

## Britain and the European Union

# The real danger of Brexit

**Leaving the EU would hurt Britain—and would also deal a terrible blow to the West**

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THE battle is joined, at last. David Cameron has called a referendum on Britain's membership of the European Union for June 23rd, promising to campaign hard to stay in. What began as a gambit to hold together his divided Tory party is turning into an alarmingly close contest. Betting markets put the odds that Britons opt to leave at two-to-one; some polls suggest the voters are evenly split; several cabinet ministers are campaigning for Brexit. There is a real chance that in four months' time Britain could be casting off from Europe's shores.



That would be grave news—and not just for Britain. A vote to leave would damage the economy, certainly in the short term and probably in the long run. (As financial markets woke up to the prospect, the pound this week fell to its lowest level against the dollar since 2009.) It would imperil Britain's security, when threats from terrorists and foreign powers are at their most severe in years. And far from reclaiming sovereignty, Britons would be forgoing clout, by giving up membership of a powerful club whose actions they can influence better from within than without. Those outside Britain marvelling at this proposed act of self-harm should worry for themselves, too. Brexit would deal a heavy blow to Europe, a continent already on the ropes. It would uncouple the world's fifth-largest economy from its biggest market, and unmoor the fifth-largest defence spender from its allies. Poorer, less secure and disunited, the new EU would be weaker; the West, reliant on the balancing forces

of America and Europe, would be enfeebled, too.

Dreams, meet reality

The Brexiters' case is that Britain is held back by Europe: unshackled, it could soar as an open economy that continued to trade with the EU and all round the world. That is possible in theory, but as our briefing (see [Briefing](http://www.economist.com/news/briefing/21693568-david-cameron-will-struggle-win-referendum-britains-eu-membership-if-he-loses) (<http://www.economist.com/news/briefing/21693568-david-cameron-will-struggle-win-referendum-britains-eu-membership-if-he-loses>) ) explains, it is not how things would work in practice. At a minimum, the EU would allow full access to its single market only in return for adherence to rules that Eurosceptics are keen to jettison. If Norway and Switzerland (whose arrangements with the EU many Brexiters idolise) are a guide, the union would also demand the free movement of people and a big payment to its budget before allowing unfettered access to the market.

Worse, the EU would have a strong incentive to impose a harsh settlement to discourage other countries from leaving. The Brexit camp's claim that Europe needs Britain more than the other way round is fanciful: the EU takes almost half Britain's exports, whereas Britain takes less than 10% of the EU's; and the British trade deficit is mostly with the Germans and Spanish, not with the other 25 countries that would have to agree on a new trade deal.

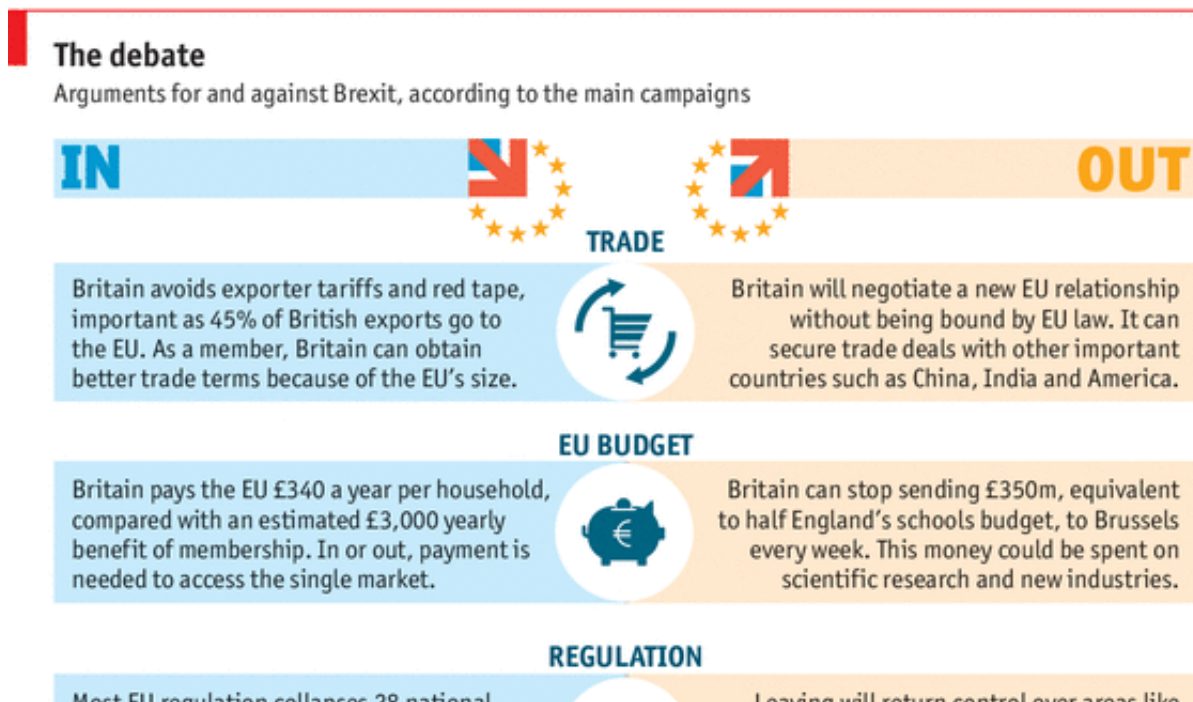
To some Eurosceptics these hardships would be worth it if they meant reclaiming sovereignty from Europe, whose bureaucrats and judges interfere with everything from bankers' bonuses to working-time limits. Yet the gain would be partly illusory. In a globalised world, power is necessarily pooled and traded: Britain gives up sovereignty in exchange for clout through its memberships of NATO, the IMF and countless other power-sharing, rule-setting institutions. Signing up to treaties on trade, nuclear power or the environment involves submitting to regulations set jointly with foreigners, in return for greater gains. Britain outside the EU would be on the sidelines: notionally independent from, but in fact still constrained by, rules it would have no role in formulating. It would be a purer but rather powerless sort of sovereignty.

One exception is immigration, the area over which many Eurosceptics most long for control. Half of Britain's migrants come from the EU, and there is little the government can do to stop them. If Britain left the union, it could. But doing so would have a double cost. Gaining the right to stop immigration from the EU would almost certainly mean losing full access to the single market. And reducing the numbers of immigrants would hurt Britain's businesses and public services, which rely on French bankers, Bulgarian builders and Italian doctors.

A global concern

The longer-term costs would go beyond economics. Brexit might well break up the United Kingdom itself. Scotland, more Europhile than England, is again agitating for a divorce; if

Britain decides to leave Europe, then the Scots may at last have a point. Brexit could also dangerously unsettle Northern Ireland, where the peace process over two decades has depended on the fact that both Ireland and Britain are members of the EU. The Irish government is among the most vocal foreign supporters of the campaign for Britain to stay in.



In graphics: A guide to “Brexit” from the European Union

(<http://www.economist.com/blogs/graphicdetail/2015/10/graphics-britain-s-referendum-eu-membership>)

Ireland is not the only country that would suffer. European leaders know Brexit would weaken a club already in deep trouble over such issues as migration and the euro crisis. And Europe would be poorer without Britain’s voice: more dominated by Germany; and, surely, less liberal, more protectionist and more inward-looking. Europe’s links to America would become more tenuous. Above all, the loss of its biggest military power and most significant foreign-policy actor would seriously weaken the EU in the world.

The EU has become an increasingly important part of the West’s foreign and security policy, whether it concerns a nuclear deal with Iran, the threat of Islamist terrorism or the imposition of sanctions against Russia. Without Britain, it would be harder for the EU to pull its global weight—a big loss to the West in a troubled neighbourhood, from Russia through Syria to north Africa. It is little wonder that Russia’s Vladimir Putin is keen on Brexit—and that America’s Barack Obama is not. It would be shortsighted for Eurosceptics to be indifferent to this. A weakened Europe would be unambiguously bad for Britain, whose geography, unlike its politics, is fixed.

A lot thus rests on the tight race now under way. For those who believe, as this newspaper does, in free trade and freedom of movement, the benefits to Britain of its membership of the EU have never been in much doubt. What more sceptical sorts must now recognise is that

Brexit would also weaken Europe and the West. The stakes in Mr Cameron's great gamble are high; should he fail, the losses would be widely felt.

From the print edition: Leaders