

SUMMARY

- 1) Analysis : Page 01
2) Résultats : Page 05

Supporters and adversaries to the UK remaining in the European Union are running neck and neck in the polls just one month before the referendum.

Corinne Deloy

On 23rd June British citizens, as well as those from the Commonwealth countries or Ireland living in the UK and those registered on the county's electoral rolls for at least 15 years, citizens of the Commonwealth living in Gibraltar and members of the House of Lords will decide on the future of the UK within the EU. They are being called to answer the following question: *Should the United Kingdom remain a member of the European Union or leave the European Union?*

**Analysis**

Britons living abroad are also allowed to vote in the referendum on condition that they registered to vote leaving the UK (and before 16th May) and have lived abroad for less than 15 years [1].

The official campaign for the referendum started on 15th April, which was a bad time for Prime Minister David Cameron (Conservative Party) since his name appeared in the list of account holders in the tax haven, Panama. The publication of confidential documents from the Panamanian lawyers' office Mossack-Fonseca revealed that the head of government had "omitted" to indicate that he had shares in an offshore account belonging to his father in the declaration of assets he made when he took office.

THE ORIGINS OF THE REFERENDUM ON 23RD JUNE

In January 2013 [2], David Cameron promised to organise a referendum on the UK remaining in the European Union by the end of 2017 if his party won the general elections planned for in May 2015. Within his party there was strong dissension over Europe his aim was to calm this situation down. Re-elected to 10 Downing Street with the absolute majority on 7th May 2015 Mr Cameron

rapidly started negotiations with his European partners in order to achieve certain measures favourable to the UK in exchange for the British government's support for the UK's upkeep within the European Union when the referendum took place.

On 19th February last the European Council [3] adopted a project to grant a "special status" to the UK which will apply if the country chooses to stay in the EU. The text indicates that "the ever closer union" mentioned in the European treaties does not mean steps towards further integration and does not apply to the UK. It stipulates that 55% of the national parliaments will now be able to use "a red card" to block a draft European directive and that an emergency brake regarding European immigrant access to certain types of social benefits will be introduced for an indefinite period if "public services are saturated".

However the deal achieved by David Cameron did not convince the British Eurosceptics in any way.

The vote on 23rd June is vital for the UK and for the EU. "The referendum is more important than the general elections and represents a chance of a lifetime for a whole generation of Britons," declared David Cameron. If the UK decides to leave the European Union it will no longer be able to take advantage of the single market and it will have to renegotiate all of the trade relations

1. <https://www.gov.uk/register-to-vote>

2. <https://www.gov.uk/government/speeches/eu-speech-at-bloomberg>

3. http://www.consilium.europa.eu/fr/meetings/european-council/2016/02/EUCO-Conclusions_pdf/

Referendum in United-Kingdom

23rd June 2016

it has, with the EU and with all of the States linked to the latter by a treaty. Likewise London will no longer receive any European funds (agricultural, regional, social etc ...).

Although David Cameron and most of his government have committed to supporting the country's upkeep in the EU, the Conservative party is still extremely divided over the issue. Labour leader Jeremy Corbyn is undertaking a low-key campaign and announced that he would be taking a holiday! The two leaders were rejected during the local and regional elections which took place on 5th May last.

The head of government failed to retain the town hall of London: his candidate Zac Goldsmith was beaten by the Labour Party's Sadiq Khan. As for Jeremy Corbyn his party suffered a serious setback in Scotland.

Finally like many European countries the UK is affected by the population's rejection of the traditional political classes, which means that any electoral campaign, and notably that of a referendum, is an extremely dangerous exercise. The most recent polls forecast that supporters for and against the Brexit will be running neck and neck with a slight advantage for the latter.

Poll date	Pollster	Remain	Leave	DNK
18-22 May	ORB	55%	42%	3%
17-19 May	Opinium	44%	40%	14%
16-17 May	YouGov	44%	40%	12%

The polls show that the eldest Britons (+55) tend more towards an exit of the EU (around 70%) whilst the youngest (under 25) mostly support the "remain" camp (75%).

"People are divided by conflicting interests. Many think that an exit would have a negative effect on the economic situation, but they also believe that a status quo would lead to an increase in immigration," indicates John Curtice, a professor in Political Science at the University of Strathclyde of Glasgow. "The fact that we live on an island prevented invasion in the 20th century. We took part in two World Wars, we experienced the Blitz, but unlike other EU Member States not one German soldier ever set foot on our land, hence we did not experience conflict with the same intensity. This is why and maybe because the community project has not been able to embody this, that we do not feel more European now than we did 40 years ago," he added.

THE BREXIT CAMP

Supporters of the *British Exit (Brexit)* highlight the need for Britons to recover their sovereignty, notably in terms of immigration, which is a major factor in the hostility felt towards the EU. Supporters of a single market they do not support however the constraints and regulations issued by Brussels. In their opinion the EU is an impediment to economic power and the freedom of enterprise, a danger causing a lack of growth and the debt crisis. On 16th May

more than 300 businessmen, convinced that there are better future opportunities outside of the EU, signed a text that was published in *The Daily Telegraph*. "Outside of the EU British businesses will be free to grow faster, to extend to new markets and create more jobs. It is time to vote to leave and take our future into our own hands. We think that the UK's competitiveness is being undermined by membership to a European Union that is a total failure." The pro-Brexit camp regrets the lack of accountability that reigns, in their opinion, in the EU, where for example it is impossible to revoke the European Parliament with a vote of no-confidence.

Amongst the political parties the Brexit is the option that has always been defended by the United Kingdom Independence Party (UKIP). "Far from being a factor of peace the European Union has increased hostility in Europe," declared its leader Nigel Farage. The Democratic Unionist Party (DUP) in Northern Ireland, the People before Profits Alliance (PBP), the far left and the Traditional Unionist Voice (TUV) are three other parties that support the Brexit.

Some members of the Conservative Party in office support the country's withdrawal from the EU. The former Mayor of London (2008-2016), Boris Johnson is the main representative of this. In his opinion the EU is "an old absolutist ideology that is unable to control immigration. Napoleon, Hitler and others tried to unify Europe and things

ended tragically. The EU is pursuing the same goal but using different methods.”

SUPPORTERS OF THE “REMAIN” VOTE

Most of the British political parties support remaining in the EU: the Labour Party, the Liberal Democratic Party (LibDem), Plaid Cymru, the Green Party, the Scottish National Party (SNP), Sinn Fein (SF), the Social Democratic and Labour Party (SDLP), The Alliance of Northern Ireland, the Ulster Unionist Party (UUP) and most of the Conservatives in office.

To convince his fellow countrymen to vote in support of the UK remaining in the EU on 23rd June next David Cameron is using as his main argument the implications of a Brexit: *“The British economy depends a great deal more on the EU than the opposite (...) the EU buys 44% of British exports (...) 2 million Britons live in one of the 27 other EU Member States, benefiting from equal treatment (...) London already enjoys a special status in Europe,”* reads the *“Withdrawal Process from the European Union”*, a document published by the government.

In the Prime Minister’s opinion an exit by the UK from the EU is *“the last thing that the British economy needs.”* *“None of the arguments in support of the UK’s exit from the EU can counter the immediate and also long term shock that the British economy would suffer,”* he added. *“If we vote to leave the Union on 23rd June next we shall be voting for price increases, for a reduction in employment, for the slowing of growth and may be even for recession,”* said David Cameron.

“The closest possible cooperation with our European neighbours is vital (...) It is in the UK’s interest to maintain a joint goal with Europe to avoid future conflicts between European countries,” he again indicated saying that the Brexit would herald the end of British membership of the European Investment Bank (EIB), an institution that has injected £16 billion into British projects over the last three years.

The Chancellor of the Exchequer (Finance Minister) George Osborne has spoken of a possible recession in the event of an exit [4] : *“in which families will see their incomes decline due to higher inflation or in which growth will be weaker, which will penalise employment and wages.”* The Department of the Treasury has spoken of possible

“impoverishment” and a reduction in the GDP that could be as much as 9%.

The Bank of England (BoE) has also warned the electorate: *“the British economy might experience significantly lower growth”* (forecasts for the present quarter have been brought down to 0.3% instead of 0.5%, ie the lowest rate of growth since the start of the crisis), *“a much higher inflation rate, a significant loss in value of the pound”* (the BoE believes that the decline in the national currency’s exchange rate over the last six months is already 50% to blame on the uncertainty created by the referendum) *“and a rise in unemployment if the Brexit wins in the ballot box.”* *“The UK’s exit from the EU might plunge the country into recession,”* believes the Bank’s governor Mark Carney, who also warned of a reduction in direct foreign investments in the country if it leaves the Union. *“A significant share of financing (of the current account deficit) transits via direct foreign investments and it seems that one of the things taken into account in terms of the latter depends on the UK’s status in relation to the European Union,”* he stressed.

An exit would lead to the destruction of at least 100,000 jobs in the financial services says a study by the *think-tank* JWG. The cost of the Brexit is said to be estimated at 22.2 billion € for the British financial service industry which represents around 10% of the country’s GDP and it will not be possible to negotiate another trade agreement with the other 27 Member States within the next ten years. *“I am not going to tell you that the EU is perfect. It is an organisation that needs reform. But I think that the changes that I have achieved are significant for the country, to make it stronger economically. At world level we shall also be able to move forward and protect ourselves from terrorism,”* maintained David Cameron.

Labour, and notably its leader Jeremy Corbyn, are defending the upkeep of the UK within the EU in order to be able to modify the latter. *“The EU could do so much better if we had a government that made the right choices and that had the right priorities. This is why we shall be voting to stay in, reform and work within Europe in order to improve the UK’s population’s living standards,”* declared Jeremy Corbyn. Against his country’s membership of the EU in 1975, to the Maastricht Treaty in 1992, to the treaty establishing the Constitution for Europe in 2005, to

4. <https://www.gov.uk/government/organisations/hm-treasury>

the Lisbon Treaty in 2009, Labour's leader maintains that Brussels enables the containment of the Conservatives' liberal leanings, notably in terms of the liberalisation of the labour market and privatisations. By committing to remain Jeremy Corbyn, the representative of the party's leftwing, is playing the card of unifying the Labour Party.

However, unlike in the referendum on 18th September 2014, on Scotland's independence, Labour has refused to campaign alongside the Conservative Party. Hence in the event of a Brexit, Labour can easily render the Prime Minister responsible for defeat, without blame being laid on Labour who want to "Change the Union."

Finally, and according to the polls, three quarters of British businesses support staying in the EU. The same applies to 282 artists who signed a column in the daily "The Guardian" on 20th May: *"From the smallest art gallery to the biggest blockbuster, there are many of us who have worked on projects that would not have seen the light of day without the EU's vital funding or without cross border cooperation (...) By taking part in Europe, not only is the UK stronger, it also more imaginative and more creative."*

EXTERNAL SUPPORT

Supporters of the "remain" camp have received a great deal of support from many foreign leaders: Shinzo Abe, Xi Jinping and Barack Obama [5]. The President of the USA clearly said he was against the British exit of the EU. *"The UK will not immediately be able to negotiate bilateral trade agreements because our priority in the US is to negotiate with the large block – the EU. The UK will find itself at the back of the queue,"* he warned.

IMF Managing Director Christine Lagarde maintained that if London decided to leave the EU the country might suffer a stock market crash, a drop in housing prices and the collapse of the pound, a rise in prices, a recession, a downgrading of London's status as a world finance market and even the relocation of the main trading market towards another area within the euro zone. *"We have looked at all the scenarios. We have done what we must and we have found nothing positive to say about the Brexit. It would lead to a loss of between 1.5% and 9.5% in the British GDP and would damage London's leading position as a financial market. The range of consequences goes from rather worse to very, very bad,"* she indicated adding, *"that if the British did decide to stay in the EU growth might recover and rise by slightly less than 2% this year to 2.2% or 2.3% midterm."*

The OECD believes that the UK's exit from the EU would lead to a "serious shockwave". The loss of access to the Single Market (and to around 50 countries linked to Brussels by these agreements) would lead to a 3% contraction of the British GDP by 2020, i.e. £2,200 (2,839 €) per household and 5% ten years later ie £3,200 (4,123 €) per household. The OECD has estimated the cost of the Brexit at nearly 8 GDP points.

By leaving the Union London would certainly make savings on its present net contribution to the EU budget but this only represents 0.3% to 0.4% of the GDP.

"Every time we have to choose between Europe and the wide open seas, we shall always choose the wide open seas," said Winston Churchill in 1944. But is the wide open sea still an option in a globalised world in which the UK only represents 3% of the world economy and less than 1% of the planet's population?

5. <http://www.robert-schuman.eu/en/european-issues/0390-a-strong-united-europe-is-a-necessity-to-all-of-us>

43 years after their accession Britons decide to leave the European Union

On 23rd June Britons decided to leave the European Union. To the question they were asked (Should the UK remain a member of the European Union or leave the European Union? a majority of voters (51.9%) answered "leave" whilst 48.1% voted to remain. Turnout totalled 72.2%.

Geographical and generational cleavages were clearly visible in the results of this consultation. Hence, only England (53.4%), notably the eastern part and except for London and Wales (52.5%), voted in their majority to "Lea Brexit ve" whilst Scotland (62%) and Northern Ireland (55.8%) vote in their majority to "Remain". Incidentally many fear that the referendum of 23rd June will strengthen the lines of division between the different parts of the country. In Northern Ireland, Sinn Fein has already demanded a union referendum with the southern part of the island; the Scottish National Party (SNP) is again threatening another referendum on the independence of Scotland. According to a YouGov exit poll three quarters of voters aged 18 to 24 (66%) and half of the 25-49 year olds (52%) voted "Remain" whilst 58% of the 50-64 year olds preferred "Leave" as did 62% of the over 65's. The vote in support of the UK remaining in

the EU easily took the lead in the university towns of Cambridge, Oxford, York, Liverpool, Manchester and Bristol.

More generally young people, the most qualified and urban dwellers voted "Remain", whilst the eldest, the poorly qualified and rural dwellers voted "Leave".

Brexit (Britain exit), i.e. the exit of the UK from the European Union bears witness of course to the British population's dislike of Brussels. It might very well have a knock-on effect (in the Netherlands, with populist Geert Wilders (Freedom Party PVV) already promising to organise his country's exit from the Union if his party wins the general elections planned for the spring of 2017). It points to the possibility of the unravelling of the EU after years of continuous enlargement. The UK's disaffection is the biggest failure in Europe's history and will profoundly modify the landscape of the latter.

Results

The referendum results on the UK's exit of the EU on 23rd June 2016

Turnout: 72,2%

Country	Should the UK leave the European Union		Should the UK remain a member of the European Union	
	Number of votes won	% of votes won	Number of votes won	% of votes won
UK	17 410 742	51,90	16 141 241	48,10
England	15 188 406	53,40	13 266 996	46,60
Scotland	1 018 322	38	1 661 191	62
Wales	854 572	52,50	772 347	47,50
Northern Ireland	349 442	44,20	440 437	55,80

Source : <http://www.electoralcommission.org.uk/i-am-a-journalist/electoral-commission-media-centre/news-releases-referendums/official-result-of-the-eu-referendum-is-declared-by-electoral-commission-in-manchester>

Political issues

THE SPECIAL POSITION OF THE BRITISH

Since their accession in 1973 the British have always had one foot in and the other out of the EU.

Some defenders of the Brexit, such as the "Vote Leave" group led by former Mayor of London (2008-2016), Conservative Boris Johnson, are fervent supporters of economic liberalism and during the electoral campaign they put British sovereignty to the fore, whilst others, led by Nigel Farage (United Kingdom Independence Party, UKIP) of the "Leave EU" group, primarily expressed their hostility of immigration.

The former, who support the Single Market, no longer support the regulations issued by Brussels, which in their opinion restrict both businesses and citizens. In their opinion the EU is an impediment to economic power and entrepreneurial freedom. It is a major risk factor due to its lack of growth and the debt crisis. The latter see the membership of their country to the EU as a loss of sovereignty, and want to take back control of their borders.

"The population blame their dissatisfaction on the leadership of the Labour Party, the establishment, immigrants, the banks of the European Union, all in one bag." This referendum is bound closely to one extremely polarising issue: *immigration*. In the last referendum in 1975 immigration was not an issue. Now small wage earners blame the immigrants and not the government for their problems, for their low wages. "Voting "Brexit" means taking revenge on the injustice of life," said Vernon Bogdanor, a Professor at King's College and at the University of Oxford. *"The Leave vote is a kind of revolution in a country which has not known one. It would be the first time in the UK that the result of a vote, a referendum goes against the government and parliament,"* maintained Professor Bogdanor a few days before the vote.

FAILURE FOR DAVID CAMERON

David Cameron (Conservative Party) has therefore lost his wager. In January 2013 in the hope of countering UKIP and Nigel Farage and to appease the eurosceptic wing of his party the Prime Minister announced that he would organise a referendum on the UK's exit of the EU by the end of 2017 if the Tories won in the general elections in 2015. His re-election as head of the British government after the general

election in May 2015 was finally rather more due to his promise of a referendum than the results he had achieved as head of the country.

David Cameron underestimated the strength of eurosceptic feeling and probably also the discredit of which his government is the focus. The Conservative leader was not helped in this electoral campaign by his Labour counterpart Jeremy Corbyn, who has never been an enthusiastic euromphile himself (he opposed his country's membership of the EU in 1975, the Maastricht Treaty in 1992, the Treaty establishing a Constitution for Europe in 2005 and the Lisbon Treaty in 2009) although he sided with the upkeep of the UK in the EU this time. Moreover Labour refused to campaign alongside the Conservative party after the negative experience in the

referendum on 18th September 2014 on the independence of Scotland. The supporters of the "Remain" camp certainly did not promote adequately the positive aspects of the latter or the benefits to be had of integration and solidarity between Member States during the campaign.

The head of the British government announced on 24th June that he wanted to resign from office in the autumn. "I think the country needs a new leader to undertake negotiations with the European Union," declared David Cameron. The Conservative Party is to appoint a new leader during the party congress in October; the latter will be appointed Prime Minister after this. To date Boris Johnson is the favourite to take over from David Cameron but other names are in the running.

THE FUTURE

Article 50 of the Lisbon Treaty stipulates that the Member State that chooses to leave the Union must notify the European Council of its intention. Then Brussels *"negotiates and concludes an agreement with that State setting the arrangements for its withdrawal, taking into account the framework for its future relations with the Union"*. The European Treaties then cease to apply to the State in question *"from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in paragraph 2, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period."*

200 trade agreements will have to be renegotiated, 80,000 pages of Community laws examined but nothing was

planned for in the European treaties for the specific period of withdrawal by a Member States, which could therefore last several years. Does the same thing apply to the British Commissioner (Jonathan Hill, Commissioner for Financial Stability, Financial Services and Capital Markets Union, resigned from his post on 25th June), and the 73 British MEPs? Will they continue to vote on European legislation whilst they have been called to quit the Union? What will the calendar of negotiations be? Will the negotiations regarding the new relations between the British and Europeans run concurrently with those governing the divorce between London and Brussels? The Lisbon Treaty does not provide answers to these questions.

By way of the President of the European Commission Brussels has however asked the British to notify it of its intention to withdraw in order to dispel uncertainty on the markets. *"As painful as the process might be, we now hope that the British government will follow up on its decision as*

quickly as possible. All delay will simply prolong the feeling of uncertainty," declared Jean-Claude Juncker.

The British referendum of 23rd June comprises a third failure in European affairs in six months. On 3rd December 2015 the Danes rejected participation by their country in the European security programmes: 53.1% of the electorate said "no" to the adoption of 22 European rules within the framework of the fight to counter organised crime, cross-border financial fraud, the jihadist threat, arms trafficking, cybercrime, the sexual abuse and exploitation of children. On 6th April last the 61% of the Dutch rejected the association treaty between the EU and Ukraine.

These elections are undermining Brussels' legitimacy and bear witness to the gulf that exists between Europeans and their representatives which seems to be growing as the years go by. A reform and a renewal of the European Union now seem more necessary than ever before.

You can read all of our publications on our site:

www.robert-schuman.eu

Publishing Director: Pascale JOANNIN

THE FONDATION ROBERT SCHUMAN, created in 1991 and acknowledged by State decree in 1992, is the main

French research centre on Europe. It develops research on the European Union and its policies and promotes the content of these in France, Europe and abroad. It encourages, enriches and stimulates European debate thanks to its research, publications and the organisation of conferences. The Foundation is presided over by Mr. Jean-Dominique Giuliani.