

GV311

Britain and Europe

Part 2: Options for Britain

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Outline

1. Where the EU is heading: Micro- to Macro-Economic Union
2. Options for Britain
3. Current Positions of the UK Parties on Europe
4. British Public Opinion on the EU
5. Likely Outcome of the May EP Election in the UK

Where the EU is heading:

A Micro-Economic Union to Macro-Economic Union

1980s-2000s: Building a “Micro-Economic Union”

single market: free movement of goods, services, capital, labour

common regulations: environment, social, consumers, competition etc.

2000s+: Towards a “Macro-Economic Union” (in Eurozone+)

18 members of the Euro + 6 expecting to join (exc. UK & Swed.)

Emerging Eurozone+ architecture:

- European Stability Mechanism (ESM) – “bailout” fund

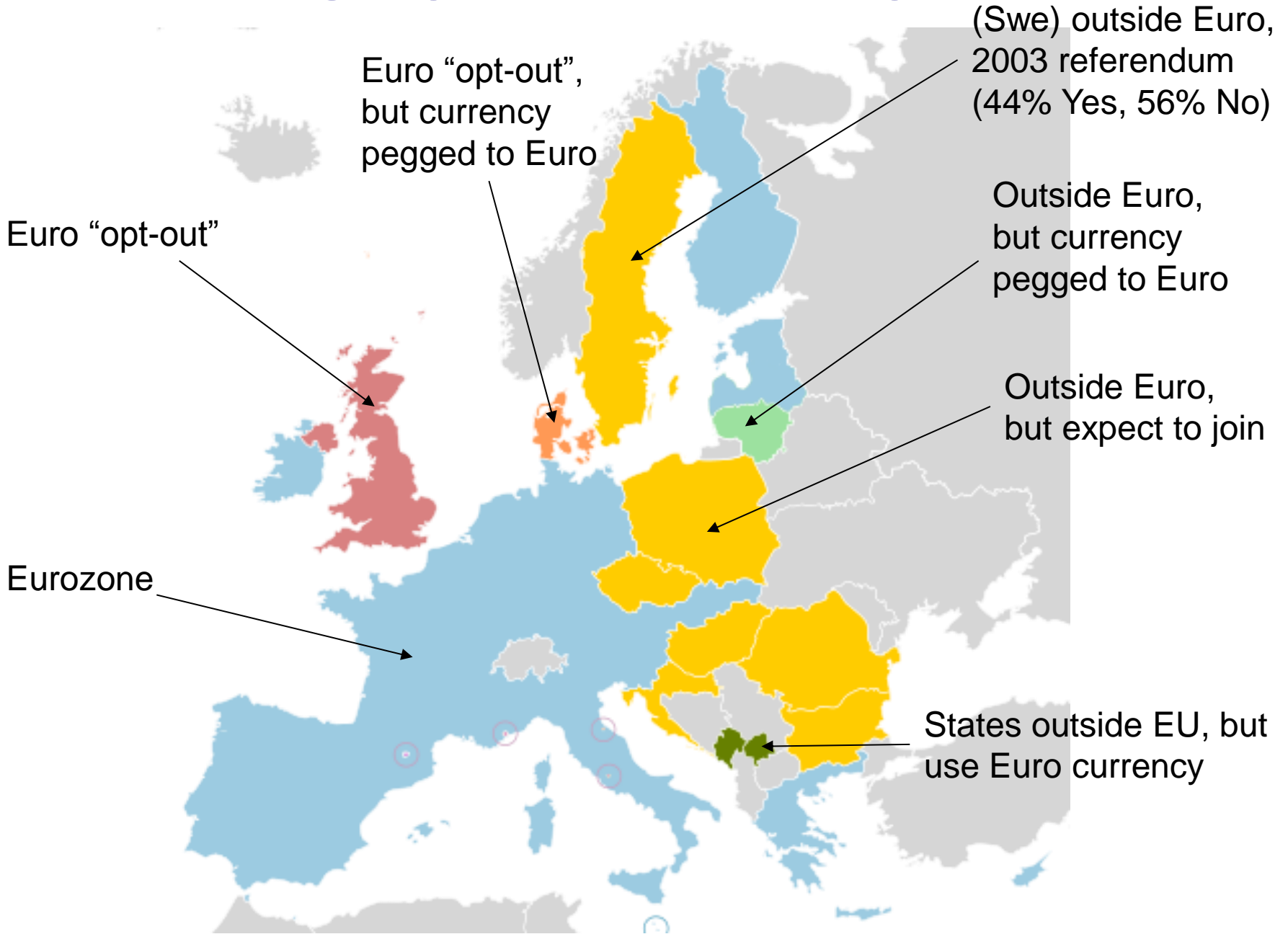
- Fiscal Compact Treaty – EU26, except UK & Czech Republic

- Euro-Plus Pact – coordination of national macroeconomic policies

- Banking Union – common governance of banks

- ECB as “lender of last resort”

EU28 and Euro18



Isolation of the UK in Europe

EU member state	European Stability Mechanism	Fiscal Compact Treaty	Euro-Plus Pact	Banking Union <i>(expected)</i>
18 Eurozone states	√	√	√	√
Bulgaria		√	√	√
Denmark		√	√	√
Poland		√	√	√
Romania		√	√	√
Lithuania		√	√	√
Hungary		√		√
Sweden		√		
Croatia				√
Czech Republic				√
United Kingdom				

Options for Britain

1. Join the Euro !
2. Status Quo
3. “Mind the Gap”
safeguards for UK within current EU, e.g. UK Protocol
4. “Widen the Channel”
more UK opt-outs, e.g. social policy, fisheries, free movement
5. Exit
Norway – join European Economic Area (“Puerto Rico” of the EU!)
Switzerland – bilateral agreements with the EU

Norwegian and Swiss Options?

House of Commons Foreign Affairs Committee (2013) *Future of the European Union*, 11 June 2013, HC 87-I

“Our witnesses and interlocutors also brought home to us the essential similarity between the positions of Norway and Switzerland: namely, that both are in practice obliged to adopt EU legislation over which they have had no effective say. ... On our visits to Oslo and Berne, we gained the impression that both Norway and Switzerland were prepared to accept what they acknowledge to be a ‘democratic deficit’ ... as the ‘price’ for their continued access to (parts of) the Single Market However, our interlocutors in both Berne and Oslo largely advised the UK to remain inside the EU, as a way of retaining influence over the legislation that it would be obliged to adopt if it remained part of the Single Market.”

EU Treaty Reform

Ordinary revision procedure

- Proposals submitted by a M.State, EP or Commission
- European Council, after consulting EP and Commission, votes (by simple majority) to either convene a “Convention” or an Intergovernmental Conference (IGC)
- EU leaders sign the treaty (by unanimity)
- All member states ratify the treaty “in accordance with their respective constitutional requirements” (e.g. nat.parls and/or referendums)

Simplified revision procedure

- Proposals to amend Part 3 of the Treaty (on Functioning of EU) submitted by a M.State, EP or Commission. Amendments cannot increase competences of the EU
- European Council, after consulting EP and Com., votes by unanimity
- All member states must approve the decision “in accordance with their respective constitutional requirements” (usual nat. parl. vote)

UK Balance of Competences Review

Launched in July 2012:

“an audit of what the EU does and how it affects the UK”

Via submissions from business, interest groups, academics, general public, to UK ministries

14 reports so far (out of 32)

But report on “Single Market: Free Movement of Persons” delayed (was due to be released in Feb 2014)

Main conclusion so far: balance is more-or-less right !

=> contradiction: UK government wants “reform”, while the official position of the UK ministries is that reform isn't necessary!

Party Positions: Conservatives

Cameron

Speech, Jan 2013: EU reform + In/Out referendum in 2017

Sunday Telegraph, 16 March 2014, 7 “demands”:

- longer transitions on free movement for new m.states
 - curbs on social security benefits for EU migrants
 - “red card” block on EU laws by national parliaments
 - deregulation in single market & faster free trade agreements
 - “ever closer union” should not apply to the UK
 - more power to “flow away” from Brussels
 - end “unnecessary interference” by ECtHR (*not part of EU!*)
- => changes without EU treaty reform (except for a “UK Protocol”)

Backbenchers want treaty reform: (1) “repatriation” of social policy, free movement, fisheries; (2) remove “ever closer union”

Party Positions: Labour

Miliband speech, 12 March 2014

“I believe our country’s future lies in the EU”

EU reforms:

economic reform – single market, CAP, free trade

free movement – longer transitions (>7 yrs), more discretion (benefits)

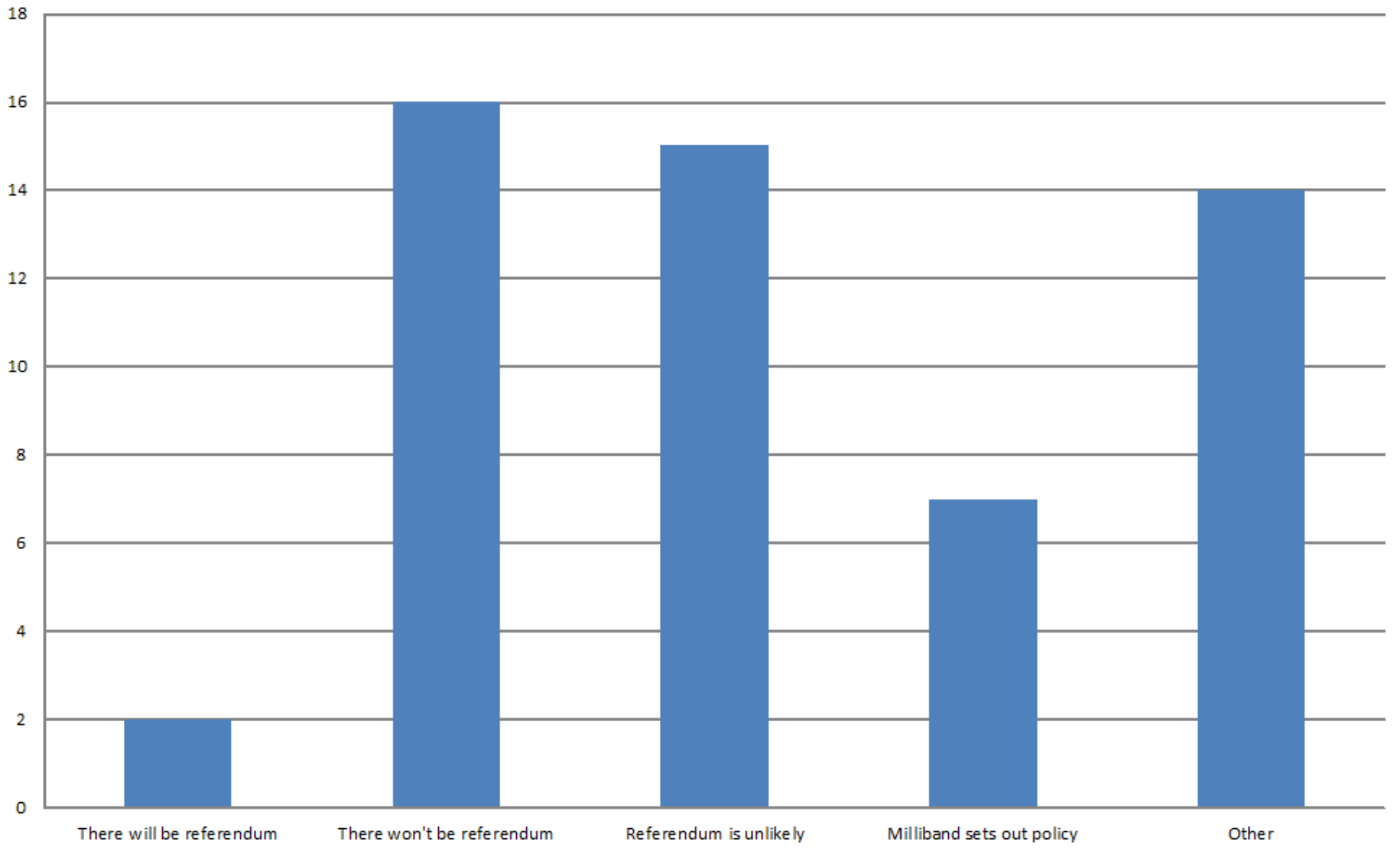
national parliament’s can block draft EU laws (“red cards”)

British opt-out from “ever closer union” provision

A “new lock”:

“no transfer of powers without an In/Out referendum”

Media coverage of Milliband's Referendum Announcement



Source: Simon Usherwood (<http://politicsatsurrey.ideasononeurope.eu/2014/03/13/labour-europe-and-the-continuing-absence-of-british-eu-policy/>)

Party Positions: LibDems & UKIP

Liberal Democrats: “The Party of In”

No “demands” for new relationship for Britain

Free market reform of single market, esp. services liberalisation

Referendum on a new Treaty, if it transferred more powers to EU
(not an In/Out referendum)

UK Independence Party

An immediate In/Our Referendum

-> 2 head-to-head debates between Clegg & Farage

“Let Britain Decide” Campaign

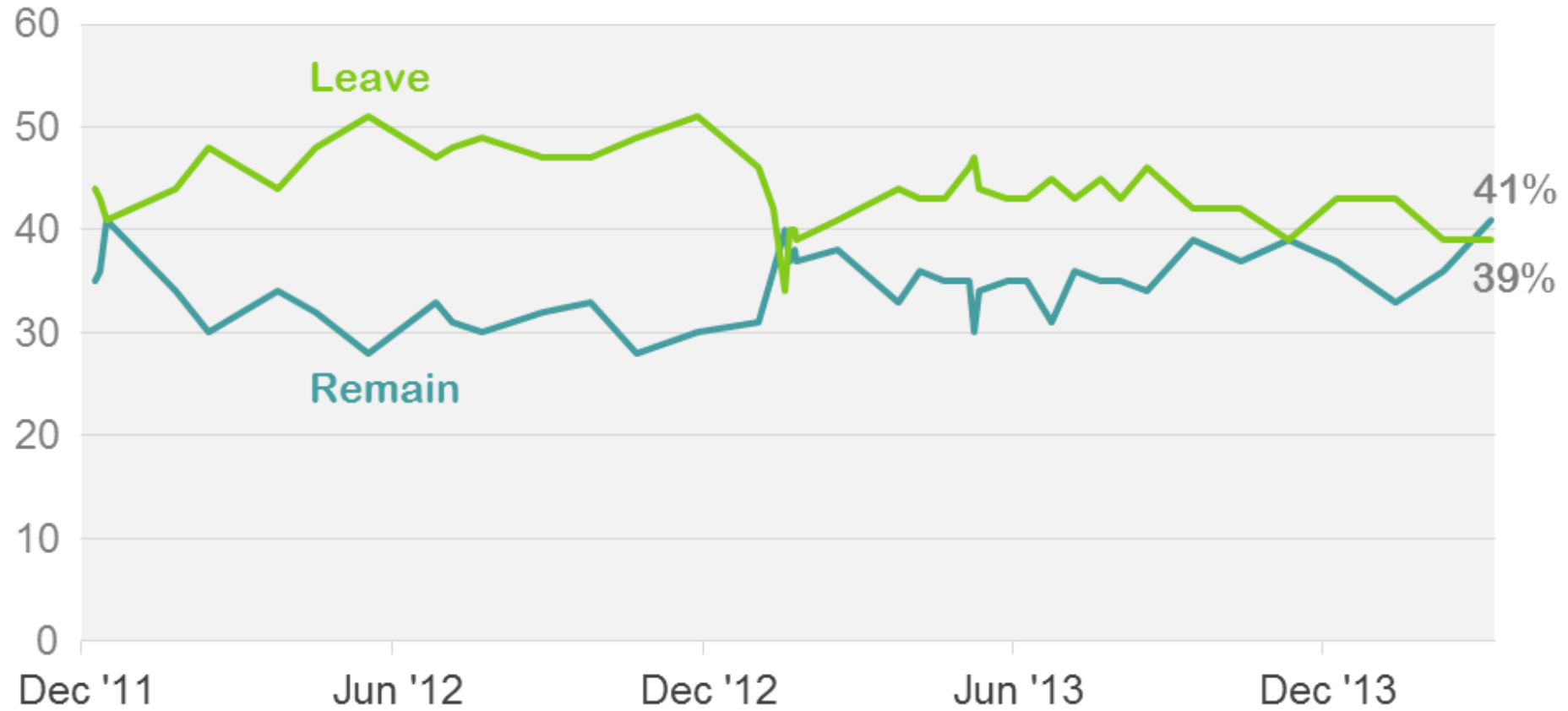
LABOUR AND THE LIB DEMS
WON'T GIVE YOU A SAY

UKIP CAN'T
GIVE YOU A SAY

ONLY THE CONSERVATIVES CAN AND WILL
GIVE YOU A REFERENDUM ON EUROPE

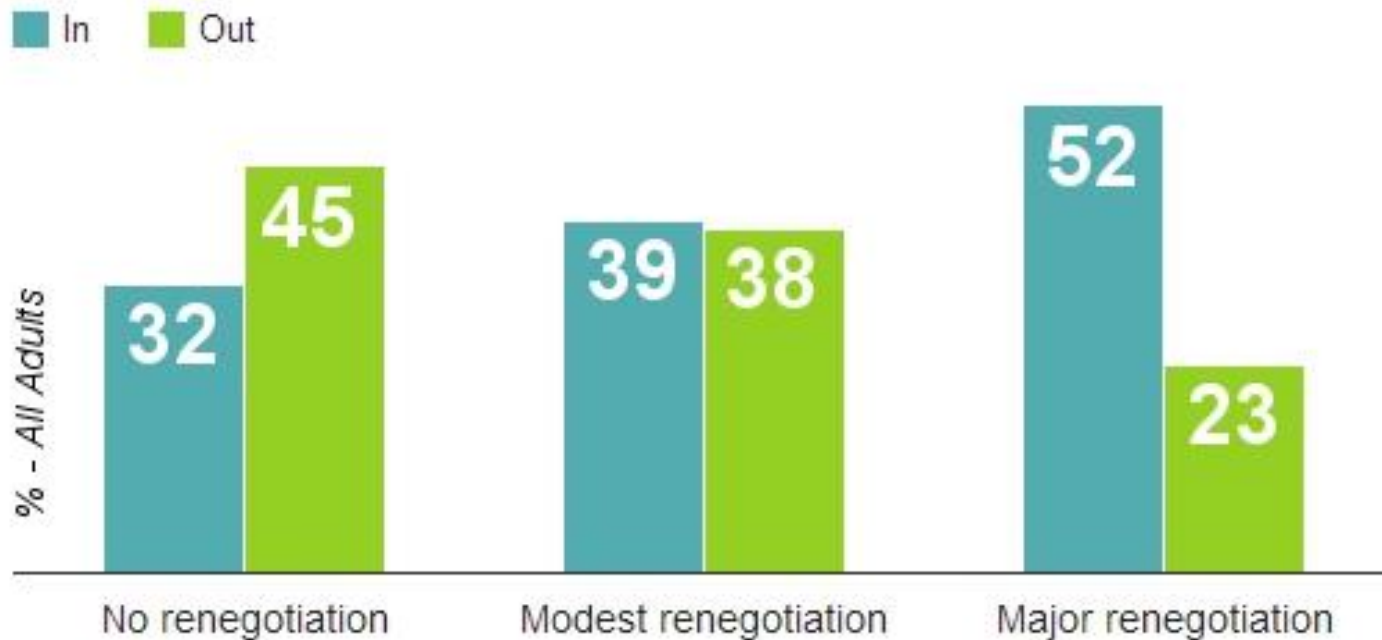
BACK OUR CAMPAIGN AT LETBRITAINDECIDE.COM

EU Referendum voting intention



But, What if There is a New UK-in-EU settlement?

How would you vote in a referendum on Britain's membership of the EU if David Cameron secured the following renegotiation of our relationship?

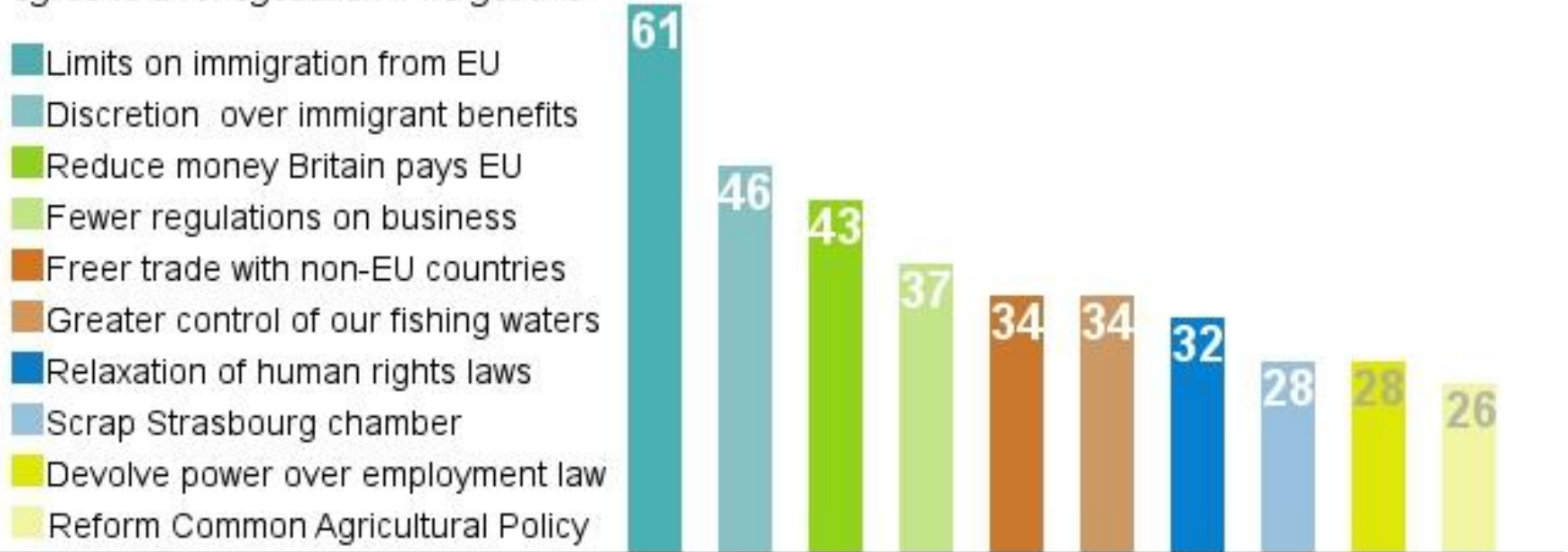


Source: **YouGov**

Red Lines for “Swing Voters”

Red lines for swing voters

% of swing voters who say the following are 'of the utmost importance - Britain should only agree to a renegotiation if we get this'

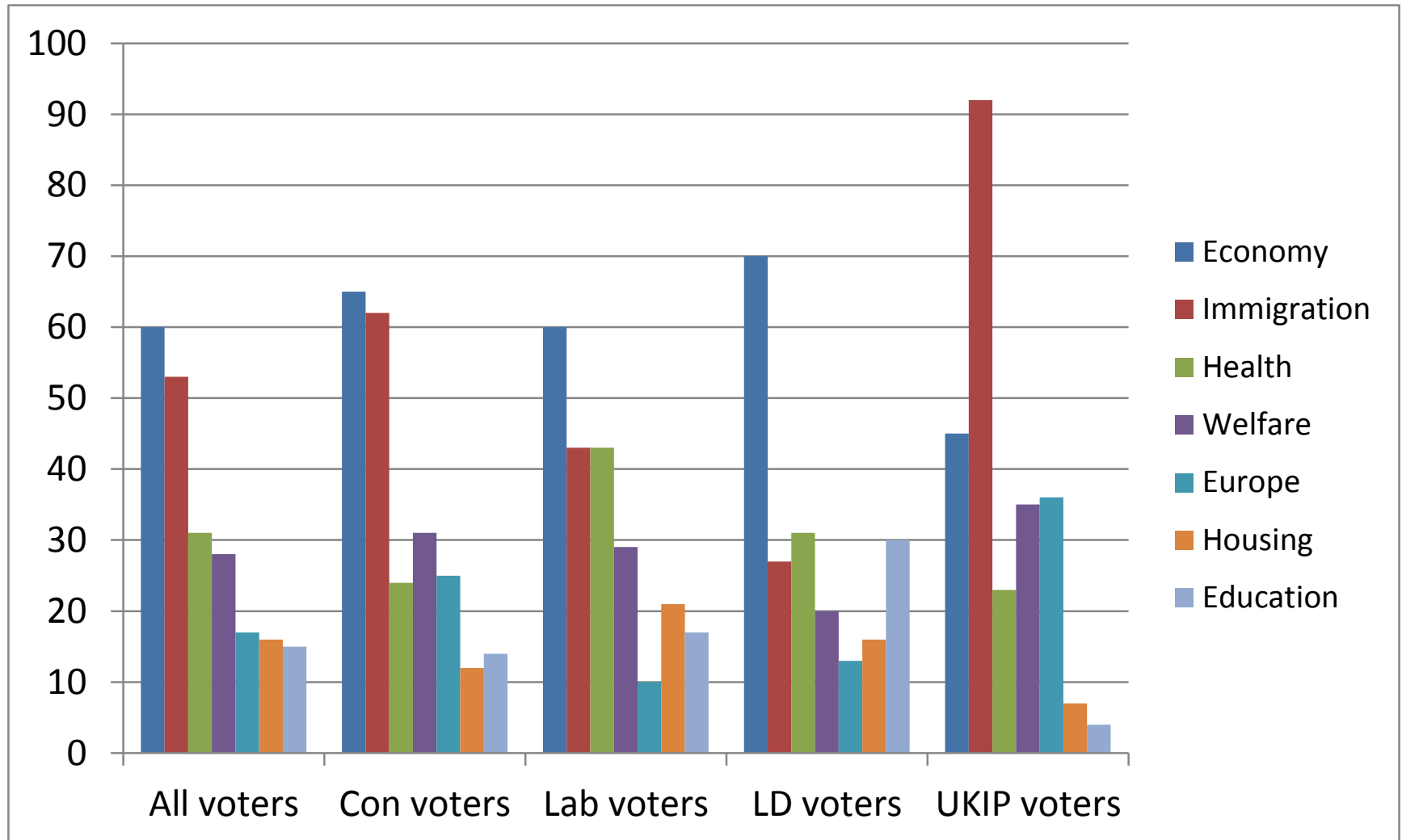


Source: **YouGov**

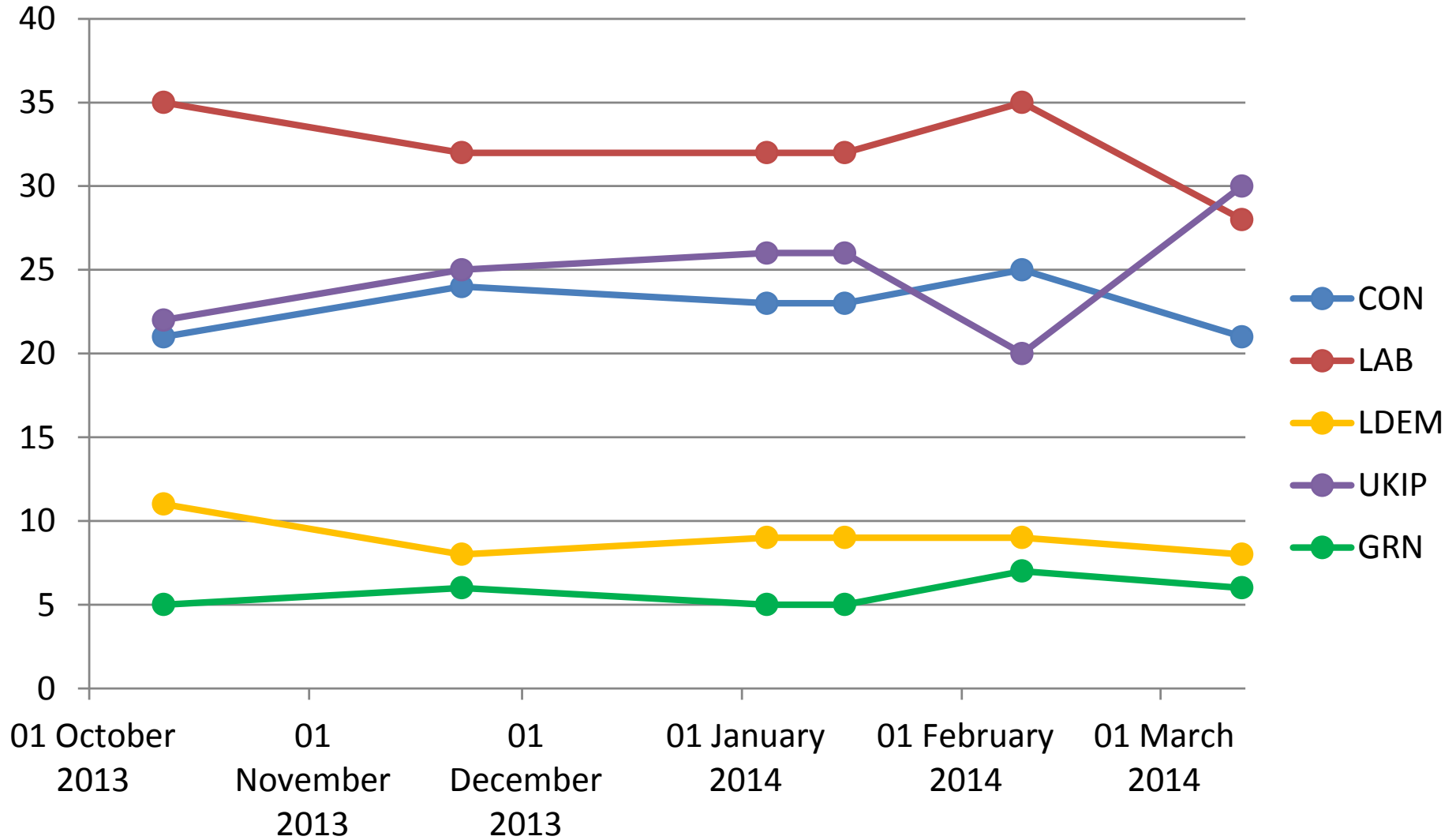
But Europe is Not That “Important”

What are the “most important issues facing the country”?

YouGov, 10-11 March 2014



EP Election Polls



Summary

Deeper Economic and Monetary Union presents UK with a difficult choice: “isolated inside the EU, or isolated outside the EU” (N. Lawson)

Conservatives & Labour, and the majority in the public, want a “new relationship” for Britain in the EU

But major Treaty reform (and “repatriation”) is unlikely -> only option is “Mind the Gap”

Convergence in the positions of Conservatives and Labour in terms of their “demands”: free movement limits, opt-out from “ever closer union”, reform of single market etc.

But, Conservatives committed to an In/Out referendum regardless of the outcome of these negotiations, whereas Labour only committed to a referendum if/when a “new deal for Britain” has been achieved