

BRIEFING PAPER

A Guide to the EU Referendum



SCOTLAND STRONGER IN EUROPE



Vote Leave

On Thursday 23rd June, the UK will vote on whether to remain part of or leave the European Union. This briefing paper outlines the key issues and frequently asked questions around the European Union and Britain's membership of the organisation.

The referendum question will be:

"Should the United Kingdom remain a member of the European Union?"

www.scottishwomensconvention.org

May 2016

The EU Referendum - What's Happening?

Why is a referendum being held?

- Prime Minister David Cameron promised to hold one if he won the 2015 general election, in response to growing calls from his own Conservative MPs and the UK Independence Party (UKIP).
- They argued that Britain had not had a say since 1975, when it voted to stay in the EU in a referendum. They believe that the EU has changed a lot since then, gaining more control over people's daily lives.
- Mr Cameron said: "*It is time for the British people to have their say. It is time to settle this European question in British politics.*"

What is the European Union (EU)

- The European Union - often known as the EU - is an economic and political partnership of 28 European countries.
- It began after World War Two to foster economic co-operation, with the idea that countries which trade together are more likely to avoid going to war with each other. It has since grown to become a "single market", allowing goods and people to move around, basically as if the member states were one country.
- It has its own currency, the euro, which is used by 19 of the member countries, its own parliament and it sets rules in a wide range of areas - including on the environment, transport, consumer rights and even things like mobile phone charges.

Who Will Be Able to Vote?

- British, Irish and Commonwealth citizens **over 18** who are **resident in the UK**, along with UK nationals living abroad who have been on the electoral register in the UK in the past 15 years.
- Members of the House of Lords and Commonwealth citizens in Gibraltar will also be eligible, unlike in a general election.
- Citizens from EU countries - apart from Ireland, Malta and Cyprus - will not get a vote.

How Do You Vote?

- It will be a similar system to that during other elections. Firstly, if you have registered to vote, you'll be sent a card telling you when voting takes place and where you should go to vote on 23 June.
- On that day, when you go to the polling station you will be given a piece of paper with the referendum question on it. You then go to a booth, which will have a pencil in it for your use.
- You put an X in the box which reflects your choice and put the paper into a ballot box.
- You can also apply for a postal vote.
- Visit www.aboutmyvote.co.uk to find out more information on voting in the referendum.

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What changes to the UK's EU membership did David Cameron get agreed?

Ahead of the referendum, David Cameron secured an agreement with other European Union leaders to change the terms of Britain's membership. The deal, which will take effect immediately if the UK votes to remain in the EU, gives Britain "special" status within the organisation .

The main points of the deal are:

- **Child benefit** - Migrant workers will still be able to send child benefit payments back to their home country. Payments will be set at a level reflecting the cost of living in their home country rather than the full UK rate
- **Migrant welfare payments** - The Prime Minister says cutting the amount of benefits low paid workers from other EU nations can claim when they take a job in the UK will remove one of the reasons people come to Britain in such large numbers. He did not get the blanket ban he wanted. New arrivals will not be able to claim tax credits and other welfare payments straight away - but will gradually gain the right to more benefits the longer they stay, at a rate yet to be decided.
- **Keeping the pound** - Mr Cameron has said Britain will never join the euro. He secured assurances that the countries who do use this form of currency will not discriminate against Britain for having a different currency. Any British money spent on bailing out nations that get into trouble will also be reimbursed.
- **Running our own affairs** - There will be a clear commitment that Britain is not part of a move towards an "ever closer union" with other EU member states. This will be incorporated in an EU treaty change. A "red card" system for national parliaments will also be introduced, whereby it will be easier for governments to band together to block unwanted legislation. If 55% of national EU parliaments object to a piece of EU legislation it will be rethought.

Who wants Britain to leave the EU and Why?

- UKIP, who won seats at the last European elections and who received nearly four million votes - which equates to 13% of those cast - in last May's general election, campaigns for Britain's exit from the EU.
- About half of Conservative MPs, including five cabinet ministers, several Labour MPs and the DUP (Northern Irish political party) are also in favour of leaving.
- They believe Britain is being held back by the EU, which they say imposes too many rules on business and charges billions of pounds a year in membership fees for little in return.
- They want Britain to have full control of its borders and reduce the number of people coming here to work.

Who wants Britain to stay in the EU and why?

- Prime Minister David Cameron wants Britain to stay in the EU. Sixteen members of his cabinet also back staying in. The Conservative Party has pledged to be neutral in the campaign, but the Labour Party, SNP, Plaid Cymru and the Lib Dems are all in favour of staying in.
- US president Barack Obama wants Britain to remain in the EU, as do other EU nations such as France and Germany.
- Those campaigning for Britain to stay in the EU say it gets a big boost from membership. It makes selling things to other EU countries easier and, they argue, the flow of immigrants, most of whom are young and keen to work, fuels economic growth and helps pay for public services.

The Campaigns

Scotland Stronger in Europe

<http://www.strongerin.co.uk/>



- Scotland Stronger in Europe is part of Britain Stronger in Europe, the main cross-party group campaigning for Britain to remain in the EU.
- Britain Stronger in Europe is headed by former Marks and Spencer chairman Lord Rose. It is backed by key figures from the Conservative Party, including Prime Minister David Cameron and Chancellor George Osborne, most Labour MPs, including party leader Jeremy Corbyn and Alan Johnson, who is running the Labour In for Britain campaign, the Lib Dems, Plaid Cymru, the Alliance party and the SDLP in Northern Ireland, and the Green Party.
- The group's biggest funder so far is supermarket magnate Lord Sainsbury. Investment banks Goldman Sachs and Citi have said they will support the campaign with six-figure sums while hedge fund boss David Harding is on the board of the organisation.
- The SNP is running its own remain campaign in Scotland as it does not want to share a platform with the Conservatives.
- Scotland Stronger in Europe was formally launched on Wednesday 10th February 2016. Membership of the Advisory Group, chaired by Professor Mona Siddiqui, was also announced. The members have huge expertise and knowledge in their own fields, and collectively represent the diversity of Scotland's national life. The 10-strong advisory board contains five women and five men.

Vote Leave

<http://www.voteleavetakecontrol.org/>



- Vote Leave is a cross-party campaign with the backing of senior Conservatives such as Michael Gove and Boris Johnson plus a handful of Labour MPs, UKIP's Douglas Carswell and Suzanne Evans and the DUP in Northern Ireland. It has a string of affiliated groups such as Farmers for Britain, Muslims for Britain and Out and Proud, a gay anti-EU group, aimed at building support in different communities.
- Vote Leave has raised £2.78m so far. Its largest supporter is businessman Patrick Barbour.
- UKIP leader Nigel Farage is not part of Vote Leave. His party is running its own campaign. The Trade Union and Socialist Coalition is also running its own out campaign and several smaller groups have also registered to campaign.
- Vote Leave believe that technological and economic forces are changing the world fast and as a result EU institutions cannot cope. They believe that Britain needs a new relationship, which would involve negotiating a new UK-EU deal based on free trade and friendly cooperation, ending the supremacy of EU law.
- Vote Leave believe that Britain should stop sending £350 million every week to Brussels and instead spend it on priorities such as the NHS and science research.
- If Britain left the EU, it would regain seats on international institutions like the World Trade Organisation, creating a more influential force for free trade and international cooperation.
- *"A vote to 'leave' and a better, friendlier relationship with the EU is much safer than giving Brussels more power and money every year."*

Key Questions

Are there any viable options for Britain leaving?

- If Britain votes to leave, it will have to negotiate a new trading relationship with what would be a 27 member organisation, to allow UK firms to sell goods and services to EU countries without being hit by excessive tariffs and other restrictions.
- **Leave** campaigners say that the UK could negotiate an ‘amicable divorce’, but retain strong trading links with other EU nations. There are a number of potential models, mirroring that of other countries, that could be adopted.
- Many of those campaigning to leave want a free trade agreement, which would mean the UK did not accept the supremacy of EU law, the jurisdiction of the European Court of Justice, the free movement of people or the requirement to pay significant amounts into the EU budget.
- **Remain** campaigners, however, believe that the other EU nations would not allow this ‘pick and mix’ approach to the rules. The end result could, instead, be a trade war between the UK and the rest of the EU, which could have a significant impact on Britain’s export industries.

What would be the impact on British jobs?

- **Leave** campaigners say that there would be a jobs boost, as firms would be free from EU regulations and ‘red tape’. Small and Medium Enterprises (SMEs), who do not trade with the EU, would benefit significantly from this.
- **Remain** campaigners say that millions of jobs would be lost as global manufacturers would move to low cost EU countries. Britain’s large, foreign-owned car industry would be at particular risk. The financial services sector, which employs about 2.1 million people in the UK, also has concerns about a potential exit.

What about immigration?

- **Leave** campaigners say that Britain would regain full control of its borders. UKIP wants to see a work permit system introduced, whereby EU nationals would face the same visa restrictions as those from outside the EU.
- **Remain** campaigners say that immigration is good for Britain’s economy, bringing more skills into the country and therefore boosting productivity.

If the UK left the EU, would UK citizens need special permits to work in the EU?

- A lot would depend on the deal that the UK agreed with the EU if the country votes to leave on 23rd June.
- If, as part of the deal, the UK remained within the single market (which allows goods and people to move around as if all member states were one country), it would almost certainly retain free movement rights.
- This would mean the UK citizens could work within the EU without permits and EU citizens could work in the UK, as is the case just now.
- If, however, the UK Government negotiated restrictions as part of the deal, the UK citizens would have to apply for visas. This means that EU citizens would have to apply for visas to work here. This is the approach that UKIP want to see taken.

Would leaving the EU mean wouldn't have to abide by the European Convention on Human Rights (ECHR)?

- **No.** The ECHR is not an EU institution, therefore leaving would not exempt the UK from its decisions.
- The UK Government is, however, committed to repealing the Human Rights Act.

How much does the UK contribute to the EU and how much do we get in return?

- The UK is one of the 10 Member States of the EU who pay more into the EU budget than they get out. Only France and Germany contribute more.
- The UK gets an annual rebate and money back, in the form of regional development grants and payments to farmers.
- The UK contributes roughly 1.4% of its total annual public spending to the EU. This is slightly less than the energy and climate change department's annual budget.

How long will it take for Britain to leave the EU?

- The minimum period after any potential vote to leave would be two years. During that time, Britain would abide by EU laws and treaties, but would not be able to take part in any decision making processes.

How much money will the UK save through changes to migrant child benefit and welfare payments?

- Her Majesty's Revenue and Customs (HMRC) have estimated that about 20,000 EU nationals receive Child Benefit payments at an estimated cost of about £30 million.
- The total saving is likely to be significantly less than £30million, because the Prime Minister did not get the blanket ban on payments to migrant workers that he wanted.
- The cuts will be phased in. New arrivals will not be eligible for Tax Credits and other in work benefits straight away but will gradually gain access to them over a four year period, at a rate still to be decided.

Would the UK be party to the Transatlantic Trade Partnership (TTIP) if it left?

- **No.** If Britain left the EU, it would not be part of TTIP, which will create the biggest free trade area the world has ever seen.
- Those who support TTIP, including the Prime Minister, believe it could make American imports cheaper and boost British exports to the US of around £10billion per year.
- Those who oppose TTIP, such as Jeremy Corbyn MP, fear that it will shift more power to multinational companies, undermine public services and threaten basic rights.



For more information about the EU referendum, visit:

- <https://www.eureferendum.gov.uk/>
- <http://www.strongerin.co.uk/>
- <http://www.voteteavetakecontrol.org/>
- <http://www.parliament.scot/parliamentarybusiness/CurrentCommittees/90965.aspx>