

10 provocations about Brexit

written by Clive Bates | 20 June 2016



I'm off on holiday before the EU referendum - but here's my take on why to vote Remain in ten provocations. A longer, more analytical view [here](#).

1. Answering the right question. The question is not “do I like or dislike the EU?”. It is “should UK leave or remain in the EU?”. The actual question requires us to consider the alternative and if choosing it would make life better or worse for ourselves and others. I strongly believe life would be worse in terms of economy, politics, security, culture and democracy - and the last few weeks of debate have only strengthened that view. The logic of “I dislike the EU so I think we should leave” is superficially appealing but dangerously naïve. Leaving means abandoning things that are highly beneficial to the UK, with no real idea of what will replace them and a high likelihood that the alternatives will be *much* worse.
2. Economy. There is near universal agreement among economists that there would be a serious economic penalty driven by a loss of confidence, trade barriers, reduced inward investment and uncertainty lasting many years (for example see the views of [12 Nobel Prize winners](#) and the [Institute of Fiscal Studies](#) and economic institutions like the [Bank of England](#) and [IMF](#)). The debate is about the severity and persistence of economic harm, not whether Brexit will be harmful. Any savings in payments into the EU budget would be small and be offset by losses in tax revenue and unemployment costs due to economic damage, combined with continuing payments to those who already receive them from the EU, such as

farmers, scientists and deprived areas, and (probably) some continuing payments to the EU for access to the single market and participation in programmes.

3. Governance. Leave will not mean “taking back our country” but placing ourselves in weakened power and trading relationships with the EU itself and other major trading blocks, while weakening the EU too. No wonder the [Kremlin likes the idea](#). We are not ‘ruled from Brussels’ or controlled by foreigners - this is rhetorical garbage that fails on first contact with reality. On some issues, we participate in joint decision-making with other member states to get things we jointly want - like a single market or a pan-European system of environmental protection - and often we get things we, the UK, *really* wants from this co-operation. It is far from perfect, but we should stay and improve it.
4. Democracy. Will leaving the European Union achieve *anything* the Leavers want? If we adopt the model that does the least economic damage - the Norway model - by joining the European Economic Area (if they will admit us), we will be required to comply with European Union legislation related to the single market, pay into the EU budget and accept free movement of people (intra-EU migration) - but we will have no say in EU decision-making. We will have no place on the European Council, no MEPs and no Brits will be in influential positions in the European Commission. The EU would lose our more sceptical moderating influence while our departure rebalances the EU institutions to be more federalist, interventionist and anti-scientific than now. The argument that Norway only implements ~20% of EU legislation is a non-sequitur mainly to do with the vast rule system of the CAP, which Norway is not part of. Norway has to implement all EU single market regulation, and not just for its exports to the EU. Norway’s view from its [2012 assessment](#) of its position is:

Democratic problems

The most problematic aspect of Norway’s form of association with the EU is the fact that Norway is in practice bound to adopt EU policies and rules on a broad range of issues without being a member and without voting rights

5. Foreign relations. “In is in. Out is out” [said](#) Wolfgang Schäuble, Germany’s Finance Minister. European leaders are wise enough not to

threaten British voters too overtly during a referendum, but that doesn't mean there is no threat. We really can't count on the other member states to make our life easy following a leave decision - they have strong incentives to do the opposite, to make it painful or humiliating *pour encourager les autres*. So all those assuming that we'll be effortlessly admitted to the EEA or that the interests of Mercedes and BMW will prevail shouldn't be so confident. The member states don't have to agree to *anything* and all 27 have to agree to something other than nothing. They can let the clock run down for two years and we default to trading with the EU on WTO terms. We'd also lose all the EU's trade agreements with third parties and revert to adverse trading relations with them too. The President of the United States has stated his concerns and given a [blunt message on trade relations](#), former US National Security Advisers are [advising against leaving](#), while former NATO Secretaries General urge solidarity not fragmentation: [At a time of global instability, Britain needs to stand united with its EU allies](#).

6. Business. Can anyone explain how Leave helps businesses, and by extension employment? The Confederation of British Industry is [clear](#) that it won't. Many of the largest employers in Britain either trade extensively with the EU or are part of industry supply chains that are organised at EU level - businesses like Toyota, Rolls Royce, Airbus or the major players in the financial and business services sector. How does it help them to have a lengthy period of uncertainty, trade barriers with the rest of the EU and barriers to moving skilled staff around? How are smaller businesses helped by losing the government's voice in determining EU regulation that is likely to apply to them? A vote for Leave is a vote for someone else to lose their job - a burden that is more likely to fall hardest on the disadvantaged parts of Britain. I liked this article by Richard Branson on his business-focused view of the case to remain: [If you vote Leave, you won't kick the establishment in the b***s... you'll shoot yourself in the foot](#).
7. Migration. However you look at migration, leaving the EU won't help. I'm in the camp that thinks that we benefit tremendously from intra-EU migration and that young hard-working Europeans coming to Britain has given us a terrific economic and cultural edge. Migrants create new economic activity, add to overall productivity, pay taxes and spend money - creating other jobs. They contribute to public services, underpin the

NHS and reduce the dependency ratio in the UK. Migration is not without its problems but these can be addressed rather than used as a reason to close it down. It's nonsense to say we do not control our borders (I've just come from a UK Border Agency queue at Heathrow) and co-operation with EU partners is the best way to track and control the movement of dangerous people or criminals. For those who don't like migration, please bear in mind that our most likely post-Brexit situation is an arrangement with the EU that maintains free movement of people (i.e. in EFTA/EEA).

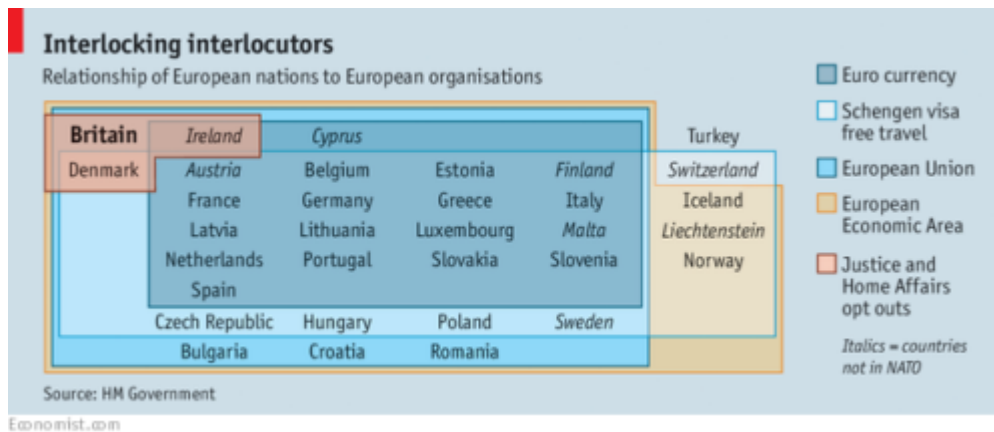
But even if we refuse to agree to the free movement of people within the EU, think of the reciprocal consequences for the UK citizens currently living overseas and for UK citizens who may want to work, study or retire elsewhere in Europe in the future. Our responsibilities to refugees or asylum seekers are humanitarian and governed by international conventions, though there would be more dignity in the European Union taking a collective and equitable approach to its member states' responsibilities.

8. Regulation. What is all this regulation we allegedly don't want? When the UK government reviewed the entire body of EU regulation to inform its renegotiation with the EU ([Balance of Competences Review](#)), it hardly found anything to complain about. Much of it is standard-setting, which is necessary and efficient in a single market and if we didn't do it at European Union level we'd be doing it domestically (just as Norway has extensive agriculture regulation in domestic legislation because it doesn't participate in EU agriculture or fisheries policy). To reiterate, the most likely model of Brexit involves agreeing to all single market regulation anyway, though without any say. The most important regulatory or performance issues in the UK are home-grown, notably the planning system and its effect on housing, the processes for delivering infrastructure, energy and climate change policy, the performance of the schools and university system, the problems of deprived communities and long-term unemployed, social mobility etc. [For readers interested in why the Tobacco Products Directive is so bad, I've discussed the why Brexit will make things worse, the culpability of the UK government and positive role of the European Parliament [here](#).]
9. Reform. It is often said that the European Union is beyond reform. This is untrue, both looking backwards at past reform and looking ahead to what is possible. There is a lot the UK could do acting unilaterally - just by

abandoning the sloppy business of deal-making, and instead being really rigorous about applying the main principles governing policy-making in the European Union. It should encourage others to do the same and be willing to test these principles in court. I call this a 'policy of non-capitulation in Europe' and if we took this seriously we would have an EU that does what it should be best at - free trade with a high regard for the wider public good, not just a race to the bottom.



But a bolder reform agenda is also achievable - it just needs determination and guile. The UK public is not alone in its concerns that the EU is a remote, aloof and elitist project that is disconnected from its citizens. There is scope for a coalition of North Europeans - Netherlands, Sweden, Germany, Denmark, the Baltic states - to press a reform agenda. But that needs UK leadership, not a retreat. I don't believe the 'ever-closer-union' idea is workable. The future is 'variable geometry', just as it is [now](#). We aren't in the Eurozone or Schengen visa area, and we have opt-outs from aspects of security, justice and human rights policy. This diagram from *The Economist* shows it nicely.



10. The greater good. It doesn't have many defenders and kicking Brussels is fashionable, but I'm going to say it: overall, the EU is a force for good in Europe and in the world, even if incredibly infuriating at times. Given Europe's blood-soaked history, we should never take peace and prosperity as a given, and I believe the EU does much to underpin it in Europe. The incorporation of the Central and Eastern Europe states is one of the great political achievements of the present era and I hope it extends to the Balkans and further east and south. The single market has boosted prosperity and brought us closer politically. The free movement of people brings more than just labour market benefits, it brings tolerance and understanding. Through its diplomacy and political engagement, the European Union and its member states promote liberal values, democracy and human rights throughout the world - and do this effectively by acting together.

Taking the vote seriously

The referendum vote is far more important than any general election and I hope people will take it seriously because jobs, prosperity, democracy and freedoms are on the line. It will not be reversible for many years, if ever. It's a decision about a long-term adjustment to UK's position in the world, and that needs the most careful attention and sobriety.

Please do read through the arguments before voting: *The Economist* has the best collection of reality-based accessible material in its series of [Brexit Briefs](#), closely followed by the *Financial Times* [Brexit Hub](#). The best newspaper editorial I've seen is *The Times*: [Remaking Europe](#) - a serious assessment of the good and the bad with a sceptical take on the claims of advocates on both sides, combined with

a passionate case for the UK to lead a movement of pragmatists for reform. Also, please watch a great lecture by a legal and constitutional expert, Professor Michael Dougan, on the EU discussing sovereignty, power, trade agreements etc. Terrific clarity.

I don't want to dwell on the opportunists and political hucksters leading the push for Brexit - but for a better, more acerbic, account than I could ever do, please see Nick Cohen's searing critique of the wannabes behind Leave: [Take your country back from those who seek to destroy it.](#)

Vote well!