



by Charles Grant

At the time of writing, neither side has a clear advantage in Britain's referendum campaign on EU membership. The British could easily vote for Brexit. If they do, this is the story to be written on June 24<sup>th</sup>.

The *zeitgeist* was hardly propitious for a referendum campaign on the EU. In many parts of Europe and the US, immigration and trade had become unpopular causes. Globalisation was thought to benefit elites but worsen inequality and threaten the livelihoods of poorer people. The financial crisis had made people think that whereas they paid for the losses, fat cats did nicely. Thus support for populists like Donald Trump, Marine Le Pen and Nigel Farage grew. Many Europeans viewed the EU as the friend of establishment interests.

So when, during the UK referendum campaign, the IMF, the OECD, the Bank of England, the G7, five former heads of NATO, the US president and a lot of men in dark suits told the British that the EU was good for them, it made little impact.

George Osborne, the British chancellor, had tried to dissuade Prime Minister David Cameron from promising a referendum. But Cameron was right that sooner or later there had to be one. Given the increasing EU-phobia within the Conservative Party, nobody could have succeeded him as leader without making such a pledge. So in February 2013 Cameron promised a referendum before the end of 2017. He had principled justifications: as long as the British voted, as he expected, for

continuity, the referendum would resolve tensions in the UK-EU relationship and enable Britain to play a more constructive role. And less principled reasons: the promise would (he prayed) keep the Conservative Party together, and limit the defection of its voters to UKIP.

Cameron assumed that, during a referendum campaign of a few months, he and other Remainers could overcome the hostility of British voters to the EU. But that euroscepticism was deeply engrained, having been reinforced over decades by slanted stories in newspapers and by politicians (and not only Tory ones) who saw knocking the EU as a vote-winner. Few political leaders had dared to make the case for the EU. And during the five years of the Cameron-led coalition government, most Conservative ministers had spoken negatively about the EU.

The government's review of EU competences, carried out in 2012-14, was a missed opportunity. This serious exercise, involving outside experts (including the CER and eurosceptic think-tanks), sought to establish whether the EU's various powers harmed or helped British interests. The review's 32 reports concluded that the balance of competences between Britain and the EU was about right. Cameron could have used the review

as the basis for an attempt to convince the British of the benefits of the EU. But Tory eurosceptics hated the review's conclusions and, for the sake of party unity, Cameron buried the reports.

In February 2016, after Cameron's 'renegotiation' had led to an accord with the rest of the EU on minor but useful reforms, the referendum campaign began. The government focused on Brexit's threat to trade and jobs, with some success. But its economic argument was blunted by the refusal of many pro-EU business leaders to speak out in public (they were scared of upsetting customers, employees or non-executive directors).

The Outers' most effective argument was that only Brexit would allow Britain to curb the number of EU migrants. Many Britons thought the country had too many immigrants and that most of them were from the EU; in fact about 70 per cent of those arriving in the previous 15 years had come from non-EU countries (the press had chosen to highlight the EU ones). But that still left 2 million EU nationals working in the UK. People believed they had put public services under strain (this was true in certain places, yet the NHS and social care between them depended on 135,000 EU workers); that they had held down wages for natives (for which the evidence was very limited); and that they had stolen jobs (though UK unemployment was only 5 per cent). Many Britons were unaware that EU migrants contributed much more in tax than they received from the state in benefits and public services (£20 billion more, in the decade to 2011).

The Remainers lacked an effective response to concerns about immigration. It had not helped that, during the renegotiation, Cameron talked up the 'problem' of migrants claiming in-work benefits, making a curb on those benefits his key demand. In the end he won the right to limit payments of in-work benefits for four years, but nobody thought this would affect immigration significantly.

In March the EU struck a deal with Turkey, which included a conditional promise by the Schengen countries to give Turks visa-free access, and the opening of a new chapter in Turkey's accession talks. The outers used this to stoke fears that imminent Turkish accession would give 80 million Muslims the right to work in the UK (the truth, of course, is that each of 28 members can veto Turkey, which will not join for decades, if ever).

The Brexiters could not have dreamed of more favourable circumstances in British and EU politics. Within Britain, the credibility of Cameron and Osborne, the two most senior politicians backing Remain, began to drop at about the time the campaign started. Cameron mishandled the

Panama papers affair, appearing to have had something to hide about his family's finances (though he had done nothing wrong). Osborne made a mess of his annual budget, being forced to withdraw several key proposals, including cuts to disability benefit. Some of the ministers and other figures put up to defend the EU were uncharismatic and lacked expertise.

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This Tory-led campaign did little to inspire Labour voters, many of whom were naturally sympathetic to the EU. The Labour Party was in a febrile state, more focused on what to do about its controversial hard-left leader, Jeremy Corbyn, than on winning the referendum. Corbyn, though formally for Remain, sometimes appeared ambivalent on the EU.

Meanwhile the EU itself was a hard sell. The euro crisis was far from resolved, with Greece and other parts of the eurozone still suffering economic distress. Since the summer of 2015, the influx of refugees into Greece and Italy had turned European leaders against each other and made the EU appear ineffective. Brexiters mendaciously claimed that Syrian refugees in Germany could easily get EU passports and so move on to the UK. Outers also profited from the Daesh attacks in Paris and Brussels, asserting (wrongly) that terrorists with EU citizenship could not be excluded from the UK.

The Vote Leave campaign exploited these favourable circumstances ruthlessly. It was cynically and deliberately cavalier with 'facts', for example stating that "Britain sends £350 million a week to Brussels" (the net figure is £120 million) or that "60 per cent of UK laws come from the EU" (in fact it is 13 per cent).

The opposing Stronger in Europe occasionally exaggerated but did not lie. Its job was much tougher: the arguments for staying in were complex, numerical, hard to explain and often dull. It focused on the risks of Brexit for the UK's economy and security. These arguments proved powerful with parts of the electorate but failed to motivate sufficient numbers of youngsters, who tend to be pro-EU. On June 24<sup>th</sup>, when the Outers scraped home to a narrow victory, and Cameron resigned, the pollsters explained that low turnout of younger voters had been decisive.

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