

ORGANIZING FOR EUROPE: WHITEHALL, THE BRITISH STATE AND EUROPEAN UNION

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The article examines the adaptation of Whitehall to participation in the European Union. Following an Historical Institutionalist analysis, the article argues that the most critical juncture relating to the machinery for the handling of European business was taken in 1960–1961 well before the third, successful application to join the European Communities. Actual accession brought about an adaptation of the machinery and of the processes developed in negotiation to the wider needs of membership rather than a reform of machinery. Thus the most important alteration in Britain's overseas relations since the war was easily accommodated within Whitehall's established approach to handling policy. Developments from the 1970s onwards have largely been accretive and these developments are outlined. However, the article argues that more fundamental challenges deriving from EU membership lie ahead for the structure of the British state.

Over the last twenty-five years one of the most significant challenges to British public administration has derived from membership of the European Union (EU), from accession until 1993 formally known as the European Communities. The resultant adaptation has been overshadowed, however, by the more high-profile turbulence of European policy in the political domain. This turbulence has had two particular forms: intra- and inter-party controversy within British politics; and periodic crises in Britain's relations with EU partners, such as in 1996 over the BSE crisis. While this turbulence has absorbed particular attention amongst analysts, the lower-profile adaptation of Whitehall's machinery of government to European integration has been extensive. By the 1990s all Whitehall departments had had to develop mechanisms for handling EU policy. In so doing, the British machinery of government has revealed itself able smoothly to adapt to EU membership, adjusting incrementally to an organizational response already established during entry negotiations. Surprisingly, in view of the controversies in the political domain, the Europeanization of Whitehall has presented few serious challenges to British practice. However, we suggest that more fundamental questions about the adaptation of the British state to EU membership are now to hand. These challenges extend beyond well-

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established concerns about the impact of European Community (EC) law on the domestic legal system, fears about parliamentary sovereignty and about the threat to sterling of a single currency. They now include challenges to the territorial distribution of power and to the codification of citizens' rights.

In order to develop this argument, we need to go through several stages, beginning with a consideration of the conceptual and theoretical backgrounds to our argument. We then offer an historical-analytical account of adaptation in Whitehall before concluding and raising the issue of the European challenge to the structure of the British state. The historical-analytical account draws on over 100 semi-structured interviews conducted during 1996–97 with serving and retired officials and former ministers. Our interviews covered every UK ministry, including the 'territorials', as well as the UK's Permanent Representation in Brussels.

ANALYSING ADAPTATION TO THE EUROPEAN UNION

Conceptually, the term 'Europeanization' has come to be used to explain the impact of the EU upon individual states, and to identify the comparative impact across member states. In the broadest terms, Europeanization can be seen as intrinsic to the process leading towards closer integration (Olsen 1995a, p. 21). More specifically, it can be taken as referring to the impact of EU-led changes upon at least two distinct aspects of member states' activities – policy and machinery – and thus opening up two potential avenues of enquiry. Europeanization is prone to being used loosely when examining the impact of EU policies upon member state policies because of the difficulty of isolating an 'EU-effect' from other changes, notably those originating from the global economy. Nevertheless, it is broadly agreed in policy terms that the EU has had a significant effect on member states, especially on such policy areas as agriculture or trade, where competences have been transferred to a significant extent to Brussels.

In assessing the impact of the EU upon public administration this problem of isolating causes is less prominent but there are still different facets of the phenomenon of Europeanization. It has both intra- and inter-state dimensions. In its *intra*-state variant it refers to the impact of EU policies, rules, practices and values upon member state activities in respect of both the making and implementation of policy. First, it refers to the extent to which EC/EU requirements and policies have affected the determination of member states' policy agendas and goals. Secondly, it refers to the extent to which EU practices, operating procedures and administrative values have impinged on, and become embedded in, the administrative practices of member states. Both of these impacts have implications for the machinery of central government and, by extension, for the broader constitutional order. The *inter*-state process of Europeanization, by contrast, is concerned with the impact of the administrative practices and styles of individual member states upon each other and of the member states upon the EU.

In this article our concern is with the *intra*-state impact of Europeanization upon the machinery of government. This impact is generally regarded as great. The nature of the impact, however, is rather 'fuzzy'. There is no overall European principle of organization: there are no practices, style or culture likely to spread with increased interaction (Olsen 1995b, p. 25). Indeed, in Olsen's view, administrative diversity has co-existed with ever closer European political integration. Moreover, considering simply the impact of practices within EU institutions on the member states, part of the problem is that the EU style of administration has only recently become institutionalized. It also remains rather fluid for two reasons. First, the EU policy process is characterized, in Mazey and Richardson's words, by 'uncertain agendas, shifting networks and complex coalitions' (Mazey and Richardson 1996, p. 54). These comments relate to the character of meso-level policy. However, they are themselves part of a wider picture of fluidity brought about by episodic constitutional change within the EU, such as that following through from the 1997 Amsterdam Treaty. Each change has adjusted the policy competences of the EU, as well as changing the institutional rules relating to many policy issues. Both effects have then had an impact within Whitehall, involving some re-calibration of its administrative response.

So far as there is an EU style, it is more in keeping with continental rather than British administrative traditions, with an emphasis on legal rules, codes, technical specialisms and departmental distinctiveness. What is remarkable about British central government's adaptation to the EU, we shall argue, is the extent to which, while change has been substantial, it has been more or less wholly in keeping with British traditions. However, whilst that is true for the machinery of government, more fundamental challenges are arising from EU membership for the constitutional arrangements within which that machinery is situated.

Taking a step back from the phenomenon of Europeanization that we are examining, we turn our attention to our theoretical approach. The approach adopted is historical institutionalism, which – as its name denotes – is concerned with change over time as mediated by institutional structures. On the face of it, historical institutionalism should help with an analysis of the evolving response of Whitehall and of the British state to the external challenge posed by European integration.

Institutional theory is theory of the middle range. It provides a link between deeper, structural factors such as those located in the economy, society and wider polity on the one hand, and human agency on the other. The main assumption is that institutions matter: they serve to channel and prioritize choices; shape actors' behaviour, objectives and values; and thus affect administrative and policy outcomes. Institutional approaches can be broken down into a number of variants. Hall and Taylor (1996) distinguish between sociological, rational choice and historical institutionalism. In addition to the greater variety of approaches, one of the features that

distinguishes this 'new institutionalism' from older forms of institutional analysis is the widening of the definition of the scope and content of an institution (also see Rhodes 1997, pp. 63–84).

Institutions can be analysed in terms of four gradations moving from the formal, through the informal to the normative and cultural:

- *formal institutional structure*: constitutional-legal rules (in so far as they exist), formal organizations and positions;
- *processes and procedures* facilitate the day-to-day functioning of the institutions and govern the networks of relations which spread out from them and connect them with interest groups, local government and so on;
- *codes and guidelines* set out conventions for handling business; and
- *the cultural dimension* relates to the norms, values and identities that are constructed systemically, around individual institutions and, on a micro level, within organizations.

As the term 'gradation' implies, there is no clear boundary between each of them. This situation is especially so in distinguishing between the last two categories.

The formal structure is more evident, easier to chart and thus the best place to begin. It is the formal structure which provides the framework within and around which informal activities take place. It is in the gaps within this framework that the informal and 'cultural' life of the institution takes place. These four gradations of institutionalism are in reality finely integrated, though they can be separated for purposes of analysis. The formal structure, however, has a kind of primacy in that it usually designates who are the players and the rules they have to address – if not necessarily conform to – in order to play the game.

This analytical focus arising from 'new institutionalism' is refined further by historical institutionalists, who move away from a rationalist conception of political action to one where rule-governed behaviour, 'logics of appropriateness' and established ways of doing things determine political action alongside goal-oriented instrumentality (March and Olsen 1989, ch. 9). Similarly, from this perspective, institutions are seen as partial in that they reflect a particular bias, allowing access to some interests while denying it to others and encouraging and highlighting some points of view at the cost of others. Consequently, institutions can be evaluated in terms of the opportunity structures they create and of which actors, and the interests they represent, are most benefited. Consideration can also be given to the extent to which and the ways in which these opportunity structures have changed over time. This ties in with a particular empirical concern of historical institutionalists, namely with change over time (Thelen and Steinmo 1992). Connecting that concern with the institutional gradations outlined above, we might judge that institutional change has been significant and

comprehensive when it has taken place in respect of all four gradations identified above.

Historical institutionalism is the variant of 'new institutionalism' which is applied in this article (see the review in Hall and Taylor 1996). The central concern of this approach is with how and why institutions emerge and change; and with the consequence of change for the pattern of policy outcomes. Historical institutionalism views change as accretive and path-dependent: new institutional components tend to evolve from existing formats. But historical institutionalists subscribe to both evolutionary and transformative models of change. The evolutionary perspective holds that institutions change incrementally through adjustments at the margin which modify, though leave intact, the basic underlying structure and principles (Braybrooke and Lindblom 1963). The transformative perspective sees institutional development as punctuated by moments when the fundamentals of institutions change. Under these circumstances what is revealed is not simply continuity but an alteration in the quality of the institution itself. These periodic alterations, while not wholly breaking with the past, are sufficiently novel to be considered as significant. They may amount to sudden, dramatic transformations involving new structures, procedures or a change in the underlying principles of administration. Alternatively, they may amount to an incremental transformation when separate and emerging patterns crystallize and become established as a coherent whole which is distinctly different from that which previously existed (see also March and Olsen 1989, pp. 53–67; Thelen and Steinmo 1992, pp. 13–18). A novel institutional feature, once thus initiated, is thereafter likely to develop along the broad lines laid down at its inception.

Historical institutionalism is not only concerned with identifying the type and degree of transformation taking place, but also with examining those 'critical moments' when an opportunity arises for significant change. Such opportunities may not be realized and exploited but, if they are, the outcome is a 'critical juncture' at which there is a clear departure from previously established patterns. These critical moments and the junctures of significant institutional change which may flow from them may be generated by forces external to the institution, such as the impact of EU-reform on Whitehall, or by internal factors such as a review of procedures or, when the right opportunity arises, intervention by a particular group or individual. Critical junctures create branching points at which institutional development moves on to a new trajectory or pathway which is then followed incrementally until a new critical moment arises, a new critical juncture follows and a new direction is taken. In theory, at each critical moment the opportunities for institutional innovation are at their widest. Conversely, at each such moment, various alternative pathways are not taken – either because they were considered and rejected or actors were not aware of them or did not give credence to them. Given our empirical concern with multi-level governance, it is worth noting that critical junctures leading to

changes at one level of institutions, such as the EU, need not lead directly to changes at other levels. A major change at EU level may create a critical moment at the national level but not necessarily a critical juncture. Thus, Europeanization does not entail an automatic adjustment of institutional response within the member states.

Historical institutionalism is a tool drawn from comparative politics. It is worth pointing this out even though this article is only concerned with the adaptation of British central government. Participation in, and adaptation to, the European integration process has happened for different member states at different times. How the integration process has been regarded, and adapted to, has been influenced significantly by patterns of initial participation or, even earlier, of membership negotiations, since those phases tend to be amongst the most critical moments of them all. What is critical in these phases is how European integration is perceived and constructed amongst national élites, for the administrative response is shaped in this way. Thus, in 1951 within the Federal Republic of Germany, European integration was constructed as a matter of *economic* policy: this at a time when there was no foreign minister and integration was confined to the coal and steel sectors (Bulmer and Paterson 1987, ch. 2). Accordingly, the Federal Ministry of Economics obtained – and has retained – formal responsibility for co-ordination, albeit in a fragmented political system where the Foreign Office, the Federal Chancellor's Office, other federal ministries and sub-national (Länder) governments almost compete to shape European policy. The UK, by contrast, joined in the early 1970s, and it joined an EC dealing with a much wider range of policy issues. The perception was that European integration was both foreign and domestic policy. This understanding of the EU chimed with the co-ordinated nature of Britain's governmental machinery, reinforced the need for Whitehall's norms of information-sharing and collective responsibility, and led to the Cabinet Office acting as the ringleader of European policy making. These illustrations show how the construction of the issue of integration interacts with the prevailing characteristics of national governmental machinery to explain the different starting points for national adaptation (see Rometsch and Wessels 1996; Wright 1996).

We set aside comparisons with other states in what follows but it is important to bear in mind the particular features of the British system of government in order to understand the distinctive form its adaptation to integration has taken. Following Olsen, we aim to demonstrate how a pervasive Europeanization of British central government has been consistent hitherto with the 'Whitehall model' of government (Olsen 1995b, p. 25). In other words, closer integration has not undermined the characteristics – formal, informal and cultural – of Whitehall. Rather, European integration has been absorbed into the 'logic' of the Whitehall machinery. It is for this reason that British central government has experienced a smooth adaptation.

In examining this argument it is important to be aware of two sub-themes: one methodological and one contextual. The former sub-theme concerns the broadly chronological approach followed. Our historical institutionalist approach is concerned with identifying the critical moments in the Europeanization of Whitehall. Hence we place emphasis, in this sense, on the decision to apply for membership, the membership negotiations, accession itself and developments thereafter.

The second sub-theme relates to Whitehall's interaction with the wider political context. In the Westminster arena, by contrast, EC/EU membership has been highly contested. The supranational nature of the EC/EU has challenged national sovereignty, which Britain – or, more precisely, England – has retained intact for centuries. Moreover, the supremacy of EC law over national law has called into question parliamentary sovereignty, with its origins and constitutional symbolism dating back to the English Civil War in the seventeenth century. Furthermore, persistent divisions within, and/or between, the two major parties over European integration have created critical situations for governments with small majorities, since the adversarial politics so characteristic of Westminster have polarized political issues between them. Intra-party divisions – whether those of the Labour governments 1974–79 or of John Major's Conservative government 1992–97 – have combined with inter-party adversarialism to turn European integration into a conflictual issue in domestic politics (Armstrong and Bulmer 1996). (For greater details on UK adaptation to EU membership, see George 1994, 1992; Ashford 1992; Camps 1964; Charlton 1983; Kitinger 1973; Bender 1991.)

This second sub-theme is important in two ways. First, it highlights the way in which Whitehall has adapted smoothly to European integration, whereas Westminster has not, and has witnessed successive clashes, such as the great debate over membership and ratification of the Maastricht Treaty (see respectively Lord 1992; Baker, Gamble and Ludlam 1994). It is striking that the conduct of European policy has been very private in Whitehall, from the very recommendation to consider joining the EEC: a view emerging in April 1960 from an official-level inter-departmental inquiry (Tratt 1996; Charlton 1983, pp. 228–55). By contrast the debate about European policy at Westminster has been very public. Secondly, the Whitehall and Westminster arenas of politics interact. British European policy, as articulated in the key EU fora, is shaped in different ways by both ministers and officials. The machineries of Whitehall and Westminster must engage in order best to defend British interests in the EU. Consequently, an efficient European policy machinery at official level is insufficient. As one senior civil servant put it (at the end of 1996), 'there's no point having a Rolls Royce machinery if the driver's a lunatic'. Or to give another illustration of the need for the political context to be in tune with the Whitehall machinery: in the latter stages of John Major's 1992 government, with a Cabinet so divided on European policy, the medium-term planning of European policy at

official level became a taboo subject. However efficient, the official side of the machine cannot work to full effect if there is a lack of momentum on the political side.

WHITEHALL'S PRE-ACCESSION ADAPTATION TO EUROPEAN UNION

Bearing in mind the importance of the political context, and following an historical institutionalist approach, we now shift our attention to the adaptation of the machinery of government to membership. The form that Whitehall adaptation took was shaped early around the time the decision was made to first apply for membership in 1961: the first critical moment.

Pre-accession adaptation (1950s–May 1971)

The foundations of the European policy machinery began to emerge with the establishment of the European communities in 1958. The key institutional players emerged, comprising those ministries affected by the policies of the EEC and potentially involved in the European Free Trade Association, an organization which the UK advocated as an alternative, purely economic, grouping of western European states. They were the Treasury and the Board of Trade (BOT), the Foreign Office (FO), Ministry of Agriculture (MAG), the Commonwealth Relations Office (CRO) and the Colonial Office. No department had a lead responsibility on the broad issue of European relations – a task which might have been expected to fall within the ambit of the FO. The Treasury's importance derived from its centrality for co-ordinating economic issues across Whitehall. The BOT was largely responsible for negotiations at the 1955 Messina conference on what emerged as the EEC. It was a key player in negotiations on EFTA, whereas the FO was on the sidelines. Beyond the significance of these ministries, a machinery began to emerge to co-ordinate policy. In typical Whitehall fashion a three-tiered structure of cross-departmental committees was developed. The lower two tiers were made up of committees of officials, one at the Deputy Secretary level and below dealing with matters of detail and one at a higher level dealing with broader matters of strategy and policy. These were co-ordinated by the Treasury and chaired by its officials. On the top tier was the European Economic Association Committee (EQ), a ministerial committee chaired by the Prime Minister (Treasury 1966, p. 75). It considered submissions drawn through from the official levels. It was within the top level official committee, under the chairmanship of Sir Frank Lee, that the alteration in Britain's position in relation to Europe began to take place. This committee, after a review of Britain's relations with Europe, in March 1960 managed to shift the terms of the debate towards seeking EEC membership (Tratt 1996, pp. 42–3, 61, 69 and Appendix III; also Camps 1964, p. 280; Charlton 1983, pp. 228–55).

Once Macmillan's government decided to apply for British membership of the European communities in April 1961, a decision which gave the matter a

foreign policy perspective, the existing machinery was adapted to handle the negotiations during 1961–63. From September 1961, EQ was replaced by a ministerial committee, the ‘Common Market Negotiations Committee’. This committee was at the pinnacle of the whole process and reported to Cabinet as and when necessary. The negotiating team was led by Heath (the Lord Privy Seal) and the FO; other members were chosen from the other key departments affected, especially the Treasury, BOT, MAG, Colonial Office and the CRO. They worked with the FO’s representation in Brussels which had developed from the four person delegation to the ECSC in Luxembourg, established under the Treaty of Association in 1955, into the UK Delegation (UKDel) to the Communities in 1958. In Whitehall, Lee chaired an official steering committee (CMN(SC)), composed of Permanent Secretaries, which had oversight of activity, but the main body of detailed work was carried out by an official committee (CMN(O)) under the chairmanship of a Third Secretary who headed a co-ordination section in the Treasury (Treasury 1966, pp. 4 and 75). A particular problem was the lack of specialist knowledge in Whitehall on the legal implications of entry. To explore these matters, an expert advisory committee, chaired by the Attorney General, was in operation between January and July 1962. Reporting to it was a committee of officials, chaired by the Treasury Solicitor, which undertook a detailed examination of Community law and its potential impact on government departments (Newman 1997). An official committee (CMN(L)) was also established to begin drafting the necessary legislation.

Already the general outline of today’s machinery was in place: in terms of committees (ministerial and two tiers of officials); and departmental positions (FCO co-ordination of negotiations, while co-ordination within Whitehall lay elsewhere, for the time being in the Treasury). After this first application to join was rejected by President de Gaulle, the Labour government of Harold Wilson made a further application – also unsuccessful – in 1967. Besides reactivating the broad structure of machinery used in the previous negotiations and in abeyance since March 1963, the Wilson government made one important innovation by setting up a European Unit in the Cabinet Office under a second Permanent Secretary (Sir) William Nield. This drew together experts from the departments, prepared papers and took over the task of co-ordinating the negotiation issues and discussions across Whitehall (Wilson 1974, p. 495). This partly reflected a change in the general operation of Whitehall in the late 1960s which involved a decline in the cross-departmental co-ordination role of the Treasury in favour of the Cabinet Office (Lee 1990; Burch and Holliday 1996, p. 22).

When negotiations re-opened in October 1969, following de Gaulle’s resignation as French President, it was the Foreign and Commonwealth Office (FCO) and the Cabinet Office which shared the main responsibility for European matters. The FCO serviced the negotiations and passed information between Whitehall, the negotiating team, Brussels and the capitals of the Six (Wallace and Wallace 1973, p. 253). In this it was assisted by UKDel

which had grown to a complement of 29 administrative grade staff (Wallace 1973, p. 91). A cabinet minister, the Chancellor of the Duchy of Lancaster, with an office in the FCO, was responsible for negotiations. Geoffrey Rippon took this post from July 1970 and was effectively in political charge of the negotiations. He was assisted at official level by Sir Con O'Neill from the FCO and his deputy, John Robinson, leading a team of officials with personnel mainly drawn from the key departments: FCO, Treasury, MAFF, DTI and Customs and Excise (Stack 1983, p. 126). These key departments had already begun to develop special divisions to help co-ordinate EEC matters within their own organizations, since the impact of European integration was felt by the UK even as a non-member. Many of the most senior officials involved had had experience of the 1961–63 negotiations. The ministerial committee to which Rippon reported was chaired by the Foreign Secretary and progress on the negotiations was regularly reported to Cabinet (Kitzinger 1973, p. 87).

Co-ordination within Whitehall was in the hands of the Cabinet Office European Unit under Nield which managed the two-tiered system of official committees dealing with negotiation questions. It also took charge of preparations for accession, beginning the drafting of what was to become the government's formal statement on entry (Cabinet Office 1971) and the preparation of the legislation that would be required to be presented to the UK Parliament. This latter task began in 1970 under Sir Charles Sopwith, who was appointed as a Deputy Secretary in the European Unit and chaired an official committee of legal experts drawn from across Whitehall.

The machinery used in these negotiations was evolved out of that used before. Other than the shift of responsibilities from the Treasury to the Cabinet Office the structure of the machinery was broadly the same. That shift had nothing to do with European integration but derived from changes within Whitehall. The co-ordination operation was more extensive than in the early 1960s, largely because the European Communities had extended their own areas of competence and activity. The level of understanding in Whitehall about the EC, its structures and operations was also more considerable than before. Entry, however, presented a further critical moment: whether to continue to develop and extend the traditional British approach to organizing European matters or institute fundamental change, perhaps to reflect what other member states were doing.

Adaptation for entry (May 1971–1973)

Once the Heath/Pompidou Summit of May 1971 had cleared the way, the final negotiating sessions took place in Luxembourg on 22 and 23 June 1971. They were followed in July by the publication of Britain's terms of entry in a White Paper (Cabinet Office 1971). On 28 October 1971, the House of Commons decided in principle by a majority of 112 votes in favour of joining the Community and Prime Minister Edward Heath signed the Treaty of Accession on 22 January 1972 (Maitland 1996, p. 179). Britain's membership

of the EC took effect as of 1 January 1973. This 18-month period provided an opportune period to assess the post-accession form of Whitehall's approach to handling EC matters. Here was both a critical moment and, potentially, a critical juncture.

Preparing for full membership involved two main tasks: detailed preparation and passage of legislation through Parliament and establishment of the machinery to handle relations with the EC. The preparation of legislation, already in hand under the auspices of the Cabinet Office European Unit, was given added impetus in early 1971 as British entry became more certain. The Solicitor General, Geoffrey Howe, was moved to the Cabinet Office to oversee the drafting of the Bill under Geoffrey Rippon who, having completed negotiations for entry, had been moved, in September 1971, to the Cabinet Office (from the FCO) to oversee the accession arrangements. The detailed drawing together of the drafting of the bill was in the hands of Howe and senior parliamentary counsel, Sir John Fiennes, who drew on the preparatory work of the legal committee chaired by Sopwith. This committee had envisaged a lengthy bill, but Howe and Fiennes cut this back to only twelve clauses and four schedules (Howe 1994, pp. 67–8). The brevity of the Bill was designed to try to curtail a protracted passage through the Commons in view of parliamentary controversy over the details of the terms of EC membership. The Bill went through 105 parliamentary divisions without amendment despite some very small majorities. This experience helped to further underline the extent to which membership of the Communities would require substantial legal advice and expertise at the very centre of UK policy formulation.

The establishment of the machinery for handling UK–EC relations was determined, at least in outline, by early 1972. Inter-ministerial discussions were held throughout 1971. Deliberate attention was given to where key responsibilities should be located. The critical issues were whether EC matters should be treated as foreign or as domestic policy; whether responsibility should be concentrated in the FCO, be based on a non-departmental minister in the Cabinet Office or be concentrated in a single agency such as a Ministry for Europe; and how much clout should be given to those made responsible for general co-ordination. A thorough assessment of practice in existing member states was undertaken. This examined how they organized their internal government machines to handle EC issues and how they organized their representation to the EC. So far as domestic arrangements were concerned the British were most impressed with the French case and the use of a powerful inter-ministerial co-ordinating structure linked to the Prime Minister, the SGCI. Attention was given to whether, as in France, the co-ordinating machinery should be highly interventionist, but in the end it was decided that the UK approach should be more pragmatic and less autocratic. The review concluded that established British practice was superior to that of other countries including France. The notion of a Ministry for Europe was discussed in 'some quarters', but 'was rapidly dismissed'

(Wallace and Wallace 1973, p. 254). The key departments – notably the Cabinet Office, the FCO and the Treasury – seem to have reached an understanding quite easily and there were no significant departmental turf wars. The machinery finally established was familiar and well tried as it was largely adapted from that which had emerged over the period since the late 1950s. Notably it enshrined the established Whitehall approach of balancing light central co-ordination with a large measure of departmental initiative.

Additionally, agreement was assisted by a strong steer at an early stage by Prime Minister Heath. He made his views known in the summer of 1971. He held that there should not be a Ministry for Europe and that departments should think and act European, and set up machinery to achieve this. The Cabinet Office should be responsible for co-ordinating the overall effort. By early 1972 this approach had been fully accepted and established. In particular it had been agreed that the Foreign Secretary would be the UK government's representative on the Council of Ministers and would chair a ministerial committee on EC matters which would report to Cabinet. The co-ordination and preparation of policy discussions were to be the responsibility of the European Unit in the Cabinet Office which would have direct access to the Prime Minister, though formally it was to relate to the Foreign Secretary as chair of the ministerial committee. The FCO was to be responsible for: communications between Whitehall and Brussels; the operation of the Office of the UK Permanent Representative (UKRep) to the EC in Brussels; taking the lead on certain institutional matters relating to the EC; participation in the newly established (1970), but discrete, foreign policy co-operation machinery linking member states; and keeping a continuing watching brief on Europe generally.

In essence a system of co-ordination had emerged with the Cabinet Office at the centre but with important supportive roles fulfilled by the FCO and UKRep. These formed the central triad of the Whitehall policy-making machine. The CO European Unit continued to manage the two-tier system of official committees which was maintained in substantially the same format but with a change in designation to EQS and EQO committees. The former was responsible for resolving broader strategic and policy questions and the latter, at a more junior level, for dealing with more detailed policy matters. The circulation list for these committees constituted the network of key players on EC business throughout Whitehall. At its inception this was a relatively small group mainly drawn from, in addition to the Cabinet Office, the five departments that were centrally involved in negotiations. The lead on particular policy issues remained with the relevant department, but the Cabinet Office Unit was from the very start pro-active. It provided advice, convened meetings to discuss issues, and was expected to ensure that departments gave full consideration to matters and that government presented a united and coherent position in its dealings with Brussels. The FCO had already organized its own EC divisions into responsibilities for

internal and external matters and the other key departments had established special co-ordinating and advisory sections to oversee EC business.

What this historical review reveals, then, is that the main super-structure of the system that has operated ever since, was in place when Britain became a full member in 1973. It represented a consolidation of the approach that had emerged over the previous fifteen years. A critical moment had passed without a breach or significant alteration in the traditional Whitehall approach. There was no critical juncture entailing a new, Europeanized approach to handling European policy. The principal change at this point concerned the purposes to which the machinery was put. From 1973 it was geared towards a continuing representation of British interests across a wide array of policy areas rather than towards achieving the finite and specific goal of acceptable terms of membership.

WHITEHALL'S POST-ACCESSION ADAPTATION TO EUROPEAN UNION

The period since membership has seen European policy making in Whitehall characterized by a form of schizophrenia. Whilst turbulence in the political arena has kept European policy as an issue of controversy over the subsequent twenty-five years, the machinery at official level in Whitehall has continued to develop in a largely accretive manner, away from public attention. The new challenges posed by EC/EU membership have simply been absorbed into the existing institutions, and into the characteristic methods, procedures and culture of Whitehall. Europeanization and the Whitehall model have proven to be quite compatible thus far. We structure the analysis that follows around the four interconnected categories of institutionalization: formal structures; processes and procedures; codes and guidelines; and the cultural dimension. The picture is one of ever deeper institutionalization of EU business but in keeping with traditional Whitehall approaches.

Overview

In terms of Europeanization, the expansion of EC/EU responsibilities has been important. Areas that have become of greater significance since 1973 include: environmental policy; research and technology; the structural funds; social and employment regulation; the single market; the strengthening of foreign policy co-operation; the creation of co-operation in the Justice and Home Affairs (JHA) area; and EMU. There are other less obvious impacts, such as that of European environmental legislation upon the Ministry of Defence, one of the largest landowners in the country, resulting in the establishment of a 'cell' to monitor policy. There has not been a 'big-bang' moment which has necessitated a systemic transformation in the way Whitehall handles European policy but there have been two quantum jumps in integration. These jumps have led to an intensification of adaptation in particular areas of Whitehall. The single market programme (1985–92) saw a rapid increase in legislative activity in Brussels and intensified the burden

on relevant Whitehall ministries, chiefly the DTI but also Customs and Excise. Secondly, the ratification of the Maastricht Treaty initiated JHA co-operation, and prompted new co-ordination arrangements for those matters, centred on the Home Office. Procedurally, the institutionalization of regular summit meetings (the European Council) from 1975 had a significant impact because it brought the Prime Minister into EC business much more, and led to the Cabinet Office developing a strong policy advice function. The SEA's increased provision for qualified majority voting in the Council of Ministers had an impact on tactical considerations in the co-ordination of European policy. None of these changes caused dramatic change in Whitehall, although the creation of the European Council did strengthen prime-ministerial involvement.

The move from the treaties to which the UK acceded, via enhancements in the 1986 SEA, the 1992 Maastricht Treaty through to the present situation (and with ratification of the 1997 Amsterdam Treaty outstanding) has thus meant a significant growth in business and this has been coupled with an increase in the complexity of its procedures, and a faster pace of decision making. Growth, increasing complexity and acceleration of activity have been factors that all member states have had to respond to. The British administrative response to changes in the domestic and European contexts has *not* been to alter the framework and principles established in 1973, but rather to adapt them to the new demands placed upon them. In order to illustrate this we provide below a brief sketch of some of the main changes in institutional components which have taken place since 1973.

Formal structures, organizations and positions

At the level of formal organizations and positions the main changes have involved refinement and extension. The staffing and organization of the Cabinet Office European Unit took time to settle down. From its inception in 1967 the unit had been headed by a Second Permanent Secretary. In 1977 the post was re-graded to that of Deputy Secretary but the structure and size of the unit, by then re-titled the European Secretariat, was not changed. The secretariat had bedded down by the late 1970s to a complement of about twenty staff: the three most senior staff in charge of the office and co-ordination across Whitehall; five other senior staff serving as desk officers monitoring specific aspects of European policy and particular departments in Whitehall; and the remainder providing clerical services.

One important early development, which did entail some departure from conventional Whitehall practice, was the drawing of lawyers into the European Secretariat's network and the machinery of co-ordination. The supremacy of EC law over national law created a new constitutional situation in this respect, although this was initially more a matter of legal doctrine than of practical impact. Initially legal advice on policy was provided by one official from the Lord Chancellor's Office. Separately, Whitehall had to make arrangements for presenting the views of Her Majesty's Govern-

ment in cases brought before the European Court of Justice, whose rulings are binding. Originally the government was represented in litigation by lawyers from the FCO. In 1982 both these functions were amalgamated in a group of Cabinet Office Legal Advisers (COLA) formally placed in the Treasury Solicitor's Office. COLA now has a complement of 13 staff. Effectively it has become an adjunct of the CO European Secretariat. In addition, a sub-committee of EQO, EQO(L), was created at an early stage, chaired by the legal adviser, to co-ordinate legal advice on EC matters across Whitehall. The combination of these two functions in one part of government – legal advice on policy and representing the government in ECJ litigation – is a feature distinctive to Britain. However, it follows a cabinet-government logic of centralization. This logic may also explain the decision to make as much use as possible of interventions in ECJ litigation *including that to which the UK is not a party*, in order to put across the British view on the legal issue concerned. The institutional arrangement is peculiarly British and the consequence is that Britain heads the table of states intervening in the ECJ's litigation.

Expansion has taken place in the size, character and scope of the government's representation to the EU, UKRep. This was not an innovation upon accession. Its predecessor, UKDel, was of long standing. It also followed a pattern established with other international organizations, such as the OECD, albeit on a more extensive basis. From the very start it has been essential to British participation in the EU policy-making process. It was established from the outset that UKREP would have a greater involvement in actual negotiations, most notably with the Ambassador and the Deputy Permanent Representative leading in the Committee of Permanent Representatives, which prepares meetings of the Council. This situation differed from that prevailing during the accession negotiations, which were led by London-based negotiators, with most of UKDel's staff in a support role. The transition from UKDel to UKRep, supervised by Sir Michael Palliser as Ambassador, thus entailed a boost to the number of senior officials.

From its inception UKRep has been a vital source of intelligence from the EU institutions and other national representations for officials based in Whitehall. It has always been, formally speaking, an FCO agency but with a large contingent of desk officers drawn from home departments (Wallace 1973, p. 92). With the gradual involvement in EU matters of more and more domestic departments the home civil service proportion of UKRep has increased so that today a majority of the forty plus desk officers are home civil servants. From the very start, the position of Permanent Representative, always held by a diplomat, was established as one of the FCO's key postings. The practice was also established that, for reasons of balance, the Deputy Permanent Representative should always be drawn from a home department as should be the head of the CO's European Secretariat.

In the policy departments of Whitehall the major change has been the increase in the number of participants in the European policy machinery as

a direct result of the expansion of EC/EU responsibilities. From the five departments originally involved on a regular basis, nowadays all departments are drawn in, though some more frequently than others. All departments now have European co-ordination units, though these vary in terms of size and effectiveness. In many cases these European divisions are simply responsible for the distribution of papers, policy co-ordination and oversight of departmental liaison with Parliament. Line divisions are generally responsible for the substance of policy.

The so-called territorial ministries represented a special case within Whitehall arrangements. Although affected by some policies from the outset, such as the CAP, they held the lead on no single EC policy: a situation which continues. Nevertheless, the expansion of EC/EU business began to have an increasing effect; the impacts of the Common Fisheries Policy upon the Scottish Office (SO), and of the structural funds on all three ministries were of greatest significance. In 1991, under Secretary of State Ian Lang, a management review was undertaken of the impact of the EU upon the Scottish Office, and of how best to organize internally for European policy (Scottish Office 1991a, 1991b). The result was an effort to: make greater use of direct contacts with institutions in Brussels; participate more fully in the Cabinet Office's EQ network, including UKRep; and enhance in-house personnel and training policy on European matters. Finally, a European Central Support Unit was set up in the SO's Industry Department to co-ordinate European policy matters across all SO departments. The Welsh Office and Northern Ireland Office have both had to make an internal response to the EU but they appear to have been less purposeful in nature. The Scottish Office's review seems to have arisen from no single EC development but, rather, from the choice of the incoming secretary of state to make this an area of initiative (Lang 1991).

Processes and procedures

In terms of the policy co-ordination process, the expansion in size and intensity of the network to include all ministries has created co-ordination problems for the secretariat. In particular the EQ network is now cumbersome and calling together meetings can be costly in terms of time and the paperwork involved. For instance, the EQ(S) official committee circulation list had expanded by 1996 to 129 address points. The tendency in recent years has been to hold less formalized, *ad hoc* meetings; especially at higher (Deputy Secretary) levels, drawing together only the key departments involved with a specific issue. This is in keeping with a general trend within the cabinet system of moving to less formal and more flexible means of decision (Burch and Holliday 1996, pp. 45–6). In addition to the main EQ network centred on the CO European Secretariat, subsidiary networks have developed around specific, cross-departmental, policy areas and tasks. These networks are co-ordinated by a particular lead department: for example, the Home Office co-ordinates Justice and Home Affairs; the DTI most of trade policy; MAFF

much of agricultural policy; the Treasury co-ordinates policy on EMU; and the FCO co-ordinates on the Common Foreign and Security Policy. These specialized networks usually do not involve the CO secretariat though it and the FCO are kept informed of decisions. This trend towards devolving oversight responsibility to the relevant department is now well established (Burnham and Maor 1994, p. 10). The effect has been not only to increase the size of the network, but also its complexity, with a number of subsidiary hubs in addition to the central one focused on the Cabinet Office. This pattern is consistent with Whitehall arrangements more generally.

In addition to the process centred on the ministerial cabinet committee on Europe (currently designated EDOP) and the EQ system of official committees, it soon became evident that there needed to be closer co-ordination of final positions and tactics prior to negotiations in Brussels. Initially, it was done on an *ad hoc* basis, involving discussions with the UK Permanent Representative in Brussels, who returned to London for a weekly policy co-ordination meeting on Wednesdays. By the late 1970s the meeting had become more formalized and has usually taken place on a Friday morning in the Cabinet Office. This meeting, between the Head of the European Secretariat and the Permanent Representative, is attended by teams from the Cabinet Office, FCO, Treasury and from departments with an interest in the subjects to be discussed. Its purpose is to consider the major issues coming up for discussion in European institutions during the week ahead and either settle instructions on the tactics to be adopted in negotiations or seek further work on issues which are judged to be inadequately prepared. It has proved an important mechanism for ensuring that the British line is coherent and feasible and that departments have 'got their acts together'. The objective of securing an early, agreed, cross-departmental European policy position on major issues is a feature which sets the British governmental machinery apart from most of its partners in the EU (see Rometsch and Wessels 1996; Wallace 1996; Wright 1996).

Procedures have also been developed to ensure proper parliamentary scrutiny of European legislation. Following the passage of the European Communities Act in 1972 each House of Parliament considered what kind of procedures they should adopt in order to scrutinize Community instruments (House of Commons 1973). The outcome was the establishment of the Select Committee for European Legislation in the Commons and, in the Lords, the Select Committee on the European Communities. Both committees were given the task of sifting through European Community documents submitted through the UK government and reporting upon them. The committees have worked in a complementary fashion, with the Lords committee and its sub-committees undertaking more in-depth inquiries than the Commons committee. The process established in 1973 has been updated from time to time, but 'has not involved a rebuild' (House of Commons 1996, p. viii). Most importantly the practice has been established, formally in 1980, that no minister should give agreement in the Community's Council of Min-

isters to any proposal for legislation which has not been subject to the scrutiny procedures of the House of Commons. If the minister, for special reasons, fails to fulfil this requirement, a prompt explanation is required (House of Commons 1996, pp. iii–iv). It has also been agreed that Community documents should be deposited with the committees within 48 hours of receipt by the FCO and that within 10 days thereafter the lead department will submit an Explanatory Memorandum (EM) which, signed by a minister, constitutes the government's evidence to Parliament on the document (House of Commons 1996, p. xiv). General oversight of, and definitive guidance on, the process of parliamentary scrutiny are fulfilled by the CO European Secretariat, with ministerial EU co-ordinating units overseeing submissions of EMs to the committees. The effectiveness of parliamentary accountability procedures is a matter of some debate and those on foreign policy and JHA co-operation are especially weak. Indeed Parliament is seeking to strengthen its powers in these areas. Of course, these procedures do not comprise the full extent of Whitehall–Westminster interaction, since debates and questions in the House of Commons provide other means of bringing the government to account (Drewry 1996).

Prompted by the increasing size of the EC budget, and the UK's emergence as a major net contributor to it, the Treasury has developed financial control mechanisms over the period since membership, and they have come to have an impact across several ministries. The logic behind the Treasury's control mechanisms over the EC budget has corresponded to the domestic changes which it introduced from 1976, when it shifted from an expenditure-planning to an expenditure-control system. This shift affected all areas of policy and not just those concerning Europe (see Thain and Wright 1995). However, one procedure, EUROPEs, has in the view of many experienced practitioners had a marked effect on the development of UK initiatives in some policy areas where there are EC spending programmes, notably on research and development and on certain aspects of education, energy and the environment. EUROPEs operates by requiring compensatory cuts in domestic spending for extra EU spending. In brief the procedure involves the Treasury identifying the UK cost of financing the relevant programmes. A significant proportion of these costs is then attributed to the departments responsible for the relevant policy by reducing their budget baselines at the outset of the annual domestic expenditure bargaining round by the estimated UK cost. For the Treasury, UK receipts from EC spending programmes are regarded as reimbursement for contributions made to the general EC budget. The effect has been to constrain UK policy initiatives in the relevant areas of EC spending. Also departments prefer to disburse expenditure over which they have full control of policy goals and instruments to EU expenditure, where they have to fit objectives determined in consort with partners in Brussels. For both these reasons EUROPEs has encouraged affected departments to take a robust line in negotiations in Brussels: either by resisting the creation of new EC budget lines or by insisting on value-for-

money safeguards. In addition, EUROPEES helps forge a Whitehall alliance between the Treasury and ministries whose remits include EU spending programmes, since they are brought together in seeking to constrain British contributions to the EU budget. This EUROPEES system has been fully integrated into the annual process of determining public expenditure since 1988, so it is now part of the domestic budgetary procedure. Thus, negotiations on key aspects of the EU budget have been drawn into the constraining logic of domestic public expenditure procedures, led by the Treasury.

Separate arrangements, though consistent with the Treasury's underlying goals and the 'logic' of EUROPEES, have applied to other policies, such as development aid. Perhaps the best-known case relates to the structural funds. The European Regional Development Fund (ERDF) was designed to provide additional funding above existing national aid to economically disadvantaged regions. The UK's Treasury control mechanisms, however, led to ERDF receipts simply substituting for planned domestic expenditure. This situation led to a dispute between the British government and the Commission's regional policy directorate-general about the lack of additionality, which came to a head in 1991–92. It led to the Commission suspending payments under the RECHAR programme (for regenerating former mining areas) until the government brought in changes to ensure additionality (Bache 1995). The resultant Kerr-Millan accord – named after the then UK Permanent Representative, Sir John Kerr, and the Commissioner for Regional Policy, Bruce Millan, has not – in Bache's view – led to significant change in the end-effect. As he concludes, 'ultimately, no ground was conceded by the Treasury over the control of public expenditure' (Bache 1995, p. 17). Treasury accounting mechanisms changed; their effect did not.

These Treasury rules have important consequences upon British European policy where an EC budget line is involved. However, there is nothing that is specific to the EU in the underlying philosophy of the Treasury. A Treasury official reported that there is no counterpart to EUROPEES in any other member state: even the financially prudent German Ministry of Finance is reputedly envious!

A rather different matter which has required the establishment of processes relates to Whitehall's need to find personnel to fill the UK's quota of officials in EC institutions, especially the Commission. This proved to be problematic. By the late 1980s it was recognized that the British were under-represented in all the Community institutions and that, far from improving, the situation was getting worse (Cabinet Office 1996, p. 6). A European Staffing Unit was established in the Office of Public Service and a European Fast Stream was launched in 1990 to recruit and train young graduates for taking up posts in Brussels. Liaison with the informal network of British permanent officials in the Commission – in some cases former Whitehall officials – is part of ensuring 'Brits' are well-placed in key positions. This is an important development as it may assist indirect British influence in

Europe as well as contributing to the development of European know-how in Whitehall.

Codes and guidelines for handling European policy

Guidelines for ministries concerning relations with the EU and how to handle various aspects of policy and machinery are supplied by the CO European Secretariat in a series of Guidance Notes which are circulated to all members of the EQO network and beyond. These are described by one practitioner as 'the Bible of European business'; they are seen as 'comprehensive and authoritative' (Humphreys 1996, p. 31). Some simply provide information about the organization and working of the EC, others provide definitive interpretation on aspects of EU procedure, yet others concern the proper way of handling UK European business both in Whitehall and Brussels. The system of guidance notes is now extensive. It has been added to and revised progressively over the years so that there are now more than seventy sets of notes fully indexed and cross referenced. These are often supplemented by written or oral guidance by the secretariat as new issues arise. Some departmental co-ordination units issue their own guidance notes to other sections of that department. Of course, in keeping with British tradition, these 'guidelines' are not codified or couched in the language of directives, but some are definitive. For instance, drafts of the following documents arising in departments must be cleared with the European Secretariat: correspondence with European Commissioners with significant implications for other departments; major policy documents with a European dimension; and any material with significant implications for horizontal issues such as subsidiarity, Community competence and implementation and enforcement.

Culture and norms

On the level of Whitehall culture and norms, some characteristics of European policy making are clear (see Humphreys 1996). The first is to have a collective position wherever possible, and preferably as soon as substantive policy discussion commences. The number of Whitehall officials who mentioned in interview the poor policy co-ordination amongst German delegations to EU negotiations revealed – often with incredulity – the British normative benchmark. It is arguably this Whitehall culture that gave rise to the institutionalization of Friday co-ordination meetings in the Cabinet Office. A second normative feature is the perceived duty to inform others: to share information within Whitehall. Line departments tend as a matter of course to copy key papers to 'their' ministry's European co-ordination unit; its legal department; and 'their' attaché in UKRep. Beyond the ministry, the CO's European Secretariat, the Treasury, the FCO and, where relevant, the 'territorials' will be copied documents as necessary. Ministries also inform other ministries if they feel a matter may concern them. This sharing of information is part of Whitehall's wider culture, its norms of collective responsi-

bility, and the wish to have the British position agreed early. It is reflected in some of the guidance notes which encourage information-sharing.

A third norm which has become well embedded is an emphasis on effective transposition of legislation. Ministerial co-ordinating divisions are normally responsible for ensuring the implementation of EC law, especially where EC directives require transposition into domestic law. The CO European Secretariat sees this as one of the key oversight tasks of its 'mission'. All Commission infraction investigations into the adequacy of UK transposition require the ministry addressed to liaise through the CO, either through EQO or EQO (L) meetings, chaired by one of the Cabinet Office Legal Advisers. The UK's record on transposition is above average (see Armstrong and Bulmer 1996, pp. 277–84). This performance is despite some of the hazards of transposition, such as the need with some legislation to transpose it in four jurisdictions (England and Wales, Scotland, Northern Ireland and Gibraltar). Again, culture and guidelines are closely linked.

One final aspect with a cultural dimension has been the means of socializing officials into the processes and practices of European Union policy making. This has centred on the progressive development of European 'cadres' within the key ministries. An official estimate during the final round of negotiations in 1971 was that around 500 additional staff would be required in Whitehall prior to entry and a further 1,000 'spread over several years thereafter' (Wallace and Wallace 1973, p. 256). Individual ministries have thus found it in their interest, in order to enhance their knowledge of the EU, to send officials to postings at UKRep or as short-term 'Detached National Experts' to the Commission. The EU has thus become part of an established Whitehall career path, although that is in tension with officials' concern to be 'at home' at a time of departmental upheaval such as with recent efforts at management 'de-layering' in Whitehall. Some departments have developed internal procedures to encourage a European career route and in most departments there are programmes to facilitate training on EU matters. This has either been provided across the board through the Civil Service College and other agencies or has been provided in-house specifically tailored to the requirements of each ministry.

Our research did not systematically measure the extent to which British civil servants have adapted successfully to the EU policy process: to the need for active cross-national networking both bilaterally and on the fringes of EU meetings; to the practices and codes of the EU's own institutions; to the EU's sometimes abstract constitutional debates; and so on. However, it is clear that inter-personal skills, language abilities and the like affect the extent to which individual officials have been 'Europeanized' in their orientation. At the political level the same applies to some degree to ministers, although compounded by the individual's attitude towards European integration. Thus, the pro-European Conservative ministers Kenneth Clarke and John Gummer enjoyed strong reputations amongst their fellow EU finance and environment ministers respectively. Nevertheless, a 'Euro-sceptic'

minister such as Nicholas Ridley, when Secretary of State for Transport, proved effective at exploiting the Community to secure the British objective of air transport liberalization. Evaluating the socialization of British officials, and their ability to exploit the opportunities in Brussels, is very difficult to assess scientifically, not least because they have to work within a policy set by ministers with varying attitudes on integration. Certainly there is now a greater willingness on the part of high-flying officials to take postings in the Commission than there was in 1973, when there were difficulties in finding sufficient officials to take up the British quota of senior posts in the Commission's directorates-general.

EMERGING CHALLENGES TO THE BRITISH STATE?

If the Whitehall machinery and its officials have taken EU membership in their stride, problems have been more enduring in the adaptation of the party system and of Westminster. It remains to be seen whether the Blair government is able to use its large parliamentary majority not only to achieve a more positive European diplomacy but also to reconstruct a new pro-European party consensus. Not all observers have regarded party politics as the source of Britain's problematic diplomacy with the EU. Might the structure of the British state in fact be the problem (see also Wilks 1996)? Might the centralized British state, the construction of internal (parliamentary) sovereignty, the lack of constitutionally defined rights and other such features lie behind some politicians' unease at supra-national integration?

In responding to this question we enter more speculative mode. Not only is it difficult to isolate the impact of the EU upon constitutional and institutional change within the UK but such change is also currently at an early stage. The Blair government, with support from the Liberal Democrats, has opened up a constitutional agenda that may remove some of the characteristics of the British state that lack congruence with continental practice.

A first challenge, namely that arising from the legal doctrine of the supremacy of EC law over acts of Parliament, has become increasingly evident. This was brought home in the *Factortame* judgment, when national law was disapplied as contrary to EC law and discriminatory against Spanish fishermen (*R v. Secretary of State for Transport ex p. Factortame* [1990] ECR I-2433). This decision struck at the heart of the doctrine of parliamentary sovereignty. Secondly, European integration has been an important factor behind challenges to the unitary British state. In their different ways, Scotland, Northern Ireland, Wales and the English regions have all thought afresh about the territorial distribution of power within the UK in light of new policy options in Brussels, inter-regional alliances and so on. With the September 1997 votes for Scottish devolution and a Welsh assembly, an era of more pronounced multi-level governance is opening up within the UK. Both pre-referendum White Papers devoted attention to how European policy would be handled under the proposed arrangements (Scottish Office

1997, pp. 16–18; Welsh Office 1997, pp. 21–23). The Conservative government's interpretation of subsidiarity – that power was devolved no further than London – had been out of step with European trends (Scott, Peterson and Millar 1994). However, the Conservative government's creation in 1994 of integrated regional offices in England was partly a response to the European Commission's encouragement of regional development plans (Wilks 1996, p. 164). The Labour government's plans for English regional development agencies have their origins in Labour local authorities seeking alliances with Brussels during the prolonged period of what they perceived as unsympathetic Conservative governments in London. The English regions may press for further decentralization if institutional innovation in Scotland, Wales and a new tier of government for London place them at a disadvantage as regions within the European economy. The institutional response in Northern Ireland is bound up with the fate of the peace process. The EU is not without some background significance as a factor affecting accommodation within the island of Ireland (Teague 1996).

Thirdly, European integration is beginning to strengthen individual and human rights via their indirect incorporation in the UK by means of the EU treaties. Employment and equal-opportunity rights are particularly deserving of mention in this respect. As one illustration, the Equal Opportunities Commission and its counterpart in Northern Ireland have funded about one-third of the cases brought before the ECJ on equal pay and equal treatment at work, some of them resulting in highly significant judgments (Barnard 1995, p. 254). Moreover, the Labour government agreed to some limited strengthening of human rights provisions in the Amsterdam Treaty; something which successive Conservative governments had opposed. Separately, the government is working towards the incorporation of the Council of Europe's Convention of Human Rights. Fourthly, the independence granted to the Bank of England by the Labour government within days of its election also has a constitutional quality. It has created a deconcentration of power in central government. Although this step was not directly related to the EU, it has brought the UK more closely into line with continental practice. There, the demands of the Maastricht Treaty have made central bank independence a pre-requisite for moving to a European Central Bank as part of joining the single currency. The significance of Chancellor Gordon Brown's step may come to assume much greater significance with the Labour government's decision to work towards participation in EMU, albeit not in the first wave. Finally, the decision to introduce proportional representation into mainland Britain for the 1999 elections to the European Parliament represents a small departure from the practices of majoritarian democracy. Again the impulses were largely domestic – as a step towards a referendum on introducing proportional representation to Westminster – but it should be recalled that Article 138 of the EC Treaty calls for a uniform electoral procedure across Europe.

Membership of the EU has thus begun to exert pressure for change in the

very structure of the British system itself, even if these pressures have other origins as well. Thus the paradox is that, while EU membership has brought about changes in the operation of central government that are in keeping with established approaches, pressures from the EU are helping to undermine the very constitutional and political framework within which these patterns are embedded. Arguably it is here that the real challenge of the EU lies: not directly to the machinery itself, but indirectly to the wider constitutional framework within which it operates. There is also a striking parallel between current UK reforms and those undertaken in France in the 1980s following the election of President Mitterrand and Socialist governments. These changes, it is worth noting, also followed a lengthy period of centralized rule by the centre-right, the Gaullists. The changes were identified as part of a 'Europeanization' process (see Ladrech 1994).

Many of the British changes have either not yet been introduced or the implications have not yet taken effect. Hence our conclusions must return to the concrete adaptation of the machinery of Whitehall outlined earlier.

CONCLUSION

At the levels of policy and political management the impact of the EC-EU on the activities of British government has been profound. Membership has brought new issues onto the agenda, altered the terms of debate concerning established issues, given whole areas of policy a European dimension, required the development of new expertise on the part of officials and ministers, involved extensive and intensive negotiations with EU partners and raised significant problems about policy presentation and party management. Yet at the level of machinery, governmental structure and procedure, the impact of Europe has been far less evident. The ways of handling and formulating policy on Europe do not reflect European models and practices, rather they have evolved from, and are in keeping with the established British tradition of central state administration. The significant challenges of European membership have been characterized predominantly by a process of slow and steady adaptation.

Earlier in the article we indicated that Europeanization via institutional change would have been significant and comprehensive if it had taken place on four institutional levels: formal institutional structure; procedures and processes; codes and guidelines; and cultural/normative. Our findings indicate that on all four levels the responses to EU membership have been embedded in domestic patterns of government. They have not resulted in any significant departures from the Whitehall model, save in two respects. First, the character of EC law is distinctive and has necessitated qualitatively distinct institutional and procedural responses. Secondly, EU negotiations, which are characterized by continuing, cross-sectoral bargaining and coalition-building – often with the possibility of a qualified majority decision in the Council of Ministers – create a unique international policy-making context for Whitehall.

That said, the underlying principles of British central administrative practice remain intact. What is revealed is the resilience of the British approach. And this is even more striking when account is taken of the deeply controversial nature of the issue of European integration in British politics and of the extent to which the European Union has become an important force in the lives of many citizens. Europeanization has not as yet led to a fundamental challenge to the Whitehall model.

An historical institutionalist approach helps highlight this process of adaptation and offers some explanations for it. Tracing back developments to the early days when the issue of membership first emerged as a viable option reveals a first critical moment and, indeed, a critical juncture. The institutional foundations for handling European policy can be traced back from the membership negotiations under the Heath government to parameters set in 1960/61 under Macmillan. Owing to the impact of EEC policy, for instance on the CAP, some ministries had already set up European policy divisions by the time of membership negotiations in 1969–71: the second critical moment. A third such moment occurred with the successful completion of negotiations. At this point the procedures of other member states were reviewed and rejected, with Heath encouraging affected ministries to 'think European'. Thus the most obvious point of challenge to the system – accession in 1973 – was in effect no challenge at all as by then the institutional pathway was well defined. The likelihood of veering off it at this point was very small, for the established approach to negotiations had proved workable, was adaptable to the requirements of membership, and did not challenge the fundamentals of traditional administrative practice. Only parliamentary scrutiny arrangements had to be resolved.

Subsequently, Whitehall-wide innovations have been very limited: COLA and EUROPEX being the most striking. Even wide-ranging EC/EU reforms, like the SEA or the Maastricht Treaty, have not led to similarly large-scale reforms in Whitehall. Rather, subsequent change has been integrated within the established approach as illustrated in the case of the Home Office being given overall responsibility for JHA and the task of co-ordinating activity in this area. The Scottish Office's review of the handling of European policy in 1991 is another such case, although not prompted by a specific European development like the Maastricht Treaty. While it has been possible to identify critical *moments*, it has proven difficult to identify any critical *junctures*, i.e. specific points at which there has been a clear departure from previously established patterns. These findings thus support Olsen's view that administrative diversity has co-existed with deeper European integration (1995b). Indeed, if the British case is typical, diversity may even have been strengthened.

Membership has, however, challenged the Whitehall set-up in two ways. First, the European policy field, on a consistent basis, tends to involve matters which are inherently cross-departmental. Second, there needs to be some preparation of negotiating positions before personnel go out to

Brussels to argue a case. Both challenges implied a need for some form of central co-ordination, a requirement that has been accommodated within traditional British ways of working. What was also needed was a central mechanism enabling oversight of all areas of EU policy and facilitating a progress-chase when things were going wrong. Hence the creation of a pro-active secretariat at the centre, providing direct access to the Prime Minister. Arguably, this has turned out to be a break with tradition, though it was certainly not seen to be so at the time. Such pro-active units at the centre existed before and have existed since 1973, but none have survived on what has become a permanent basis (Burch and Holliday 1996, p. 36). Moreover the secretariat, in close liaison with the FCO and UKRep, has formed the hub of a policy network in Whitehall which has become more extensive, more stable and more institutionalized over the years since 1973. It now constitutes a significant policy world which stretches into all departments but is distinct from them. It has developed its own procedures and ways of working. It has a degree of separateness which can be captured in the description used by one practitioner: 'the private government of European policy'. Thus, while it is impossible to locate a radical transformation of the machinery and practices of Whitehall it is possible to argue that there has been an incremental one.

There is nothing here that is surprising to an historical institutionalist, except perhaps the sheer resilience of British traditions. Membership of the EC/EU has not hitherto directly challenged the fundamentals of the British machinery of government. The national governments remain powerful players in European policy-making: in the European Council, the Council of Ministers and its working groups. However, the Blair government's constitutional reform agenda has given a wider context to our examination of Whitehall's adjustment to the EU. The proposed 'modernization' of the state and of democracy is by no means simply an adaptation to the EU, for the impulses are various, but it entails significant movement towards continental practice. Britain's 'organizing for Europe' may be on the brink of a new critical juncture, some twenty-five years after accession.

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