Chapter 5

The United Kingdom: Membership in Crisis

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Introduction

The United Kingdom (UK) has rarely been a contented member of the European Union (EU). Over the last decade an historical wariness towards integration has given way to increasing and vocal euroscepticism and more recently growing calls for the UK to quit the EU. This has led to a crisis period in UK membership of the EU which has seen continued membership put into question culminating in the referendum on 23 June 2016. This saw 51.9% of voters opt, on a turnout of 72.2%, to ‘leave’ the EU. The result had been unexpected and the UK government had not prepared for it. The UK thus entered a new stage in the crisis: how to withdraw from the EU. For the EU, meanwhile, the priority in the crisis has been how to prevent others following the UK example. This chapter explores the nature and implications of this crisis of UK membership of the EU. It starts by providing an overview of the crisis before illustrating in a second section how wariness towards European integration and reservations about its speed and direction have generally been managed by securing various forms of exceptionalism. The UK Government may have claimed in its 2016 White Paper on UK membership of the EU that a recently negotiated ‘new settlement’ provided the UK with a ‘special status within the EU’ (UK Government, 2016), but such a special status has long existed. A third section explores how a fragile membership moved into a period of profound crisis, triggered in 2013 by a promise from the UK Prime Minister, David Cameron, of an ‘in-out’ referendum before the end of 2017. It examines shifting domestic political attitudes to membership and the extent to which political leadership gave way to open questioning of whether the UK should leave at a time when the EU, faced with dealing with the crisis in the eurozone, was taking further steps to deepen integration, thus intensifying many of the tensions underpinning UK unease with membership. A fourth section considers how the
Cameron government that came to power in 2015 both exacerbated the air of crisis surrounding UK-EU relations through its divisions and its handling of relations with the rest of the EU and sought to resolve matters through a renegotiation and demands for greater exceptionalism. The outcome of the EU referendum and the vote for ‘Brexit’ marks one of the most decisive moments in post-war British history and politics and presents a new phase in the crisis: one that centres on the UK government’s endeavours to negotiate its future relationship with the European Union. Thus, a final section considers the implications of the referendum vote and how withdrawal from the EU could further internal tensions within the UK as well as the potential impact of the crisis on the EU more generally.

**Crisis Point**

On 23 June 2016, UK voters were asked whether they wished to ‘remain’ in or ‘leave’ the EU. The vote came against a backdrop of increasing euroscepticism within the Conservative Party and unprecedented voter support for the UK Independence Party (UKIP). Together they provided for a particularly tumultuous period in UK political debate on EU membership. Popular scepticism towards European integration has been a feature of UK domestic politics since the early 1990s, but it has essentially been contained within political parties and by successive governments securing through formal opt-outs, grandstanding over ‘red lines’, vocal assertions of the national interest, cautious engagement, rejections of closer integration and voluntary abnegation of leadership roles; a unique accommodation within the EU that had in effect marginalized opposition to continued UK membership. However, during the Cameron governments – first the Conservative-Liberal Democrat coalition (2010-15) and then the Conservative government (2015-present) – the mood of contained awkwardness and scepticism towards the EU was replaced by a sense of crisis as an initial commitment to a referendum on almost any future EU treaty changes (enshrined in the EU Act 2011) rapidly gave way to a commitment from Cameron in January 2013 – almost forty years to the day after the UK joined the European Communities in 1973 – that a future Conservative government would hold an ‘in-out’ referendum on membership of the EU before the end of 2017.

This calculated commitment may have temporarily averted a growing internal crisis within the Conservative Party but it unwittingly paved the way for a much greater political crisis as Cameron struggled to contain hardening euroscepticism within the Conservative Party and his Conservative government and secure a ‘new settlement’ that would convince voters to support continued membership and not be swayed by the increasingly vocal calls from Conservative, UKIP and other eurosceptics to leave the EU. With supporters, MPs and government ministers engaging in an increasingly internecine struggle, the Conservative Party’s very foundations and fabric were under threat. The Party was arguably facing its greatest crisis in modern times. Not only did Cameron’s
gamble for ‘a new settlement’ and an ‘in-out’ referendum ultimately turn the Prime Minister into a hostage to fortune, it also threatened a central tenet of UK foreign policy of the previous forty years: membership of the EU. Against a backdrop of years of persistent sniping at and misrepresentation of the political and functional realities of the EU, Cameron’s demands for a vaguely defined ‘new settlement’ saw him further straining UK relations with EU partners and running the risk of imposing on them, at a time of continued concerns over the eurozone and an intensifying migration crisis, an additional and arguably unnecessary crisis not of their making.

In retrospect, Cameron’s approach to the EU issue – from his campaign to lead the Conservative Party in 2005 through the securing of a ‘new settlement’ for the UK in February 2016 to the referendum defeat in June 2016 – provides an apt case of mismanagement and miscalculation that has not just helped create a crisis but generated further potential crises for the stability of the EU and the UK. On the former, Cameron’s decision to hold a referendum and demand a ‘new settlement’ could be replicated in other EU member states. The fear of contagion has been palpable, evident in both the uncompromising line taken by the EU institutions and other member states during the ‘new settlement’ negotiations and in their tough response to the ‘leave’ vote. On the future of the UK, Cameron’s resignation, the absence of any ‘Brexit’ planning by either the ‘leave’ campaign or the government and the regional distribution of the vote have plunged the UK into serious political and constitutional turmoil. The decision to delay triggering the withdrawal process provided for in Article 50 TEU and the vacuous ‘Brexit means Brexit’ mantra of the new Prime Minister, Theresa May, belied the lack of preparedness for the referendum outcome. With ‘remain’ majorities in Scotland and Northern Ireland, the Conservative government was also quickly faced with the prospect of renewed pressure for Scottish independence and concerns over the future of Northern Ireland and its border with the Republic of Ireland. There was also the question of how to respond to London’s overwhelming ‘remain’ vote and the clear ‘leave’ majorities in most of the rest of England and Wales. Much of this had been predicted in polls (YouGov, 2016) and informed commentary, but the omens and experts had been ignored. The UK was now entering a new period in its crisis of EU membership, one seemingly set to see it leave the EU; but at what cost?

Avoiding Crisis through Exceptionalism

The history of UK membership of the EU is widely recognized as one characterized by profound discomfort with the concept and realities of integration. However, students of European integration also need to acknowledge that political connections with continental Europe have always been limited at least from the sixteenth century until the 1940s and involvement has only usually occurred when the ‘Balance of Power’ in Europe has been threatened (Goodlad, 2000; Monger, 1967). Indeed, the
UK’s geographical ‘island’ location had prevented from 1066 onwards any serious military incursions, defeat and subsequent regime change and allowed the English (and then British state) to evolve gradually. This helped the UK carve out a distinct identity that feeds into domestic assessments of its position in Europe. Stephen George’s description of the UK as ‘an awkward partner’ – continues to capture essential features of the seemingly persistent discomfort (George, 1990; Bulmer, George and Scott, 1992). Stephen Wall’s presentation of the UK as ‘a Stranger in Europe’ (Wall, 2008), a view informed by his practitioner perspective, similarly flags a sense of estrangement and awkwardness. Other analyses promote a sense of persistent wariness. Hugo Young provocatively presented Europe as ‘This Blessed Plot’ (Young, 1998).

Europe has proven to be a fault-line in UK politics and the issue has vexed the Conservative Party in particular since the late 1980s. Indeed, few, if any, historical surveys of the UK’s involvement in European integration present a picture other than one of limited enthusiasm for the EU, a generally half-hearted engagement, and an increasingly semi-detached status as a member of the EU. None of this has ever been helped by the fact that the UK joined the then Communities as a late-comer and once their essential political purpose and sense of direction had been defined. That the political dimension to integration has rarely been embraced and instead generally treated with mistrust has not helped either. Notions of awkwardness, of being uncomfortable with the assumed speed and perceived, if not actual, direction of integration have rarely been absent from either popular analysis or public debate. Evidence of disputes over the EU budget, the decision not to adopt the euro or to become part of Schengen are often cited as illustrative examples of such UK exceptionalism.

Yet, such portrayals tend to overlook how much the UK has played a pivotal role in key EU developments. It was a core driver behind the development of the European Regional Development Fund in the 1970s, the Single Market programme in the 1980s, and a strong advocate of enlargement in the 1990s and 2000s. The UK government has also been an instrumental actor in the Council where according to Hix (2016) it has generally been on the winning side in terms of majority votes – 87% of the time between 2009-2015 – and UK MEPs have played a leading role in the workings of the European Parliament (EP) in the roles of committee chairs and policy rapporteurs. This degree of UK embeddedness in the machinery of EU governance has rarely been recognised amongst the wider public and large sections of the media. Successive UK governments have done little to explain to voters what treaty revisions entail, how much UK preferences have shaped the current EU, and how much these preferences have been respected. Since the 1980s, the evolution of the European Communities, the establishment of the EU and the latter’s further reform have generally accommodated the misgivings of successive UK governments about further integration. In the original Treaty on European Union (TEU) (1992), the UK secured an opt-out from stage III of economic and monetary union and
the single currency. It also ensured an existing opt-out from the Community Charter of Fundamental Social Rights for Workers (1988) was carried forward into an opt-out from new social policy activities. In the Treaty of Amsterdam (1997), non-participation in Schengen was respected through a formal opt-out which extended to other aspects of the EU’s project to establish an area of freedom, security and justice (AFSJ). At Amsterdam and subsequently in the Treaty of Nice (2001), UK red lines were generally respected. The accommodation of UK interests was also evident in the Treaty of Lisbon (2007) where limits on the application within the UK of the Charter of Fundamental Rights and an extension of opt-out/opt-in arrangements regarding AFSJ activities were agreed.

The overall effect has been to sustain a sense of historical exceptionalism. Geddes, for example, citing Churchill’s view that ‘Britain’ is ‘with but not of Europe’, concludes that even after 40 years of membership, other member states arguably still have grounds ‘to doubt the extent that Britain is still even ‘with’ Europe’ (Geddes, 2014: 260). And Cameron, not just as prime minister, did nothing to dispel such doubts. His approach to the EU long reflected the rise of euroscepticism that has taken hold of the Conservative Party. While in opposition he pulled Conservative MEPs out of the European Peoples Party (EPP) group, thus depriving future Conservative-led governments of valuable pre-European Council intelligence and a chance for informal meetings with fellow centre-right leaders in the EU. Only in the run-up to the 2016 referendum, once he had secured a ‘new settlement’, was Cameron willing to make a clear case for continued EU membership, a turn of events which caused a degree of frustration and bewilderment domestically and elsewhere in the EU given the criticisms that he and his ministers had previously been levelling against EU institutions and policies.

In making the ‘remain’ case, Cameron belatedly latched on to the UK’s self-evident but long-overlooked ‘special status’ within the EU and the extent to which its priorities (e.g. regarding competitiveness, administrative and regulatory reform, and a guaranteed voice for national interests) are very much reflected in the long-standing structural and policy priorities of the EU. For despite eurosceptic protestations about the nature and direction of the EU being imposed on the UK by a federalist mind-set and an insatiable continental appetite for ‘more Europe’, the course of EU-based integration has been determined far more by hard-nosed negotiation between states, pragmatic responses to crises and a logic of incremental change in which successive UK governments have had a prominent voice on the European stage. This same voice was scarcely audible at the national level.

**Heading towards Crisis: Mounting Pressure for a referendum on EU membership**
The relatively selective approach to European integration pursued by successive UK governments after Maastricht has not been without costs. When viewed over time, with each ‘success’ questions have arisen not just about the degree of UK engagement but also the UK’s longer term role as a major EU ‘top table’ player. Short-term political needs have eclipsed any longer term strategic planning about the UK’s position in the EU. The approach was also short-sighted because securing concessions as a means to appease eurosceptics was never going to work in the longer term as it fed further demands from eurosceptic minded politicians and fuelled calls for a referendum on further treaty reform.

Such was the dynamic within the Conservative Party while in opposition. Consequently, during the 2010 general election, and very conscious that UKIP had gained 16.5% in the EP elections a year earlier, the party campaigned on a platform of no further extensions to the EU’s powers without a referendum and of the repatriation of ‘key powers over legal rights, criminal justice and social and employment legislation’. The claim was that the ‘steady and unaccountable intrusion of the European Union into almost every aspect of our lives has gone too far’ (Conservative Party, 2010: 113 and 114).

The growing euroscepticism in the Conservative Party was partially curtailed in coalition government with the consistently pro-EU Liberal Democrats. The Coalition sought to balance ‘constructive engagement’ while ‘protecting ... national sovereignty’, committing itself to play a ‘leading role’ in the EU, but also agreeing that ‘no further powers should be transferred to Brussels without a referendum’ (UK Government, 2010). The commitment to a leading role proved to be little more than wishful thinking. However, the European Union Act (2011), with its extensive parliamentary oversight of and referendum locks on transfers of power and competence to the EU, was swiftly adopted. Cameron naively hoped that with a referendum on further treaty change on the statute book, the concerns of eurosceptic backbench MPs would diminish. He was mistaken.

In October 2011 backbench Conservative MPs secured a vote on a ‘National Referendum on the European Union’; 111 MPs voted in favour. Cameron responded by adopting a more eurosceptic position on the EU and at the European Council in December 2011 ‘vetoed’ treaty revision to establish a fiscal compact, only to see 25 other member states proceed with an extra-EU treaty. While Cameron’s eurosceptic grandstanding heartened his backbench MPs, they also demanded more. The government’s launch in 2012 of a comprehensive Balance of Competences review – essentially an audit of what the EU does and how EU law affects the UK – was never going to contain hardened eurosceptics, and in June 2013 almost 100 backbench MPs wrote to Cameron demanding the government introduce legislation for a referendum on EU membership during the next parliament.
Pressure for an ‘in-out’ referendum was unprecedented. With the possibility of the UK voting to leave the EU, the English language gained a new word in the summer of 2012: ‘Brexit’.  

By early October 2012, Cameron had conceded that a referendum on new terms of membership would be the ‘cleanest, neatest and simplest’ way to gain fresh popular consent for continued UK participation in the EU (The Guardian, 2012a), but it was a strategy laden with risk. Sensing the government’s mood change, Eurosceptic Conservative backbenchers pushed their case harder and forced an extensive debate on whether to repeal the European Communities Act (1972) on 26 October 2012; five days later 53 Conservative backbench MPs voted against the government on the EU’s Multiannual Financial Framework (2014-2020). Cameron promptly and, rather unwisely in terms of tactics, conceded that a UK withdrawal from the EU was ‘imaginable’ (The Guardian, 2012b). He realised he needed to do something and with the EU in the midst of the eurozone crisis and further treaty reform in order to safeguard the future of the single currency in his view inevitable, Cameron believed he could use the threat of a UK veto over treaty change to secure the repatriation of unspecified powers as part of renegotiated terms of UK membership.

Cameron delivered his much-awaited ‘Europe’ speech on 23 January 2013 from the offices of Bloomberg in London. Simply put, if the Conservatives won the 2015 general election, a ‘new settlement’, based on the outcome of the Balance of Competences Review, governing UK membership of the EU would be negotiated and put to voters in an ‘in-out referendum’ to be held ‘within the first half of the next parliament’ and before the end of 2017. Assuming a ‘new settlement’, Cameron committed to campaign for it ‘with all my heart and soul’.  

The effect of the Bloomberg speech was twofold. On the one hand, it provided a commitment to and a timeline for an ‘in-out’ referendum. The forces of hard euroscepticism had achieved a key goal. The possibility of a Brexit vote was now firmly on the agenda and an exit from the EU possible. On the other hand, there was now a need for Cameron and the Conservatives to define what sort of ‘new settlement’ they wanted. Given the wide range of views among party members, this was a tall order, especially with significant numbers clearly wishing simply to leave the EU. Moreover, there was the question of what could actually be secured from a negotiation with the other member states. Would they in fact be willing to negotiate? Would they stand for treaty reform to safeguard the euro

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1 The first use is generally attributed to The Economist and the Bagehot column of 21 June 2012 entitled ‘Britain and the EU: A Brexit looms’ (www.economist.com/blogs/bagehot/2012/06/britain-and-eu-0 - last accessed on 6 March 2016)

2 The speech published on the UK government website (Cameron, 2013) is a redacted version that omits references to the timeframe, it being an ‘in-out referendum’ and Cameron campaigning with ‘all my heart and soul’. Further redacted lines include Cameron’s commitments to have the enabling legislation in place before the end of 2015. The original version of the speech is available at www.newstatesman.com/politics/2013/01/david-camerons-speech-eu-full-text (last accessed 24 February 2016).
being held to ransom by a UK government seeking to overhaul the terms of its already opt-out laden membership?

Cameron’s reasoning was very much predicated on the assumption that his fellow leaders would be minded to reach a new accommodation. The other 27 member state governments had become accustomed to regular UK questioning of European integration. Since they all valued UK membership, Cameron assumed a deal could be struck which would allow him to make the case to the UK electorate for continued EU membership. This strategy was a considerable gamble as much would rest on the willingness of the others to negotiate, the nature of any deal, and Cameron’s abilities to pacify his critics and sell any renegotiation package as meaningful to UK voters. From the very start Cameron’s strategy was tested. Notably, the promise of a referendum failed to silence many of his eurosceptic backbenchers. Less than four months after the Bloomberg speech, 114 Conservative MPs rebelled against the government by voting to regret the absence from the Queen’s Speech of an ‘in-out’ referendum. More worryingly for Cameron was the failure of his referendum pledge to diminish UKIP’s appeal. Support for UKIP grew stronger and it emerged as the largest UK party in the 2014 EP elections, capturing 27.5% of the vote and returning 23 MEPs.

UKIP’s success owed much to its charismatic and media savvy leader, Nigel Farage, its populist agenda which very much focused on eurosceptic and anti-immigrant rhetoric and its ability to tap into wider public disenchantment with established political parties. UKIP may have failed to make any major breakthrough at the 2015 general election, managing to return just one MP, but its ability to capture 3.8 million votes or 12.6% of the vote and to finish as the second most popular party in 125 constituencies provided clear evidence of considerable Eurosceptic sentiment across the country. The Conservatives were the surprising – and surprised – victor, securing enough seats (331) to form the first Conservative-only government since 1997. With victory, however, came the need to secure agreement on a ‘new settlement’ to UK membership of the EU, deliver on the manifesto commitment to hold an in-out referendum before the end of 2017 and honour the result ‘whatever the outcome’ (Conservative Party, 2015: 73). Winning the referendum and keeping his party united, when an estimated one third of the parliamentary party was strongly eurosceptic (Moore, 2015), provided Cameron with major challenges. Divisions ran deep; including in the cabinet. Europe, not for the first time, threatened turmoil at the heart of government. Skilful management and leadership were in order, both at home and on the EU stage.

**Resolving the Crisis: Renegotiation and Referendum**

During his first period as Prime Minister, Cameron had proved a skilful operator and had successfully pursued and secured at the EU level many of the UK’s major interests in terms of promoting
competitiveness and opening energy and services markets. The period was also marked by a number of high profile and controversial moments, particularly regarding the attempted veto of the fiscal compact, responses to the management of the Eurozone crisis and Cameron’s failed attempt to thwart the selection of Jean-Claude Juncker as Commission President. Embarking on an ‘in-out’ referendum, however, was new territory and the challenge facing Cameron was now to persuade his fellow EU leaders to support a renegotiation of UK membership.

With the extensive Balance of Competences Review presenting a positive evaluation of UK membership, Cameron was forced to identify issues for the re-negotiation. Initial indications were first provided in the Bloomberg speech and then in a March 2014 article for the Sunday Telegraph where Cameron called for the potential of the single market to be fully realised and the diversity of the member states to be accommodated. He also hinted at repatriating powers, voiced objections to the commitment to ‘ever closer union’ and suggested a more significant role for national parliaments (Cameron, 2014). All this made for good headlines.³ Eight months later and in a clear response to UKIP’s ever greater emphasis on immigration, demands for curbing migration and restricting migrants’ benefits were added to the list.

Having won the 2015 election, a first priority of the new Cameron government was to fulfil its dual commitment to legislate for a referendum and to secure a ‘new settlement’. The EU referendum bill was laid before Parliament on 28 May 2015 and a month later, at the European Council on 25-26 June, Cameron explained his plans to fellow EU leaders. Frustratingly for them, as ever, there was no real detail and so it was agreed to ‘revert’ to the issue in December. In the meantime, officials began to explore technical issues. Cameron and his Chancellor of the Exchequer, George Osborne, set about discussing with EU partners on a one-to-one basis the issues they wanted to see addressed as part of the promised ‘new settlement’. Specifics were generally lacking. By October, the European Council was seeking much greater clarity on the actual focal points for the negotiations. Eventually, on 10 November 2015 Cameron sent a six-page letter to Donald Tusk, President of the European Council, setting out four reform ‘baskets’ covering economic governance, competitiveness, sovereignty and migration (Cameron 2015). Each contained specific demands that essentially echoed earlier pronouncements (see Table X.1).

According to Tusk there was ‘a strong will on the part of all sides to find solutions that respond to the British request while benefiting the European Union as a whole’ (European Council, 2015a). His assessment was firm, but cautiously optimistic on reaching agreement on the first, second and third ‘baskets’. As for immigration, there remained ‘substantial political differences’ to be overcome. The

³ Indeed, one of Cameron’s ‘seven targets for a new EU’ – ‘British police and courts liberated from “unnecessary interference” from the European Court of Human Rights’ – was not actually an EU issue.
European Council concurred at its December meeting and agreed that ‘mutually satisfactory solutions in all the four areas’ would be found when they were next scheduled to meet in February 2016 (European Council, 2015b: 7).

The agreement reached by the European Council in February 2016 consisted of a legally-binding ‘Decision’ on ‘a new settlement for the UK within the European Union’ supplemented by various statements and declarations (European Council, 2016c). These addressed each of Cameron’s four ‘baskets’, but the outcome often differed from what had been originally sought, not least because other member states, led by Germany and its Chancellor, Angela Merkel, pointedly refused to compromise on fundamental principles such as the free movement of workers (see Table X.1). Most noticeably, no veto was granted to non-eurozone member states over eurozone measures that could affect the operation of the single market; instead a referral mechanism was agreed. Also there would be no four-year ban on EU migrants’ entitlement to in-work benefits; rather, access to these benefits would be phased in over four years. Moreover, no informed observer could really claim that the outcome overall represented a major new settlement for the UK. All the same a number of concessions had been secured. They would apply, albeit assuming a referendum vote to ‘remain’ in the EU.

The package was hardly ‘transformational’, more a ‘collection of modest reforms’ (Grant and Springford, 2016), but it did allow Cameron to claim that the deal was a success, protected the economy, safeguarded sterling and protected UK taxpayers from the costs of the problems in the Eurozone. For pro-EU enthusiasts in the UK, Cameron’s ‘new settlement’ could be interpreted as further reinforcing the UK’s image as an increasingly semi-detached member of the EU, keen on the single market but suspicious of EU action in other fields, including notably migration and the social dimension. Within a matter of days the UK government published a White Paper on the deal: The best of both worlds: the United Kingdom’s special status in a reformed European Union. Somewhat disingenuously, Cameron claimed in his foreword that the UK Government had ‘secured a new settlement to give the United Kingdom special status in the European Union’ (UK Government, 2016a: 5). The fact the special status, secured through opt-outs, already existed was glossed over. Ultimately, however, the deal did allow Cameron to set out his case for remaining in the EU. His argument was that continued membership would make the UK stronger, safer and better off; as for any decision to leave the EU, this would be ‘a great leap into the unknown’ (Hansard, 22 February 2016, col. 25)

In making his case to fellow MPs – developed in further statements and speeches in the ensuing weeks – a hitherto unseen side of Cameron was revealed: an apparently enthusiastic if constructively critical and pragmatic supporter of the EU. The contrast with his previous five years as Prime Minister and longer as Conservative leader could hardly have been greater. Prior to the ‘new
settlement’, Cameron’s discourse and actions had been characterized by a confusing mix of sniping, disengagement, grandstanding, bluster and ambiguity. Now he appeared a convert to the cause; a believer in European integration and in the UK’s place in Europe; a committed supporter of continued membership.

This was all very well. But he needed to convince an increasingly sceptical public as well as many of his own backbench MPs and grassroots Conservative Party members. Was his seemingly sudden conversion too late to avert a major economic and political crisis? Certainly Cameron was eager to move quickly and so swiftly announced the referendum for 23 June 2016, a date earlier than originally envisaged and one that would avoid an autumn vote against a backdrop of a further intensification of the migration crisis in southern Europe. Attention quickly shifted to campaigning. Unsurprisingly given its evident feebleness the fanfare around the ‘new settlement’ soon faded and attention shifted to the broader issues of the economic, political and security implications of continued membership and of a ‘Brexit’. Indeed, media interest in the details of Cameron’s deal quickly dissipated and in less than 24 hours eurosceptics were once again presenting their desire to restore sovereignty to the UK so that Westminster could make its own laws and the UK could take control of its own borders and of immigration and secure better trade deals with the rest of the world.

The Government quickly responded with a detailed report signalling the shortcomings of different alternatives to membership (UK Government, 2016b) and making it clear how difficult any withdrawal would be (UK Government, 2016c). Crucially, in retrospect, it had very little to say on controlling immigration.

The government’s hope of winning support for ‘remain’ amongst the public was always going to prove challenging. Many eurosceptics simply dismissed the government’s arguments. Fortunately for Cameron the ‘Brexiters’ were divided into a number of rival camps, notably Vote Leave and Leave.EU. Far less comforting was the fact that six cabinet members announced their support for Brexit. Among them were two Conservative big-hitters: Justice Secretary, Michael Gove, and the populist Mayor of London, Boris Johnson. Cameron’s position secured support time and time again from leading figures from the business and banking sectors and other world leaders, most notably the US President, Barack Obama, but such endorsements had little meaningful effect? The low profile of the Britain Stronger in Europe group was problematic for Cameron’s cause as was the lukewarm support coming from the leadership of the Labour Party under Jeremy Corbyn. When the official ‘leave’ and ‘remain’ campaign groups were announced in April, opinion polls revealed that voting intentions were equally split between both camps and that the outcome was going to be very close.

Indeed, as voting closed on 23 June many ‘leave’ campaigners were expecting a defeat, albeit a narrow one. Having seen opinion polls move in their favour in the penultimate week of campaigning,
there was a swing back to ‘remain’ in the final days before the referendum. Yet, as the results were returned in the early hours of 24 June, it soon became clear that the ‘leave’ campaign had won. Moreover, the UK was divided. While a majority in England, in Wales and in the UK as a whole opted to leave the EU, majorities to remain were returned in Scotland, Northern Ireland, London and Gibraltar. When the final result of what was officially an advisory referendum was declared there were 17,410,742 votes to leave and 16,141,241 votes to remain (see Table X.2). The advice that voters were giving the UK government was that they wished for the UK to leave the EU.

**Crisis Begetting Crisis and ‘Undoubted Chaos’**

Reaction to the referendum result was a mix of surprise and jubilation for ‘leavers’ and disbelief and dismay for ‘remainers’ and most voices in the rest of the EU. Rather than act on the result and trigger Article 50 TEU on withdrawal as he had indicated he would and many in the EU were expecting and insisting, Cameron announced his resignation as Prime Minister, effectively washing his hands of the referendum outcome. A frenzied and at times farcical Conservative Party leadership context ensued in which Gove crossed his fellow leading ‘leave’ campaigner, Johnson, only to be forced out of the race which was quickly won by the former Home Secretary, Theresa May, a nominal yet seemingly lukewarm and low profile supporter of ‘remain’.

Among the new Prime Minister’s first tasks was to establish when to trigger Article 50 TEU. The decision was to delay until 2017, essentially because the new government desperately needed time to define its position. Not only had the Cameron government studiously avoided undertaking any contingency planning for a ‘leave’ vote, but the ‘leave’ campaign, victorious but divided, was simply bereft of any clear and detailed plans of its own. Rather disingenuously it argued that it had merely campaigned for the UK to leave the EU and it was for the government to deliver and plan for the consequences. Notifying the European Council of the UK’s intention to leave the EU would start the two year timeframe for withdrawal, and a manifestly unprepared UK government simply could not afford to do this as it scrambled around to determine what sort of post-leave relationship it wanted with the EU. May also had to form a government and appoint a team to deliver on the wishes of the leave voters. Inspired or naïve only time will tell, but her choices to lead on ‘Brexit’ were all prominent but essentially strategy-less ‘leave’ campaigners: Johnson as Foreign Secretary, David Davis as ‘Secretary of State for Exiting the European Union’, and Liam Fox as Secretary of State for International Trade and President of the Board of Trade. None had a developed plan for how ‘Brexit’ should be

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managed or what new relationship the UK should seek; Davis and Fox were also saddled with the need to establish new ministries to support their work.

The sense of confusion and chaos merely added to the dismay and frustration of the UK’s EU partners. With the referendum result in, they were keen to move on to withdrawal negotiations, quickly signalling their expectation that the UK would be leaving by gathering at 27 to discuss the future of the EU. Also prominent in their pronouncements was that there would be no ‘cherry-picking’ as regards the content of any post-Brexit relationship. For example, access to the single market required acceptance of all four freedoms: free movement of goods, services, capital and importantly, given the prominence of anti-immigration concerns among ‘leave’ voters, workers. Such statements also acted as timely reminders of the EU’s dominant position in the hitherto unused procedure for withdrawal provided for in Article 50 TEU: a two-year process only extendable with the unanimous agreement of the other 27 member states and a withdrawal agreement subject to both the agreement of the Council, acting by a qualified majority, and the consent of the EP. In addition there would be need to be negotiations on a new relationship, likely to be some form of association and thus requiring unanimous agreement of EU member states, EP consent and most probably ratification in each of the member states. Formal negotiations could only take place once the UK was no longer a member state.

Such negotiations were not the only hurdle facing the UK. ‘Brexit’ also forces the UK to seek new trading relations with other parts of the world. For the ‘Leave’ campaign this is a major opportunity. Establishing new trade deals with other parts of the world, most notably the United States, Canada and Mexico, Mercosur, India and China, Australia and New Zealand contains many opportunities. Moreover, outside the EU businesses will thrive having been freed from ‘Brussels’ and its associated ‘red tape’. However, any new arrangements will take time to negotiate and much will depend on the eagerness and readiness of other states to accommodate the UK. John Major, the former Prime Minister and veteran of the Don Quixote politics of the ratification of the Maastricht Treaty, believed the ‘Brexiters’ were building a campaign on fantasy (Sky News, 20 March 2016) and cast considerable doubt that the UK would be able to strike decent trade deals with the EU. Again, only time will tell.

Also on May’s agenda was what to do with Scotland, Northern Ireland and Gibraltar, each of which had, as expected, returned majorities in favour of remaining in the EU. Their interests had barely featured in Cameron’s decision to hold a referendum. It had been taken to dampen euroscepticism in England and it seems that little attention was given to how it would play out across the UK even though there were regional voices flagging concerns. These have been borne out by developments since the referendum raising questions about the future political make-up of the UK which clearly is far from being a united and unitary state. Rather, it is a union of four distinct territories comprising three
nations, namely England, Scotland and Wales and one region, Northern Ireland, with a variety of layers of regional government across England. Each has been shaped by its own historical legacies and in turn been shaped by language, culture and religion. Such territorial differentiation (Palmer, 2008) has fuelled demands for greater legislative, judicial and political autonomy and culminated in the devolution settlements for Scotland, Wales and Northern Ireland of the late 1990s. Although foreign affairs (including relations with the EU) were deemed a reserved matter for Whitehall, devolving certain policy responsibilities (especially, agriculture and fisheries and the environment) to the devolved administrations ensured interaction and increased relationships with the EU.

Although for the purposes of the referendum outcome the UK was treated as a single constituency, in practice many eyes were on the regional distribution of votes; and, rightly so. For as the regional responses to the ‘remain’ votes in Scotland and Northern Ireland have demonstrated, they have implications for the future of the UK per se as well as its membership of the EU. Both votes have led for calls for the voice of the ‘remain’ majorities to be respected and for neither Scotland nor Northern Ireland to be forced out of the EU against their wishes and on the back of an essentially English vote. In Scotland, the First Minister, Nicola Sturgeon, was quick to assert her determination that Scotland should remain in the EU, canvassing support from EU member states and the EU institutions. Equally predictably the vote in Scotland brought back on to the political agenda the question of Scottish independence with a third referendum a distinct possibility.

In Northern Ireland, Sinn Féin immediately after the referendum called for a ‘border poll’ on whether there should be a united Ireland. The call was swiftly rejected by the UK government. Instead attention focused on questions around the future of the border with the Republic of Ireland and how its soft, open nature could be safeguarded post-‘Brexit’ if the UK were to be outside the EU’s customs union and single market. Implementing the ‘leave’ campaigns calls for strict controls on immigration poses a major problem if the border is not to become an open back door into the UK. The fact that the UK has a land border with the rest of the EU seemed to escape the attention of many ‘leave’ campaigners. Questions were also raised over the implications of Brexit for the future of the Good Friday Agreement and the peace process more generally, both of which depend, in part at least, on the UK and Ireland being members of the EU.

For Scotland and Northern Ireland – as well as Wales and Gibraltar – the prospect of the UK negotiating its withdrawal from the EU also begs the question whether and how Whitehall and Westminster will ensure their interests are represented and respected. Will the administrations be involved in the negotiations about the new UK relationship with the EU or will the UK Government take full responsibility? Will their parliaments and assemblies have a vote on the UK leaving the EU? Will they have a veto? May’s claim on a visit to Scotland that she would only trigger Article 50 if there
was a shared UK position suggested that Scottish, Welsh and Northern Irish voices would have to be heard. A further issue to be considered was the implications of withdrawal for the repatriation of the competences from the EU to the UK and which and to what extent they will be devolved down to Edinburgh, Belfast and Cardiff. After 43 years of EU membership, EU law and policy forms a substantive part of governance in the UK’s devolved administrations, and especially in the areas of agriculture, fisheries and the environment. EU membership had always impacted unevenly across the UK and this helps explain the different pattern of votes that emerged across the UK. The challenge now facing the devolved administrations is no just about how far their specific policy interests (e.g. regarding renewable energies, agriculture, and freedom of movement), which may not be shared by Westminster, can be protected outside the EU, but how far they have the ability and capacity to handle former EU competences. The outcome of the referendum has real potential to create tensions across the UK and unsettle the constitutional structure of the ‘UK’ union.

And For the EU?

It is also a crisis for the EU. Had there been a 'remain' victory, then the hope within the EU would have been that it could now enter a period of relative stability at least as far as the UK’s continued membership was concerned. Instead, with the 'leave' victory, the EU is now saddled with the question of 'what next' and of negotiating, once Article 50 is triggered, the UK’s exit and a new relationship with what is an important partner, economically, politically, culturally and diplomatically. Few continental voices beyond eurosceptic nationalists and some of the most ardent federalists have been heard welcoming the referendum outcome; EU leaders have all generally expressed their regret at the prospect of the UK leaving the EU. This is understandable; a friend and ally is being lost.

Moreover, the UK’s decision to exit poses yet another challenge for the EU to navigate and it will absorb much human capital and time that the EU would much preferred to have been directed at addressing other pressing issues most notably migration and the stability of the eurozone. The impact of an eventual UK withdrawal is not to be underestimated and will be felt on a number of fronts. It will deprive the EU of one of its most powerful, experienced and resourced diplomatic voices on the world stage; it will leave the EU with just France among the five permanent members of the UN Security Council. This all has implications for the EU delivering on its foreign, security and trade policy ambitions. While the UK’s engagement on such matters has often lacked genuine enthusiasm and been mixed with obstructionist behaviours, there can be little doubt that without the resource and standing that the UK can contribute, the EU’s effectiveness in promoting its voice internationally will be constrained, at least in the short term. Then there is also the matter of the EU’s military and defence aspirations; it is difficult to see these being advanced without the resource that the UK could
have provided, at least notionally, as a member state. Finally, the UK’s exit will also have a bearing on the EU budget and without the UK’s £14.7 billion (the fourth largest national ‘contribution’), the EU will be forced to scale back and reconsider existing budget lines.

A UK withdrawal on its own is unlikely to lead to a full-blown crisis in the EU’s development. Brexit does not mean the end of what is a determinedly resilient political process and project. What concerns EU leaders and officials more is the possibility of contagion and other member states coming under pressure to hold a referendum on continued membership. Eurosceptic forces, forever questioning the legitimacy and remoteness of the EU and, for them, the corrosive impact it has on sovereignty and national identity, have been quick to call for such a vote, notably in France, Germany, Italy and the Netherlands. For the moment the calls have fallen on deaf ears. If one is answered, however, and a second member state, especially a large one, leaves, the future of the EU will most certainly be called into question. Until then the position of EU leaders is clear: the EU has to be safeguarded.

**Conclusion**

The decision in 1961 to seek membership of the European Economic Community (EEC) was a major moment in the post-war history of the UK and was hailed as an opportunity to put the UK at the heart of and steer (West) European political developments. With hindsight, questions might be asked about the UK’s readiness for and commitment to European integration. EEC – and later EU – membership proved to be a divisive issue in domestic politics and one that constantly bedevilled, albeit to varying degrees, every administration from Heath to Cameron. The issues of contention covered key aspects of integration such as the budget, the free movement of people, the powers of supranational institutions, the euro, energy policy and social policy. Throughout, the UK’s policy towards Europe has been characterised by doubts and crisis: the doubts of whether to join and then to stay; numerable crises inside the EEC/EU; and now, furthered by the ‘leave’ vote in the referendum on 23 June 2016, a fundamental crisis as the country envisages abandoning membership and securing a new relationship as a non-member state with the EU.

Much has already been debated and written about the UK’s engagement with Europe (Simms, 2016). The referendum result marks another landmark in this ongoing relationship and the narrative of crisis. It is not only one that impacts directly on the structure and politics of the UK, but one that represents a major crisis in the history of the EU: the first time a member state has sought to leave. That the crisis involves the UK should cause little surprise given the persistent unease with integration that has characterised UK membership and the increasing levels of euroscepticism that have become a prominent feature of domestic UK politics particularly over the last two decades. More surprising is
the fact that the unease should have developed – in part due to political mismanagement by successive governments and most particularly Cameron – into a major crisis. The referendum result was not expected by the establishment. The dominant ‘leave’ vote in England is best understood as a popular revolt against the economic and political elites in metropolitan areas, against globalisation and against what is for many disgruntlement with the hardships of everyday life. The EU referendum provided an opportunity for many to voice their frustration; and arguments adopted by those wishing to leave the EU that the EU was run by ‘faceless bureaucrats’, responsible for the rise in immigration and spending vast amounts of national revenues, proved enticing. How far many people realised the full significance of the referendum outcome is open to question.

In retrospect, the EU 27 could have offered more to Cameron on the ‘free movement of persons’ as part of the ‘new settlement’ brokered February 2016. This, however, could have encouraged others, especially in countries where eurosceptic forces have become or are threatening to become significant political forces, to seek similar concessions and thus threatened an unravelling of the integration process. As the UK government follows up on the referendum result and proceeds towards a withdrawal, how the EU responds could become crucial to its own future as well as that of the UK. To concede on core principles will be to risk contagion and to encourage eurosceptic forces to challenge fundamentals. Yet, to take a hard and principled stand would significantly limit the options for the UK in establishing a new relationship with the EU. For ardent supporters of ‘leave’ this may well be welcome; ‘leave’ will be leave. Yet a minimalist new relationship will only exacerbate tensions within the UK between those parts that voted ‘leave’ and those, notably Scotland and Northern Ireland, where there were clear votes in favour of ‘remain’. Those tensions, so often not fully considered by London, if not addressed could threaten the break-up of the UK. This all assumes that an advisory vote to leave actually translates into the UK leaving the EU. The delay to triggering Article 50, the uncertainties surrounding what the UK wishes from a ‘Brexit’ and whether a better arrangement outside the EU can be achieved, leads some observers to believe that ‘Brexit’ may not actually happen. If it does not happen, the domestic political fall-out would be considerable. It would also open yet another chapter in the enduring saga of the crisis of UK membership of the EU.
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### Table X.1  Cameron’s ‘New Settlement’ demands and Key Outcomes

<table>
<thead>
<tr>
<th>Cameron’s demands (November 2015)</th>
<th>European Council outcome (February 2016)</th>
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| **1 Economic governance** | • The development of the eurozone must not be allowed to compromise the integrity of the single market or the legitimate interests of non-members of the eurozone  
• A series of ‘legally-binding principles’ safeguarding the operation of the EU ‘for all 28 Member States’  
• A safeguard mechanism to ensure the principles are ‘respected and enforced’  
• Involvement in closer eurozone integration to be voluntary for non-eurozone member states  
• Mutual respect between Eurozone and non-Eurozone member states on the development of the eurozone and of the single market  
• Mechanism for referral to Council or European Council of ‘reasoned opposition’ to measures |
| **2 Competitiveness** | • An increased commitment to and action on competitiveness, so essentially less of regulatory burden on business and greater efforts to realise the free movement goods, services and capital  
• Declaration on exploiting fully the potential of the single market and on better and less regulation |
| **3 Sovereignty** | • A ‘formal, legally-binding and irreversible’ UK opt-out from ‘ever closer union’  
• A veto over unwanted legislative proposals for groups of national parliaments  
• Confirmation that EU institutions would continue to respect UK opt-out/opt-in arrangements concerning justice and home affairs matters  
• Commitment to subsidiarity ‘fully implemented’  
• Agreement that the UK is not committed to further political integration and that references to ‘ever closer union’ do not apply to the UK  
• Enhanced powers for national parliaments collectively to block legislative proposals unless concerns are addressed  
• Declaration on subsidiarity implementation and burden reduction |
| **4 Migration** | • A crack down on the abuse, especially by criminals and fraudsters, of free movement  
• Four year qualifying period for EU migrants for in-work benefits or social housing  
• An end to sending child benefit payments overseas  
• Proposed legislation limiting abuse of the right to free movement  
• Seven-year ‘emergency brake’ period in which new EU migrants’ access to in-work benefits, primarily tax credits and housing benefits, is restricted for the first four years  
• Child benefit payments overseas to be index-linked to the standard of living in the member state where the child lives |

Sources: Cameron (2015), European Council (2016b)
<table>
<thead>
<tr>
<th></th>
<th>Remain</th>
<th>Leave</th>
<th>Turnout</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>%</td>
<td>Total</td>
</tr>
<tr>
<td>England</td>
<td>13,247,674</td>
<td>46.6</td>
<td>15,187,583</td>
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<tr>
<td>Northern Ireland</td>
<td>440,707</td>
<td>55.8</td>
<td>349,442</td>
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<td>Scotland</td>
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<td>62.0</td>
<td>1,018,322</td>
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<td>Wales</td>
<td>772,347</td>
<td>47.5</td>
<td>854,572</td>
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<tr>
<td>Gibraltar</td>
<td>19,322</td>
<td>95.9</td>
<td>823</td>
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<tr>
<td>Total</td>
<td>16,141,241</td>
<td>48.1</td>
<td>17,410,742</td>
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Source: Electoral Commission (2016)