

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

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In-or-Out Vote Set for June 23

On June 23, 2016, British voters are expected to answer the question "Should the United Kingdom remain a member of the European Union?" The outcome of the referendum remains 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. Some polls in mid-June have shown a late shift in favor of the Leave campaign.

Arguments For and Against

Since joining the precursor to the modern European Union (EU) in 1973, the United Kingdom (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.

Prime Minister Cameron is [leading the campaign](#) to remain in the EU, but the issue has sharply divided the Conservative Party he leads. 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.

Proponents of the United Kingdom exiting the EU (often referred to as "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

Technically, the referendum is only advisory for Parliament, but the [government has asserted](#) that it "would have a democratic duty to give effect to the electorate's decision." There is no precedent for a country withdrawing from the EU, so a high degree of uncertainty exists about how the separation might work.

A vote to leave is unlikely to force the UK out of the EU immediately. Under its treaty framework, the way for a member country to withdraw from the EU is to invoke Article 50 of the Treaty on European Union, opening a two-year period in which the two sides would attempt to negotiate a withdrawal agreement.

There is no preset time frame for the notification that begins this process. The timing of the notification would be a political decision that could be delayed by holding a Parliamentary debate on the exit beforehand, for example.

The main purpose of the withdrawal agreement would be to settle transition arrangements in policy areas covered by EU treaties. Until the negotiation is concluded, the UK would remain a member of the EU and subject to its rules. Details about the [future arrangement](#) of the relationship between the UK and the EU likely would be negotiated as a separate agreement.

Many observers believe that the process of negotiating these agreements would likely take considerably longer than two years to complete. As expressed by the [UK government](#) itself, "a vote to leave the EU would be the start, not the end, of a process. It could lead to up to a decade or more of uncertainty."

Analysts have expressed concerns that a vote to withdraw from the EU could cause an economic shock that would leave the UK facing weaker economic growth, higher inflation, and depreciation of the pound, with potentially significant negative consequences for the U.S. and global economies. The UK might face a period of domestic political instability if a Brexit vote imperils the position of Prime Minister Cameron or fuels a renewed push for Scotland to separate from the UK.

Some are concerned that a Brexit could prompt a wider unraveling of the EU. At a time of growing skepticism toward the EU in many member countries, a UK departure could lead to more calls for special membership conditions or referendums on membership in other countries. 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 a freer hand in shaping EU initiatives and restore the UK as a key player in the EU.

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.