Harold Laski Chair Inaugural Lecture

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

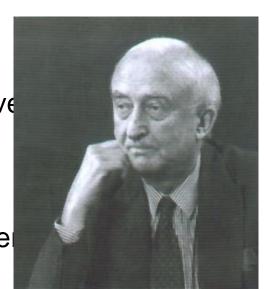
Outline: a series of questions

- 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?

British condescension ...

"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



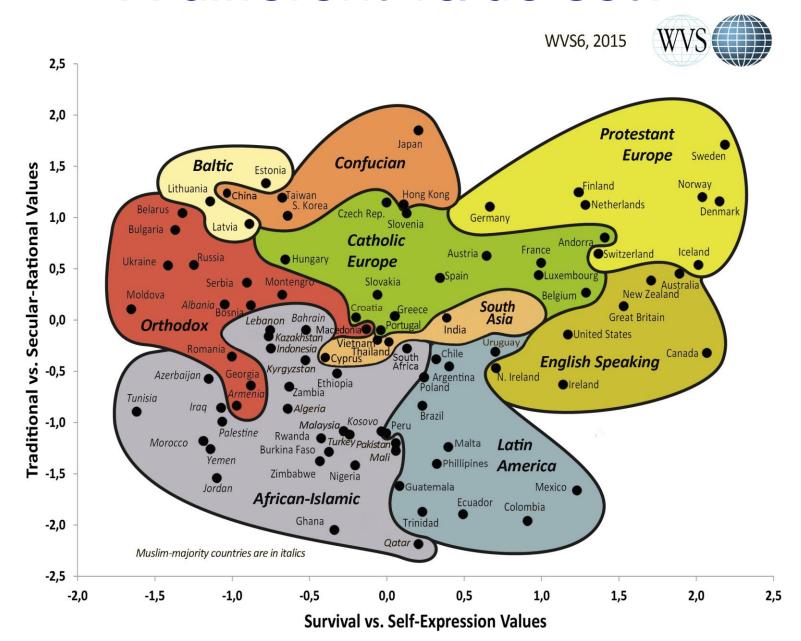
Anglo-Saxons not Europeans?

UK identity in 2014

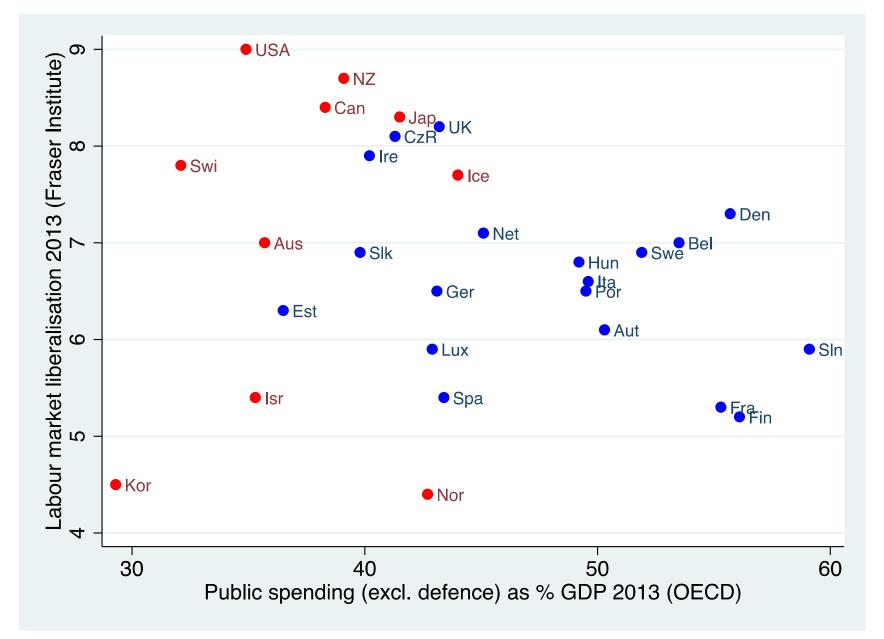
Which country, other than Britain, has values closest to your own?

	Country	%
커 턴	Australia	9
	US	9
	Germany	7
	France	7
SIR.	New Zealand	5
	Ireland	5
*	Spain	4
+	Canada	4
	Netherlands	3
+	Sweden	2
	Italy	2
C	Pakistan	2

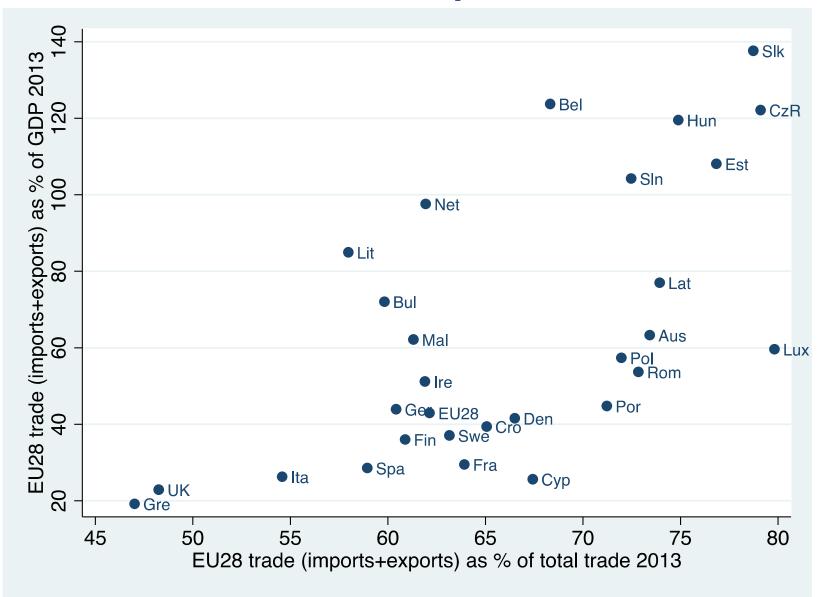
A different value set?



A different economic model?

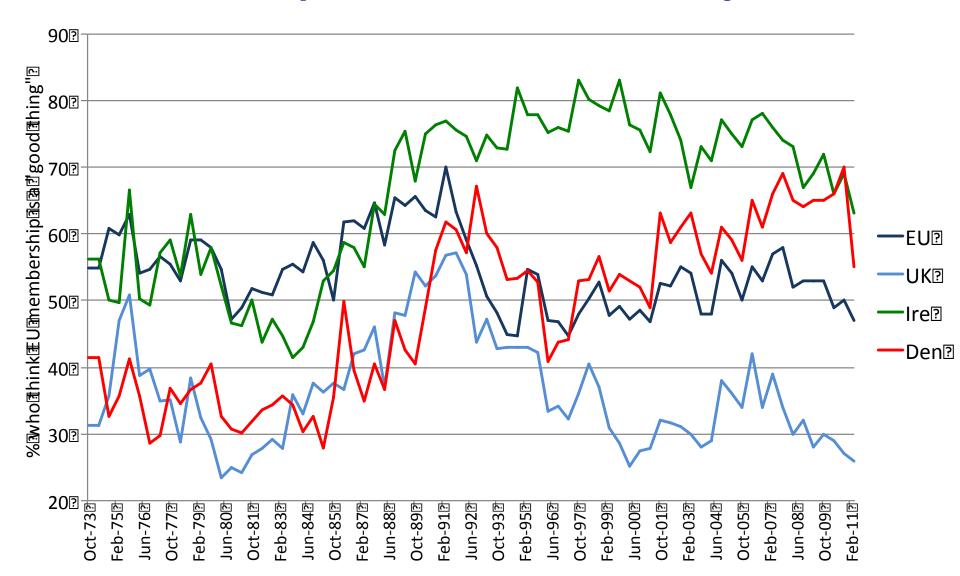


Low trade dependence?



Source: Eurostat

Most sceptical of the late joiners



Source: Eurobarometer

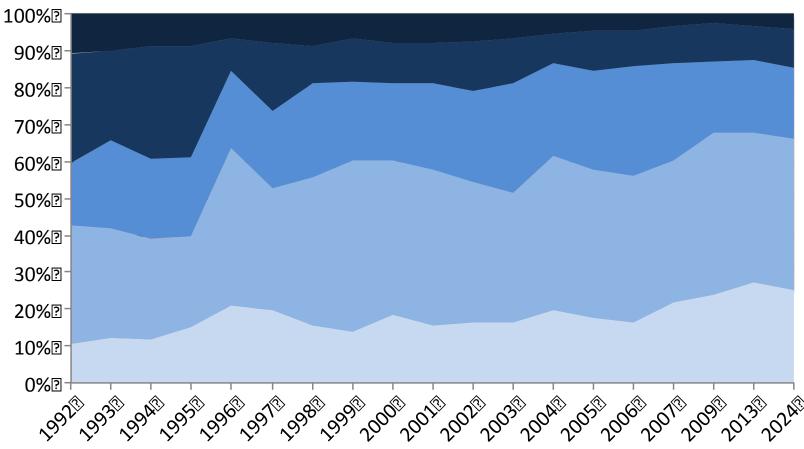
Growing support for a different EU

■ Leave the EU?

■ Stayııını Uıbutıreduce ilts powers ?!

Leave@things@as@they@are?

- Stay@nŒU@nd@ncrease@ts@pwers@
- Workfortasingle turopeante overnment to



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

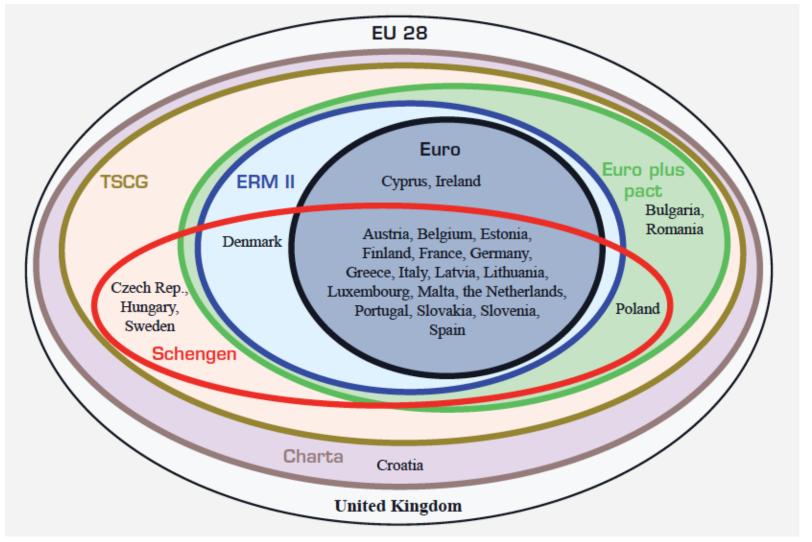
Fiscal Compact Treaty - EU26, except UK & Czech Republic

Euro-Plus Pact – coordination of national macroeconomic policies

Banking Union – common governance of banks

ECB as "lender of last resort"

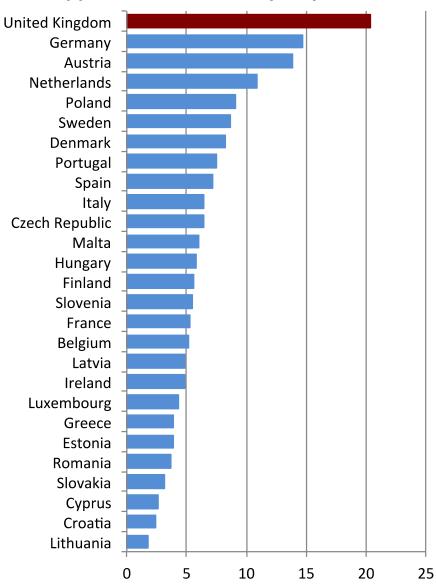
"Britain is isolated in Europe" Nigel Lawson, May 2013



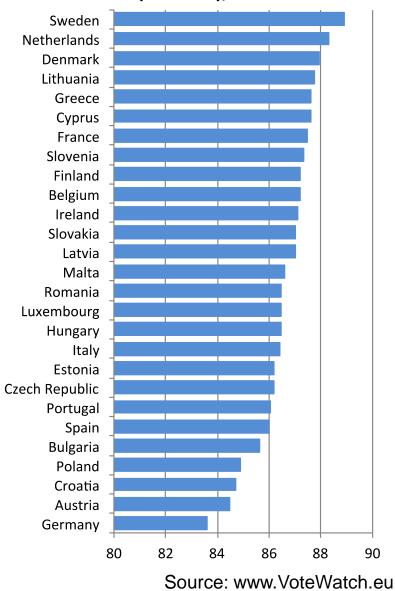
Source: lain Begg (2015) Could it be 'Brexpulsion' rather than 'Brexit'?, SIEPS.

UK isolation in the EU Council

% opposed to Council majority, 2009-15



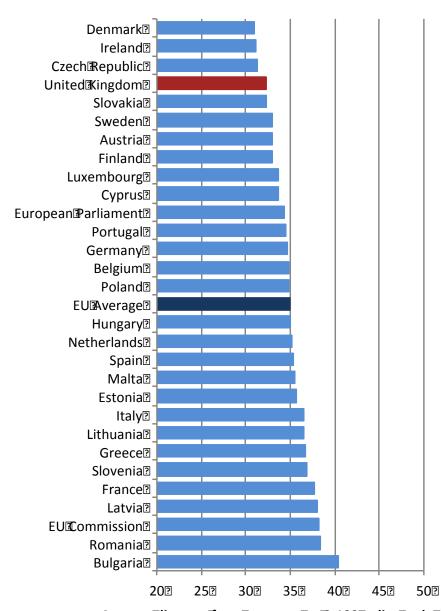
UK allies (2009-15), % of votes



Although we seem to be successful

Source: Robert Thompson, DEU

Figure. 21. 24 verage 2d istance 2 from 2 EU policy 2 outcomes 2



AverageIdistanceIfromIbutcomeIbnID-100IpolicyIscaleI

UK isolated from emerging democratic politics in the EU

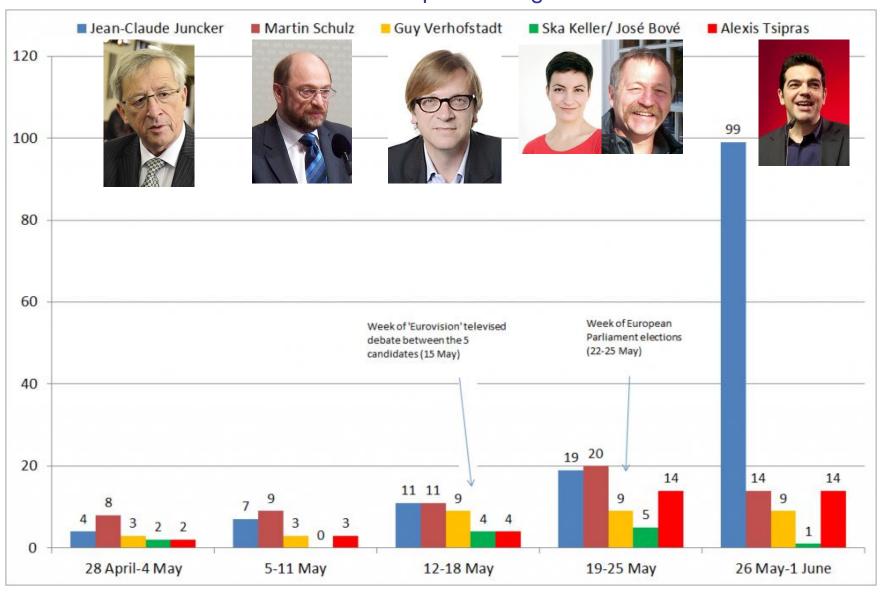
New Lisbon Treaty Rules for "Electing" Com Pres:

"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

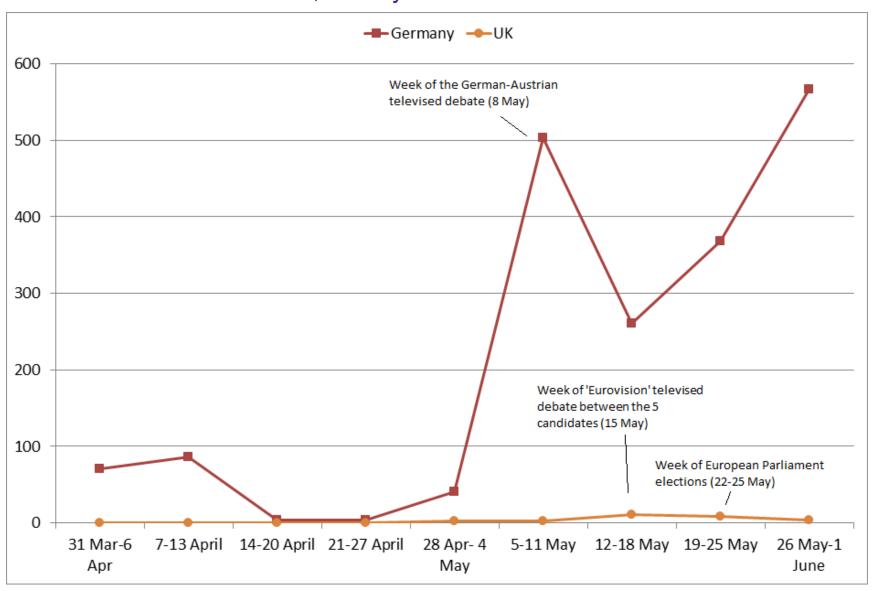
UK press ignored SKs until after election!

Number of articles in British press citing each SK candidate

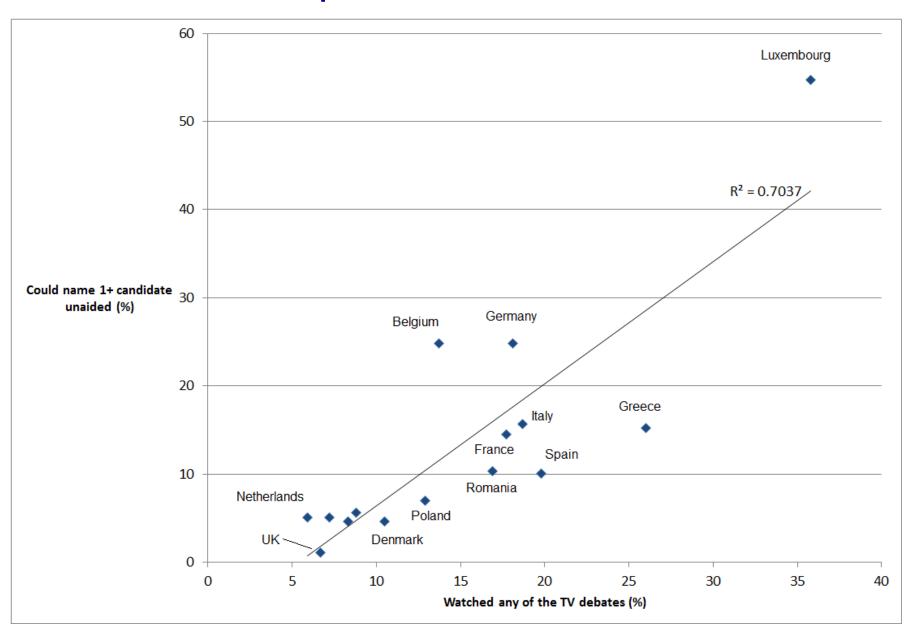


Contrast between Germany and UK

Number of articles in German and British press citing both "Juncker" and "Schulz", weekly from 31 March 2014.



TV debates and public awareness of candidates



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)

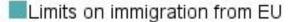
Growth and jobs: A "reform agenda" for the single market, swift agreement on the TTIP trade deal with the US

=> a "UK Protocol" + reform of 2003 Free Movement Directive

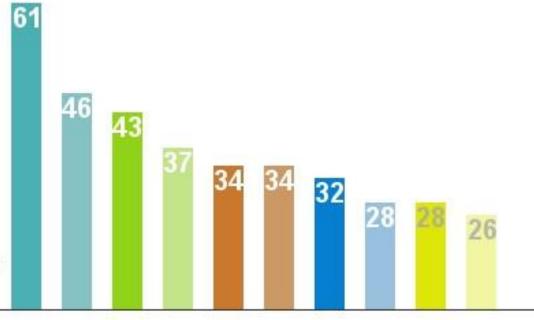
Red lines for "swing voters"

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'



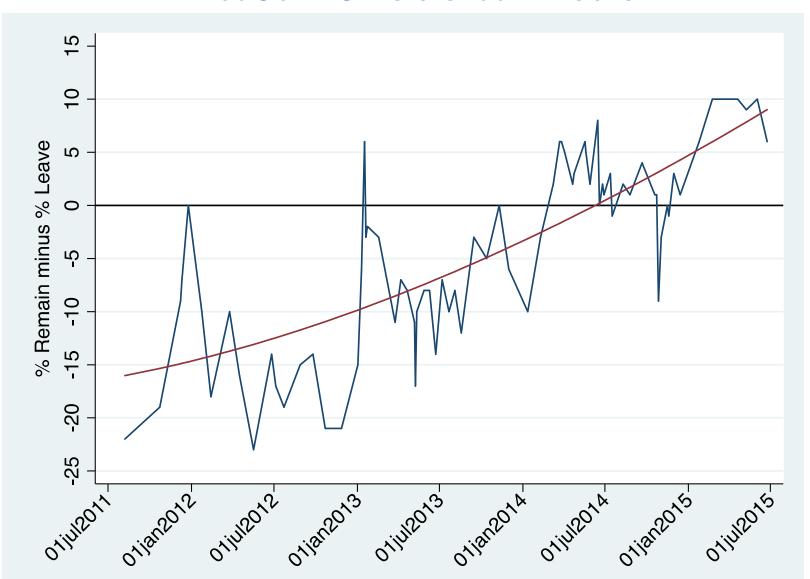
- Discretion over immigrant benefits
- Reduce money Britain pays EU
- Fewer regulations on business
- Freer trade with non-EU countries
- Greater control of our fishing waters
- Relaxation of human rights laws
- Scrap Strasbourg chamber
- Devolve power over employment law
 - Reform Common Agricultural Policy





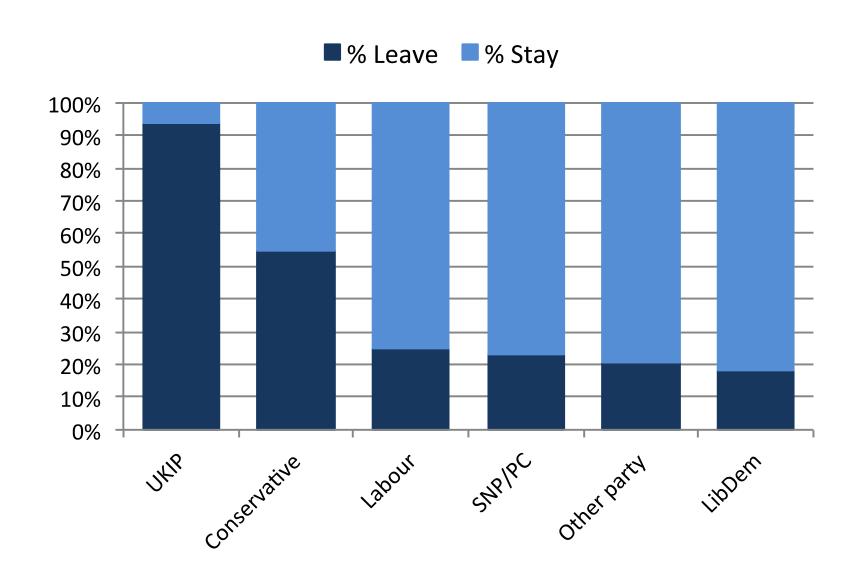
Public Opinion on Remain/Leave

YouGov EU Referendum Tracker



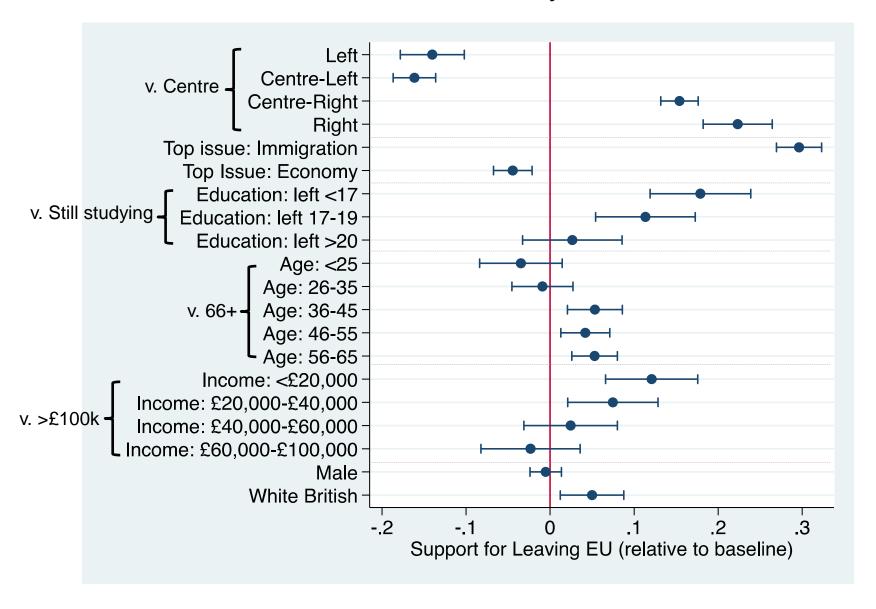
Party support & support for leaving EU

Data: British Elections Study 2015, Wave 6, May 2015



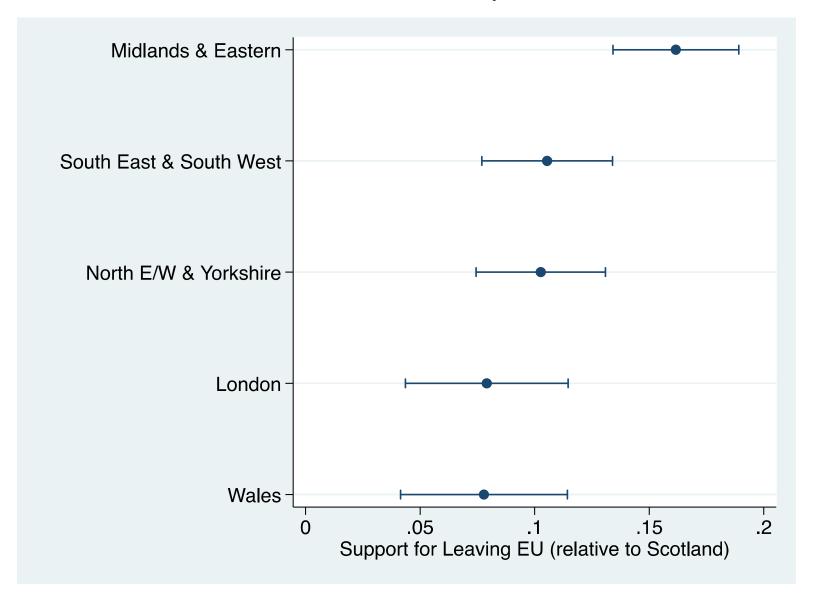
Predictors of support for leaving

Data: British Elections Study 2015, Wave 6



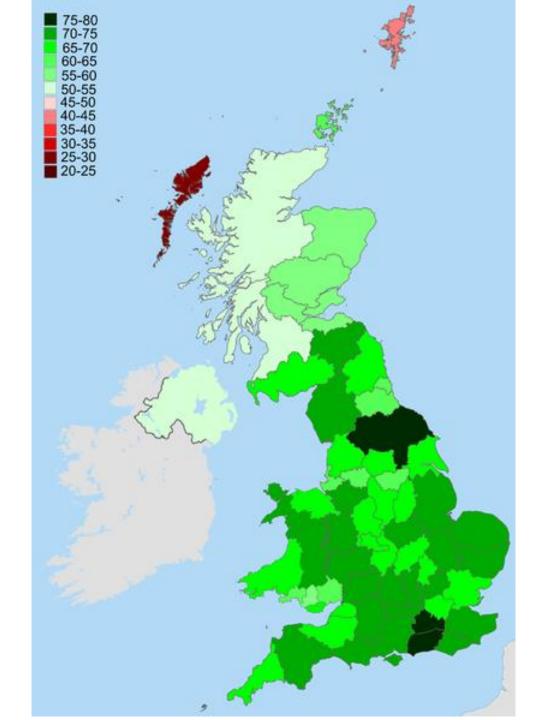
Support for leaving by region

Data: British Elections Study 2015, Wave 6



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 <u>two-tier framework</u>: federal core + confederal periphery (in single market)
- 3) Stay in, and <u>re-engage</u>:
 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

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