COLLECTION OF THESES

Péter Vass

for the Ph.D. thesis

The Diplomatic Bargaining Process of the British Budgetary Rebate

Supervisor:

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Member of the Academy, University Professor

Budapest, 2008
Department of World Economy

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Motto:

'I want my money back'
/Margaret Thacher/

“There is nothing so bad or so good that you will not find an Englishman doing it; but you will never find an Englishman in the wrong. He does everything on principle.”
/George Bernard Shaw/
1 RESEARCH BACKGROUND

Prior to starting my doctoral programme, I pursued all my studies (College for Foreign Trade, École de Commerce et de Gestion, Corvinus University of Budapest – International Relations) in various faculties of European Studies, as I had special interest in the integration process that was to reshape Hungary’s economic, political and social structures fundamentally.¹

Prior to Hungary’s EU entry in 2004, one of the questions which I found most interesting, also covered extensively by the Hungarian press, was concerned with the positions we could establish in the course of accession and whether the positions established would enable us to access the EU funds made available to us. Would we be net recipients following accession, or would we become contributors temporarily? I was particularly interested in the factors influencing which of the above categories a given country would belong to (net recipient or net contributor), and also why those factors exactly.

Great Britain offered itself as the best subject of my doctoral research for two reasons:

- On the one hand, the phenomenon of the UK Budget Rebate (British Budgetary Question, BBQ) is a unique example in the history of the EU which allows a graphic analysis of how a country is capable of becoming an exception within the EC through extreme assertiveness approaching aggression, without abandoning dinner diplomacy, while also escaping the niche into which it was forced by its national characteristics and the rigid rules of the EC. This exceptional British feat is made even more remarkable by the fact that it was achieved against a background of relations where the outcome was in conflict with the interest of a number of Member States including major powers.

- On the other hand, having obtained four years of experience in the State Secretariat for EU Integration of the Ministry of Foreign Affairs and then in the Committee on European Integration Affairs of the Parliament (as a government officer), I was awarded the Chevening Scholarship of the British Government, through which I had the opportunity to research the subject in depth.

¹ I started my doctoral studies before Hungary’s EU entry.
All this presented an opportunity which I considered worthy of exploiting for the purpose of contributing to an issue which is not extensively discussed in Hungarian literature through analysis which is mostly available to researchers in Hungary only indirectly.

During the years of this research, naturally the events related to the issue had also developed, suffice it to mention the series of negotiations of the current financial perspective (2007-2013), in which British presidency also played an interesting role. Simultaneously, the number of research projects related to the issue also grew considerably. I made an attempt to incorporate these\(^2\) into my dissertation and provide a synthesis on that basis.

\(^2\) Mostly papers providing summaries and overviews.
2 METHODS APPLIED

The term of BBQ is used in the dissertation firstly, to denote the disparity between the relative wealth of Britain and the size of its net contribution to the European Community (EC) budget, secondly as the associated efforts of consecutive British governments to reduce their considerably high net contribution compared to other Member States.

The BBQ is based on the problem of the UK’s large net contribution, which means the difference of the money that the UK pays to the EC budget and that it gets back from it. While Britain was the largest net contributor to the Community budget, it was only the seventh regarding the GDP per head index. The contributions consist of three elements: the custom duties, the levies and the VAT factor while the receipts came largely from the EAGGF (FEOGA), financing the agricultural sector. The problem of the excessive British net contribution was twofold. Its gross contribution was higher than the community average. Britain’s high reliance on imported raw materials resulted in a high contribution in custom duties - paid one fourth of the custom duties while France only one seventh at that time. Moreover, its significant agricultural imports falling under the CAP regime generated 18.6 per cent of the levies paid to the EAGGF (FEOGA). Finally, Britain paid 17.4 per cent of the VAT contributions to the EC budget. [Denton, 1984 p 120, 129-131] On the other hand, the receipts of the UK from the EC budget were much less than those received by other countries. Its small agricultural sector could not benefit sufficiently from what was by far the biggest part of the EC expenditures. Moreover, the Structural Funds did not compensate the UK much, due to their small budgetary importance. Since the UK’s large net contribution resulted from high gross contributions and low receipts, each resulting from its highly industrialised and open economy, with its relatively small agricultural sector, chapter 3 considers the causes of the problem in some detail.

Having an idea about the scale of the amount of money for which the consecutive British governments fought, may give some indication of whether the time, energy and money invested in the BBQ were proportionate to the importance of financial stakes. The whole Community budget was not more than 2 per cent of the Member States’ public expenditures, in fact, and remained far below 1 per cent of the national income. The refund that Britain demanded was a negligible part of the UK budget. ‘The gap around which the argument revolved – approximately 400 million ecus a year – was tiny in relation to, say, the size of Britain defence budget.’ [Jenkins, 1991, p 500]

Although in a narrow sense the BBQ embraces the period between 1979-1984, in a wider sense the period from 1969 and the period from 1982-2007 also constitutes an essential part of the question. Moreover, the ever-closer integration of the European Union and the forthcoming enlargement(s) give(s) a new importance to the BBQ. The UK managed to maintain its exceptional

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3 The EAGGF represented 76.8 per cent of the EC budget expenditures in 1973. in: The Community Budget, The Fact in Figures, Luxemburg, Office for Publications of the European Communities, 1988, p 33
budgetary status within the EC for 24 years and fought successfully in the AGENDA 2000 negotiations and also in the budgetary bargaining of financial perspective 2007-2013 to keep intact its rebate.

The BBQ is typically seen as a British problem, yet it was multi-faceted, in a large part arising from the nature of the EC. The aim of the dissertation among others is therefore to analyse the BBQ with particular emphasis on its French-related aspects: firstly, it identifies those factors that come from the differences between the economic structure of Britain and France. Secondly, the dissertation highlights the different approaches of the two countries concerning the financing of the Community. Thirdly, it intends to consider the different British and French sources to highlight the French side of the issue, their involvements, and motives during the negotiations and the settlement of the BBQ.

In terms of structure, the dissertation is divided into six main chapters excluding the Introduction, the Conclusions, the Afterword Glossary and the Annexes.

The chapter reviewing the theoretical background analyses the way each school approaches the relationship between integration and the community budget, and the positions of net contributors and net recipients. The second chapter (numbered as 3) contains an analysis of own resources. I am analysing in the first part the formation of the said resources, while in the second part their future, as the British rebate since 1984 has been in a close and indivisible relationship with the structure of the budget and the “redistribution” system among Member States. During my research, the conclusion was reinforced that among the possible new tax categories analysed in the literature, there is no single candidate that would be ideal in all aspects. Obviously, the reform of the incomes side of the budget cannot leave the question of refunding to Great Britain untouched.

In the framework of the treaty basis of the BBQ, the next chapter analyses the relevant articles of the Treaty of Rome and the Council decision of 1970 setting up the system of own resources, which creates the phenomenon of net contributors and net recipients. Although, the BBQ did not have its roots directly in the Treaty of Rome, the treaty provisions and their impacts contributed to the emergence of the BBQ owing to the agricultural issue. The chapter examines to what extent contributed to the BBQ the fact that the UK was confined to a latecomer position due to its early withdrawal from the process of the European integration. The section evaluates how far this phenomenon gave the opportunity to France to influence the Community structure at its setting up, according to French interests, which affected the BBQ basically.

After having outlined Britain’s incapability of influencing the Community structure owing to its late accession, the following chapter examines the British specificities and also the inherent differences between the British and Community structures. After the overview of the so called ’soft elements’ of British specificities (special relationship, sovereignty), in the second part of the chapter I
analyse two major factors (agriculture, commonwealth factor) that had a leading role in the
development of the BBQ. The agriculture, shaped by strong French influence in the Community, had a
completely different structure in the UK. The other factor that plays a decisive role in the BBQ is the
relationship of the UK with the Commonwealth countries. The traditional openness of its economy
firstly contributed to the formation of an insignificant agricultural sector and secondly the traditionally
high imports from the Commonwealth had serious impacts on Britain’s budgetary contributions under
custom duties.

The final two chapters cover the step-by-step diplomacy of the BBQ from 1973-2007
centrating on the Thatcher period after 1979. The British expected the problem of the contribution
to be solved through the diversification of the revenues and expenditures (budgetary reform) or
through the development of new Community policies. Since these expectations did not materialise, the
UK found the situation unacceptable and insisted on an adjustment of its ‘excessive net contribution’.
The first demands for refunds were made right after the accession under the Wilson Government in
1974. In this early stage of the BBQ, the emphasis was laid on the gross contribution (payments to the
EC Budget) rather than the net contribution (difference of payments and receipts from the EC budget),
although it was the latter that represented the bigger part of the problem. The question was not seen as
a substantive issue due to two reasons: firstly, because politicians in Britain thought that the problem
would not emerge earlier than 1980, when the complete own resources system would be achieved.
Secondly, the renegotiation of the terms of entry was seen in other Member States as an internal
political issue of the Labour Party that needed only a ‘cosmetic solution’. As a result a Financial
Mechanism was agreed and introduced in March 1975. But conditions to be fulfilled before it could be
activated were so complex that the UK never benefited from a refund of gross contribution. The
second phase of the BBQ started with the Callaghan government in 1978 one year before Thatcher
came into power. Contrary to the first phase this time the negotiations concentrated on the whole issue
rather than simply to the gross UK contribution and aimed to reach a refund for Britain. After tough
debates, under the Brussels Agreement the UK reached a refund for 1980 and 1981 the 30th May 1980.
It also gave the possibility of an extension of the refunds to 1982. Later the refunds were extended to
1982 and 1983 as well. The deal at Brussels meant technically that the refunds were paid from the
Community budget to the UK at the end of the year to which the refund referred. This condition was
accepted by the British because according to the Brussels Agreement the UK had to receive the bulk of
its refunds before the end of its financial year on 31 March. The Agreement also gave a mandate to the
Council to find a permanent solution to the problem that would have consisted in the restructuring of
the EC budget and the reduction of the CAP expenditures through the reform of the CAP. The failure
of implementing this mandate led to the extension of the ad hoc refunds (from 1980 through to 1983).
The negotiations of the Thatcher Government, that ended successfully in Fontainebleau, were designed

4 Political and diplomatic bargaining will have a decisive impact on a possible selection.
to resolve the problem of the temporary payments converting them into permanent annual refunds. Finally, the last chapter covers the step-by-step diplomacy of the BBQ up to the completion of preparations for the financial perspective of 2007 to 2013.

The sources used to write this dissertation are varied. I visited several times the Churchill Archives in Churchill College at Cambridge, where the Thatcher papers are kept. While the private and classified papers are unavailable for researchers and scholars, as they are bound by the 30-year rule, I had access to the Thatcher CD ROMs in the Archives gathering all her speeches, articles etc., which provided a valuable set of primary materials. I also had the opportunity to conduct interviews with some French, Hungarian and British experts in relation with the different aspects of the dissertation.

Apart from the limitation of the 30-year rule, some other information was inaccessible as well, for example the verbal communication between the Prime Minister and the Chancellor of the Exchequer, for which there is obviously no written evidence. The essential negotiations and bargaining of the BBQ took place between the Heads of State and Governments and states making it more difficult to find primary sources, since the meetings are held very much behind closed doors. Because of the opaque functioning of the Council, memoirs and autobiographies played a crucial role in the gathering of information. On the British side, Thatcher’s autobiography gave a solid view of the British side of events that was complemented by the views of other key participants. On the French side, the death of the President, François Mitterrand, without leaving memoirs, meant it was impossible to obtain his views of the issue. However, the memoir of his special advisor, Jacques Attali, provided a brilliant overview on the French side of the BBQ. To round off the French sources I had the opportunity to conduct interviews with the former advisors of the Committee on the European Community of the National Assembly and the Senate. I also had access to their Archives as to the French Archives of Sciences Po. These primary sources have been backed up by a big number of secondary sources, which contributed valuable external analysis to this dissertation.
3 FINDINGS, CONCLUSIONS

This chapter contains the findings of the author’s independent research based on Hungarian and international literature for each chapter.

The multi-perspective research confirmed that the UK budget rebate is a unique phenomenon which could only evolve on the basis of Britain’s unique historical, social, economic and political situation in a particular constellation of international politics and become firmly integrated into the system of the community as a result of step-by-step diplomacy. Anglo-French relations, Thatcher’s assertiveness and the economic situation of the EC at the time were also required for the final result to be achieved.

CONCLUSIONS: COMMUNITY BUDGET AND BUDGETARY POSITIONS IN THE LIGHT OF THEORETICAL SCHOOLS

1) The liberal school of integration theory focuses on the free flow of factors of production and the elimination of barriers to trade. In the early stage of EC integration, the free flow of factors of production is only acceptable with restrictions, as under the circumstances of the time, this was virtually limited to the international exchange of products suitable for free trade. A single budget was not a prerequisite for eliminating the barriers to free trade, therefore the concept of the redistribution function and the positions of net contributors and net recipients are also not applicable at this stage. Founding Member States involved in the early stage of European Integration were at a comparable level of development, therefore the elimination of barriers to the flow of factors caused no major problems or asymmetries. It was the potential asymmetries forming between entities at differing levels of development participating in free trade that called for a compensation system. Although the budget and its conceptual system already existed at the very beginning of European integration, they had a minimal compensatory role among Member States. Thus, the concepts of net contributor and net recipient cannot be explained from the integration concept of the classical liberal school, since the establishment of free trade among actors at the same level of development does not require the existence of equalising compensation mechanisms. The equilibrium has formed automatically and by definition.

2) The establishment of regulation, the cornerstone of dirigist theory, as well as common institutions and methods of operation was characterised by raising funds for the operation of the international organisation rather than budgetary redistribution. Consequently, net contributor or net recipient positions as concepts based on the difference of contributions and receipts are not perfectly applicable. Therefore, pro-regulation
theory, due to its positive integration element, requires the creation of some kind of “integration budget”, but without the redistribution and equalising effect of the latter.

3) As a result of Mitrany’s “spill over”, integration will become broader and deeper through its reverberations across various functional areas. At the same time, states are gradually becoming less capable of performing certain core functions in a changing international system. As a result, they may transfer some of their political, social, economic, regulatory and other responsibilities to a higher level, that of international integration. In theoretical terms, functionalist theory is a sort of precursor to a budget performing tasks of redistribution (and consequently to the positions of net contributors and recipients), as it avoids separating the redistributing function of the common budget explicitly, however, sectoral co-operation requires certain transfers in order for economic convergence to be achieved.

4) Although a common budget is treated as a consequence in federalist views rather than as a central element of the theory, federation makes redistribution and various transfers necessary. At this point, the budgetary question is not interpreted partially anymore, in relation to financing the operations of the international system of institutions, but in its entirety, thus the positions of net contributors and beneficiaries are conceived.

5) Although the national and, above all, the EU budget does not appear in a conspicuous manner in the theory of interdependence. However, on the one hand, European institutions funded by the common budget are specific participants of European multiplayer games. On the other hand, they shaped the history of BBQ by means of assuming an active role.

6) According to the theoretical position of institutionalism, countries co-operate in the hope that, taking their system of values into consideration, co-operation would lead to a result of higher usefulness than self-sufficient conduct would. This practical and rational apprehension justifies co-operation which, by means of the gradual growth of its intensity, turns local co-operation originally commenced in a dispersed manner into one of the phases of integration. Beyond a certain point, intensifying co-operation and completing each step of integration will make various transfers and a mechanism for redistribution necessary, enabling the positions of net contributors and beneficiaries to be established.

7) The objectives of the European integration may not have been reached without implementing and sustaining a joint budget. Thus, there was a PONR (Point of No Return) on the 5-point Balassa-scale from where only the existence of the joint budget led the way through (with all its blessings and curses). On the other hand, it is economically evident that the system of the Member States that are at a different level of development but are operating within a single market requires budgetary redistribution. The single market also leads to the equality of work productivity, the aggregation of volumes of demand and the convergence of purchasing power.
CONCLUSIONS: SYSTEM OF OWN RESOURCES

8) The nature of the structure and proportion of both incomes and expenditures had very different impacts on the economies of the different Member States. Some were in more favourable position than others, because the EC budget was more tailored to their economies. As a general rule, it can be claimed that Member States with large agricultural sectors and significant export of agricultural products falling under the scope of the CAP, were net recipients of the EC budget. On the other hand, those countries of the EC that had small agricultural sectors with a high dependence on food imports were generally net contributors.

9) The own resources system created an algorithm that encoded the notion of inequity and redistribution in the Community and created institutionalised channels through which the Community principles took form. However, the different policies were created for countries with specific, shared characteristics. When a rather less homogenous country, the UK, sought to join, it became clear that the policies were ill-adapted to states with a different socio-economic composition.

10) Member States, behaving as ‘disintegrating pool balls’, do not wish to abandon their direct budgetary influence, i.e. do not want to exchange the EU budget for a system comprised exclusively of own resources. This would lend legitimacy and independence to the EU, also establishing a closer and more transparent relationship between the Union and its citizens, while significantly reducing Member States’ influence on the budgetary regime. Conversion to a system which is based exclusively on own resources would limit Member States’ systems of budgetary means to the process of adopting budgets (approvals, recommended changes, etc.) and collecting revenues. (The EU does not maintain a system of local institutions for this purpose, but outsources such tasks to Member States instead.)

11) Conversion to a pure system of own resources would cause the main lines in the network of Member States’ interests to be restructured as well, since at the 1984 Fontainebleau Summit, the Parties tied the sustention of rebate to the permanence of VAT-based payments. Regardless of this fact, no structural change is possible without a consequent renegotiation of the UK rebate.

12) Most Member States limit their view of the common budget to the concepts of contributions and receipts. There is no ideal candidate among the potential new types of revenues proposed in background materials drafted by the Commission promoting the logic of community as well as other professional workshops. This is not only because all of the candidates have their own strengths and weaknesses, but primarily because politics, compromise and package deals will have the final say in selection anyway, rather than expert technocrats.

13) The British rebate is certain for some years to come, as 7-year financial perspectives establish the key targets as well as the structure of the budget for a fixed period (revenues and expenditures). Additionally, such a fundamental restructuring of financing will by necessity be the outcome of a rather prolonged bargaining process.
14) Whatever reasons and circumstances there may be for the renegotiation of the UK rebate, it will present a task to the British government of the time that is nearly impossible to resolve. Not only because the fundamentals of the economic and legal arguments valid in the Thatcher era have become eroded, or because no premier is seen on the horizon who could match the Iron Lady in determination or calibre, but also because the European structure of interests, subtle as it was, has become even more complex following a series of enlargements. (I presume that with such a number of participants, ceteris paribus, even Margaret Thatcher’s diplomacy would have failed.)

CONCLUSIONS: FOOTPRINTS OF THE BBQ IN THE EARLY HISTORY OF THE EC INTEGRATION

15) There is some difference of interpretation or recollection over whether 'Britain was pushed out or withdrew' from the negotiations. However what is certain is that the UK was represented at a much lower level than the other countries, which appeared to reflect its lack of commitment to the subject. UK’s withdrawal from the Messina negotiations led to the complete loss of influence on the EC agenda, hence the framework reflected Franco-German interests far more than UK interests. It must be also stressed that at the same time the UK concentrated on the world market and its relations with the Commonwealth countries. In practice, Britain’s exit from the EFTA and application for EC membership may be interpreted as a subsequent admission of a wrong decision, but by that time, the French advantage (CAP) had become impossible to make up.

16) The competition between the British model (Eccles Plan: international product agreements and an intergovernmental consultative conference) and Continental models (strong supranational elements) concerning the international organisation of agriculture was finally settled with the Spaak Report and later by the ToR. The Spaak Report laid down a number of fundamental questions, which required answers. Arguably the Treaty failed to give the right and detailed answers to them. The Spaak Report had envisaged market regimes introduced for only a limited number of products on the basis of product specific problems and their importance to farmers’ income. It warned that it would be necessary to avoid the realisation of a vast area protected against third countries coupled with an unrealistic price level. There were certain hesitations among the Member States during the negotiations concerning the incorporation of the agricultural sector into the Treaty. Not surprisingly, it was indeed included at the insistence of France, where the UK could no longer change the rules.

17) The Treaty of Rome (ToR) itself ensured only a very vague framework for regulating such a complicated policy that became the CAP. The details were not worked out, it contained broad objectives and general means. This ‘negligence’ became more apparent after the setting up of the system of own resources, when the CAP represented around two-thirds of the EC budget. (The CAP’s share of the EC budget increased rapidly in the second half of the 1960s, reaching its climax of 86.9 per cent in 1970.) That vague
framework ensured a brilliant opportunity for France to impose its national interest within the EC in the absence of the UK. Another important advantage was when France demanded that the overseas territories of the Member States could be included into the Treaty (ToR). After its accession the UK was treated as a latecomer and had numerous disadvantages due to its outsider position.

18) The Member States and the Commission had already been aware of the major problems and threats to the CAP. Most of them, like the relationship with third countries (in the context of the BBQ, with the Commonwealth), the price support or the production of surpluses (in the context of the BBQ, the budgetary burden of the CAP on the EC budget and on the economies of the non-agro oriented Member States) were outlined in the Commission’s report that was published after the Conference of Stresa. The relevance of this report is that it proves that already at the birth of the CAP, the EC was aware of the major possible future problems. Thus the BBQ and had their origins here in 1957 and 1958.

19) The internal structure and balance of British-American relations was gradually shifting and turned around. Originally dominated by the British, the relationship gradually became balanced and later on the USA clearly took over the leading position. (This transition was demonstrated well in the political-economic overview.)

20) The special relationship, which had originally been restricted to American and British parties, was “passed on” to the EC after the British accession. (The EC has taken GB’s place in some ways.) The special relationship – or at least its commercial aspects (intensive trade) – was slackened just like the one with the Commonwealth after the accession and contributed to the emergence of the BBQ.

21) In terms of the BBQ, British sovereignty played only an indirect role, however, it may be asserted that it was one of the factors of its “EU incompatibility” that are worth analysis. The gradual transfer of national sovereignty to Community level was less of a problem for countries on the continent than for Britain, where sovereignty is embodied by the Parliament. There is no homogenous national identity in the UK, but rather separate Welsh, Scottish, English and not the least Northern Irish identities. Thus, the transfer of sovereignty had a much stronger impact on the British system than that of continental countries.

22) The British refusal to introduce the single currency, according to Balassa the fourth step of European integration, which is the establishment of the European Monetary Union, retaining the sterling as an important token of British sovereignty, was also due to the politically sensitive question of sovereignty. The problematic recognition of the supremacy of EC legislation, different from Anglo-Saxon legislation, was due to the same reason.

23) Britain had a wider choice than the Six after WWII; concerning its trade system (free-marketer or protectionist). It had both its wartime agricultural capacity and its huge fleet to restore its pre-war
commercial relationships and to have access to cheaper world products. However, it was no longer an empire and later there was no alternative of joining the EC and the CAP. Thus it had to adapt to something alien to its mentality, practice, and interests.

24) In 1973 at the moment of UK’s accession it was too late to challenge the basic structure of the EC. Nevertheless one of the main considerations behind joining the EC was that it would be much easier, and advantageous to change its structure from inside.

25) The adaptation of the UK to the protectionist CAP went against its traditions and free-market mentality. It caused fundamentally different views on the question as to what would be the ideal agricultural system for the EC. It contributed a lot to the disagreements between the French and British governments.

26) On the one hand, the high import dependence of the UK and its net importer status caused severe losses to the UK budget compared to the other EC countries, since customs went as part of the own resources to the EC budget, while imported agricultural products were consumed in the country. On the other hand, the UK had a tiny but more efficient agricultural sector than the Community average. Consequently, its receipts from the EC budget were proportionally smaller than those of other Member States. These elements formed an important part of Mrs. Thatcher’s key arguments during the BBQ.

27) The Commonwealth issue was important for at least three reasons during the accession negotiations:

- First, because the former colonies were heavily reliant on the British market for their exports. Therefore they were severely damaged by the UK’s accession to the EC and the UK’s adoption of the CAP regime.

- Secondly, because of its liberal trade philosophy and the openness of its economy the UK was equally reliant on cheap raw materials. It specially needed agricultural products due to its unfavourable climate and its comparative disadvantage in the sector.

- Thirdly, Britain and the Commonwealth had strong cultural and historical links.

28) The comparison between the beginning of the British membership and the mid 1980s highlights extremely well how open Britain’s economy was. Although, the British commercial orientation altered significantly during the first decade of its membership, due to the trade deviation of the custom union, UK’s economy remained more open than those of other Member States and this caused severe problems during its membership.

29) France was in a more favourable position concerning its former colonies than the UK. First, because France as a founding country managed to give its former colonies the status of associated countries (by exerting pressure on the other founding members). British former colonies could not be involved in such cooperation even after the two British applications. After becoming a Member State the UK had to lobby for two more years to obtain roughly the same conditions for the Commonwealth countries (restriction in
number: asian former colonies excluded). Secondly, because the French economy was less dependent on imports (mainly agricultural) than the British one.

The author is fully determined to continue the research, extending it to the period following the present financial perspective as well. It is expected that the period starting in 2014 will have as a result even more stress on budgetary positions (net contributors and net recipients), which will challenge the existing BBQ system. This is also the time when the 30 year confidentiality restriction of the documents that are not accessible as primary sources will end. These two factors together are a serious reason for the further and deeper research of the subject.
4 MAJOR REFERENCES

As indicated in the introduction of research methods, I had the opportunity to process a large number of resources of various types during my research.

Apart from general depository libraries such as the Széchenyi Library, I relied on the libraries of the two institutions hosting my doctoral research, the Corvinus University of Budapest and the University of Cambridge. Finally, references are made to several specifically technical sources which were available through the library of the Institute for World Economics of the Hungarian Academy of Sciences, the Churchill Archives, the Archives of the French National Assembly and the Senate, or the library of Sciences Po.

Primary sources include monographs, memoirs and over half a dozen interviews. Secondary resources are extremely diversified in terms of their type. They include a good number of standard references covering the EC and the EU in general, and a much more substantial body of literature by authors dealing with the BBQ as a special field or one of its specific aspects (agriculture, trade relations, British sovereignty, Commonwealth, etc.) as well as related subjects. Secondary sources also include works by authors relevant to integration theory who either represent a particular school which is essential for the purposes of this dissertation, or analyse such schools in general.

It was my intention to complement descriptive studies by various analyses of data, as part of which I analysed EU statistics (mainly by EUROSTAT, EP, or Commission) as well as the figures and tables published by certain authors (either adopting their original presentation or using them to create figures of my own). Finally, sources include newspaper articles focusing on current issues, complemented by the facts on dozens of web pages dedicated to the issue (references are to their main pages only) that are available on the Internet, and audio-visual material available in libraries only (VHS as well as CD or DVD supplements to archives.)

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5 THE AUTHOR’S RELEVANT PUBLICATIONS

Currently, the publications listed below are credited to the author, covering issues related to the European Union but not the issue of the UK budget rebate in particular.

Arrangements have been made for the publication of an article discussing the UK rebate in the periodical Európa Tükör, however, at the time of submitting this Collection of Theses, no confirmation is available due to the fact that the date of publication has not been finalised.

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