

# The EU Referendum: What does it mean for Sheffield?

ESRC UK in a Changing Europe Seminar Series: Sheffield

St Mary's Church Conference Centre, Bramall Lane, Sheffield

20 April 2016

REPORT ON EVENT

## EVENT OVERVIEW

The United Kingdom faces a momentous decision, whether to leave or to remain in the European Union. Voters, who will soon be asked to settle the matter in a referendum, are looking for more information and impartial analysis. At this Q&A event, we discussed the issues at stake with the help of a panel of academic specialists.

Among the matters we covered:

- The impact of the EU on the economy and jobs
- Immigration
- National sovereignty and the political implications of Europe
- Impact on South Yorkshire

## PANEL (L-R)

Dr Matt Wood (University of Sheffield) (Chair)

Professor Simon Bulmer (University of Sheffield)

Julia Gash (Director, Bag It Don't Bin It)

Gary Bell (ASSIST)

Sue White (CEO of Voluntary Action Sheffield)

Professor Michael Keating (University of Aberdeen)

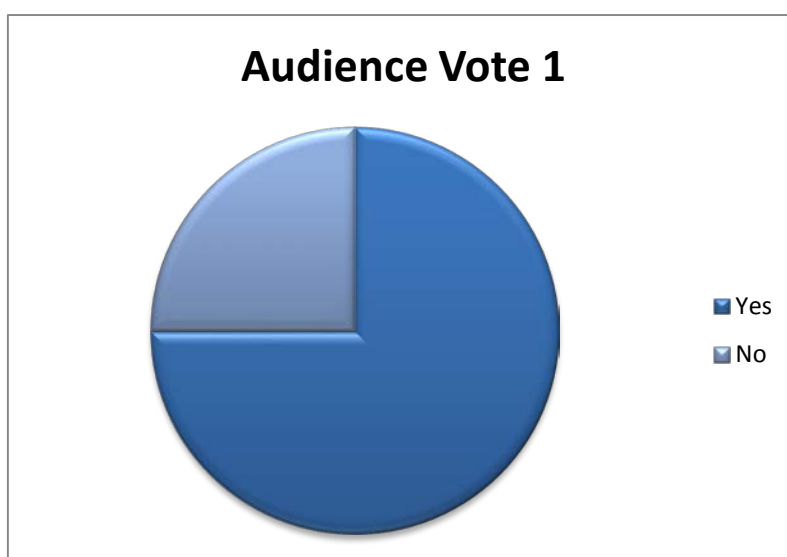


## INTRODUCTORY REMARKS

**MATT WOOD** opened by welcoming the panel and audience of approximately 150 to the event, on what was a tremendously sunny evening in Sheffield, and gave a brief overview of the backgrounds of the speakers and what each of the speakers would be focusing on. He then asked the audience to declare not *how* they would vote, but whether they knew how they would be voting in the referendum itself.

### AUDIENCE VOTE 1: IF THE REFERENDUM WAS TONIGHT, DO YOU KNOW HOW YOU WOULD VOTE?

- YES I KNOW HOW I WOULD VOTE: 75%
- NO I DON'T KNOW HOW I WOULD VOTE: 6%
- DON'T KNOW: 19%



## THE UK AND THE EU: CHANGING RELATIONS

**MICHAEL KEATING** outlined “what Europe is and what Europe means”:

“The EU is many things to many different people, and the campaigns emphasise different aspects of it. In 1975, some thought it was just a free trade area, and some would like it to return to that. However, it has always really been more than that. Indeed, it is recalled (somewhat inaccurately) that Britain really only wanted an economic agreement, without any of the trappings of institutions – a free trade area which would help support the UK’s economy. But then it changed its mind and joined the EU – albeit in a half-hearted manner.

The EU adopted freedom of movement – the four freedoms – so it needed to develop institutions in order to deal with the issues which arose on its doorstep: so from free trade and single market agreements, it evolved into several other areas – including, among others, on environmental policies, reducing effective trade barriers by creating common regulations and

mutual recognition of product standards, and a common foreign and security policy. If the UK wants to return to a simple single-market relationship with the EU, it would be very difficult to do so without any kind of institutional framework.

The EU is facing three significant crises at the moment. First, the eurozone crisis, which requires action; second, the migrant crisis, which the EU has not dealt with well, and to which it needs to find a solution; and third, the broader security crisis on its doorstep.

**SIMON BULMER** focused on the need to vote in the referendum: it is important to have your voice heard as both the vote will be close and turnout may be key:

“What is this really about? It’s really about control, control over specific issues: budget contributions, further integration, regulation, sovereignty, future roles in the EU... But oftentimes, people don’t vote on the issue of the referendum – they vote for or against the government, or on some other issue. So that is something else to keep an eye on as the campaigns proceed. We have seen recent interventions – on both sides – from prominent politicians and interest groups. The remain campaign were buoyed by Barack Obama’s intervention in support of the UK’s membership, Jeremy Corbyn has intervened recently on the side of remain despite his own Euroscepticism and the Treasury calculated that we would all be £4300 a head better off if we stay in the EU. Contrastingly, mayor of London Boris Johnston and Michael Gove, a member of David Cameron’s cabinet, have been giving a series of speeches outlining their opposition to the EU and the UK’s continued membership. One issue that has become apparent is that the Remain campaign have so far failed to make a positive case for staying within the EU – the current challenges to the EU have made making such a case more difficult. The Leave campaign have focused much more on these issues of control, and returning those controls to the UK. Michael Gove emphasised this by describing Britain as ‘being in the boot of a car, with someone else steering and not knowing where you are going’. This is probably overegging the pudding slightly, given that, as a member state, the UK does have a role in determining future direction. But it does give an insight into how the remain campaign are framing the debate, and it appears that such an approach might resonate with members of the public who are concerned about the UK’s role in Europe.

There are several different options for how we could operate if we leave: Norway, Switzerland, Canada and even Albania have been discussed as models. Each have advantages and disadvantages:

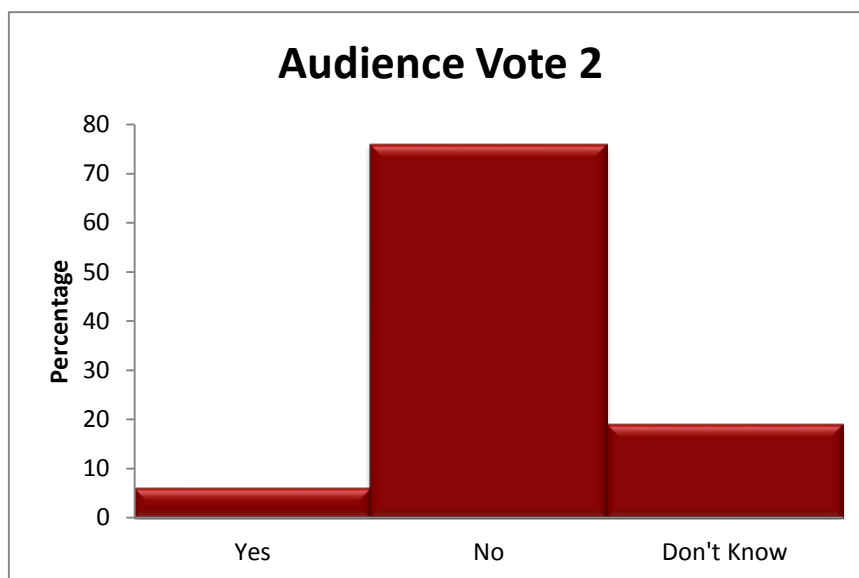
- The ‘Norway Model’ would see us remain part of the economic area, with no control over making the regulations that govern the agreement. This works for Norway on the basis that their population do not want to be part of the EU but they do want to have the benefits of trade area.
- The ‘Switzerland Model’ is similar, but with individual agreements on policy areas, which have been painstakingly negotiated over a number of years.

- The 'Canada Model' comprises a trade agreement between Canada and the EU which has just been concluded (after seven years of discussions). While it would allow for interaction between the UK and the EU, it would not allow for transfer of services (particularly financial services, which may harm the financial industry in London).

What is control? What does it mean in real terms? We talk about sovereignty, national sovereignty, parliamentary sovereignty, but we are in the 21st century, and with transnational issues – globalised trade, terrorism, environmental changes – there is a limit to which sovereignty actually represents control. To that end, if we took a position like Norway, withdrawing from the decision-making structures but staying in the economic area, we would formally regain sovereignty but control would not actually be repatriated to the UK.”

#### AUDIENCE VOTE 2: DO YOU KNOW HOW SHEFFIELD WOULD BE AFFECTED BY THE EU REFERENDUM DECISION?

- YES I KNOW: 6%
- NO I DON'T KNOW: 76%
- DON'T KNOW: 17%



#### IMPACT ON POLICY AREAS

**SUE WHITE** emphasised the role of voluntary and community action in the Sheffield area.

“The charity commission restricts charities from promoting a particular viewpoint on the referendum, but we do have two key interests in the referendum outcome: Mission and money. For mission, the idea of an economic community has suggested that economic progress and social justice go hand in hand – and at the EU level, justice and solidarity have appeared to be part of that. It isn't clear that such an agenda would continue in the event of Brexit. Advocacy

is also a large part of that mission, supporting organisations that have common objectives in delivering policies which eliminate discrimination – something which it is impossible to say whether it would have been achieved without these organisations working together. Related to that, there are issues about people who live and work in the UK who are from the EU – and if benefits are withdrawn from those individuals, they may require more support from voluntary sector, which has a knock on effect upon how much support can be provided in other areas. For money, south Yorkshire has been the recipient of much EU structural funding since the 1980s, and you can see many projects that would not exist without access to those funds. Brexit would thus result in much uncertainty, and disadvantaged communities and the poor who are least well equipped to cope with it are those who will probably be most affected.”

**GARY BELL** talked about migration, and different types of migration: intra-EU migration, migration from outside the EU, and asylum-seeking and other forced migration.

“For intra-EU migration, it has never been unconditional – there have always been conditions attached around employment, health, impact upon state resources. Non-EU migration has been viewed in a number of different ways: economic support for EU states, humanitarian considerations, balanced with managing different cultural and economic demands for the state. So there are seen to be substantial benefits and also substantial threats from migration to host states. The UK has opted out of some common policies on immigration via two protocols: EU law doesn’t affect the UK’s right to control its own borders; and the UK is not bound by the Treaty articles referring to immigration, though it does opt in to those measures it feels will be of benefit, e.g. readmission agreements with third countries and funding programmes. And, of course, the UK is not part of the Schengen Area. On asylum policy, the EU has aimed to harmonise the approach of Member States under the Common European Asylum System to avoid “asylum-shopping” – attempts to find the ‘best deal’ in terms of where to stay. Again, the UK opted into the initial ‘minimum standard’ phase of law-making but has tended to pick which policy areas it adopts in the ‘secondary phase’.

On Brexit, it depends what happens with the negotiations, but we cannot be sure as to the effect upon migration. If there is no free movement from the EU to the UK, we may look at instituting qualifying criteria for those EU nationals currently in the country and those wishing to enter. In 2011, there were 4,000 EU nationals living in Sheffield – what happens to them in the event of Brexit? This has not been made clear, so it is hard to know what the impact on them will be, and also if they are not allowed to stay, what will be the impact upon the area for attracting workers. There were also over 1 million British citizens in 25 other Member States recorded in 2011, so what happens with them will also likely be part of the post-Brexit discussions. On asylum, again, we’ll have to wait and see what would occur, but there are standards that are consistent across the EU as a result of the ECHR and the 1951 Refugee Convention, - whether those standards will be diluted could be up for discussion. The bottom line, really, is that we don’t really know what would happen – it all depends upon the UK negotiations with the remaining Member States.”

**JULIA GASH** focused on businesses, and how the EU affects different businesses in different ways:

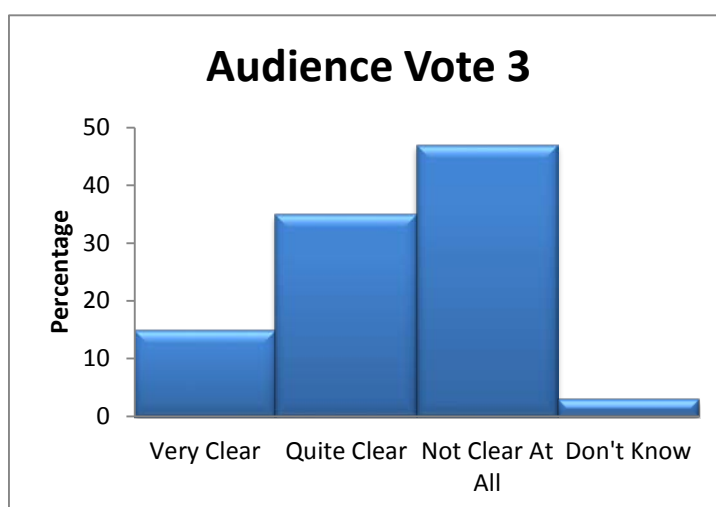
“I work in both industry and services, and I want to talk about what it is like working within the EU and what it might be like without it. Within, we have access to 500 million consumers – a market with no barriers, and the process of sending a parcel to Berlin is the same as sending a parcel to Birmingham: with no customs charges or processes, it is incredibly easy. Sending things to Switzerland, with customs issues, is more problematic, and if documents are not completed correctly, the result can be significant delays. The EU – with telecommunications and other technological advancements – has allowed small businesses to expand considerably over the past few years. Business has thus had a very fertile environment for expansion. Even relationships with non-EU countries – in the Far East, in the US – can be conducted within and through EU states and institutions, which makes things much easier for businesses.

Contrary to some expectations, my 26 years in business have seen no “red-tape” – you hear a lot about regulations and limitations on business, but I haven’t experienced it. Much of these issues – PAT testing, for example – seem to simply be common sense.

I was expanding my businesses in 2008 at the time of the financial crisis, and banks did not want to know about lending money, EU funds helped plug the gap: allowing for loans and grants to acquire equipment, employ apprentices and expand. Yes, that money came from us as a net contributor to the EU budget but that money would otherwise have been lost to South Yorkshire.”

### AUDIENCE VOTE 3: DO YOU THINK THE ARGUMENTS FOR AND AGAINST LEAVING THE EU ARE CLEAR?

- VERY CLEAR: 15%
- QUITE CLEAR: 35%
- NOT CLEAR AT ALL: 47%
- DON'T KNOW: 3%



## QUESTION AND ANSWER SESSION

### 1) MUCH OF THE DEBATE HAS BEEN ABOUT 'THEM COMING HERE' BUT I'M MORE INTERESTED IN 'US GOING THERE' – WHAT ARE THE IMPLICATIONS OF BREXIT FOR 'US GOING THERE'; AND HOW CAN WE PROGRESS THE ARGUMENT FOR A SOCIAL EUROPE?

**GARY BELL** – I share the experience of having family living in the EU, so if we have a 'leave vote, there could be changes to free movement rights. If free movement was ended as a part of these negotiations, that would obviously have an impact, but that may be an unlikely outcome. But in the event of Brexit, we may look to do bilateral admission agreements with specific countries (like Spain, where we have significant numbers of UK ex-pats, or the Netherlands, where we have large numbers of students); or conclude a continent-wide agreement with the EU.

**JULIA GASH** – The EU gives us the right to live and work and study anywhere within its borders, and that is an incredible right. People don't seem to realise what giving up that right would mean. I think it would make us significantly poorer, economically and socially.

### 2) IS THERE A BENEFIT TO GETTING OUT EARLY IF THE EU PROJECT IS HEADING FOR DISASTER?

**SIMON BULMER** – Yes, there probably would be an advantage for getting out first, but that'd be a very negative way of looking at it. But rather than exiting, perhaps there might be an advantage for the UK to put its stamp on what its vision of the EU would look like going forward. Perhaps a few concentric circles with opt-ins to particular areas might be the model going forward, with different states adopting different levels of integration.

**MICHAEL KEATING** – The social aspect of the EU has not been developed recently. This was one aspect that David Cameron had wanted to get out of, but dropped it after recognising that this would jeopardise Labour support for remaining, and the campaign would need Labour support.

### 3) A LOT OF DISCUSSION ON THE ECONOMIC, ENVIRONMENTAL AND SOCIAL ASPECTS OF THE EU, BUT LIMITED DISCUSSION OF THE "PEACE ISSUE" – IS THIS STILL RELEVANT?

**SUE WHITE** – There is an argument, of course, that we're stronger from a security perspective as part of an alliance. Russia has become something of a threat again, and if we are standing alone as an individual state, that is perhaps a more worrying situation.

**JULIA GASH** – The EU gives us the chance to sort out our differences around the table rather than the battlefield, and it has succeeded in establishing peace within its borders. Again, this is something which seems to be taken for granted – but this was an original objective of the EU, to avoid war within its territory and between its members, and this has been achieved.

### 4) IN VIEW OF THE FACT THAT THE PM CAME BACK FROM HIS NEGOTIATIONS WITH 'NOTHING', WHAT CHANCE IS THERE FOR CHANGE IN THE EU?

**SUE WHITE** – I understand the argument, but I do think that the UK has stood on the sidelines too much instead of getting involved, rolling up the sleeves and delivering a British viewpoint within the EU. As an 'awkward partner', we haven't been pro-active in doing so,

and that's perhaps more representative of our lack of engagement than the EU being bad for the UK.

**JULIA GASH** – The EU gives us the chance to put our interests forward with a seat at the table – I'd argue it was the failure of British politicians rather than the EU that has led us here. But you definitely can't change things from the outside – and things will affect us even if we're not in, so walking away seems counterintuitive.

**GARY BELL** – Does the audience know what the PM asked for in his negotiations, do you know what we got? I think that's part of it – it's a limited extension of information to the public domain, and what information does get out is quite dense and jargon-heavy so we tend to have limited interest in seeking it out.

#### **5) IF WE LEAVE THE EU WHAT WILL HAPPEN TO OUR SCIENTIFIC RESEARCH?**

**SIMON BULMER** – This is an important question, and one which will possibly shape our future. The funding from the EU is important in this respect as well: Horizon 2020 allows us to fund research in many different areas. But what will happen if we're outside the EU? Will we still be able to apply for these grants? Again, we just don't know at this point.

#### **6) WHAT WOULD BE THE DIFFERENTIAL IMPACT ON SHEFFIELD SPECIFICALLY IN THE EVENT OF BREXIT?**

**JULIA GASH** – What would happen with businesses? Well, some aspects will shift for sure. Businesses have to act in a way that maximises their return and produces the most efficient outcomes. My own businesses, for example: some of it will stay here, for sure, but I'll move some of it overseas because it will be more feasible to operate within the EU than from outside. This will have an impact on local economies. And if you move some of these companies overseas, you lose out on much of the taxation (of which, corporation is substantial!) from those businesses. But I do think a lot of businesses will – maybe not straight away, but over time, significant numbers – move to the EU to make sure they can continue to access those markets.

**SUE WHITE** – Sheffield has more than 80% small to medium sized enterprises, so obviously if they all took the same view as Julia, it would have a significant impact on the local economy. But a question from me would be how the newly agreed city-region deals might have an impact on the local area, and whether this would have more or less of an impact on the area than the EU referendum?

**MATT WOOD** – I think the honest answer is that we don't know what impact that will have, in the same way we don't know for sure what the impact of staying or going would be for sure. We can hypothesise though, that depending how proactive some of the regions are, it may increase inequalities across the regions of the UK, given opportunities for development are likely to be focused more on those areas that actively seek out investment.

**7) IT SEEMS TO BE THAT THE MOST CONVINCING CASE FOR STAYING IN IS THE BUSINESS CASE – BUT THERE ARE DIFFERENT VERSIONS OF BEING EUROPEAN, AND IF IT IS THE BUSINESS CASE THAT IS THE MOST CONVINCING, IS THIS TO THE DETRIMENT OF OTHER VERSIONS (SOCIAL PROGRESSIVE EUROPE, FOR EXAMPLE). EQUALLY, THE**



**IDEA OF “FORTRESS EUROPE”, RAISING THE BORDERS WHEN THERE ARE BODIES WASHING UP ON THE BEACHES, CONCERNS ME. SO, I SUPPOSE MY QUESTION IS “WHAT IS EUROPE, AND WHAT DO WE WANT IT TO BE?”**

**MICHAEL KEATING** – Europe is all of those things, and more, and that is part of what the issue is. At the moment we have the choice of “David Cameron’s Europe” or “get out”; but it is unfortunate that we don’t have the opportunity to vote on “Social Europe” or “other future Europes”. It’s the same as the Scottish independence referendum – we might well end up with an option that we couldn’t vote for in the referendum (as has occurred, with further devolution the outcome, even though the vote was between independence and the status quo). So that’s a problem in the campaign: if we vote to stay in, are we voting for the Prime Minister’s ‘renegotiations’, or for reform, or for the status quo? And how will we know? We do need to discuss what the political process of Europe is, and those different futures need broader consideration.

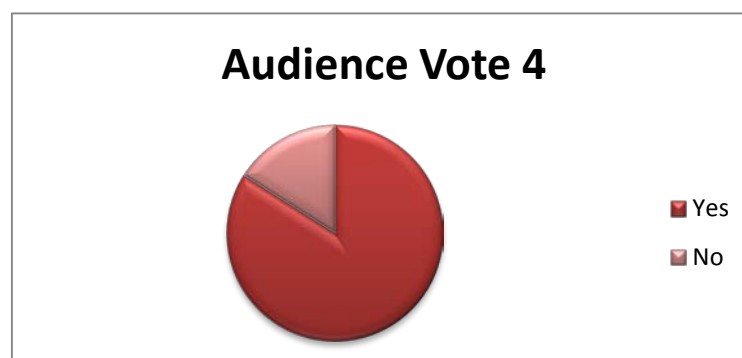
**SIMON BULMER** – The EU is an opportunity structure, it reflects the changing international agenda, it reflects the changing political attitudes across the continent over time – at the moment, there’s a balance of centre-right governments across Europe, in the 1990s, it was more social democratic. It has changed, and will change over time, so what we’re voting for probably depends upon the time in which the decision we’re making takes place. This means that, yes, currently, the business case is probably the more prevalent, but that’s because of the way that the EU’s political system leans at the moment. But that’s not to say we won’t again look to a more social democratic vision of Europe in the future, or that those aspects of what makes a social Europe are not on the table in this referendum.

#### **8) WHAT DO YOU THINK WOULD HAPPEN TO SHEFFIELD IF WE LEAVE THE EU?**

**SIMON BULMER** – Sheffield in the 1980s got much support from the EU, and if we hadn’t been in, we would have been relying upon Margaret Thatcher’s government, and that support probably wouldn’t have been forthcoming.

#### **AUDIENCE VOTE 4: IF THE REFERENDUM WAS TONIGHT, DO YOU KNOW HOW YOU WOULD VOTE?**

- YES I KNOW HOW I WOULD VOTE: 84%
- NO I DON’T KNOW HOW I WOULD VOTE: 16%



## Acknowledgements

This event was a collaboration between several different organisations, to whom we owe a debt of gratitude. In particular, the ESRC funded the event through the **UK in a Changing Europe** programme, and the event was organised in association with **The Crick Centre**. Clare de Mowbray at the **Centre on Constitutional Change** and (in particular) Fran Marshall (Public Engagement and Impact Team, Research and Innovation Services) at the **University of Sheffield** were instrumental in the organisation of the event and the participation of the panel. Our grateful thanks go to each of these organisations, and to the speakers for their time and expertise.



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