The UK’s Referendum on EU Membership: The debates and the consequences of a Brexit

Introduction

The United Kingdom’s upcoming referendum on its membership of the European Union (EU) is the most crucial issue being debated at all levels in the fabric of British society. It has caused division, confusion and uncertainty about Britain’s future in the EU, and this uncertainty is something which is being closely watched by other member states, EU officials and the peoples of the EU with intrigue and concern. With Prime Minister David Cameron’s government being elected by a majority in the 2015 general election the referendum has now been enshrined into government policy after it was promised in the Conservative Party’s manifesto, and will happen by the end of 2017; although many on both sides of the debate are calling for it to be held sooner.

Britain’s relationship with the EU has not always been a harmonious one. The British media constantly publishes stories and exposés about how Brussels is bureaucratic and interfering, about how it is eroding British sovereignty, and about how the EU is apparently responsible for increased immigration and how in turn this is straining the NHS (National Health Service) and the social welfare system. This has meant that public opinion of the EU has not always been favourable and indeed has given rise to anti-EU and anti-immigrant parties such as UKIP (the UK Independence Party), whose entire raison d’être is to leave the EU and pander to these fears of the loss of national identity and sovereignty, and the fear of immigration fuelled by xenophobia and the negative stereotype that EU migrants just want to claim benefits (social security). Within British politics it has been the parties to the right of the political spectrum that have traditionally been openly hostile toward further integration with Europe. Traditionally from the Conservative Party, particularly from its backbench Members of Parliament (MPs) and it is this party that has forced the referendum onto the national political agenda.

The potential of a ‘Brexit’ (British Exit) from the EU has caused great concern across Europe as a plethora of interested parties try to discern and interpret what this could mean for Britain and the future of the EU. With the publication of the Prime Minister’s letter to President Donald Tusk of the European Council speculation surrounding Britain’s demands have ended. The essence of the letter states that the UK wants to be in the EU provided it can opt-out of being part of a closer union and protect assets such as the City of London. What the Prime Minister is asking of Europe is effectively a ‘two speed Europe’ where those member states who want to integrate further can do so, and those who want to retain a certain degree of national autonomy have the freedom to do this whilst being part of the union and receiving the benefits of membership.

This paper will examine the key issues that are part of the debate within British society, the varying positions of the different parties and factions in British politics, an analysis of the motivational factors driving the referendum, and the scenarios of what could happen if the UK left the EU. It puts forward the argument that leaving the EU would be the single greatest strategic error for Britain to make, and poses the argument that instead of insisting on a ‘two speed Europe’ to satisfy the uncertain, partially committed nature of Britain’s current relationship with the EU, that Britain should in fact further integrate within the EU and should also be a strong advocate of deeper integration across the EU, including deeper political union and harmonisation of policies. The UK must do this as a matter of national strategic importance. A ‘two speed Europe’ will not be in Britain’s best interest. Whilst at the moment the idea may appear to be a way of keeping certain members inside the union, in the future those member states that do wish to integrate further will become much stronger. A ‘two speed Europe’ may mitigate some immediate political tension, but in the long term this is an adverse and counter-productive strategy, and one that could seriously weaken both Europe and Britain.

The Referendum: An analysis of the political motivation

Britain’s current relationship with the EU can only be characterised as reluctant-partial-engagement. In 1993 the coming into force of the Treaty of Maastricht and the creation of the EU was the catalyst for much Euro-scepticism in the UK. Most British Euro-scepticism has remained confined to the tabloid right wing newspapers, political parties like UKIP, and to the back benches of the Conservative Party; it was an issue that for many years had rested on the peripheral edge of British politics. Euro-scepticism in Parliament was kept at bay by the pro-EU New Labour Government between 1997 and 2010, and discussion in British society and the media about Europe did not develop beyond mild annoyance at what Euro-sceptics see as the apparent ‘interfering’ hand of the bureaucracy of Brussels. However, since the financial crisis of 2007, and the higher influx of migrants from other member states following expansion of the EU’s membership, the Euro-sceptic attitude within Britain became more vocal. Questioning the UK’s membership gained a public footing in the day to day chat of the British people as the potential for a referendum became more likely, and the pro-EU camps remained silent throughout this crucial time as anti-EU sentiment became far more vocal. The announcement of a planned referendum finally came in a speech the Prime Minister gave at the Bloomberg News Agency, now known as the Bloomberg speech, at a time when the Conservatives were in a coalition with the Liberal Democratic Party.

The referendum is being promoted as an opportunity for the British electorate to have a say in Britain’s future relationship with the EU. To decide if they wish to continue to be
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part of a union that is heading toward deeper integration, politically and economically. The reality, however, about the referendum is that it is only happening not out of any sense of giving the people a say in Britain’s future relations with Europe, but out of domestic political pressures within the ruling Conservative Party. The Prime Minister was pressurised by the Euro-sceptic backbench MPs in his own party to hold a referendum in return for their support, and partly out of concern for the rise of UKIP. Cameron has had to placate a minority in his party to retain leadership and prevent Conservative voter’s shifting toward the more right wing UKIP. But he does not believe in the referendum and in fact disagrees with this minority, although now not publically. This is why in his speech at the Conservative Party conference in 2006 as leader of the party and leader of the opposition he believed the party needed to stop talking about Europe and focus more on the economy.

‘While parents worried about childcare, getting the kids to school, balancing work and family life – we were banging on about Europe.’

Cameron knew that party political rhetoric on Europe was a turn off for potential voters in a general election. But as Prime Minister he was forced into a position of having to have the referendum later on in order to secure the support of his backbenchers, and keep the support of Euro-sceptic voters both within and without the Conservative Party and prevent them drifting toward UKIP. With the re-election of the Conservative Party in 2015 by a majority, and the promise of a referendum in their 2015 manifesto, the UK is now firmly on course for a referendum before the end of 2017.

The Debate: Issues, Politics, and National Campaigns

Recent polls indicate that the outcome of the referendum is far from certain. The general trend in the polls have shown that the electorate is mostly split 50/50 with one camp marginally gaining ahead of the other depending on the attitudes of the popula to various popular news items such as the Refugee Crisis. However, the most interesting factor in these polls is that around 15 - 20% of voters are undecided about how they would vote in the referendum. This statistic of undecided voters is crucial and could decide the outcome of the referendum.

Prior to the announcement of a referendum it was the anti-EU camp that received most of the publicity; most notably with UKIP and the right wing tabloid media whose articles persistently attacked the EU for its bureaucracy. This has mainly taken the form of laying the blame for the rise in migration to the UK on the EU; criticism of EU laws being interfering or that Brussels is eroding British sovereignty by undermining its courts and national Parliament; and that the costs of membership do not provide a return for Britain. Right wing journalism has done much to turn public opinion against the EU through sensationalist news stories, as has a lack of awareness on the benefits of EU membership in the popular media. It is only since the definitive announcement of the referendum that the pro-EU movement has finally emerged into the debate. However, despite this trend in the media that anti-EU stories make their way into the popular press, the polls show that there has been broad public support in favour of Britain’s membership of the EU with the ‘in’ camp mostly being ahead since 1977, even if only slightly.

It is not an unfair criticism to say that there has been a chronic lack of schooling about the EU within the British education system coupled with a lack of information provided to the general public. In 2013 the European Union was cut from the national curriculum, arguing that it was ‘biased towards European integration.’ The EU was previously referred to in the national curriculum, but in-depth education on the EU and its institutions was, and remains still, woefully inadequate. This lack of substantial education coupled with a lack of information being provided in the popular media has led to a climate of misinformation in the UK that has only strengthened the Euro-sceptic movement.

Issues Influencing the Referendum Debate

Immigration, the eroding of national sovereignty, and the cost of the EU and the UK’s membership fee are the main criticisms and concerns regarding the UK’s membership of the union. These issues are present in the debate and will be relevant in the decision making processes of the electorate. However, one crucial issue that seems to rise above all others is that of the state of the British economy. In the minds of the electorate, Europe is not the single biggest priority or concern. For the people, the state of the economy, the wellbeing of the NHS and the issue of immigration in general are the top three issues that supersede the issue of Europe.

Both pro and anti EU campaigns have used issues relating to the economy and the NHS to attract voters and support in the referendum. The issue of immigration, however, has been used particularly by anti-EU groups such as UKIP to advocate leaving the EU; sighting the freedom of movement principle as being responsible for an increase in migration to the UK. The issue of immigration will play a strong deciding factor for many voters in the referendum; however, it is difficult to say at this point in time whether the issue will sway the vote enough in favour of the anti-EU campaigns to bring Britain out of the EU.

Regardless of the issue of immigration, the economy remains a very high priority for the electorate: In fact, it may, in the end, be the clinching factor that keeps the UK in the EU. In the Scottish referendum on independence in 2014 the economy was one of the crucial issues that kept Scotland as part of the UK. This is likely to be the case in the EU referendum too. Whilst a climate of misinformation maybe generating feelings of irritation toward the EU, when put in terms of job security and the health of the economy any voter who does not poses an in depth knowledge of the EU will more likely than not tend to vote in favour of staying in purely on the basis of self-preservation. Framing the debate in these terms is likely to be the most crucial factor that swings the vote in favour of staying in the EU, if the pro-EU campaigns successfully communicate this to the electorate. The economic case is one of the strongest and most convincing arguments for the pro-EU movement and one which has been vocalised at length already. However, this argument must also continue to be framed in terms of how consumer spending, taxes, goods and services will all rise in price for the economic argument to stick in the minds of
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those unfamiliar with the EU and the economic benefits of being part of the union.

UK Party Politics

The voting tendencies of the electorate are the most important to consider, naturally, as it will be their voting that decides the outcome regardless of political or ideological affiliation. However, the stance of the political parties in Westminster and that of individual politicians will also be a deciding factor for many voters come the referendum.

The ruling Conservative Party itself is the focus of much attention in the press as the party is clearly divided about whether to stay in Europe or not; but what is not clear is by how much. The Prime Minister has indicated that he does not rule out campaigning for an EU exit if he cannot get the concessions he wants. In the Conservative Party it is the backbench MP’s that represent the greatest force of Euro-Scepticism in the party and in Westminster. But, it is impossible at this stage to know how individual MPs would actually vote. Some Conservative MPs have openly expressed Euro-sceptic sentiments; however, it is also very difficult at this juncture to stipulate exactly how many members of the party would vote for an EU exit. Some press stories indicate only 15% of members would vote to leave, whilst others say that most members would vote to leave. Present indications show that a majority of the party membership is in fact undecided at this juncture, and that 63.3% of members’ vote would depend on the terms of the renegotiation. The question over Europe could have serious implications for the party if the electorate vote to stay in the EU. Europe has frequently caused division amongst the Conservatives and the fallout from a Yes vote to remain a member of the EU in the referendum could have serious implications for the party, including the potential emergence of small scale splinter groups that are more right wing and anti-EU, or even see those party members who fit into this bracket shift their allegiance to UKIP.

The Labour Party is officially in favour of retaining Britain’s membership of the EU with opposition leader Jeremy Corbyn supporting his party’s campaign to keep Britain in Europe, whilst figures show that of the Labour Party’s membership 84.7% would vote for the UK to remain a member of the EU regardless of the result of the renegotiations. As the second largest party in Parliament the pro-EU membership stance of Labour coupled with the rise in popularity of its newly elected leader could be a significant force for the IN movement.

The Scottish National Party (SNP) and the Liberal Democrats, who represent the most pro-EU political parties in Parliament, have both firmly placed their support behind staying in the EU regardless of the result of the negotiations. The SNP have also stressed that a Brexit would trigger a second Scottish Independence referendum. The pro-EU stance of Scotland and the SNP will be a significant factor in the outcome of the referendum and will be a base for strong EU support.

The only political party in the 650 seat Parliament in Westminster that is 100% in favour of leaving the EU, and with one MP, is UKIP, which also has its own political campaign separate from other anti-EU campaigns to leave the EU. Their entire raison d’etre is to get Britain out of the EU as they believe it is the cause for many of the UK’s problems including a diminishing influence in the world, immigration, and a loss of national sovereignty. They are the main Euro-sceptic, anti-immigrant political force that will advocate for an EU exit.

There are also other independent campaigns which are not affiliated to a particular political party but advocate for one side or the other; the main ones are Britain Stronger In Europe and Vote Leave. It is difficult at this juncture to say how much of an impact these independent campaigns will have in the overall outcome of the referendum; whatever their impact, it is unlikely that these groups will be responsible for a noticeable shift in the attitudes of the majority of the electorate, but rather they facilitate an alternative channel for those voters who do not share a political affiliation, but share and ideological persuasion. The true impact of these independent, non-party affiliated campaigns will only become clear when a date is set for the referendum.

What does the Prime Minister want?

David Cameron wants a reformed relationship with the EU. The government’s four key demands were stated in a letter to President Donald Tusk which was published in the British Press. (1) The government’s demands include restricting access to EU migrants to social security benefits for a four year period. (2) Measures to be put in place to ensure that the eurozone countries cannot outvote the non-Euro countries on matters of economic governance (this especially relates to protecting the competitiveness of the City of London) and Cameron has also insisted that it be acknowledged that the EU is a multi-currency union. (3) Further deregulation of trade and business to encourage competitiveness is another key demand; (4) the British government wants greater sovereignty to be returned to the UK by giving national parliaments the power to block EU legislation, and to end Britain’s obligation to an “ever closer union” by removing this line of text from the Lisbon Treaty. Some of the demands in Cameron’s letter can be relatively easy to seek accord on; especially in the further deregulation of trade which are likely to be welcomed across the EU to encourage growth. However, some demands will be extremely more problematic than others. The insistence on restricting EU migrants access to ‘in-work benefits’ and other elements of social security would constitute a restriction on the freedom of movement, and there is no appetite to change this fundamental EU freedom, especially not from German Chancellor Angela Merkel. The European Commission has also said this proposal is “highly problematic”. However, the British government has signalled it is willing to be flexible on this demand, much to the outrage of Euro-sceptic MPs. Other demands such as the removal of the phrase “ever closer union” would require treaty change and could not be achieved prior to the planned referendum. However, some European diplomats quoted anonymously in the Guardian have stated that most of the Prime Minister’s demands are modest and negotiable. The fear, however, is that the negotiations will be a meaningless exercise if the UK electorate votes to leave the Union. The fear in the rest of Europe is about the actual referendum
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itself and whether the pro-EU movements can conduct a convincing enough campaign to keep Britain in the EU. The fear is that Euro-scepticism in the UK coupled with a steady assault of misinformation over the last four decades by the right wing media and a lack of adequate education on the EU and its benefits to Britain may have given the right conditions for a Brexit.

What if Britain leaves the EU?

If the British electorate vote to leave the EU and the UK is faced with a Brexit the options for Britain become very limited. Realistically a Brexit leaves the UK with two options: Be like Norway and have full EEA membership, or be like Switzerland and have a free trade agreement that gives access to the single market. However, both of these scenarios are strategically problematic for the UK.

The Norway Option

If the UK opted to be a member of the EEA but not the EU, like Norway, it would have to accept the EU’s rules regarding the free movement of people and capital and contribute to the EU budget, but crucially it would have no voting power in the EU and no say in how these rules are applied. Effectively, this means that as an EEA member Norway has less control of its borders than a full EU member state; and so would the UK under this scenario. Anti-EU/ anti-immigrant parties and groups have sighted Norway as an example that Britain could follow; however, David Cameron has stated that he does not want a deal like Norway has for the UK in the event of a Brexit.

The Switzerland Option

The other example cited by those in favour of a Brexit from the EU is Switzerland. They point to its economic success whilst not being a member of either the EU or EEA as an example of how Britain could prosper. Switzerland’s free trade agreement was signed in 1972 and extended in 1999. However, Switzerland has a much higher level of migration than the UK, still pays into the EU’s budget, has to follow most of the EU’s laws and regulations regarding the sale of goods, and also has to abide by the principle of free movement of EU citizens into its territory. Once again the Swiss scenario as with the Norway option means the UK is still in a much weaker position strategically.

The reality is that any scenario in which the UK is outside the EU would leave Britain weaker politically, economically and strategically on the European and world stage. It is clear that removing the UK from this union would have far reaching damages to the UK, not just in Europe, but with its political, economic and strategic partners around the globe as well.

European Council Meeting 18th – 19th February 2016

David Cameron has said he wants a British deal that suites Britain; yet a serious question has to be asked: Namely, what exactly is this final agreement going to look like between the British Government and the EU? Some of Cameron’s demands have included restricting the freedom of movement or rewording treaties and these would require treaty change and there is no substantial appetite for treaty change, only reform. It is more likely, therefore, that a political compromise will be reached at the European Council meeting on the 18th – 19th February 2016. One which the British government can be satisfied that it gives them more freedom in the EU whilst being part of the union; and one that the Prime Minister can put before the British electorate and support publically Britain’s need to be in the EU. However, if no agreement is reached over issues such as immigration this could seriously weaken the pro-EU movement’s cause given the toxic nature of the issue in British politics.

Conclusions

Leaving the European Union would be a disastrous mistake for the UK to make. Leaving the EU means the UK would be at risk of becoming an irrelevance in its strategic neighbourhood and being sidelined in international relations. The UK must remain in the EU and must in fact become a strong advocate for deeper integration; strategically speaking this is a far better policy for the UK in the long term. Bolstering the EU through deeper integration will ensure the UK’s economy stays strong; ensures continued long term cooperation and build synergies with European allies on matters of law, trade, agriculture, etc, and ensures that the UK can project its foreign policy objectives around the world.

The fear in Europe is that the British public will vote to leave regardless of whatever agreement is reached in February. However, if the pro-EU movements frame the issue strongly in terms of the economic impact an exit could have on the economy and the resulting threats to job security for many British workers it is more likely that the UK can avoid a Brexit. But, crucially what must be explained to the British electorate is that by being part of a union that shares the same principles, values, and global strategic and foreign policy objectives Britain can be an influential member of the international community, and that outside the EU, Britain will lose its influence and be relegated to international insignificance. Nor can the threat of a referendum create a two speed Europe. This would cause a division that could jeopardise the European project and certainly make the EU weaker. The EU must continue to push for deeper integration and harmonisation of policy and standards so that Britain and Europe can prosper.

The UK must not only push for deeper integration in the EU, the UK must itself integrate further into the union. Integrating further into the EU, becoming a champion for EU integration, and strengthening the union through active and enhanced participation in its institutions and policies will strengthen Britain strategically in the long term. Convincing the UK electorate of this and the idea of deeper integration is very difficult in the current climate: but through comprehensive education in the British schooling system from a young age and greater exposure in the British daily media of the events and issues taking place at the EU’s institutions, the British electorate will become much more involved and feel more connected to the EU, and, therefore, have a greater appreciation of the importance and necessity for a strong EU and Britain’s place within it.
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Notes


10) Fauvoinbridge, G and James, W. ‘Cameron refuses to rule out Brexit, says recasting EU ties hard work’ Reuters (online), 4 October 2015. Available at http://uk.reuters.com/article/uk britain-eu-cameron-idUSKCN0RS0P020151004 (Accessed 18 January 2016).


18) Cabinet Office, Prime Minister’s Office, 10 Downing Street, ‘PM Letter to the President of the European Council Donald Tusk’ p. 2.

19) Cabinet Office, Prime Minister’s Office, 10 Downing Street, ‘PM Letter to the President of the European Council Donald Tusk’ p. 3.

20) Cabinet Office, Prime Minister’s Office, 10 Downing Street, ‘PM Letter to the President of the European Council Donald Tusk’ p. 3-4.


