Brexit: a Certain Idea of Europe

By Jonathan Story

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The reasons for the result of the UK’s June 2016 referendum reveal nothing we didn’t already know. They have to do with the development of British society and political debates particular to the UK. This points to a fundamental difference in the conception of the nature and objective of the European construction. The United Kingdom hasn’t been the naughty student of the European class as it has often been described. However, its heritage and culture mean that it favors an idea of a Europe in which sovereignty remains within the states.

The result of the June 23, 2016 referendum as to whether the United Kingdom (UK) should remain in or leave the EU seems final enough. On a 72% voter turnout, 52% voted for Leave and 48% for Remain. Yet the vote also showed a disunited Kingdom that rediscovered its four-hundred year old constitutional settlement. London, Scotland and Northern Ireland voted heavily to remain. The rest of the UK voted solidly against.

What follows is an assessment of why the Remain camp lost, the longer-term forces at work, the UK’ reputation as an awkward partner, and finally the more fundamental, constitutional questions arising from the June 23 vote, and their implications for Europe.

Remain loses

At different times on the day of the referendum, both sides thought they had won.¹ Yet in February, when Cameron launched the campaign, he had

good reason to believe that he could win.\textsuperscript{2} Remain enjoyed a 60:40 lead in the polls. He had won two general elections, and the referendum of 2014 on Scottish independence. At his disposal was the Downing Street machine, Whitehall, the Cabinet and junior ministers. Most of the Tory party were either Remain or lukewarm about Leave. Remain enjoyed the backing of the EU, the Confederation of British Industries (CBI), senior civil servants and the heads of foreign governments. The Remain camp had access to vast amounts of electoral data, plenty of funding and top class PR. The economy was humming.

The deal he brought home seemed acceptable, confirming the UK’s status as in the EU, but not in the single currency. True, the image of the EU in the UK was much worse than at the first referendum in 1975. But it was not good in other member states either.\textsuperscript{3} On balance, the Prime Minister thought that he could sell the package to the public, and that the advice from the civil service to accept what was on offer was sound.\textsuperscript{4}

The UK, it was agreed, would not create obstacles to a further deepening of monetary union; if 16 national parliaments objected to a draft EU legislative act, the other member states in the Council could consider the matter. Some minor concessions were granted on EU immigrant access to UK welfare benefits. But there was no concession on immigration: both Paris and Berlin insisted that free movement was a founding principle of the EU, and inviolable. Furthermore, President of the European Parliament, Martin Schulz, declared that even if the UK voted Remain, there was no guarantee that MEPs would not amend the deal.

This was the central issue on which the mayor of London, Boris Johnson, broke with Cameron. Johnson was joined by another senior Conservative figure, Michael Gove, whose stepfather, a Scottish fisherman, had been driven out of business by the Common Fisheries Policy (CFP). Both were formidable debaters. As Johnson said in a speech in Manchester: “We (the UK) are locked in the back of a minicab with a wonky satnav driven by a driver who does not have perfect command of English and going in a direction, frankly, we don’t want to go.”\textsuperscript{5}


\textsuperscript{5} M. Emerson (ed.), “Britain’s Future in Europe: Reform, Renegotiation, Repatriation or Sécession?”, Brussels, CEPs, 2015, available at: <www.ceps.eu>.

\textsuperscript{5} T. Shipman, \textit{All Out War: The Full Story of How Brexit Sank Britain’s Political Class}, op. cit., p. 225.
When Cameron presented the deal in the House of Commons, the mass circulation daily, *The Sun*, headlined “Who do you think EU are kidding?”\(^6\) The Prime Minister then launched “Project Fear” to reinforce voters’ preference for the status quo as the least risky option. But the electorate did not appreciate threatening statements by the US and French Presidents, made in the presence of a smiling Cameron; ridiculed Remain’s claims that Leave would trigger World War III, and binned Chancellor George Osborne’s assertion that Brexit would cost each household £4,300 by 2030. Nonetheless, until the last few weeks, opinion polls recorded a small but steady Remain lead.

**Three forces at work**

The Leave camp had three forces working in its favour, that combined to undermine the EU’s reputation as a force for progress.

The first factor was the longer term weakening of the Labour party’s industrial working class base. At the time of the Conservative party victory in the April 1979 election, the manufacturing sector represented 28% gdp, and accounted for an overwhelming share of foreign exchange earnings. By 2015, manufacturing, at 10% of gdp, sent 47% of output to EU markets, down from 60% in 2000. London ranked as the world’s prime financial market location; the UK had a thriving entrepreneurial culture; it ranked among the world’s top ten most business friendly territories. Given the EU’s continued reluctance to liberalise financial services, only one third of the City’s earnings came from the EU. The main source of income was global. The UK, too, hosted about 1.24 trillion Euros of inward direct investment, about half from other members of the EU.\(^7\)

The flip side of London’s global success has been that the rest of the UK languished. By 2016, the South East of England had per capita income 160-180% above the EU average, and was home to 27% of the UK population.\(^8\) By contrast, citizens in the rest of the UK had per capita income well below the EU average.

The Blair government had sought to address the problem of regional development by across-the-board devolution. But the referendum in November 2004 for an assembly of North East England was rejected in

\(6\). “Who Do EU Think you Are Kidding Mr Cameron?”, *The Sun*, February 3, 2016.
a massive 78% to 22% vote. Here was a clear warning to Labour that it could not take its traditional working class bastions for granted. The party then lost the London mayoralty in 2008. Labour held 56 Scottish seats in Westminster in 1997, but returned only one MP to the 56 for the Scottish Nationalists in 2015. The June 23, 2016 vote saw Labour split between a pro-Remain parliamentary party, and a working class base that was overwhelmingly Leave. A poll taken on June 23 showed that the poorer you were, the more you tended to vote Leave.9

The second, and related factor was immigration. The Blair government espoused a radical ideology to convert the UK into a multi-racial country.10 Between 1998 and 2016, non EU net migration exceeded net migration from the EU in every single year. Over the whole period, non EU net immigration stood at 3.7 million, with net EU immigration at 1.5 million. By 2015, the foreign born population stood at 8 million, and accounted for 85% of the net population growth. The most notable change was in London, where the “white British” population was down to 45% in the 2011 census, from 60% in 2001. This trend interpreted into the sharp rise in the fortunes of the anti-open doors and anti-EU UKIP.

By 2015, the electorate’s top concern was immigration. Seventy five per cent of those interviewed considered that immigrants should embrace the British way of life; 79% thought that Muslims should make a special effort to state their allegiance to the country.11 Sir Trevor Philips, the son of West Indian parents and former chairman of the Commission for Racial Equality, reported in 2016, that Islam was becoming a “nation within a nation”.12

Nigel Farage, the UKIP leader, knew what he was doing when he gave priority to immigration as a catch-all strategem that conflated European immigration, wage competition, pressure on public services and Islam: as a member of the EU, the UK’s immigration policy for Europeans was set in Brussels, so little could be done to stop the inflow from the EU. His premise was borne out in the June 23 vote: the first reason for voting Leave was to “take back control”; the second was to control immigration. White voters

and Christians voted 53% and 58% respectively to Leave; Asians, Black voters and Muslims voted 67%, 73%, and 70% respectively to remain. Race, religion and culture were definitely ingredients of the result.

Third, the global financial crash of 2008 slammed the reputation of élites. These were the “masters of the universe”, who had preached free markets, but had rushed to be bailed out at taxpayer’s expense at the first sign of trouble. Self-proclaimed “experts” had botched regulation, and made rubbish predictions. Among their patrons were the Big Beasts of British politics, who had backed EU membership for the past forty years. Then came the Euro crash in 2010, and the fall out between Germany and France on how to proceed. France, with the southern European countries, argued in favour of a joint Euroland insurance of debts; Germany insisted on no bail outs. The result has been to precipitate Euroland into recession for seven long years; sky high unemployment, the rise of “populisms”, and the revival of national antagonisms, the very opposite to the EU’s intent.

Defending the EU during the campaign was thus an uphill struggle. There was much to criticise, and less to celebrate. Brussels forever spoke of “the rule of law”, but the EU’s own rules were permanently being bent over budget deficits, and the permitted size of current account surpluses. For decades, the EU’s own budget had not been signed off by the organisation’s Court of Auditors. The EU had engineered the defenestration of Prime Ministers, and kicked Greece when it was down. Not least, Europe stagnated while the world boomed.

**Awkward partner**

The UK’s reputation as an awkward partner in the EU is only partly justified by experience during the forty years of its membership. Over that time, the UK remained an active and influential pro market member state in the EU. On major issues, it did more to promote the growth of the EU than to impede it.

- Prime Minister Edward Heath, the architect of the UK’s entry to the EEC, signed the UK up to the full integrationist agenda.
- The June 1975 referendum on the Common Market was won by a resounding 65% of the vote in favour of staying.

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15. House of Commons, Voting Behaviour in the EU Council, SN/1A/0646.
– In 1977, Roy Jenkins, a senior Labour pro-EEC leader, took the post offered him as President of the Commission, where he helped to lay the groundwork for a return to negotiated exchange rates, for enlargement to Greece, Spain and Portugal, and for market liberalisation.

– In 1985, Prime Minister Margaret Thatcher accepted the wider use of majority voting in the Council of Ministers, and appointed Lord Cockfield to head the “1992” market opening strategy, under the Commission presidency of Jacques Delors.

This active membership was initially less equivocal than the commitment of the other two large member states, France and Germany. Section 2 of the 1972 European Communities Act (ECA), asserts that EU laws over-ride national laws where they conflict, and that Whitehall has the powers to give effect in national law to EU law via secondary measures.\(^\text{17}\) This corroborated the interpretation of the Rome Treaty by the judges of the European Court of Justice (ECJ), in the course of the 1960s, that EEC law took direct effect over national law and even had supremacy over the constitutions of the member states.\(^\text{18}\) By contrast, Germany’s Constitutional Court only came round to conditional acceptance of the ECJ’s position in 1986. The French Conseil d’État accepted the doctrine in 1990, also conditional on other provisions of the French constitution.

But Heath and his successors never succeeded in winning over the British public to the cause of European integration.\(^\text{19}\) Heath had himself asserted that EU membership did not entail “an erosion of essential national sovereignty”,\(^\text{20}\) – and he was correct, but not in the sense that the British public understood his words. It was true that the British parliament’s sovereign powers sanctioned EU supremacy, but the result was to distort the fundamental constitutional settlement that underpinned the country’s unwritten constitution, which had been carefully negotiated in the years 1689 to 1707, (the year of the union between Scotland and England).

The Glorious Revolution of 1689 laid the foundation for the constitutional monarchy. It was predicated on the idea of an executive power accountable to the electorate, and constrained by common law, trial by jury, and by habeas corpus. Many of these conventions ran directly contrary to the notion of laws and directives imposed from outside the UK, over-riding UK courts and Parliament on a daily basis.

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The full implications of what Heath wrought took nearly two decades to become evident. He lost office in early 1974. For five years, Labour presided over a stagnant and high inflation economy, lost the general elections of May 1979, and stayed in opposition for 18 years. Margaret Thatcher entered 10 Downing Street, determined to revive the country’s fortunes. This entailed harsh economic measures at home; she sent the British fleet 6,000 miles to south Atlantic, ending with the return of the Falkland islands to British control. In the EEC, the Prime Minister battled to reduce the UK’s budget contribution, which was finally settled at the Fontainebleau summit of summer 1984. For her pains, she was re-elected with massive majorities in 1983 and again in 1987, as a transformed economy began to boom. A more bombastic press heralded the resurgence of a transformed and patriotic culture.\(^{21}\)

Over the same period, however, French policy, was moving in a contrary direction to revive Jean Monnet’s vision of an integrated Europe. Chancellor Kohl was a committed European federalist, and ready to oblige. To Delors, the internal market was a step on the way to United States of Europe (USE). Much as senior Whitehall officials shared his ambitions for political union,\(^{22}\) the British public most definitely did not. Nor did their Prime Minister.

The rift between Delors and Thatcher came to the fore in the years 1988 to 1992. When Delors forecast that within a decade, 80% of legislation would come from Brussels, Prime Minister Thatcher uttered her famous “No, no, no” in the House of Commons. Within a few days, she was politically defenestrated by a broad coalition of Delors’ supporters in London and across the EU. Conservative party unity shattered. Members of parliament hostile to the Delors’ vision formed the Bruges Group, named after Thatcher’s speech to the College d’ Europe, calling for a “Europe des patries”. The Maastricht Treaty, laying the foundations for monetary union, spurred the creation of UKIP.

The full implications of EU membership for the UK became clear when the ECJ struck down an Act of Parliament, the 1988 Merchant Shipping Act, as incompatible with EEC/EU law. As Lord Denning, a former senior judge, stated: “No longer is European law an incoming tide flowing up the estuaries of England. It is a tidal wave.”\(^{23}\) Subsequent developments

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validated Denning’s assessment. In 1998, the Blair government incorporated the Human Rights Convention of the Council of Europe into British law. In response to Conservative party calls for the UK to withdraw, Judge Dean Spielman, the President of ECtHR, warned that the UK could not withdraw from the Convention on Human Rights without jeopardising its membership of the European Union.

The UK, though, did stand aside from monetary union, and from the Schengen accords on free movement of people, while other member states simply sidestepped Cameron’s efforts to block the 2012 Fiscal Compact. The occasions when the UK was voted into a minority on the Council of Ministers rose sharply in the years 2009-2015.

**Two ideas of Europe**

“The case for Europe remains rooted”, former Prime Minister Blair stated in his Brexit speech at Bloomberg, “not in understanding the past but the future.” All over the globe, “to maintain strength and influence, to defend their interests adequately, nations of our size will cooperate based on proximity.”

This was the case that Prime Minister Harold MacMillan advanced to the House of Commons in 1961 in proposing to join the EEC. Through the “pooling” of sovereignty, British influence would be augmented on the world stage.

But as the great Anglo-Irish statesman, Edmund Burke reminds us, you govern by political consent. This is the key ingredient of EU governance that is missing not just in the United Kingdom, but also in other member states (and has also been absent in other EU member states, most notably in France, the *fons et origo* of the supra-national European project.

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The British position for a sustainable regime for Europe has been advanced by at least two Prime Ministers in recent years, and it contrasts strongly to the UK’s official embrace of supra-nationalism. In her Bruges speech of September 1988, Thatcher outlined a Europe based on “willing and active cooperation between independent sovereign states”, a more united Europe “which preserves the different traditions, parliamentary powers and sense of national pride in one’s own country; for these have been the source of Europe’s vitality through the centuries.” 31 A quarter of a century later, Cameron, in his Bloomberg speech of January 2013, 32 argued for an EU “of free member statues […] (whose) national parliaments are […] and will remain, the true source of real democratic legitimacy and accountability in the European Union”.

In the Brussels, Paris and Berlin of January 2013, such a Europe was not on offer. Following the 2010 Euro crisis, a consensus emerged that the only option was for deeper integration. There could be no going backwards to national currencies. That meant securing the future of the Euro; imposing fiscal virtue on all through the EU’s Fiscal Compact; moving to an EU federation; and a programme that envisaged deeper financial, fiscal, and political union in the Euro area by 2017, and full union by 2025. 33 In October 2015, President Hollande and Chancellor Merkel both addressed the European Parliament in a show of solidarity for “more Europe”. 35 “If (you) don’t want a stronger Europe,” Hollande said in reference to the UK, “the only possible path is simply to leave Europe.”

These two visions of Europe, the one a British version of de Gaulle’s L’Europe des patries, and the other a USE, have been present at least since the Hague conference of 1948. What both share is to ensure peace and prosperity among Europeans. Where their disagreements have become strained is over the means to do so. Which format is the more likely to deliver the ambition?

To answer that, let us define Europe as a dynamic whole, marked by four distinct, but related, features.
1. Europe has a shared cultural inheritance from Greece and Rome, the

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32. See on: <www.gov.uk>.
34. See on: <https://ec.europa.eu>.
now distant roots of a sense of Europe as Christendom, the rediscovery of the ancient world in the Renaissance, and the shattering of European unity under Pope and Emperor with the first Brexit of Henry VIII in 1528. As Ralph Dahrendorff wrote, when Europeans meet outside of Europe, they know instinctively they are from the same civilization.36

2. Europe is a mosaic of interdependent peoples and states adhering for the first time in centuries to common precepts of legitimacy (constitutional government, rule of law, freedom of expression), but in practice highly differentiated by language, religious sensitivities, historical myths, as well as tax systems, economic activities and national structures.

3. Diplomacy between the sovereign states is Europe’s politics. The substance of that diplomacy may be about trade and welfare, but because EU states are recognised sovereigns on the global scene, international diplomacy between its member states and their diverse external partners remains an integral part of intra-European politics.

4. Fourth, there are at least two components to this diplomatic system. The first was put in place by the governments of Prime Minister Attlee (1945-1951), supporting the vision of the United States, and was predicated on the creation of multilateral organisations. It was entirely consistent with the British constitutional tradition. The second was advanced in 1950 by the French government for a coal and steel community (ECSC), also supporting the vision of the United States, and focussed on creating binding supra-national organisations. The ECSC is the ancestor to the defunct EDC, the Euratom, and the Rome Treaty, with its subsequent development through the Maastricht Treaty of 1992, and the Lisbon Treaty of 2009.

The guiding idea of this supra-national vision is that nationalism caused the wars of the first part of the century, and hence that nation states should be subsumed into a large entity, a USE. It is this model which is in crisis (not the model based on multilateral organisations of sovereign states).

Jean Monnet, the founding father of the EU, considered in the light of his experience from two world wars, that the crowds of democracy had to be kept at bay, tamed, and their enthusiasms channelled. That could best be done by élites from member states gathering in enclave to settle complex business in the European interest. The pre-1939 British Liberal élites were in entire agreement.37

There are a number of foundational flaws in this design. First, as more and more legislative powers accrue to EU institutions, member state powers have been hollowed out, without the EU gaining in legitimacy, while voters’ rights to sanction legislators have been seriously impaired. Second, the collectivity of the EU grasps for an ever wider spectrum of competences, despite promises to ensure “subsidiarity” (bringing decisions close to citizens) and despite inadequate means to implement an ever wider pallet of policies. Third and most important of all, most European citizens remain firmly national or even local/regional in their loyalties. As recorded in the Commission’s own publication, Eurobarometer, 2% of EU citizens view themselves as “Europeans” only, with a scant 6% regarding their European identity as more important than their national identity.

As the late Peter Mair has pointed out, the EU does not do opposition. Member states do, though. Their constitutional democracies institutionalize public debate, often involving fierce differences in opinion, expressed in parliaments, in the media, through the regular drumbeat of electoral battlegrounds where opponents gather their armies to capture office, if not power, in the hope that they can implement their particular programmes and sanction them in the name of the national interest.

It is this gap between the turbulent democratic politics of member states, and the supranational/federal ambition to create a USE in an apolitical space, that has opened wide in the years following the financial crash of 2008, followed by the Greek drama of 2010, the European depression, mass immigration and the vote for Brexit on June 23, 2016.

Two forces are at work here:
- the dynamic of globalization, taking protean shape from multinationals, to global terror and social media, exerts constant but differentiating impact on European societies;
- at the same time, there are the ever more urgent demands from within member states that their citizens should have a greater say in shaping public policies.

The UK is no exception to the workings of such pressures. However, what was specific to the vote of June 23 was the British public’s rediscovery of its own constitution. The High Court and Supreme Court

judgements (November 2016; January 2017) confirmed that only an Act of Parliament, not decisions by the executive, could overturn the Act that took Britain into the EEC. As Lord Neuberger stated, “To proceed otherwise would be a breach of settled constitutional principles stretching back many centuries.”

The forty-three years of British membership in the EU incubated a constitutional crisis. Entry according to the terms of 1972 European Communities Act helped to further centralise power in Whitehall, and to bypass parliament. But this was at odds with fundamental constitutional principles, and in turn undermined support both for the United Kingdom and for the EU. As Prime Minister May points out in her 12-point speech on Brexit.

“… Parliamentary Sovereignty is the basis of our unwritten constitutional settlement. The public expect to be able to hold their governments to account very directly, and as a result supra-national institutions as strong as those created by the European Union sit very uneasily in relation to our political history and way of life.”

For Britain’s European partners, the vote of June 23 stands as a warning that the European project can only flourish if national democracy is placed at its heart. At present, the EU’s direction of travel is progress towards a federal endgame. In the UK, as in other member states, there is minimal support for this programme.

That is why the option of a European alliance of constitutional sovereign states, remains on the table whatever happens in the forthcoming negotiations. It is inherent to the complex realities of Europe in a way that a federal endgame, or the present muddle-in-the-middle, is not.

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