

Margaret Thatcher maintained a difficult relationship with Europe, but she was far from a figurehead for Euroscepticism.

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The funeral of Margaret Thatcher, the former British Prime Minister, is due to be held in London today. Reassessing her impact on Britain's relationship with Europe, [Iain Begg](#) argues that she maintained a far more nuanced position on Europe than is commonly recognised. The image of a staunchly Eurosceptic Prime Minister is at odds with her support for the single European market and her assertion, in her 1988 Bruges speech, that the UK's destiny is to be inside the European Community.



Margaret Thatcher is seen today as having been staunchly Eurosceptic and to have been hostile to the European 'project'. Her Bruges speech in 1988 is widely cited as having articulated a vision for Europe that was incompatible with what other Member States wanted, notably the statement that 'we have not successfully rolled back the frontiers of the state in Britain, only to see them re-imposed at a European level with a European super-state exercising a new dominance from Brussels.' This is widely interpreted to be anti-federalist and hostile to the centralisation of power promoted by Jacques Delors, the then President of the European Commission.

Yet a dispassionate assessment of her relations with the European Union reveals a much more nuanced picture. Even in the Bruges speech, she repeatedly stresses the importance for Europe of 'trying to speak with one voice' and argued that 'Europe is stronger' when it works together in areas such as trade or defence. In a sentence that anticipated the demise of Soviet hegemony in Eastern Europe, she also reminds her audience, to 'look on Warsaw, Prague and Budapest as great European cities'.

Certainly, in the end, it was Europe that led directly to her downfall in November 1990. She had been increasingly at odds with senior members of her government over the direction UK policy should take towards monetary integration. A running battle between her own economic adviser, Alan Walters, and the Chancellor of the Exchequer, Nigel Lawson over exchange rate policy culminated in both resigning in October 1989. The UK subsequently joined the EU's exchange rate mechanism in October 1990, a decision that she was reported to have been unable to resist, partly because her political stock had fallen as a result of opposition to her plans for a poll tax.



Margaret Thatcher (Public Domain)

Barely a month later, she returned from a European summit meeting in Madrid that had been discussing plans for monetary union and made what became one of her most iconic speeches in the House of Commons. 'No, no, no', she said, to the visible dismay of Geoffrey Howe, the deputy Prime Minister, and one of her most senior and previously loyal supporters. He then also resigned and made what was one of the most devastating resignation speeches, which precipitated Thatcher's fall from power.

Yet there is considerable irony in the fact that the European Union of today has been substantially shaped by Mrs Thatcher's policies. It is, first, easily forgotten that she was a minister in the government that took the UK into Europe in 1973, and that she subsequently campaigned on the 'yes' side in the referendum held in 1975 to validate UK membership of the then European Economic Community.

The Thatcher government was, moreover, one of the leading supporters of the single European market that was progressively put in place from the mid-1980s. Indeed, the European Commissioner who led the programme to complete the internal market, Lord Cockfield, was a Thatcher appointee who clearly shared her views on the importance of market principles. It could be that one of her most enduring legacies is the unwavering support for the single market as the cornerstone of European integration, despite the turmoil of recent years, and the wave of market-orientated reforms across the continent.

It has become part of the Thatcher myth that she never quite understood what she had signed up for in the Single European Act of 1986, and did not foresee the regulatory measures that would be imposed by 'Brussels' on an unsuspecting Britain. In his contribution to the valedictory debate in the House of Commons last week, Sir Tony Baldry M.P. commented that 'while Margaret had succeeded in making the single market work much better, she was no longer able as easily to threaten to exercise a UK veto, and I think in time she found that very frustrating'. Maybe so, but it is hard to believe that someone so meticulous in her work would make such a blunder. One of her former private secretaries once told the story of her running down the stairs at 10 Downing Street, waving a copy of the Act, saying 'I've read it; I've read every word'.

Similarly, the fact that the EU enlarged to bring in ten countries from central and eastern Europe, with another (Croatia) due to join later this year, is at least in part a result of the approach the Thatcher government took to confronting the Soviet Union and ending the cold war. It is no coincidence that some of the warmest eulogies for Mrs Thatcher last week came from ordinary citizens in countries like Poland. Paradoxically, she (along with François Mitterrand, the French President), resisted the unification of Germany, and comments following her death from the then German leader, Helmut Kohl, testify to the friction this caused.

Indeed, there is no doubt that Mrs Thatcher made life difficult in many ways for her fellow European leaders, often blocking what others regarded as necessary changes. From a UK perspective, she secured a considerable success in renegotiating the European budget to secure 'my money back' in 1984 through a rebate. But the outcome has been that EU budget negotiations are now one of the most difficult of all, and that the EU budget is so resistant to reform that it does not fulfil an effective role in European economic governance.

Domestically, in the years that followed her 'political assassination', the schism over Europe haunted the Conservative party, although it remained in government until 1997. Political disputes over Europe continued to divide the government of Thatcher's successor, John Major, who was once memorably described by Norman Lamont, the Chancellor who presided over Britain's ejection from the exchange rate mechanism in September 1992, as 'being in office but not in power'.

Even today, much of the debate on Britain's place in Europe is influenced by the Thatcher legacy and many now either fear or hope that the forces she unleashed will lead to Britain leaving the EU. Yet both sides overlook a key sentence in the Bruges speech: 'Our destiny is in Europe, as part of the Community.'

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