



Understanding European Challenges

ESRC UK in a Changing Europe Seminar Series: Edinburgh

Royal Society of Edinburgh
26 February 2016
REPORT ON EVENT

EVENT OVERVIEW

The United Kingdom faces a momentous decision, whether to leave or to remain in the European Union. Voters, who will soon be asked to settle the matter in a referendum, are looking for more information and impartial analysis.

Among the matters covered were:

- o The impact of the EU on the economy and jobs
- o Immigration
- o European and national security
- o The political implications of Europe
- o National sovereignty
- o Impact on the devolved regions

SESSION 1: CHALLENGES TO EUROPE

Professor Brigid Laffan

Europe is now encircled by a 'ring of fire' rather than a 'circle of friends' that had been the original intention – a very different, dangerous and uncertain place than when the EU was established. The EU facing two systemic crises at the moment: on the Euro and Schengen on the one hand, and on membership – the notion that membership is permanent – on the other.

Key themes of crises:

- o Political economy (euro),
- o refugees (migration),
- o Russia (security neighbourhood),
- o UK (secession).

Within those tensions have emerged:

- o North-South within Eurozone
- o UK Exceptionalism

- o Cleavages on refugees – East, South and North.
- 1) Eurozone: Still in transition from acute phase of crisis – requires the Euro to be maintained. Likely further instruments to be utilised to secure future of Eurozone – greater fiscal union (in the style of a nation-state) is unlikely.
 - 2) Russia: destabilising factor in European neighbourhood. Russian interest in stopping Ukraine drifting towards the West, so forcibly claim Crimea and show strength. Also seeks role in Syria in order to stop Saudi gas pipeline – conflict with EU objectives, and creates tension between EU & Russia.
 - 3) The UK: possibility of secession from the EU. Article 50 of the Lisbon Treaty allows for the voluntary withdrawal from the EU. Consequences for the EU of Brexit: strengthens Germany & weakens France, policy balance, impact on other member states (eg. Ireland)
 - 4) Refugee crisis: Failed or failing states outside of Europe’s southern border, marked by civil war, religious tension. The strain of porous external borders and free movement internally has led to major tensions within the EU.

As a result of the above, co-operation between member states has never been more urgent, but managing it has never been more challenging. The cleavages are deep, the EU is highly politicised and contested:

- Eastern half of Europe: illiberal democracy
- Mediterranean: rise of challenger parties to the left (Greece/ Spain & Portugal)
- Northern Europe: rise of challenger parties to the right (anti-EU, anti-migration, anti-establishment).

Centrist parties have been abandoned in favour of extremes.

EU does regulatory politics well. EU did constitutional politics relatively well prior to the 2000s, but the political energy is no longer there for it. What the EU can do in terms of redistributive politics has been limited historically, and it is in this sphere that challenges lie.

Mini-bargains:

- The Eurozone needs to go beyond banking arrangements into the political sphere – but the political will there is limited
- Distinguish between refugees (priority) and economic migrants – focus on integration. Eastern European countries (Poland, Hungary) cannot be given a free pass – their citizens benefit from free movement but they are unwilling to offer the same assistance to refugees.
- Bargain with the UK – how the decision plays out will be of critical importance to the future of the EU.

Question: are there similar parties to UKIP across Europe who have traction on the issue of withdrawal?

Not really, the question of withdrawal is solely a UK issue.

Q: If the UK negotiates a deal to stay, is this an exceptional case or will other states be able to negotiate similar deals?

We'll only know afterwards, but it is an extraordinary situation that any withdrawal via Article 50 would allow the remaining 27 member states would have the opportunity to decide the terms of the divorce.

SESSION 2: ISSUES FOR THE UK

Professor Anand Menon

“Unintended consequences”

A UK deal with the EU – can it be legally binding? And can a re-negotiation of the UK's position in the EU be successfully agreed, given that the EU side will have to be ratified by the European Parliament.

Politics against law and economics:

- Politics: let's fudge the issue
- Law and economics: if you don't have rules and regulations, the system cannot operate, and chaos will be the outcome.

The EU referendum campaign will be a fight between those who want to fully leave the EU and those who only want to half leave – as a result, it'll be negative.

Risk as the key concept: for both sides, the argument will be that the risk of doing the opposite will be higher.

Divisions in leave campaign:

- o Money: UKIP is skint, wants designation to survive
- o Policy: Just talk about immigration versus broaden argument
- o Personalities: Nobody likes Nigel Farage/ IDS doesn't like the leader of leave campaign

Pro-EU campaign:

Dilemma for Nicola Sturgeon: SNP support EU but independence easier with Leave vote.

Jeremy Corbyn will make a rather unique argument for EU: that MORE migration is good for the UK – which will probably cause tensions.

Make it referendum about jobs (to stay) or about immigration (to leave).

Electoral Commission designation of official campaigns is problematic due to divisions within leave camp. Makes it very difficult for media to know who to ask to represent each campaign.

If the turnout is low (if it is under 50%) then it is likely to be a leave vote. If 52% of England votes to leave, the UK is leaving regardless of how everyone else votes.

What does a win look like? What percentages – if it is 51-49, do we do it again? If 55-45 a landslide? Will there be a second or third referendum?

The internal politics of the Conservative party may have an impact upon how the campaigns are organised.

EU states don't want Britain to leave, not because they love us, but because they fear the consequences of Brexit.

Nigel Lawson: We should be in the Euro, or we should be out of the EU. Is he right?

David Cameron wants the referendum on 23 June 2016/ 15 September 2016

SESSION 3: VIEWS FROM...

Ireland: Dr Paul Gillespie

Consensus of Irish opinion that Brexit would represent a 'deep risk' and provide extensive profound consequences for Ireland.

UK's Dual sovereignty crisis – upwards (EU) and downwards (devolution) have an impact on Ireland.

Impact upon UK-Irish relations – which have improved under EU – would be affected. It would also introduce an external EU border between ROI and NI. If UK leaves, there is no corresponding Irish demand for leaving.

Four options for UK:

- Fully in – enter into Eurozone, full participation in EU structures

- Half-in – does not enter Euro nor other current opt-outs, but engages in EU project
- Half-out – negotiation of a position to extend the opt-outs that the UK has from EU structures
- All out – complete exit from EU institutional framework

“Islands” setting for future research

In 1998 referendum on Good Friday Agreement, Northern Irish citizens were able to designate as Irish, British or both. In the event of Brexit, would some retain EU citizenship and others not?

Wales: Dr Joanne Hunt

Wales: watching the process from the sidelines. EU is a reserved issue, and devolved institutions have not been involved in negotiations over reform agenda.

Wales (and other devolved administrations) have concerns over the timing of the referendum – arguing that June would be too close to the devolved elections which would invariably have an impact upon the campaigns.

Internal union: Wales’ place in the UK under discussion (again) among elites. Conferred powers model in operation. Current Wales Bill has been criticised by multiple sources in Wales.

Incoherent system of devolving powers across the UK.

Wales : 45%-37% in favour of leaving; UKIP increasing in NAW elections

“A vote to leave would be a catastrophe for Wales” – Welsh Ministers’ line

Scotland: Professor Andrew Scott

Distinct Scottish interest

Scottish reform agenda

Brexit or not

UK purchasing constitutional sovereignty at the cost of effective (legislative) sovereignty in event of Brexit with EEA membership

Scottish open economy is based heavily on trade with EU.

Implications of Brexit – economic effects possibly catastrophic for Scotland.

If Brexit, Scottish Parliament would get massive more powers (since it is organised on a reserved powers model).

SESSION 4: ALTERNATIVES TO THE EU

Professor John Erik Fossum

Six major forms of EU association with non-members:

- o EEA (broad, multilateral, dynamic two-pillar model)
- o Switzerland (broad, bilateral, sectoral model)
- o Turkey (custom union; narrow, bilateral, partly dynamic customs union model)
- o Small Countries (absorption model: Andorra, San Marino, Monaco)
- o Neighbourhood (narrow, bilateral, static hub-and-spoke model)
- o Sectoral multilaterals (narrow, bespoke)

The “Sovereign Democrats” – Norway and Switzerland – rejection of EU membership on basis of protecting their own sovereignty.

Switzerland: political republicanism and economic liberalism; history of neutrality and non-affiliation.

Norway: long tradition of collaboration; five centuries of rule by others (Sweden and Denmark); Norwegian nationalism associated with parliamentary democracy, giving it prestige as symbol of rule by the people and of independence.

Norway’s deep and dynamic incorporation – EEA: free movement of goods, services, capital and people, competition rules + Schengen + involvement with military exercises.

Switzerland: pragmatic bilateralism with EU (Swiss legislation unofficially tested against EU principles to ensure compliance with *Aquis*).

Acknowledgements

This event was a collaboration between several different organisations. In particular, the ESRC funded the event through the **UK in a Changing Europe** programme, and the **Royal Society of Edinburgh** hosted and provided substantial organisational backing. Clare de Mowbray at the **Centre on Constitutional Change** took care of the media and advertising. Our grateful thanks also go to the speakers for their time and expertise.

