting on 2-3 December, the Prime Minister had decided not to seek a negotiation mandate, but to act within his constitutional prerogative without

the support of a majority in the Market Committee.¹⁸⁴ The Social Democratic leadership informally accepted the Prime Minister's decision as long as the government continued to negotiate within the parliamentary resolutions.

On 29 November, the Prime Minister held the crucial last meeting with the Market Committee before the Luxembourg European Council. Prime Minister Schlüter declared that since it was impossible to determine on which of the many proposals the negotiations would be based, he would not seek a mandate but would negotiate within the limits of the parliamentary resolutions. He listed Denmark's position in the areas where agreement was likely: the Single Act which was acceptable because it separated the EC from the EPC (although Denmark would insist on the right to translate the word 'union' into 'unity' (*sammenslutning*)); the internal market, where majority voting might be necessary on the condition that Denmark was granted a legal guarantee to keep its internal and external environmental standards; the proposals for a new decision-making procedure in matters related to the internal market, which were complicated, but deemed not amount to a transfer of competence to the European Parliament; and an outcome on the EPC, which was satisfactory as it would not endanger Nordic cooperation.

The Social Democrats expressed reservations on four points: the principle of majority voting in the internal market, fearing that a legal guarantee for the environment would be impossible to obtain; the transfer of competence to the European Parliament, which was incompatible with the parliamentary resolutions; the Single Act, which they believed would be withdrawn; and codifying the EPC, which would make third country involvement unlikely.

Of the other parties, the Radical Liberals opposed the Single Act and the proposals concerning the EPC while the radical left-wing parties reiterated their traditionally hostile arguments.

When the Prime Minister and the Foreign Minister left for the final round of negotiations in Luxembourg, they had no support from the opposition, and could not be certain of obtaining a majority even for a limited result. The government had given itself

¹⁸⁴It should be pointed out that according to the constitution's Article 19, foreign policy comes under the government's competence. The fact that the Prime Minister had agreed to discuss foreign policy (including the European Council meetings) in the Market Committee was a result of the parliamentary situation.

free hands to negotiate, but the opposition had reserved the right to reject the result. The Social Democrats had failed to adopt a clear policy on the issues at stake in the IGC, and were seemingly torn between a moderate leadership and a predominately Euro-sceptic parliamentary group.¹⁸⁵ During October and November the latter had become increasingly hostile to the IGC negotiations, as it was increasingly influenced by Ritt Bjerregaard who hoped that by adopting a negative position on the IGC and the Single Act she might be able to provoke a general election.¹⁸⁶

2. The European Council in Luxembourg, December 1985¹⁸⁷

Reforms to the Treaty of Rome became the main subject for negotiations between the Heads of State and Government in Luxembourg.

Denmark, which had relied on the British Prime Minister to oppose the most radical proposals, realized that the UK would agree to majority voting in the internal

¹⁸⁵In an article from 1 December 1985, Ivar Nørgaard recalled that the May parliamentary resolutions were the basis for Denmark's EC policy and had rejected the proposals in the Luxembourg Presidency document. At the same time, he underlined the importance of EC membership in political and economic terms for Denmark, but did not suggest that Prime Minister Schlüter should veto the negotiations. Ivar Nørgaard, 'Meget står på spil', *Det Fri Aktuelt*, 1 December 1985.

¹⁸⁶Ritt Bjerregaard's involvement in inducing a hostile attitude towards the IGC and the SEA in the Social Democratic parliamentary group, and the aim to force the government to call for a general election, was confirmed in all interviews in Copenhagen during October and November 1993, except by Mr Ivar Nørgaard. He referred to the unsatisfactory legal guarantee for the Danish environmental standard and the transfer of competences to the European Parliament as the reasons for the Social Democratic Party's rejection of the Single Act. Four authors have indicated the same internal tactical reasons for the Social Democratic policy towards the Single Act: Niels Jørgen Nehring, Uffe Ellemann-Jensen, Erik Meier Carlsen and Lars Olsen in the publications referred to elsewhere in this thesis. On the other hand, it has been pointed out that many MPs were influenced during the Christmas holidays when they returned to their constituencies to meet the party faithful, who were to a large extent negative to Treaty reforms (Solveig Rødsgaard, 'Socialdemokratiets vej til nej', *Weekendavisen*, 28 February 1986).

¹⁸⁷On the European Council in Luxembourg: Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..*, pp. 140-43. Uffe Ellemann-Jensen, *Da Danmark igen sagte ja til det fælles..*, pp. 67-70. Richard Corbett, 'The 1985 Intergovernmental Conference and the Single European Act', in Pryce (ed.), *Dynamics of European Union. Europe*, No. 4213, 28 November 1985, p. 4; No. 4216, 2-3 December 1985, pp. 3-6; No. 4217, 4 December 1985, pp. 3-5, No. 4218, 5 December 1985, pp. 3-5.

market on certain conditions. For Denmark's acceptance of majority voting, Poul Schlüter demanded a guarantee which would allow Denmark to keep its stricter environmental standards. The Danish demand was sharply criticized by some member states and, in particular, the Commission. After tough negotiations Chancellor Kohl came to Denmark's rescue suggesting a solution in the shape of Article 100A(4).

The European Council was unable to conclude the negotiations on the powers of the European Parliament as two reservations were pending: a Danish reservation because the measures went too far, and an Italian because they did not go far enough. The matter was left to the Foreign Ministers to settle at their meeting on 16-17 December.

The EPC chapter was concluded (to which two declarations were attached on Danish initiative¹⁸⁸), as well as the dossiers on monetary cooperation, cohesion, research and development, environment, social policy, the Court of Justice and the Commission's executive and management powers. The framework of a 'European Union Act' was not brought up at Luxembourg, but was back on the table at the Foreign Ministers' meeting in December.¹⁸⁹

Prime Minister Schlüter had to announce to the European Council that he could not accept the texts on behalf of Denmark, but had first to secure the support from a majority in the Folketing. The Danish Prime Minister was not alone in making reservations on the outcome, but Denmark's reservation was general and was to be subjected to parliamentary approval.

2.1. The Folketing's Reaction in December 1985

The reaction in the Market Committee on 6 December was more positive than before the European Council. The Social Democrats referred to issues where they were satisfied, such as the EPC texts and the environmental guarantee, but criticized strongly the texts

¹⁸⁸The first declaration on behalf of all twelve member states reconfirms their open attitude to other European states which share their ideals and aims. In the second, the Danish government declares that the EPC section of the SEA does not affect its cooperation with other Nordic countries in the area of foreign policy. See SEA, final act.

¹⁸⁹However, it led Prime Minister Schlüter to declare to the Danish press that 'the Union is dead', a statement which cost him dearly in terms of credibility when EU was back on the agenda at the Foreign Ministers' meeting later in December.

on new powers to the European Parliament. Other opposition parties preferred to wait to give their reaction until the parliamentary debate on 10 December.

This debate took place on the initiative of the Socialist People's Party and the Left Socialist Party. On an agreement between the government and the Social Democratic Party the debate was held after the European Council so that any resolution passed could not have limited even further the government's margin of negotiation at the Council. The government knew from contacts with the Social Democratic leadership that they would not propose a resolution which would substantially change the basis of the present EC policy. The radical left parties, however, took the opportunity to pressurize Ivar Nørgaard to disclose whether the Social Democrats considered accepting the proposal for change of Article 149 of the Treaty of Rome (thereby increasing the powers of the European Parliament). Ivar Nørgaard tied the hands of the Social Democrats in future negotiations by declaring that, unless the proposal was changed, the immediate evaluation was that the Social Democrats would not accept it. The resolution proposed by the Social Democrats and the Radical Liberals, which recalled that the basis for Denmark's EC policy was the resolutions of May 1984 and May 1985, was adopted with a large majority.¹⁹⁰

2.2. *The Conclusion of the IGC Negotiations*

Before the Foreign Ministers' meeting, the European Parliament rejected the result of the European Council in Luxembourg with the aim of putting increased pressure on Italy. It had also voted to increase the resources of the structural funds above the budget ceiling, without prior agreement with the Council of Ministers, thus opening a conflict between the two institutions. In Denmark the actions of the European Parliament were used as proof of its irresponsibility, and made the debate on the Parliament's powers more contentious.

The Foreign Ministers met on 16-17 December to settle issues still outstanding after the Luxembourg European Council. In the period between the European Council in Luxembourg and this meeting, some member states, notably France, had been active in promoting the idea of a unitary framework and the powers of the European Parliament.

¹⁹⁰ Sten Gade and Ivar Nørgaard, *Folketingstidende*, 10 December 1985, cols. 4165-225.

The Foreign Ministers agreed on a formula based on the French proposal for a 'European Union Act' changing it into the 'Single European Act', and combining under the same framework changes to the ECSC, EEC and Euratom Treaties with the new EPC Treaty.¹⁹¹ They also agreed to some small changes to the texts concerning the powers of the European Parliament on the basis of French and Italian amendments, but because more wide-ranging changes were not adopted, Italy did not withdraw its reservation. Foreign Minister Elleemann-Jensen also maintained Denmark's reservation to the totality of reforms.¹⁹² The Presidency declared that the IGC was concluded and that the SEA was to be signed at the beginning of the Dutch Presidency.

2.3. Government and Opposition II

When the Foreign Minister met with the Market Committee on 20 December he emphasized that other member states were ready to sign the SEA and that Italy would probably withdraw its reservation. Denmark was now in a situation where it had to make up its mind. If Denmark rejected the SEA, it would, in the long term, put its membership at stake, and in the medium term Denmark's political goodwill would have been consumed to the point where Danish agricultural and fishing interests were endangered. Ultimately, Elleemann-Jensen argued, it was a question of whether Denmark could remain a member of the EC.

At this stage, the government was careful not to express a formal opinion which

¹⁹¹Foreign Minister Elleemann-Jensen negotiated the right to translate the preamble's '..a European Union.' into Danish '..en europæisk sammenslutning.'. To change union (which exists in the Danish language) into *sammenslutning* (unity in English) was of major importance to the Foreign Minister in diverting the emotional debate about EU into more constructive discussions about the real content of the reform. He was quoted after the meeting saying that the decision concerning the 'heading' of the 'Single Act' made the Danish government's position, which was already quite complicated, even more delicate. (*Europe*, No. 4227, 18 December 1985, p. 5a) The Foreign Minister introduced another linguistic diversion by explaining that the Single Act was simply the wrapping (*inpakningspapir*) around the whole set of changes and measures adopted by the member states. The reforms were soon called the EC-package (*EF-pakken*), wrapped up as they were in the Single Act.

¹⁹²Richard Corbett, 'The 1985 Intergovernmental Conference and the Single European Act', in Pryce (ed.), *Dynamics of European Union*, pp.255-8. *Europe*, No. 4227, 18 December 1985, pp. 3-5a.

might become a useful argument for the opposition to provoke a general election. The government and opposition agreed to hold a major parliamentary debate on the SEA on 21 January 1986, in order to settle the issue in time for the formal signing expected for 27-28 January 1986.

In the government's assessment, the Radical Liberal Party would not be able to support the ratification of the SEA because of its clear rejection of the EPC Treaty, and because of internal criticism of the party's role as parliamentary support party to the government on economic policy. As the radical left-wing parties had not changed their totally negative attitude, the Social Democrats remained the decisive party both for opponents and proponents.¹⁹³ Through informal contacts the government tried to impress the moderate Social Democratic leadership with the seriousness of the situation, explaining that the IGC was concluded and that Denmark could not obtain further concessions.

On 9 January the Social Democratic parliamentary group held the first of two meetings to decide the SEA. Although the result was negative, Sven Auken, the Vice-Chairman of the party, published an article on 14 January in which he explained that his advice to the group had been to adopt a cautiously positive line, attaching conditions to the Social Democrats' acceptance of the SEA.¹⁹⁴ On the same day (14 January), at the group's second and final meeting, it was decided to reject the SEA on the grounds of the transfer of new powers to the European Parliament and the environmental guarantee which was considered too weak. The decision was taken ahead of the big parliamentary debate and before the Trade Union Confederation had given its opinion at a meeting scheduled for 17 January. The Trade Union Confederation was not pleased, but refrained from

¹⁹³The pressure on the Social Democratic Party was apparent both in parliament (see the debate of 10 December) and in the media. For instance, the People's Movement against the EC's MEPs, Ib Christensen and Else Hammerich, announced that Denmark could safely reject the SEA, and they criticized the Social Democrats for wanting to forget their condition of 'zero change to the Treaty of Rome'. Ib Christensen, 'Vi kan trygt sige nej tak', *Berlingske Tidende*, 27 December 1985. Else Hammerich, 'Den danske hale kan ikke logre med EF-hunden', *Information*, 24 December 1985.

¹⁹⁴Sven Auken, 'Vi giver ikke ved dørene når det gælder EF', *Politiken*, 14 January 1986. Sven Auken had to leave the meeting early to take part in a debate with the Foreign Minister, and the group's deliberations later took on a more negative turn than he himself had been aware at this point.

publicly criticizing the Social Democratic Party's decision.¹⁹⁵

For the government, which was aiming to stay in power, the Social Democrats' rejection of the SEA was very serious. After consultation with the coalition parties and the Radical Liberals, Prime Minister Schlüter decided to hold a consultative referendum if two conditions were fulfilled: the rejection of the SEA by the Folketing, and that Denmark was isolated among the member states, i.e. that there were no possibilities of reopening the SEA to accommodate specific Danish demands. The Prime Minister announced his decision the evening of 14 January.¹⁹⁶ The conditions were announced by the Foreign Minister on the same day, with the addition that if this situation was to materialize the referendum would be about Denmark's future participation in the EC.¹⁹⁷ Although a surprise to the Social Democrats, the party leader, Anker Jørgensen, immediately issued a statement that the party would respect the outcome of the referendum.¹⁹⁸

¹⁹⁵Erik Meier Carlsen, *Plads for dem alle?*, pp. 51-2, 72. Erik Meier Carlsen, 'Derfor måtte Socialdemokratiet sige nej til pakken', *Information*, 27 February 1986. Henrik Kaufholz, Malin Lindgren, Henning Olsson, 'Socialdemokratiet et skib i havsnød', *Politiken*, 2 February 1986. In an interview, Hans Flüger, *Dansk Metal*'s spokesman on EC affairs was of the opinion that internal politics had played too large a part in the decision around the SEA. Jens Holme, 'Socialdemokrater spiller dilettant med Danmarks EF-medlemskab', *Information*, 8-9 February 1986.

¹⁹⁶Interview of 14 January 1986 quoted in Nikolaj Petersen and Christian Thune (eds.), *Dansk Udenrigspolitisk Årbog 1986*, Jurist og Økonomiforbundets Forlag, Copenhagen, 1987, pp. 281-2. The Foreign Minister wrote that the idea of a referendum had originally come from the Foreign Ministry, which had, on the initiative of the Foreign Minister, produced a series of papers on possible scenarios for the ratification of the SEA. A referendum was mentioned as a possibility which the Foreign Minister claims to have discussed with the Prime Minister (Uffe Ellemann-Jensen, *Da Danmark igen sagte ja til det fælles..*, pp. 86-7, 93-5). Niels Jørgen Nehring, who does not dispute that the discussion took place, stressed that the decision was the Prime Minister's own: 'Poul Schlüter is a man capable of taking tough decisions when necessary' (interview on 2 November 1993).

¹⁹⁷Quoted in Petersen and Thune (eds.), *Dansk Udenrigspolitisk Årbog 1986*, p. 282.

¹⁹⁸Niels Jørgen Nehring: *EF-pakken. Hvordan det kom så vidt..*, pp. 171-3. The People's Movement against the EC had for many years, particularly in the autumn of 1985, demanded a second referendum on Denmark's EC membership. The government had rejected the idea because the SEA did not amount to additional transfer of sovereignty to

3. The Referendum on the SEA

3.1. The Debates in the Folketing

The parliamentary debate on 21 January was designed to be the final act in the ratification of the SEA, but had changed character since the Social Democrat announcement to reject the SEA and the Prime Minister's decision to call a referendum. The Prime Minister and the Foreign Minister could now make the government's views openly known, as the government aimed to vote against the parliamentary resolution proposed by the Social Democratic Party.

Prime Minister Schlüter began his statement by recognizing the accordance between the SEA result and Denmark's initial negotiation position. He underlined that the importance which other member states attached to the SEA made Denmark's rejection of the SEA politically impossible although legally incontestable. The Prime Minister recalled that Denmark's economic structure was organized on the basis of Community membership and that politically Denmark was a part of the EC. The consequences of the Folketing's rejection were incalculable and in the government's view might force Denmark to leave the EC. Therefore the population would have to be given the right to pronounce itself, as it had in 1972.

The Foreign Minister endorsed the government line, stressing that the consequences for a rejection of the SEA would in the short term lead to loss of goodwill to the detriment of Danish interests, as other member states' perception that Denmark questioned its membership was damaging.

The Social Democratic spokesman on EC affairs, Ivar Nørgaard, criticized the government for making a rejection of the SEA into a question of Denmark's EC membership. As Article 236 of the Treaty of Rome prescribed unanimity, the consequences that the government cited were exaggerated and Denmark could therefore reject the negotiated result. The Social Democrats regarded the referendum as concerning the SEA, not Denmark's EC membership, and rejected the proposal on the European Parliament's new powers and the environmental guarantee. They did, however, accept the

the Community, and therefore did not fall under the constitution's Article 20. The referendum on SEA was, therefore, to be consultative, but as the political parties announced their intention to respect the outcome, a rejection in parliament of the SEA could be overridden by a positive outcome.

EPC Treaty, but as the government did not want to split the ratification into two votes, they would have to reject the entire SEA. The Liberal Radical Party leader, Niels Helveg Petersen, in his turn rejected the EPC Treaty, but accepted the reforms to the Community Treaties. As the vote was on the whole of the SEA, the Radical Liberals must vote against.

The parliamentary debate ended with a resolution adopted by the Social Democratic Party, the Radical Liberal Party, the Socialist People's Party and the Left Socialist Party, with only one MP defecting from each of the first two parties:

The Folketing confirms its support of European cooperation. The Folketing calls on the government to reject the negotiation result achieved, being as a whole unsatisfactory. The government is requested to conduct further negotiations in order to reach a result which is satisfactory to the Folketing. The outcome is to be presented to the Folketing.¹⁹⁹

3.2. Fulfilling the Remaining Conditions of the Referendum

The first part of fulfilling the second condition for calling a referendum was attained as the European Parliament voted to accept the outcome of the IGC on 16 January 1986. As the MEPs endorsed the SEA, Italy let its reservation on the European Parliament's new powers fall and was ready to ratify the SEA.

The second part of the second condition was attained when Foreign Minister Elleemann-Jensen began his tour of EC capitals on 22 January, to enquire whether other members were ready to open the negotiations to accommodate Danish reservations. The answers all pointed in the same direction: the member states did not want to reopen the SEA, fearing that previous disagreements would find their way back on the agenda making a final settlement very difficult. The Foreign Minister managed to secure the member states' approval of a Danish declaration on the environmental guarantee in Article 100A, as inserted at the Foreign Ministers' last formal meeting under the framework of

¹⁹⁹Poul Schlüter, Uffe Elleemann-Jensen, Ivar Nørgaard and Niels Helveg Petersen, *Folketingstidende*, 21 January 1986, cols. 5314-454.

the IGC.²⁰⁰

On 27 January the Prime Minister and the Foreign Minister reported the outcome of the consultation with the EC member states to the Folketing. Both ministers confirmed the synonymous results of their talks with other EC governments: there could be no renegotiation of the outcome of the IGC; Denmark would have to consider the whole SEA, not a part of it; and Denmark's interpretation of the environmental guarantee and the new powers to the European Parliament was valid.

The parliamentary debate ended in a resolution endorsed by the government parties, the Radical Liberal Party, the Progress Party and the Left Socialist Party calling for a referendum. The Social Democratic Party and the Socialist People's Party abstained, but confirmed their intention to vote for the referendum bill and respect its outcome.²⁰¹

3.3. The Referendum Campaign

The campaign started as soon as the Prime Minister announced his decision to call a referendum on the SEA. The brief period from the formal vote on the referendum bill on 4 February and the polling day on 27 February led to an intense campaign.

On 15 January the first opinion poll was published showing a 57 per cent majority in favour of the SEA with 47 per cent against. The tendency for a majority in favour grew stronger during January and the beginning of February, peaking at 75 per cent in favour, but fell back to the original level on the polling day. The final result was an endorsement of the SEA with 56.2 per cent in favour against 43.8 per cent, with a participation rate of 75.4 per cent.²⁰²

The proponents, represented by the governing parties and the Progress Party, were supported by Danish industry. A few trade unions, in particular those representing workers

²⁰⁰Uffe Ellemann-Jensen, *Da Danmark igen sagte ja til det fælles..*, pp. 99-102. *Europe*, 22 January 1986, No. 4243, editorial. *Europe*, No. 4244, 23 January 1986, editorial. *Europe*, No. 4245, 24 January 1986, p. 3. *Information*, 'Bonn lover Danmark garantier i EF-striden', 24 January 1986.

²⁰¹Poul Schlüter and Uffe Ellemann-Jensen, *Folketingstidende*, 28 January 1986, cols. 5860-954.

²⁰²Ole Tonsgaard, 'Folkeafstemningen om EF-pakken', in Petersen and Thune (eds.), *Dansk Udenrigspolitisk Årbog 1986*, pp. 113-39.

in the food processing industry, openly advocated a vote in favour of the SEA. The proponents took advantage of the carefully positive initial statements on the SEA by the Social Democratic leadership and the open divisions in the Radical Liberal Party and among the trade unions.

The opponents were divided in two groups: the radical left parties - the Left Socialist Party and the Socialist People's Party - and the People's Movement against the EC, representing the fundamental and long-standing opposition against treaty reforms and European integration; and the Social Democratic Party and the Radical Liberal Party which were openly divided on the subject.

The Social Democratic Party felt the discontent of the Confederation of Trade Unions, which considered the labour movement had been disregarded by the party for not waiting for the unions' position on the SEA scheduled for 17 January and in time for the parliamentary debate on 21 January. As the party's rejection of the SEA was openly known, the Confederation of Trade Unions chose to support its position, but called on the government not to link the decision on the SEA with Denmark's EC membership. On 8 February the Confederation decided that in view of the referendum on the SEA, it would not recommend any official position to its members, and left it to the individual trade unions to decide what to recommend to their members. The trade unions were split between those which openly supported the SEA (see above), those which did not adopt an official position but whose leadership was openly in favour, e.g. Danish Metal (formerly Danish Smiths' and Metal Workers' Union), and those which were openly against the SEA and supported the Social Democratic Party's campaign, in particular the Specialized Workers' Union (formerly General and Semi-skilled Workers' Union).²⁰³ Although most of the trade unions did give their support to the opponents of the SEA, there was an apparent division between the trade unions representing the 'weak' workers, i.e. those on low pay with low skills often employed in the public sector and mostly women, and those representing the 'strong' workers, i.e. the highly skilled, well-paid workers often men employed in the export sectors. The latter group was upset over what it considered a radicalization of the Social Democratic Party away from the traditional

²⁰³Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt.*, pp. 176-8.

values of the labour movement towards unrealistic left-wing politics.²⁰⁴

The proponents emphasized the SEA's concrete content in terms of new policy areas, the internal market, the limited impact of the reforms of EC institutions and majority voting in areas covered only by the internal market. As the campaign started, the proponents stressed the risk that a rejection of the SEA might be the first step towards Denmark leaving the Community. Whether this was a tactic to break the opponents' lines or the government's true conviction (probably a combination of the two), the threat to Denmark's EC membership posed a dilemma for the opponents.

The Social Democrats and the Radical Liberals who favoured the Community, but were against the development towards EU, strongly criticized the government's threats that Denmark would have to leave the Community as exaggerated and irresponsible. The Social Democrats argued that Denmark could veto the SEA on the basis of Article 236 of the Rome Treaty without any damaging consequences to the Community's activities. The reasons why they recommended the population to vote against the SEA were the transfer of competences to the European Parliament, lack of protection of Danish environmental standards, and, above all, to put a stop to the slide towards EU, including the loss of the 'veto-right'.²⁰⁵

The Socialist People's Party and the People's Movement against the EC, whose fundamental aim had been to end Denmark's EC membership, had been demanding a second referendum on the EC for many years. They now found themselves in an awkward situation as the initiative for this referendum had come from the government, which

²⁰⁴ See the views expressed by Hans Flüger, Danish Metal's EC Affairs spokesman. He writes that Danish Metal was not impressed by the way in which the Social Democratic Party had handled the political process around the SEA. The party's politics had been too much influenced by the radical left parties and the People's Movement against the EC, which put in danger the position of the Danish workers' movement in Europe, as well as Danish interests in general. Hans Flüger, 'Politik og maskinstormeri', *Weekendavisen*, 28 February 1986.

²⁰⁵ Birte Weiss, 'Ikke et ondt ord...', *Det Fri Aktuelt*, 17 February 1986. Interview with Anton Johansen, President of the Food Processing Workers' Union, and Bjørn Westh, MP for the Social Democratic Party, to illustrate the disagreement between the trade union and the party. Jørgen Placing, 'De er vildt uenige', *Det Fri Aktuelt* 20 February, 1986. Ivar Nørgaard, 'Stem nej', *Det Fri Aktuelt* 23 February, 1986.

presented it as an indirect vote on Denmark's future membership of the EC.²⁰⁶ Both parties chose to reject the government's view on the consequences of a negative outcome, by stressing that the vote concerned only the SEA. The Socialist People's Party advocated other models of cooperation in Europe, such as Eureka²⁰⁷ or Europe *à la carte*²⁰⁸ which did not threaten Danish sovereignty.²⁰⁹

Part of the opponents' criticism of the government was directed towards the disclosures of confidential reports drawn up by civil servants on the consequences of a rejection of the SEA, subsequently discarded as scaremongering.²¹⁰ Political personalities from other EC member states were drawn into the Danish debate on the 'veto-right'. Both EC Commissioner Frans Andriessen, the Belgian Foreign Minister, Leo Tindemans, and the Dutch Foreign Minister, Hans van den Broek, were quoted explaining that the 'veto-right' did not exist. Their statements were used in the debate by the opponents as proof that the SEA would definitely put a stop to Denmark's 'right' to veto.²¹¹

While the campaign was heating up in Denmark, the Dutch Presidency invited the

²⁰⁶The Socialist People's Party Congress in 1985 had adopted a political platform which had a referendum on Denmark's EC membership as condition of forming a coalition government with the Social Democratic Party. The Social Democrats had officially rejected this condition. Interview with Steen Gade, spokesman for EC Affairs for the Socialist People's Party. Stig Albinus, Erik Meier Carlsen, 'Schlüter har vundet første halvleg', *Information*, 6 February 1986. The People's Movement against the EC's aim was Denmark's withdrawal from the EC. This official objective was stated in a manifesto adopted on 24 March 1974. Quoted in Jens Maigård (ed.), *Under bekvemlighedsflag: En kritisk analyse af Folkbevægelsen mod EF og JuniBevægelsen*, Fiskers Forlag, Fredriksberg, 1993.

²⁰⁷Eureka: intergovernmental cooperation in research and development between the EC member states, open also to non-EC states.

²⁰⁸Europe *à la carte*: a concept based on the notion that EC member states may choose to participate in some or all core issues of the Community which are identified jointly and continuously under review. A core issue is defined as one which is better solved on the European level than on the national, regional or local levels.

²⁰⁹See interview with Sten Gade in *Information*, 6 February 1986. Interview with Jens Peter Bonde, MEP for the People's Movement against the EC, Tørger Seidenfaden, 'Vil have et ærligt valg', *Weekendavisen*, 14 February 1986.

²¹⁰Regeringen offentliggør EF-'skræmmenotat', *Information*, 10 February 1986.

²¹¹Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt...*, pp. 208-10.

EC member states to sign the SEA, against the wish of the Danish government and some other governments.²¹² Only nine states ultimately signed the SEA on 17 February, as Italy refused to sign before the Danish referendum and Greece wanted to show its solidarity with the Danish government.

3.4. The Result

The SEA was endorsed by the Danish population, but with a smaller margin than expected. Compared to the referendum in October 1972, the majority in favour had decreased from 63.3 per cent in 1972 to 56.2 per cent in 1986. Analyses show that the parties which had advocated a coherent line before and during the campaign enjoyed their voters' support, while the Social Democratic Party and the Radical Liberal Party's voters voted against the SEA with 75 per cent and 44 per cent respectively. On a national basis, 74 per cent of those in favour of EC membership voted in favour of the SEA while 17 per cent voted against, while only 4 per cent of those against EC membership voted in favour of the SEA.²¹³

The Prime Minister called a meeting between the party chairmen on 28 February at which all parties, except the Socialist People's Party, announced their intention to vote in favour of the ratification act. However, the Social Democratic leadership demanded that the new cooperation procedure between the Council of Ministers and the European Parliament in areas covered by the internal market be the subject of a study on the efficiency of the Danish decision-making process and a guarantee of democratic control by the Market Committee and debates in the Folketing.²¹⁴ To this effect, a report was adopted by the Market Committee on 14 November 1986, thus strengthening the parliamentary process in provisions pertaining to the internal market.²¹⁵

²¹²Uffe Ellemann-Jensen, *Da Danmark igen sagte ja til det fælles..*, pp. 124-5. *Europe*, 19 February 1986, No. 4263, editorial.

²¹³Ole Tonsgaard, 'Folkeafstemningen om EF-pakken', in Petersen and Thune (eds.), *Dansk Udenrigspolitisk Årbog 1986*, pp. 136-7.

²¹⁴Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..*, pp. 216-7.

²¹⁵Markedsutvalget, *Beretning vedrørende procedure i forbindelse med gennemførelsen af Europæisk Fælles Akt*, 14 November 1986.

The Foreign Minister signed the SEA, together with Italy and Greece, in The Hague on 28 February. On 20 May 1986, the Folketing adopted with a large majority (only the Socialist People's Party voted against) the law amending the accession act thus enabling Denmark's ratification of the SEA.

IV. Conclusion

In its capacity as a major reform of the EC Treaties and by the inclusion of the EPC in the Treaty framework, the SEA was the first step towards deeper integration, thus challenging the established Danish EC policy based on pledges made at the time of accession in 1972. Ivar Nørgaard, who was one of the architects of the traditional Danish EC policy, wrote some days before the SEA referendum in 1986 that the proponents of the EC (at least the Social Democrats) agreed with the opponents of 1972 that Denmark should not be part of a political union; this was a promise to the population and the Social Democrats had therefore to reject the SEA.²¹⁶ Although many other factors lay behind the Social Democratic rejection of the SEA, Ivar Nørgaard pointed at the traditional Danish attitude to the EC which had not changed since 1972, but which had become increasingly out of step with the development of European integration.

The factors influencing Denmark's position in the period from the Solemn Declaration on European Union in Stuttgart to the signing of the SEA were both external in terms of other member states' objectives in relaunching the EC, and internal, in terms of the parliamentary situation, popular scepticism to European integration, and political parties' responses to these challenges.

²¹⁶Ivar Nørgaard, 'Stem nej', *Det Fri Aktuelt*, 23 February 1986. The same opinion was expressed by Ritt Bjerregaard: 'in 1972, in the referendum on yes or no to the EC, the Social Democrats stressed the economic and trade aspects of the cooperation. That's what it was all about. We said to the voters if there are later to be changes to the cooperation we now recommend, the Social Democratic Party will be against. We are a guarantee against future changes. This is why we are now against the EC-package. Although there are no big things happening [through the adoption of the SEA], it is a part of the process towards further integration, and we promised in 1972 that we would take no further steps'. Ritt Bjerregaard quoted in Solveig Rødsøgaard, 'Ja-sigerne er uærlige', *Weekendavisen*, 21 February 1986.

It has been argued that during the first half of the 1980s the British government gradually came to accept reforms of the Treaties, because concessions in the institutional area were traded for the internal market which the UK wanted, and because the threat of exclusion from the hard core of member states became a real prospect for the UK policy-makers and diplomats.²¹⁷ In the Danish case, the threat of exclusion was taken seriously by the government as well as by Danish industry and some trade unions. To long-standing opponents of Danish EC membership in general, and the SEA in particular, the debate on Europe *à la carte*, two-tier Europe and other forms of differentiated integration presented real prospects of realizing their goal of a Europe-wide free trade area with *ad hoc* patterns of cooperation wherever desired.

As far as the Social Democrats and the Radical Liberals were concerned, they disliked the thought of Denmark becoming a second-class EC member; EC membership on a *status quo* basis was their goal. The Social Democrats seemed not to take the government's fear of exclusion seriously, demanding the government to veto the SEA in the last weeks before the referendum. It might have been more a wish to renegotiate the terms of the SEA, especially in the case of a Social Democratic victory in a general election, than a fundamental rejection of reforms as such. The Social Democrats would have been able, together with the radical left-wing parties and maybe the Radical Liberals, to veto the IGC negotiations on a much earlier stage, but chose not to do so.

The government's insistence that a rejection of the SEA was the first step in Denmark's withdrawal from the Community was part of a strategy to win votes in the referendum and spilt the opponents' ranks. Equally, it was based on the recognition that a fundamental change in the Community regime was not acceptable to Denmark. Therefore, concerning the intergovernmental negotiations, the government decided that the only chance to reach an acceptable solution was to water down the scope of the Treaty reforms or even prevent Treaty-based reforms as such. This could only be achieved by taking part in the negotiations, making the Danish positions known, and hoping that the UK's opposition would make a distinct impact on the outcome. What made the process of negotiation different in the Dooge Committee was the new approach on behalf of the

²¹⁷Paul Taylor, 'The New Dynamics of EC integration in the 1980s', in Juliet Lodge (ed.), *The European Community and the Challenge of the Future*, Pinter, 1989, pp. 3-25.

'reform-friendly' member states in that consensus was no longer the rule. The 'test of truth' had now arrived 'which singled out those who want to go towards a stronger political union and those who do not wish to do so'.²¹⁸

The Social Democratic Party, in power from 1975 to 1982 experienced increasing difficulties, particularly in the area of economic policy, but relied on the support of right-wing parties in EC-related matters. When Poul Schlüter formed a four-party minority government in 1982, it implemented a successful economic policy with the support of the Radical Liberal Party. The battleground between opposition and government was first in the security area where the Social Democrats, with support from the radical left-wing parties and the neutralist Radical Liberal Party, pressed for a Nordic nuclear-free zone and other neutral policies, leading the USA to question Denmark's intentions in NATO. This seriously embarrassed the government, in which at least three parties (the Conservative, the Liberal and the Centre-Democratic Parties) were strongly in favour of Denmark's membership of NATO. As the attempts to relaunch the Community gained pace, parliamentary conflicts moved over to the EC arena. The same alternative majority, led by the Social Democrats, announced its intention to control the Foreign Minister's conduct in EC negotiations through the Market Committee.²¹⁹ The Prime Minister also felt compelled to report to the Market Committee on the European Council meetings and to accept the Committee's view, which often amounted to a negotiating mandate. Early on in the reform debate the government decided that Danish acceptance of Treaty reforms was dependent on endorsement by the Social Democratic Party,²²⁰ based on an underlying understanding between the government and the Social Democratic leadership to aim for a negotiation result which the latter would be able to endorse. The reason why events in the end took another course is partly found in internal Social Democratic tactical considerations, and partly in the realization that the IGC had produced concrete results in terms of reforms to the Treaties which some Social Democratic politicians had

²¹⁸President Mitterrand at the press conference after the Milan European Council. Quoted in *Europe*, No. 412 (special edition), 30 June 1985, p. 8.

²¹⁹Henning Olsson, 'Anker vil føre Ellemand i meget kort snor', *Politiken*, 9 September 1985.

²²⁰Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt...*, pp. 9-10.

difficulty in accepting.

The government parties continued their long-standing positive policy towards the EC as they entered the referendum debate, although this attitude, however positive, was more pragmatic and functional than pro-integrationist. There were obvious differences in the European convictions held by the coalition parties. The Liberals and the Centre-Democrats were more positive towards integration than the Conservatives and the Christian People's Party.

The Social Democratic Party feared an internal division, as in 1972, most of all. Pressure was strong from the radical left which did well in the 1981 and 1984 general elections much at the expense of the Social Democratic Party. The radical wing of the party, led by Ritt Bjerregaard, sought to strengthen the party's appeal to the voters on the left by focusing on the environment, security policy, Third World issues and adopting a more hostile attitude towards the EC. The radical left-wing parties took advantage of this division, as did the People's Movement against the EC which did not hesitate to challenge Social Democratic assurances to the population to limit European integration. The challenge from the radical left made the adoption of a conciliatory line towards the government increasingly dangerous. Information from the party faithful on Social Democratic voters' negative opinions towards the SEA influenced the Social Democratic MPs, and might have been decisive in making up their minds. There were, however, also tactical considerations at play, whether the Social Democrats should force the government to call a general election after the defeat in parliament over the SEA (see footnote 186). The conflict in the party has been partly explained by Anker Jørgensen's weak leadership (there was speculation about a leadership challenge had the defeat in the referendum been larger),²²¹ but this does not explain the fundamental unease with which the Social Democrats approached European integration.

The Radical Liberal Party experienced a similar dilemma about the EC being divided on the SEA, to its dilemma on EC membership in 1972. The party leadership, criticized internally for giving parliamentary support to the government on economic issues, could not afford to be seen also lending support on EC reform, at least not until

²²¹'Ja til pakken ikke stort nok til stormløb mot Anker Jørgensen', *Information*, 28 February 1986.

the Social Democrats had decided in favour of the SEA.

The opposing groups derived their strength and legitimacy from widespread scepticism in the population towards the EC, in particular supranational integration and EU. The scepticism was a dominant feature in opinion polls (see table 1) and during elections to the European Parliament in 1979 and 1984 where the People's Movement against the EC increasingly took over the role of mouthpiece for popular resentment against the Community.

The government's way of dealing with the internal and external pressures will be analyzed with the help of Petersen's modified typology of strategies.

The **bastion strategy** was most influential in the run-up to the IGC. The parliamentary resolution of May 1984 spelled clearly out the bastions establishing the conditions for Denmark's acceptance of EC developments (see section 3.2). The Market Committee's continuous references to the May 1984 resolution further underlined its role as a landmark for Denmark's EC policy. As a result the Danish negotiation positions, both in the Dooge Committee and the IGC, were defined in compliance with the resolution. The bastions were: the preservation of the 'veto-right'; the preservation of the division of competence between the Council of Ministers, the Commission and the European Parliament; and the rejection of Treaty reforms or new Treaties derived from the rejection of the European Parliament's draft Treaty on EU. The resolution listed a number of areas in which the Folketing would welcome action at the EC level. These areas were important when the government sought conditions to concede the bastions.

As the negotiations progressed, two factors forced Denmark to give up the bastions, either partially or totally: Danish politicians and the civil service's miscalculation of the dynamics in the reform process and the determination of the 'integration-friendly' member states; and the willingness of the UK to trade concessions on Treaty reforms for agreement in areas of British interest. Likewise, France's readiness to see through institutional reform was misjudged by Danish policy-makers who long believed that France, in the end, would fall back on traditional positions, fending off any attempts to reduce national sovereignty.

Denmark found itself in an integration dilemma, running the risk of being

entrapped or abandoned. It chose entrapment with some qualifications (see also concession strategy): the Treaty-reform bastion had to be given up completely, but as it had only been indirectly mentioned in the parliamentary resolution of 1984 the government was able to argue that the steps were necessary and of minor importance; the Luxembourg compromise was not to be directly discussed by the IGC, which made it possible to argue that majority voting in the area of the internal market did not threaten the veto-right bastion; and the new cooperation procedure was too complicated to establish a priori if the European Parliament's competence had been increased. The European Parliament's disapproval of the SEA helped the Danish government to argue that the institutional balance remained intact.

Areas in which the Folketing had requested action were brought into the negotiations, as the government knew the list represented Social Democratic conditions and that Social Democratic acceptance of the outcome rested on the inclusion of at least some of these areas in the SEA. They became bargaining chips for Denmark's final acceptance.

The **condition strategy**. It is difficult to establish whether some of the conditions Denmark demanded be included in the SEA were promoted or initiated by other member states. Some of the areas, however, in which the Folketing specifically wanted to see action were included in the Danish negotiation initiative (see also bastion strategy). Other provisions where Danish fingerprints could be detected were: Article 100A(4) (the environmental guarantee), accompanied by the unilateral Danish declaration for added strength, which was important in accommodating Social Democratic fears of lowered Danish environmental standards, and a number of articles concerning workers' health and safety, research and development and the environment; and, on Danish insistence, the general declaration on the EPC, along with the unilateral Danish declaration on EPC which served to fulfil the Folketing's wish not to exclude the EFTA states in political matters, nor exclude Denmark from Nordic cooperation in the area of foreign policy.

The **concession strategy**. After a long period without major changes, pressures within the Community for reforms grew stronger towards the mid-1980s. In 1984 several factors necessary for a major reform project were present, prompting the 'integration-friendly' groups in the EC to press for action. Denmark twice faced the choice of participating in negotiations or remaining outside: when the Dooge committee was set up,

and when the IGC was convened. On both occasions, Denmark could have chosen not to participate, but decided it better served Danish interests to take part and influence the negotiations from the inside. Once the IGC was under way Denmark made concessions on a number of strategic bastions. In the debate which followed, the Danish government was at pains to defend the bastions, explaining that no concessions of any real importance had been given.

To some extent the government was right that the reform of the SEA seemed at first less far-reaching than some had hoped, but time has shown that the SEA introduced some major changes to the Community regime. Examples of the government's efforts to soothe public scepticism were apparent in its linguistic agility: union became unity (*sammenslutning*), the Single Act became wrapping (*inpakningspapir*), the cooperation procedure became an improved hearing of the European Parliament, while the significance of the EPC Treaty and majority voting in the Council were played down. These examples amount to concessions to the bastions of the parliamentary resolutions of 1984 and 1985. Most noteworthy are the acceptance of Treaty-based reforms, the changes in the institutional balance through the cooperation procedure,²²² the new power of co-decision and the acceptance of majority voting in the Council in a limited number of areas.

Denmark experienced a dilemma of integration, perceiving a threat of isolation as the pressure for Treaty reforms grew stronger. The renewed European dynamism caused many political difficulties in Denmark. To what extent was Denmark's reluctance of Treaty reform acknowledged by other EC members? To what extent did other member states understand the tricky political balancing act taking place in the Folketing?

It is impossible to answer these questions in great detail or certitude, but it is possible to detect some reactions to Denmark by the Community and the member states. Although Danish resistance to Treaty reform and European integration was well known if not least from the footnotes of the Stuttgart Declaration or the Dooge Committee report, it was never considered with the same alarm as British resistance. Not until the SEA's ratification hung on a positive outcome in the referendum did the media's focus turn to

²²²The extent to which the cooperation procedure changed the institutional balance is a matter of interpretation, but it did certainly change the dynamics within the Council. The co-decision gave the parliament real powers in a few areas.

Denmark.²²³ European commentators had problems in understanding what exactly caused problems for Denmark, how the internal political situation had emerged, and why the referendum had been called.²²⁴ According to one civil servant, what really made it difficult for Danish negotiators was Denmark's rigid EC policy, spelt out in detail in parliamentary debates and resolutions, which made Danish negotiation positions known and enabled EC partners to assess whether the Danish negotiator had any margin of manoeuvre. The rigid character of Danish EC policy had made Denmark an uninteresting negotiation partner, as it had little or nothing to offer during the negotiations. The fact of not being at the heart of the negotiations increased Denmark's perception of isolation.²²⁵

The SEA was the first major attempt to succeed in strengthening the Community regime. It did not amount to a change of the regime, but was an important change in the regime which with time modified the norm of behaviour of Council ministers. It reinforced the Community regime by strengthening the framework of cooperation through the Single Act and by introducing new policy areas, or strengthening existing ones, such as: the external and internal environment, research and technology, social policy, and social and economic cohesion. It gave the Community a clear sense of purpose with the internal market project and approved the legitimacy and effectiveness of the EC institutions.

Since accession to the Community, Denmark's traditional EC policy based on *status quo* had not been challenged. Now, with the relaunch of the Community the pressure for reform of the Treaties grew. The initial response was predictable, one Denmark had often used when Community reforms were on the agenda: there were to be no changes to the principles and norms of the *acquis communautaire* as there was enough

²²³For example see: *Financial Times*, 'Danish threat to EEC reforms', 15 January 1986. *Le Monde*, 'Le Danemark et la Communauté européenne: Y être ou ne pas y être...', 29 January 1986.

²²⁴See for example: Lasse Ellegaard, 'I Bruxelles forstår de ikke et kuk..', *Weekendavisen*, 7 February 1986. *Financial Times*, 'Why Community reform alarms the Danes', 16 January, 1986. *Financial Times*, 'Danish need for realism', 21 January 1986. *Le Monde*, 'Le Danemark bloque la réform de la CEE', 23 January 1986. *Financial Times*, 'The ostriches have a point', 27 January 1986. *Le Monde*, 'Les choses iraient-elles trop bien au Danemark?', 26 February 1986.

²²⁵Niels Jørgen Nehring, *EF-pakken: Hvordan det kom så vidt..*, p. 24.

scope within the existing Treaties to render the EC institutions more effective. The approach was spelt out clearly in the general reservation of the Danish representative in the Dooge Committee, in which Treaty-based changes were not endorsed.

As the IGC was called with a mandate to negotiate reforms to the existing Treaties and a new Treaty concerning political cooperation, Denmark adopted a strategy of conditions to the conference, proposing functional reforms in terms of new Community policy and stronger intergovernmental cooperation, but only limited institutional changes.

The Danish position in 1985-86 was a continuation of the traditional EC policy on which Denmark's EC membership had been based since 1972. The policy, designed and supported by the Social Democratic Party, formed the basis for Denmark's participation in the IGC, was presented by ministers of the right-wing government, but safeguarded by the alternative majority in the Market Committee. The policy amounted to a clear break with the principle of European integration of the Treaty of Rome. In the debate of 1972, the 'veto-right' received much attention as a symbol of Denmark's capacity to resist the process of European integration leading towards EU. The right to veto European integration was interpreted as a safeguard of the last resort against the loss of sovereignty by a small state (Denmark) entrapped in the process of European integration.

Paradoxically, successive Social Democratic governments from 1971-73 and 1975-1982 had been more relaxed about European integration, signing for instance the declaration of the Paris Summit of 1972. With the right-wing parties coming to power, the Social Democrats wanted to secure the new government's compliance with its EC policy, a policy which the new government had to accept because of its fragile parliamentary situation.

It is questionable whether the Schlüter government would have taken a more 'integration-friendly' line in the IGC had it relied on a majority in parliament, as only two parties in the coalition, the Liberals and the Centre-Democrats, were in favour of European integration *per se*. By a larger margin of manoeuvre, the government would probably have been able to avoid the referendum and the loss of goodwill in which Denmark's rigid stance in the IGC resulted. Although its approach might have been more flexible, it would not have been as pro-European as some core members of the EC.

The balancing act between external and internal pressures entailed some breaches of norms of behaviour by the government which probably resulted in the loss of goodwill

and prestige. The first example is the Solemn Declaration on European Union, to which the Danish Prime Minister was forced to attach a number of reservations by the alternative majority. Normally, reservations are not attached to political declarations of the Community which are statements of intent and not programmes of action. The Danish footnotes gave rise to much irritation among the other member states, but were on the other hand overshadowed by the British position.

A second example is the rigid negotiation positions in the Dooge Committee and the IGC, which although met with some understanding by other member states, weakened Denmark's position in the Community negotiations (which are about give and take to balance the accounts of rights and obligations of membership).

A third example is the weak domestic parliamentary position of the government, which also weakened Denmark's negotiation position as the ministers had great difficulties in bargaining and delivering. The Foreign Minister's negotiation style was reported to have had a damaging effect on Denmark's prestige, in that he pointed out when his personal views were different than Denmark's negotiating positions. Commentators in Copenhagen suggested that other EC ministers would be willing to give concessions only to a minister who could argue convincingly. On the other hand, the Foreign Minister made the government's difficult position clear to other member states, which is reported to have earned the support of Chancellor Kohl for Prime Minister Schlüter's insistence on a guarantee for the environment at the Luxembourg European Council.

Denmark did not break the rules or decision-making procedures. On the contrary, it was part of Denmark's EC policy to follow the rules and decision-making procedures of the Treaties. This enabled Denmark to argue as it did in the Dooge Committee and the IGC, that Treaty-based reforms were unnecessary if there was sufficient political will in the Community to comply with the provisions of the Treaties.

The political débâcle around the SEA did not change the basis for Denmark's EC membership and the fundamental aspects of its EC policy. Officially, in the eyes of the Danish public, the ratification of the SEA was not an acceptance of European integration. It was a limited step that made the EC institutions more effective, introduced new EC policies and codified existing practices of the EPC. Nevertheless, the SEA, and the psychological blockage against EC reforms which was overcome, had a fundamental

impact on those parties which had campaigned against and lost, especially the Social Democratic and Radical Liberal Parties. The SEA proved that the Community had the capacity of reforming the *acquis communautaire*, showing that the Community regime could change and that the process of European integration had a dynamics of its own.

Chapter 5

Denmark and European Union

1990-1993

Part 1. Denmark and the Intergovernmental Negotiations

I. Introduction: The Social Democratic Party

After the 1986 referendum on the SEA, Danish EC policy underwent a slow but steady, process of change. The change was most spectacular in the Social Democratic Party, whose shift from a cautious and sceptical position on EC integration to a positive attitude laid new foundations for Denmark's EC policy. The reasons enabling the Social Democratic leadership to adopt a new policy were triggered both by internal and external challenges. This gradual development, which had started in 1985, paved the way for close cooperation between the government and the Social Democrats in setting Denmark's position for the IGCs of 1991.

1.1. Internal Challenges

In 1987, the Social Democratic party leader, Anker Jørgensen, resigned and Sven Auken was chosen to replace him. Sven Auken, together with Ritt Bjerregaard as chairwoman of the parliamentary group and foreign policy spokeswoman, undertook the formulation of a more positive Social Democratic EC policy.

With this change of leadership in 1987, the older generation of cautious European pragmatists was replaced by a younger generation of Social Democrats (the 1971 generation, i.e. the Social Democrats elected to parliament in 1971) who had previously been sceptical about European integration. During the mid-1980s, they began to redefine their attitude towards European integration and ponder the possible benefits of an active Danish policy within the Community. The work of uniting the party around a pro-European political platform started with a committee set up in 1985 under the chairmanship of Birte Weiss.²²⁶ Its task was to find a formula acceptable to the party as a whole, that at the same time would enable the adoption of a more positive EC policy. The report produced by the committee was endorsed as the basis for further debate on the EC at the Social Democratic Party's annual congress in September 1986. Although

²²⁶Birte Weiss, born 1941, MP for the Social Democratic Party 1971-73 and since 1975, Vice-Chairman of the Social Democratic Party since 1984, Minister for Home Affairs since 1993.

successful in stimulating debate within the Social Democratic Party, the report did not represent a radical shift away from the party's sceptical attitude towards European integration, as it advocated the retention of the existing institutional framework, rejected plans for EU, and welcomed the accession of European countries with a view to creating a more open Europe.²²⁷ The report was, nevertheless, a break with the negative position adopted by the 1971 generation in previous EC debates. The popular endorsement of the SEA in February 1986 also impressed the Social Democrats, the positive result standing out as proof of the population's final acceptance of Denmark's membership of the Community.²²⁸

The last time that the alternative majority on foreign and security policy in the Folketing had triggered a political crisis was in 1988, when the Social Democrats proposed a bill forcing the government to undertake an obligation of informing visiting naval ships of Denmark's policy not to accept nuclear arms on its territory. The right-wing government under Poul Schlüter did not accept defeat on this matter, which was deemed to undermine Denmark's membership in NATO, the cornerstone of the Conservative Party's security policy. Instead the government decided to call for a general election. The 1988 general election produced yet another minority government composed of the Conservatives, the Liberals and the Radical Liberals. The result meant that the left-wing opposition no longer commanded the alternative majority in the Folketing, where it had been so influential on matters pertaining to the EC and the security and defence policy.²²⁹

1.2. External Challenges

The relaunch of the EC, with the signing of the SEA and the internal market project, had a profound impact on the whole political establishment in Denmark. The tendency towards increased coordination of economic policies at the European level activated political

²²⁷ Birte Weiss and Ralf Pittelkow (eds.), *Et åbent Europa*, AOF's Forlag, Copenhagen, October, 1986. The resolution from the Social Democratic Party's annual congress, 6-7 September 1986, attached to the report, pp. 113-8.

²²⁸ Lars Olsen, 'Den stenede vej til Europa: Ivar Nørgaard, Ritt Bjerregaard og Socialdemokratiets EF-politik 1986-93', *Vandkunsten*, No. 10, 1993.

²²⁹ Steen Sauerberg, 'The General Election in Denmark 1988', *Scandinavian Political Studies*, Vol. 11, No. 4, 1988, pp. 361-71. Erik Meier Carlsen, *Plads for dem alle?*, p. 88.

parties and social partners.

The legislative programme of the internal market provided for the adoption of a series of measures which touched the foundations of the traditional Social Democratic political platform: full employment and social equality through redistribution of income. The consequences of the internal market for Danish welfare society were debated: increased economic interdependence of the internal market economies would reduce the possibility for national intervention to protect ailing industries or boost economic activity; free movement of capital would direct investment to where the return was highest, and with the price of labour a crucial factor, the prospects for well-paid Danish workers seemed bleak; and harmonization of indirect taxes, which was perceived as a threat to Denmark's social security system, financed to a great extent by value-added and special taxes.²³⁰

As the process towards the internal market gained momentum towards the end of 1987, the Social Democrats realized that to be able to continue an effective pursuit of their policies, the party would have to become more active in the European policy-making process. The party leader, Sven Auken, intensified his contacts with European colleagues within the framework of the European Confederation of Social Democratic and Socialist Parties in the EC - a forum of which the Danish Social Democrats had long since been a member, without actively supporting its policies. On the domestic level, the party argued for strengthened political involvement by introducing general debates in the Folketing on the principles of the Community's development, improved parliamentary control through the Market Committee, and closer contacts between the Folketing and the European Parliament.²³¹

An important factor in lifting Social Democratic politics on to the European arena was the Commission's 1988 proposal for a social dimension to counterbalance the effect of free market forces within the internal market. The social dimension was welcomed by the Social Democratic Party and the labour movement as a means of guaranteeing the

²³⁰Jens Henrik Haahr, 'Socialdemokratiets nye EF-politik i integrationsteoretisk belysning', in Petersen and Thune (eds.), *Dansk Udenrigspolitisk Årbog 1990*, Jurist og Økonomiforbundets Forlag, 1991, pp. 69-84.

²³¹Sven Auken, 'Det politiske system og gennemførelsen af den indre marked', *Politica*, No. 4, 1989, pp. 424-30.

fundamental rights of workers and preventing social dumping from the southern member states. Their disappointment was great when eleven Heads of State and Government at the European Council in Strasbourg in December 1989 adopted the Social Charter, not as a binding agreement but as a statement of intent to work towards an improvement of workers' rights in the Community. The social dimension and strengthened consultation between social partners at the European level induced the labour movement to become actively involved in EC policy-making.

The British government's reluctance to adopt measures related to the social dimension, the environment and research and development frustrated the Social Democrats and convinced them to relax one of the fundamental conditions of Denmark's EC membership, the 'veto-right'. The party began advocating that measures in these areas be adopted by qualified majority in order to prevent legislation falling hostage to one or two member states.

Finally, the peaceful revolution in central and eastern Europe, the disintegration of the Soviet Union, and above all the reunification of Germany fundamentally changed the Social Democrats' opinion, together with other parties in parliament, on the Community's role in Europe as a stabilizer and guarantor of economic prosperity and democracy.

II. Negotiating for a New European Structure

1. The IGCs and Denmark

External and internal developments thus paved the way for the formation of a political consensus in Denmark on the future shape of the EC. The willingness to adopt an active Danish EC policy was shared by all parties to the left and right of the centre.

1.1. The Background to EMU

The implementation of the internal market, and the accession of Spain and Portugal to the EC necessitated the adoption of a stable budgetary framework for the Community. With this aim, in 1988 the Commission put forward a proposal for reform of the budget, the Delors package. The European Council's agreement on the Commission budget proposal at an extraordinary session in Brussels from 11-13 February 1988 was accompanied by

the Inter-institutional Agreement concluded between the Council of Ministers, the Commission and the European Parliament in June 1988.²³²

As the Community's future developments were set on a firm course, the debate on the establishment of EMU re-emerged. EMU was seen by many as the logical step to follow the freeing of capital movements and integration of financial services. For others, the motivation was to capitalize on the cooperation developed in the European Monetary System (EMS) by strengthening the institutional framework and political accountability.

The idea of EMU was not new to the Community. After the Werner Report (the first report on EMU presented to the EC Heads of State and Government in 1970) and the creation of the EMS in December 1978, monetary cooperation functioned satisfactorily during the 1980s for those member states which had committed themselves to the discipline of the Exchange Rate Mechanism (ERM). The exchange rate parities within the ERM remained stable from 1987 onwards and an alignment in the economic development of the member states took place towards the end of the 1980s. In parallel, economic interdependence steadily increased between the member states.²³³

The European Council meeting in Hanover in June 1988 responded to the renewed debate on EMU by setting up a committee under the chairmanship of Jacques Delors to investigate and propose concrete stages towards EMU.²³⁴ Behind the decision to convene the Delors Committee lay, apart from the economic and financial logic, a series of political considerations: the member states which had achieved the goal of monetary stability were increasingly reluctant to let the Bundesbank dominate decision-making; responsibility for monetary policy, it was argued, should be shared in a system built up

²³²John Pinder, *European Community: The Building of a Union*, Oxford University Press, 1991, pp. 158-64. Commission des Communautés européennes, *XXIIe Rapport général sur l'activité des Communautés européennes 1988*, Office des publications officielles, Luxembourg, 1989, pp. 60-61.

²³³Niels Thygesen, 'Økonomisk og monetær union', in Petersen and Thune, (eds.) *Dansk Udenrigspolitisk Årbog 1991*, p. 64. Poul Skytte Christoffersen, *Konferencen vedrørende traktaten om den europæiske union*, Jurist og Økonomiforbundets Forlag, 1992, p. 17.

²³⁴Jens Thomsen, 'Denmark og økonomisk monetær union', in Thune and Petersen (eds.), *Dansk Udenrigspolitisk Årbog 1989*, Jurist og Økonomiforbundets Forlag, 1990, pp. 84-93.

around the member states' monetary authorities; while at the same time, Germany's economic strength and assertiveness worried some member states, especially France, and this fear of German dominance increased in parallel with the process of German reunification.²³⁵

The Delors Committee's report was presented to the European Council in Madrid in June 1989.²³⁶ The Heads of State and Government endorsed the report and decided to enforce the first phase of EMU by 1 July 1990. They also discussed the implementation of the second and third phase of EMU, but on British insistence no concrete steps were taken towards calling an IGC.

France, taking over the Presidency in July 1989, was determined to make some progress. The Minister for European Affairs, Elisabeth Guigou, headed a committee of personal representatives of the Finance and Foreign Ministers whose task was to complete a catalogue of issues to be resolved by intergovernmental negotiations.²³⁷ At the European Council in Strasbourg in December 1989, eleven Heads of State and Government voted in favour of convening an IGC at the end of 1990 on EMU,²³⁸ only Prime Minister Thatcher voted against.²³⁹ It was at this European Council Chancellor Kohl voiced his concern about increasing the political legitimacy of the Community, and suggested that EMU be created in parallel with a political union. At the time the initiative was received negatively, in particular by the French Presidency, and was seen as an attempt to slow down progress towards EMU.²⁴⁰ Under the Italian Presidency in the second half of 1990

²³⁵John Pinder, *European Community: The Building of a Union*, p. 134-5.

²³⁶European Communities, 'Report on Economic and Monetary Union in the European Community', *Europe Documents*, No. 1550/1551, 20 April 1989.

²³⁷European Communities, 'Report on the Principal Questions Raised by the Implementation of Economic and Monetary Union (Guigou Report)', *Europe Documents*, No. 1580, 9 November 1989.

²³⁸*Europe*, No. 5149, 9 December 1989, p. 3.

²³⁹Poul Skytte Christoffersen, *Konferencen vedrørende traktaten om den europæiske union*, p. 20.

²⁴⁰Poul Skytte Christoffersen, *Konferencen vedrørende traktaten om den europæiske union*, pp. 20-21.

preparations for the IGC continued.²⁴¹ The member states tried to agree on an agenda for the negotiations and a time table, but the British Prime Minister was still opposed to the planned IGC. Critical voices against EMU were also raised in Germany, in particular from the Bundesbank President, Karl Otto Pöhl.²⁴²

1.2. The Folketing and the Prospects of EMU

In Denmark the prospect of an IGC was discussed on 23 May 1989 in the Folketing. At the time Prime Minister Schlüter adopted a cautious position by underlining the beneficial effects of the ERM on the rate of inflation and interest rate, which in turn had helped Danish industry. The government endorsed the provisions of the first phase of EMU as proposed by the Delors Report, but rejected the automatic transition to the second and third phase.

The Social Democratic spokesman on EC Affairs, Ivar Nørgaard, stressed his party's conditions for supporting the first phase of EMU while agreeing with the Prime Minister in rejecting the automatic transition and urging him to resist any calls for an IGC at the European Council in Madrid. The Social Democrats presented a motion for resolution which read:

The Folketing reconfirms the goals of full employment, better internal and external environment and a more equitable social division of wealth, which should be secure central positions in relation to the development of the internal market and economic and monetary cooperation. Furthermore, the Folketing reconfirms the possible implementation of the first phase as proposed by the Delors Report, which does not automatically oblige the implementation of the second and third

²⁴¹European Communities, 'Guidelines for the EC-EPC Italian Presidency', *Europe Documents*, No. 1611, 10 April 1990. 'Italian Presidency of Community Council (second half of 1990): Objectives', *Europe Documents*, No. 1629, 26 June 1990.

²⁴²See for instance, 'Deutsche Bundesbank's Statement on Creating Economic and Monetary Union in Europe', *Europe Documents*, No. 1655, 5 October 1990. 'Address by Karl Otto Pöhl on the Outlook for Monetary Cooperation in Europe', *Europe Documents*, No. 1578, 4 November 1989.

phases...²⁴³

This resolution was adopted by the Social Democrats, the Conservatives, the Liberals, the Radical Liberals and the Christian People's Party, while the Socialist People's Party, the Progress Party and the Centre Democratic Party voted against.

On 30 November 1989, the Prime Minister was asked about the government's position for the IGC on EMU which was expected to be convened at the Strasbourg European Council in December. His statement was a cautious endorsement of the goal of EMU, and listed a number of positive economic effects, while trying to play down fears about losing sovereignty over economic and monetary policy. Prime Minister Schlüter was pleased that the EFTA countries, the central and eastern European countries and the Soviet Union were forging closer relations with the EC. Denmark should therefore work to provide the EC with the financial means and the political and economic strength necessary to meet this challenge. The Social Democrats agreed with the government that it was in Denmark's interest to participate in the IGC on EMU, even though the IGC was deemed unnecessary. Their spokesman also agreed that restraining the dominant position of the Bundesbank would be a positive thing, although unlikely to happen. He insisted that the Social Democratic Party was categorically against depriving the Folketing and other national parliaments of their right to decide over the scope and content of the budgetary bills and exchange rate adjustments. The Social Democratic Party proposed a motion of resolution which was accepted by all parties, except the Socialist People's Party which abstained. It read:

The Folketing reconfirms the resolution of 23 May 1989 and calls upon the government to ensure that a future IGC is endowed with a broad mandate, including (1) stronger economic and monetary cooperation to secure economic growth and high employment; (2) new forms of decision-making and patterns of cooperation which are open for close cooperation with the EFTA countries and the central and eastern European countries which undertake democratic reforms; and

²⁴³Poul Schlüter and Ivar Nørgaard, *Folketingstidenden*, 23 May 1989, col. 10575 onwards.

(3) the possibility to introduce minimum requirements in the environmental and labour market areas when decisions are taken with qualified majority.²⁴⁴

1.3. The Background to PU

In as much as EMU was prompted by internal developments, PU was influenced by external events and challenges.

On 9 November 1989 the Berlin Wall fell. The process of reuniting Germany gained its own momentum, and recognizing the will of the German people, all parties involved accepted and welcomed a sovereign Germany, albeit with some initial hesitation from some member states (especially France and the UK). The EC political leaders and institutions decided that the accession of the five East German *Länder* should be parallel to the all-German reunification process and that no changes to the EC Treaties would be necessary. At the same time the reform process in central and eastern Europe gained considerable momentum. The democratically elected governments turned to the Community to seek economic and political support for securing stable democracies based on a market economic system.

In the Community, several member states were concerned about the considerable economic and political strength of reunified Germany, whose geographical position and traditional ties with central Europe might imply a redirection of German priorities towards promoting the economic and political stability of its eastern neighbours. France strove to find ways to bind Germany tighter to the process of European integration, an idea received with sympathy by other member states, including Denmark.

Chancellor Kohl, concerned about satisfying domestic demands for greater democracy within the EC, raised the idea of PU in parallel with the IGC on EMU at the European Council meeting in Strasbourg of 1989. While the initiative was not accepted at this stage, the process was, however, initiated and the Commission²⁴⁵ and the European

²⁴⁴Poul Schlüter and Ivar Nørgaard, *Folketingstidenden*, 30 November 1989, col.2567 onwards.

²⁴⁵Jacques Delors's speech to the European Parliament on 17 January 1990, *Europe*, 18 January 1990.

Parliament presented their views on a strengthened political framework.²⁴⁶

On 18 April 1990, President Mitterrand and Chancellor Kohl sent a letter to the Irish Prime Minister, Charles Haughey, urging him to consider extending the agenda of the extraordinary European Council to be held on 28 April to include a discussion on EU.²⁴⁷ The French and German leaders hoped that the European Council would speed up the preparation on EMU and initiate preparations for an IGC on PU.

Because of resistance from some member states (the UK in particular, but also Denmark and Portugal), the extraordinary European Council in Dublin did not convene an IGC on PU, but asked the Foreign Ministers to examine and prepare proposals on PU to be discussed at the next European Council in June.²⁴⁸

At the European Council in Dublin on 25-26 June the Foreign Ministers presented the report on PU, listing a number of themes to be negotiated by the IGC: the overall objective of PU; its democratic legitimacy; the efficiency of the Community and its institutions; unity and cohesion in the Community's international action; and decision-making and implementation. The European Council endorsed the Foreign Ministers' report and decided to convene the IGC on PU to start on 14 December 1990.²⁴⁹

1.4. The Folketing and the Prospects of PU

In the Folketing's debate on EC policy on 18 April 1990, a consensus between most of the political parties took form on Denmark's position and interests in the intergovernmental negotiations. Prime Minister Schlüter listed five factors which necessitated the establishment of a structure for political and economic stability, economic

²⁴⁶European Parliament, 'Conference of European Community Parliaments: Final Declaration', *Europe Documents*, No. 1668, 8 December 1990. *Europe*, No. 5238, 20 April 1990, p. 4. See also the Martin and Colombo Reports, footnotes 271 and 272.

²⁴⁷Letter from Chancellor Kohl and President Mitterrand to Prime Minister Haughey, quoted in *Europe*, No. 5238, 20 April 1990, p. 3.

²⁴⁸Presidency Conclusions issued at the special meeting of the European Council in Dublin, 28 April 1990, *Europe*, No. 5245, 30 April 1990.

²⁴⁹'Conclusions of the European Council, Dublin, 25-26 June 1990', *Europe Documents*, No. 1632/1633, 29 June 1990. Foreign Ministers' report in annex 1 of the conclusions on 'Political Union', *Europe Documents*, No. 1628, 23 June 1990.

growth and high employment: the end of the division of Europe in two blocks dominated by the superpowers; the central and eastern European countries' attempts to establish political pluralism and market economic systems; the dynamics of the Community's integration process; the German reunification; and technological and industrial development. The Prime Minister, reconfirming that the Community system was in need of modernization beyond the SEA, reiterated the demands of the Social Democratic Party that labour, social and environmental policies should be included in the forthcoming negotiations and that there should be increased decision-making by qualified majority. The government's position was now so close to the Social Democrats' that their chairman, Sven Auken, expressed his satisfaction with the agreement on a number of central points. The Social Democratic Party welcomed the enlarged agenda for the IGC, but warned against substantive changes in the division of competence between the EC institutions.

Following the pattern from the EC policy debates of 1989, the debate ended in agreement, on the adoption of a resolution, which was supported by all parties except the Socialist People's Party and by the Progress Party which abstained. It read:

The Folketing calls on the government to pursue an active policy on Europe on the basis of: (1) support to and cooperation with the new, democratically elected governments in the former communist countries in central and eastern Europe; (2) support to the use of all possibilities for progress within the framework of the Conference on Security and Cooperation in Europe; (3) support of speedy agreements on substantive and balanced reductions of nuclear arms and troops in Europe as a first step towards a common European security structure; (4) support to the German people's right of self-determination, an assurance that German unity is created within a broad European context, an extended cooperation within the EC and a continued North American engagement in European security; (5) support to a speedy and extensive agreement between the EC and EFTA; and (6) support of a strengthening of Community cooperation, (the Folketing's resolution of 30 November 1989), making majority decisions possible in view of securing minimum guarantees for environmental protection and workers' rights, greater democratic control and openness in a strengthened economic and monetary cooperation, to secure economic growth and employment while continuing to

respect the member states' independent policy of division of income.²⁵⁰

1.5. *The Danish Memorandum, October 1990*

The close positions of the government and the Social Democratic Party, and the prospects of two IGCs during 1991, prompted the latter to insist on drafting a memorandum on Denmark's position in view of the negotiations. The Foreign Minister was at first reluctant to the Memorandum, as it would *de facto* restrain the government's margin of manoeuvre,²⁵¹ but the government's minority position in parliament in reality left it with little choice other than to seek to establish an EC policy which was supported by a majority in the Folketing. The Memorandum became a trade-off between securing active Danish participation in the IGCs and tying Danish negotiators to rigid positions.²⁵² It did, however, give Danish negotiators a strong hand in the IGCs, which, combined with intensive and constructive cooperation with the Market Committee, helped Denmark to secure a number of its objectives.²⁵³ During the summer and autumn of 1990 the government parties - the Conservatives, Liberals and the Radical Liberals - and the Social Democratic Party negotiated the Memorandum which was subsequently endorsed by the Christian People's Party and the Centre-Democratic Party. The Socialist People's Party and the Progress Party, however, rejected it, thereby confirming their positions furthest on the left and right in Danish politics.

The Danish Memorandum was the first successful attempt to establish a positive Danish EC policy based on a parliamentary majority. Its objectives were a combination of far-reaching reforms in areas of functional cooperation, largely reflecting Social Democratic policies, and modest statements concerning political integration. Although the

²⁵⁰Poul Schlüter and Sven Auken, *Folketingstidenden*, 18 April 1990, col. 8455 onwards.

²⁵¹Interview in Copenhagen, 22 October 1993.

²⁵²Interview in Copenhagen, 2 November 1993. The Memorandum is reproduced in English in Finn Laursen and Sophie Vanhoonacker, *The Intergovernmental Conference on Political Union: Institutional Reforms, New Policies and International Identity of the European Community*, European Institute of Public Administration, Maastricht, 1992.

²⁵³A point shared by several Danish diplomats and politicians. Information gathered during interviews in Copenhagen in October-November 1993.

Danish integration strategy had changed considerably, it was still based on the rejection of a federal development of the Community.²⁵⁴

In the parliamentary debate following the presentation of the Memorandum, the Foreign Minister expressed his satisfaction that Denmark was now able to play an active role in the IGCs, and was convinced that other EC member states had already noted the new and different attitude which could no longer leave them in doubts about Denmark's commitment to European cooperation.²⁵⁵

With the Memorandum firmly endorsed by a large majority in parliament, the government translated its text into treaty articles which were presented to the IGCs in March 1991.²⁵⁶

1.6. The Intergovernmental Negotiations on EMU²⁵⁷

The two IGCs, designed to run in parallel and be concluded during 1991, were at the end of 1990 at different stages of preparation. The EMU negotiations, thoroughly prepared during the previous two years, had several treaty texts to consider, while the PU negotiators had five pages of conclusions from the European Council of Rome.²⁵⁸

At the extraordinary European Council meeting at Rome on 27-28 October 1990, the Presidency succeeded in reaching a fairly concise mandate for EMU which set the

²⁵⁴Nikolaj Petersen, *EF, den politiske union og Danmark: Analyse og dokumentation*, Det Sikkerheds- og Nedrustningspolitiske Udvælg (SNU), Copenhagen, 1991, p. 39.

²⁵⁵Uffe Ellemann-Jensen, *Folkeetingstidende*, 11 October 1990, col. 980 onwards.

²⁵⁶The EC policy was in itself not affected by the result of the general election in December 1990, after which the Social Democrats, despite a good result, were not able to form a government. The Conservative Party and the Liberal Party remained in power, forming a government based on a minority of 60 seats, eleven less than the Social Democratic Party.

²⁵⁷The sections of the negotiations on EMU and PU are partly based on Poul Skytte Christoffersen's detailed account of the events published in *Konferencen vedrørende traktaten om den europæiske union*. Mr Christoffersen was at the time *chef de cabinet* of Niels Ersbøll, Secretary General of the General Secretariat of the Council.

²⁵⁸Joseph Weyland, 'Strategies and Perspectives of the Luxembourg Presidency', in Emil J. Kirchner and Anastassia Tsagkari (eds.), *The EC Council Presidency: The Dutch and Luxembourg Presidencies*, UACES Proceedings 9, UACES, London, 1993, p. 17.

date of 1 January 1994 for the second stage, a final decision on the transition to the third stage to be taken before 1 January 1997, and a series of concrete propositions on the content of the treaty texts.²⁵⁹

As the IGC was to meet for the first time on 14 December 1990, it was decided that the work was to be carried out partly by a group of Finance Ministers' personal representatives, and partly by the Foreign Ministers' personal representatives (the same people who were representatives at the IGC on PU). In reality the first group came to play the decisive role in the negotiations on EMU and the conferences proceeded independently. Denmark was represented by Jens Thomsen, Head of the Ministry of Economics (*økonomiministeriet*).

The EMU committee received treaty texts from the Commission, France and Germany, the British proposal for a 'hard ECU',²⁶⁰ and proposals on specific points from other member states. The Delors Report, the report of the Monetary Committee (on budgetary coordination and the European central bank system), the Carli Report (on the discussion between the Ministers of Finance during the Italian Presidency), the report of the Committee of Central Bank Governors (on a European System of Central Banks) and the Guigou questionnaire (identifying fundamental technical, institutional and political questions) were also included. The Luxembourg Presidency chose to take the Commission's draft treaty as basis for the negotiations.

The IGC on EMU became linked to the IGC on PU on the political level as difficulties in the latter held up progress in the former. At the beginning of 1991, Germany insisted it would not commit itself (and the D-Mark) to EMU unless there was

²⁵⁹European Communities, 'European Council Conclusions of the Presidency (Rome, 27 and 28 October 1990)', *Europe Documents*, No. 1658, 30 October 1990.

²⁶⁰Commission of the European Communities, 'Draft EEC Treaty on Economic and Monetary Union', *Europe Documents*, No. 1675/76, 20 December 1990. France, 'Draft Treaty on Economic and Monetary Union', *Europe Documents*, No. 1686, 31 January 1991. Germany, 'EMU: An overall proposal by the Federal Republic of Germany for the intergovernmental conference"', *Europe Documents*, No. 1700, 20 March 1991. HM Treasury, 'Economic and Monetary Union - Beyond Stage I: Possible Treaty Provisions and Statute for a European Monetary Fund', *Europe Documents*, No. 1682, 10 January 1991.

general commitment to a political dimension.²⁶¹ At one stage, Franco-German relations cooled as France, urging speedy progress in the EMU negotiations, was disappointed by German reluctance to conclude the IGC before negotiations on PU had made substantial progress.²⁶²

In time for the Luxembourg European Council of 28-29 June 1991, the Presidency presented a consolidated text on the progress of the work of the IGCs.²⁶³ Despite this, the European Council was not able to take substantive decisions regarding the IGCs.²⁶⁴

The Dutch Presidency took an orthodox stance in the IGC on EMU, basing the negotiations on the principles of the Luxembourg draft treaty while striving to spell out the provisions of the text in greater detail.

1.6.1. Danish Positions on EMU

The Danish Memorandum was explicit in demanding that sustainable economic growth and full employment be part of the general objectives of EMU. The IGC had no problems in settling the treaty text in this regard (Maastricht Treaty, Article 2).

On free movement of capital the Memorandum suggested action against violations of national taxation law, and decision-making by unanimity in the taxation area to safeguard national independence. Denmark's insistence on safeguards for infringement of national law was met (Article 73d) and decisions on turnover taxes, excise duties and other indirect taxation were still to be taken by unanimity (Article 99). With regard to free movement of capital, Denmark had a particular problem which had been regulated in national law shortly before the accession in 1973: the ban on the acquisition by foreigners of second homes. Since Denmark's accession, there had periodically been doubts about the compatibility of this law with the Treaty of Rome. The case had not yet been raised before the ECJ, but was expected before too long. The Danish government was anxious

²⁶¹David Buchan, 'Emu train stopped in its tracks', *Financial Times*, 8 April 1991.

²⁶²*Financial Times*, 'Pact to slow European Union', 10 June 1991.

²⁶³European Communities, 'Draft Treaty on the Union', *Europe Documents*, No. 1722-23, 5 July 1991.

²⁶⁴European Council meeting in Luxembourg 28-29 June 1991 and the Conclusions of the Presidency, *Europe*, Special Edition, No. 5524, 30 June 1991.

to settle the matter with a confirmation of the right to uphold national law, and had succeeded in obtaining a protocol, despite little sympathy from other member states, because it had acquired a reputation as a constructive negotiation partner.²⁶⁵

On monetary policy, the negotiations did not produce any special difficulties for Denmark. Being a *de facto* participant of the D-Mark zone for several years, the Danish political establishment recognized the necessity for creating an independent European central bank, while the Memorandum's claim for democratic control of the monetary institutions was satisfied in the treaty text. The rule of 'one country one vote' in the European System of Central Banks (ESCB) Governing Council which was demanded by the small member states, Denmark included, was accepted (the protocol on the statute of the ESCB and the European Central Bank (ECB)).

The Memorandum explicitly stressed the principle of subsidiarity as regards economic policy. The outcome of the argument as to whether EMU should be based on a centralized (Community-based) economic policy or not was settled in a compromise which closely followed German wishes, as a series of rules for good economic management was spelt out in the treaty, while a Community system of macroeconomic management was avoided.²⁶⁶ The macroeconomic reference values to check excessive government deficits were accepted by Denmark, although the government was not prepared to give the Council of Ministers the competence to pass binding legislation regarding national budgets.

The transition between the phases and policies of the second phase of EMU were among the most contentious subjects of the IGC. On constitutional grounds Denmark rejected an automatic transition. Since some member states, in particular Germany, refused a general opt-out clause, Danish and British negotiators had to be satisfied with individual protocols excluding their countries from the automatic transition to the third stage (Danish and British protocols on EMU).

Negotiations on the protocols were conducted towards the end of the Dutch Presidency and were agreed during the European Council in Maastricht. While the Danish

²⁶⁵Poul Skytte Christoffersen, *Konferencen vedrørende traktaten om den europæiske union*, p. 70.

²⁶⁶Poul Skytte Christoffersen, *Konferencen vedrørende traktaten om den europæiske union*, pp. 80-81.

negotiators strove to explain that the automatic transfer was unacceptable to Denmark for constitutional reasons, other member states failed to grasp in full the grounds for their demands. However, Denmark was granted the necessary protocol without much ado.²⁶⁷

Although belonging to the Community pillar, EMU departed from its institutional structure by creating a new institution, the ESCB, directly responsible to the European Council, and by reducing the influence of the Commission, the European Parliament and the ECJ. In the negotiations, Denmark argued that the Commission and the European Parliament should not play too influential a role in economic policy, which should remain a prerogative of each member state. The member states agreed on a formula by which the Commission kept the right of initiative while the European Parliament was deprived of any real influence in the decision-making process.

1.6.2. The Folketing's Reactions to the Progress on EMU

On 5 December 1991 during the parliamentary debate on the progress in the intergovernmental negotiations before the European Council in Maastricht, the Economics Minister, Anders Fogh Rasmussen, confirmed the government's view that the draft treaty was positive for Denmark, underlining the twin objectives of linking economic growth to the protection of the environment, as well as giving equal importance to the goals of full employment and low inflation. He stressed the importance for Denmark of being part of the monetary decision-making in EMU's third phase to avoid merely adjusting to dominant countries' decisions. Finally, he argued, the rejection of the automatic transition in Denmark's case was not based on the rejection of the principles of EMU, but on constitutional requirements.

The Social Democratic Party and the Radical Liberal Party endorsed the government's negotiation position, but stressed that by ratifying the new Treaty Denmark could not be bound to participating in the third phase without a referendum. The resolution (see section 2.6) adopted by the Folketing called upon the government to secure that Denmark would not be bound to the single currency. The Social People's Party and

²⁶⁷Poul Skytte Christoffersen, *Konferencen vedrørende traktaten om den europæiske union*, p. 94.

the Progress Party rejected, on different grounds, EMU and the single currency.²⁶⁸

1.7. The Intergovernmental Negotiations on PU

In the centre of the drive towards PU lay a recognition that the Community should prepare itself for the future, both in terms of implementing EMU, the internal market, enlargement and fulfilling its external role as an anchor of stability in Europe.

As the decision to convene an IGC on PU had only been taken in June 1990, the Luxembourg Presidency had been prompted to give priority to PU so that it could catch up with EMU and the IGCs could be concluded simultaneously (see section 2.4). One of the fundamental problems for the IGC was that although PU and EU were often used in Community terminology, they had never been precisely defined and therefore no one was certain about their shape or content. As each actor had its own idea on EU, it was soon agreed that the objective of the IGC was not to produce a treaty representing the final stage of European integration.²⁶⁹

When the IGC on PU met for the first time on 14 December 1990 in conjunction with the European Council in Rome, it had a handful of texts to consider on the subject, including the conclusions of the European Council in Rome in October and December, the report from the Foreign Ministers' personal representatives of 30 November 1990²⁷⁰ and the European Parliament's Martin Reports (on institutional reform),²⁷¹ the Colombo Reports (on the constitutional basis of EU)²⁷² and the Commission's opinion²⁷³ (later an

²⁶⁸ Anders Fogh Rasmussen, Sven Auken and Niels Helveg Petersen, *Folketingsstidende*, 5 December 1991, col. 3315 onwards.

²⁶⁹ Poul Skytte Christoffersen, *Konferencen vedrørende traktaten om den europæiske union*, p. 41.

²⁷⁰ European Communities, 'Preparation of the Intergovernmental Conference on Political Union: The Presidency's Assessment', *Europe Documents*, No. 1666, 6 December 1990.

²⁷¹ European Parliament, 'Resolution on the Intergovernmental Conference in the Context of the Parliament's Strategy for European Union', *Official Journal*, No. C 96, 17 April 1990 and No. C 231, 17 September 1990.

²⁷² European Parliament, 'Resolution on the Constitutional Basis of European Union', A3-0165/90, 11 July 1990 and A3-0301/90, 12 December 1990.

additional number of proposals and initiatives were forwarded by the member states and the Commission). In view of the amount of work in turning the proposed texts (of which most were in the form of catalogues of issues) into treaty articles, the IGC, composed of the Foreign Ministers' personal representatives and the Commission, agreed to meet on a weekly basis. Denmark was represented by Gunnar Riberholdt, formerly permanent representative to the EC, but at the time Danish Ambassador to France.

The role of the Presidency, and the strategy it chose to embark on the negotiations, had a significant impact on the result. Luxembourg chose to rely on the Council's General Secretariat to assist in drafting treaty texts and to strike compromises between the member states' delegations.

The Presidency strategy of 'zeroing' down the differences between the member states by searching for acceptable solutions quickly produced substantial results in the form of a first draft treaty on 17 April, which already represented 80 per cent of the treaty agreed on in Maastricht.²⁷⁴ The draft treaty on the Union was presented to the European Council in Luxembourg on 28-29 June, but no agreement was reached.

Since the Luxembourg draft treaty had been criticized by some member states as too modest, in particular with regard to the structure of the treaty and the competences of the European Parliament, the Dutch Presidency set itself the task of producing a unitary treaty framework.²⁷⁵ The Dutch Presidency, without proper consultation with the Council's

²⁷³Commission of the European Communities, 'Commission Opinion of 21 October on the proposals for amendment of the Treaty establishing the European Economic Community with a View to Political Union', *Bulletin of the European Communities*, Supplement 2/91, 1991.

²⁷⁴Joseph Weyland, 'Strategies and Perspectives of the Luxembourg Presidency', in Kirchner and Tsagkari, *The EC Council Presidency*, p. 17. See also, *Europe*, No. 5473, 17 April 1991, pp. 3-4.

²⁷⁵Charles R. van Beuge, 'Strategies and Perspectives of the Dutch Presidency', in Kirchner and Tsagkari (eds.), *The EC Presidency*, pp. 27-28. Mr van Beuge stressed that 'there was...a perception that quite a number of capitals shared the idea [of a unitary treaty: own remark]...It was evidenced in the meeting of early June where it was found that about eight delegations were extremely unhappy with the Luxembourg draft. A new approach was needed...We came back with the clear impression that it [the draft treaty] would find support with four countries; four states being neutral and four being against....On Monday 13 September we learned that the only state supporting the draft was the Dutch.'

General Secretariat or the member states, except Belgium, presented a new draft treaty in September.²⁷⁶ The Dutch draft treaty was rejected by the member states at a ministerial meeting on 30 September and was subsequently withdrawn. The Foreign Ministers agreed to put the Luxembourg draft treaty back on the negotiation table as the basis for negotiations that were scheduled for conclusion at the European Council in Maastricht.

Although the Dutch initiative had delayed the negotiations, it did help to make clear to the most pro-integrationist groups the solutions that were politically possible, and to commit the most reluctant to the Luxembourg draft treaty, as they had had to insist it be brought back to the negotiations.²⁷⁷

1.8. Danish Positions on PU

The concepts of EU and the federal perspective were fundamentally sensitive to the Danish government, which, like previous governments, had troubles with the translation of the word 'union' (which had until now been translated into 'unity', *sammenslutning*, (see chapter 3 and 4)). Prime Minister Schlüter, who had at least twice in 1986 declared publicly that 'the union is dead', saw its revival with the debate on EMU and PU. This was not a substantial problem for those politicians who favoured the EC, but was nevertheless a source of embarrassment in regard to the Danish population. The Danish Memorandum suggested the IGCs be held under the title 'The Role of the Community in a Future European Construction', neatly avoiding any reference to union (although EMU appears in the text). During the negotiations, however, the Danish government had to accept the term 'European Union', which was inserted at the Maastricht European Council as compensation to the pro-integrationist member states which insisted on an explicit commitment to the federal objective, but which had been withdrawn since it was completely unacceptable to Denmark and some other member states.²⁷⁸

²⁷⁶European Communities, 'Draft Treaty Towards European Union', *Europe Documents*, No. 1733/1734, 3 October, 1991.

²⁷⁷David Buchan, 'EC sails towards safe harbour', *Financial Times*, 2 October 1991. Mr Buchan writes that 'in the revolt against the Dutch plan, many of the 12 have sung the merits of the Luxembourg plan louder than they intended'.

²⁷⁸*Financial Times*, 'Dutch warn other UK moves on EC treaty', 15 November 1991. *International Herald Tribune*, 'Drop "Federal" From EC Treaty, Portugal Urges', 27

The Memorandum suggested that subsidiarity should be stated as a fundamental principle in the preamble. The IGC agreed on this, but disagreed when it came to its application and legal value. Danish politicians saw the principle as a rule of 'nearness', meaning that decisions should be taken as close to the citizens as possible, but did not necessarily consider it as a means to divide competence between the local, regional, national and European levels according to federal thinking. Denmark favoured the temple construction of the Luxembourg draft treaty and opposed the tree construction of the Dutch draft treaty.

Danish EC policy was consistent in insisting on intergovernmental cooperation in foreign and security policy, home affairs and judicial cooperation. There was no support for a 'Communityization' of these areas in Denmark, which subsequently took a restrictive position with regard to the role of EC institutions and voting procedures.

Endowing the Union with a citizenship was originally a Spanish proposal. Although the Danish Memorandum did not mention this possibility, the concrete content of the final provisions did not pose any problems for Danish politicians as long as the treaty provisions upheld the 1990 directives concerning citizens who might lay a financial burden on the host country.

Denmark adopted its most progressive negotiation position regarding the extension of Community competence in both existing and new policy areas, and suggested that decisions be taken by qualified majority, with some exceptions. The Danish Memorandum proposed Community action in: consumer protection, development policy, public health policy, education policy, energy policy, telecommunications and cultural policy. The IGC was able to agree on treaty provisions in most of these areas except energy policy. There was also agreement on extending telecommunications to the trans-European networks and introducing industrial policy as a Community policy.

Danish EC policy was based on demands from the Social Democrats for substantive improvements in social and environmental policies, and their support of the final resulting treaty depended on real progress in these areas. The social and environmental policies were linked to the fundamental policies of EMU, but also to an upgrading of the

provisions in place since the SEA and the Social Charter. The Memorandum stressed that environmental policy should be granted a central role in the Community, and that decisions should be adopted by qualified majority while based on a guarantee for member states which wanted to apply more stringent rules. The provisions of the social dimension should be included in the treaty and adopted by qualified majority, based on minimum requirements. The Danish government also emphasized the importance of introducing majority voting for the adoption of framework decisions within the research and development policy.

Some member states opposed decision-making by qualified majority in the environmental area, but a compromise solution was found at the Maastricht European Council, where the principle of majority decision was confirmed but with a series of exemptions. The Social Charter created more problems and became the subject of an unorthodox arrangement at the Maastricht European Council.

On the question of increasing the democratic legitimacy of the Community, Denmark, although not denying the necessity of granting the European Parliament greater influence in decision-making procedures, preferred to emphasize the importance of national parliaments and their participation in the Community law-making process. The Danish Memorandum proposed extending the cooperation procedure to all Community policy areas where decisions were to be adopted by qualified majority, and to give the European Parliament greater powers of control over the Commission and the right to initiate Community legislation in some areas. The Memorandum proposed the creation of an Ombudsman institution to represent the interests of individual citizens and placed considerable importance on introducing a policy of openness.

After strongly opposing the original proposal for the co-decision procedure, Denmark accepted the revised and extended procedure,²⁷⁹ but opposed the dual vote of investiture of the Commission President and the 'college'. There was considerable satisfaction in Denmark that the proposal for an Ombudsman institution was accepted by other member states, but disappointment that there had been no agreement on the policy

²⁷⁹Richard Corbett, 'The Intergovernmental Conference on Political Union', *Journal of Common Market Studies*, Vol. XXX, No. 3, September 1992, pp. 271-98.

of openness.²⁸⁰ Denmark, together with France and the UK, brought the role of national parliaments into the IGC where the discussion focused on the principle of subsidiarity, a ban on harmonizing national law in the areas of culture, education, vocational training and public health, and upholding national parliaments' right to ratify certain treaties. On British insistence a declaration on the role of national parliaments in EU was attached to the treaty.

Strengthened cooperation within the sphere of foreign and security policy was advocated in the Danish Memorandum, while the prospect of substantially deeper integration in this area was the subject of much debate in Denmark (see below). The proposals were based on building and extending the existing framework of intergovernmental consultation within EPC, where agreements should be reached through consensus and coordinated through the Council's General Secretariat, not the Commission or a new institution. The Memorandum did not mention a future defence policy, but as the government presented draft treaty articles on foreign and security policy, the Danish position became clearer: this policy could apply to all areas where there was unity between the member states, but strictly military collaboration should remain compatible to the structures of the alliances to which some member states already belonged, and their responsibilities and duties within these alliances should be respected.²⁸¹

Denmark, together with the UK and Ireland, opposed majority voting in certain matters of foreign policy and security, and it joined forces with the UK, the Netherlands and Portugal on insisting that no moves should be taken which could endanger American participation in NATO or its military presence in Europe.

On the question of the WEU as a bridge between EU and NATO, Denmark's position was precarious. As a member of NATO, it could not base its refusal to become a member of the WEU on neutrality, as Ireland did.

In October, two proposals on security and defence policy were presented to the IGC: the Anglo-Italian declaration on European security and defence; and the Franco-

²⁸⁰Politiken, 'Danske fingeraftryk på EF-union', 20 April 1991. Politiken, 'Positiv dansk reaktion', 12 December 1991.

²⁸¹Quoted in *Europe*, No. 5456, 21 March 1991, pp. 5-6.

German initiative on foreign, security and defence policy.²⁸² For Denmark, it was important that in the Anglo-Italian declaration two member states which traditionally held opposing views on European integration had been able to agree on a common statement. Another significant development was the softened American position on a future European defence dimension, expressed by President Bush at the NATO Summit in Rome on 7-8 November 1991. The new initiatives, inserted as revised articles in the Dutch draft treaty, were discussed at the Foreign Ministers' conclave in Noordwijk but as a final settlement could not be agreed, they were left to the European Council in Maastricht.

Although not mentioned in the Danish Memorandum, the final result adopted at Maastricht on home affairs and judicial cooperation was acceptable to Denmark, mainly because the cooperation remained intergovernmental and outside the scope of the EC institutions. Denmark fought hard against putting the third pillar under Community competence and rejected membership of the Schengen cooperation (an intergovernmental agreement between some EU member states which abolishes checks on persons at common borders of the signatories).

1.9. The Danish Debate during the Intergovernmental Negotiations

The debate in Denmark during 1991 focused on the aspects of political integration where there was no prior political consensus, in particular the federal objective of the Union, the role of EC institutions in the intergovernmental pillars, and the strengthening of the foreign and security policy, in particular with regard to majority voting and the possibility of a future European defence policy and European defence. On these issues the Danish EC policy had not changed, and positions adopted during negotiations reflected the traditional rejection of European integration, a federal development of the Community and the strengthening of the EC institutions.

Central actors before and during the IGC were the Conservative Party and the Liberal Party (which formed a coalition government after the general election in

²⁸²European Communities, *Europe Documents*, No. 1735, 5 October 1991; and *Europe Documents*, No. 1738, 18 October 1991.

December 1990) and the Social Democratic Party.²⁸³ Relations between the government and the Social Democratic Party took the shape of a triangular cooperation, where particular interests paved the way for changing alliances between the parties. On defence, the Conservatives and the Social Democrats agreed on rejecting the WEU against the pro-European defence policy advocated by the Foreign Minister. The same alliance was formed on other issues regarding European integration, e.g. a single currency, the structure of the Treaty and the Union's federal goal. On the social dimension the alliance changed, as the Social Democratic insistence on turning the Social Charter into a treaty-based Community policy was supported by the Liberal Party, while the Danish Employers' Association and some groups within the Conservative Party opposed the proposal.²⁸⁴ The Social Democratic party was divided on defence, as some MPs of the 1971 generation, led by Ritt Bjerregaard, favoured strengthening the European defence dimension and the WEU,²⁸⁵ while another group of traditional Social Democratic MPs led by Ivar Nørgaard rejected any plans towards a European defence. The party chairman, Sven Auken, for reasons of personal conviction and respect to the integration-sceptic hinterland, decided that the WEU should not become the European defence organization, a position subsequently endorsed as the official Social Democratic policy.²⁸⁶

Before the decisive meeting of the European Council in Maastricht on 9-10

²⁸³Lars Olsen has written that the coordination between the government and the Social Democratic Party on the Danish positions during the IGC took place through several channels: between the Social Democratic leadership and the government, in particular through Ritt Bjerregaard and Uffe Ellemann-Jensen; between the civil servants in the Foreign Ministry and the centrally placed policy-makers in the Social Democratic Party machinery; between the Danish Social Democratic Party and other parties in Europe which received information from the Commission President and Social Democratic Foreign Ministers in other member states; and a special link between the British government and the Social Democratic Party's leadership to coordinate opposition to federal tendencies (Lars Olsen, 'Den stenede vej til Europa', *Vandkunsten*).

²⁸⁴See Lars Olsen, 'Det stenede vej til Europa', *Vandkunsten*. Lars Olsen, interview with Ivar Nørgaard, 'Danmark skal ikke bare føre tilpsningspolitik', *Information*, 29 June 1991.

²⁸⁵Hans Drachman, interview with Ritt Bjerregaard, 'S har nøglen til en ny dansk forsvarsopolitik', *Politiken*, 7 April 1991.

²⁸⁶Lars Olsen, 'Den stenede vej til Europa', *Vandkunsten*.

December 1991, the political debate in Denmark concentrated on the outstanding issues. While the Foreign Minister gave increasingly vocal support to Denmark becoming a member of the WEU, which in his view was the centrepiece of a future European defence policy, the Social Democrats and the Conservatives opposed reducing the role of NATO in Europe.²⁸⁷ The Social Democrats changed their position slightly after the presentation of the Anglo-Italian proposal on security and defence and the NATO Summit in Rome (see above), but it was the prospect of deferring the decision until some neutral EFTA countries had become members of EU that convinced reluctant members of the party to accept the compromise solution at Maastricht. Ivar Nørgaard expressed his party's position in the Folketing in October by suggesting that this decision should be deferred until Sweden's and Austria's positions were clearer and the central and eastern European countries had joined (NATO, EU or WEU, or all of them, he did not specify: own remark). Meanwhile, he continued, Denmark should remain a member of NATO, but he did not explicitly rule out the possibility of considering the issue again when the situation had become clearer. On the subject of the Union's 'federal character', Ivar Nørgaard insisted that any such reference must be removed. On these two points, the Radical Liberals supported the Social Democratic line.²⁸⁸

On 5 December, in the Folketing's last debate on EC policy before the European Council in Maastricht, Prime Minister Schlüter expressed his satisfaction that the Treaty remained a three pillar construction delineating clearly which policies belonged to the Community and which were intergovernmental. He disapproved of majority voting in certain decisions pertaining to the CFSP, but thought that in practice majority voting in this area would be limited, as larger member states would guarantee that the intergovernmental aspect of the CFSP was upheld. On defence policy, the Prime Minister recorded a consensus in the Folketing on Denmark's wish to maintain defence cooperation within NATO, and, as with the third stage of EMU, Denmark demanded the possibility of deciding at a later stage whether or not to participate in a future European defence alliance. Finally, he praised the

²⁸⁷Hans Drachmann, interview with Sven Auken and Uffe Ellemann-Jensen, 'På vej mod Europa men i hver sin takt', *Politiken*, 8 December 1991.

²⁸⁸Ivar Nørgaard and Niels Helveg Petersen, *Folketingstidende*, 29 October 1991, col. 1081 onwards.

impact of the Danish Memorandum in guiding the IGC negotiations towards a result acceptable to Denmark. The Prime Minister underlined Denmark's positive attitude towards the applications for membership presented by a series of European countries and wanted the European Council to adopt a positive statement to that effect.

The Social Democratic chairman, Sven Auken, considered the draft treaty tabled for the European Council satisfactory because it ruled out the creation of a European super state, social depreciation and secured a say for the Danish population on the future decisions on a single currency and defence. He criticized the government, however, for not having reached agreement on three areas where the Social Democrats wanted action: the principle of an active economic policy to combat unemployment, too loosely formulated in the EMU text; Danish proposals for greater openness of Community activities which were not matched with concrete provisions; and the texts on social policy which ran the risk of being watered down to secure the acceptance of the British government. In view of the negotiations at the European Council meeting, Sven Auken proposed a motion of resolution on behalf of the Social Democratic Party, the Conservative Party, the Liberal Party, the Centre-Democrats, the Radical Liberal Party and the Christian People's Party:

The Folketing calls on the government at the final negotiations on reform of the EC, to work for: (1) strengthening of the Community's economic and political cooperation without accepting a federal perspective; (2) openness in regard to the accession of new member states to the EC and strengthened cooperation with non-member states; (3) strengthening the environment policy with the possibility of adopting minimum requirements by majority decisions; (4) the introduction of a social dimension; (5) no obligation for Denmark to participate in military cooperation; (6) no obligation for Denmark to participate in a single currency; and (7) openness in the Community's decision-making process.

1.10. The European Council in Maastricht in December 1991²⁸⁹

After tough and protracted negotiations, the European Council succeeded in agreeing on the Maastricht Treaty. In regard to the parliamentary resolution of 5 December 1991 (see above), the Danish political leaders had succeeded in obtaining most of its objectives: the defence dimension had been resolved by a provision stating that the CFSP included the eventual framing of a common defence policy which might in time lead to a common defence (Article J.4.1). The WEU was mentioned in the Treaty as an integrated part of the development of the Union, but stressed CFSP's compatibility with the obligations stemming from some member states' membership of NATO (Article J.4.4). The member states of the WEU attached a declaration to the Treaty in which the members of the Union, but not members of WEU, were invited to accede. There was, therefore, no obligation for Denmark to become a member of WEU, and no certainty that EU would include a common defence.

Denmark was granted a protocol recognizing that its constitution contained provisions which might necessitate a referendum prior to Denmark's entry into the third stage of EMU, and the protocol on second homes that had previously been agreed was confirmed.

The provisions introduced by the SEA on the environment were amended to allow for decision-making by majority voting, except for a limited number of areas. The negotiations on the social dimension became very difficult as the British Prime Minister, John Major, refused to accept the compromise suggested to him by the Presidency. The other eleven member states, led by France, Germany and Denmark, refused in their turn to give in to British insistence on maintaining the non-binding status of the Social Charter. A solution was found in the form of an opt-out clause for eleven member states, which set up between them a social policy based on the *acquis communautaire* with a view to implementing the Social Charter.

²⁸⁹See, for instance, *Europe*, Nos. 5622, 5623, 5626, 5627 and 5628, 4, 5, 9-10, 11 and 12 December 1991. *Financial Times*, 'Single currency to start by 1999', 10 December 1991; 'A Heath Robinson design for Europe', 12 December 1991. *International Herald Tribune*, 'Accord on WEU Is Designated to Bolster European Security and Reassure NATO', 11 December 1991. *Le Monde*, 'Le fait qu'un pays sur douze n'ait pas enrayé la marche en avant de la Communauté est un point considérable a declaré M. François Mitterrand', 12 December 1991.

The 'federal objective' was removed, to be replaced by a phrase confirming that the Treaty 'marked a new stage in the process of creating an ever closer union among the peoples of Europe' (Article A). The principle of subsidiarity was introduced by the Treaty in the shape of a political statement of intent (Article B) and was specified in the provisions pertaining to the European Community (Article 2) or in provision on individual policy areas, such as education, culture and health.

As regards openness to new member states, the European Council gave a positive statement in the Maastricht Presidency conclusions to that effect.²⁹⁰

On the whole the Danish government obtained its negotiation objectives. Foreign Minister Elleemann-Jensen was satisfied with the result, claiming that the government had literally fulfilled all the requirements of the parliamentary resolution.²⁹¹ There were, however, two points on which the government was subsequently criticized by the Social Democrats for not having reached a satisfactory result: the principle of an active economic policy to combat unemployment, which although mentioned as an objective of EMU, had on German insistence not been placed on an equal footing as the goal of price stability,²⁹² and the policy of openness in Community activities on which the political leaders had not been able to agree.²⁹³

Reactions from other political parties in Denmark were mainly positive. Only the Socialist People's Party and the Progress Party, which opposed the IGC negotiations, expressed their discontent by urging the population to vote against the new Treaty in the referendum planned to take place during the coming six months.²⁹⁴

²⁹⁰'Presidency Conclusions', European Council in Maastricht, 9-10 December 1991, *Europe*, No. 5628. 12 December 1991.

²⁹¹*Politiken*, 'Unionen tæt på danske krav', 12 December 1991.

²⁹²Lars Olsen, 'Den stenede vej til Europa', *Vandkunsten*.

²⁹³*Politiken*, 'Positiv dansk reaktion', 12 December 1991.

²⁹⁴*Information*, 'Roser til regeringen for resultatet i Maastricht', 12 December 1991. *Politiken*, 'Kun to partier imod', 12 December 1991.

2. The Referendum on the Maastricht Treaty on 2 June 1991

2.1. *The Constitutional Requirement*

On 10 March 1992 the Danish government presented a bill amending the EC accession act for ratification of the Maastricht Treaty. In 1972, the accession act had been passed on the basis of the constitution's Article 20 (see chapter 3) which prescribes that a five-sixths' majority of Folketing members pronounce themselves in favour of transfer of national sovereignty to intergovernmental authorities (but which had been overridden by the Folketing's decision to call a binding referendum on the basis of Article 42). If the five-sixths' majority cannot be reached, the government, in upholding the act, can call a referendum to settle the matter. The question in regard to the Maastricht Treaty was whether the new and amended provisions pertaining to the Community pillar required transfer of sovereignty on the basis of Article 20. Experts from the Department of Justice submitted a report on 3 March 1992 which stated that taking into account the provisions on EMU, the Union citizenship and the new policy areas conferred to the Community, it was 'not quite unlikely' (*ikke ganske utvivlsomt*) that the Maastricht Treaty involved transfer of sovereignty in some areas, and it should therefore be ratified on the basis of Article 20 of the constitution.²⁹⁵

However, before the Maastricht European Council in December 1991, Danish politicians had already promised the public the opportunity to vote in a referendum on the Treaty.²⁹⁶ In January 1992, after consultation with the Social Democratic Party, Prime Minister Schlüter announced that the referendum be held on 2 June 1992, according to Article 20 of the constitution, and that the referendum would, contrary to the referendum on SEA, be binding for the Folketing. When asked in what areas Denmark would be forsaking sovereignty when ratifying the Maastricht Treaty, the Prime Minister did not wish to take a position as to whether the Treaty implied transfer of sovereignty from a constitutional point of view, but the government had chosen to be on the safe side concerning the population's right to pronounce itself in case there were any doubts the

²⁹⁵For an account of the constitutional requirements regarding the Maastricht Treaty see, Udenrigsministeriet, *Hvidbog om Danmark og Maastricht-Traktaten*, Copenhagen, October 1992, pp. 43-52.

²⁹⁶See, for instance, an interview with Uffe Ellemann-Jensen and Sven Auken in *Politiken*, 'På vej mod Europa men i hver sin takt', 8 December 1991.

ratification necessitated transfer of sovereignty.²⁹⁷

The Folketing passed the bill of ratification after the third reading on 12 May 1992 with 130 votes to 25. This was just below the five-sixths' prescribed by the constitution, but if the Folketing had been able to acquire the sufficient number of votes, there would, in Nikolaj Petersen's words, 'almost certainly have been a referendum anyway, because since 1972 a political convention has been established that the people should be asked in connection with major changes in Denmark's relationship with the European Community. The referendum of 1992 only reinforced this convention..'.²⁹⁸

2.2. The Social Democratic Party's Leadership Contest

A political event which attracted great interest during the first few months of 1992 was the leadership contest in the Social Democratic Party between Sven Auken and Poul Nyrup Rasmussen.²⁹⁹ The leadership challenge was not directly caused by differences over the party's EC policy, but had a direct impact on the party's ability to mobilize for the Maastricht campaign, delaying its start as other parties chose to wait until the Social Democrats' internal problems were settled.³⁰⁰ The challenge was prompted by the doubts of leading personalities in the party and the Confederation of Trade Unions over Sven Auken's personal ability to form a government. Disappointment had been great after the 1990 election when the party had been unable to form government despite the best election result since 1971. Sven Auken's personal integrity was questioned by the Radical Liberal leader, Niels Helveg Petersen, to the point where the latter refrained from forming a coalition government with the Social Democrats.³⁰¹ Another factor undermining Sven

²⁹⁷Information, 'Schlüter-Auken aftale gav hurtig EF-dato', 24 January 1992.

²⁹⁸Nikolaj Petersen, "*Game, Set and Match*": *Denmark and the European Union from Maastricht to Edinburgh*, Institute of Political Science, Århus University, Århus, January 1993, p. 2.

²⁹⁹Poul Nyrup Rasmussen, born 1942, Economist at the Confederation of Danish Trade Unions 1971-79 and Chief Economist 1980-86, MP for the Social Democratic Party since 1988, Vice-Chairman for the Social Democratic Party in 1988 and Chairman since 1992, Prime Minister since 1993.

³⁰⁰Information, 'Frygten for et nej er stigende', 19 March 1992.

³⁰¹See Erik Meier Carlsen, *Plads for dem alle?*, pp. 84-91.

Auken's position as party leader was a political row involving Ritt Bjerregaard, Chairwoman of the Social Democratic parliamentary group and Shadow Foreign Minister. Ritt Bjerregaard, who during 1991 had hinted at the possibility that the Social Democrats might have to reconsider their opposition to the WEU, reiterated this argument with force after having been deprived of her place at the top of the party.³⁰² The debate over defence aggravated an already unstable situation in the party, setting traditionally Euro-sceptic Social Democrats against the pro-European generation, and Sven Auken's inability to contain the disagreements was seen as yet more proof of his weakness as party leader.

At the extraordinary party congress on 11 April 1992 Poul Nyrup Rasmussen was elected chairman of the Social Democratic Party.³⁰³ Immediately after his appointment, the new party Chairman started to rally his forces for the referendum on 2 June.

2.3. The Referendum Campaign

In some respects the referendum campaign on the Maastricht Treaty of 1992 was different from previous campaigns in 1972 and 1986, as there was almost consensus between the established parties. First, the political parties advocating a yes in the referendum, with the support of both employers' and workers' organizations, together represented almost the whole political and administrative elite. Second, in 1992 the proponents had to convince the electorate about the virtues of closer economic and political integration within EU, while the opponents claimed to have told the truth in the past about the sliding slope towards the United States of Europe. The character of the 1992 campaign prompted the emergence of a number of new elements.

2.4. The Political Parties

The Conservative Party was traditionally pro-European, although in a pragmatic and minimalistic way. It believed in the nation-state as the main actor in international politics and rejected any federal tendencies in the EC. The Maastricht Treaty was endorsed by the

³⁰² Ritt Bjerregaard, 'Sådan omtrent ligger landet', *Politiken*, 26 January 1992.

³⁰³ Poul Albret, 'Auken er færdig', *Information*, 17 March 1992. Poul Albret, 'Auken og Nyrup: Intet kup', *Information*, 18 March 1992. Lasse Ellegaard, 'Karaktermord på Slotsholmen', *Information*, 21-22 March 1992. Henning Olsson, 'Nyrup kronet', *Politiken*, 12 April 1992. Poul Albret, 'Vi vil se tårer', *Information*, 14 April 1992.

party, not because it was another step towards an ever closer union, but because of the external necessity prompted by the peaceful revolution in central and eastern Europe and the breakup of the Soviet Union. The strengthening of the intergovernmental aspect of the Treaty in terms of more power to the European Council and the Council of Ministers, and the introduction of subsidiarity were deemed positive.³⁰⁴ In 1992 Poul Schlüter expressed the view that the prospects of a United States of Europe, which he opposed, had gone away in the mid-1980s, and that the Maastricht Treaty was a strengthening of Charles de Gaulle's vision of *l'Europe des patries*.³⁰⁵ His views reflected a tendency in the Conservative Party, which had emerged in parallel with attempts to regulate social policy and workers' rights on a European level and to introduce matters of political integration such as defence, immigration policy and monetary and economic policy. The party was in favour of safeguarding national sovereignty and values against the interference of Brussels and over-rigid regulation. A number of Conservative MPs, including the Finance Minister, Henning Dyremose, criticized the single currency and plans for a European defence. The criticism of European integration increasingly took the shape of a traditional right-wing ideology stressing the need to safeguard national sovereignty and the symbols attached to it.³⁰⁶

Paradoxically, the Conservative Party was increasingly at odds with the 'pro-integrationist' Liberal Party over Danish EC policy, while sharing many arguments with Euro-sceptic Social Democrats, in particular over the rejection of WEU membership, participation in the third stage of EMU, and interference in Danish society by an over-zealous Brussels administration. The Conservative Party's campaign advocated a yes to the Maastricht Treaty, but with much less zeal than its coalition partner.³⁰⁷

With its outspoken leader, Foreign Minister Elleemann-Jensen, the Liberal Party had firmly

³⁰⁴Poul Schlüter, 'Skal vi sige farvel til EF efter tyve fremgangsrike år?', in Jens Stubjær (ed.), *Meninger om Danmark og EF-unionen*, Forlaget Aktuelle Bøger, Copenhagen, 1992, pp. 20-30.

³⁰⁵Poul Schlüter, 'Schlüter: Unionen er stadigt stendød', *Politiken*, 30 May 1992.

³⁰⁶Hans Drachman, 'EF-motstanden skifter side', *Politiken*, 23 June 1992.

³⁰⁷Michael Kristiansen. 'Det måtte blive et nej', *Weekendavisen*, 4 June 1992.

placed itself as one of the most pro-European political parties and one of the few to endorse a federal development of the Community. The party's consistent support of EC integration attracted pro-European voters with the result that the Liberal Party enjoyed their support for an active pro-European policy. Uffe Ellemann-Jensen stressed in strong words the necessity for a small country like Denmark to ratify the Maastricht Treaty, because of the dramatic developments in central and eastern Europe and the Soviet Union and threats of social and political unrest, the necessity to maintain Denmark's influence in the process of building a future European structure, and because of accession of the Nordic applicants. The Foreign Minister took the lead in the debate on WEU, arguing that it was both Denmark's duty and in its interest to become a member, and fulfil, as he saw it, the obligations of Union membership.³⁰⁸ The personal style of the Foreign Minister, and his forthrightness on issues such as defence, attracted a great deal of criticism from some Social Democrats and members of the Socialist People's Party, as it was seen as breaking with the convention of advocating a minimalistic and *status quo* position with regard to European integration.³⁰⁹

The Radical Liberal Party left the government coalition in December 1990 after losing three seats in the election. The party's views on the EC were traditionally close to the Social Democratic Party, and this pattern was repeated with the Maastricht Treaty where the two parties shared similar views on some key issues. The Radical Liberals' strongest opposition followed its traditional neutralist leaning and was directed against a European defence policy and the WEU, but it accepted the provisions on the eventual framing of a common defence policy and the declaration of the WEU. Niels Helveg Petersen was

³⁰⁸Uffe Ellemann-Jensen, 'Denmark og det nye sikkerhedspolitiske landskab', *Information*, 12 February 1992. The Foreign Minister took the unusual step for a Danish minister of advocating a new and stronger political architecture in Europe in the international press. See, for example, Uffe Ellemann-Jensen, 'La proposition du Denmark', *Le Monde*, 18 April 1991; Uffe Ellemann-Jensen, 'New World Order requires wider and deeper EC', *Financial Times*, 25 April 1991; and interview in *International Herald Tribune*, 'European View: 'Better lives for All'', 9 December 1991.

³⁰⁹View expressed in an interview in Copenhagen, 21 October 1993.

also vocal in his rejection of a federal vision for the Community.³¹⁰ The Radical Liberals supported the Maastricht Treaty because it represented a step in the right direction with regard to the environmental policy and the policy of openness with the introduction of the Ombudsman institution. The party was generally positive towards EMU. Most important for the party, however, was the importance for a small country like Denmark of being part of the shaping of European politics and the prospect of Union enlargement to the Nordic countries.³¹¹

The small right-wing parties, the Centre-Democrats and the Christian People's Party, voted in favour of ratification together with the government parties, the Radical Liberals and the Social Democrats. On specific aspects of the Maastricht Treaty, however, the parties' opinions differed: while the Christian People's Party welcomed the retention of the intergovernmental cooperation in the second and third pillars, emphasizing the importance of the nation-state, and rejected the introduction of a European defence dimension, it was satisfied with strengthened integration with regard to social, environmental and development policies; meanwhile the Centre-Democrats, who together with the Liberals were the only party supporting European integration *per se*, had wanted the Danish Memorandum to go further, advocating Danish participation in the third stage of EMU and closer political integration, and adopting an open attitude to a European defence policy.³¹²

During the period from the SEA to the Danish Memorandum, the Social Democratic Party had undergone a significant shift in relation to the EC (see earlier discussion). The change, however, was not homogeneous.

³¹⁰ Niels Helveg Petersen, *Folketingstidende*, 5 December 1991, cols. 3367-3371. Niels Helveg Petersen, 'Europa e ikke USA', *Politiken*, 24 July 1991.

³¹¹ Niels Helveg Petersen, *Folketingstidenden*, first reading of the ratification act, 17 March 1992, cols. 7783 onwards. Niels Helveg Petersen, 'Hvordan vi kan bruge vor indflydelse på Europa-samarbejdet', in Stubkjær (ed.), *Meninger om Danmark og EF-Unionen*, pp. 79-84.

³¹² Peter Dueftoft, *Folketingstidende*, 25 October 1990, cols. 1042-1049. Erhard Jakobsen, *Folketingstidende*, 5 December 1991, cols. 3356 onwards.

First, it was primarily the 1971 generation which opposed membership in 1972 and the SEA in 1986, that had become more pro-European. The older generation, which negotiated the accession in 1972 and had been ready to accept the SEA in the autumn of 1985, maintained its pragmatic and minimalistic EC policy. The Maastricht Treaty, however, with the introduction of EMU and PU, went against its traditional positions. Ivar Nørgaard, the leading spokesman of Danish EC policy until the referendum in 1986, did not support the Maastricht Treaty's political dimension, nor the third stage of EMU. He felt bound to the Social Democrats' 1972 promise to the Danish people that the party should veto any development towards EU.³¹³ The Euro-sceptic Social Democratic MPs were brought in line with the party by a compromise in regard to the Danish Memorandum, with the result that the party's positions on a future defence dimension gradually hardened (although the party accepted the formulations in the Maastricht Treaty because of the prospect of accession by some neutral EFTA states) and feelings towards the third stage of EMU which had originally had been quite positive (in the Memorandum) became negative.

Second, the distance between the primarily Euro-positive top level and the still Euro-sceptic party faithful remained considerable which made the party elite's understanding of the feelings towards EU at the grassroot level all the more difficult.

The Progress Party traditionally supported Denmark's EC membership and favoured the SEA and the internal market. The reason the party decided to oppose the Maastricht Treaty was founded in its ideology, which rejected political intervention and administrative regulation, while advocating a free market economy and the individual's freedom of choice. In its view the Community was wrong to introduce European-wide regulation in the environmental and social areas, to strengthen economic and political integration, and to insert a reference to a future European defence. The Community, it argued, should remain an internal market without detailed regulation and political integration.³¹⁴ The Progress Party adopted an increasingly nationalist rhetoric as threats

³¹³Lars Olsen, interview with Ivar Nørgaard, 'Denmark skal ikke bare føre tilpasningspolitik, *Information*, 29 June 1991.

³¹⁴Annette Just, *Folketingstidenden*, 5 December 1991, cols. 3357-3361.

to Danish values, identity, independence and sovereignty were used as arguments against EU and interference from Brussels.³¹⁵

The Socialist People's Party, which had opposed Denmark's EC membership since the 1960s, warned against the integrationist logic which would, it believed, in time lead to the United States of Europe. After the SEA referendum, the Socialist People's Party had come to accept Denmark's membership of the Community, but it was still strongly opposed to further European integration. In the autumn of 1991, the Socialist People's Party had officially deleted the demand for Denmark's withdrawal from the EC in the political programme. In the same year Holger K. Nielsen³¹⁶ was elected new Party Chairman in close competition with Sten Gade, spokesman on EC Affairs, who had started a reform of the party's EC policy.³¹⁷

The party advocated a new European structure, which included the EFTA countries and the central and eastern European countries, built on a high degree of integration in areas such as culture, environment, social policy, commercial interaction and foreign policy. The main reason why the party rejected the Maastricht Treaty was because it excluded other European countries by introducing an integrated framework of economic and political integration in the form of EMU, CFSP and the defence dimension, and because it did not do enough in areas such as social and environment policies, openness of the Community decision-making process and in assisting developing countries.³¹⁸

³¹⁵Bo Andersen (ed.), *Fri som fugeln - i et bur*, Forlaget Liberty, Copenhagen, 1993.

³¹⁶Holger K. Nielsen, born 1950, Official at the European Parliament 1979-81, MP for the Socialist People's Party 1981-84 and since 1987, Member of the Socialist People's Party's Executive Committee 1976-79 and since 1984, Chairman of the party since 1991.

³¹⁷Poul Albert, interview with Sten Gade, 'SF: Ånden fra 1972 er ikke død', *Information*, 19 May 1992. In this article Sten Gade states that his party wants to reform the EC and its integration process to be open to all European countries and to go much further in some areas.

³¹⁸Sten Gade, 'Åbent Europa nu!', *Information*, 27 June 1991. Sten Gade, *Folketingsstidende*, 5 December 1991, cols. 3350-55.

2.5. The Social Partners

Danish industry favoured the Maastricht Treaty and took part in the campaign advocating a yes in the referendum of 2 June. It had presented its views in 1990, advocating strongly in favour of EMU, deeper political integration and more effective decision-making and implementation of Community legislation. It warned against too much bureaucracy, an unnecessarily cumbersome legislative process and wanted a more open attitude towards other European countries.³¹⁹ Although some voices in the business community were raised against the social dimension, over-regulation and Brussels bureaucracy, the business organizations invested both money and effort into the campaign. The joint campaign of the Federation of Danish Industries, Danish Metal and the European Movement attracted much public attention. It was the first time that two organizations representing opposing sides in the labour market had decided to cooperate on an issue of this magnitude. The result was not altogether positive: when analysing the outcome of the referendum, the organizations realized that their unusual cooperation had been interpreted by some Danes as a plot by the organizational elite to promote their own interests.³²⁰

The labour movement had become increasingly active in EC policy-making both on European and Danish levels since the introduction of the internal market programme. As an increasing number of decisions related to the labour market were being taken within the EC framework, the labour movement gradually realized it had to be part of the decision-making process to safeguard the interests of its members. It also strove to counterbalance the influence of southern member states' trade unions, which were striving towards labour market policies regulated by law, while the Danish trade unions favoured their traditional self-regulating system where the social partners agreed on workers' conditions through negotiation.

On the question of deeper economic and political integration as in 1972 the trade unions were split, although to a lesser degree. The Confederation of Danish Trade Unions which had close consultations with the Social Democratic Party before and during the

³¹⁹*The EC Way after 1992: Danish Industry's Wishes for the Future EC*, Federation of Danish Industries, Copenhagen, September 1990.

³²⁰Interview with representatives of Danish Metal, 24 February 1993, and of Federation of Danish Industries, 21 October 1993.

IGCs, endorsed the Maastricht Treaty and recommended a positive vote in the referendum.³²¹ Danish Metal (see above) campaigned vigorously for a positive outcome. Two other big trade unions, representing office and shop workers and specialized workers, had problems in adopting a position on the Maastricht Treaty. In both cases the leaderships were in favour and the executive councils advocated a positive vote in the referendum, but because of opposition from a substantial number of branch organizations neither of the two trade unions could adopt an official policy in favour of the Maastricht Treaty.³²²

2.6. Other Actors

The People's Movement against the EC had been dominating the popular movement since the 1960s, holding four seats in the European Parliament and influencing both the voters and political parties. After the referendum in 1986, the People's Movement against the EC gradually lost influence over the debate as the Danish population's endorsement of EC membership had undermined its *raison d'être*. At the end of the 1980s and the beginning of the 1990s, a new phenomenon emerged with the appearance of a number of popular movements, pleading opposition against political integration, mostly in the shape of EU, but not against membership of the EC as such. The new movements ranged over the whole political spectrum, contrary to the previous concentration to the left.

Denmark'92 was founded in December 1991 by EC opponents, some from the People's Movement against the EC, on the grounds that the latter alone could not secure a rejection of EU. Denmark'92 rejected EU and thereby the Maastricht Treaty claiming it was the wrong framework for the new Europe, and that it excluded the EFTA states and the newly democratized countries in central and eastern Europe. EU, they argued, with EMU, a European defence and an ever increasing centralization was designed one day to become a superpower in which Denmark would lose national independence and sovereignty. In their opinion, it was impossible to create a democratic system among the

³²¹ *Fagbevægelsen og arbejdsmarkedet i EF: Den sociale dimension efter topmødet i Maastricht 1991*, Landsorganisationen, March 1992. Interview at the Confederation of Danish Trade Unions, 29 October 1993.

³²² Erik Meier Carlsen, *Plads for dem alle?*, pp. 127-8. Interview at the Specialized Workers' Union (SiD), 26 October 1993.

340 million people, and, therefore, in the name of democracy Denmark should reject the Maastricht Treaty. Denmark'92 appealed to those who feared that EU would wipe out Danish democratic and societal values, and to the popular discontent with the effectiveness and justness of the existing Community.³²³

The Trade Union Movement against the Union (*Fagbevægelsen mod Unionen*) was founded in July 1991, composed of trade unions, workers at large industries and individual branches. Its influence was strongest among workers employed in the public sector.

Popular discontent with European integration to the centre and right of the political spectrum was seized on by two movements against EU, Charter 92 (*Frihedsbrev 92*), and Necessary Forum (*Nødvendigt Forum*). The former was composed of a number of right-wing intellectuals who pledged to safeguard the Danish nation-state and its symbols against further integration. The latter was founded in December 1989 with the objective of informing the Danish people about the economic and political union and safeguarding Danish democracy.³²⁴

In view of the referendum campaign the People's Movement against the EC, Denmark'92 and Necessary Forum formed No to the Union (*Nej til Unionen*) to better influence the population.³²⁵

In the 1992 campaign there were some incidents of external commentators whose remarks were widely reported in the press and influenced the debate: for example Danes working in the EC institutions, in particular, Niels Ersbøll, Secretary General of the Council's Secretariat, and Commissioner Henning Christophersen whose warnings of mass unemployment if Denmark rejected the Maastricht Treaty were dismissed as scare-

³²³Drude Dahlerup, 'Min vision for Europa er anderledes end den, Unionen lægger op til', in Stubkjær (ed.), *Meninger om Danmark og EF-Unionen*, pp. 100-112.

³²⁴Arne Hardis, 'Nej'ets mange ansigter', in Jens Maigård (ed.), *Under Bekvemmelighedsflag: En kritisk analyse af Folkebevægelsen mod EF og JuniBevægelsen*, Fiskers Forlag, Fredriksberg, 1993, pp. 13-9.

³²⁵Lene Torp Carlsen, 'Nu kommer Unions-kampagnen', *Information*, 19 May 1992.

mongering.³²⁶ The Commission President Jacques Delors's remarks on the institutional structure of an enlarged EU also had a considerable negative effect on the opinion polls in Denmark.³²⁷ Although Danish newspapers afterwards admitted that Jacques Delors had been wrongly quoted, his remarks gave rise to a suspicion about the true objectives of EU and were readily exploited by the opponents of the Maastricht Treaty.³²⁸

2.7. *The Outcome of the Referendum on 2 June 1992*

Contrary to the political and administrative elite's expectations of a positive outcome, the Danish population rejected the Maastricht Treaty by a narrow margin (49.3 per cent in favour and 50.7 per cent against, with a participation rate of 83.1 per cent).³²⁹ The outcome was at first interpreted as a vote of no confidence by the population in the parliamentary majority and was accepted as such by the politicians themselves.³³⁰ Most influenced by the popular rejection was Foreign Minister Ellemann-Jensen, who had invested much personal prestige in the campaign, and the Social Democratic Party with its new leader as only 34 per cent of its voters had endorsed the party's recommendation.³³¹ The Liberal Party's voters, however, had supported the leadership's recommendation (85 per cent voted in favour) as did the Conservative Party's (82 per cent voted in favour), the Centre-Democrats' (75 per cent voted in favour), as well as the Socialist People's Party's supporters (94 per cent voted against) and the Progress Party's

³²⁶Per Knudsen, 'Vor mand i Bruxelles', *Information*, 30-31 May 1992.

³²⁷See Torp Carlsen, 'Nu kommer Unions-kampagnen', *Information*.

³²⁸Lars Olsen, 'Bag om Delors' "chock"-planer', *Weekendavisen*, 14 May 1992.

³²⁹Extract from the announcement of the Home Office concerning the result of the referendum on 2 June 1992, quoted in Petersen and Thune (eds.), *Dansk Udenrigspolitisk Årbog 1992*, Jurist og Økonomiforbundets Forlag, 1993, p. 351.

³³⁰Solveig Rødsgaard, 'Vælgernes mistillidsvotum', *Weekendavisen*, 4 June 1992. Views also expressed during interviews on 23 February and 3 November 1993.

³³¹Jens Henrik Haahr, *Folkeafstemningen 2. juni 1992 om dansk ratifikation af Maastricht-traktaten: En analyse af udfaldet og dets baggrund*, Institute of Political Science, University of Århus, Århus, 1992, table 3. Similar results are shown in Hans Jørgen Nielsen, 'The Danish Voters and the Referendum in June 1992 on the Maastricht Agreement', in Kelstrup (ed.), *European Integration and Denmark's Participation*, pp. 365-80, table 1.

(82 per cent voted against). Apart from the Social Democratic voters, only the Christian People's Party voters disagreed with the party's recommendation rejecting the Maastricht Treaty (69 per cent voted against). Regarding the Radical Liberal Party the studies showed different results, but on average about 50 per cent endorsed the party's recommendation.

The authors of an analysis of the referendum assumed that the reason why the population voted against the EC was determined by their perception of the Community as either a political or an economic phenomenon. Their analysis showed that in 1992, for the first time, a political definition (not economic) of the EC dominated the public debate. At the same time, the voters felt they had no grasp on the consequences of EU. As politicians and other commentators argued that the Maastricht Treaty was primarily of a political nature, not economic, the population's fundamental opposition (see table 1) towards deeper European integration became decisive for the outcome of the referendum.³³² The study established that of those who voted in favour of the Maastricht Treaty the reasons were that Denmark would not manage without the EC (44 per cent), for general economic advantages (19 per cent), or they did not know why (26 per cent). Those who voted against stated factors such as loss of sovereignty (43 per cent), opposition to the vision of EU (14 per cent), a European defence policy (13 per cent) or EC interference in Danish law-making (11 per cent).³³³ On the basis of this study, Nikolaj Petersen concluded that it was difficult to substantiate convincingly the theory of a democratic revolt against the political establishment. He argued that it was more plausible that the voters rejected the Maastricht Treaty because they were opposed to important aspects of it. To clarify this, he referred back to one finding of the previous study, showing that out of ten aspects of the Treaty only four were accepted by a majority or a plurality: the breakdown of trade barriers (61 per cent); the internal market (59 per cent); EMU (45 per cent); and economic and social cohesion (42 per cent). Other, mostly political aspects of the Treaty were rejected by a majority or a plurality: common foreign policy (36 per cent in favour); a European defence policy (37 per cent in favour); a single currency (35 per cent in favour); the social dimension (33 per cent in favour), the vision

³³²Karen Siune, Palle Svensson and Ole Tonsgaard, *Det blev et nej*, Forlaget Politica, Århus, 1992, see, in particular, chapter 3, quotes from pp. 78 and 86-7.

³³³Siune, Svensson and Tonsgaard, *Det blev et nej*, table 7.10, p. 93.

of a United States of Europe (23 per cent in favour); and a Union citizenship (15 per cent in favour).³³⁴

A Danish MP expressed similar views stressing that the population had been very consistent in its position towards European integration: in the referendum of 1986, the population had endorsed the SEA because it was in favour of economic integration; while in 1992, the population rejected the Maastricht Treaty because it was perceived to be about political integration. The mistake of the political and administrative elite was that, while becoming pro-European itself, it had failed to recognize that popular opinion had not developed in parallel.³³⁵

Part 2. The Route Towards the Edinburgh Agreement

III. Finding a Solution to the 'Danish Problem'

1. After 2 June 1992...

Many commentators in Denmark have described how the result of the referendum on 2 June came as a complete surprise to the political and administrative establishment, plunging Denmark into its deepest political crises for more than 40 years. What softened the blow was the show of sympathy from most EC member states which, to the surprise of some groups in Denmark, quite quickly seemed to accept the necessity for a pragmatic solution to the problem: Denmark was not going to be thrown out of the EC as some pro-European politicians had warned during the campaign.³³⁶

³³⁴Nikolaj Petersen, *"Game, Set and Match": Denmark and the European Union from Maastricht to Edinburgh*, Institute of Political Studies, University of Århus, Århus, January 1993, pp. 7-8. See also Siune, Svensson and Tonsgaard, *Det blev et nej*, table 6.3, p. 74.

³³⁵Interview in Copenhagen, 3 November 1993.

³³⁶View expressed during interviews with policy-makers in Copenhagen in February, October and November 1993. See also Lars Olsen, 'Den stenede vej til Europa', *Vandkunsten*, and Nikolaj Petersen, *"Den rette forhandlingsstrategi for Danmark": Danmark og den Europæiske Union efter 2. juni*, Institute of Political Science, Århus University, Århus, August 1992. Initial reactions in some member states, however, were much less understanding, as some political leaders took a tough stance on pressing ahead with ratification. Denmark, whose predicament had a direct influence in the British debate over Maastricht, found an ally in the British Prime Minister and Foreign Minister who

At the EC Foreign Ministers' meeting in Oslo on 4 June, Uffe Ellemann-Jensen supported a declaration which called the other member states to continue their ratification according to the timetable, excluded any renegotiation of the Treaty, but left the door open for Denmark.

The Foreign Ministers' position on the Danish rejection was endorsed by the European Council in Lisbon on 26-27 June 1992, which confirmed that the timetable for ratification should continue as planned and linked the official opening of accession negotiations to the adoption of the Treaty. The incoming British Presidency adopted a wait-and-see policy to let Denmark decide how to handle the crisis.³³⁷

The EC Foreign Ministers' decision not to speculate on a second Danish referendum, or allow a renegotiation of the Treaty, was in accordance with the wishes of the Danish Foreign Minister and the Foreign Ministry. Their initial strategy was to adopt a low profile, hoping that public discontent in other EC member states would lead to the adoption of policies of nearness and openness, and on this basis ask the Danish population again to accept the Treaty with the knowledge of other countries' determination to press ahead without Denmark. The Foreign Minister did not want Denmark to acquire a special status within EU which would resurrect its position from the 1970s and early 1980s as a 'footnote' country.³³⁸ The Foreign Minister's support of the joint declaration of the Oslo meeting and his refusal to demand a renegotiation for Denmark upset the anti-EC groups, in particular the Socialist People's Party which had specifically called for the government not to renounce this option.³³⁹ The Foreign Minister's position, however, had no support in the Conservative Party, nor in the Social Democratic or Radical Liberal Parties. He was forced to give up the hard line during the summer, when it became clear that the Social Democrats would not give their support to a second referendum unless there was an

urged the EC member states to take a softer stance. See *Financial Times*, 'EC vows to ratify Maastricht', 4 June 1992; and *The Guardian*, 'EC puts brave face on snub', 4 June 1992.

³³⁷ *Europe*, Special Edition, No. 5760. 28 June 1992, pp. 1-4.

³³⁸ Lars Olsen, 'Den stenede vej til Europa', *Vandkunsten*.

³³⁹ John Iversen, *Det Nationale Kompromis. Danmark og det nye Europa*, SP-forlag, 1993, p. 20.

agreement between Denmark and its EC partners on a special status for Denmark, including defence and the single currency. As the Conservative Party shared this view, Uffe Ellemann-Jensen was forced to adopt a more accommodating position.³⁴⁰

After 2 June, the groups opposing the Maastricht Treaty faced a difficult situation. For the first time they had 'won' a referendum on the EC, but with the victory came also the responsibility of finding a solution to Denmark's future relations with EU, especially as no group any longer directly advocated Denmark's withdrawal from the EC. The People's Movement against the EC, together with other popular movements against the EC/Union, called on the government to include them in a round table discussion on the basis of their declaration of May 1992 on the conditions for negotiating with the EC in the event of a rejection.³⁴¹

The Socialist People's Party, which had published its conditions for a renegotiation on 11 May, presented them to the Prime Minister's EC-crisis committee.³⁴² The conditions were based on Denmark's exclusion from some provisions which, as the party saw it, were directly part of the development towards EU: the realization of EMU; the provisions on a common defence policy, including the link between the Union and WEU, and decision-making by majority voting in the CFSP; the provisions on the Union citizenship; a supranational judicial cooperation; and the common provisions for EU (the transept).³⁴³

For the Social Democrats, especially the new party leader, the consequences of the negative outcome of the referendum were problematic. They agreed that a solution must contain substantial changes to Denmark's relation to the EC to respect the popular rejection of the Maastricht Treaty, but that it must maintain Denmark's participation in areas important to the party, such as economic cooperation, foreign policy, environmental policy and the social dimension.³⁴⁴ The dividing lines within the party were between Ritt

³⁴⁰ Lars Olsen, 'Den stenede vej til Europa', *Vandkunsten*.

³⁴¹ Niels Rohleder, 'Motstandere vil møde Schlüter', *Information*, 4 June 1992.

³⁴² Lars Olsen, 'SFs svære EF-plan', *Weekendavisen*, 1 May 1992. Lars Olsen, 'Hvis Danmark stemmer nej...', *Weekendavisen*, 22 May 1992.

³⁴³ John Iversen, *Den Nationale Kompromis*, p. 17 and 20.

³⁴⁴ Lars Olsen, 'Den stenede vej til Europa', *Vandkunsten*.

Bjerregaard, as newly appointed President of the European Movement, and the pro-European part of the labour movement on one side, and the Euro-sceptic MPs, represented by Sven Auken and Ivar Nørgaard on the other.³⁴⁵ The party leadership, closer to the pro-European wing of the party than the Euro-sceptic, was aware of the danger of showing a divided front at the party congress in September which aimed at adopting an official Social Democratic position. In consultation with the government, especially the Prime Minister and the Foreign Ministry, the Social Democratic executive committee was able to unite around a compromise which satisfied all sides, but which was still quite close to the party leader's more pro-European opinion.³⁴⁶

The Social Democratic congress of 9-13 September 1992 adopted a resolution which on several points was similar to the Socialist People's Party's conditions for negotiation. The resolution stressed that Danish EC policy in the future should be consistent in its respect for the referendum result and distanced from a Union leading to the United States of Europe. The resolution spelled out the conditions for a special status for Denmark in EU:

Denmark rejects membership of WEU, Denmark shall remain outside any common defence (policy) within the framework of the EC; Denmark remains outside the single currency and the attached conditions regulating economic policy (the third phase of EMU); Denmark shall not be bound to the Union citizenship, while maintaining the provisions on the right for EC citizens to stand and vote in local elections and introduce the same right in elections to the European Parliament; and it should be established that Denmark will not transfer asylum and police cooperation to the EC. In these areas, only intergovernmental cooperation will prevail in which Denmark wishes to participate.³⁴⁷

³⁴⁵ Jens J. Krogh, 'Ritt vil have et ja', *Det Fri Aktuelt*, 22 June 1992. Annegrethe Rasmussen, 'Syv bud på Danmarks fremtid i EF', *Information*, 20 August 1992. Ole Lorenzen, 'Unionstanken helt død', *Det Fri Aktuelt*, 9 September 1992. Solveig Rødsgaard, 'Regeringen fredet', *Weekendavisen*, 12 June 1992.

³⁴⁶ Interview in Copenhagen, 22 October 1992

³⁴⁷ Quoted in John Iversen, *Den Nationale Kompromis*, pp. 23-4.

The Socialist People's Party was satisfied that the Social Democrats had chosen to adopt a position so close to their own, although the content and wording in their statement dispelled a much tougher stance. On 26 September, the Socialist People's Party leader, Holger K. Nielsen, invited all parties willing to form a national compromise respecting the popular rejection of the Maastricht Treaty to find a solution to Denmark's future relations with the EC on the basis of Denmark remaining a member.³⁴⁸

1.1. The National Compromise

The Social Democratic Party, which had doubts whether the Socialist People's Party would maintain its position as a responsible negotiating partner, also knew that the latter had to be part of any official negotiations with the EC member states for negotiations to be seen as representing a majority view in the population. For the Socialist People's Party, to be part of an agreement constituted both a challenge to its deeply rooted traditionally hostile position towards European integration and a unique possibility to prove itself a reliable coalition partner to the Social Democratic Party. The party leader wanted to show that with his rise to power, the Socialist People's Party had become a fully-fledged coalition partner, and hoped that by convincing the Social Democrats, the two parties could ultimately form government.³⁴⁹

At the beginning of October 1992, the Socialist People's Party and the Social Democratic Party embarked on a series of confidential consultations. On Social Democratic insistence they were soon joined by the Radical Liberal Party, which on 20 September had adopted a resolution on similar lines. Together these parties constituted a majority in the Folketing.

Despite similarities in the declarations, there were important differences between the Socialist People's Party and the Social Democratic Party with regard to the formulation of the conditions guiding an agreement with the EC. The Socialist People's Party called for a new IGC to consider the conditions necessary for a solution and rejected the signing of the Maastricht Treaty. They proposed that amendments to the

³⁴⁸Poul Albert, interview with Holger K. Nielsen, 'Den mest ombejlede mand', *Information*, 26 September 1992.

³⁴⁹Interview in Copenhagen, 2 November 1993.

Treaty should be laid down in legally binding texts, not restricted in duration, and that Denmark's special status should be open to future member states which might wish another form of association to EU. New areas, such as openness and democracy in the decision-making system, nearness, improved actions for the environment and the maintenance of the Danish collective bargaining system should be stipulated in binding provisions.³⁵⁰ The Social Democrats, meanwhile, supported by the Radical Liberals, wished to leave open the question of signing the Maastricht Treaty, the legal value, duration and form of an agreement with the other EC member states and did not demand a renegotiation of the Treaty. The Social Democrats managed to convince the Socialist People's Party to accept a formula which could constitute an acceptable negotiation basis for all parties involved.³⁵¹

During the early autumn of 1992, the Foreign Ministry had elaborated a white paper on Denmark and the Maastricht Treaty on the Foreign Minister's initiative.³⁵² The white paper, published on 9 October, provided the basis for an internal debate on Denmark's future relation to EU. Although presenting a number of possible solutions to the 'Danish problem', it did not preclude any internal political negotiations by stating the government's preferred option.

1.2. The Birmingham European Council

Danish politicians had the possibility of sounding out the positions of the other member states at the extraordinary European Council meeting in Birmingham on 16 October 1992, which aimed to address the problems of the ratification process, give new impetus to the Maastricht ratification process and sooth widespread opposition among EC citizens. The meeting was preceded by intense diplomatic activity between the Danish government and political parties, in particular the Social Democratic Party, and the UK, Germany and to

³⁵⁰Quoted in John Iversen, *Det Nationale Kompromis*, pp. 22-3.

³⁵¹Poul Albert, 'På vej mot nationalt kompromis', *Information*, 22 October 1992. The Socialist People's Party negotiating team, party leader Holger K. Nielsen, EC Affairs Spokesman Sten Gade, and MEP John Iversen took judicial advice from professor Hjalte Rasmussen (interview 25 October 1993).

³⁵²*Hvidbog om Danmark og Maastricht-traktaten*, Udenrigsministeriet, Copenhagen, October 1992.

some extent France.

Before the European Council the three parties negotiating the National Compromise, during a meeting in the Market Committee, obliged the Danish Prime Minister to present an initial negotiating platform to the European Council. The platform was composed of the headings of the congress resolutions from the Social Democratic and Radical Liberal Parties, and option 5.7 of the government's white paper which stipulated a special status for Denmark on the basis of a ratification of the Maastricht Treaty whose content and form should be negotiated between Denmark and its EC partners.³⁵³

At the Birmingham European Council, the unaccommodating attitude towards Denmark from the Lisbon European Council had softened considerably, as European political leaders had to admit that events since June had shown that Danish popular discontent towards the Maastricht Treaty was not an isolated phenomenon. The Heads of State and Government adopted a declaration in which they pledged to make the Community more open and accountable to its citizens, respect the culture, history and traditions of individual nations, clarify and respect the principle of subsidiarity and strengthen its democratic dimension.³⁵⁴ In the Presidency conclusions, the European Council 'noted the Danish white paper and welcomed the Danish government's intention to present within the next few weeks ideas on the way forward'.³⁵⁵

On 22 October, the Social Democratic Party, the Radical Liberal Party and the Socialist People's Party presented the National Compromise. Although informed about the negotiations, the government parties had not been included and were given no real possibility to influence. As it would have been politically unthinkable to reject the National Compromise as Denmark's official negotiation position, the government decided

³⁵³ Hilary Barnes, 'Danes seek opt-outs from Maastricht', *Financial Times*, 16 October 1992. Jens Maigård, 'EF og S, RV og SF', *Information*, 15 October 1992. *Hvidbog om Danmark og Maastricht-Traktaten*, p. 195.

³⁵⁴ Quoted in *Financial Times*, 'Declaration seeks 'a community close to its citizens'', 17-18 October 1992.

³⁵⁵ Reproduced in Petersen and Thune (eds.), *Dansk Udenrigspolitisk Årbog 1992*, pp. 358-9.

to accept the texts after some small amendments.³⁵⁶ The National Compromise was unique in that the government was *de facto* excluded from shaping Denmark's position in regard to such a politically important issue as the negotiation position on Denmark's future in the Community. Uffe Ellemann-Jensen did not conceal his displeasure with the text, but decided together with the Prime Minister, who was less opposed, to give it their support.³⁵⁷ On 27 October 1992 all parties in the Folketing, except the Progress Party, agreed to adopt a document, on the basis of the National Compromise, with the title 'Denmark in Europe' to serve as a negotiating basis in the deliberations in view of the European Council meeting in Edinburgh, from 11-12 December 1992.

The document 'Denmark in Europe' set out a series of general statements on future objectives of the EU, followed by specific statements about Denmark's wishes as a member, such as strengthening the role of national parliaments and controlling functions of the European Parliament, that future EC legislation as far as possible be based on framework directives and that the social dimension be adopted with provisions for minimum standards, that the principle of nearness be strengthened and endowed with concrete content, and, finally, that the internal market be maintained and strengthened, as well as the fight against unemployment being the cornerstone in economic cooperation. The document spelt out Denmark's conditions to ratify the Maastricht Treaty, the basic principle being that Denmark was bound to the result in the referendum, and therefore any agreement should be qualitatively different from the Treaty. In relation to the vision of EU, Denmark stressed that European cooperation was composed of nations which had decided by free will to conduct jointly some of their competences. In this context, Denmark's participation in EU necessitated that the following principles be agreed:

- (1) Denmark refrains from participating in the defence dimension, including membership of WEU and a common defence policy or a common defence; (2) Denmark refrains from participating in the single currency and the conditions

³⁵⁶Nikolaj Petersen, 'Denmark og Den Europæiske Union: Fra regeringsmemorandum til Edinburgh-afgørelse', in Petersen and Thune (eds.), *Dansk Udenrigspolitisk Årbog 1992*, pp. 80-99. Lars Olsen, 'Den stenede vej til Europa', *Vandkunsten*. Solveig Rødsgaard, 'Holger og konen siger nja til unionen', *Weekendavisen*, 23 October 1992.

³⁵⁷Rødsgaard, 'Holger og konen siger nja til unionen', *Weekendavisen*.

relating to a common economic policy of the third phase of EMU. Denmark, however, remains a member of the EMS and participates in the second stage of EMU; (3) Denmark will not be committed to the Union citizenship, although it will respect its practical implications; (4) Denmark does not accept the transfer of sovereignty in judicial and police cooperation, but wants to participate on the present intergovernmental basis. Denmark therefore cannot support the transfer of some parts of the third pillar to the supranational first pillar; (5) as a consequence of these conditions, the vision of EU, as defined by the common provisions of the Maastricht Treaty, will not be applicable to Denmark in the areas mentioned.

The document finally specified that an agreement must be legally binding for all twelve EC member states and without a time limit. In exchange, Denmark pledged not to oppose other member states in progressing in any of the areas in which Denmark wanted exemptions. The final shape of the agreement should be decided by negotiation between Denmark and the EC member states. A last chapter stated Denmark's wish that accession negotiations with the applicant EFTA states, in particular the Nordic, be opened as soon as possible.³⁵⁸

1.3. Negotiations with the Other Eleven Member States

After the document 'Denmark in Europe' had been presented, the Prime Minister and the Foreign Minister engaged themselves in a diplomatic offensive to explain and convince other EC member states to accept Denmark's conditions.

When negotiating with the EC, Denmark had a strong card, not only concerning the ratification of the Treaty, but also due to the British statement that it did not wish to ratify before the 'Danish problem' was solved.³⁵⁹ It was therefore directly in the British interest to try to find a solution which was acceptable to all member states, using its position in the Presidency.

Danish politicians and the Foreign Ministry were aware that although support from

³⁵⁸The most important points of 'Denmark in Europe' are reproduced in Petersen and Thune (eds.), *Dansk Udenrigspolitisk Årbog 1992*, pp. 362-5.

³⁵⁹*The Guardian*, 'Major resists calls for fresh approach', 4 June 1992. David Marsh, 'Danes rule out short cuts to treaty accord', *Financial Times*, 1 September 1992.

the British Presidency was helpful, too close cooperation might be detrimental for Denmark. Efforts were made from the Danish side to secure German support for a special status, both because it was clear that without Germany's support no reticent member state would be won over, and to signal a deeper shift in Danish EC policy away from the traditional identification with an Atlantic orientation, as represented by the UK, towards a continental orientation represented by Germany. In the late 1980s Denmark had decided its political-strategic interest lay in good relations with Germany, and the two countries often shared policy interests within the EC framework, particularly in the social and environment areas.³⁶⁰

During the weeks before the decisive European Council meeting in Edinburgh on 11-12 December 1992, Uffe Ellemann-Jensen and Poul Schlüter conducted a tour around the EC capitals to win support for a solution to the 'Danish problem'. In parallel the Social Democratic party leader, Poul Nyrup Rasmussen, undertook a similar diplomatic offensive trying to explain Denmark's position, both to other Social Democratic and Socialist parties and to leaders from opposing political parties, for instance the British Prime Minister.³⁶¹

Many commentators in Denmark underlined the important role played by Niels Ersbøll, Secretary General in the Council's Secretariat and his *chef de cabinet*, Poul Skytte Christoffersen, in finding a text which satisfied both Danish and European negotiation partners.³⁶² One commentator in the Foreign Ministry pointed out that Niels Ersbøll's position was delicate as he could not be seen to help Danish politicians too much because of his position as a high European civil servant. On the other hand, he and his staff had the advantage of having an extensive knowledge of the Maastricht texts, from running the secretarial functions of the IGCs, and the internal political situation in Denmark. During the Edinburgh European Council, the efforts of the Council Secretariat were decisive in finding an acceptable solution.³⁶³

³⁶⁰ Lars Olsen, 'Dans mellem venner', *Weekendavisen*, 2 October 1992.

³⁶¹ Michael Seidelin, 'Den røde rose skyder knop', *Det Fri Aktuelt*, 7 November 1992.

³⁶² Interviews in Copenhagen, 21 October and 4 November 1993, and in Brussels, 23 February 1994. See also Erik Meier Carlsen, 'Den danske løsning', *Det Fri Aktuelt*, 2 December 1992.

³⁶³ Interview in Brussels, 23 February 1994.

At the beginning of December a solution was presented by the British Presidency which satisfied Denmark's conditions in those areas which had been most specifically pointed out. The most difficult problem, however, remained: to craft a solution which was legally binding without necessitating a renegotiation of the Maastricht Treaty. The Social Democrats were reportedly more open on this point than the Socialist People's Party, whose acceptance relied on the legal character of the agreement reached. Its leader, Holger K. Nielsen, was pressurized by Euro-sceptic groups in his own party, and the popular movements against the Union which hoped for a new Treaty, or a Treaty-based special status for Denmark.³⁶⁴ By agreeing on the National Compromise, the Socialist People's Party had already given up three conditions, renegotiation of the Maastricht Treaty, the exemption from the common provisions, and Denmark's special status being available for applicant European states. If the party was seen to be giving up further conditions an internal revolt was possible.³⁶⁵

On 10 December 1992 the Market Committee decided to give Prime Minister Schlüter and Foreign Minister Ellemann-Jensen a broad negotiation mandate in view of the European Council in Edinburgh. The mandate stipulated that any agreement should respect the conditions of the National Compromise and be conducted on the basis of the British Presidency proposal.³⁶⁶

2. The European Council in Edinburgh, December 1992

2.1. The Negotiated Solution

The European Council in Edinburgh, chaired by a very beleaguered British Presidency, had a number of serious problems to consider: the collapse of the ERM in September, the war in Bosnia, the worsening recession in Europe, and prospects of political instability and economic and social hardship in central and eastern Europe and the former Soviet Union. It had first to settle the issues left on the Maastricht agenda, the negotiations over

³⁶⁴ Erik Meier Carlsen, 'Den danske løsning', *Det Fri Aktuelt*, 2 December 1992. Hans Drachmann, 'Listige ord i EF-kompromis', *Politiken*, 4 December 1992. Erik Meier Carlsen, 'Holgers sværeste beslutning', *Det Fri Aktuelt*, 11 December 1992.

³⁶⁵ Erik Meier Carlsen, 'Holgers valg', *Det Fri Aktuelt*, 11 December 1992.

³⁶⁶ Ole Lorenzen 'Fire krav til Edinburgh', *Det Fri Aktuelt*, 11 December 1992. Michael Seidelin and Jens Langergaard, 'Nøgeln er dansk', *Det Fri Aktuelt*, 11 December 1992.

the Community's next five-year budget and the 'Danish problem'. A successful European Council was deemed essential to break the Community's deadlock over its future development and was therefore preceded by intense diplomatic consultation.³⁶⁷ British diplomats were reported to have linked all issues on the agenda into making the European Council 'an all or nothing summit'.³⁶⁸

Denmark's accession to the Maastricht Treaty was solved by a complicated structure where statements on openness and transparency, subsidiarity (nearness), enlargement and an initiative for economic recovery were stipulated in Part A of the Presidency conclusion and elaborated in annexes attached to them, while Denmark's special status was laid down in Part B, with a decision between the Heads of State and Government and four declarations (one by the European Council and three unilateral declarations by Denmark) attached to them in annexes.

In Part A, the European Council confirmed its commitment to a more open and transparent Community on the basis of the Birmingham Declaration and proposed means of implementing it. It adopted a general approach to the application of the principle of subsidiarity and noted the report on this subject from the Commission. It agreed to open accession negotiations with the applicant EFTA states immediately after the Maastricht Treaty was ratified and the five-year budget agreed.

In Part B the European Council recalled that the Maastricht Treaty required ratification by all member states and the importance of concluding the process without reopening the present text. On the basis of 'Denmark in Europe', it agreed on arrangements which should be applicable solely to Denmark. The text made clear that the Heads of State and Government representing **independent and sovereign** states which had freely decided to exercise some of their competences in common, agreed on the following **decision**:

A. The Union citizenship gives 'nationals of the member states additional rights

³⁶⁷See, for instance, *Financial Times*, 'Major urges Edinburgh deal to end EC paralysis', 11 December 1992.

³⁶⁸Lionel Barber, 'The Maastricht journey resumes', *Financial Times*, 14 December 1992.

and protection'..it does not 'in any way take the place of national citizenship'...; B. On the basis of the protocol on the third stage on EMU, 'Denmark has given notification that it will not participate in the third stage', thereby not being bound by the rules concerning economic policy, but still participating in the EMS; C. In relation to defence policy, 'Denmark has become an observer' to the WEU; D. Denmark will participate in cooperation on justice and home affairs on an intergovernmental basis; E. Denmark may 'inform other member states it no longer wishes to avail itself of all or part of the decision', and will apply in full all relevant measures in force.³⁶⁹

Annexe 2 was composed of two declarations: first, on social, consumer and environment policy and the distribution of income where the European Council made clear that more stringent protection in these areas were compatible with the Treaty; second, Denmark renounced exercising its Presidency in each case involving the elaboration or implementation of decisions having defence implications.

Annexe 3 was made up of unilateral declarations in which Denmark: (1) stressed the difference between the Danish and Union citizenship since nothing in the Treaty 'implies or foresees an undertaking to create a citizenship of the Union in the sense of a citizenship of a nation-state'. Specified rights and privileges of the Danish citizenship were only applicable to Danish citizens, but that Denmark would fully respect 'all specific rights expressly provided for in the Treaty..'; (2) specified that if the development in justice and home affairs required transfer of sovereignty, it would be decided according to the requirement of the Danish constitution; and (3) stressed that the decision and the declarations were the response to the result of the Danish referendum on 2 June 1992.

2.2. Danish Reactions to the Edinburgh Agreement

Danish reactions to the Edinburgh agreement were favourable. The Foreign Minister stated that his country had received all it asked for and expected a 60 per cent vote in favour

³⁶⁹ *Europe*, Special edition No. 5878, 13 December 1992. *Europe*, Special edition, No. 5878bis, 13-14 December 1992.

in the second referendum.³⁷⁰ The Social Democratic leader, Poul Nyrup Rasmussen, and the Socialist People's Party leader, Holger K. Nielsen, were also satisfied with the Prime Minister's efforts at the European Council. Other opposition parties reacted positively to the agreement, except for the Progress Party which claimed that the Danish population had rejected the entire EU, not specific parts of it. The popular movements against the EC/Union criticized the parties behind the National Compromise and the Edinburgh Agreement, calling on the Socialist People's Party to reject it.³⁷¹

The three parties behind the National Compromise were eager to stress that by accepting the Edinburgh Agreement they did not bend to EC pressure, but that their cooperation heralded a new Danish EC policy: its cornerstone was the clarification that EU was composed of independent and sovereign states having freely decided to exercise in common some of their competences, a formulation which put an effective stop to the 'sliding slope' towards a federal Europe; EU was to enlarge first towards the applicant EFTA states, then to central and eastern European countries; more European-wide action to promote economic growth and fight against unemployment; and finally, subsidiarity (nearness), transparency and openness, and democracy in line with the philosophy of the National Compromise, with the difference that the latter concentrated on promoting the place of national parliaments in the EC legislative system. The three parties hoped that the Edinburgh Agreement might be a first step towards a radically different EU, and that European integration would take a different course including the whole of Europe, not only privileged parts of western Europe.³⁷²

³⁷⁰ *Europe*, Special Edition No. 5878, 13 December 1992, p. 2.

³⁷¹ Ole Lorenzen and Jens Ringberg, 'Roser til Schlüter og Holger' and 'Job, miljø og verlfærd bag ny dansk politik', *Det Fri Aktuelt*, 14 December 1992.

³⁷² Erik Meier Carlsen, 'Holgers K.'s vej til ansvaret', *Det Fri Aktuelt*, 14 December 1992. Erik Meier Carlsen, 'En ny Europa-politik', *Det Fri Aktuelt*, 16 December 1992.

IV. The Basis for a New Danish EC Policy

1. The Referendum of 18 May 1993

1.1. *Change in the Political Landscape*

On 15 January 1993, Poul Schlüter resigned from his post as Prime Minister, primarily because of the Tamil scandal regarding Justice Minister Ninn-Hansen's management of boat refugees from Sri Lanka and the granting of visas to Denmark for their families.³⁷³ The Tamil scandal, which had been in the sidelines for many months waiting for the result of an official investigation, was only one of several scandals (the ambi affairs, the 'gebyr' affair and the Fogh Rasmussen affair) haunting the Conservative-Liberal minority government.³⁷⁴ The terrain was now open for the biggest party, the Social Democratic Party, whose party leader enjoyed the confidence of other parties to form government. On 25 January, Poul Nyrup Rasmussen announced his new four-party coalition government composed of the Social Democrats, the Radical Liberals, the Centre Party and the Christian People's Party. For the first time since 1971, Denmark was ruled by a government commanding a majority in the Folketing with Poul Nyrup Rasmussen as Prime Minister and Niels Helveg Petersen of the Radical Liberal Party as Foreign Minister. Poul Nyrup Rasmussen's choice not to include the Socialist People's party, despite its efforts during the negotiations on the National Compromise to show itself as a reliable coalition partner, outraged the Socialist People's Party leadership and made it more difficult for it to convince the party's political hinterland to vote in favour in the May referendum.³⁷⁵

Besides preparing for the second referendum on 18 May 1993, the new government had also the management of the EC Presidency to grapple with. The Prime Minister saw this as an opportunity to make real progress in those areas Denmark had announced as its priorities; enlargement, openness and transparency, subsidiarity and

³⁷³Europe, No. 5899, 16 January 1993.

³⁷⁴Michael Kristiansen and Arne Notkin, 'Nej, Hr. Minister', *Weekendavisen*, 22 January 1993.

³⁷⁵Interview in Copenhagen, 2 November 1993.

actions to reduce unemployment in Europe.³⁷⁶

1.2. The Basis for a Second Referendum

In the centre of the debate leading up to the second referendum was the question whether the Edinburgh Agreement had changed Denmark's basis for participating in EU, and whether the government was respecting the rejection of the treaty of 2 June when calling for a new referendum.

The parties behind 'Denmark in Europe' supported the Edinburgh Agreement and argued that Denmark obtained a qualitatively different basis for Union membership which was legally binding and could not be challenged in the ECJ. The Progress Party, some dissidents in the Socialist People's Party and the popular movements against the Union argued that the Maastricht Treaty had not changed with the Edinburgh Agreement and that Denmark would be part of EU if the population voted in favour. The Edinburgh Agreement's legal value was doubtful, they argued, and a second rejection of the Maastricht Treaty would once and for all stop plans towards EU.³⁷⁷

The government took account of popular fears that the Maastricht Treaty was being introduced through the back door when proposing a legislative package enabling Denmark to ratify the Treaty, including the Edinburgh Agreement. The first bill was the original amendment to the act of accession from 1972 enabling Denmark to ratify the Maastricht Treaty. The second bill approved the Edinburgh Agreement which in turn enabled Denmark to ratify the Maastricht Treaty. This bill specifically noted that the Maastricht Treaty was only applicable to Denmark in the extent to which the Edinburgh Agreement prescribed. A third bill was included in the package enabling the Folketing to call for a referendum on the basis of the ratification passed by parliament. The bill noted that the ratification bill and the bill amending the Danish act of accession would be passed according to the constitution Article 19 which stipulates that ratification can be

³⁷⁶Poul Nyrup Rasmussen, 'Den europæiske udfordring', *Det Fri Aktuelt*, 29 December 1992.

³⁷⁷Jens-Peter Bonde, 'Junibevægelsens ÅND', *Information*, 22 December 1992. Oluf Jørgensen, 'Samme grundlag som 2. juni', *Information*, 23 December 1992. Jens-Peter Bonde, 'Edinburgh-aftalen lukker for et åbent Europa', *Information*, 24 December 1992. Christian Baunsgaard, 'SF sikrede kattelemmen', *Information*, 29 December 1992.

secured by a binding referendum if so decided by the Folketing in a special law. The parties in parliament had previously agreed not to pass these bills according to Article 20 of the constitution, since a five-sixths' majority (likely to be obtained) would automatically have made a referendum impossible.³⁷⁸

On 30 March 1993, the Folketing endorsed the three bills with a majority of 154 votes to 16, as the Progress Party, three MPs from the Socialist People's Party and one MP of the Radical Liberal Party voted against. The debate during the three readings of the proposed bills was characterized by the Progress Party's attacks on the seven parties in favour of ratification, arguing that the adoption of the bills implied that Denmark would be part of PU, which involved transfer of sovereignty and threatened Denmark's independence. The MPs of the Socialist People's Party opposing the bills argued that the Edinburgh Agreement had not separated Denmark from EU, implying that in the future Denmark would have to take part in its defence dimension and other areas which the population opposed. They criticized the legal value of the Edinburgh Agreement which might prove too weak in the future. This criticism was met by the Socialist People's Party's leadership and the government, in particular the Foreign Minister. They underlined the importance of the Edinburgh Agreement which did not only constitute a new basis for Denmark's participation in EU, but, together with the National Compromise, was the beginning of a new Danish EC policy.³⁷⁹

1.3. The Campaign

The campaign leading to the referendum on 18 May 1993 was in some important respects different than the one in connection to the referendum of 2 June 1992. First, seven political parties, including the Socialist People's Party, were advocating a popular

³⁷⁸Presented on 9 February 1993 by the Foreign Minister, Niels Helveg Petersen: Lovforslag nr. L 176, *Forslag til Lov om ændring af lov om Danmarks tiltrædelse af De Europæiske Fælleskaber*; Lovforslag nr. L 177, *Forslag til Lov om Danmarks tiltrædelse af Edinburgh-Afgørelsen og Maastricht-Trataten*; Lovforslag nr. L 178, *Forslag til afholdelse af folkeafstemning om forslag til lov om Danmarks tiltrædelse af Edinburgh-Afgørelsen og Maastricht-Traktaten*.

³⁷⁹*Folketingstidende*, first, second and third reading of the bills concerning Denmark's accession to the Maastricht Treaty and the Edinburgh Agreement, 11 February, 23 March and 30 March 1993.

endorsement. The Social Democratic Party, this time in power, was not distracted by internal problems as had been the case in the run-up to 2 June. Second, the groups advocating a rejection were represented by the Progress Party, which lacked political credibility, and the popular movements against the EC/Union which underwent fundamental changes before and during the campaign. Third, the Edinburgh Agreement removed the issues the electorate had found most difficult to accept. The other eleven member states' willingness to grant a special status to Denmark had been noted and it was generally felt that if the special status was rejected, Denmark could not continue as a member of the EC (although some opposing groups argued it could).

The Edinburgh Agreement helped to unify the Social Democratic Party leadership and the party faithful, who felt that the Agreement was a substantial compromise on which Denmark's future relation to EU could be based. Its position in the government mobilized the party to show unity and the Socialist People's Party's support helped to convince left-wing Social Democrats to endorse the party's position. The party's campaign was much more effective than in 1992, focusing on economic growth and higher employment and warning against the unpleasant consequences for the Danish economy in the case of another rejection, which, it argued, would probably lead to Denmark's withdrawal from the EC. Those MPs who had been sceptical in 1992, in particular Ivar Nørgaard, were strongly in favour of ratification in 1993, believing that the Edinburgh Agreement was a better basis for Denmark's participation in EU, distancing Denmark from the 'sliding slope' towards the federal objectives in form of a common defence, a single currency and a European Central Bank. Ritt Bjerregaard, representing the most pro-European wing of the party, launched herself in the debate as an outspoken advocate of EU.³⁸⁰

The Socialist People's Party's endorsement of the Edinburgh Agreement aroused a storm of protest from some of its MPs and many of the party faithful. The party leadership, which had negotiated the National Compromise without prior consultation, tried in early 1993 to convince its political hinterland that an acceptance of the Edinburgh Agreement

³⁸⁰ Annegrethe Rasmussen, 'Europabevægelsen-et politisk fænomen', *Information*, 8 May 1993.

was necessary and in line with the party's vision of a different European cooperation framework.³⁸¹ The opposition within the party was not satisfied by the leadership's explanation which, in an effort to disarm the dissenting groups, decided to call an extraordinary party congress on 13-14 March 1993. The congress was a victory for the party leadership's EC policy which was endorsed by over 70 per cent of the delegates, thus giving the go-ahead for convincing the party's electorate to vote in favour in the referendum. To prevent a possible split, the congress decided, contrary to party rules, that opponents were free to campaign against EU.³⁸²

The government parties adopted a common platform for the referendum campaign, which, although conducted individually, was composed of eleven arguments in favour of a ratification. The campaign argued that the Edinburgh Agreement was legally binding and impossible to change without another referendum and constituted the basis for a new Danish EC policy. Because it was vitally important for a small country like Denmark to be part of EC cooperation, Denmark should remain part of the EU decision-making process working for its policies, including the promotion of economic growth and employment, enlargement towards the EFTA applicants, strengthening of environmental policy and the social dimension, subsidiarity and openness towards the central and eastern European countries.³⁸³

The Conservative Party and the Liberal Party, in opposition after over ten years in power, continued loyally to support the National Compromise and the Edinburgh Agreement. The Liberal Party, and its leader Uffe Ellemann-Jensen, considered the special status an

³⁸¹ See, for instance, Holger K. Nielsen, 'Den 18. maj skal vi stemme om noget nyt', *Århus stiftstidende*, 22 February 1993. Steen Gade, 'Det bizarre EF-synpunkt', *Information*, 13 March 1993. Steen Gade, 'Blødt og åbent EF', *Politiken*, 12 March 1993. John Iversen, 'Nye lande kan få EF "à la carte"', *Berlingske Tidende*, 20 February 1993.

³⁸² Børsen, 'Stor landsøde-sejr til Holger K. Nielsens EF-politik', 15 March 1993. *Berlingske Tidende*, 'Nej-sigere er frit stillet', 15 March 1993. Marianne Krogh Andersen and Olav Christensen, 'Stort bifald til SF-formandends EF-ja', *Jyllands-Posten*, 14 March 1993.

³⁸³ Thomas Larsen, 'Regeringen klar med 11 argumenter for ja', *Jyllands-Posten*, 18 March 1993.

unsatisfactory basis for Denmark's membership of EU, but recognized the necessity for obtaining a positive result in the referendum while preparing to lead a pro-European policy in opposition after 18 May.³⁸⁴ The Conservative Party mounted a cautious campaign based on the necessity for Denmark to endorse the new solution, both for the country itself and for Europe as a whole.³⁸⁵ Within the party, however, some voices were again raised against the vision of the United States of Europe and the single currency. On the question of membership of the WEU, the Conservatives and the Liberals shared the view that full membership was preferable to the observer status stipulated in the Edinburgh Agreement.³⁸⁶

Danish industry was also active in the campaign, stressing the necessity for the Danish economy of a positive outcome in the referendum.³⁸⁷ After the rejection in the referendum the previous year, Danish companies had refrained from investing until the uncertainty about Denmark's position within the EC was solved. Central organizations and individual branches advocated a vote in favour on 18 May, arguing that another rejection would cost dearly in terms of high unemployment.³⁸⁸ Their campaign echoed the results in the Finance Ministry's consequence report commissioned by the government and published in early March. The report predicted that if there was a negative outcome in the referendum and Denmark would have to give up its EC membership for an EEA status,

³⁸⁴ Interview with Uffe Ellemann-Jensen, Annegrethe Rasmussen, 'SF's holdningsskift er regeringens største sejr'. *Information*, 28 December 1992. Morten Sabroe, 'Uffes nye klæ'r', *Politiken*, 12 May 1993. Henning Olsson, 'Politik krig i dag', *Politiken*, 19 May 1993. Interview in Copenhagen, 2 November 1993.

³⁸⁵ Kent Kirk, 'Europa venter på Danmark', *Jyllands-Posten*, 13 April 1993.

³⁸⁶ Solveig Rødsgaard, interview with Henning Dyremose, 'De konservatives suverænitet', *Weekendavisen*, 16 April 1993. Lene Frøslev, 'Ja-partier er uenige om EF-forsvar', *Berlingske Tidende*, 3 May 1993.

³⁸⁷ Carsten Bessing, 'Industrin starter offensiv ja-kampagne', *Information*, 14 April 1993.

³⁸⁸ Leif Beck Fallesen, 'Beskeden økonomisk ketchup-effekt efter ja', Heinz Andresen, 'EF-ja kan vende industri-nedtur', Heinz Andresen, 'Brancher klynger sig til håbet om dansk ja' and Heinz Andresen, 'Europa venter på et dansk ja', *Børsen*, 13 April 1993. Arne Panduro, 'EF-nej koster arbejdspladser', *Jyllands-Posten*, 13 April 1993.

the economic consequences would be severe. Although this report was criticized by the Union opponents as scaremongering, this time they had more difficulties in arguing that everything would go on as before after a second rejection.³⁸⁹ The Director of Denmark's Central Bank, Erik Hoffmeyer, who before the referendum in 1992 had predicted that a negative result would have no direct impact on the Danish economy, warned against the consequences of another rejection as it would probably lead to either Denmark's withdrawal from the EC or other member states forming another basis for cooperation excluding Denmark.³⁹⁰

The emphasis on the economic consequences of a second rejection was also adopted in the campaign of the Social Democratic Party (see above) and the labour movement. Although sharing the same objective, Danish industry and Danish Metal refrained from cooperation in order to prevent repeating tactical mistakes from the referendum of 2 June.³⁹¹ The labour movement was again deeply split over the Edinburgh Agreement and the Maastricht Treaty. The Confederation of Trade Unions advocated its members to vote yes on 18 May and campaigned actively in the run-up to the referendum. The Specialized Workers' Union's (*SiD*) executive committee decided to advise its members to vote in favour, but had problems in implementing this policy as many local branches directly opposed the leadership. A similar situation arose in the trade union representing workers in the office and retail sector, (*HK*), where the executive committee advocated a vote in favour while the municipal branch rejected the solution from Edinburgh. In other large trade unions representing those employed in the public sector (*Forbundet for Offentligt Ansatte*) the leadership was equally divided between proponents and opponents.³⁹²

³⁸⁹ Frede Verstergaard, 'Regeringens nej-perspektiv', *Weekendavisen*, 5 March 1993. Frank Daahlgaard (Necessary Forum), 'Et net union-nej ingen katastrofe', *Berlingske Tidende*, 5 March 1993. Kim Behnke (MP for the Progress Party), 'Fejlagtig EF-rapport', *Jyllands-Posten*, 5 March 1993.

³⁹⁰ Erik Hoffmeyer, 'Realiteterne i EF-debatten', *Politiken*, 17 April 1993.

³⁹¹ Interview in Copenhagen, 21 October 1993.

³⁹² Karen Margrethe Schelin, 'Hvem vil ha' en blå ballon', *Berlingske Tidende*, 26 April 1993. Ingelise Larsen, 'Fagenes syn på union flimere i EF-tågen', *Politiken*, 11 May 1993.

Strongest opposition against the Edinburgh Agreement and EU came from the popular movements, joined by discontented MPs from the Social People's Party. The groups opposing EU were largely the same as in 1992, but with one important difference. The People's Movement against the EC, which for many years had staged the most effective opposition against Denmark's EC membership and received both legitimacy and financing on the basis of its four seats in the European Parliament, had gradually lost its credibility as the Danish population's opposition had switched from the EC to EU. To this effect, three of its leaders and MEPs, Jens Peter Bonde, Birgit Bjørnvig and Ulla Sandbæk broke away from the movement to form, together with the founders of Denmark'92, a new popular movement against EU, the June Movement. The remaining MEP, Ib Christensen, criticized the breakaway group and alluded that the underlying reason was the three MEPs' reluctance to cover the debts incurred by the People's Movement against the EC during the 1992 campaign with their parliamentary revenues.³⁹³

The June Movement, founded on 28-29 November 1992, suffered a credibility problem in opposing Denmark's special status on the basis of the Edinburgh Agreement, which in most Danish commentators' opinion respected the National Compromise (previously endorsed by the June Movement). Suspicion grew among the participants in the debate that many members of the June Movement, in particular those originally from the People's Movement against the EC, were in fact opposing Danish membership of EU and EC membership. If this was true, the June Movement did not respect the views of the voters, on which its whole *raison d'être* was founded.³⁹⁴ The June Movement, therefore, had to convince the population that the Edinburgh Agreement had not changed the basis for Denmark's participation in EU. It also argued that it was safe for the Danish population to vote against, contrary to the general warning that Denmark might have to leave the EC in the event of a second popular rejection. To this end the June Movement

³⁹³Ib Christensen, 'Om os selv', *Notat*, 19 February 1993.

³⁹⁴Niels I. Meyer, 'Denmark skal blive i EF', *Politiken*, 1 April 1993. Lars Olsen, 'Den skjulte dagsorden', *Politiken*, 5 May 1993. Bjørn Wirlander, 'Nej-folkene får hvad de har bedt om', *Det Fri Aktuelt*, 7 April 1993. Thorsten Theilgaard, 'Bondes troværdighed', *Information*, 26 February 1993.

tried not only to present its views in the media,³⁹⁵ but invited British Euro-sceptic lawyers to explain the true legal character of the agreement and other prominent British Euro-sceptics to take part in the debate.³⁹⁶

The right-wing groups against EU, the Progress Party, Necessary Forum and Charter 92, continued their opposition against the Maastricht Treaty which, according to them, had not been changed by the Edinburgh Agreement.³⁹⁷

2. The Outcome of the Referendum on 18 May, 1993

The Danish politicians advocating in favour of Denmark's ratification of the Maastricht Treaty on the basis of the Edinburgh Agreement were relieved when the Danish population endorsed their recommendation with 57 per cent in favour and 43 per cent against.³⁹⁸ Most notable, however, was the share of the population previously claiming to be in favour, which had fallen sharply since the campaign started in early April.³⁹⁹ Despite the vigorous campaign of the Prime Minister and his Social Democratic Party, many of its traditional voters (40 per cent) still voted against the recommended policy. For the Socialist People's Party, more than 80 per cent of its voters chose not to respect the party line, without, however, penalizing the party in the opinion polls where it scored 8 per cent higher than compared to the general election of 1990.⁴⁰⁰

³⁹⁵See, for example, Jens Peter Bonde, 'Alternativet er reform', *Information*, 30 April 1993. Drude Dahlerup, 'Kvinderne og Unionen', *Det Fri Aktuelt* 7 April, 1993.

³⁹⁶*Dagbladet 18 maj*, 'Udantagelser er irrelevante', 4 May 1993. Lene Frøslev and Ole Bang Nielsen, 'Ny jura-strid om Unions-aftale', *Berlingske Tidende*, 3 May 1993. Niels I. Meyer, 'Danmark skal blive i EF', *Politiken*, 1 April 1993.

³⁹⁷Poul Albert, 'Z: Et ja vil ramme folkepensionen', *Information*, 30 March 1993. Ole Lorenzen, 'FRP: Maastricht hiver EF i socialisk retning', *Det Fri Aktuelt*, 30 March 1993. Frank Dahlgaard (member of Charter 92 and the Conservative Party), 'Alternativet til Unionen', *Dagbladet 18. maj*, 13 April 1993. Lars Bøgeskov, 'Borgerlig trussel mod EF-unionen', *Information*, 30 March 1993.

³⁹⁸*The Economist*, 'Maastricht: Europe celebrates', 22 May 1993, pp. 37-41.

³⁹⁹*Berlingske Tidende*, 'Gallups stemmebarometer', 11 April 1993.

⁴⁰⁰Lars-Bo Larsen, 'I strid med vælgerne', and Lars Kaaaber, 'S: Gode venner igen', *Politiken*, 19 May 1993. *Berlingske Tidende*, 'EF-valg splittede SF åbenlyst', 20 May

The Prime Minister, who was eager to fulfil his campaign promises of brighter economic prospects if the referendum ended in a positive result, launched economic measures to fight against unemployment.⁴⁰¹ The move was synchronized by the Danish Central Bank's decision to lower the base rate from 9.25 per cent to 8.25 per cent.⁴⁰²

The consensus created by necessity among the seven parties supporting the National Compromise came abruptly to an end after the 18 May referendum, as the Liberal Party and the Centre-Democrats announced they would now concentrate their efforts on removing all opt-outs introduced by the Edinburgh Agreement in time for the next IGC in 1996. The Foreign Minister, Niels Helveg Petersen, retorted that the National Compromise reflected the government's EC policy which it intended to maintain, and the Edinburgh Agreement was the basis for Denmark's membership of EU enshrined in the bills passed in parliament.⁴⁰³ On 18 May, the Foreign Minister promised in a statement that this referendum was the last of the decade, despite some EC member states which already wanted institutional reform in 1996.⁴⁰⁴

V. Conclusion

The period surrounding the adoption of the Maastricht Treaty was characterized by the emergence of a more positive Danish EC policy. The pro-European attitude, however, was not shared by a majority of the population, a fact which came abruptly to the fore with the rejection of the Treaty on 2 June 1992. In the following few months, the Danish political parties sought a basis for negotiations with the EC, which would respect the outcome of the referendum while not necessitating a renegotiation of the Maastricht Treaty. The outcome of the deliberations between Denmark and the other eleven member

1993.

⁴⁰¹ Hugh Carnegy and Hilary Barnes, 'Rasmussen is quick to reward voters', *Financial Times*, 20 May 1993.

⁴⁰² *Berlingske Tidende*, 'Udlandet tror igen på kronen', 20 May 1993.

⁴⁰³ Bo Jepsen, 'Uenighed om dansk EF-politik', *Berlingske Tidende*, 20 May 1993.

⁴⁰⁴ Lars-Bo Larsen, 'Helveg: Sidste traktat-ændring', *Politiken*, 18 May 1993.

states, in the form of the Edinburgh Agreement, fulfilled Denmark's conditions both in content and in form by opting out from four core areas of the Treaty in a legally binding agreement without any limit of duration. Denmark's special position regulates its participation in EU, thus setting the terms for its adherence to the *acquis communautaire* and *politique* of the Union.

The period between the referendum on the SEA and the start of the IGCs in late 1990 saw the reformulation of Denmark's EC policy. The condition for this fundamental change lay primarily in the shift in the Social Democratic Party from a *status quo*-oriented EC policy into a positive EC policy. The shift was paralleled in the Radical Liberal Party, which because of the end of the cold war and the manifest ambitions of the central and eastern European countries on forging close links to the EC, adopted a progressive position on foreign and security cooperation within the EC. The Socialist People's Party, which had abandoned its request for Denmark's withdrawal from the EC, advocated European cooperation, although on a different basis than the Maastricht Treaty. Common to all three parties, however, was the phenomenon that the leaderships' pro-European attitudes were not matched by the party faithful, nor a majority of their traditional voters.

The EC-positive parliamentary majority paved the way for the adoption of a negotiation position, the Danish Memorandum, which was presented to the IGCs in the form of treaty texts. While the Memorandum made explicit proposals in existing and new policy areas and economic and monetary cooperation, it was less specific on foreign and security policy and did not mention defence policy. During the IGCs in 1991 the Market Committee safeguarded the Danish Memorandum, transforming it into mandates for Danish negotiators, but showed a high degree of flexibility in updating or proposing positions on new proposals as the negotiations developed. By proving a constructive negotiation partner, Denmark obtained its objectives, even when the other member states had not quite understood the reasons for Denmark's inability to adopt certain measures. The outcome of the Maastricht European Council was recognized as being favourable to Denmark and very close to its original objectives.

The outcome of the referendum on 2 June 1992 came as a shock to all parties, including those who had advocated against EU, and threw the political and administrative elites into a difficult situation. When it soon became clear that Denmark would not be

forced to leave the EC, but that other member states were willing to find a solution on two conditions (no renegotiation and the continuation of the ratification process), the political parties set about finding a formula which would enable Denmark to ratify the Treaty while respecting the population's rejection. The extraordinary situation whereby the negotiation basis was agreed by three opposition parties, excluding the government, is due to Denmark's system of minority coalition governments, the government also previously having been marginalized in the process of adopting policies on the EC (see the SEA and the alternative parliamentary majority).

The Maastricht Treaty, which in itself constitutes a major development in the process of European integration, amounted probably to a strengthening of the Community regime as it took a major step in changing the *acquis communautaire* and *politique*. The steps were substantial, both in terms of changes to the existing treaties by the introduction of new policy areas, in introducing intergovernmental cooperation within a common framework, sometimes applying intergovernmental cooperation with Community cooperation, and in adopting a highly symbolic framework of terminology - EU, a citizenship, and possibly a future single currency and European defence. All those in the Danish public who had long feared the 'sliding slope' to the United States of Europe were alarmed by the prospects of the Maastricht Treaty and its proposals for major reforms for political integration.

Denmark experienced less internal pressure during the IGCs of 1991 than during the SEA, because the Danish Memorandum united a majority of the political parties. More in line with the policy of the core member states, Denmark experienced less pressure from other EC states and was rewarded for its position as a constructive negotiation partner.

By adopting the National Compromise, Denmark moved away from its mainstream EC policy, advocating a solution much more in line with the traditional sceptical *status quo*-oriented EC policy. Denmark experienced an integration dilemma *par excellence*, as it was perceived that if the Edinburgh Agreement was rejected by the population Denmark would probably be abandoned, while in the situation right after the first referendum it was entrapped between the urge to forge ahead in the EC and being held back by a sceptical population. The internal and external pressures in each period, the government and the pro-European parties' way of dealing with them will be analysed with the help of Nikolaj

Petersen's modified typology of strategies.

The **bastion strategy** was influential to some degree in the process of adopting the Danish Memorandum, but became crucial in deciding the elements of the National Compromise and thus the conditions of the Edinburgh Agreement.

The bastions of the Danish Memorandum closely reflect some of the fundamental views of the Social Democrats, such as the insistence on efficient environmental and social policies by a general rule of majority voting, the strengthening of the position of national parliaments, the retention of political control over monetary policy, national budgets remaining a prerogative of the individual states, and the rejection of a defence dimension and majority voting in the area of foreign and security policy. Later an important federal bastion was formulated rejecting the federal objective of EU. Another set of bastions was the adoption of new policy areas or the extension of existing areas. However important, they were not pursued with the same vigour as the former.

As the negotiations progressed, Denmark withstood the bastion on environmental and social dimension together in particular with France and Germany against British opposition. The unorthodox solution to the social dimension is evidence that neither side of this argument was prepared to give in. The bastion on national parliaments was never discussed during the IGCs, although a protocol was adopted to that effect, proposed by the UK. Concerning the EMU bastion, the Danish position hardened during the course of the negotiations, mostly due to internal opposition in the Social Democratic Party where the loss of national sovereignty in economic policy was strongly criticized. Denmark secured an opt-out clause in the form of a protocol on EMU, giving Denmark the right to decide at a later stage whether to join the third stage of EMU. On the question of a future defence dimension and membership of WEU, Social Democratic opposition hardened at first, but was later moderated because of American statements on the future role of NATO, the formulation of a bridge between the CFSP and WEU, and prospects of enlargement towards neutral and non-aligned applicant states. Denmark accepted the formulations in the treaty text on the future defence dimension and the objectives of the CFSP, because it was compatible with its membership of NATO, and because the WEU's member states' declaration only 'invites' members of the Union to become member of WEU. Denmark managed to retain its bastions on EMU and the defence dimension and

WEU, not by preventing their inclusion in the text, but by opting out of their obligations. The federal objective of EU was removed from the treaty text due to British, Portuguese and Danish opposition. Denmark had to accept the formulation of an 'ever closer union', but this again was mollified with 'in which decision are taken as closely as possible to the citizens'. Another important issue for Denmark was the 'second home' bastion which it succeeded in upholding by a special protocol.

Many of the policy areas suggested by Denmark were accepted by other member states, such as consumer protection, development policy, public health, education, telecommunications, culture and the Ombudsman institution. Only energy policy was not accepted.

The **condition strategy**. In Denmark's case the 'second home' bastion was accepted by the other member states, although some of them doubted its compliance with the Treaty of Rome. With the protocol on the third stage on EMU, Denmark's constitutional requirements were respected, without other member states fully understanding their application, especially as Denmark fulfilled the convergence criteria and had been shadowing the German D-Mark for some time. Denmark was active in rejecting the federal objective, but could rely on the UK to fight this matter. Denmark had more problems in explaining its rejection of membership of WEU than, for instance, neutral Ireland. As with the third stage of EMU, it was assumed that those countries demanding an opt-out in the defense area did so for domestic reasons. With the developments in Europe, a future European defence might be acceptable also for these member states currently opting out. Therefore, it was more important, argued other member states, to concede to the protocols if it meant that the outcome of the referenda could be ensured.⁴⁰⁵

The **concession strategy** related in Denmark's case to the areas where national sovereignty or symbols of European integration were dominating. The federal bastion was upheld, but a concession in terms of 'ever closer union' and the title 'Treaty on European Union' was necessary. Danish politicians could no longer translate Union into unity (*sammenslutning*) and had to argue that EU, which had always before been avoided,

⁴⁰⁵ Interview in Brussels, 23 February 1994

represented good prospects for Denmark and the Danish economy.⁴⁰⁶ Foreign and security policy was an area where Denmark had to give some important concessions: the majority voting in CFSP for some decisions had originally been rejected; and the mention of a future common defence and the bridge to WEU, designated as the future military arm of the Union, was in sharp contrast to the Danish Memorandum. On the powers of the European Parliament, Denmark originally opposed the new co-decision procedure, but finally gave in to this demand. On the economic policy of EMU, Denmark had to accept the compromise solution of tight economic policy, while a Community system of macroeconomic management was avoided. The Social Democrats had originally asked for the goal of full employment to be stated as a central objective of EU. The outcome was a formulation where the goals of 'harmonious and balanced development of economic activities, sustainable non-inflationary growth.' were placed above 'a high level of employment and of social protection' (Article 2). This might not be a concession to the right-wing parties of the Folketing, but the left-wing parties criticized the whole chapter of EMU for promoting stringent monetary policy before high employment and not providing for the possibility of adopting measures to stimulate an economy in recession.

These three strategies were employed before and during the IGCs, when the pressures on Danish policy-makers mainly came from political parties and other organized interests, which on the whole agreed on a fundamentally positive position towards reforms of the Community system. Of the bastions erected, some expressed fundamental opposition towards a Community economic policy and the automatic transfer to the third stage of EMU, a future European defence dimension or the explicit statement of a federal vocation of the EU, some expressed a strategic interest such as majority voting and minimum guarantees in the environmental and social areas, some were prompted by an interest to expand functional integration in new or existing policy areas, and some small and well-defined areas corresponded to particular Danish concerns such as the 'second home' issue. The EC member states succeeded in squaring the circle between the particular demands of Denmark, the UK and other countries, and keeping all members on board (although this

⁴⁰⁶In Denmark, EU was more often called the EC-Union (*EF-unionen*), constituting something of a contradiction.

is questionable as far as the arrangement on the Social Chapter and the third stage of EMU are concerned).

After 2 June the situation changed radically. As the possibility of a renegotiation of the Maastricht Treaty was excluded, Danish politicians, in particular the three parties on the left and centre (not part of the government) whose supporters to a great extent had voted against the Treaty, felt compelled to agree on a basis for negotiation which respected the population's fears and reluctance to European integration. The National Compromise ('Denmark in Europe') was presented as Denmark's conditions for calling a second referendum which, the politicians hoped, would result in an endorsement of the Treaty.

The National Compromise is a series of bastions which specifies the aspects of European integration Denmark cannot accept. In some ways this is a renegotiation of the terms of Denmark's accession to the EC from 1972, but which were at the time not part of the concrete negotiations due to the stage of the Community's development. The Maastricht Treaty introduced some of those aspects which the Social Democratic government of 1971-73 and 1975-82 had promised to veto to prevent the 'sliding slope' towards the United States of Europe. The government and a large majority of the Danish political parties, did not evoke the veto during the IGCs, but negotiated terms they thought were acceptable to the population. The veto was, in effect, placed instead by the Danish population. Therefore, the terms of the National Compromise are in many respects equivalent to the aspects of European integration which were rejected in the accession debate of 1972. In erecting these bastions, which had to be legally binding and without time limit, Denmark hoped to be exempted from the aspects of European integration a majority in the country did not accept, thus creating a new basis for its membership of EU where it can participate in the Community regime in functional areas of the EC and intergovernmental cooperation, but be excluded from political integration and its symbols. Denmark also obtained an assurance that the Community regime was based on an intergovernmental framework in which independent states by their free will can decide to exercise some competences together. The inclusion of the Edinburgh Agreement in the Danish ratification act strengthened its legal value (which between the EC member states was binding according to international law, not Community law, and could therefore not be challenged in the ECJ) and gave the population an assurance of the politicians'

willingness to tie themselves down for the basis of Denmark's participation, which they cannot abandon without an endorsement by a popular vote.

With the Edinburgh Agreement, Denmark has changed the basis on which it participates in EU and therefore its adherence to the *acquis communautaire* and *politique*. It is argued here that with the Edinburgh Agreement, Denmark has renegotiated, or negotiated for the first time (taking into account that the specific terms of political and economic and monetary union were not known in 1971-72), the terms of its membership of EU. Denmark stands outside the *acquis communautaire* and *politique* in some areas (see section 4.5), but the Edinburgh Agreement (according to the Agreement itself) does not change the *acquis communautaire* and *politique*, nor is it part of it. This is certainly true from a judicial point of view, but it is also true that the norm of the Community regime has been changed, as a sort of differentiated membership has been granted.

Denmark, in accepting the Edinburgh Agreement and making it the cornerstone for a new EC policy, has broken with the principle of the Community regime in that it has renounced the political *acquis* and the principal objective of European integration. Many commentators have stressed that the full effect of the Edinburgh Agreement on Denmark's participation in EU cannot yet be fully assessed.⁴⁰⁷ Much depends on the development of EU in terms of fulfilling the objective of EMU and the defence dimension. Denmark's differentiated membership is likely to emerge gradually if the EU implements the objectives of the Maastricht Treaty, but if the process of European integration stalls, the effects are likely to be much less serious than feared.

Denmark's prestige as a member state, determined by the compliance of the Community norms of behaviour, was damaged by the events in 1992 and 1993. However, during the IGC, Denmark was rewarded for complying with the norms of negotiation behaviour, but was forced by its population's rejection to break the principles of European integration. The reason why Denmark lost prestige was that despite negotiating constructively, with a majority of parliament endorsing the outcome, it was still not able to deliver the population's vote in favour. This was a serious set-back caused by the Danish political system and culture, by which other member states are bound to question

⁴⁰⁷ Interviews in Copenhagen 19 October, 2 and 4 November 1993, and in Brussels 23 February 1994.

Denmark's reliability as a member and its capacity to comply with the norms of behaviour.

Denmark, as before, did not break with rules or decision-making procedures. Before the IGCs, it had even given up one of its principal bastions, 'the veto-right'-bastion, which was now in an indirect manner confined to the intergovernmental areas (where Denmark insists it should remain). The fact that since its accession to the EC, Denmark has complied to the rules and the decision-making procedures, but been in almost constant breach of the principle of the Community regime, and in intergovernmental negotiations has often broken the norms of behaviour because of the special feature of the Danish political system, underlines its fundamental uneasiness with European integration, which although in recent years has receded in the political and administrative elites is still a fundamental aspect of Danish society.

Chapter 6

Conclusion: Assessment and Analysis

I. Introduction

The overall aim of this thesis is to establish the factors that condition Denmark's pattern of involvement in the EC and its reluctance about European integration.

The thesis embarks on this task by elaborating a framework built on a twofold approach, with a theoretical and an empirical dimension for assessing the rights and obligations of EC membership, investigating Denmark's position in the integration process, the integration dilemma encountered when facing the challenge of external and internal pressures and its implications for successive governments and the Danish political environment. The thesis aims to link the intergovernmental dimension and the dynamic process of integration by analysing the implications of deeper integration on the domestic political level. It attempts to fill the gap between the European and the domestic levels in the study of integration by focusing upon their inter-relationship.

The theoretical dimension of the thesis is built around a structure which aims to investigate the rights and obligations of EC/EU membership, thereby shedding light on the conditions of participation in the European integration process for an individual member state. To fulfil this aim the thesis analyses the role of the *acquis communautaire* in the integration process and links it to the four basic elements of the theory of International Regimes - principles, norms, rules and decision-making procedures. This approach makes the analysis of the 'regime contract' operational and enables identification of the decisive factors of the 'Community regime'. Another aim is to link the integration process with the development of the 'Community regime'. This is realized by introducing a dynamic concept into the analysis of the terms of the 'Community contract', and by evaluating the process of deeper integration in terms of the changes **of** or **within** principles, norms, rules and decision-making procedures.

The empirical dimension of the thesis is based on three episodes in Denmark's membership of EC/EU. Their aim is to analyse Denmark's position in the 'Community regime' and its reluctance to share the objective of European integration. A second aim is to shed light on the integration dilemma in which a small EC member state finds itself when it does not share the principles and norms of integration, but at the same time perceives a withdrawal from the 'Community regime' as detrimental to its own interests and does not think itself powerful enough to halt or change the course of integration. The

integration dilemma is shown to have an impact on domestic politics, as it dramatizes the conflict between external and internal pressures for and against deeper integration, and highlights successive governments' efforts to balance the situation to avoid political and economic marginalization.

This chapter is divided into three parts. The first part discusses the usefulness of the theoretical framework, the difficulties encountered when putting the theoretical framework into operation and the strengths and weaknesses of the approach of analysing the rights and obligations of EC/EU membership and the conditions of participation in the European integration process. The second part analyses the questions relating to the episodes in Denmark's EC/EU membership and the implications of Denmark's reluctance to embrace the principles and norms of the 'regime contract' and the 'Community regime'. Finally, the third part discusses the implications of the empirical findings and possible future research that is highlighted by the thesis's theoretical approach and empirical findings.

II. Discussion and Assessment

In studying Denmark's participation in the European integration process, there are a number of aspects which have to be taken into account and handled with great care. Although I have tried to cover as many as possible in the following discussion the complexity of the subject in question makes it virtually impossible to present an exhaustive picture. The objective of this discussion is to draw the reader's attention to the usefulness of the theoretical framework, the difficulties encountered during the research and the strengths and weaknesses of the thesis.

1. The General Framework

Many scholars have tried to put in writing the complexity of the study of European integration and the frustration which might be encountered by anyone who attempts research into this phenomenon. One fundamental difficulty is the fact that there is no generally accepted definition of European integration. Donald Puchala's description of blind men and an elephant is a telling allegory of the difficulties in studying European

integration.⁴⁰⁸ Each researcher, as a blind person, analyses the part of the elephant he is closest to, without knowledge of the composition of the whole animal, nor the capacity to relate accurately the findings of the different parts into a correct whole. The result is inevitably a confused image of what an elephant is, how it looks and what it does.

This thesis constitutes no exception to the difficulty inherent in the study of European integration. In concentrating on Denmark and Denmark's difficulties in accepting the principle of the political integration of the EC, other important aspects of the EC/EU are not covered. Nevertheless, the thesis enhances knowledge about Denmark's involvement in the EC, which in its turn will enhance the general knowledge of the complex process of European integration.

European integration has incited the emergence of several theories attempting to identify the laws governing the process and explaining its direction. Despite dealing with European integration, this thesis's analysis is not explicitly based on the most established integration theories, be they federalism, functionalism or neo-functionalism.

2. The Theoretical Approach

The thesis constructs a theoretical framework which combines the four elements of the theory of International Regimes with the *acquis communautaire* of the Community. The aim is to identify the concept of *acquis communautaire* which is central to the development of the Community and to the process of European integration. It is assumed that by identifying the *acquis communautaire* with the development of the Community, knowledge is gained about the rights and obligations of the European integration process. To put this concept in operation in the shape of an analytical tool, the four basic elements of the theory of International Regimes are identified with aspects of the *acquis communautaire*. In identifying principles, norms, rules and decision-making procedures with the development of the *acquis communautaire*, it is possible to analyse which particular aspects of European integration caused problems in the Danish political process.

This approach should be assessed according to its theoretical and analytical usefulness. In theoretical terms, it is possible to criticize the use of elements belonging

⁴⁰⁸Donald Puchala, 'Of Blind Men, Elephants and International Integration', *Journal of Common Market Studies*, Vol. 10, 1972, pp. 267-84.

to a theory which is normally not connected to the specific case of European integration. It is my view that this does not constitute a substantial problem, as the elements are combined with a distinct feature of the Community (*acquis communautaire*) in a particular process (European integration). The elements prove useful in defining different aspects of the *acquis communautaire* and filling the rights and obligations of Community membership with concrete substance. The terms 'Community regime' and 'regime contract' are useful in giving meaning to the complex body of mutual obligations inherent in participation in the European integration process.

With regard to the thesis's definition of a judicial and political dimension of the *acquis communautaire*, such an approach is necessary in order to distinguish between, on the one hand the tangible and concrete rights and obligations of Community membership laid down in the provision of the treaties and the secondary legislation, and, on the other hand, the intangible and less concrete form of rights and obligations arising from the process of close cooperation and gradual integration between the member states. Only by identifying the latter, is it possible to find out the causes for the fundamental reluctance Denmark has displayed towards European integration.

In practical terms, the identification of the principles, norms, rules and decision-making procedures with the *acquis communautaire* is necessary, but inevitably subject to my perception of the individual parts of the *acquis communautaire*. The definition of norms of behaviour in the Community is an interesting, but difficult, concept which deserves more extensive investigation (see below). The identification of principles is a little less problematic, although it should be kept in mind that the interpretation of the implication of Community principles is subject to each member state's perception of the obligations of European integration. Rules and decision-making procedures are in this thesis approached in a straightforward manner, although attention is drawn to the difficulty in assessing whether the violation of a decision-making procedure amounts to a violation with wider implications.

A special difficulty relates to assessing whether a development of the *acquis communautaire* amounts to a change of or within the Community regime and whether the change has brought with it a weakening or a strengthening of the regime. In the first case the problem lies in establishing whether the change has affected the principles and/or the norms, or whether it was confined to a change in the rules and/or decision-making

procedures. In the latter case the difficulty lies in assessing the impact of the change on European integration. The effect of the change may not be apparent before a certain time period has elapsed and the new provisions have come into operation, or the change may be a prescription of future objectives rather than the introduction of new provisions for cooperation. The Maastricht Treaty is an example of the latter case, as it not only contains prescriptions of future objectives, but in addition, some aspects, such as institutional and defence implications, are deferred to the IGC scheduled for 1996. The SEA is an example of the first, in that the dynamics of the cooperation procedure were not foreseen to their full extent when the Treaty reforms were first passed, but in practice they injected new dynamics into the functioning of the Council of Ministers and cooperation between the Council and the European Parliament.

3. The Perspective

The thesis focuses on Denmark's participation in, and reaction to, European integration in order to explain its pattern of involvement in the EC. This perspective raises a number of problems which are inherent in focusing on the relationship between an individual member state and a complex phenomenon, such as the EC.

First, by focusing on Denmark's reluctance to accept the political dimension of European integration, the acceptance of other actors, institutions, member states and others are not questioned and are implicitly taken for granted. This is obviously not the case, as many views and interpretations exist of the meaning of 'an ever closer union between the peoples of Europe' as there are actors involved in the process. The conclusion that Denmark had problems in accepting the political dimension of integration is here taken to signify its reluctance to make European integration a part of its democratic process, as an issue of legitimate political debate where political parties, social partners and other groups discuss its strengths and weaknesses and desirable direction, without refuting the desirability of integration itself. Denmark is not alone in finding it difficult to introduce European integration as a part of its democratic process; other member states experience similar dilemmas, but others again have accepted integration as an economic and political necessity.

Second, it is not my intention to pass a moral judgement on Denmark's behaviour in the EC. Showing that a member state has not, or did not, accept the implications of

political integration is a way of explaining why it took a reticent attitude to plans for deeper integration and why such plans caused so much domestic political strife. It is not to pass a judgement on whether its non-acceptance was a good or a bad thing, which is entirely a matter of personal conviction. Neither is it intended to prove that Denmark's non-acceptance was in some way more serious than that of other member states. The existence of a number of characteristics in Danish political life, however, forced the non-acceptance out into the open, and had serious implications for Danish governments which, regardless of their political creed, worked for Denmark's acceding to or remaining a member of the EC. The characteristics pointed out here include the fragmented parliamentary composition, the long succession of weak minority governments, the battle over EC policy between government and opposition in the Market Committee with its considerable political influence, the existence of strong popular anti-EC movements and, above all, the strong dislike of political integration among the general public.

4. The Link Between Theory and Empirical Research

To render the theoretical framework operational, a link had to be found between theory and the empirical findings of the study of Denmark's EC membership. The link was constructed by introducing the notion of an integration dilemma facing Denmark in the European integration process, to illustrate the Danish perception of being placed before two extremes: being abandoned by other EC member states, a course detrimental to Denmark's long term economic and political interests; or being entrapped in the process of ever deeper integration, a course which was seen as detrimental to Danish societal values and resisted by a majority of the political and administrative elites as well as the population. In this concept, which refers to the position of small states in the integration process, lies the notion that the member state in question deems itself unable to halt or change the direction of the integration process. There is also an underlying assumption that the state has problems in accepting the terms of the 'regime contract' and the objective of the 'Community regime'.

The concept of an integration dilemma has proved to fit with the position of Denmark in the European integration process, and has shown to be useful in establishing Danish reactions to the 'Community regime' when negotiating for EC membership and when steps were taken to deepen the level of integration. On each occasion, Denmark

experienced an integration dilemma, in that Danish governments perceived the costs of remaining outside or having to withdraw from the 'Community regime' as higher than joining or remaining a part of it, while at the same time strong forces inside Denmark opposed joining or sanctioning deeper integration of the EC.

To analyse the nature of the integration dilemma and the successive Danish governments' attempts to find a way between the two extremes of being abandoned or entrapped, a typology of strategies has been introduced. The strategies serve both to analyse the nature of the conditions set up by Denmark to join the dynamic process within the 'Community regime', in terms of aspects it could not accept at present or in the future (bastions), aspects for which it convinced other EC member states to grant Denmark a special solution (conditions), and aspects that Denmark had to accept to remain part of the process, but which often were presented as less significant in the domestic debate than their true impact probably was (concessions). The strategies prove to be useful in analysing the pressures on Danish governments and the balance they aimed at restoring between external and internal pressures. They also make it possible to identify those aspects of the 'Community regime' that Denmark resisted, often erected as bastions to signal to the EC and its member states, as well as to the domestic audience, the areas where Denmark would resist deeper integration.

III. Analysis

The analysis aims at tying together the findings in the accounts of the three periods of study on Denmark, and its pattern of involvement in the Community, with the theoretical framework. The emphasis of the analysis is on the thesis's key proposition that during twenty years of EC membership Denmark has been a reluctant partner in the European integration process (p. 13), and the questions asked in the introductory chapter about Denmark on the one hand and the Community regime and the European integration process on the other.

1. Is the Danish Case Different?

When studying Denmark and its relation to the EC a number of striking and sometimes contradictory phenomena emerge. They seem to hold part of the explanation as to why

Denmark has sometimes been regarded as a reluctant partner by other EC member states. Some of the most important are: Why has Denmark taken such a different attitude to European integration from Belgium and the Netherlands? Why has Denmark been regarded as a foot-dragging country with regard to deeper integration when it has always belonged to the best concerning the implementation of EC legislation? Why have federalist ideas found so little support in Denmark? And why is European integration perceived with a great amount of unease in Denmark?

These questions highlight the different attitude Denmark has taken towards European integration and its position in the European integration process. The accounts have focused on the empirical implications of these aspects which have influenced Denmark's involvement in the EC and on which some observations can be made.

1.1. A Different Attitude to European Integration

The case of Denmark and its EC membership is often compared to those of Belgium and the Netherlands. All three countries are small and dependent, from an economic and security point of view, on their big neighbours, especially Germany. All three experienced the effects of big-power politics in the nineteenth century and were affected by German aggression during the world wars. After the Second World War, however, they took a different view on the attempts to integrate western Europe in order to reduce the risk of future wars and to contain their large German neighbour. Belgium and the Netherlands became proponents of supranational integration in the shape of the ECSC and later the EEC and Euratom, while Denmark preferred a large European-wide free trade area with an intergovernmental character. Although Denmark was not hostile to the early attempts to set up sector-specific cooperation,⁴⁰⁹ it remained cool towards federalist inspired initiatives in the late 1940s and early 1950s. Denmark took a fundamentally different attitude to Belgium and the Netherlands concerning Germany, as its containment in a supranational framework was considered necessary by the latter two. To Denmark, participation in such a framework entailed the risk of being absorbed by its powerful neighbour. This, together with British opposition, tilted the decision against joining the

⁴⁰⁹ Hans Branner, 'Danish European Policy since 1945: The Question of Sovereignty' in Kelstrup, (ed.), *European Integration and Denmark's Participation*, pp. 297-327.

ECSC in 1952.⁴¹⁰ An important point in this context is the fundamentally different attitude of the Belgian and Dutch resistance movement on the one hand and the Danish on the other. The Danish resistance movement was one of the founding forces behind the popular movements against the EC warning strongly against the effects of European integration on Danish society and adopting a strong nationalistic rhetoric in its defence of Denmark's independence. Meanwhile, the resistance movement on the continent took a totally opposite view, regarding deep integration as essential for peace and stability in Europe.

Basically different views of supranational cooperation and the effects of European integration on a small state have influenced Belgian, Dutch and Danish perceptions of the integration process.

1.2. Implementation of Legislation versus Acceptance of Integration

Being willing to implement EC legislation, while at the same time showing reluctance towards accepting steps towards deeper integration, may at first seem contradictory. In the Danish case, however, it is not. There are three important reasons why Denmark is one of the member states which scores highest in implementing EC legislation into Danish law. First, for a small country, the reliance on a legal framework respected by all member states is of vital importance. In the accession debate in the early 1970s this aspect of the Community was deemed positive and beneficial to Denmark, especially as experiences in EFTA from 1965 (p. 66) underlined the power of a large country, the UK in this case, in intergovernmental cooperation. Second, there is a strong sense of following rules and implementing decisions in Danish civil service tradition. Danish society is characterized by the citizens' accepting and respecting the laws adopted by the authorities. The problem, however, for Danes has been accepting detailed EC regulations which are to them outside the perception of what is reasonable, but being law it is felt to be necessary to implement them as such. Some member states' tradition of regulating through law, but taking the implementation of legislation less seriously, is in contradiction with the Danish state culture of 'fair' laws which are implemented and complied with.⁴¹¹ Third, Danish

⁴¹⁰ Hans Branner, 'På vagt eller spring? Danmark og den Europæisk integration 1948-53', in Nüchel Thomsen, *The Odd Man Out?*, pp. 29-64.

⁴¹¹ Tim Knudsen, 'Det går nok - et essay om dansk statskultur og eurokratiet', *Politica*, Århus, Vol. 25, No. 3. 1993, pp. 260-87.

reluctance in the 1970s and 1980s towards reform of the EC Treaties was accompanied by statements that only if all member states followed the Treaties was there scope to implement a series of functional improvements to existing policies and cooperation.⁴¹² The insistence on maintaining the existing legal framework was both fundamental, in the sense that Denmark believed that the Treaties offered the possibility of extending and improving the functioning of the Community, and tactical in the sense that it was used as an argument against reforms of the existing Treaties or the drafting of new.

1.3. Federalism and Denmark

Early attempts to formulate a federal strategy to unite Europe passed nearly unnoticed in Denmark. Some Danish parliamentarians took part in the conference in The Hague in 1948, but could not muster any significant interest for these plans in Denmark. Many of them later opposed economic integration in the form of the EC. For instance, Frode Jacobsen, who was one of the Danish delegates at The Hague conference, voted against Denmark's ratification of the act of accession in 1972. In Denmark, in contrast to several continental EC states, the resistance movement did not embrace federal ideals, but on the contrary was a founding member of the People's Movement against the EC in the early 1960s. Likewise, in contrast to, for instance, Italy, the Danish radical left was totally opposed to political integration in western Europe.

Danish political scientists have, however, pointed out that Denmark, traditionally placed in the integration-sceptical group of states, together with the UK and other Nordic countries, was in the late 1950s and early 1960s ready to embrace some forms of sector-specific integration, but concerns about sovereignty and the influence of British criticism of supranational cooperation put a stop to any concrete steps towards joining the ECSC.⁴¹³ British reluctance to further steps towards European integration, however, continued to play an important role in Denmark, both at the elite level, where British opposition to institutional reforms was shared by Danish Euro-sceptics, and at the popular level, where

⁴¹²See, for instance, Otto Møller's general reservation to the approach of the Dooge Committee.

⁴¹³See, for instance, Hans Branner, 'Danish European policy since 1945: The Question of Sovereignty', in Kelstrup (ed.), *European Integration and Denmark's Participation*, pp. 297-327.

problems arising in the British debate over Europe were often referred to in the Danish media and used by the popular movements against the EC to underline their arguments. The reform of the Danish constitution in 1954, when Article 20 was inserted to pave the way for future transfer of sovereignty to international authorities, has been interpreted as a sign that Danish politicians at the time foresaw Denmark joining some form of binding cooperation.⁴¹⁴

Opposition to European integration was articulated at the time of the first membership application to the EC in 1961, and then increased during the accession negotiations to peak before the referendum in 1972. Some commentators have underlined the impact of the nature of the referendum campaign on the perception of European integration in Denmark.⁴¹⁵ Because of internal division in some political parties, in particular the Social Democratic and Radical Liberal Parties, it was decided to hold a binding referendum. The campaign preceding the referendum allowed a polarization of arguments for and against membership of the EC, and the lines drawn between the opponents and proponents remained largely intact until the Danish Memorandum of 1990. The significance of the campaign was the proponents' insistence on the economic aspects of the EC, while playing down the significance of the political aspects and avoiding mention of the dynamic dimension of European integration. The opponents, however, accepted the validity of both federalist ideals and the dynamics of functional integration, not as positive elements, but as threats to national sovereignty and Danish society as a whole. The view of federalism as a concept without firm links to reality was underpinned by Danish EC policy as formulated after accession. The Social Democratic EC spokesman, Ivar Nørgaard, often referred to airy-fairy federalists on the continent who drew up plans for a European Union that nobody wanted.

⁴¹⁴Hans Branner, 'Danish European Policy since 1945: The Question of Sovereignty', in Kelstrup (ed.), *European Integration and Denmark's Participation*, p. 308.

⁴¹⁵See, for instance, Mogens Rüdiger, *Danmark og EF 1967-1985*, paper presented at the conference *Dansk Udenrigspolitik i perioden 1967-1992*, Copenhagen, 7-8 October 1993.

2. Danish Society and the Community Regime

Denmark has often been classified as a pragmatic functionalist closely in line with British attitudes to the EC. It is questionable if this classification is appropriate, but both Denmark's population and its elite have undoubtedly, with few exceptions, not supported political integration or the objective of EU. The clearest signs of Danish reluctance towards European integration were the insistence on the 'veto right' and the refusal to reform the Treaties to transfer more power to the EC institutions, to codify the foreign political cooperation or to include security and military matters into the EC framework. The Folketing has been reluctant to enhance the position of the European Parliament and forge established links between the two. The objective of EU was avoided by most proponents of EC membership until the run-up to the IGCs in 1991 when political parties had to embrace this highly charged concept. Other symbols of an emerging state-like entity in Europe are still refuted in Denmark, such as Union citizenship, a common European defence, a common currency, a federal institutional structure and the 'Communitization' of a number of primarily intergovernmental policies, such as foreign and security policy and justice and home affairs.

Although the economic benefits of EC membership have never been denied in Denmark, the impact of political integration on Danish society, its values and traditions has been resisted. A number of fundamental elements have contributed to this resistance towards European integration.

The relationship between the Community and Danish society has been described as problematic (Tim Knudsen, 1992, pp. 291-3)⁴¹⁶ and a number of specific factors have been mentioned: (1) a fear that European integration will lead to the dissolution of the Danish welfare state; (2) a belief in the high ethical standards of the Danish civil service combined with a perception that other member states are less rigorous in complying with EC legislation; (3) an identity problem for Danish politicians and high civil servants who have to adapt their *folkliged* to the norms of behaviour of their European counterparts,

⁴¹⁶The following account is based on Tim Knudsen, 'Det går nok - et essay om dansk statskultur og eurokratiet', *Politica*, Århus, Vol. 25, No. 3, pp. 269-87. Tim Knudsen, 'A Portrait of Danish State-culture: Why Denmark needs two National Anthems', in Kelstrup (ed.), *European Integration and Denmark's Participation*, pp. 262-96.

while once back in Denmark they have to resume the Danish code of behaviour; (4) the *folklige* element which is linked to people's nearness to the centre of decision-making - a fundamental attitude based on the intellectual thinking of the Danish philosopher, N.F.S. Grundtvig, who praised the virtues of self-reliance, equality, consensus-based decision-making and *folkliged*; (5) small-state thinking and a neutralist tendency which prevent Danes from trying to influence what is perceived as big-power politics; and (6) the long historical experience of one political centre and one culture, language and religion which makes a pluri-centred democracy more difficult to accept.

These factors made the opposition to EC membership advocate closer Nordic cooperation, as it was felt that the Nordic countries have similar social, cultural and political traditions. They have also prompted Danish politicians, in their efforts to make the 'Community regime' appear more acceptable to the Danish population, to stress the need for more transparency, openness and nearness (subsidiarity) to the Community's decision-making process. The Danish interpretation of subsidiarity is different from many other EC members' definition. The term 'nearness' better illustrates Danish thinking, as the Danes prefer that decisions are taken as close to the citizens as possible. This interpretation is close to the Danish understanding of local democracy, which is a distinct feature of Danish governance. All these factors have had an impact on Danish politicians trying to adapt Community symbols, including the language, to a low-key level more suitable to Danish thinking and traditions, which has been noticed little in Brussels probably due to the limited number of Danish-speaking foreigners.

As European integration and the emergence of EU have been regarded as a threat to traditional political and societal values, the Community regime has been perceived as incompatible with Danish society and the political system. As membership of the EC has been seen by the political and administrative elite as necessary for the Danish economy and hence the survival of the welfare state, European integration with the risk of being entrapped or abandoned has become a dilemma. Small-state thinking is linked to this concept, because if a state feels a threat to its established societal system by another system, it must be founded in the belief that the small state is not capable of changing the external regime, but only either adapting to it or withdrawing.

Signs that the Community regime was perceived as incompatible with Danish society first emerged on the centre and left of the political spectrum. The Social

Democratic Party and the trade union movement were divided on the question of the necessity of Denmark being a member of the EC and held a deep reluctance towards European integration, mostly because of the perceived threat to the welfare state. The Radical Liberal Party was also divided on EC membership, mainly because of the strong tradition of neutrality and Nordic cooperation. The leadership of both these parties, however, advocated Danish membership of the EC in the referendum campaign of 1972.

The radical left and the People's Movement against the EC opposed EC membership because of the adverse effect on national sovereignty, Danish identity and society. The rhetoric among the opponents on the political left had strong national overtones, which emphasized directly or indirectly the superiority of the Danish regime as opposed to the one prevailing in the EC and its member states. To underline this point, these groups often pointed at Nordic cooperation as an alternative, because the Nordic countries were perceived as sharing many of Denmark's democratic, societal and cultural values.

Only two parties on the right of the Danish political spectrum have openly supported European integration: the Liberal Party and the Centre-Democratic Party. The Conservative Party, together with the Christian People's Party, has supported Danish membership of the EC, but not European integration *per se*. Notably, Poul Schlüter has declared at least twice that EU was dead. During the IGCs of 1991, some MPs of the Conservative Party showed increased uneasiness with the concept of EU and its effect on Danish sovereignty. Right-wing groups adopted arguments regarding national sovereignty and the safeguard of Danish interests, which had previously been more common to Conservative groups in, for instance, the UK or France.

Throughout Denmark's membership of the EC and before, the Danish population has shown little support for European integration. In fact, Denmark's membership of the EC from shortly after the referendum in 1972 until the mid-1980s (before the referendum on the SEA) was not supported by a majority of the population. European Parliament elections have been an occasion where the Danish population has shown its discontent with Denmark's EC membership by voting for the People's Movement against the EC, which has held as many seats in the European Parliament as the group obtaining a better result than the political parties. The political parties divided on this issue, the Social Democratic and Radical Liberal Parties, have suffered heavy losses compared to national

elections, while the right-wing parties have largely held on to their positions. One effect of the People's Movement against the EC's strong position in the public debate has been to keep alive the question of whether Denmark should remain a member of the Community.

The perceived incompatibility between the Community regime and traditional values of Danish society has had an impact on Denmark's behaviour as a Community member and its adaptation to EC membership. The fact that Denmark has not felt a shared ownership of the principles and norms of the Community has meant that the 'Community regime' has been seen as a threat to the Danish regime. The following analysis of the three episodes in Denmark's EC membership will take account of Denmark's position and behaviour as an EC member and its efforts to reconcile developments of the European integration process with the perceived incompatibility of the Community regime and Danish society. The analysis will make it possible to establish Denmark's pattern of involvement in the EC.

3. European Integration - A Source of Conflict in Denmark

The episodes in Denmark's EC membership have shown that Denmark, despite adjusting without great problems to functional integration and benefiting from economic cooperation through its EC membership, did not accept the principles of political integration. It is of course possible to argue that the meaning of the goal of 'an ever closer union among the peoples of Europe' was unknown to all member states, but here Denmark's non-acceptance is understood as its initial refusal to support reform of the EC Treaties, either to strengthen and extend the competences of the EC institutions, the inclusion of policy-areas where loss of sovereignty was particularly feared or the adoption of state-like symbols, be they linguistic ('European Union'), of substance (e.g. a single currency), or symbolic (Union citizenship). Linked to this was the nature of the debate in Denmark concerning elements of federal or neo-functional integration, which were both used as arguments by the opponents, while the proponents, with few exceptions, avoided, played down or refuted their significance. It is possible to conclude that for a long time European integration was not an accepted element in the democratic process in Denmark, but an area of conflict which emerged in the case of external pressure for deeper integration, or

which was avoided in the absence of external pressure.

The latent conflict over European integration which re-emerged when the Community prepared to take additional steps in this direction during the first half of the 1980s, is directly linked to what was perceived in Denmark as an integration dilemma. The integration dilemma arose because of at least three factors: (1) there was not sufficient support in Denmark for European integration; (2) Danish governments (along with some other groups) perceived membership of the EC as a necessity to uphold the welfare state; and (3) the belief that Denmark as a small member state could not stop the process of deeper integration, because other states would forge ahead without it were Denmark to cast its veto. Although a big member state may perceive an integration dilemma, its position is different from a small state's, because the political significance of its veto, as well as the withdrawal of a big member state, is more likely to weaken the Community regime. It also has more to offer when seeking an acceptable compromise.

To succeed in balancing internal and external pressures successive Danish governments adopted a series of strategies whenever Denmark's position as an EC member (future or present) was at stake. Bastions were erected against different elements of European integration, whether they were actually part of the negotiations or not. Conditions were imposed on other member states to accept specific Danish objections or modify proposals to be acceptable at the Danish level. Finally, Denmark had to give concessions during the intergovernmental negotiations, whose significance was often played down on the domestic scene. The implementation of the strategies was made all the more difficult as EC policy increasingly became an area of intra-party conflict and the population increasingly expected to be given the right of final assent. The instability in the Danish political system with a long series of weak minority governments contributed to this. In this context, it is possible to interpret the Edinburgh Agreement as a large bastion erected by the whole Danish political establishment against further integration at the request of the Danish population.

3.1. The Terms of the 'Community Contract'

The account of the three episodes in Denmark's EC membership shows that Denmark was repeatedly reluctant to adopt the political dimension of the *acquis communautaire*, and although some groups and politicians who were favourable towards a political European

construction, the majority of the political elite, together with popular movements and the population as a whole, did not embrace this objective.

3.1.1. Principles

It was the principles of the Community regime which in particular caused problems for Denmark. Many of the bastions erected during the three episodes covered by this study were directed against perceived threats to Danish society, or were designed to put a stop to the integration process if needed. Behind the feeling that the Community regime presented a threat to Denmark lay a suspicion about the consequences of 'an ever closer union among the peoples of Europe', a vision perceived as different or foreign to Danish society and its democratic, social and cultural values. Denmark had no problems in accepting a degree of functional integration in areas where the gains were concrete and easily detectable, but when integration deepened in functional economic areas, or moved into the political dimension, Denmark's reluctance became apparent. In fact, Denmark signalled early on that deepened political integration would not be supported and that it did not share the purpose of the Community regime nor the means of obtaining deeper political integration. The reluctance towards political integration was initially felt within parties and groups to the centre and left in the political spectrum, but later changed slightly in its nature. As the Community regime developed, so did the nature of Denmark's reluctance. Over time, however, many features of the nature of Danish reluctance remained, which implies that there are several similarities in the opposition against the Community regime from the early accession period to the Edinburgh Agreement. With the help of the findings in this study of Denmark's EC membership, it is possible to establish the nature and development of Danish opposition to the Community principles.

Denmark's reluctance to political integration first appeared in the shape of its initial market-political objective, a broad free trade area for all western European countries. After some contacts with the High Authority of the ECSC, Denmark decided to opt for the formation of cooperation within an intergovernmental framework in EFTA together with the UK, the Nordic countries and Austria. EFTA was clearly not an ideal trading framework for Denmark, but was preferred to the tighter cooperation for which the EC Six were aiming.

Denmark's reluctance towards political integration was overcome when the UK decided to apply for EC membership in 1961. Denmark followed the UK in 1961, again in 1967 when both countries applied for the second time, and in 1970 when accession negotiations were opened. The motivation to become a member was clearly economic, partly because Denmark's main trading partners, the UK and Germany, were to belong to the same framework, partly because Danish farmers wanted to benefit from the preferential conditions under the CAP, while Denmark's industry grew more competitive during the 1960s and was increasingly able to sustain the competition within the EC. The means by which Denmark succeeded in balancing the economic advantages of belonging to the Community with the disadvantages perceived in political integration, was a set of conditions and a declared perception of future integration in the Community. The conditions were: accession together with the UK, the possibility of maintaining the provisions of the Nordic cooperation, and that other Nordic countries would forge free trade agreements with the EC. The perception of the prospects of future integration was built up around the notion that the enlarged EC would be different, as the new member states would contribute to a more open, socially more developed, and internationally more far-sighted Community. This image of the enlarged Community was tied to the proponents' insistence during the referendum campaign that EC membership was necessary economically and that its political consequences were insignificant.

The debate on creating a Nordic customs union, Nordek, in the end of the 1960s, is in some ways a mirror image of the debate on EC membership. Closer ties with the Nordic countries were not seen as threatening or detrimental to Danish political and social values and Nordic integration was generally supported by the Danish public. There was an underlying awareness among the civil servants in the Foreign Ministry that the differing economic interests of the Nordic countries might be an obstacle to concluding a customs treaty. The Nordic appeal was so strong among the Danish public, however, that the political and administrative elites found it necessary to attempt to negotiate with the other Nordic countries, if only to show the opponents to the EC and those who were hesitant, that a Nordic customs union was not a realistic alternative to EC membership.

The fact that the political dimension of the *acquis communautaire* did not pose any problems in the accession negotiations for the simple reason that it was not negotiated, did not refrain Danish politicians from 'warning' the EC of areas where further integration

was unacceptable thus calming public fears by rejecting some aspects of future development of the Community principles. Most conspicuous were the Danish Social Democratic Market Minister's declaration on EMU, in which he insisted on Denmark's sovereignty over economic policy, and a Market Committee report⁴¹⁷ which set further limits to future European integration, by insisting on the preservation of the existing institutional structure and, by insisting that common policies and foreign policy should remain an area of intergovernmental cooperation. The means to ensure a *status quo*-based development was the 'veto-right', a concept on whose importance all Danish politicians agreed. Domestically, the political and administrative adaptation was aimed at securing the Folketing's positions in the democratic process, and on separating EC matters from the political dimension of foreign policy-making by setting up a Department of Foreign Economic Affairs within the Ministry for Foreign Affairs.

The notion of a *status quo*-based EC policy was especially strong in the Social Democratic Party whose leading Spokesman on EC Affairs, Ivar Nørgaard, felt bound by the 1972 pledge to the population to veto future attempts to deepen integration. The *status quo*-based EC policy was a clear sign that Denmark did not share the principle of a process of integration towards EU. The Social Democratic Party's position, as the largest and most influential party, was crucial from the accession until the first reform of the EC Treaties with the SEA. Being in power from 1971-73 and 1975-1982, the party introduced its policy on the EC which it was able to maintain as Denmark's official EC policy even after the right-wing government under Poul Schlüter came to power in 1982.

Denmark's reaction to the reform process, starting with the Solemn Declaration on EU in 1983 and the Dooge Committee in 1984-85, was therefore largely in line with the previous cautiously sceptical EC policy. The conditions erected by Denmark as regards participation in the intergovernmental negotiations were similar to the bastions erected against political integration at the time of accession: no substantial reform of the Treaties, no extension of the competences of the EC institutions and the preservation of the 'veto-right'. Denmark's categorical rejection of Treaty reform led to a political isolation in relation to the discussions taking place between other EC member states. The

⁴¹⁷ *Markedsutvalget*, 'Betænkning', 25 August 1972, supplement to bill Nos. 157 and 206, *Folketingstidenden*.

government's negotiation position was made even more difficult by the integration-sceptic alternative majority which restrained the ministers' margin of manoeuvre by a hostile attitude in the Market Committee to the reform proposals emanating from Brussels. When the population was asked to pronounce itself on Denmark's position in the EC in 1986, it was again presented as economically necessary to endorse the SEA while its political significance was played down.

A gradual development in the attitude towards the Community principles occurred after the referendum on the SEA, resulting in the Danish Memorandum of 1990 which represented a new and positive negotiation platform for the IGCs agreed between the right-wing government and the moderate opposition. Despite the positive EC policy expressed in the Memorandum, many of the old reservations about European integration were still present and influenced the Danish negotiation objectives. The means of securing Danish interest in the EC, however, had changed, as it was recognized for the first time by a parliamentary majority that negotiating on a positive basis was the best way to meet Danish objectives. There was also a new recognition that some policy objectives, for instance in the social or environmental areas, could best be reached at a European level. The old *status quo*-based policy opposing any changes in the Community regime had given way to a more positive position based on the notion that deeper integration in some areas could benefit Danish interests. But there was still no overall endorsement of political integration. For instance, Prime Minister Schlüter insisted on the primacy of the intergovernmental aspects of the Maastricht Treaty which in his view had removed the drive towards a federal Europe and ensured the development of *l'Europe des patries*. The popular rejection of the Maastricht Treaty, and the subsequent negotiation with the EC member states leading to the Edinburgh Agreement, forced Danish politicians to reconsider the basis for Denmark's participation in EU and single out areas where integration was not acceptable for a majority of the population. The Edinburgh Agreement opened a new chapter in Denmark's EC policy and Danish attitudes to Community principles. It was an attempt to make the EC/EU regime correspond better to Danish political and social values by interpreting some aspects of the Maastricht Treaty 'in a Danish way', for instance the concept subsidiarity *versus* nearness. The Agreement also advocated the introduction of values close to the Danish regime, such as more openness and transparency in the EU decision-making process.

From this discussion it is possible to deduce that the nature of Denmark's reluctance towards EC principles was founded in the perception of a threat to Danish social, cultural and democratic values by the process of integration. The process towards 'an ever closer union among the peoples of Europe' was perceived as a vision of a state-like entity, where Danish society ran the risk of losing what was perceived as specific to it, and what was cherished by a majority of the population and the political and administrative elites. Denmark's reluctance to the EC principles went through a gradual development from a sceptical policy aimed at preserving the EC *status quo* to a recognition that some of Denmark's interests could best be achieved at the Community level and therefore a limited deepening of the integration process in certain areas was necessary to achieve these aims. The reluctance towards political integration, however, had not lost its intensity despite changing its character in this regard. The staunchest opposition came, as before, from political parties on the radical left, the traditional Social Democratic wing and trade unions mainly representing public sector workers, but also from the radical right and popular movements with both left and right political leanings.

Denmark's reluctance to share the Community principles has formed its participation in the European integration process and influenced the Danish political process. But has the Community regime been influenced by Denmark's reluctance to share the over-arching principles?

The theory of International Regimes tells us that if the principles are shared by all member states the regime functions coherently, but if they are not, the Community regime may weaken or divert from its original direction. It is difficult to prove that the Danish reluctance has had a significant impact on the coherence of the Community regime over the long term, although, depending on its development, the Edinburgh Agreement may well prove to have influenced the coherence of the Community regime. It is clear, however, that Danish reluctance towards deeper political integration has twice threatened to stop the integration process. The first was the parliamentary rejection of the SEA in 1986 which, although it had at the time already been overridden by a pledge to respect the outcome of a referendum, showed a discord between the Danish political elite and the Community regime. The second was the Danish population's rejection of the Maastricht Treaty, which had a profound impact on the ratification process in other member states by focusing public discontent on the way in which the process of deeper integration had

been negotiated.

On the other hand, it is also true that the size and influence of a member state is important if its reluctance about deeper integration is to have a profound impact on the integration process. Denmark has never felt able to use its much cherished 'veto-right' during the intergovernmental negotiations covered by this thesis as Danish politicians have assessed that the risk of being abandoned by other member states is greater than the chances that Denmark would be able to halt the integration process or significantly change its course.

Denmark's reluctance has introduced some changes to the *acquis communautaire*; be they of less significance, such as the ban on foreign ownership of secondary homes; important, such as the guarantee to uphold national standards in the area of health and safety of workers; of major importance, such as the Danish opt-outs in the Maastricht Treaty; or of fundamental importance, like the Edinburgh Agreement which has changed the political dimension of the *acquis communautaire*.

3.1.2. *Norms*

As discussed earlier (section 3), there is an inherent difficulty in identifying the norms and distinguishing them from the principles of the Community regime. It is possible, however, to deduce from the definitions of norms (chapter 2, section 4.2) that they concern the behaviour of member states in the Community regime and are closely connected to the principles as they are defined in terms of rights and obligations. Denmark's adherence to the norms of the Community regime will therefore be seen in the light of its reluctance to share the Community principles.

In refuting the principles, Denmark found itself breaking the norms of the Community regime: in refusing to support any move to further European integration, it did not assume the obligations of EC membership enshrined in the principles. This was the case with Ivar Nørgaard's speech during the accession negotiations, at the Stuttgart European Council and in the Dooge Committee, where Danish ministers and officials declared it did not support the approach to improve the cooperation by reforming the EC Treaties, but wanted a pragmatic adjustment of the efficiency of the institutions and usefulness of the common policies within the existing Treaties. Denmark's reluctant participation in intergovernmental negotiations from 1984-85 was apparent from the

internal political dispute played out in the Market Committee. The right-wing government's inability to take the lead in EC policy, and the discord between the views of the Foreign Minister and the alternative majority in parliament, was noticed by Denmark's EC partners. Although the reasons behind the moderate opposition's reluctance to support EC reforms were not fully understood by other EC member states, Denmark's prestige was probably weakened by the open denunciation of European integration by some Danish actors, and the government's inability to negotiate positively and later to deliver parliament's ratification.

In the IGCs of 1991, a parliamentary majority enabled Denmark to negotiate on a positive platform, which changed the character of the cooperation between the government and the Market Committee, which no longer represented opposition to EC reforms, but which had become a reliable negotiation partner and support to the Danish government. By having earned the reputation of negotiating positively, i.e. accepting the principle of European integration to obtain national interests and thereby no longer breaking the norms, Denmark obtained several concessions from its EC partners on vital issues. The concessions were deemed so important in Denmark that the political elite was convinced the population would accept the new Treaty although it contained measures to deepen political integration which were accompanied by some important political symbols.

The popular rejection of the Maastricht Treaty cannot be interpreted as the breach of a norm, but in the subsequent negotiations with the EC member states, Denmark had to clarify which parts of the Community were unacceptable to a majority of the population. The Edinburgh Agreement, which identifies the areas of EU where Denmark does not participate, is an agreement on Denmark's partial membership of EU. In this context, Denmark's prestige as a Union member has been weakened, as it no longer assumes in full the rights and obligations of EU membership.

3.1.3. Rules and Decision-Making Procedures

In regard to the functional cooperation within common policy areas or other areas of cooperation within the existing Treaties, Denmark in general kept to the rules and decision-making procedures regulating them. This is partly a result of Danish political and administrative culture where rules are followed and decisions implemented, partly part of a strategy to show other more 'reform-willing' member states what could be achieved

within the existing treaty framework if only all parties complied. In this context the change in the political support for EC development which emerged in the late 1980s and early 1990s, heralded a important shift in the political elite's acceptance of the EC as a dynamic community. It is clear that important parts of the political elite did not support the aspect of a federal or state-like development of the EC, but a majority did accept the EC as the framework within which many of Europe's economic and political problems could be solved. As a majority had accepted the necessity to deal with common problems within a strong and coherent common framework, it became easier to identify Denmark's positions in view of a major overhaul of the Community and to take a positive and progressive attitude to these changes. As a result, Denmark demanded changes to the decision-making procedures to obtain EC legislation in a whole range of areas, in particular in social and environmental policy. Denmark also demanded the inclusion of new areas of cooperation in which the EC institutions should have exclusive competence or in which competence should be shared between the member states and EC institutions. As a consequence, Denmark let go of its insistence of the 'veto-right' in areas covered by common policies, and advocated that decisions should be adopted by qualified majority voting.

At the time of the negotiation of the SEA, Denmark had obtained a concession from established EC rules in the area of health and safety of workers, as it was recognized that more stringent national standards could be applied as long as they did not constitute a barrier to trade. The right to uphold national deviances in the internal market was further developed by the introduction of subsidiarity as a guiding principle for the level of competence for issuing Community-wide rules, a development which Denmark supported.

3.2. Denmark's Partial Membership of EU

When seeking a solution to the rejection of the Maastricht Treaty, the difficulty for Danish politicians lay in identifying a formula which at the same time respected the population's verdict, did not necessitate a renegotiation of the Treaty (which other member states did not accept) and would not lead to Denmark's withdrawal from the EC. The option of holding on to its veto over the ratification process and let other member states find a way forward was not considered by the pro-European parties in parliament, as it

was believed that this would lead to complete Danish isolation and in the end force Denmark to withdraw from the EC.

The initiative to negotiate a platform for Denmark was taken by the Socialist People's Party which, because of its opposition to the Maastricht Treaty and European integration in general, had gained credibility in public opinion. It invited two other parties, the Social Democrats and the Radical Liberals whose voters to a great extent had voted against the leaderships' recommendation to endorse the Treaty, to take part in the negotiation, while the government parties, the Conservatives and the Liberals whose voters had largely followed the parties' recommendations, were excluded. The outcome of the negotiations, the National Compromise, was presented to the government, which, after minor changes, presented it to the EC member states as Denmark's negotiation platform, 'Denmark in Europe'. The document was based on the notion that Denmark would ratify the Maastricht Treaty and become member of EU, but on certain conditions which respected the result of the referendum. An agreement should be without time limit and endowed with legal validity.

After negotiations and consultations with the EC member states with the assistance of the British Presidency and the Council's Secretariat, the European Council in Edinburgh reached the Edinburgh Agreement on terms which were very close to the conditions as stated in 'Denmark in Europe'.

The Edinburgh Agreement is not only an agreement on a differentiated membership of EU granted to Denmark, it is also a negotiation, for the first time, of the political dimension of *acquis communautaire*, which Denmark subscribed to without fully accepting at the time of accession to the EC. The terms of the Edinburgh Agreement both stipulate the parts of the *acquis communautaire* in which Denmark does not participate, and regulate Denmark's perception of its position in the Community regime by setting out some propositions about the nature of EU in which Denmark is ready to take part.

The Edinburgh Agreement is a complex legal instrument which under international law, in agreement of all twelve EC member states, allows a differentiated Danish membership of EU. Although the agreement was explicitly to be applicable exclusively to Denmark, it is part of the political dimension of the *acquis communautaire* and has introduced a new element in the Community regime. In exchange for the differentiated membership, Denmark has pledged not to stop other member states developing closer

cooperation or action, and has declared that the decision and declarations of the Edinburgh Agreement were compatible with the Maastricht Treaty and did not call its objectives into question.

The four areas - Union citizenship, EMU, defence policy and justice and home affairs - in which Denmark does not participate or participates under certain conditions, were regulated through the twelve EC member states' decision and the explanatory unilateral declarations of Denmark. As a result, Denmark has adopted all the provisions relating to Union citizenship, while noting that this citizenship is fundamentally different from Danish citizenship and that Denmark will not participate in Union citizenship on the same basis as citizenship of a nation-state. Denmark will not participate in Union decisions which have defence obligations, or which are related to the third stage of EMU, but will participate in justice and home affairs, but only on an intergovernmental basis.

The symbolic value of regulating its participation in EU may have been great for Denmark, but it is in the light of the domestic reluctance towards European integration that the differentiated membership has to be seen, as Denmark pledged to respect the practical provisions of Union citizenship and the area of justice and home affairs as long as it remains intergovernmental. Regarding non-participation in the third stage of EMU, which safeguards the formal sovereignty of Danish economic policy-making, the effect on Denmark's real sovereignty must be seen in the light of its long-standing participation in the D-Mark zone. A similar consideration may be raised regarding the common defence policy and membership of the WEU, which Denmark has renounced although remaining a member of NATO.

The Edinburgh Agreement is accompanied by a series of clarifications of provisions which have a bearing on the Danish perception (and other member states' perceptions) of EU. The first is a declaration which serves to reassure two traditional Danish fears often present in the debate on the EC: that the Maastricht Treaty does not prevent any member state from maintaining or introducing more stringent protection measures in labour policy, social policy, consumer protection or protection of the environment; and that each member state is permitted to pursue its own policy regarding the distribution of income and to maintain or improve social welfare benefits.

The second is a series of declarations and reports added to the Presidency conclusions of the Lisbon, Birmingham and Edinburgh European Councils clarifying the

principle of sovereignty, pledging greater transparency and nearness to the citizens, combatting unemployment through an economic growth initiative and opening accession negotiations with the applicant EFTA states.

Finally, the act of ratification, which includes the Edinburgh Agreement in the act of accession, clarifies (in the comments to the bill) that if Denmark were to accede any part of the four exempted areas and commitments flowing from them (e.g. membership of WEU), such an action would have to be endorsed by a five-sixths' majority in the Folketing or a referendum.

On Danish insistence (in 'Denmark in Europe'), an agreement between the twelve EC member states should specify that the basis for cooperation is that the member states, in their capacity as independent states, have freely decided to exercise some competences together. The phrase was reiterated almost literally in the Edinburgh Agreement, while the member states also recognized the special problems relating to Denmark raised in the document 'Denmark in Europe'. The ratification act repeated the importance of the intergovernmental character of EU and stressed that 'Denmark in Europe' constituted the basis for a new long-term Danish EC policy. Denmark had thereby specified the basis for its participation in the Community regime, which was subsequently accepted by other member states through the Edinburgh Agreement. It is possible that Denmark's reluctance about European integration has come full circle with the Edinburgh Agreement, but Denmark might also feel the disadvantages of its partial membership to be greater than the advantages. Danish pro-European politicians have noted with regret the adoption of the Edinburgh Agreement, and hope that the accession of other Nordic countries to EU might reduce the popular scepticism towards European integration, thereby enabling Denmark to renounce the Edinburgh Agreement and assume in full the rights and obligations of EU membership.

IV. Final Assessment

1. Findings, Implications and Possible Further Research

As stated earlier, the conclusion that Denmark's integration dilemma is founded in its deep reluctance towards European integration is not a judgement of whether Danish difficulties

in accepting the principle of political integration is a good or a bad thing, but assists in explaining its behaviour as a member of the EC. The findings should be assessed as to their usefulness in understanding the underlying conditions for an individual member state in the integration process. From such an understanding, knowledge about the process itself can be gained. The findings are intended to cover the middle ground between domestic and external politics, which is crucial to the understanding of challenges facing member states in EU taking part in the process of integration. The case of Denmark, not widely known outside its borders, can bring new understanding of the difficulties facing a member state when bringing integration into its domestic political process without *a priori* strong public support for this aim.

This research into Denmark and its pattern of involvement in the EC shows that:

- A country negotiating for EC membership which accepts in theory the whole *acquis communautaire* and its future implication may not have fully accepted the principles of European integration.
- Membership of the EC and participation in the European integration process are subject to the acceptance of principles, norms, rules and decision-making procedures which spell out the terms of the Community regime.
- European integration may be difficult to integrate in the domestic democratic system of an individual member state.
- The non-acceptance, or difficulties in accepting the implication of European integration by an individual member state, ultimately marks the limits of extending integration as it has an impact on the coherence between principles, norms, rules and decision-making procedures.

The implications of these findings are that:

- European integration is conditioned by the acceptance of the principle of integration by the member states with the principle of integration being linked to the acceptance of norms, rules and decision-making procedures.

- The total acceptance of the *acquis communautaire* demanded from the applicant countries is possible to obtain in areas of the Community regime which are tangible and concrete and which are often explicitly laid down in the EC Treaties and secondary legislation, but difficult to obtain with regard to the principles and norms of participation in the integration process.
- An individual member state may experience an integration dilemma which influences its behaviour in the integration process. The perception of an integration dilemma is related to the member state's political and economic influence, popular support for EC membership and the domestic political environment.
- The non-acceptance of the principle of integration is bound to surface when the Community heads towards deeper integration. The deeper the integration, the more demanding the obligations that face the individual member state, but also the more the Community regime is dependent on acceptance from its members. When the acceptance is domestically impossible, as in the case of Denmark in 1992, the Community regime is under threat. The political and economic influence of an individual member is probably important in deciding the response from other member states, whether they forge ahead or halt the process, or if they grant the faulting member state a special status. In the first case, a big member state's non-acceptance to further integration would probably be more likely to halt the process, while in the latter event, a small member state would probably be more likely to be granted a special status, as the partial membership of such a member would be considered less threatening to the Community regime.

The approach of this thesis has opened areas of research which could be more fully explored. There are a number of questions, theoretical and empirical, which deserve further research. Some suggestions are:

- The importance of the *acquis communautaire* in the European integration process should be more fully investigated. The notion of a 'Community regime' and a 'regime contract' may be useful in researching the rights and obligations of EC/EU membership.
- The notion of violation or non-acceptance of principles and norms of European

integration could be deepened as well as extended to other cases.

- The notion of an integration dilemma is a useful concept when investigating the position of an individual member state in the integration process. Further research could aim at establishing the factors which condition the introduction of European integration as a principle of the domestic democratic process.
- More empirical research could be carried out to investigate how other member states have, or have not, accepted the principle of integration, and the effect on both their behaviour as EC members and domestic policy-making. The relative position of member states and the factors influencing their prestige and importance in the Community could be profitably explored and would probably lead to deeper knowledge about the 'Community regime'. In the case of applicant or aspiring countries to EU membership, analyses on whether they would be willing or able to assume the full extent of rights and obligations of EU membership would be necessary, both with regard to the increasing intensity of integration and these countries' influence on the development of the 'Community regime'. The notion of an integration dilemma could be applied to would-be members to EU, as almost all of them are small or medium-sized countries, some with strong democratic traditions, others with weak, but which are all likely to encounter some difficulties in assuming or accepting the rights and obligations of EU membership, which after all, represent a much higher degree of integration than at the time of the first enlargement.

2. Main Conclusions

This thesis's contribution to the study of European integration is to highlight the rights and obligations of the 'Community regime' and the conditions under which an individual member state participates in the process of integration. To conclude, we will again look at Denmark's pattern of involvement in the EC.

It is possible to answer affirmatively to the questions asked in the introductory chapter (p. 13) by concluding that Denmark has been a reluctant partner in the European integration process mainly because of its difficulties in embracing the principles of the Community regime. The reluctance towards the Community principles have conditioned Denmark's pattern of involvement in the EC, in particular during intergovernmental

negotiations to deepen the level of integration. However, Denmark has been a diligent member concerning the implementation of Community rules and in accepting the Community's decision-making procedures.

The reluctance towards political integration has been an area of conflict in Danish politics, as for a long time it was not accepted as part of the democratic process. Throughout Denmark's EC membership and before, however, Danish governments have striven to obtain or maintain the country's participation in the integration process, and have never hesitated to underline the economic costs involved in withdrawal from the Community. In view of the internal political dispute over political integration, consecutive governments have tried to balance internal pressures for a *status quo*-based EC policy, while the external pressure for deeper integration has increased. Towards the end of the 1980s and during the early 1990s, the internal dispute changed character, as it was possible to obtain a parliamentary majority in favour of a positive Danish EC policy.

Finally, it is possible to argue that Danish reluctance towards European integration changed the nature of Denmark's participation in the integration process, as the agreement negotiated between the EC member states and Denmark in Edinburgh in December 1992, regulates the areas of EU in which Denmark does not participate and constitutes *de facto* a partial Danish membership of the process of European integration.

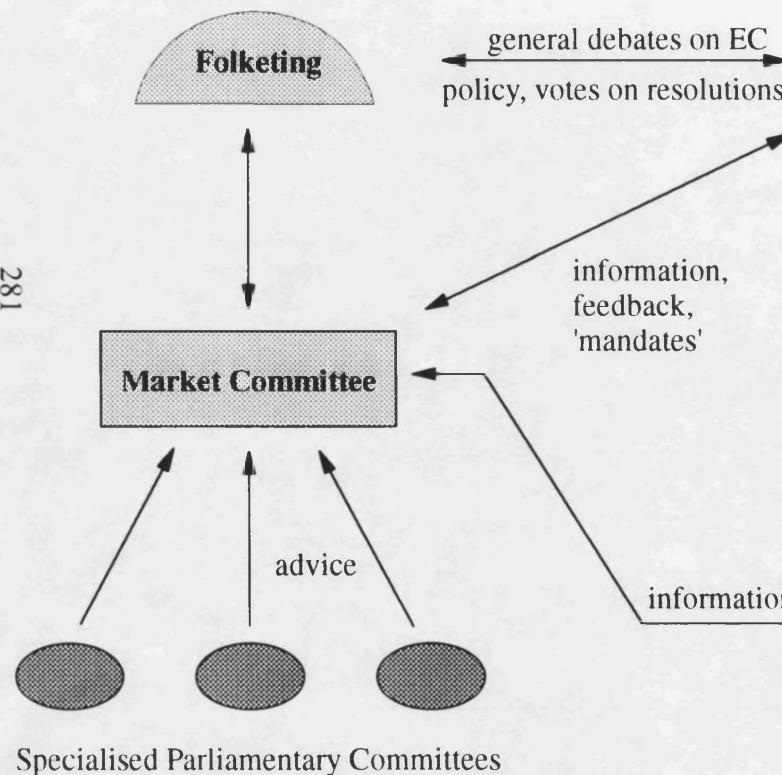
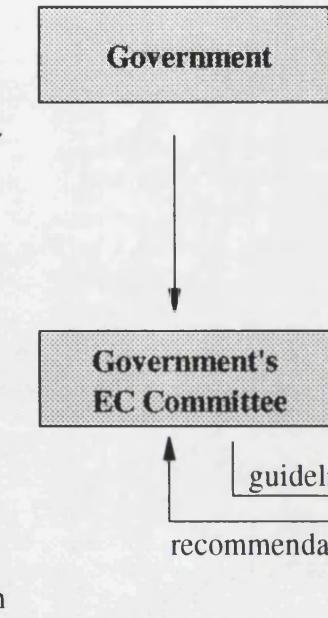
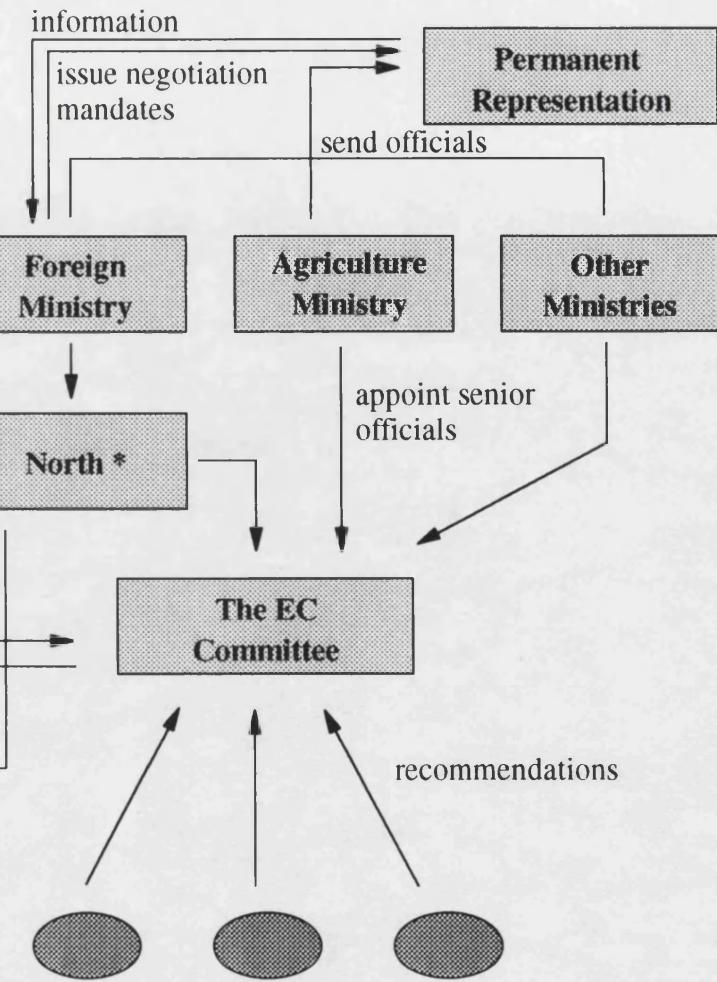
Appendices

Figures and Tables

Figure 1

Denmark's EC Decision Making Structure

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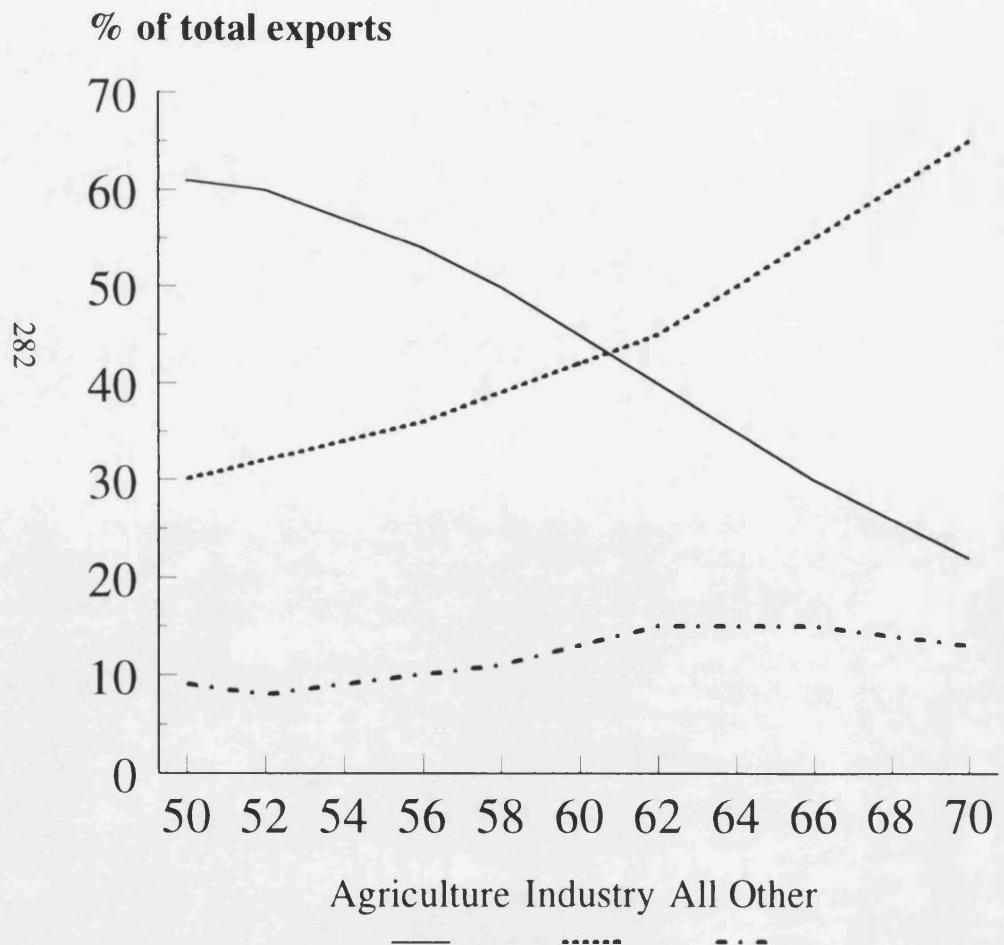
ParliamentGovernmentAdministration

* Head of Department is Chairman of the EC Committee, Secretary to the Government's EC Committee and attends the meetings of the Market Committee

27 Specialized Committees representing different Ministries involved

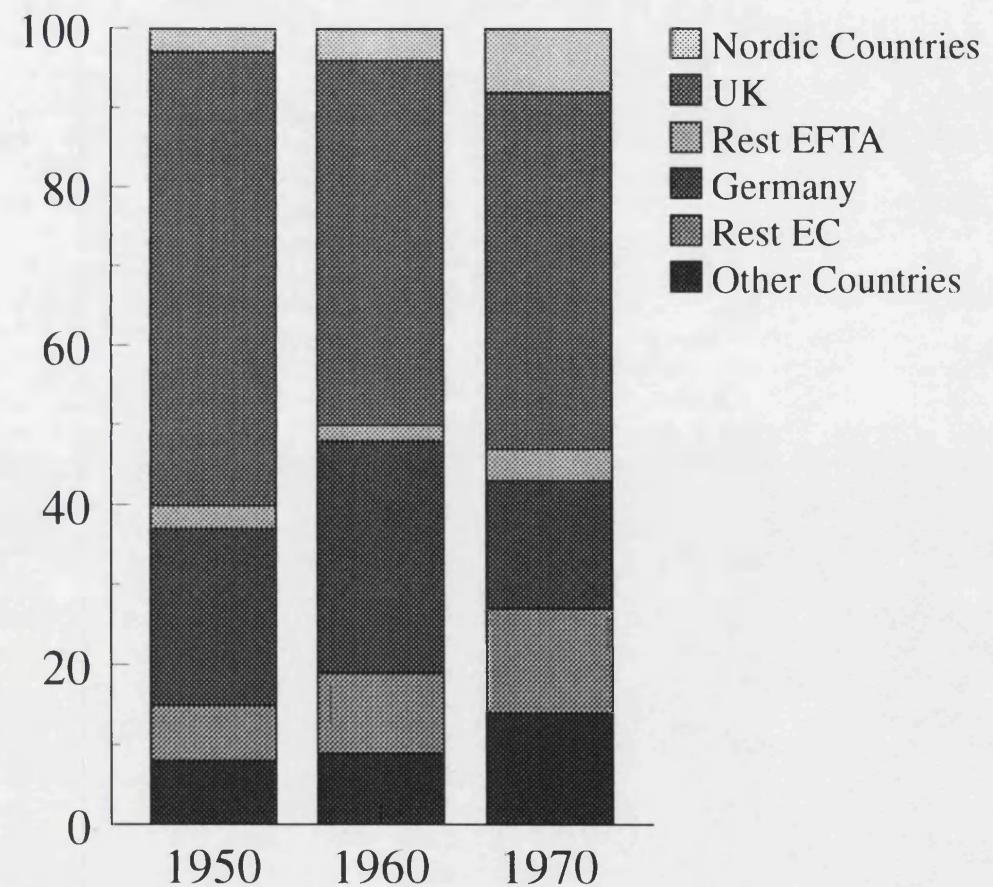
Product Group Composition of Danish Export

1950 to 1970



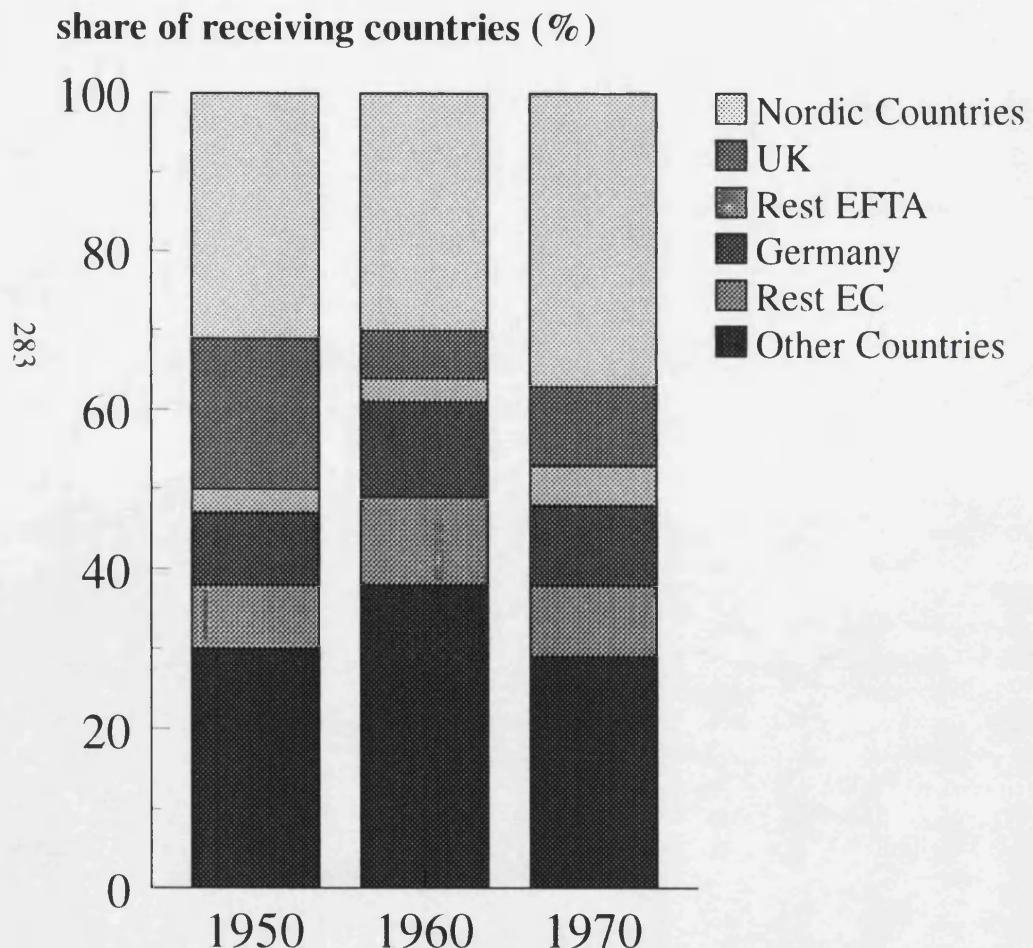
Agricultural Exports

share of receiving countries (%)



Source (Fig 2 and 3) : Peter Hansen, 'The Formulation of Danish European Policy',
Institute of Political Science, Aarhus University, Aarhus, 1973, p.23bis

Industrial Exports

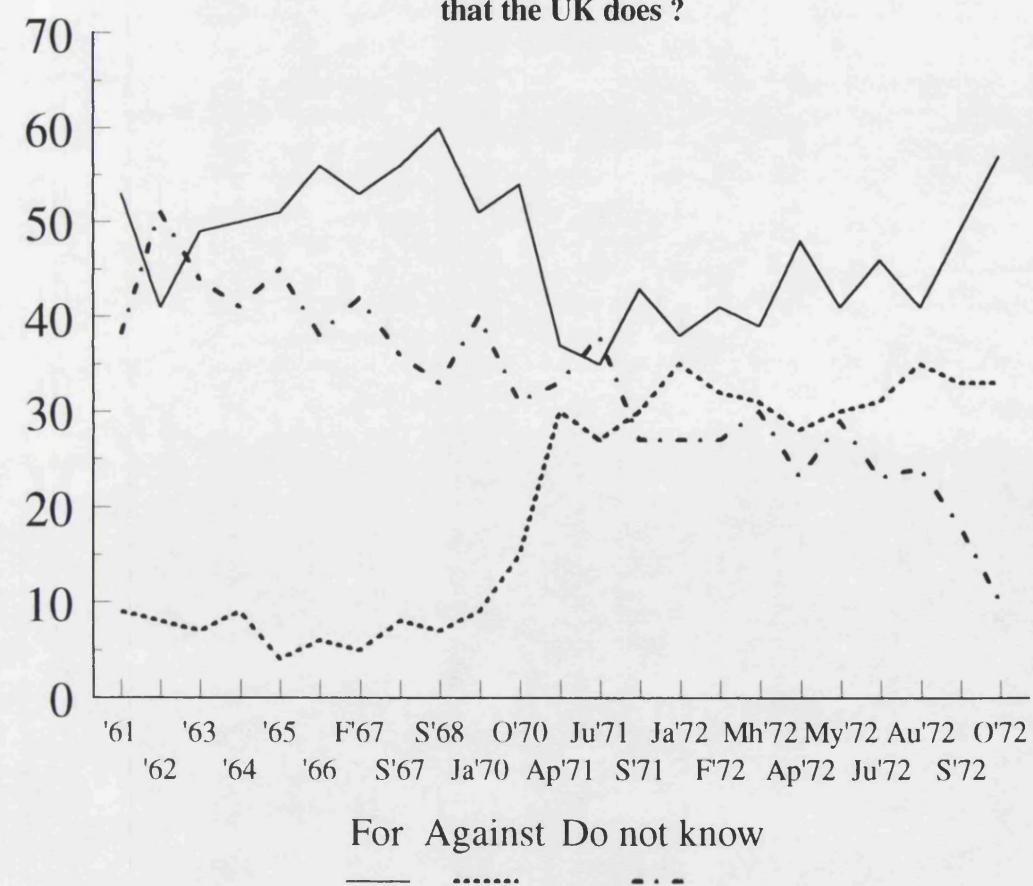


Source (Fig 4) : Peter Hansen, 'The Formulation of Danish European Policy', Institute of Political Science, Aarhus University, Aarhus, 1973, p.23ter

Opinion Polls (I)

1961 to 1972

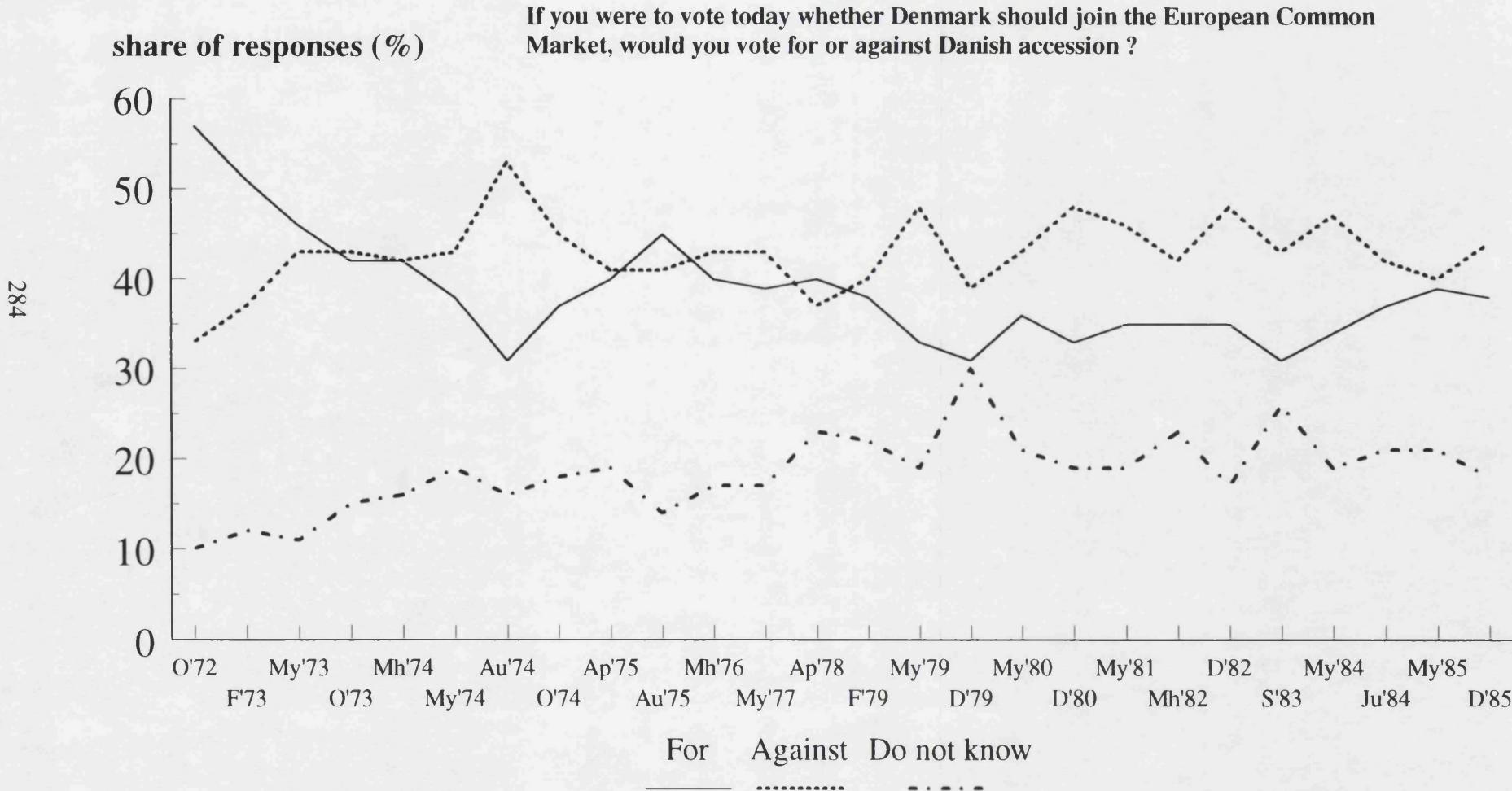
share of responses (%)



Source (Fig. 5) : Peter Hansen, 'The Formulation of Danish European Policy', Institute of Political Science, Aarhus University, Aarhus, 1973, p.24bis

Figure 6

Opinion Poll (II)



Source (Fig 6) : The Gallup Instituet and Berlingske Tidende, 13 January 1986

Table 1

Opinion Poll (III)

To what extent do you agree or disagree with each of the following five statements
about the Common market ? (Answers in per cent)

		agree	disagree	either or	do not know
The EC should gradually develop into the United States of Europe.	1972	26	40	16	18
	1976	22	56	7	15
	1988	19	57	11	13
	1990	22	53	13	12
	1991	20	59	14	7
The EC should become one nation with a coordinated foreign policy.	1972	15	51	16	18
	1976	16	63	7	14
	1988	13	64	10	13
	1990	27	46	16	11
	1991	31	49	14	6
The EC should become a great power with a decisive influence over world politics	1972	15	50	14	21
	1976	17	59	9	15
	1988	22	51	14	13
	1990	24	49	17	10
	1991	25	52	17	6
The EC should have a common currency	1972	36	29	14	21
	1976	36	43	7	14
	1988	25	52	10	13
	1990	34	46	14	6
	1991	32	53	11	4
The EC should only be a free trade cooperation	1972	62	15	9	14
	1976	66	19	5	10
	1988	65	18	7	10
	1990	62	20	11	7
	1991	61	23	12	4

Source (Tab.1): Data from 1972 to 1988 from Observa and Morgenavisen Jyllands-Posten, 8 January 1989.

Data from 1990 and 1991 from SONAR and Morgenavisen Jyllands-Posten, 26 May 1991

Other

Danish Governments from 1960 to 1993

1. The general election of 15 November 1960. Viggo Kampmann (SD) forms government with the Social Democrats and the Radical Liberals.

Distribution of seats in the Folketing

SD	77
L	39
Cons	32
RL	11
SPP	11
Independence Party	6
Slesvig Party	1
Greenland ⁴¹⁸	2
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2. Prime Minister Kampmann retires because of ill health and is succeeded by Jens Otto Krag (SD). The government (Krag I) comes to power on 3 November 1962 (SD+RL).
3. The general election of 22 November 1964. The Social Democrats form government alone (Krag II). J.O. Krag stays as Prime Minister.

Distribution of seats in the Folketing

SD	77
L	36
Cons	36
RL	10
SPP	10
Independence Party	5
Liberal Centre Party	2
Greenland	2
Faeroe Islands	1
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⁴¹⁸Greenland and the Faeroe Islands elect each two representatives to the Folketing. From time to time these representatives have chosen to join the parliamentary group of a political party (most often the Social Democratic Party). In that case they are not listed as representing their island communities.

4. The general election of 22 November 1966. After negotiations between SD and other parties, the Krag II government continues. SPP supports the government on some issues, but is not accepted as coalition partner. Krag dismisses some ministers, for instance Per Hækkerup, and is appointed Foreign Minister as well as Prime Minister.

Distribution of seats in the Folketing

SD	70
L	35
Cons	34
SPP	20
RL	13
Liberal Centre Party	4
Greenland	2
Faeroe Islands	1

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5. The general election of 23 January 1968. Hilmar Baunsgaard (RL) forms government with the Radical Liberals, Liberals and the Conservatives.

Distribution of seats in the Folketing

SD	63
Cons	37
L	34
RL	27
SPP	11
Left Socialist Party	4
Greenland	2
Faeroe Islands	1

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6. The general of 21 September 1971. The Social Democrats turns down a proposal from the right-wing parties to form an 'EC-government' (to obtain a parliamentary majority for accession to the EC). The Social Democrats form a minority government under J.O. Krag (Krag III).

Distribution of seats in the Folketing

SD	71
Cons	31
L	30
RL	27
SPP	17
Greenland	2
Faeroe Islands	1

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7. On 3 October 1972, the day after the referendum on Denmark's accession to the EC, J.O. Krag announces his decision to resign as Prime Minister. Anker Jørgensen is chosen to become Prime Minister in his place.

8. The general election of 4 December 1973 (the earthquake election). Poul Hartling is designated to form a minority Liberal government.

Distribution of seats in the Folketing

SD	47
Progress Party	27
L	22
RL	20
Cons	16
Centre Democratic Party	14
SPP	11
Christian People's Party	7
Communist Party	6
Justice League	5
Independence Party	1
Greenland	2
Faeroe Islands	1

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9. The general election of 9 January 1975. The right-wing parties fail to form government after refusing the Progress Party's conditions for its support. Anker Jørgensen (SD) forms a minority government (Jørgensen II) after other parties have promised not to table a motion of no confidence against him.

Distribution of seats in the Folketing

SD	54
L	42
Progress Party	24
RL	12
Cons	10
SPP	10
Christian PP	9
Communist Party	7
Centre Democratic Party	4
Left Socialists	4
Greenland	2
Faeroe Islands	1
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10. The general election of 15 February 1977. The election is triggered by a the government's defeat over the budget bill. Anker Jørgensen calls a general election whose result enables him to continue with the same cabinet.

Distribution of seats in the Folketing

SD	66
Progress Party	26
L	22
Cons	15
Centre Democratic Party	11
SPP	8
Communist Party	7
RL	6
Christian PP	6
Justice League	6
Left Socialists	5
Greenland	1
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11. Change of government on 30 August 1978 without general election. Anker Jørgensen forms a minority government with the Liberal Party (Jørgensen III).

12. The general election of 23 October 1979 is triggered by the two government parties' disagreement over economic policy. Anker Jørgensen forms a minority government (Jørgensen IV)

Distribution of seats in the Folketing

SD	69
L	23
Cons	22
Progress Party	19
RL	10
SPP	11
Centre Democratic Party	6
Left Socialists	6
Christian PP	5
Justice League	5
Greenland	2
Other	1
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13. The general election of 8 December 1981 is triggered by the government's defeat in parliament by a resolution proposed by the Radical Liberals. Anker Jørgensen forms a minority government (Jørgensen V).

Distribution of seats in the Folketing

SD	60
Cons	26
L	21
SPP	21
Progress Party	15
Centre Democratic Party	15
RL	9
Left Socialists	5
Christian PP	4
Greenland	2
Other	1
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14. The government Jørgensen V resigns. Poul Schlüter (Cons) forms on 10 September 1982 a four-party (Cons+L+CD+Christian PP) minority government (Schlüter I) without a general election.

15. The general election of 10 January 1984 is triggered by the government's defeat in parliament over the budget bill. The right-wing four-party minority government continues unchanged after the election.

Distribution of seats in the Folketing

SD	57
Cons	42
L	23
SPP	21
RL	10
Centre Democratic Party	8
Progress Party	5
Christian PP	5
Left Socialists	5
Free Democrats	1
Greenland	1
Faeroe Islands	1

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16. The general election of 8 September 1987. Poul Schlüter forms government (Schlüter II) with the same four parties.

Distribution of seats in the Folketing

SD	56
Cons	38
SPP	27
L	19
RL	11
Progress Party	9
Centre Democratic Party	9
Christian PP	4
Fælles Kurs	4
Greenland	1
Faeroe Islands	1

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17. The general election of 10 May 1988 is called after that the government refuses to accept a resolution regarding NATO battle ships. Poul Schlüter (Schlüter III) forms a minority government with the Cons+L+RL.

Distribution of seats in the Folketing

SD	56
Cons	35
SPP	24
L	23
Progress Party	16
RL	10
Centre Democratic party	9
Christian PP	4
Greenland	1
Faeroe Islands	1
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18. The general election of 12 December 1990. Poul Schlüter (Schlüter IV) forms a minority government with the Liberals and Conservatives.

Distribution of seats in the Folketing

SD	71
L	30
Cons	30
SPP	15
Progress Party	12
Centre Democratic Party	9
RL	7
Christian PP	4
Faeroe Islands	1
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19. On 15 January 1993, Poul Schlüter resigns over the Tamil scandal. On 25 January 1993, Poul Nyrup Rasmussen (SD) forms a majority government with the SD+RL+CD+Christian PP.

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