

Denmark's Yes, But'

*Finn Laursen**

Professor, EIPA

In June 1992 the Danes voted no' by a narrow margin, 50.7% no' versus 49.3% yes', in a referendum on the Maastricht Treaty. This created a fair amount of uncertainty about the future of European integration. However, a national compromise' worked out by seven of the eight parties represented in the Danish Parliament, the *Folketing*, in October 1992 was largely accepted by Denmark's EC partners at the Edinburgh meeting of the European Council in December 1992. This agreement provided Denmark with certain exemptions and clarifications with respect to the Maastricht Treaty, allowing the Danish government to conduct a second referendum in May 1993, where about 56.8% of the Danish voters voted yes'.

Denmark, the Minimalist

When Western Europe split up into the EEC and EFTA at the end of the 1950s, Denmark joined EFTA. The UK market was the most important market for Denmark's agricultural exports, taking about 46% of these exports in 1960, followed by the German market, which took 29%. The Nordic markets were the most important for Denmark's industrial exports.

Denmark joined the EC in 1973 after a debate in which the leading politicians who advocated Danish membership had emphasized the economic advantages of membership. The political reasons for not joining given by some people were not accepted by the leading politicians, who sold membership to the Danish public on a minimalist interpretation of the EC. The Danes were told that there was no need to think about political union in the longer run; the EC was a customs union plus certain common policies in economic areas.

This minimalistic interpretation of the Treaty of Rome meant a limited mandate within the EC for the Danish governments. When proposals were made for deepening the integration process in the 1980s, the government lacked a mandate, and the domestic groups which were against membership kept reminding it of the limits of Danish involvement. Domestic politics thus placed strict limits on the manoeuvrability of successive governments. The popular movement against EC membership remained strong. The Social Democratic Party, which had taken Denmark into the EC under the leadership of Prime Minister Jens Otto Krag, remained split over the issue. A left-wing section of the party was either sceptical about or directly opposed to further integration. The smaller Radical Liberal Party, which often determines whether it will be the Social Democratic Party or the Liberal-Conservative parties which can form the government, was also split over the issue of European integration.

Therefore, when the EC started moving forwards again in the mid-eighties, the Danish political system encountered problems. Could it produce the decisions necessary to move Denmark along with the other Community countries? The Internal Market as such was not the problem: it was the linkage with institutional reforms that were suggested to increase the decision-making capacity of the EC.

The Fontainebleau Summit in 1984 set up the Dooge Committee to prepare a report on institutional reforms. In this committee Denmark was a footnote country which disagreed with a number of proposals for institutional improvements. Where the report stated that reforms were necessary to restore to Europe the vigour and ambition of its inception', the Danish government found it necessary to insert in a footnote that the difficulties facing the construction of Europe resulted from a failure to implement the existing Treaties fully and could be remedied by the strict application of the Treaties'.

When the idea of calling an intergovernmental conference was accepted at the Milan summit

in 1985, Denmark (together with the UK and Greece) voted against it. However, seeing that the other countries were determined to move ahead, Denmark (as well as the UK and Greece) went along and participated in the conference. During the negotiations Denmark actively tried to influence the outcome, especially with respect to environmental provisions, which were politically important in Denmark. However, when the Single European Act (SEA) was opened for signature on 17 February 1986, Denmark was not ready to sign it. The government did not have the required parliamentary majority for ratification. The *Folketing* had rejected the SEA on 21 January, with 80 votes against and 75 for. The Social Democrats and the Radical Liberal Party voted against it. Prime Minister Poul Schlüter therefore called a referendum which was held on 26 February 1986. 56.2% of those voting were in favour of the SEA and 43.8% were against, with a turnout of 74.8%. The yes' vote meant that the government could go ahead and sign the SEA on 28 February and ratify it on 21 May 1986.

The second Danish referendum on the EC in 1986 contributed to a gradual political change in Denmark. The Social Democratic Party which had advised against the SEA had clearly been a loser. The leadership of the party realized this and moved towards a more pro-integration Community policy in the following period. At the same time there was movement in the Radical Liberal Party. However, these changes took place in the political leadership, without parallel changes being made in the public's attitude to political integration.

Denmark's First No' to Maastricht

In preparation for the negotiations of the Maastricht Treaty, the Danish government had presented a memorandum on 4 October 1990 which was also supported by the opposition parties except for the Socialist People's Party and the so-called Progress Party. The memorandum supported increased integration and cooperation, especially in economic areas. It also talked about strengthening the EC's diplomatic activities, but did not favour including defence policy under the EC.

When the Maastricht Treaty was finalized, it included more than had been incorporated in the Danish memorandum, but the leading opposition parties decided to join the government and accept it nevertheless. The *Folketing* adopted the Treaty in May 1992, with 130 votes in favour and only 25 against. Therefore, at the time of the referendum on 2 June 1992, the Maastricht Treaty was supported by the Danish government, a Conservative-Liberal minority government, as well as the leading opposition parties, the Social Democrats, the Radical Liberals and the Centre Democrats. Only the right-wing Progress Party and the left-wing Socialist People's Party did not support the Treaty, and the Christian People's Party was split. It therefore came as a surprise that there was a majority against the Treaty in the Danish electorate at the time of this first referendum on 2 June 1992.

Research has shown that detailed knowledge of the Treaty was rather limited among the voters. At the time of the referendum, 45 per cent of the voters admitted that they either had only a little knowledge of the Treaty or none at all. What united the majority against the Treaty was largely a fear of losing political autonomy. Some feared a future European army; others a European police force. Some did not like the idea of a single currency. Others thought that Citizenship of the Union implied losing their Danish citizenship. On the other hand, the majority of Danes were still in favour of economic integration. 74 per cent were in favour of the internal market and 53 per cent in favour of EMU, although only 34 per cent favoured a single currency. A common defence was only favoured by 30 per cent and common citizenship by 13 per cent. Only 19 per cent favoured the building of a United States of Europe. The decisive perception was therefore that the Maastricht Treaty involved too much loss of political autonomy.

Despite the Danish no', the Twelve decided to continue with the ratification process. The Irish

accepted the Treaty in a referendum on 19 June 1992 by a rather large majority. On 20 September 1992 France decided to accept the Treaty after a close vote. The remaining countries, except for the UK and Germany, ratified the Treaty during the second half of 1992. UK ratification was postponed until the Danish problem could be solved. A number of Conservative backbenchers called on Prime Minister John Major to drop the Treaty. In Germany the ratification, which was authorized by large majorities in the two chambers of the Parliament in December 1992, was upheld by complaints to the Constitutional Court.

The Edinburgh Agreement

In response to the no' referendum in June 1992, the Danish government produced a white book which analyzed the situation. It discussed eight options, the extremes being, on the one hand, for Denmark to leave the EC and join the European Economic Area (EEA), and, on the other hand, for the Maastricht Treaty to be ratified fully. Option five was to ratify the Maastricht Treaty with certain additional provisions, and option seven was to ratify the Maastricht Treaty with certain special provisions for Denmark.

Denmark's domestic politics then took an interesting turn. The leaders of three opposition parties, the Social Democrats, Radical Liberals and the People's Socialists, started working out what became known as the national compromise'. After dramatic negotiations, a text was presented to the government, which in turn accepted the opposition's proposals with only minor changes. The text, which was forwarded to Denmark's 11 partners on 30 October 1992, was also supported by the smaller Centre-Democrats and Christian People's parties, leaving only the Progress Party which did not support it.

The national compromise' interpreted the Danish no' on 2 June as a no' to a United States of Europe, not a no' to EC membership or European cooperation. It raised issues of common interest, including more openness in administration, closer involvement of national parliaments, a clearer division of labour between the EC and Member States, etc., before dealing with Denmark's particular interests. This latter section suggested an agreement including the following points:

- (1) Denmark does not participate in the so-called defence policy dimension, which involves membership of the Western European Union and a common defence policy or a common defence.
- (2) Denmark does not participate in the single currency and the economic policy obligations linked to the third stage of Economic and Monetary Union.
- (3) Denmark will have no obligations in connection with Citizenship of the Union.
- (4) Denmark cannot agree to transfer sovereignty in the area of justice and police affairs, but can take part in the intergovernmental cooperation which has existed to date.

The text also stated that the Danish agreement must be legally binding on all twelve EC Member States and for an unlimited period'.

On the other hand, with respect to monetary cooperation, the text stated that Denmark attaches great importance to participation in exchange-rate cooperation as formulated in the EMS [i.e. European Monetary System] and in the form which is to be carried forward in the second stage'. With respect to citizenship it was also stated that EC citizens living in Denmark will retain the right to vote and to stand as a candidate at municipal elections' and such rights will be introduced for elections to the European Parliament.

After intense diplomatic activities the Edinburgh summit adopted a Decision of the Heads of State and Government, meeting within the European Council, concerning certain problems raised by Denmark on the Treaty on European Union'. This decision' basically satisfied the Danish requests. The decision' noted that Denmark did not intend to take part in certain provisions of the Treaty of Maastricht. The text in respect of citizenship emphasized that the provisions relating to Citizenship of the Union give nationals of the Member States additional rights and protection' and they do not in any way take the place of national citizenship'. At most this was a clarification. With respect to EMU the text stated that Denmark has given notification that it will not participate in the third stage'. Denmark could do this on the basis of the protocol which it had already secured at the time of the Maastricht summit. With respect to defence policy, the Edinburgh decision' stated that nothing in the Treaty on European Union commits Denmark to become a member of the WEU'. Finally, with respect to Justice and Home Affairs the Edinburgh decision' simply stated that Denmark will participate fully in cooperation on Justice and Home Affairs on the basis of the provisions of title VI of the Treaty on European Union'. These provisions are intergovernmental in nature.

At first sight the Edinburgh decision' may not appear radical. However, it confirms Denmark's minimalism with respect to further integration. It is a no' to things which do not exist at the moment, but which Denmark's partners may want to be able to realize in the future, including a single currency, a common defence and supranational cooperation in some areas of justice and home affairs.

The Edinburgh decision' also stated that At any time Denmark may, in accordance with its constitutional requirements, inform other Member States that it no longer wishes to avail itself of all or part of this decision'. The future of European integration will greatly depend on whether - and when - Denmark decides to avail itself of this possibility.

Denmark's Second Referendum

On the basis of the Edinburgh decision', a second referendum took place on 18 May 1993. This time there was a yes' majority of 56.8%, with a turnout of 86.2% (whereas in June 1992 it was 83.1%).

What made the difference? Obviously the Edinburgh agreement was now part of the package. It probably helped some voters to change their minds. Furthermore, Denmark now had a Social-Democratic-led coalition government, which also included the Radical Liberals, the Centre Democrats and Christian People's Party. In 1992 the majority of Social Democratic voters had voted against the Maastricht Treaty. This time the majority followed the official party line. The fact that the People's Socialists officially supported the Treaty-plus-Edinburgh package may also have had some effect, although a majority of these voters still voted no'. Furthermore, this time the feeling was that a second no' might force Denmark to join the European Economic Area (EEA), which could incur economic costs.

Implications

When political scientists wrote about European integration in the 1950s and 1960s they talked of a permissive consensus'. By this they meant that there was so much public support for European integration (in the original six member countries) that the politicians could largely do what they wanted with respect to integration. The Danish yes, but' and the difficulties of ratification in the three leading Member States, France, Germany and the UK, suggest that such consensus no longer exists. The big problem for the future is therefore: how can the process of European integration be made more legitimate? Is this a question of leadership and visions? Will more openness and democracy in decision-making help? How will enlargement affect the process?

The special problem created by Denmark is that the country has now already excluded some options that could well have been left for consideration until later in the decade. In many ways the Danish problems must have appeared strange to Denmark's partners in the EC. Denmark was among the frontrunners in respect of EMU's convergence criteria. Denmark had already given foreigners voting rights in local elections, and Denmark had pushed for more cooperation with respect to immigration and asylum policy. That leaves the question of defence where Denmark's hesitancy may be more in line with traditional Danish policy. But on this latter point the Maastricht Treaty is indeed very weak. The development of a defence policy will always require unanimity.

The limitations that Denmark has placed upon itself are bound to affect the possibilities at the Intergovernmental Conference foreseen for 1996. One can hope, but doubt, that the Danish system can produce a new pro-integration mandate by then. If other countries are determined to continue we may see more multi-speed integration.

A final question: Did the Danish problems provide the EC with a new agenda? Yes, to some extent. The discussions on transparency, subsidiarity, and democratic legitimacy are indeed pertinent. However, the costs, uncertainty, inaction, currency turmoil, etc., have been high. Hopefully the ratification process can now be completed and a new consensus can develop. An enlarged European Union will not need less, but more institutional capacity to solve common problems.

* The author, who is professor of international politics at EIPA, wrote the chapter on Denmark in Finn Laursen and Sophie Vanhoonacker (eds.), *The Intergovernmental Conference on Political Union* (EIPA and Nijhoff, 1992). He is now writing the Danish chapter for a follow-up study on *The Ratification of the Maastricht Treaty*.