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THE UK'S EU REFERENDUM

the background, the vote, and the impact

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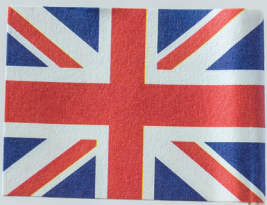
The UK's EU Referendum

The Background, the Vote,
and the Impact

MICHELLE CINI AND
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Introduction

The UK's involvement in the EU has been shaped by its history and its cultures. Stories from the past combine with pragmatic economics, short-term (party) political and media interests, social and economic cleavages, and broader global and technological issues to form a base line for understanding why, in the 1950s, European states decided to work together to forge a common market; why the UK decided first to stay out of and then applied to join this venture; and why—after forty-three years—on 23 June 2016, a Conservative government held a referendum to decide on whether to leave or remain within the European Union.

The UK's post-1945 relationship with its European neighbours has often been difficult, with the UK famously labelled an 'awkward partner' (George 1998). British involvement in European politics has been shaped by its exceptionalism, its Euroscepticism, and by the extent and lack of knowledge of its Europeanization. Its sense of difference derives from the UK's longstanding parliamentary tradition, its victory in the Second World War, its island mentality, and its lack of familiarity with consensus politics. Exceptionalism has justified the negotiation of EU 'opt-outs' and is the foundation upon which British Euroscepticism has flourished. To call the UK 'Eurosceptic', however, is to ignore the volatility of public opinion on European issues. The low political salience of European integration—most of the time—helps to explain why opposition to European policies and to the EU itself fluctuates. However, when the political and media spotlight shines on the EU, popular Euroscepticism often increases.

The UK is also a Europeanized state. This dimension of EU involvement has not always been well understood by the British people, largely because the UK's political and media environment has been extremely hostile to the EU. Politicians have rarely presented a positive case for European integration, preferring either to sweep the issue under the carpet or to blame the EU for its domestic ills. Yet, the impact that the EU has had on the UK is substantial. The EU is not external to the UK, but fully integrated across many policies and institutions. At the same time, the UK has left its mark on the Union in various ways, such as on policies ranging from financial services to foreign affairs.

Nevertheless, on 23 June 2016, an in/out (remain/leave) referendum on EU membership took place, and 52% of the electorate voted for what had become known as 'Brexit' (British exit). This paper offers an introductory overview of the context within which the UK's EU referendum of 2016 was held, the events leading up to the referendum, the results, and the impact in the week following the referendum. It ends by reflecting on some of the longer-term implications.

The UK in Europe after 1945

In the 1950s, six West European states agreed to coordinate first their coal and steel industries and later other economic sectors to form a European community. By 1958, the European Economic Community (EEC) was up and running. The British government had been invited to participate, but had declined. There was little enthusiasm at the time for supranational integration, and there were also concerns over the implications for British sovereignty. Some believed the project to be idealistic and therefore unrealistic. Despite economic difficulties, the UK was in a buoyant mood having 'won' the Second World War. By the end of the 1950s, the UK's position had altered. The British economy was stagnating and the Suez Crisis had put paid to the view that the UK had retained its former status as a key world power. After initially toying with an alternative free trade arrangement, the UK government applied to join the EEC in 1961.

The road to accession was far from smooth. While opposition at home created challenges for pro-EEC elites, French president Charles de Gaulle created the biggest barrier to EEC membership. Fearful of the implications of UK accession, de Gaulle vetoed UK membership twice, in 1963 and 1967. Only after he left office in 1969 could negotiations restart, led by a pro-European Conservative Prime Minister, Edward Heath. The negotiations culminated in the UK joining the EEC on 1 January 1973.

The negotiations were completed quickly. Opponents, the so-called 'anti-marketeers', argued that the UK had conceded too much as a consequence. The opposition Labour Party leader, Harold Wilson, facing elections in 1974 with a party divided over EEC membership, sought a pragmatic solution. Foreshadowing David Cameron's actions more than four decades later, Wilson agreed, if elected, to renegotiate the UK's EEC deal and to hold a UK-wide referendum on EEC membership. Once elected, and with little enthusiasm from the new PM, a rather limited renegotiation took place. The referendum to decide whether the UK would leave the EEC, held less than eighteen months after it had joined, took place in June 1975.

What looked initially like defeat for the pro-EEC campaign later became a clear majority in support of membership. The fact that all political parties, aside from the Communist Party, supported staying in the EEC, as did all national newspapers aside from the Communist *Morning Star*, no doubt helped. The 'in' campaign was also much better funded and better organized. The 'outs' comprised a rather ill-assorted group of politicians, including Tony Benn on the far left and Enoch Powell on the far right. In the end, almost 67% of the electorate voted to remain in the EEC.

Wilson's renegotiation had ignored a number of tricky questions, including the UK's contribution to the European budget. This was one of several issues which provoked tension throughout the 1970s, coming to a head after Margaret Thatcher took office as the new Conservative Prime Minister in 1979. At the Fontainebleau Summit in 1984, European leaders struck a deal on this issue, heralded in the British media as a great victory. However, the aggressive manner in which the discussions had taken place left European leaders bruised.

While Thatcher continued to adopt an adversarial approach with other European leaders, she was willing to bargain when in the UK's interest. She was supportive of single market plans advanced at this time, as these initiatives were in line with her domestic deregulatory agenda and she could also see the potential benefits for the UK economy. In exchange, Thatcher accepted a treaty reform that would have long-term institutional and political ramifications, Europeanizing a swathe of domestic policies and setting up a new entity, the European Union. Ultimately, despite or perhaps because of Thatcher's tough stance, the European issue ended up playing a part in her downfall. It also plagued her successor, John Major, in his struggles to negotiate the Maastricht Treaty (Treaty on European Union). Although he managed to gain opt-outs for the UK on Euro membership and social policy, these concessions were not enough to quell the opposition of backbenchers, who came close to bringing down his government in 1993 over this treaty reform. The legacy of this period continues to influence British European policy. Many young Conservative activists involved in politics in the 1980s and early 1990s became all too aware of how pernicious the European issue could be.

Meanwhile, by the early 1980s, the Labour Party in opposition had moved substantially to the left, so much so that the 1983 election manifesto included a commitment to withdraw from the EEC. After electoral defeats in 1983 and 1987, the Labour Party began to adopt a more pro-European position. With a new Prime Minister, Tony Blair, in office from 1997, it looked as though the tone of the UK's relationship with the EU might improve. Indeed, the first Blair government opted back into the EU's social 'chapter' and negotiated an important deal with France on defence cooperation. While Blair favoured Euro membership, Chancellor Gordon Brown was hostile. The criteria and tests established to judge whether the time was right for the UK to join failed to demonstrate the benefits to the UK economy, and as public opinion proved unsupportive, the issue of Euro membership was eventually dropped.

The background to the EU referendum

The United Kingdom Independence Party (UKIP) emerged onto the British political scene in the mid-1980s. After a slow start, its star rose substantially in the 2000s, culminating in major successes in the 2014 European Parliament elections, and—albeit to a lesser extent—in the 2015 UK general election. UKIP was also able to influence the mainstream political parties; the Conservative Party in particular. While UKIP campaigned on a range of issues, its *raison d'être* had, from the start, been withdrawal from the EU. An in/out referendum was their means to that end. During the

Major and Blair governments there had been frequent calls for European referendums on Euro membership and EU treaty change and, in 2007, David Cameron, then leader of the opposition, gave an 'iron-clad guarantee' that a Conservative government would hold a referendum on the Lisbon Treaty. By then the referendum issue had entered public discourse and public opinion was widely supportive.

It was Cameron's back-tracking on his referendum pledge that angered Conservative backbenchers after the 2010 election. This would ultimately turn Europe into the defining issue of his premiership and lead to his departure from office in 2016. Although Cameron had a reputation as Eurosceptic, he was keen not to allow Europe, as an issue, to dominate his government. He had already told his party in 2006 that politicians alienated the public by 'banging on about Europe'. Refusing to hold a referendum on a treaty that had already come into force made sense, but simmering tension on this issue required action. Cameron therefore supported legislation (The European Union Act 2011) to prevent parliament agreeing any major *future* treaty reform without first holding a referendum, a so-called 'referendum lock'.

The European Union Act did nothing, however, to quell Conservative backbench discontent. Conservative Members of Parliament (MPs) who felt impassioned on the issue of EU membership were egged on by a Eurosceptic media, and supported by those concerned about UKIP's electoral successes. On several occasions, Eurosceptic Conservative backbenchers showed that they were capable of disrupting government business. There were politically embarrassing backbench rebellions in October 2011 over a proposed bill setting out plans for an EU referendum, and almost exactly a year later over an EU budget deal.

It was in this context, in his now-famous January 2013 'Bloomberg' Speech, that Cameron outlined his vision for a reformed EU and the UK's place within it. The Prime Minister adopted a pragmatic approach which avoided emotive arguments. He outlined the British agenda for EU reform around four proposals, including a limit to 'ever closer union' and decisions taken far from the people. He acknowledged the gap between the EU and its citizens and the need to address this lack of democratic accountability and consent. The proposals also included an assurance that developments in the Eurozone would not damage those outside the single currency; a limit to welfare incentives encouraging EU citizens to seek work in Britain; and a need to maintain competitiveness, jobs, growth, innovation, and success. He also confirmed that a referendum to settle the European question before the end of 2017 was contingent on the negotiation of a new settlement for the UK in the EU (Cameron 2013).

The Conservative Party fought and won the 2015 general election with a promise to change the country's relationship with the EU and reclaim power from Brussels; and with the commitment to hold an in/out referendum. While the Conservative government repeatedly confirmed that the timetable for the referendum would be contingent on the pace of negotiations, the rest of the EU preferred an earlier date, as, at least in theory, the sooner the referendum was held, the sooner it could turn its attention to other pressing issues. For France and Germany, both facing major elections in 2017, the prospect of a protracted referendum campaign in the UK threatened to strengthen the support for Eurosceptic parties such as the *Front National* or *Alternative für Deutschland*. Similarly, Cameron was keen to avoid a long drawn-out period before the referendum as this could divide and weaken the Conservative Party, strengthen the electoral challenge posed by UKIP, and affect the leadership debate in the run-up to his planned departure from office in 2020.

At the June 2015 European Council, Cameron presented his plans for an in/out referendum. This was followed by technical talks between UK and EU officials. A more thorough discussion was postponed to the December European Council. The negotiations took place behind closed doors. Both Houses of Parliament called for 'more Government transparency concerning the negotiations, the actors and the institutions' (Miller 2016: 17). Similar concerns were expressed in relation to the limited engagement with the devolved administrations.

During the summer of 2015, the British government embarked on a diplomatic offensive across Europe's capitals. Finally, on 10 November 2015, Cameron sent a letter to Donald Tusk, President of the European Council, outlining the British government's proposal for a new UK settlement in

a reformed EU. He outlined four main areas for reform (Cameron 2015, see Table 1). The wish list was clearly narrower and less aspirational than that outlined in the Conservative manifesto earlier that year. These requests fell short of fundamentally changing the relationship with the rest of the EU or reforming the workings of the EU in any substantive way. Initial discussions took place in late 2015 and early 2016 in a context shaped by terrorist attacks in Paris and the failure of the EU to resolve the refugee crisis. By February 2016, the European Union Referendum Act had been enacted, setting the terms for holding a referendum on the UK's EU membership.

On 2 February 2016, Donald Tusk presented a proposal for a new settlement for the EU in response to the concerns raised by the British government. To ensure a broad agreement, Tusk and his team engaged in a series of consultations with EU leaders after which the member states agreed a 'legally binding and irreversible decision' on the UK's special status in the EU to become effective as soon as the British government confirmed that the country would remain in the EU (European Council 2016, see Table 1). Cameron hailed the agreement as the 'best of both worlds'. Critics were quick to point out that the outcome fell short of the promises made before the general election. This state of affairs played to the interests of the Leave campaigners who could very quickly identify holes in the terms of this new special status. It also did very little to assuage the internal divisions in the Conservative Party.

Table 1 Towards a new UK settlement for the UK within a reformed EU

Issue	UK Government Proposal (10 November 2015)	European Council Proposal (2 February 2016)
1. Economic Governance	Legally binding principles ensuring that any decisions made by the Eurozone countries respect the integrity of the Single Market and the legitimate interests of countries outside the Eurozone.	Non-Eurozone member states will not be disadvantaged by decisions taken by the Eurozone. Non-Eurozone members commit to not 'impeding' or 'jeopardising' laws and processes directly linked to the effective functioning of the euro area. A level playing field of the Single Market is guaranteed for all member states. Non-Eurozone states do not have to contribute to any emergency measures taken to ensure the stability of the euro area. An emergency brake: any non-euro state concerned by a Eurozone decision can escalate a discussion of that decision to the European Council.
2. Competitiveness	A holistic approach across policy areas such as the Single Market and trade to enhance competitiveness and productivity, by for example reducing regulation.	A commitment to reduce the regulatory burden on businesses, to extend the Single Market on areas such as services, energy, and digital; and to intensify the EU's international free trade agreements.

Table 1 Towards a new UK settlement for the UK within a reformed EU (*Continued*)

Issue	UK Government Proposal (10 November 2015)	European Council Proposal (2 February 2016)
3. Sovereignty	To end Britain's commitment to an 'ever closer union' as set out in the Treaty. To enhance the role of national parliaments by allowing them to stop unwanted legislative proposals. To ensure the implementation of the EU's subsidiarity principle while identifying clear implementation mechanisms. A commitment that EU institutions will fully respect the purpose behind the Justice and Home Affairs (JHA) Protocols in any future proposals dealing with Justice and Home Affairs matters, in particular to preserve the UK's ability to choose to participate.	The UK 'is not committed to further political integration into the European Union' and 'references to ever closer union do not apply to the United Kingdom'. A new so-called 'red card' procedure allowing national parliaments to block a draft legislative proposal if they achieve 55% of the votes allocated to national parliaments. The importance of respecting the JHA Protocols is underlined.
4. Migration/ Social Benefits and Free Movement	To ensure that free movement of people does not apply to new EU member states until their economies have largely converged with those of existing EU countries. Second, to challenge any abuse of the right to free movement afforded to EU citizens. And third, to establish a four-year period of residence and contribution to the country before an EU-citizen can qualify for in-work benefits and to end the practice of sending child benefits overseas.	An 'emergency brake' on in-work benefits to be triggered in exceptional circumstances is made available to the UK. This allows to limit the in-work benefits over a four-year period, but it has to be gradually reduced over that period, and only applies to workers newly arriving in the UK. Indexing child benefit sent abroad to the wealth of the home country rather than that of the UK. A promise to tighten rules for marriages between EU citizens and third-country spouses.

The EU referendum campaign

The date of the referendum (23 June 2016) was announced on 20 February 2016. From the end of February to the official start of the campaign on 15 April, the Leave and Remain camps rallied to attract supporters from the worlds of politics, business, and entertainment, seeking at the same time to organize themselves into coherent campaigns. By mid-April, the Electoral Commission had confirmed that the lead campaigning organizations would be *Britain Stronger in Europe* for Remain and *Vote Leave* for Leave. The formal launch of the campaigns also

established who could benefit from access to campaign broadcasts, and set clear spending limits for campaign funding.

Britain Stronger in Europe was led by businessman Stuart Rose and was supported by the main political party leaders, including David Cameron and George Osborne for the Conservatives and Jeremy Corbyn and Alan Johnson for Labour. It was also supported by Plaid Cymru in Wales, the Alliance Party and the Social Democratic and Labour Party (SDLP) in Northern Ireland, and the Green Party. The Scottish National Party (SNP) ran its own campaign in Scotland. *Vote Leave* constituted a much broader church with diverse agendas. It included senior Conservatives such as Michael Gove and Boris Johnson plus some Labour MPs, including Gisela Stuart and Graham Stringer, and the Democratic Unionist Party (DUP) in Northern Ireland. A number of groups were affiliated to it, such as Farmers for Britain, Muslims for Britain, and Out and Proud. UKIP and its leader, Nigel Farage, while campaigning to leave the EU, were not part of *Vote Leave*.

The challenge for the referendum camps was twofold. The first was translating a generic question—'Should the United Kingdom remain a member of the European Union or leave the European Union?'—into meaningful issues that would interest and mobilize voters. The second was to devise a coherent message shared by the majority of those supporting each side of the campaign, given the heterogeneous make-up of the supporters for the respective campaigns and the cross-party nature of the campaign divide.

The key message put forward by the Leave campaign was 'take back control'. Much of this related to control over borders and immigration, though control over legislation was also discussed. The Leave side argued that the UK could retain the benefits of access to the EU Single Market without the obligation to allow free movement of people. The call for referendum day to become 'independence day' and the promise that the country would be made 'great again' summarized the ability of the Leave campaign to skilfully appeal to national pride and sentiment. The Leave campaign also stressed the vast trading and economic opportunities available to the UK outside the EU, arguing that as one of the largest economies in the world, the UK would thrive.

The Remain campaign made the economy its key theme, arguing that a Brexit would have a devastating effect on UK growth. Drawing on extensive expertise from the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), and the Bank of England, it stressed that as well as creating short-term instability, a decision to leave the EU would plunge the country into recession. The Chancellor, George Osborne, promised an emergency budget if the country voted to leave, a commitment that contributed to the Leave campaign's argument that those in the Remain camp were engaging in 'Project Fear'.

The Remain campaign avoided confronting the immigration and border control issue. When it did address it, it failed to recognize until late in the campaign that promises to reduce migration were meaningless in the context of the EU's free movement of people; and to sufficiently recognize the fears and misconceptions of large sections of society, particularly those worst hit by the effects of globalization and government austerity policies, who regarded EU immigration as a challenge to their national identity, a cause of unemployment, and an unsustainable burden on the country's healthcare, housing, and education systems.

The issue of the UK's territorial integrity emerged during the campaign as the opinion polls highlighted an enhanced level of support for a Remain vote in both Northern Ireland and Scotland. Wales was an outlier, with the UKIP vote in the Welsh elections in May 2015 already having shown evidence of discontent in traditionally Labour working class areas. Particular concerns were the loss of jobs in the industrial sectors (such as steel at Port Talbot) and the absence of new employment opportunities, the impact of immigration, and Labour's record in office. In the case of Northern Ireland, the debate revolved around the possibility of reinstating a physical border between the North and the Republic of Ireland, and the impact that this might have on the relationship between Nationalist and Unionist communities.

During the first weeks of the campaign, the debate reflected internal disagreements in the Conservative Party between the pro- and anti-Europeans (labelled the 'blue-on-blue' debate). Other voices seemed marginalized. With the debate focused mainly on the economy, the Leave campaign was able to dismiss Remain's 'doom-and-gloom' narrative by discrediting expert advice and stressing its disconnect with ordinary people; this reaction wrong-footed the Remain campaign, which seemed unable or unwilling to develop a progressive and positive narrative about EU membership. As the date of the referendum drew closer, the tone of the campaign became more abrasive. A much larger debating space opened up for the Leave campaign, which was able to strengthen its anti-immigration narrative and frame the debate as one of 'us' (the decent, ordinary people, passionate for our country) against 'them' (the uncaring disconnected elites in both Westminster and in Brussels). At this point, any attempt by the Remain campaign to discredit the narrative by the Leave side based on their misleading messages about Turkey's imminent EU membership, the possibility of staying in the Single Market without free movement, or the instant transfer of funds from the UK's contribution to the EU budget to fund the National Health Service (NHS), became fruitless.

Two weeks before the referendum, the Leave campaign was driving the agenda and increasing public support for its cause. The tone achieved its roughest note on 16 June with Farage's unveiling of an anti-immigration poster featuring mainly Syrian refugees, which critics claimed were similar to those used in Nazi propaganda. The official Leave campaign quickly sought to distance itself from the poster. Within hours of the unveiling of the poster, Jo Cox, a Labour MP who had campaigned for the UK to remain in the EU, was murdered. This event led to the temporary suspension of the campaign for a few days.

How the media, including social media, reflected on the campaign and how celebrities engaged in the debate gives us a clue about the overall atmosphere. Social media was widely used by both camps. Celebrities used their social media accounts to endorse one or the other of the campaigns, with the Remain side acquiring the larger support. Much of the media focus involved providing voters with facts that were often not sufficiently scrutinized. The traditionally Eurosceptic stand of the British print media endured during the referendum campaign as the majority of the press supported Brexit.

Political leaders outside the UK played only a marginal role in the campaign. Almost all either supported the Remain side, including the US President, Barack Obama, or kept fairly quiet. As for EU leaders, the most optimistic felt that, having met the British government's demands, the new settlement would be positively received in the UK and would favour a positive outcome in the referendum, thus discouraging any other member state governments from calling a referendum on EU membership. However, once the referendum campaign got under way and it was obvious that the domestic debate was being defined not by the terms of the new settlement for the UK but by the call to 'take back control', some of the exasperation that other member states had traditionally felt about the UK's awkwardness in Europe resurfaced. While carefully stating that EU membership was a sovereign decision for the British people, EU leaders called for the country to remain in the EU while warning of the perils of Brexit and the difficulties of renegotiating a better deal outside. The leaders of populist parties on the Left such as *Podemos* in Spain or *Syriza* in Greece called for the UK to remain in the EU and reform the Union from within. By contrast, the leadership of populist Eurosceptic parties on the Right, such as the *Front National* in France or the Freedom Party (PVV) in the Netherlands, saw the campaign as an opportunity to reinvigorate their calls for similar referendums at home.

It is not easy to identify the impact of the campaign on public opinion. From mid-April, the Remain campaign held a minimal lead. This lasted until the end of May 2016, when the polls showed the two camps neck-and-neck for the first time. Leave subsequently took a narrow lead, coinciding with their push on the immigration message (see Figure 1). Just before the referendum, Remain seemed to push ahead again, suggesting that the Leave 'surge' had come a few days too early.
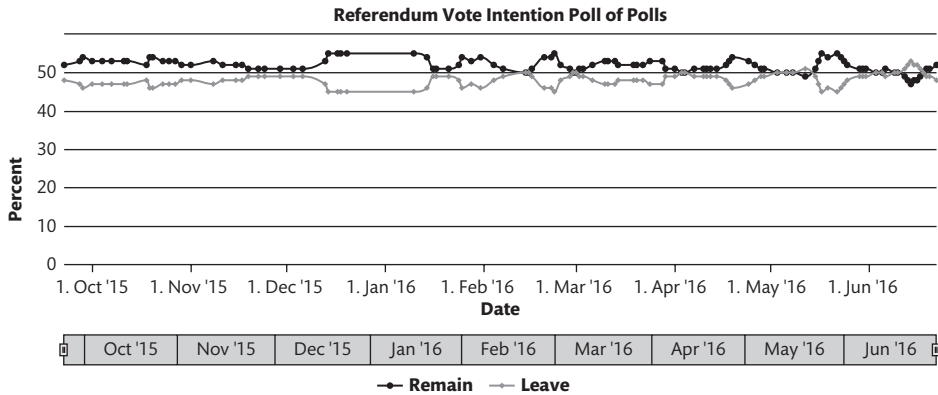
Referendum Vote Intention Poll of Polls

Figure 1 Public Opinion on EU Membership, October 2015–June 2016

Source: What UK Thinks (2016)

The results

Aside from heavy rainfall affecting some polling stations in London, the referendum vote on 23 June 2016 ran smoothly. During the day, there was already some indication that turnout would be high. The electorate, totalling 46,500,001, was the largest for any poll ever conducted in the UK. By the evening, things seemed to be looking positive for the Remain camp. Although there were no exit polls, the odds offered on bets at UK bookmakers favoured Remain, and there were rumours of private polling indicating a similar outcome. A YouGov poll also showed Remain coming out ahead at 52%. By 10 p.m., the UKIP leader, Nigel Farage, was intimating that the Remain side would have a narrow victory. Yet as soon as the first results were announced, the picture changed very quickly. The first city to announce a result, Newcastle, which had been predicted as a clear 'Remain', showed only a narrow majority. Sunderland, surprisingly, voted 'Leave'. Over the course of the night, other regions, particularly in the Midlands and the North of England—traditionally staunch Labour Party territory—came out in favour of leaving the UK, as did large swathes of Wales. Other outcomes were a little more predictable: for example, there was majority support for Remain in Scotland and in London. By the early hours of the morning of Friday 24 June, it had already become clear that the UK had voted to leave the EU. In total 17,410,742 people voted to leave and 16,141,241 voted to remain. That amounted to 51.9% for Leave and 48.1% for Remain, with a turnout of 72.16%.

Early media commentary reflected the rather obvious fact that the referendum showed the UK to be a divided country. Regional variations had been expected. Scotland and Northern Ireland voted to stay in the EU, while Wales voted to leave. In Scotland, all councils returned a majority for Remain; and in total 62% of the electorate voted for Remain and 38% for Leave. In Northern Ireland, 55.7% were for Remain and 44.3% for Leave. By contrast, Wales returned a majority for Leave of 51.7%, with Remain gaining 48.3%. England also voted by a majority to leave the UK, with 53.2% for Leave, and 46.8% for Remain. In the more rural counties, coastal and peripheral parts of the country, and in the (post-) industrial regions of the North and Midlands, there was a majority for Leave. All English regions voted to leave, with the West Midlands having the highest percentage for Leave votes, at 59.3%. The region with the lowest Leave vote, the South East (encompassing London) still had a majority for Leave of 51.8%. Within these regions, there were pockets of majority support for Remain. These were largely in metropolitan areas, such as in the university cities of Warwick, Bristol, Brighton, Cambridge, and Oxford. London voted strongly to remain in the EU, at 59.9%, with only a few of London's thirty-three

boroughs—Barking and Dagenham, Bexley, Sutton, Havering, and Hillingdon—finding a majority in support of Leave.

As predicted before the referendum, there was a marked difference in voting patterns across age groups. The older the voter, the more likely they were to vote Leave. In the 18–24 year old age group, 73% supported Remain. Among the over 65s, 60% supported Leave. According to analysis by *The Guardian* newspaper, however, the best indicator of whether someone would vote Leave or Remain (other than in Scotland) was whether they had a university degree or not. Other indicators suggested social class was an important indicator. Areas with a large preponderance of working class voters tended to have higher levels of support for Leave (*Guardian* 2016).

The immediate impact of the referendum

There were a number of immediate effects in the week following the referendum. There was, of course, jubilation on the part of the Leave campaign, though the stunned reaction of some politicians suggested that not everyone had believed that Vote Leave would be successful. Nigel Farage was quick to identify with the victors, claiming on 24 June that the referendum decision was a victory for 'the real people, for the ordinary people, for the decent people'. Not surprisingly, the Remain camp was despondent and its supporters in shock. For them, the day following the referendum became 'Black Friday'. David Cameron announced his resignation very early on Friday 24 June. In his short announcement outside 10 Downing Street, he congratulated the Leave campaign and commiserated with and thanked those who had supported Remain. He announced that it was for a new Conservative Party leader, a new Prime Minister, to take on the task of negotiating the UK's withdrawal from the EU. In that vein, he announced that the formal request to leave the EU (the procedure set out in Article 50 of the Lisbon Treaty, see Box 1) would not be made until his

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Box 1 Article 50 TEU (Lisbon Treaty)

1. Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.

2. A Member State which decides to withdraw shall notify the European Council of its intention. In the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. That agreement shall be negotiated in accordance with Article 218(3) of the Treaty on the Functioning of the European Union. It shall be concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament.

3. The Treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in paragraph 2, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period.

4. For the purposes of paragraphs 2 and 3, the member of the European Council or of the Council representing the withdrawing Member State shall not participate in the discussions of the European Council or Council or in decisions concerning it.

A qualified majority shall be defined in accordance with Article 238(3)(b) of the Treaty on the Functioning of the European Union.

5. If a State which has withdrawn from the Union asks to rejoin, its request shall be subject to the procedure referred to in Article 49.

successor was in place, in time for the Conservative Party Conference in October. The speed of this announcement took commentators by surprise. Some speculated that his decision was vindictive in that it handed a 'poisoned chalice' to his likely successor, Boris Johnson; others that he was trying to slow down Brexit by injecting a delay into the negotiation process. However, within days, Boris Johnson had withdrawn from the race to become the Conservative leader after his close ally, Michael Gove, had decided to put his candidacy forward at the last minute. By the end of the week, five candidates were hoping to become Conservative leader and British Prime Minister. However, after a shorter and more dramatic leadership contest than many had expected, Theresa May became the new British Prime Minister on 11th July.

In the week immediately after the referendum, the Labour Party also experienced internal problems. MPs, including some shadow cabinet members who had never supported Jeremy Corbyn's leadership of the party and who blamed him for a lacklustre and half-hearted referendum campaign, sought to oust him in what some in the media labelled an 'attempted coup'. In the days following the referendum, a motion of no confidence in Corbyn was carried and a very large proportion of the shadow cabinet resigned. Supported by his Shadow Chancellor, John McDonnell, Corbyn refused to resign, arguing that the grassroots party supported him and that he had a democratic mandate to continue. That week, he set about rebuilding his shadow cabinet and committed himself to fighting his corner in the leadership challenge that would ensue, despite fears that the party had become so divided that it might ultimately split in two. By 19th July, the Labour Party had embarked in a leadership election between Jeremy Corbyn, the incumbent leader, and Owen Smith, the less well-known MP for Pontypridd in Wales.

The economic impact of the referendum, as well as the political, was also seen in the week following the referendum. There was substantial instability in the markets, although this short-term instability had been predicted. First, sterling fell sharply by 10% on the day after the referendum, the largest fall since 1985 (and larger than during the run-up to the UK's departure from the exchange rate mechanism in 1992). After some improvement, sterling fell again on the following Monday, though again the pound regained some of its value. Leave supporters argued that the pound had been too high and that the fall benefited exports. The Remain camp pointed to the risk that the price of imports could increase and that both ordinary people and businesses could be disadvantaged as a consequence. At the same time, the stock market fell, creating knock-on effects on global financial markets. Although the stock market recovered by the end of the week, the longer-term prognosis seems more uncertain. The rating agencies Moody's and S&P cut the UK's credit outlook to 'negative', forecasting medium-term instability and poor growth, and various companies announced that they were already planning to withdraw staff from their UK offices or move to other European capitals. The Chancellor, George Osborne, though deciding against an emergency budget, announced that his plans to see the UK economy in surplus by 2020 would be dropped as a consequence of the impact of Brexit on the UK economy.

Alongside the political and economic impact, a concerning development during this period was a reported increase in verbal attacks and threats on foreign nationals, especially on those speaking a foreign language in public. People described instances of being told to 'go home' and graffiti appeared on buildings such as the offices of the Polish Social and Cultural Association in London. This contributed to a feeling of fear and unease amongst foreign nationals in the UK. UK nationals living and working in other EU countries also expressed concern about how the referendum result might affect them. Some voices called for EU migrants to be used as bargaining chips during Brexit negotiations, while leading figures of the Remain and Leave campaigns demanded an unequivocal statement that EU migrants living in the UK were welcome, and that post-Brexit changes would apply only to new migrants.

Reactions from leaders elsewhere in Europe were varied. The President of the European On 11th July, the British government published a statement confirming that the referendum outcome had not changed the rights and status of EU nationals in the UK, and UK nationals in the EU. Council, Donald Tusk, said that it was a historic moment but not a time for hysterical reactions. The President of the European Commission, Jean-Claude Juncker, took a less diplomatic line stating that the Brexit

was 'not an amicable divorce', but that the relationship had not been 'a deep love affair anyway'. There were already signs of the beginnings of a tussle between the European Council and the Commission as to which body should oversee the withdrawal negotiations, and Juncker soon also faced criticism of his Presidency and calls for his resignation. The respected British Commissioner, Jonathan Hill, resigned the day after the referendum. The President of the European Parliament, Martin Schulz, argued that exit talks should start immediately. However, German Chancellor Angela Merkel called for calm, stating that there was 'no need to be particularly nasty in any way' to the UK in its negotiations. The French President, François Hollande, said that the EU had experienced an 'explosive shock' from the UK referendum, and that a new EU was necessary as a response. He immediately had to contend with calls from the *Front National* arguing for a French referendum on the EU, a concern given the forthcoming French Presidential elections. At the European Council meeting on Tuesday 29 June, David Cameron was invited to explain himself over dinner in the evening. He was thenceforth excluded from discussions the following day. The message from the European Council was clear: there would be no negotiations until the UK formally notified the EU of its intention to withdraw, and access to the Single Market required acceptance of all four freedoms, including the freedom of movement.

Beyond Europe, US President Obama also spoke calmly, saying that the Brexit would not affect the 'special relationship' between the UK and US. The controversial Republican candidate for US President, Donald Trump, by contrast, welcomed the Brexit, calling it 'fantastic' and leading the US media to speculate on whether the UK was having a 'Donald Trump moment' (Collinson 2016).

The impact of the referendum is reflected not only in what happened in the week following the poll, but also in the commentary during that period. The UK was labelled a divided country. Leave voters, particularly those in traditional Labour Party strongholds, were understood to be expressing an anti-establishment, anti-elite position, reflecting their sense of vulnerability and precariousness faced with an uncertain labour market, stagnant or declining wages, and a distaste for cosmopolitan, metropolitan social concerns. Politicians lined up to say that something needed to be done to respond to this segment of the electorate. Some suggested that a new political party was needed in the UK, reflective of this socio-economic and cultural cleavage. The commentary also focused on early indications of what might come out of the Leave camp in terms of policy commitments: particularly whether they would be able to keep their promises on the NHS and immigration. There was evidence of back-tracking by some leading Leave figures. Farage, who resigned as UKIP leader on 4th July, seemed to suggest that committing £350 million each week to the NHS would not be feasible, and Daniel Hannan, an active Conservative Leave campaigner, argued that no firm commitments had been made on reducing immigration during the campaign.

There was also extensive discussion on how Brexit might take place, and what kind of agreement might result from the negotiation process; whether a new general election was needed; how other EU member states, and EU leaders, might respond to Brexit; and what kind of relationship might be established with the EU and non-EU states in the place of EU membership. The implications for Scotland and Northern Ireland were also discussed in the media coverage. In Northern Ireland, there were reports that Sinn Fein had called for a referendum on a united Ireland, while Leave supporters tried to convince the Northern Irish and the Irish government that there would be no border constructed between the North and the South of the island. In Scotland, First Minister Nicola Sturgeon reconfirmed her campaign position that since Scotland had not voted to leave the EU, a second independence referendum might be necessary to 'secure Scotland's interests'.

Other trends in the commentary reflected the prevailing atmosphere of confusion: there was coverage of an e-petition by Remain supporters for a second EU referendum and evidence from Google demonstrated that 'What is the EU?' was one of the most searched for terms on the day *after* the referendum. The media found examples of and reported on what became known as 'Regrexit' voters, those who had voted leave but regretted it the day after; and the Remain camp continued to reflect on the prospect of a second referendum or some other way of preventing Brexit from taking place.

Conclusions: reflections on the longer-term implications of the referendum

The results of the 2016 referendum will shape the UK, the European Union, its member states, and international relations for years to come. The longer-term implications of the referendum are uncertain. We can only speculate as to the ramifications of the June 2016 'leave' vote.

Within the UK, as we have seen, the referendum provoked a period of socio-economic and political turmoil. Within a week of the vote, the party system appeared to be in flux with a split in the Labour Party possible, the divisive nature of the European issues still affecting the integrity of the Conservative Party, and the strengthening of smaller parties such as UKIP or the SNP altering the balance of political power in the UK. Uncertainty in the markets, the devaluation of the pound, and the Chancellor's abandonment of his commitment to reduce public deficit may point towards a shrinking of the British economy. The deep socio-economic divisions uncovered by the referendum campaign are evidence of the challenges facing any future British government, which will need to build bridges between the establishment and those who feel disenfranchised from politics or 'left behind' by globalization. Linked to this is the perceived escalation of racist narratives post-referendum and the remedies available to challenge and eradicate them.

The constitutional and territorial implications of the referendum result will also define the future integrity of the UK. The Scottish government may see the outcome of the referendum as an opportunity to move its independence agenda forward, while challenging the country's exit from the EU. This dynamic will be watched carefully by other regionalist movements elsewhere in the EU. Parliament and government need to decide how to implement the outcome of a non-binding referendum that requires a complete revision of UK's domestic policy and legislation and the country's international outlook. On this latter point, and despite the influential presence of the UK in key international organizations, ensuring an orderly withdrawal from the EU and a satisfactory post-Brexit agreement will have a bearing on the UK's economic relations with key partners such as China and the US, and on the UK's ability to influence international security agendas.

Clearly aware of these challenges, Theresa May moved quickly to confirm that her government would make a success of Brexit and make the country work for everyone, as well as her belief in the union between the nations of the United Kingdom. Proving that 'Brexit means Brexit', she appointed three Brexit supporters to lead the UK's international agenda: namely Boris Johnson as Foreign Secretary, David Davis as Secretary of State for exiting the European Union; and Liam Fox as the new International Trade Secretary. The new British Prime Minister promised to involve the UK nations in discussions around leaving the European Union and confirmed to her European counterparts that the UK would not trigger Article 50 and thus Brexit negotiations before the end of 2016.

Aside from the implications for the UK, there are four ways in which Brexit affects the EU. First, if it is to survive, the EU needs to ensure that Brexit does not generate a contagion effect whereby other member states feel inclined to call similar referendums. Second, the EU will need to make use of its extensive experience of consensus-building and adaptation to new challenges in order to define a future relationship with the UK that does not undermine European integration. This requires a swift negotiation process to limit uncertainty, and a political will that combines a robust negotiating stance with clear red lines. The EU will also require a degree of ingenuity that allows it to consider post-Brexit scenarios that reflect lessons learned from the Norwegian, Swiss, and EFTA solutions (see Box 2). This could involve contemplating the possibility of a new category of associate relationship that protects the integrity of the EU and its member states, whilst accommodating the UK. Third, the outcome of the British referendum reflects the need to bring the EU closer to its citizens at a time of increasing Euroscepticism and nationalism across Europe. This is a task that cannot be undertaken by the EU alone through mechanisms such as EP elections, European citizenship, the Citizens Initiative, or the deployment of symbols such as the flag, the anthem, or the common passport or currency. Such a step would require the active involvement of member state governments, who would need to move away

Box 2 POSSIBLE FUTURE SCENARIOS FOR A UK–EU RELATIONSHIP

THE EUROPEAN FREE TRADE AREA (EFTA) SCENARIO

The EFTA is a free trade area rather than a customs union like the EU. Member states set their own tariffs and can reach independent free trade agreements. EFTA states also often coordinate their foreign policies with EU statements and participate in some Common Security and Defence Policy (CSDP) operations and missions.

THE EUROPEAN ECONOMIC AREA (EEA) OR NORWEGIAN OPTION

EEA members are required to incorporate EU law and regulations relevant to the EU's four freedoms (free movement of goods, persons, services, and capital). EEA membership means accepting EU policies on transport, competition and social policy, consumer protection, environment policy, and statistics and company law, but without having a seat at the table when the rules are decided. This solution would minimize the trade costs of Brexit, but it would mean paying about 83% as much into the EU budget as the UK currently does.

THE SWISS OPTION

The UK could negotiate bilateral deals with the EU. Switzerland has tariff-free access to the single market for goods. There is no agreement, however, on services, including financial services, an area where the UK is a major exporter. Switzerland is able to pursue an independent trade policy with countries outside the EU but still faces regulation without representation and pays about 40% as much as the UK to be part of the single market in goods.

THE WTO OPTION

The UK could go it alone as a member of the World Trade Organization (WTO). This would give the UK more control over its trade deals with non-EU countries, but as a small country, it would have less bargaining power than the EU.

THE CANADA OPTION

The Comprehensive Economic and Trade Agreement (CETA) gives Canada preferential access to the EU single market without all the obligations that Norway and Switzerland face. It would not give UK financial services the EU market access that they have now, including 'passporting' rights for their services in the EU. Firms that export to the EU would have to comply with EU product standards and technical requirements without having any say in setting them.

THE ANGLOSPHERE OPTION

The UK would join a group of fast-growing economies, linked to Asia, and would escape the EU's tendency to over-regulation and protectionism.

Source Miller et al. 2016

from any tendency to utilize the EU as a scapegoat to justify unpopular political decisions. Finally, the referendum result offers an opportunity for reform of the EU in the context of changing internal and international environments. Some national leaders may regard the UK's exit as an opportunity to strengthen EU integration in order to address key challenges; others are more likely to see Brexit as an opportunity to enhance the use of opt-outs and calls for exceptionalism in order to counterbalance the success of Eurosceptic narratives at home. Less-versus-more integration is not a new debate and the EU cannot lose sight of its salience.

In broader terms, the success of the Leave campaign, based on a populist rhetoric, punctuated by an 'us versus them' message, reflects the wider global success of populism, as Trump's presidential

campaigning in the US, Putin's demagoguery, or the legacy of Venezuelan Chavism show. It is also evidence of the increasingly differentiated effect of globalization on people's lives and the divisions it engenders. How to address these trends is an ongoing global challenge. The forthcoming divorce may weaken the international standing of both the UK and the EU. Viewed from China, India, and the United States, for example, Brexit may suggest a weak and divided Europe which is in decline, if not disintegrating. For the first time, the EU is shrinking in size, a prospect which goes against conventional wisdoms that see progress bound up with forward steps in integration and enlargement. It is hard to imagine that the EU will be taken seriously in matters of global economy and politics under these circumstances as shifts of this order are likely to demand a period of introspection during which the nature of European integration is rethought. The prospect of global EU leadership on issues ranging from environmental protection to the exchange of anti-terrorist intelligence seems less likely; and despite its robust standing within the United Nations Security Council (UNSC), the G8, the G20 groupings of nations, the Commonwealth, and NATO, the UK will need to ensure that it does not become marginalized in the international arena. Its international strength has, in part, been a product of its EU membership; once on the fringes of Europe, this may change.

To conclude, Brexit alone does not make or break the European Union. It is not likely to be a final nail in its coffin. However, it does exacerbate and reinforce existing trends while diverting attention from important problems such as terrorism and migration pressures. It is the cumulative effect of these trends that may pose an existential threat to the EU. Political leaders in the EU must rise to the challenge ahead. The challenge for the UK's government is to define an agenda for its new position outside the EU that protects its national interests while acknowledging the expectations of a population that voted narrowly to leave the EU.

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