The Future of Britain and Europe

Professor Simon Hix
Professor of European and Comparative Politics and Harold Laski Chair, LSE

Professor Craig Calhoun
Chair, LSE

Suggested hashtag for Twitter users: #LSEEurope
The Future of Britain and Europe

Simon Hix

#LSEEurope
Harold Laski on the (de)centralisation of power

When Laski was in the United States (1915-1920) he was opposed to the centralisation of power in Washington, as he believed that the only way to achieve socialism in America was to start in Massachusetts.

Back in Britain (in the 1920s) he was opposed to devolving powers to Scotland and Wales, and a “federal Britain”, because he believed the only way to achieve socialism in Britain was to dictate it from Westminster and Whitehall.

=> Laski’s views on the hierarchical organisation of the state were *endogenous* to his political preferences.
Outline: a series of questions

1. Is Britain part of Europe?

2. Where is the EU heading?

3. Can there be a “new relationship” for Britain?

4. Will we vote to leave?
“The future treaty which you are discussing has no chance of being agreed; if it was agreed, it would have no chance of being ratified; and if it were ratified, it would have no chance of being applied. And if it was applied, it would be totally unacceptable to Britain. You speak of agriculture, which we don't like, of power over customs, which we take exception to, and institutions which frighten us. Monsieur le president, messieurs, au revoir et bonne chance.”

Russell Bretherton, British Foreign Office representative at a meeting of Spaak Committee, November 1955
Anglo-Saxons not Europeans?

UK identity in 2014

Which country, other than Britain, has values closest to your own?

<table>
<thead>
<tr>
<th>Country</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>9</td>
</tr>
<tr>
<td>US</td>
<td>9</td>
</tr>
<tr>
<td>Germany</td>
<td>7</td>
</tr>
<tr>
<td>France</td>
<td>7</td>
</tr>
<tr>
<td>New Zealand</td>
<td>5</td>
</tr>
<tr>
<td>Ireland</td>
<td>5</td>
</tr>
<tr>
<td>Spain</td>
<td>4</td>
</tr>
<tr>
<td>Canada</td>
<td>4</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3</td>
</tr>
<tr>
<td>Sweden</td>
<td>2</td>
</tr>
<tr>
<td>Italy</td>
<td>2</td>
</tr>
<tr>
<td>Pakistan</td>
<td>2</td>
</tr>
</tbody>
</table>

Ipsos MORI
A different value set?

WVS6, 2015

Muslim-majority countries are in italics
A different economic model?
Low trade dependence?

Source: Eurostat
Most sceptical of the late joiners

Source: Eurobarometer
Growing support for a different EU

- Leave the EU
- Leave things as they are
- Stay in EU but reduce its powers
- Stay in EU and increase its powers
- Work for a single European government

Source: British Social Attitudes surveys
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+)
- 19 members of the Euro + 8 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”
“Britain is isolated in Europe”
Nigel Lawson, May 2013

UK isolation in the EU Council

% opposed to Council majority, 2009-15

UK allies (2009-15), % of votes

Source: www.VoteWatch.eu
Although we seem to be successful

Source: Robert Thompson, DEU
UK isolated from emerging democratic politics in the EU

New Lisbon Treaty Rules for “Electing” Com Pres:
“Taking into account the elections to the European Parliament and after having held the appropriate consultations, the European Council, acting by a qualified majority, shall propose to the European Parliament a candidate for President of the Commission. This candidate shall be elected by the European Parliament by a majority of its component members.

=> UK government: European Council (still) chooses Com Pres
Everyone else: Commission President now “elected” by EP

-> May 2014: Spitzenkandidaten before EP elections
but no British candidate!
Cons ran a “non of the above” campaign (because not in EPP)
Lab refused to support Martin Schultz
Lib Dems refused to campaign for Guy Verhofstadt
UK press ignored SKs until after election!
Number of articles in British press citing each SK candidate

- Jean-Claude Juncker
- Martin Schulz
- Guy Verhofstadt
- Ska Keller/ José Bové
- Alexis Tsipras

Bar chart showing the number of articles mentioning each candidate across different time periods:
- 28 April-4 May: Jean-Claude Juncker (4), Martin Schulz (7), Guy Verhofstadt (11), Ska Keller/ José Bové (11), Alexis Tsipras (2)
- 5-11 May: Jean-Claude Juncker (8), Martin Schulz (9), Guy Verhofstadt (11), Ska Keller/ José Bové (9), Alexis Tsipras (3)
- 12-18 May: Jean-Claude Juncker (3), Martin Schulz (0), Guy Verhofstadt (3), Ska Keller/ José Bové (4), Alexis Tsipras (4)
- 19-25 May: Jean-Claude Juncker (19), Martin Schulz (20), Guy Verhofstadt (19), Ska Keller/ José Bové (9), Alexis Tsipras (14)
- 26 May-1 June: Jean-Claude Juncker (14), Martin Schulz (9), Guy Verhofstadt (14), Ska Keller/ José Bové (5), Alexis Tsipras (1)

Week of 'Eurovision' televised debate between the 5 candidates (15 May)
Week of European Parliament elections (22-25 May)
Contrast between Germany and UK
Number of articles in German and British press citing both “Juncker” and “Schulz”, weekly from 31 March 2014.

- Week of the German-Austrian televised debate (8 May)
- Week of ‘Eurovision’ televised debate between the 5 candidates (15 May)
- Week of European Parliament elections (22-25 May)
TV debates and public awareness of candidates

Could name 1+ candidate unaided (%) vs. Watched any of the TV debates (%)

Countries represented: Luxembourg, Belgium, Germany, Italy, Greece, Netherlands, Poland, Romania, France, Spain, UK, Denmark.

R² = 0.7037
Options on the table

A new UK-EU relationship
   “Mind the Gap” – safeguards for UK, e.g. UK Protocol
   “Widen the Channel” – more UK “opt-outs”

Leave the EU
   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.”
What does Cameron want?
European Council, 25 June 2015

**Sovereignty:** UK opt-out from “ever closer union”, more protection against deeper integration (e.g. red cards for national parliaments), and cutting EU red tape (e.g. Working Time Directive)

**Fairness:** protection for the City of London in the single market, against deeper integration in the Eurozone

**Immigration:** reform of free movement of people, especially limits on access to benefits (esp. housing benefit, in-work benefits)

**Growth and jobs:** A “reform agenda” for the single market, swift agreement on the TTIP trade deal with the US

=> a “UK Protocol” + reform of 2003 Free Movement Directive
Red lines for “swing voters”

Red lines for swing voters
% of swing voters who say the following are ‘of the upmost importance - Britain should only agree to a renegotiation if we get this’

- Limits on immigration from EU: 61
- Discretion over immigrant benefits: 46
- Reduce money Britain pays EU: 43
- Fewer regulations on business: 37
- Freer trade with non-EU countries: 34
- Greater control of our fishing waters: 32
- Relaxation of human rights laws: 28
- Scrap Strasbourg chamber: 28
- Devolve power over employment law: 26
- Reform Common Agricultural Policy: 26

Source: YouGov
Public Opinion on Remain/Leave

YouGov EU Referendum Tracker
Party support & support for leaving EU
Predictors of support for leaving

Data: British Elections Study 2015, Wave 6

v. Centre
- Centre-Left
- Centre-Right
- Right
- Top issue: Immigration
- Top issue: Economy
- Education: left <17
- Education: left 17-19
- Education: left >20
- Age: <25
- Age: 26-35
- Age: 36-45
- Age: 46-55
- Age: 56-65

v. Still studying
- v. 66+
- Income: <£20,000
- Income: £20,000-£40,000
- Income: £40,000-£60,000
- Income: £60,000-£100,000

v. >£100k
- Male
- White British

Support for Leaving EU (relative to baseline)
Support for leaving by region

Data: British Elections Study 2015, Wave 6

- Midlands & Eastern
- South East & South West
- North E/W & Yorkshire
- London
- Wales

Support for Leaving EU (relative to Scotland)
1975 Referendum on staying in the EC

67% Yes
33% No
In Sum

Britain has always been an outlier & UK public has (mistakenly) seen European integration as an economic project rather than a political one.

This is now even more acute, with deeper economic union in the Eurozone & emerging “democratic politics” in Europe.

Choices for Britain:

1) Leave now, and negotiate partial access to the single market e.g. Canada to the EU’s USA?

2) Stay in, and take a lead on developing a two-tier framework: federal core + confederal periphery (in single market)

3) Stay in, and re-engage:
   Re-engage in the EU Council
   Cons rejoin EPP, Lab play role in choice of SD Spitzenkandidaten
   Join EU migrant burden-sharing scheme (and, in time, join Euro?)

My preference: 3 > 1 = 2
The Future of Britain and Europe

Professor Simon Hix
Professor of European and Comparative Politics and Harold Laski Chair, LSE

Professor Craig Calhoun
Chair, LSE

Suggested hashtag for Twitter users: #LSEEurope