

The United Kingdom and the European Union: Stay or Go?

May 4, 2016 (IN10449)

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In-or-Out Vote Set for June 23

"Should the United Kingdom remain a member of the European Union?" On June 23, 2016, British voters are expected to answer this question. Prime Minister David Cameron set the referendum date in February 2016 after completing months of negotiations with his fellow European Union (EU) leaders about securing a "special status" in the EU for the United Kingdom (UK). The resulting [agreement](#)

- exempts the UK from committing to further integration in an "ever closer union";
- reassures the UK that Eurozone decisions will not discriminate against the interests of non-euro EU countries;
- pledges that the EU will enhance economic competitiveness and decrease regulatory burdens; and
- allows temporary restrictions on full access to social welfare benefits for EU nationals living in the UK.

These developments follow through on Prime Minister Cameron's 2013 assertion that, if reelected as prime minister in 2015, he would renegotiate the UK's relationship with the EU and put the result to voters in an in-or-out referendum by the end of 2017 at the latest.

The outcome of the vote on whether the UK should exit the EU (often referred to as "Brexit") is difficult to predict. [Polling results](#) have varied from week to week and continue to suggest a close race with a significant number of undecided voters.

Prime Minister Cameron is [leading the campaign](#) to remain in the EU, but the issue has sharply divided the Conservative Party he leads. In January, Prime Minister Cameron announced that members of the party, including the Cabinet, would be free to campaign as they wished: 6 Cabinet ministers and London Mayor Boris Johnson announced their support for the exit campaign, and some 130 Conservative Members of Parliament (out of 330) are likely to go against the prime minister on the issue.

The opposition Labour Party, Liberal Democrats, and Scottish National Party all broadly support the UK remaining in the EU, whereas the United Kingdom Independence Party strongly advocates leaving.

Arguments For and Against

Since joining the precursor to the modern EU in 1973, the UK has been considered one of the most "euroskeptic" members. The UK has "opted out" of several major elements of European integration, including participation in the euro currency and the passport-free Schengen Zone.

Proponents of Brexit argue that

- the EU has eroded national sovereignty by shifting control over many areas of decisionmaking from national leaders to Brussels;
- the EU lacks democratic legitimacy and accountability because many of its decisions are made behind closed doors by non-British and/or unelected officials;
- EU bureaucracy and regulations stifle the UK's economic dynamism;
- the UK would be better off freed from the EU's rules and regulations and able to focus more on expanding ties to growing and dynamic emerging economies elsewhere;
- the UK's contributions to the EU budget are too expensive;
- high levels of immigration to the UK from Central and Eastern Europe mean fewer jobs and lower wages for British citizens; and
- Brexit would have a minimal effect on security cooperation and defense issues because the UK would remain a leading member of NATO.

Advocates of staying in the EU maintain that

- membership is essential for the UK's economic fortunes, as half of the UK's exports go to the EU "single market";
- EU membership serves as a launchpad for the UK's global trade;
- Brexit would mean losing out on the benefits of the prospective U.S.-EU comprehensive free trade agreement, the Transatlantic Trade and Investment Partnership (T-TIP);
- the EU has many shortcomings, but the UK is "better off fighting from the inside";
- EU membership gives the UK a stronger voice and more influence in foreign policy;
- the EU has important transnational security dimensions, and Brexit would "divide the West," weakening its ability to deal with threats such as terrorism and Russian aggression; and
- Brexit is a "leap in the dark," with uncertain consequences and no clear vision of what a post-EU future would look like.

Possible Aftermaths

Analysts suggest that a UK exit could undermine the EU in a number of ways, including by prompting membership referendums or "opt outs" by other countries. Given the UK's foreign policy clout and defense capabilities, a UK exit could diminish the EU's role and influence as an international actor. Others suggest that the EU could emerge as a more like-minded bloc, able to pursue deeper integration without UK opposition. A vote to stay in, on the other hand, could give Cameron and future British leaders a freer hand in supporting EU initiatives and restore the UK as a key player in the EU.

Should the UK vote to leave, it would likely need to begin [complex negotiations](#) to define its future association with the EU. A Norway-style agreement granting access to the EU single market would require the UK to continue applying many EU regulations, without having a vote to influence how the rules are made. The UK would also need to negotiate new trade agreements with countries around the world to replace the existing agreements it has as an EU member. Meanwhile, some economists assert that a decision to exit the EU would likely leave the UK facing weaker economic growth, higher inflation, and sharp depreciation of the pound. Observers additionally suggest that a vote to leave could fuel a renewed push for Scotland to separate from the UK and join the EU as an independent country.

U.S. Views

President Obama and other U.S. officials have conveyed a preference for the UK to remain in the EU. During his April 2016 visit to the UK, [President Obama](#) firmly reiterated this view. With the UK commonly regarded as one of the

strongest U.S. partners in Europe and one that frequently shares U.S. views, senior Administration officials have expressed concern that a UK break from the EU would reduce U.S. influence in Europe, weaken the EU's position on free trade, and make the EU a less reliable partner on security and defense issues.