

BREXIT: WHY AND HOW IT HAPPENED

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The UK woke up on 24 June 2016 having made its most important political decision for a generation, and perhaps since 1945. For good or ill, the Leave victory in the referendum on the UK's membership of the European Union (EU) will affect the country for decades to come, having an impact on the UK's economic performance, its constitutional arrangements (including the future of the Union), its national identity, how it relates to the rest of the world, and much else besides. By comparison, the decision in 1972 to join what was then the European Community (EC) was of relatively minor significance, so radically have the implications of EC/EU membership changed since that time.

But why and how did the UK come to leave the EU? Was Brexit something that was impelled by deep, even irresistible, forces, stemming maybe from a fundamental mismatch between the nature and priorities of the UK and those of the EU? Or did Brexit happen almost by accident? Was it, at the end of the day, a consequence of blunders and miscalculations? These questions are best explored by examining the longer and shorter term factors associated with 'Brexit'.

LONGER TERM FACTORS

Despite the impression given by the referendum, political events of this scale do not happen overnight. The story of Brexit goes back to major developments during the 1980s and 1990s, but its origins can, arguably, be traced back much further. Key longer term factors affecting Brexit include the following:

- The UK's 'awkwardness' over Europe
- The deepening process of European integration
- Europe's entanglement with the issue of immigration.

The UK's 'awkwardness' over Europe

Within a decade of joining the EC, it had become commonplace for the UK to be dubbed the organisation's 'awkward partner'. This image was established by Margaret Thatcher's battles over the UK's budget contribution during the 1979-84 period, and was later consolidated by the 'opt-outs' the UK sought, and won, from the Social Charter and the single European currency (although the former was later reversed). Some nevertheless argue that the UK's 'awkwardness' over Europe has deep historical roots, possibly reflecting the fact that the UK has always struggled to come to terms with its identity as a 'European' power. A number of explanations have been advanced for this:

- A sense of separateness from Europe may have been inculcated by cultural and historical factors that long pre-date the integration process in Europe. These include UK's traditionally global (as opposed to continental) foreign-policy orientation as an imperial power; the strength of the UK's politico-cultural links to the Anglophone world (the USA and the 'old' Commonwealth); and the possibility that, being an island nation, the UK may have an island mentality (typified by the idea that 'Europe starts at the Channel').
- Whereas the 'original six' states that formed what was then the European Economic Community in 1957 (Belgium, France, West Germany, Italy, Netherlands and Luxembourg) had each been either defeated or occupied during WWII, the UK emerged from the war believing itself still to be a world power, ranking alongside the USA and the Soviet Union rather than continental European states. This helps to explain why the UK rejected the invitation to join the EEC at its inception.
- When the UK joined the EC (as it had been retitled) under the Heath government in 1973, it joined an organization whose processes and power balances were already well established. This particularly applied to the axis between Paris and Berlin, which has always been the key strategic driving force within the body, and had established a vital trade-off between French agricultural interests and German industrial ones. The UK therefore only had a limited ability to reshape the EC around its own needs and priorities.

- As only two UK governments – the Heath Conservative government and the 1997-2008 Blair Labour government – have adopted a clearly pro-European stance, the UK public has only rarely been exposed to a case in favour of EC/EU membership based on the advantages that flow from integration.

The deepening process of European integration

The first of two key issues emphasised by the Leave camp during the 2016 referendum campaign was sovereignty, usually expressed in the idea of 'control' and particularly the slogan 'Let's take back control'. Such a stance was based on the belief that the EC/EU had somehow 'changed the goalposts' since the UK joined the organisation, a body designed to promote cooperation among sovereign states having supposedly developed into a European 'super-state'. Leaving aside concerns about the rhetoric used here, it is difficult to deny that the EU of 2016 differed markedly from the EC of 1973. The first decade of the UK's membership of the EC was characterised by inertia and disappointment as far as the integration agenda, implicit in the 1957 Treaty of Rome, was concerned. This, however, changed due to three developments:

- The Single European Act (SEA), adopted in 1986, committed the EC to the construction, by January 1993, of a single market in which goods, services, capital and people would move freely. It also entailed, however, the narrowing of the national veto in the Council of Ministers and the wider use of qualified majority voting (QMV). As this meant that even the largest state could be outvoted in a wider range of policy areas it implied that national sovereignty (at least in its conventional sense) was being circumscribed. The creation of a single market also strengthened the executive branch of the EC, European Commission.
- Such shifts were compounded by a growing recognition that European law supersedes national law in areas where the EU has 'competence', creating further concerns about sovereignty. In the UK, this was established by the so-called Factortame case of 1988, in which the High Court and the House of Lords each ruled that the Merchant Shipping Act was incompatible with 'higher' European law.

- The most significant step in the direction of integration nevertheless came with the TEU, which came into effect in 1993. Not only did the TEU mark the point at which the EC became the EU, and further widen the use of QMV, but it also included provision for the creation of a single European currency by 1999. The TEU was thus the most important European treaty since the Treaty of Rome.

Europe's entanglement with the issue of immigration

The second key issue highlighted by the Leave camp during the referendum campaign, seen by some as the decisive issue, was immigration. But how did immigration becoming a 'European' issue? How did the issues of Europe and immigration become entangled? This can be explained by the conjunction of two key developments:

- The first development was the establishment of free movement of labour across the EC/EU. Although the principle of the free movement is embodied in the Treaty of Rome, the emphasis on free movement as a practical issue grew in tandem with the idea of the single market. The SEA thus stipulated that, along with goods, services and capital, workers must be able to move freely within the single market. This stance was reinforced by the TEU, which designated the free movement of labour as one of the four freedoms enjoyed by EU citizens. This freedom includes the rights of movement and residence across the Union, the right to work and, within possible constraints, the right to claim benefits.
- The second development was the enlargement of the EC/EU. In the early decades of the organisation, the implications of free movement tended to be restricted by the fact that member states enjoyed broadly similar living standards. This, however, changed in 2004, with the accession of ten, mainly post-communist states, followed by Bulgaria and Romania in 2007 and Croatia in 2013. As these enlargements brought a slate of relatively less prosperous states into the EU, they stimulated migratory flows from eastern Europe generally to the more prosperous states of central and western

Europe, spurred by better employment prospects and the right of free movement. In the case of the UK, this meant that EU-only net migration rose steadily from an annual level of just tens of thousands before 2004, and reached 184,000 in 2015.

SHORTER TERM FACTORS

Even though longer term factors may have created a context that made Brexit possible, they did not generate irresistible pressure for the UK to leave the EU. Brexit did not occur as a result of a crisis in the UK's relationship with the EU precipitated by external events. What turned Brexit from being a possibility (and a seemingly remote possibility, at that) to a reality was a series of shorter term factors. The most important of these include the following:

- A referendum of choice
- The UK's 'renegotiated' membership
- A revolt of 'the left-behind'
- Other failings of the Remain campaign.

A referendum of choice

When, in January 2013, David Cameron committed his party to holding an 'in/out' referendum on EU membership by the end of 2017, he did so in the face of resurgent Euroscepticism on his backbenches. Not only had Euroscepticism on the Conservative backbenches grown, but it had also 'hardened', in the sense that more Conservative Eurosceptics, no longer satisfied with their leadership's policy of blocking further EU integration, had come round to supporting the policy withdrawal altogether from the organisation. In October 2011, 81 Conservative MPs (27 per cent of the parliamentary party) had thus defied a three-line whip in voting in favour of a Commons motion calling for a referendum on the UK's membership of the EU.

However, although burgeoning Euroscepticism had undoubtedly caused Cameron embarrassment, it by no means forced his hand over the referendum. Cameron's firm stand against an EU referendum in October 2011 had, after all, seen the rebel motion defeated by 483 votes to 111, with Labour support. Cameron's U-turn on the

issue was based less on the threat that the Euro rebels posed to him and the then-coalition government and more on the judgement that a commitment to hold an EU referendum would strengthen, not weaken, the position of the prime minister and the Conservative Party. The referendum, then, was a referendum of choice, a referendum of calculation. But what calculations drew Cameron to this conclusion?

- Cameron's main calculation concerned party management, and the need to restore the semblance of unity to a Conservative Party that appeared, once again, to be tearing itself to pieces over Europe. Cameron's expectation was that by making a major concession to the Eurosceptics – in effect, giving them what they had been demanding - they would come back into line and cease challenging his authority. If this was his calculation, it was probably a miscalculation. Rather than being conciliated, Conservative Eurosceptics were, if anything, emboldened by Cameron's U-turn, starting to manoeuvre to ensure both that the prime minister would keep his promise and that the referendum would result in their desired outcome. Such a reaction was strengthened by Cameron's announcement in March 2015 that he would not seek a third term in office, as this further weakened his authority over his party.
- A further calculation was that, by, effectively, stealing UKIP's central policy commitment, the party's electoral advance would be halted, increasing the likelihood of a Conservative victory in 2015 general election. On the face of it, the fact that UKIP won only a single seat in 2015 suggests that this strategy was successful. However, UKIP's advance was curtailed not by Cameron's referendum pledge but by the nature of the Westminster electoral system. UKIP, in fact, made dramatic progress in 2015 in terms of votes gained, its 3.9 million votes more than quadrupling its support since 2010, and making UKIP the third largest party at Westminster in terms of electoral backing.
- However, both of the above calculations would have been meaningless had Cameron not been confident that the referendum would endorse, not reject, EU membership, especially as Brexit was sure to end Cameron's political career and to dominate any judgement about his legacy. This confidence came from two main sources. First, the referendum campaign was expected

to be an unequal struggle between, on the one hand, virtually the entire political establishment, including the government, the leaderships of all the major Westminster parties, backed up by the bulk of senior economists, business leaders, trade union bosses and the like, and, on the other hand, UKIP and 'fringe' figures in the Conservative Party. Second, and despite an awareness that the EU was broadly unloved, there was the belief that, faced with the prospect of profound and irreversible change, the UK public would stick with 'the devil they know'. This, after all, appeared to be the lesson of the AV referendum and the Scottish independence referendum.

The UK's 'renegotiated' membership

From the outset, Cameron's strategy was not only to commit his party to holding an EU referendum, but to do so on the basis of a 'renegotiated' membership of the EU. This appeared significantly to strengthen Cameron's hand, because it gave him an opportunity to redress key concerns about the EU before the referendum took place, thereby undermining support for a Leave outcome.

The renegotiation process was duly completed in February 2016. Cameron's 'deal' with the EU contained four key elements: an 'emergency brake' on in-work benefits for EU migrants for four years; an adjustment to child benefit for migrants to reflect the cost of living in their country of origin; an exemption for the UK to the principle of 'ever closer union'; and protections for non-eurozone states from regulations made by the eurozone. However, this quest to win for the UK a 'special status' within the EU may have back-fired, creating more problems than solutions:

- By addressing areas of difficulty in the UK's relationship with the EU, the renegotiation tended to focus debate during the referendum campaign on negative issues (what was wrong with the EU) rather than positive ones (what the EU did well). At best, the renegotiation promised to make the EU look 'less bad'.
- The renegotiation process exposed Cameron to the criticism that, in order to secure EU agreement, his initial 'demands' had lacked ambition and forthrightness. For example, instead of seeking the power to restrict freedom

of movement, he sought to restrict migrants' access to benefits, despite the widespread belief that this would have limited impact on immigration, as most migrants came to work, not to 'live off benefits'.

- As there were inevitable gaps between the demands that Cameron made and what was finally agreed (such is the nature of negotiations), Cameron was also exposed to the criticism that the negotiations had 'failed', or that he had been 'rebuffed'.
- The process of renegotiation may have gone too smoothly. In particular, it lacked the drama and brinkmanship that perhaps was needed to convince political commentators, the press and the UK public that Cameron had succeeded to extracting substantial and meaningful concessions from the EU.

A revolt of 'the left-behind'

Confidence about a likely Remain victory in the referendum was, in part, based on a failure to recognise the significance of a growing body of voters in the UK. These were voters who had been 'left behind' by the advance of globalization, those who had lost out in a world of increasing mobility, widening inequality and accelerating change. Insofar as these 'left-behind' voters can be identified in demographic terms, they tend to be old, white, male, working class, less-skilled, less-well-educated, and they often live in the post-industrial towns and cities of England. Traditionally supporters of the Labour Party, such voters had, in growing numbers, either become non-voters, or been attracted to UKIP. This body of voters overwhelmingly backed Brexit in the 2016 referendum, perhaps tipping the overall balance in favour of a Leave outcome. How can their anti-EU sympathies be explained?

- 'Left-behind' voters were particularly susceptible to an appeal based on a combination of immigration and (English) nationalism. Nevertheless, the Leave campaign's stress on 'regaining control' was perhaps of equal significance for voters who increasingly felt that they had lost control of their own lives and over their communities. The slogan 'Let's take back control' therefore proved to have such traction because it allowed frustrations to surface about matters well beyond national border, including those about a

lack of work, job insecurity, low pay, poor housing and ineffective public services.

- Whereas the Remain camp broadly promised to uphold a political status quo that many 'left-behind' voters felt was pretty miserable, the Leave camp was associated with the prospect of change and therefore with the possibility that things may get better.
- The Remain campaign's recurrent warnings about the threat posed to living standards by withdrawal from the EU largely fell on deaf ears as far as 'left-behind' voters were concerned. This was, first, because people who have little have less to fear from an economic down-turn, and second, because these warnings were made by experts and establishment figures who simply were not trusted or believed.

Other failings of the Remain campaign

The Remain campaign suffered from a number of additional flaws and failings. These included the following:

- Although the decision to hold the referendum in 2016, rather than sometime in 2017, was understandable in terms of the desire not to prolong the Conservative Party's civil war over Europe, it meant that the referendum took place at a time of heightened concern about immigration, due to the European migration crisis, which reached its peak in 2015.
- The government's pro-EU leaflet drop in the early stage of the campaign may have been counter-productive, in that it was widely criticised for lacking even the semblance of balance and, at £9 million, seemed to be a misuse of taxpayers' money.
- As the Remain campaign tended to focus more on the negative consequences of leaving the EU, rather than the positive benefits of EU membership, it struggled to generate passion and excitement. By comparison, the Leave

campaign based its appeal on 'big' issues, such as sovereignty and national independence.

- The Remain campaign suffered from an over-strong association with the leadership of David Cameron and, to a lesser extent, George Osborne. Although this was partly dictated by a lack of other 'big hitters' on the Remain side (due, for instance, to the 'defection' of Boris Johnson and the equivocation of Jeremy Corbyn), Cameron and Osborne were controversial figures. Strongly associated with the policy of austerity, they were, apart from anything else, the least likely leading politicians to be trusted by 'left-behind' voters.

The UK's relationship with the EEC/EC/EU	
1957	The UK declines to join the European Economic Community at its inception
1961	The UK applies to join the EEC but is vetoed twice by French President de Gaulle
1972	The European Communities Act is passed, preparing the way for EU membership
1973 (Jan)	The UK becomes a member of the EC
1975	A UK-wide referendum endorses continued EC membership
1979-84	Thatcher battles with the EC over the UK's budget contribution
1986	Single European Act passed, with Thatcher's support
1990-92	The UK joins the Exchange Rate Mechanism, but forced out by a falling pound
1992	Major government signs Maastricht treaty having secured opt-outs for the UK on the single currency and the Social Chapter (the latter was abolished in 1997)
2013 (Jan)	Cameron pledges an 'in/out' referendum on EU membership
2016 (June)	The UK votes in referendum to leave the EU (by 52% to 48%)

AFTERTHOUGHT: THE MEANING OF BREXIT

Although the 2016 referendum resulted in a Leave victory, it was far less clear what leaving the EU would mean for the UK. This was not just because it will take years, if not decades, for the full ramifications of Brexit to become apparent, but also because no one, at the time, knew the terms under which the UK would leave the EU. These terms will only emerge in the post-referendum period, through a two-stage process. First, the UK government, under its new prime minister, Theresa May, has to formulate what, in effect, is the UK's bargaining position for subsequent negotiations with the EU. This will include, not least, developing proposals related to the balance between access to the single market and restricting freedom of movement.

Second, once (probably in early 2017) the UK has officially notified the European Council of its intention to leave the EU, as set out in Article 50 of the Lisbon Treaty, formal negotiations with the EU will begin. These negotiations must be concluded within two years, unless the European Council agrees to an extension. At the same time, a separate, but no less important, process of negotiation will take place with various non-EU states, intended to replace agreements made with the EU with bilateral deals made only with the UK. Most of these will be in the field of trade, and it is widely accepted that many of these deals will take much longer than two years to negotiate.

Whatever else Brexit ultimately means, two images of the UK's post-Brexit future can be discounted:

- The first is that, despite the rhetoric sometimes used by the Leave campaign in the run-up to the referendum, the UK will not become a sovereign, independent state, in a sense of (re)gaining full control over its own political, economic and strategic destiny. Aside from debates about whether sovereign statehood, in a political sense, has ever been realistic, international relations in the modern world are characterized by inescapable interdependencies, thanks largely to the interlocking nature of the modern global economy. This implies that Brexit means not replacing interdependence with independence but, rather, swapping one pattern of interdependence for another.

- The second image of post-Brexit UK is one in which a firm divide is established between the UK and the EU. Although leaving the EU will undoubtedly widen the UK's sphere of independent decision-making, it will not, and cannot, lead to a disengagement from the EU, which, apart from anything else, seems certain to remain the UK's major trading partner. Regardless of the terms under which the UK withdraws from the EU, Brexit will lead to a continuing, if significantly altered, relationship with the EU. As Norway and Switzerland both demonstrate, being a non-EU state does not mean operating 'outside' the EU, even though it does mean operating outside the EU's decision-making framework.