

British Voters and EUroscepticism: much ado about nothing?

by rpinto_anglodeutsch - Sunday, February 01, 2015

<http://anglodeutsch.eu/british-voters-euroscepticism-much-ado-nothing/>

A Historic Turning Point Coming Up?

British voters are weighing up their options, but a strong element of anti-EU sentiment can be detected. The General Election scheduled for 05 May 2015 may well be turn out to be historic. If the Conservative Party wins, it is committed to holding a straight in/out referendum in 2017 about whether Britain is to remain in the EU or not. Previous posts have discussed the role of the eurosceptic Conservative wing and the role played by the Ukip party in the [hardening Conservative and Labour Party stance in relation to the EU and EU-related immigration](#). Previous posts have also discussed a growing [anti-Euro and anti-Islam sentiment in Germany](#), though it is materially different and not as pervasive as in the UK. No obvious anti-EU sentiment can be detected, which is why this post focuses mainly on Britain.

A reading of opinion polls illustrates that the balance of British public opinion, which [has never exactly been EUphoric since joining in 1973](#), appears to be turning stringently EUrosceptic. The common assumption among quite a few politicians and a large segment of the media seems to be that life would become instantly better if only Britain would jettison membership of the EU, regain “control over its borders”, thus stopping “uncontrolled” migration along with excessive “interference” from Brussels in British affairs. But is this really the case? How much would actually change overnight, as far as the voters' priorities are concerned?

Voter Priorities (2010-2015)

With the British general election not so far away, it is worth asking: just how much would actually change in people's lives if the UK were to leave EU in terms of immediately improving life in Britain, based on the issues that matter to voters? To address this thought experiment, I have used the latest Ipsos MORI poll which asks about the top concerns of British voters.

In January 2015 four issues predominated in terms what is important to voters, namely healthcare (almost half), economy (one-third) followed by asylum and immigration (27%) and education/schools (20%). Europe/EU as an issue is on par with unemployment, which at present is a pretty low rate in the UK (less than 10% note it as being important). A further five issues are of some importance in terms of voting intentions (benefits, taxation, housing, foreign affairs and pensions).

Table 1 shows some change since 2010, but the top four priorities have been fairly consistent. What is noticeable, however, is that whereas economy and education have not changed, both health and immigration have risen significantly in importance to British voters since 2010. Perhaps surprisingly, housing is increasing in importance but remains a secondary priority for British voters.

Voter Priorities and UK vs. EU Responsibilities

On the basis of the voter's priorities, it is worth asking the question: what exactly are the responsibilities of the British Government and what is affected by the EU? On the basis of this question, it is possible to assess what might change for Britons.

Below I discuss these issues briefly, focusing first on the **top four voter priorities**:

- **Health:** The Department of Health is entirely responsible for the NHS in terms of budget, priorities, reforms, etc. The main EU influence is in enabling the citizens of the EU-28 to be fully covered when they go to other EU countries without the need for additional health insurance for work, holidays, study, etc. It also allows people to choose where they wish to be treated, if the services are better or waiting lists are shorter. Health Tourism is an issue concerning non-EU citizens, rather than for EU ones. Nothing dramatic would change tomorrow, if the UK were to leave the EU in terms of quality of care, waiting lists, response rates or any of the other key issues of concern to the British voter. If anything, choice is likely to be reduced and extra costs incurred when British citizens travel to the EU. In terms of EU residents living in the UK and their use of the health service, not much would change. If they are working, they are also paying for the NHS through their National Insurance contributions. Otherwise, they would have to insure themselves privately and still have access to health in Britain. The exception would be if the UK chooses to deport, something that is barely imaginable. Verdict: no change. There are no magical solutions to the problems of the health service in Britain. The trends are neither recent nor connected with membership of the EU.
- **Economy:** the UK is entirely in charge of its macro- and micro-economic destiny, since it is not part of the euro and thus not affected by the eurozone rules. The UK can affect its interest rates and implement quantitative easing to its heart's content. The Stability and Growth Pact does have requirements, such as no budget deficits greater than 3% of GDP, no public debt exceeding 60% of GDP without diminishing by 5% per year on average over 3 years. Verdict: nothing would change. The UK and many other countries have greatly exceeded these limits at a time of serious economic and financial concerns. Britain is 100% in charge of its destiny, unlike Greece, Spain, etc. The Chancellor has already set in train [further drastic reductions in public expenditure](#) in the next period of Government. There is nothing about the programme of austerity that the British Government can pin on the EU, which is probably why this has not been tried, [unlike for example Greece](#).
- **Asylum/immigration:** as I have previously discussed, [there are three elements here](#). Firstly, the UK is entirely in charge of its asylum policy and can choose who to let in and who to keep out. The same applies to non-EU immigration, which Britain is entirely in charge of. These elements comprised over 68% of immigration (together with Britons returning to the UK). The EU cannot and does not interfere with this but the balance (32%) is EU migrants. Many international companies are based in Britain that require access to the global pool of human resources to maintain their standards and profitability. On balance, basing a decision to leave the EU because of the freedom of movement of people principle and perceptions of "uncontrolled immigration" in the last decade does not appear to be justified. The unemployment rate remains at 5.8% ([compared with 6.5% in Germany and 11.4% in the EU](#)), despite a long period of intense economic and financial crisis. A critical issue that affects voter sentiment is net wages, which is determined by the companies located in Britain, as well as the public employers. If Britain were to stop EU and any other form of immigration (it is doubtful that employers would welcome this) the perceived

pressures on health, housing and social services would not change since most EU immigrants would presumably remain. The exception is if such a police were to be combined with (forced) repatriation, which is unimaginable at the present time. If so, in theory Britain would have to make allowance for the 1.3 million Britons in other EU countries to return from EU countries to the UK. Verdict: possible short-term gain but likely long-term loss. The change would affect 32% of Immigration (2012 data) at the very most, but asylum and immigration would not end. There would only be perceptible changes, if a policy of terminating EU immigration were to be combined with deportation. I cannot imagine the average British voter wanting this or the consequences of enforcing such a policy.

- **Education/schools:** this is entirely the responsibility of the UK and the pressures have been decades in the making. The issue that the EU has concentrated on is harmonizing qualifications and certification to ensure greater scope for freedom of movement of workers. This is advantageous for Britons as well as for others. Verdict: no change. The children of EU migrants make-up a small percentage of all children in schools across the country. If their parents are working here, they are entitled to study in Britain unless the Government and the British electorate wishes to evoke the deportation route.

So in terms of the most important issues to UK voters, there is not a huge amount of immediate gain from Brexit, based on the top four voter priorities. I am not even going to discuss the possible losses which would be the consequence of gaining control over EU immigration. Britain is already in charge of two of the three key elements of immigration, which makes up the majority of immigration. It is an island, which gives it more protection than others in the era of globalisation. The fear that there is uncontrolled immigration from the EU is overdone. When the economic downturn started, many EU migrants simply left the UK of their own accord and the migratory pattern turned towards Germany instead, the only EU country experiencing strong economic growth. When the UK economy started growing again in mid-2014, the immigration trend started reversing (though probably influenced by the A2 countries, namely Romania and Bulgaria). In any case, if the unemployment rate is 5.8% and decreasing, it is worth asking the question: who is employing the EU migrants and benefiting from their contribution to the economy, to tax inflows and to company profits? Might the answer be Britons and Britain? If the real issue is decreasing net wages and benefits in Britain, the question is who is gaining from this development? Might the answer be certain segments of British society?

Below I address **the remaining voter priorities:**

- **Europe/EU:** The issue which the EU insist on is that the freedom of movement of people (as well as goods, services, capital) be maintained, allowing all EU citizens to travel for tourism, study, work and retirement purposes. Many, if not most Britons, enjoy some or all of these freedoms in one way or another. [1.3 million Briton live in other EU countries](#), and a large number travel, work, study, invest (e.g. second homes and pension funds) or retire in EU countries. This is something which is currently taken for granted at present. I believe the loss will be felt much more rapidly and keenly than most British voters may realise.
- **Unemployment:** leaving the EU might result in less European migrants, but it would not put an end to EU immigration or lead to zero unemployment. British-based enterprises compete globally for many skills essential to maintain productivity and innovation. I doubt that there would be a significant reduction in qualified labour coming from the EU. It is not certain that the agricultural, tourism, hospitality, etc. businesses would be able to satisfy their needs simply from UK-based

sources. There might be a reduction in less qualified labour and thus in unemployment but this is unlikely to be more one or two percentage points and will lead to other pressures. Verdict: possible short term gain but likely long term loss.

- **Benefits:** very few EU migrants claim benefits. Immigrants were 45% less likely to receive state benefits or tax credits than UK natives during 2000-2011. They are also less likely to live in social housing than the UK born population. EU migrants of working age who are not students, not in employment and receive some kind of state benefit, amount to [39,000 or less than 1% of all foreign nationals in the UK and 1% of all EU nationals in the UK](#). Recent analysis of 23 out of 27 EU countries shows that there are [at least 30,000 Britons claiming unemployment benefit in countries around the EU](#). In other words 2.5% of Britons in other EU countries are claiming unemployment benefits, roughly the same as EU nationals doing the same in Britain. The numbers are tiny: the political and media coverage of this issue is completely disproportionate. If this is the case, an even smaller sub-set of them are living in Britain for benefit tourism/abuse purposes. Verdict: no change (but one less emotive topic for certain parts of the media and politicians to bang their biased drum about).
- **Taxation:** the UK is entirely in charge of all its taxes, including Corporate Income Tax, Income Tax, Capital Gains Tax and VAT. Verdict: no change.
- **Housing:** The UK is entirely in charge of its housing policy, construction, planning system, etc. There would be fewer EU immigrants, which might affect the housing situation in terms of rent levels and house prices. However, this would only be a marginal effect since the trend in housing supply, demand and pricing is a long term trend of over 30 years and any nationality is able to buy property in Britain. I have already referred to the fact that fewer recent immigrants claim benefits and live in social housing than the UK born population. Verdict: no change. I have written the first of my blog posts [comparing the British and German housing systems](#) to illustrate aspects of this point.
- **Foreign affairs:** in terms of foreign affairs this role is, to some extent, coordinated with the High Representative of the Union for Foreign Affairs and Security Policy for specific issues. In the main, each EU nation does its own thing and Britain is no different.
- **Pensions:** the UK is entirely in charge of the retirement age, contributions, qualifying years, minimum state pension pensions, etc. The EU facilitates freedom of movement of people and capital, so develops rules to ensure that if people work in different countries, that their contributions are acknowledged and count towards their overall pension entitlement. Furthermore, it seeks to ensure, under the same two freedoms, that Britons and others can receive their state pension in any of the EU-28 countries without suffering from arbitrary reductions, cancellations, fees, etc. Since many Britons enjoy their retirement in the sun and have bought second homes in other EU countries (rather more than is the case in terms of EU nationals buying properties in the UK), it would appear that to be well worth remaining in the EU.

EUroscepticism: much ado about nothing?

Ultimately, it is up for each voter to assess their personal gain or loss from staying in or leaving the EU. Based on the analysis above, the anti-EU sentiment is much ado about nothing, as far as the most important issues to voters are concerned, except for the freedom of movement of people. The EU has helped to secure so many rights and opportunities across all 28 nations that it is hard to imagine life without them. It is not simply that not much would change overnight. A moment of reflection on what would be rolled back as a result of leaving the EU, should show just how much we perceive as being

normal and do not even actively consider. The fact is that we usually do not miss that which we take for granted... until it is no longer there.

Ricardo Pinto, AngloDeutsch™ Blog, www.AngloDeutsch.EU