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The UK and the EU: In or Out?

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Abstract :

The debate in Britain on its relationship with the European Union is as confusing as it is noisy. As the UK Independence Party (UKIP), created to give a voice to opponents of EU membership, continues to perform well in both polls and elections, support for British membership of the EU has reached its highest level since 1991.

Indeed, according to a poll carried out by Lord Ashcroft, 33% of UKIP voters are themselves worried about Britain leaving the EU. In trying to make sense of this morass of often-contradictory information, the following [1] illustrates how the main current driver of British policy towards the EU is party politics. Driven by mutinous backbenchers, many of them alarmed by the rise of UKIP, David Cameron has been compelled to pursue ever more hard line policies in his dealings with his European partners. Caught between the need to satisfy his own MPs and to come up with a deal satisfactory to his European partners, the British Prime Minister is, unsurprisingly, struggling to reconcile the irreconcilable. With a referendum almost certain to be held at some point in the medium term, the issues of Britain's place in the European Union is unlikely to disappear off the political agenda in the near future.

RENEGOTIATING THE RELATIONSHIP

In a long awaited speech made in January 2013, David Cameron laid down a framework for relations with the European Union. He confirmed his intention to hold an in-out referendum on membership by the end of 2017, while, in the interim, seeking to negotiate a "new settlement" that could be put to voters in a popular vote. More than a year later, in a March 2014 article for the *Daily Telegraph*, the British Prime Minister spelt out his ambitions more clearly, listing six "specific changes" he wanted to secure from the EU, plus a seventh related to the European Court of Human Rights (ECHR).

Strikingly, significant progress has been made in addressing all six *desiderata*. The desire to prevent

"vast migrations" when new countries join the EU, has effectively been addressed in the pledge made by Commission President Jean-Claude Juncker that no new enlargement would occur during his tenure. A European Court of Justice Ruling in November 2014 reaffirmed the right of Member States not to pay benefits to EU migrants who were not seeking work, effectively addressing Cameron's concerns on this score. National parliaments, acting in concert, already enjoy the right to block Commission legislative proposals, while Commission First Vice-President Frans Timmermans has promised to work more closely with these parliaments than his predecessors.

As for Cameron's desire to free business from red tape and end "excessive interference" from Brussels, EU legislative output has slowed dramatically since the Treaty of Lisbon. The Commission's REFIT (Regulatory fitness and Performance) programme has led to the withdrawal of almost 300 legislative proposals to date and begun to instill a new, deregulatory ethos within that institution. And Commissioner Timmermans has himself argued that the EU needs a "culture change" in the way it regulates. Specifically, unnecessary regulation should be scrapped, giving business "immediate relief."

The Prime Minister's final substantive concern pertained to the EU treaty commitment to pursue "ever closer union". Certainly, the offending phrase remains in place, though it is worth noting that the text goes on to recognize the need to respect "the diversity of the culture and traditions of the peoples of Europe as well as the national identities of the Member States and

1. This text was published in "Schuman Report, the state of the Union 2015", *Lignes de repères éditions*, April 2015, 216 p. ,

the organization of their public authorities at national, regional and local levels". In a further concession, the conclusions of the European Council meeting of 26-27 June 2014 noted that the "UK raised some concerns related to the future development of the EU. These concerns will need to be addressed. In this context, the European Council noted that the concept of ever closer union allows for different paths of integration for different countries, allowing those that want to deepen integration to move ahead, while respecting the wish of those who do not want to deepen any further".

Taking as a baseline the Prime Minister's own statement of his objectives, significant progress has been made in negotiating the "new settlement" to which he referred in his Bloomberg speech. His response, however, has been to harden his tone and his demands. Emblematic of the changing mood was the decision to airbrush David Cameron's relative Europhilia of yore – the promise he made in his 2013 Bloomberg speech to campaign "with all my heart and soul" for Britain to stay in a reformed EU has been redacted from the version of the speech on the Government website. More substantively, demands related to post-enlargement migration and a desire to prevent benefit tourism have been supplemented by talk of a need to limit migration within the European Union. While Cameron had spoken in his Telegraph article of the need to build the EU around "the right to work not the right to claim", this position has shifted noticeably. Foreign Secretary Philip Hammond has commented that it should be possible to "stretch" freedom of movement rules to curb the number of EU migrants coming to the UK.

THE Pervasiveness of Politics

The noticeable shift has stemmed largely from a need to respond to the increasingly vociferous euroscepticism of some Conservative backbenchers. While some remain committed to membership, others wait to be persuaded that the Prime Minister can deliver on his promise to renegotiate the relationship with the EU. Others still make no secret of their opposition to some of the basic principles underpinning EU membership. Revealingly, ninety-five Conservative backbench members of parliament signed a letter in January 2014 calling for parliament to be able to

block and repeal EU laws via the repeal of the 1972 European Communities Act in relation to specific pieces of legislation.

The Eurosceptic tendency within the Conservative Party is, of course, fanned by the threat posed by the rise of support for UKIP. The latter polled almost 27.5% of the vote in the European elections – the first time in modern history that a national election has not been won by Labour or the Conservatives. Following up on this triumph, Douglass Carswell, who triggered a by election in Clacton on Sea by defecting from the Conservatives, secured the biggest increase in vote share for any political party in any British by election when he recaptured his seat for UKIP. The triumph of Mark Reckless in Rochester and Strood on 20 November last merely served to intensify speculation that more of his former Conservative colleagues might be willing to jump ship to Nigel Farage's self-proclaimed "insurrection." Confronted with this threat from the right, David Cameron's own MPs are pressing him to adopt a more openly eurosceptical stance, by ratcheting up his demands and making it clear that he would campaign for an "out" vote in a referendum on British EU membership should these not be met.

Squaring the Circle

The fundamental problem that David Cameron now faces is that of coming up with a reform agenda that would be acceptable to Britain's partners, while convincing sufficient numbers of his backbenchers to back it. The considerable ambiguity with which the Government is attempting to shroud its precise demands bears eloquent testimony to this dilemma.

In attempting to square this circle, moreover, the Prime Minister runs the risk of adding grist to the Eurosceptic mill. Opponents of British EU membership are wont to claim that the UK is unable to influence the European Union, whose actions are, consequently, damaging to British interests. The increasing disengagement which has marked an element of the Government's response to its Eurosceptic critics risks making this a self-fulfilling prophecy. Thus, as part of his bid to secure the leadership of his party in 2005, David Cameron pledged to take the Conservatives out of the European

People's Party (EPP) – a move that has excluded the UK from a crucial forum within which deals are made and alliances secured. Brussels insiders also intimate that London is not playing the key role in current debates – for example over the creation of a digital single market – that one might have expected.

While an approach to the EU based in part on a need to placate domestic political opinion has served to reduce British influence and thus (albeit inadvertently) corroborate a key Eurosceptic claim, the nature of the reform agenda set out by London has also made alliances with other Member State governments harder to secure.

The central substantive issue dominating the political agenda at the time of writing is migration. Here, as we have seen, the British Government has hardened its position from originally demanding limits to benefit tourism and post enlargement migratory flows, to questioning the principle of free movement. However it has failed to secure support from other Member States in this quest. Angela Merkel, currently the most influential European leader, has repeatedly stressed her opposition to any dilution of the principle, opposition public echoed by several other EU leaders.

TOWARDS A REFERENDUM

At the political level, therefore, the debate on the UK-EU relationship is febrile, and the Government is struggling to reconcile the conflicting demands of its own backbenchers and the requisites of a successful EU-level negotiation. However it is popular and not political opinion that will ultimately determine the fate of this relationship.

In the short term, the likelihood of a referendum on membership being held at all hinges crucially on the outcome of next month's General Election. The Conservatives are committed to holding a referendum on EU membership in 2017. The Labour leadership, for its part, has refused to make such a pledge, with Ed Miliband arguing that leaving the EU would be bad for Britain, and that a popular vote would only be necessary in the event of new powers being given to the EU.

Even in the event of a Labour victory, however, the Europe issue will not disappear from the political agenda. Should David Cameron fail to establish even a coalition Government, it is likely that his days as leader of the Conservative Party will be numbered. In that event, the EU will feature prominently on the agenda of a leadership contest. Just as Cameron himself offered exit from the EPP as bait to tempt party members and MPs to back his leadership bid, so too would any future candidates for the leadership have to offer some "red meat" to ensure election. Not only, then, will Europe continue to haunt the party, but a new leader is likely to adopt significantly more sceptical positions than his or her predecessor.

At some point in the medium term it seems inevitable the UK will hold a referendum on its membership of the EU. It is hard to conceive of circumstances in which another Conservative Government could come to power without promising one. Obviously, given the highly unpredictable nature of British politics at the moment, and the potentially long period before any referendum is held, it is difficult to attempt a prediction as to what the outcome of any such popular vote might be. The data are nothing if not contradictory. As UKIP continues to score well, support for UK membership of the EU has strengthened noticeable over the course of 2014. Yet some pertinent factors can be outlined here.

First, crucial to the outcome of any referendum will be the issue of those campaigning on each side. In the event that a Conservative government were to campaign in favour of membership, all the major national political parties would be arrayed against UKIP, which, under normal circumstances, might be expected to tilt the vote against Brexit, not least as many businesses will line up to spell out the potentially dire implications of such a step. Caution and fear might then prove a powerful combination in prompting a vote in favour of continued membership. Should the Conservative Party by the time of any vote be committed to campaigning against membership, this will clearly alter the calculus particularly if, as is possible, a significant proportion of the popular press aligns itself with the pro-Brexit camp.

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Such speculation works under normal rules of the game. Yet those rules may not still hold. Despite the warnings of all the major national political parties and high profile members of the business community, 45% of Scots voted "yes" in the recent referendum on Scottish independence. Whilst the explanations for this are many and varied, the outcome bore eloquent testament to a willingness on the part of significant parts of the population to vote against "the establishment". Decreasing faith in, and respect for, Britain's political elite has contributed significantly to such a willingness – and to the rise of UKIP south of the border. Should such sentiments persist up to the time of any referendum, the outcome will be all the harder to predict.

CONCLUSION

Much can happen between now and any popular vote on EU membership. The outcome of the General election will determine its timing, whilst, in the event of a Conservative victory, there remains the small matter of the promised renegotiation of the relationship

between the UK and the EU. We have perhaps reached a stage at which a referendum is now necessary. Even for many Europhile observers, the debate on Europe has poisoned both politics in the UK and the country's relationships with its EU partners to such an extent that a popular vote is both necessary and desirable. The process of lancing this particular boil, however, promises to be both fascinating and unpredictable.

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