

# The prospects of Brexit: what might it mean for 'them' ... as well as 'us'?

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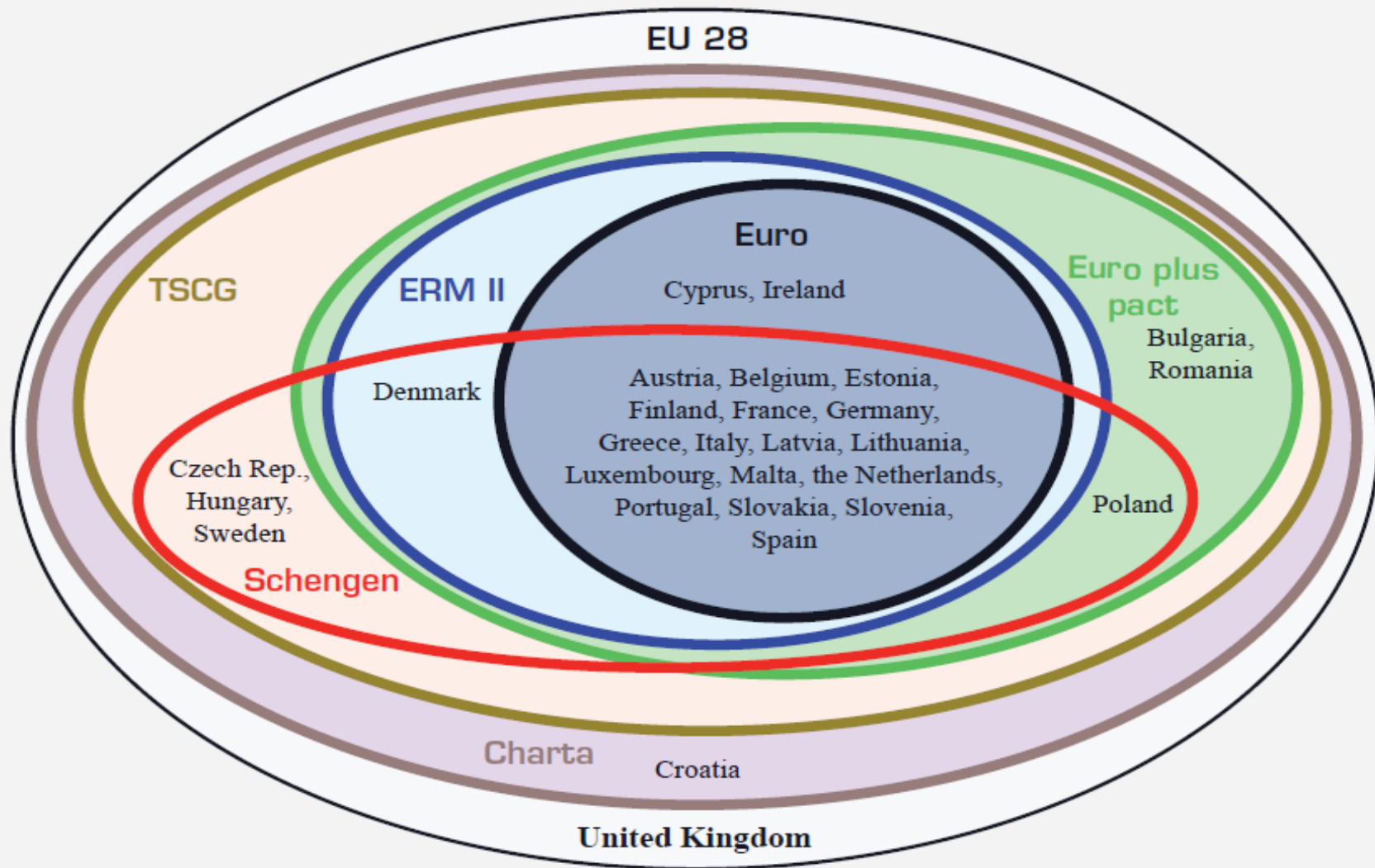
ESRC UK in a Changing Europa Research Initiative

*The Hague, 15<sup>th</sup> April 2016*

# A FAIRLY BASIC QUESTION: WHY?

- The UK's longstanding ambivalence about 'Europe'
  - Missed opportunities to lead post WWII
  - The lures of the anglo-saxon world/Commonwealth
- A distinctly transactional approach
  - Yes to the single market
  - But doubts about all that political union stuff
- Internal party frictions:
  - Especially after the defenestration of Margaret Thatcher
- Let's also be blunt: the EU seen as losing its way

# IT'S LONELY ON THE OUTSIDE...



# ...AND BECOMING MORE SO

## BANKING UNION

- Poland
- Sweden
- and?

## MIGRANT QUOTAS

- Ireland (but...)
- Denmark
- and?

FOLLOW-UP TO FIVE PRESIDENTS' REPORT

# DIFFERING STANDPOINTS ON VOTE

DAILY MAIL, THIS MORNING

“How hollow and unconvincing Jeremy Corbyn sounded as he struggled to make the case for remaining in the EU”

LLOYD'S BANK

“Likely to cause economic uncertainty and potential volatility in the short-term”

GISELA STUART, CHAIR OF VOTE LEAVE

The EU: “ simply incapable of reform”

ALISTAIR DARLING

“Dark clouds are gathering on our horizon” [leaving the EU is "simply not a risk worth taking".

# THE ECONOMIC CAMPS

## CITY OF LONDON

- 84% of CEOs favour remaining in
- But will do well, in or out
- Priority: stop 'wrong' regulation
- UK has to engage more

## BIG EXPORTERS

- Concerned about single market
- Want €zone to work
- Worries centre on fears of new, damaging rules

## SMALLER/DOMESTIC

- Objections to excessive Brussels interference
  - Employment rules
- Note EU trade surplus
- Do not see net benefits

# “EVENTS DEAR BOY, EVENTS”

- Various sources of uncertainty
  - Timing of the predictable, but uncontrollable
    - A terrorist outrage
    - Prospective new developments in migration
    - An expenses or other political scandal
  - Collateral damage from, for example, Panama papers
  - But also signals from foreign AND domestic investors
- Misjudgements or political traps
  - Positive or negative stories that capture the narrative
  - Even, possible publication of Iraq war report

# FALLOUT FROM CRISES AND UK VOTE

CLOSER, MORE EFFECTIVE EU INTEGRATION

NEW BALANCES  
WITHIN EU: BETTER OR  
WORSE? FOR WHO?

HOW TO MANAGE  
ONE AWKWARD  
PARTNER

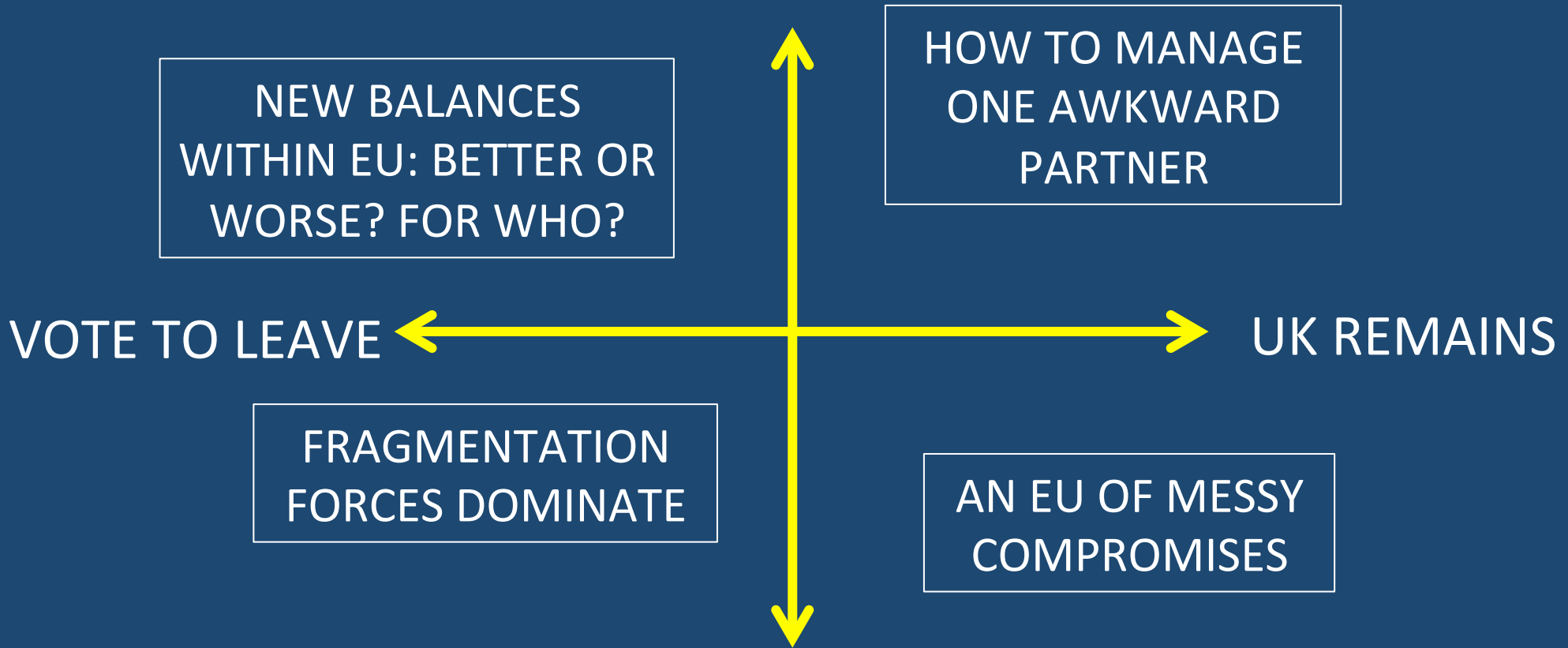
VOTE TO LEAVE

UK REMAINS

FRAGMENTATION  
FORCES DOMINATE

AN EU OF MESSY  
COMPROMISES

MUDDLING-THROUGH NO LONGER WORKS





# THE PROSPECTS ASSESSED

- Probability of 'BREXIT' may have peaked, but still there:
  - 'Anti' forces lost ground in election
  - May now have recovered
- Turnout will be crucial
- Ambiguity of 'Corbynistas'
  - Risk of affecting old Labour vote
- Role of print media in UK
- Renegotiation lost visibility
- The Scottish conundrum



# CONCLUDING REFLECTIONS

- Long-term consequences of UK choice
  - For EU partners – could (and should) worry some
    - Effects on anti-EU narratives
  - Viability of UK staying, but being semi-detached
    - Here too, effects on anti-EU narratives
- The EU as a significant achievement....
  - ...of the mid-20<sup>th</sup> Century
  - But we are now well into the 21<sup>st</sup>
  - Does it still resonate?

“Confidence is what you have before  
you understand the problem.”

Woody Allen