



**GOLD MERCURY  
INTERNATIONAL**

Sustainable vision for a complex world

**BRAND EU**

European Union Brand Centre

**REPORT**

# Demystifying the EU Myths



**BRAND™  
EU**

**500 million people.  
One Brand**

[brandeu.eu](http://brandeu.eu)

**BRAND EU™  
FOUNDING  
PARTNER**



**MEDIA  
PARTNERS**



**EL PAÍS**

### STRUCTURE OF THE REPORT

EU citizens appear to lack essential information about EU policies as well as about how European institutions are structured. As a result, the public discourse is often manipulated by arguments which are simply not true or others which are subject to different interpretations.

+ In this report, Gold Mercury International has identified public arguments used against the EU and its policies in the UK, alongside the actors involved in this process.

+ Information contained in the document is derived from a collection of online sources based on secondary research. These include mainly, think tanks, public institutions, political parties, academic journals and news agencies.

+ The identified arguments have been broadly classified according to 5 thematic areas:

**1. National Sovereignty, 2. Democratic Accountability, 3. Identity Issues, 4. Single Market Issues & 5. Foreign Policy Issues.**

+ By contesting invalid criticism, we aim to show the privileges of living under the umbrella of a major political and economic union, recognising at the same time the need for constructive reforms, where EU policies have failed to achieve their goals. For clarity and consistency, the document follows the same structure for the presentation of each topic that we have identified against the EU as shown below:

#### **#. Thematic Area**

##### **ARGUMENT (#):** Main Issue & Short Description

**Actor (s):** Who is Making the Argument

**Source:** Name of Source & Year

Link of Source

##### **FACTS & RESPONSE (#):** Argument, Facts & Figures

**Actor (s):** Who is Making the Argument

**Source:** Name of Source & Year

Link of Source

---

### KEY WORDS

European Union, member states, political organisation, federalism, confederalism, consociationalism, multi-level governance, European vision, European integration, levels of government, European demos, democratic deficit, Lisbon Treaty, Euroscepticism, Europeanisation, intergovernmental cooperation, Manuel Barroso, Herman Van Rompuy, MEP's, Committee of the Regions, European Affairs Committees, Treaty of Rome, Treaty of Amsterdam, Treaty of Nice, Constitutional Treaty.

# Contents

<b>Preface</b>	<b>4</b>
by Nicolas De Santis, President of Gold Mercury International	
<b>Foreword</b>	<b>6</b>
by Enrique Barón Crespo, Former President of the European Parliament	
<b>1. National Sovereignty</b>	<b>7</b>
<b>2. Democratic Accountability</b>	<b>9</b>
<b>3. Identity Issues</b>	<b>14</b>
<b>4. Single Market Issues</b>	<b>16</b>
4.1 Trade	16
4.2 EU Budget	18
4.3 Eurozone Crisis	23
4.4 Regulations	24
4.4.1 Financial Regulations	26
4.4.2 Social & Employment Regulations	27
4.4.3 Security Regulations	29
4.4.4 Environmental Regulations	31
4.4.5 Immigrations Regulations	34
4.4.6 Health & Safety Regulations	38
<b>5. Foreign Policy</b>	<b>39</b>

## PREFACE

By Gold Mercury President  
Nicolas De Santis

Our present world is complex, unstable and very fragile. At Gold Mercury, we believe that the EU is a necessity in order to create a more stable world. The European Union, which currently includes 28 member states, is a miracle of Global Governance in our complex world. But, as with all great things, we take most of its achievements for granted. But think about it for a moment...

### THE EU - A GROWING FAMILY OF UNITED MINDS

For starters, the EU has maintained peace in Western Europe for 68 years since the Second World War. Following the fall of the Berlin Wall in 1989 and the subsequent collapse of the Soviet Union in 1991, most Eastern European countries joined the EU, including: Bulgaria, Romania, Poland and the Czech Republic.

The EU now also includes countries which went to war after the former Yugoslavia broke up in the 1990's, such as Slovenia and Croatia. Soon it will include many more; with some countries on the road to joining and others which have already applied to join, such as Serbia, Kosovo\*, Albania, the former Yugoslav Republic of Macedonia, Bosnia & Herzegovina, and Montenegro. Uniting Western and Eastern Europe and former Yugoslavian countries under one roof in modern times, is nothing short of a miracle.

All of these countries could have chosen a different path; going out on their own or joining others, but instead they chose to join and belong to the EU. This is because the EU stands for liberty, progress and modernity; representing peace, stability and strength in unity.

Non-EU nations believe in the EU and its key role as a world stabiliser.

They believe in this so much so, that even the U.S. White House and Japanese Government have come to its defence recently to remind EU nations how important the EU is for them and the world. This happened most

recently when the UK Government proposed a future referendum on whether to remain in the EU or not. Obama stated that: *"the United States values a strong UK in a strong European Union, which makes critical contributions to peace, prosperity, and security in Europe and around the world."* The Japanese embassy in London argued that a large portion of Japanese investment in the UK and other EU nations was for the purpose of access to the single market: *"More than 1,300 Japanese companies have invested in the UK, as part of the single market of the EU, and have created 130,000 jobs, more than anywhere else in Europe. This fact demonstrates that the advantage of the UK as a gateway to the European market has attracted Japanese investment."*

### THE EURO - MORE THAN A CURRENCY

Of the 28 EU nations, 17 share a single currency: the Euro. More nations will join the Euro soon, increasing its power and influence. The Euro has become a global currency, second only to the dollar. To deny this fact, or to imply that the Euro could disappear - is to confuse, misrepresent, and misinform. It is to lie.

Some said that the Euro would break up, or that Greece would leave the Euro to save itself. This has not happened, despite the fact that speculators and banking advisors to failing governments always propose this, as a quick option to regain monetary control and devalue their currency.

They propose this in the belief that cheapening a country's currency and controlling interest rates again could magically save failed economies.

Anyone can understand that in a globalised world, this is short-term thinking with many irreversible consequences. Imagine if the state of Texas seceded and left the Dollar behind; and then created its own currency, because the US economy was weak (which it currently is). There would be no more US Federal aid or investment. Without this now "foreign" investment, government funding would be accounted for via increased taxation. With these severed ties and the increased taxation, the high skilled tech workers, lawyers, doctors and filmmakers would most likely decide to relocate elsewhere, with the resulting brain

\* Kosovo: This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence

drain creating a vicious cycle of downturn in the new Texas economy. Trade relations with the US would also likely be severed, and in an economy where geographical proximity is the highest influencing factor on national trade, the new Texan currency would likely be worthless. Trade relations with the US would also likely be severed, and in an economy where geographical proximity is the highest influencing factor on national trade, the new Texan currency would likely be worthless. Though an extreme example, it shows some of the potential chains of negative consequences and events which are associated with leaving such complex international organisations.

The Euro is not to blame for Europe's financial problems, as these are derived from a self-inflicted global crisis, national government incompetence and lack of proper financial control governance mechanisms. The Euro is now one of the strongest currencies in the world beyond the Eurozone area. The Euro is the second most actively traded currency in foreign exchange markets; it is a counterpart in around 40% of the daily transactions which take place. Despite Europe's financial crisis, new countries like Latvia have chosen to join the Euro rather than keep their own currency. This is not seen as a loss of sovereignty for Latvia; that would be short-term thinking; but is instead seen as a gain in access to a global market and a Union of shared interests and values.

The Euro, like other currencies, will be strong one day and weaker on another day, but will always remain a strong symbol of unity and progress nonetheless. In today's financial circumstances, we need less global speculation and more stable global currencies. The Euro is a representative of this important ideal.

### **WHY A BRAND EU - EUROPEAN UNION BRAND CENTRE?**

The EU, like other international organisations, or national governments, is not perfect; and it never will be. But we at Gold Mercury believe that a strong European Union has provided, and will continue to provide, an incredible global public good of peace and great stability for us all in an increasingly unstable world.

The EU is a success story in global governance, but the BRAND EU is not well managed, understood or communicated. It is a great product but presently - very

difficult to understand and poorly communicated. This lack of 'brand management' reduces citizen support and puts the entire purpose of the EU at risk: allowing anti-EU forces to attack it, without much sign of a defence. We aim to change this by providing an independent communications and EU brand policy programme to debate the EU. Gold Mercury wants to guarantee that the people of Europe, and beyond, understand the BRAND EU, and understand the universal values which its member states have chosen to represent and defend. Values like liberty, democracy, solidarity, human rights and the rule of law. These are the values that the EU exports to the world; the values that all global citizens of goodwill aspire to. The EU's values are universal and global. The BRAND EU is therefore a global brand and a guarantor of these values.

### **ROLE OF THE BRAND EU - EUROPEAN UNION BRAND CENTRE**

With the above in mind, the role of the BRAND EU Centre includes the following areas:

- 1/ Clarify the current state of European Union brand identity and clarify its vision in the world.
- 2 / Assist in the strategic positioning and promotion of the BRAND EU as a leading global brand of unity within the EU and in the world.
- 3/ Clarify how the EU works and improve EU communications and understanding.
- 4/ Shed light on the myths surrounding the EU and provide a neutral ground for EU debate.
- 5/ Monitor the EU Brand and report on its progress.

The EU recently won the 2012 Nobel Peace Prize for advancing peace, democracy and human rights in modern times. We believe that if we are able to clearly communicate what the EU really is and what it stands for in the world, all Europeans (and non-Europeans) will increase their support and involvement in the European project.

Please join us in this endeavour.

**Nicolas De Santis**

President of Gold Mercury International



## FOREWORD

By Enrique Barón Crespo, Former  
President of the European Parliament

Let me begin with the sound advice of Seneca: *“the life of those that forget the past, neglect the present and fear the future is very brief and painful”*.

In the current European situation, it means that we must not underestimate the importance of a united Europe or of the European elections of 2014. The risk of neglect, increasing voter abstention or fearing the rise of populisms, can be a chance to create a new decisive momentum to overcome the crisis and reinforce the European Project.

We must not forget the past. The elections will take place in the centennial of the suicide that Europe committed with the beginning in 1914 of the Great War that concluded in 1945. Nearly a hundred million victims all over the world.

Since then, we have lived the longest period of peace in our common history, thanks to the construction of a United Europe, built on the principles and values of parliamentary democracy, the system most despised by all the dictatorships that Europe suffered in the 20th Century. The awarding of the Nobel Peace Prize in 2012 is the recognition of this achievement. Let us not forget the past.

Let us also not neglect the present, or fear the future. The work of the BRAND EU Centre is vitally important for creating this new decisive momentum, and overcoming our adversities – to generate a more stable, secure and even further united Europe. A stronger union, a louder voice, and a tougher brand are all needed to move the Union forward into the future with its head held high – the BRAND EU Centre aims to facilitate development of these three crucial areas.

By strengthening the European Brand through a diverse range of engagements and campaigns, our aim is to show everyone; be they a Eurosceptic, an abstaining voter, or a popular politician, that a stronger union is absolutely the way forward, for all of us. At this critical juncture where the future of European peace and cooperation is at stake, the work of the BRAND EU Centre has never been more important. Our aim is to strengthen the common European identity built around values of democracy, liberty, peace and modernity. In doing so, we hope that we can make the future of Europe more secure and stable; something quite rare in these troubling times.





# Identifying and challenging the arguments made against the EU in the UK

## 1. National Sovereignty

**EUROSCEPTIC ARGUMENT:** The EU undermines the national sovereignty of the UK.

Membership in the EU is premised on the concession of state sovereignty to EU institutions over a pre-agreed policy area, manifested through the signing of a treaty or agreement between the interested parties. This involves member states relinquishing power over that policy to EU institutions and consequently the ability to be more responsive to changing domestic conditions. In his famous EU speech, the British Prime Minister David Cameron explained the UK's reluctant relationship with the EU in terms of its unwillingness to surrender national sovereignty to the EU. Nigel Farage, leader of UKIP, accused the EU of being an authoritarian dictatorship ruled by unelected bureaucrats at the detriment of national sovereignty. In turn, Andrew Brons, Member of the European Parliament (MEP) and the far-right British National Party claimed: "I am opposed to the EU because it undermines national sovereignty and the democratic control of decision-making that exists to varying degrees in each member state".

Recently, a handful of prominent Tories, such as Education Secretary Michael Gove, Foreign Secretary William Hague, Secretary of Defence Philip Hammond and Former Chancellor Nigel Lawson, have all argued that the UK would be 'better-off' outside the EU. These positions reflect the historic wariness of the UK's centre-right and right wing with the erosion of British control over policy following the expansion of EU institutions, also known as 'Euroscepticism'. Euroscepticism has been vibrant in the UK's political arena since the 1970s and involves opposition to the EU, ranging from advocating reforms to the EU's structure to outright demands to withdraw the UK's membership. Fundamental to the Eurosceptic position is the notion that the EU undermines the national sovereignty of member states by acquiring authority over domestic policy and imposing uniform laws and regulations across member states, which often contradict national objectives and interests.

**Actor:** David Cameron (Prime Minister, Conservative) // Nigel Farage (MEP, Leader of UKIP), Andrew Brons (MEP, British National Party) // Michael Gove (Educa-

tion Secretary, Conservative) – William Hague (Foreign Secretary, Conservative) – Philip Hammond (Defence Secretary, Conservative) - Nigel Lawson (Former Chancellor of the Exchequer, Conservative)

**Source:** Guardian, 23/1/2013 // Inforwars.com, 26/11/2009 // Andrewbrons.eu, 20/12/2012 // Guardian, 18/5/2013

<http://www.guardian.co.uk/politics/2013/jan/23/david-cameron-eu-speech-referendum>

<http://www.inforwars.com/mep-reprimanded-for-exposing-eu-dictatorship/>

[http://andrewbrons.eu/index.php?option=com\\_k2&view=item&id=664:i-am-opposed-to-the-eu-because-it-undermines-national-sovereignty](http://andrewbrons.eu/index.php?option=com_k2&view=item&id=664:i-am-opposed-to-the-eu-because-it-undermines-national-sovereignty)

[http://andrewbrons.eu/index.php?option=com\\_k2&view=item&id=664:i-am-opposed-to-the-eu-because-it-undermines-national-sovereignty](http://andrewbrons.eu/index.php?option=com_k2&view=item&id=664:i-am-opposed-to-the-eu-because-it-undermines-national-sovereignty)

<http://www.guardian.co.uk/politics/2013/may/18/euro-sceptic-conservative-party>



**FACTS AND RESPONSE (I):** Like the other 27 member states, the UK has conceded a certain degree of national sovereignty to the EU in exchange for obvious economic advantages.

Being a member of the EU requires the voluntary concession of a certain degree of national sovereignty over a range of pre-determined and pre-agreed policy areas. There is therefore, a trade-off between member states losing absolute authority over a certain policy and the benefits of EU membership and specifically, access to the EU single market. In order for a single market to function correctly, a certain degree of uniformity needs to be imposed on its member states.

**Actor:** European Commission

**Source:** European Commission, 2007  
[http://ec.europa.eu/citizens\\_agenda/docs/sec\\_2007\\_1521\\_en.pdf](http://ec.europa.eu/citizens_agenda/docs/sec_2007_1521_en.pdf)

**FACTS AND RESPONSE (II):** In an increasingly interdependent and globalised world, a British exit from the EU will not guarantee its complete sovereignty.

The process of globalisation has exposed the growing interdependence of nation-states and the need for international cooperation to address collective issues. Indeed, through the establishment of a myriad of international organisations and the proliferation of international agreements, states pool their sovereignty to deal with common issues such as the environment, global security, trade, human rights etc. As European Movement, a pro-EU think tank indicates, every time a state joins an international organisation or signs a treaty, it concedes part of its independence by limiting its freedom to act unilaterally. As such, the UK: a member of UN, NATO and WTO to name a few, will not achieve complete sovereignty by leaving the EU if it aspires to remain a relevant player in the international arena.

**Actor:** European Movement UK (Pro-EU Think Tank)

**Source:** European Movement UK  
<http://www.euromove.org.uk/index.php?id=6505>





## 2. Democratic Accountability

**EUROSCEPTIC ARGUMENT:** The EU suffers from a democratic deficit as key decisions are made by unelected officials.

The most widely attributed criticism to the EU, and the cornerstone of the Eurosceptic thesis, is that the EU suffers from a critical democratic deficit. Simply put, democratic deficit is defined as any situation where institutions are perceived to lack democratic accountability and adequate public input in the decision-making process. In this light, British Eurosceptics and the majority of members of the Conservative party have long criticised the EU's ostensible democratic deficit, as demonstrated by Cameron's much anticipated EU speech last January. Cameron stated, "It is national parliaments, which are, and will remain, the true source of real democratic legitimacy and accountability in the EU". This is because, as Daniel Hannan, MEP and member of the Conservative party, points out, European Commission officials who have the supreme decision-making power in the EU are not directly elected by voters.

Specifically, the EC President is proposed by the European Council, the body of members' heads of state, and the rest of the Commissioners are nominated directly by member states, while all are subject to the approval of

the European Parliament (EP). The EC has power over proposing policy and legislation but EU citizens have no say over its composition. This severs the link between voters and legislative outcomes, thus undermining the democratic process and accountability of the EU to its public. By contrast, the European Parliament, the only body of directly elected officials, has limited scope in influencing EU policy.

In addition, the low voter turnout for EP elections in recent years (43% EU wide and 34.7% in the UK for 2009) reflects the growing disillusionment of EU citizens with their ability to influence EU decision-making. As such, Eurosceptics contend that democratic accountability in the EU can only be achieved if powers flow back from EU institutions to member states, rather than changing the flow of power among EU institutions.

**Actor:** David Cameron (British PM, Conservative) // Daniel Hannan (MEP, Conservative)

**Source:** EU speech, 23/1/2013 // Daily Mail, 17/8/2012  
<http://www.guardian.co.uk/politics/2013/jan/23/n-eu-speech-referendum>  
<http://www.dailymail.co.uk/news/article-2188453/The-case-Europe-MEP-Daniel-Hcontempt-democracy-heart-EU.html>

**FACTS AND RESPONSE (I):** The EU is a supranational organisation ruled by common treaties and operates by inter-governmentally negotiated decisions made by member states. It is also a hybrid (having both federal and confederal features). But as supranational organisations go it is the most democratic in the world.

The view that the EU suffers from a democratic deficit has been pervasive and is by no means limited to Britain's Eurosceptic right. There are valid grounds for arguing that the EU is less democratically accountable than national governments. But the EU is a supra-national organisation and thus the further you move away from the nation-state, the more decision-makers will be insulated from public contestation. As an expert in European integration, Dr Dimitris Chrysoschoou highlights, this is because there are no European 'demos' (i.e. European people); which is considered a necessary precondition for the establishment of effective democratic structures. Without a functioning 'demos' and thus a uniform electorate, politicians are inevitably less susceptible to public opinion. Indeed, current developments and most notably the Eurozone crisis, has seen EU officials imposing massively unpopular policies on member states and the intensification of talks over further political integration at the EU level. This has led spectators from around the world to view the EU as operated from a political elite, spearheaded by the EC, which forces policies on European citizens, impervious to public support. This criticism may have some legitimate merit, but is exaggerated nonetheless.

In fact, the popular belief that the European Commission has supreme authority over decision-making, and is unaccountable to other EU institutions is false. The EC is the implementation branch of the EU policy-making process, responsible for drafting and proposing legislation. Julian Priestly, former Secretary General of the European Parliament (EP), illustrates that all final decisions are co-made by the European Parliament, whose members are directly elected by EU citizens, and the Council, which is comprised by the elected ministers of national governments. What is more, the EP has veto power over legislation and decides the composition of the European Commission (EC), unlike national governments, which are formed without the consent of the parliament. This



decision-making process shares many similarities with the US democratic system, although with certain reversals in the role of institutions. The US congress is more akin to the EP but its role in proposing legislation is more similar to that of the EC. By contrast the role of the US president is more akin to European Commissioners but his veto power over legislation proposed by the Congress resembles that of the EP. In essence, in both systems constitutional checks and balances between the EC (i.e. US President), the EP (i.e. US Congress) and the Council (i.e. US Senate) are meant to ensure democratic accountability to their citizens.

**Julian Priestly, former Secretary General of the European Parliament, illustrates that all final decisions are co-made by the European Parliament, whose members are directly elected by EU citizens, and the Council of Ministers, which is comprised by the elected ministers of national governments.**

**Actor:** Dimitris Chrysoschoou (Associate Professor, Panteion University) // Julian Priestley (former Secretary General of EP, Labour)

**Source:** Public Service Europe, 14/11/2012 // Social Europe Journal, 24/1/2013  
<http://www.publicserviceeurope.com/editor-blog/184/addressing-the-eus-democratic-deficit-still-a-distant-dream>  
<http://www.social-europe.eu/2013/01/david-camerons-argument-will-relegate-the-eu-uk-relationship-to-the-periphery/>



**FACTS AND RESPONSE (II):** All states suffer from democratic deficit and the EU is no different from this perspective.

Andrew Moravcsik, expert on European integration and professor at Yale University, claims that the EU remains by and large an intergovernmental organisation, where democratically elected national governments hold most of the decision-making power at the EU level through the Council (i.e. ministers) and the European Council (i.e. heads of state). Since democratic legitimacy lies with national leaders and these leaders dominate EU institutions, there is no valid ground for arguing that the EU is undemocratic. As far as the criticism of EU Commissioners being unelected is concerned, the pattern of delegating authority over policy decisions that generally do not require public participation is very much similar to how national governments function. Indeed, issues that are of technical nature or too complex for ordinary citizens to evaluate, like setting the appropriate trade tariff level or central bank interest rates, are often isolated from public contestation.

Two scholars from Zurich-based universities, Francis Cheneval and Frank Schimmelfennig, argue that much of the criticism on the EU's democratic deficit stems from applying democratic standards of individual nation-states to a community of states like the EU. The scholars find that when considering the supra-national nature of the EU, core democratic principles are well upheld. That is because the EU ensures that no state is forced into membership, exit is possible and states have veto rights to new treaty rules. In addition, the EU has enforced a comprehensive non-discrimination regime and a bicameral legislature that represents both statesmen (i.e. Council) and citizens (i.e. EP) which co-decide EU policy. Finally the sovereignty of states is protected through the de facto constitutional co-jurisdiction exercised by the European Court of Justice and the constitutional courts of member states.

**Actor:** Andrew Moravcsik (Professor of Politics and Director of European Union Program, Princeton University) // Francis Cheneval (Professor of Political Philosophy, University of Zurich) – Frank Schimmelfennig (Professor of European Politics, ETH Zurich)

**Source:** Journal of Common Market Studies, 2002 // LSE Blog, 10/9/2012  
<http://www.princeton.edu/~amoravcs/library/deficit.pdf>  
<http://blogs.lse.ac.uk/euoppblog/2012/09/10/democracy-nation-state/>

**EUROSCEPTIC ARGUMENT (2):** UK opinion polls clearly illustrate the lack of democratic support for EU membership.

UK opinion polls show that if a referendum on the UK's EU membership were to be presently held, 50% would vote to exit the EU compared to 33% votes in favour. This illustrates the widespread dissatisfaction of the UK public with the EU and the belief that the UK could perhaps be better off 'going it alone'. In fact, the debate over the democratic legitimacy of the UK's continued membership with the EU has recently culminated in David Cameron calling for an 'in-or-out' referendum in 2017, if the conservatives win the 2015 general elections. While the call for a referendum has been primarily a Tory policy, a faction of Labour MP's headed by former Europe minister Keith Vaz and former Northern Ireland spokesman Jim Dowd have also supported the move. The group of 15 Labour MPs tagged 'Labour for a Referendum' have backed Eurosceptic Conservatives on asserting the democratic right of British citizens to decide on UK's EU membership. Recently, Labour leader Ed Miliband is said to have softened his attitude against the referendum, following concerns of several Labour MPs like Shadow Chancellor Ed Balls that the party would suffer vis-à-vis the Tories, if it denied the British people a democratic say. The pro-referendum Labour MPs have clarified that they would vote for Britain to stay in the EU but that supporting the referendum is necessary if Labour is to challenge Tory dominance on the EU debate.

**Actor:** Financial Times - Harris Poll // Keith Vaz (MP, Labour) – Jim Dowd (MP, Labour) - Ed Balls (Shadow Chancellor of the Exchequer, Labour)

**Source:** The Financial Times, 17/2/2013 // NewStatesman, 13/5/2013

[http://www.ft.com/cms/s/cb2057fc-7917-11e2-b4df-00144feabdc0,Authorised=false.html?\\_i\\_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2Fcb2057fc-7917-11e2-b4df-00144feabdc0.html&\\_i\\_referer=#axzz2M0EB2wsI](http://www.ft.com/cms/s/cb2057fc-7917-11e2-b4df-00144feabdc0,Authorised=false.html?_i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2Fcb2057fc-7917-11e2-b4df-00144feabdc0.html&_i_referer=#axzz2M0EB2wsI)  
<http://www.newstatesman.com/politics/2013/05/labour-divisions-over-eu-emerge-mps-launch-pro-referendum-group0>

**FACTS AND RESPONSE:** UK citizens have been influenced by years of anti-EU political rhetoric.

Petros Fassoulas, Chairman of European Movement UK, an independent organisation campaigning for closer EU integration, argues that Euroscepticism, which dominates UK citizen attitudes towards the EU, is unsupported by facts and rather fuelled by years of anti-EU political rhetoric and an obstinate tabloid press. As a result, UK citizen perceptions of the EU are one-dimensional but with more actors speaking out

and explaining the benefits of EU membership, public opinion can finally be more objectively informed. Fassoulas points out that *“the facts are on the side of the pro-membership camp and so is business, trade unions, academia and Britain’s European and global partners. It is about time Europhobes listen to everyone’s advice and accept that a strong, confident Britain belongs in and stands to benefit from a strong, confident EU”*.

Indeed, the dominance of Eurosceptic attitudes in the UK and particularly within the Conservative party, have prevented political actors from voicing their support for the UK’s EU membership. The Evening Standard reports that many Tories favour British membership in the EU, but as one senior Tory MP states, it’s the “love that dare not speak its name”. Peter Luff, Conservative MP and former defence minister, said that it was “worrying” that many pro-EU Tories refrain from speaking out, as Eurosceptics “dominate” the debate on Europe. Damian Green, Minister of State for Police and Criminal Justice, also joined



Luff by arguing that “there are very good reasons why Britain is better off in and it’s time to start explaining those reasons”.

**Actor:** Petros Fassoulas (Chairman, European Movement UK) // Peter Luff (MP, Conservative) – Damian Green (Minister of State for Police and Criminal Justice, Conservative)

**Source:** The European Council on Foreign Relations, 10/1/2013 // Standard, 10/5/2013

[http://www.ecfr.eu/blog/entry/brexit\\_against\\_everyones\\_advice](http://www.ecfr.eu/blog/entry/brexit_against_everyones_advice)

<http://www.standard.co.uk/news/politics/eu-is-love-that-dare-not-speak-its-name-for-most-tories-says-mp-8611019.html>

**EUROSCEPTIC ARGUMENT (3):** Commissioners in Brussels dictate 75% of UK laws. None can be repealed by parliament and citizens cannot vote for those who make them.

UKIP officials stress the excessive authority of the EU in imposing legislation on member states. According to UKIP statistics, EU regulators dictate over 75% of UK laws, irrespective of domestic support. Daniel Hannan, Conservative MEP, argued that actually, 84% of all UK laws are made in Brussels. This is highly undemocratic, as UK citizens cannot directly vote for EU legislators nor does the UK parliament have the power to repeal EU drafted laws.

**Actor:** UKIP (Eurosceptic Right-Wing Populist Party) // Daniel Hannan (MEP, Conservative)

**Source:** UKIP, 2011 // Nosemonkey, 2/6/2009

<http://www.ukip.org/media/pdf/wwsf.pdf>

<http://www.jcm.org.uk/blog/2009/06/what-percentage-of-laws-come-from-the-eu/>

**FACTS AND RESPONSE:** Figures on the percentage of the EU laws made in Brussels have been manipulated to support anti-EU political rhetoric.

Determining the percentage of UK laws dictated by the EU has been an issue of great contention among Brit-

ish politicians. Frequently, figures are manipulated by political parties in order to support their anti-EU rhetoric. This is evident from the wide range of percentages provided as estimations range from 9% to 84% depending on which side of the argument the respective actor falls on. Figures derived from more politically-neutral sources paint a different picture than that provided by UKIP and Eurosceptic UK politicians. According to the UK House of Commons, for the period between 1998 and 2005, only 9.1% of laws came from the EU to the UK.

Emma Bonino, VP of Italian Senate, argued that in reality only 6.8% of UK primary legislation and 14.1% of secondary legislation have anything to do with implementing EU obligations, which were approved and signed by UK officials.

**Actor:** StraightStatistics (Pressure Group exposing misuse of statistical information) // Emma Bonino (VP of Italian Senate)

**Source:** StraightStatistics, 13/4/2010 // BBC News, 22/11/2012

<http://www.straightstatistics.org/article/ukip-gets-its-facts-wrong-europe>

<http://www.bbc.co.uk/news/world-europe-20412306>





### 3. Identity Issues

**EUROSCEPTIC ARGUMENT:** British identity is at odds with the European project.

In his recent EU speech, David Cameron referenced British identity as being contradictory to the European project. He said: “We have the character of an island nation - independent, forthright, passionate in defense of our sovereignty. We can no more change this British sensibility than we can drain the English Channel”. According to Cameron, the lack of identification of the British people with the EU allows the UK to approach European issues with a more practical rather than emotional frame of mind. Sunder Katwala, Director of think tank British Future, said that Britain has historically been resistant to the European identity because the country had joined or remained in the EU at moments of weakness in its history, rather than for the other more positive political reasons of other nations. Daniel Hannan, Conservative MEP, claims that very few EU citizens see themselves as European in the same sense as they feel British or Portuguese or Swedish and that despite EU efforts, a common nationality cannot be fabricated.

**Actor:** David Cameron (PM, Conservative) // Sunder Katwala (Director, British Future) // Daniel Hannan (MEP, Conservative)

**Source:** EU speech, 23/1/2013 // Channel 4 News, 23/1/2013 // Daily Mail, 17/8/2012  
<http://www.guardian.co.uk/politics/2013/jan/23/david-cameron-eu-speech-referendum>  
<http://www.channel4.com/news/britain-and-europe-an-identity-crisis>  
<http://www.dailymail.co.uk/news/article-2188453/The-case-Europe-MEP-Daniel-Hannan-reveal-s-disturbing-contempt-democracy-heart-EU.html>

**FACTS AND RESPONSE:** European identity goes hand-in-hand with national and sub-national identities, not against them.

The notion that identities are fixed and thus, that British nationality is inherently contradictory to the European project is highly debatable. The majority of academic opinion converges on the fact that identities are fluid

and transforming while individuals more often than not have more than one source of identification which complement each other. As such, there is no reason why an individual has to choose between being a West-ender, a Londoner, British or European. Feeling European does not negate or substitute being British but rather there is complementarity between different identities.

A research project by Dr Michael Bruter and Dr Sarah Harrison of the LSE's Department of Government shows that on the whole, EU identity is much stronger than generally thought. On an identity scale of zero to ten, with ten being the highest score of identification with the EU, the average EU citizen scores 7.09.

**On an identity scale of zero to ten, with ten being the highest score of identification with the EU, the average EU citizen scores 7.09.**

In the UK, 55.2% of people have an EU identity score of 5 out of 10 or above, which illustrates that more than half of the UK's population feel European to some degree. However, the most important finding of this project is that more than 90% of all people surveyed believe that their children and grandchildren will feel more European. Out of the total sample, the younger and more educated feel disproportionately more European, which illustrates that EU identity is evolving and growing stronger with new generations.

**Actor:** Dr Michael Bruter and Dr Sarah Harrison, ECREP Project (Department of Government, LSE, In Collaboration with Opinium Research and Lansons Communications)

**Source:** ECREP, 16/5/2012

<http://news.opinium.co.uk/survey-results/how-european-do-you-feel>





## 4. Single Market Issues

### 4.1 Trade

**EUROSCEPTIC ARGUMENT:** Bound by EU rules, the UK is unable to pursue optimal trade policies.

Since the eruption of the Eurozone crisis, trade volumes between EU member states have been diminishing and the EU's share of global output has dropped considerably. Consequently, British entrepreneurs like Ruth Lea, the Chief Economist of Arbuthnot Banking Group, see the future of UK trade as moving away from the EU single market and towards more promising, emerging economies. However, the UK is unable to pursue optimal trade policies due to EU rules, and most notably the Customs Union, which obliges member states to impose a common external tariff and negotiate international trade deals as a single entity.

William Dartmouth, UKIP MEP, argues that trade with the outside world is already more important than trade with the EU, accounting for almost 60% of total UK trade. He posits that higher figures of intra UK-EU trade provided by the EU are due to the 'Rotterdam Effect', whereby UK exports to non-EU countries via continental ports are counted as EU exports.



**Actor:** Ruth Lea (Chief Economist, Arbuthnot Banking Group) // Daniel Hannan (MEP, Conservative) // William Dartmouth (MEP, UKIP)

**Source:** Daily Mail, 14/8/2012 // Telegraph, 12/11/2012 // Williamdartmouth.com  
<http://www.dailymail.co.uk/debate/article-2188271/Britain-needs-free-EU-negotiate-right-trade-deals-worlds-faster-growing-markets.html>  
<http://blogs.telegraph.co.uk/news/danielhannan/100188822/belatedly-fisking-radek-sikorski-long-but-comprehensive/>

<http://www.williamdartmouth.com/comment/comment.htm>

**FACTS AND RESPONSE (I):** The EU remains by far the biggest destination for UK trade, accounting for almost 50% of total exports.

Martin Schultz, President of the EP and German MEP, argues that the single market brings huge benefits to both the UK and the EU. Despite UK officials' claims over reduced EU competitiveness and the restrictiveness of EU regulations harming UK trade prospects with emerging markets, EU countries still absorb almost 50% of all UK exports. Most importantly, if the UK were to leave the EU, it would have to face trade barriers on these exports and thus suffer considerable economic loss. Compensating for this deficit through devising free trade agreements with emerging economies would be timely and costly, notwithstanding the volume of restructuring needed to cover for the loss of half of the UK's export market.

**Actor:** Martin Schulz (President of EP, German MEP)

**Source:** BBC news, 22/11/2012  
[http://www.bbc.co.uk/news/world-europe-20412306p/#\\_6](http://www.bbc.co.uk/news/world-europe-20412306p/#_6)

**FACTS AND RESPONSE (II):** Germany's trade to Asia has thrived, while a large portion of Foreign Direct Investment to the UK is contingent on EU membership.

The Centre for European Reform (CER), a think tank devoted to improving the performance of the EU, illustrates that German trade with Asian countries has flourished over recent years, despite these supposedly damaging EU restrictions. Indeed, Asia is now the second largest export market for Germany after the EU, accounting for 16% of total German exports in 2012. There is therefore, no valid reason for why the UK would be unable to expand its trade to emerging economies while still enjoying the benefits of EU membership.

Furthermore, withdrawing from the EU would hurt the UK's attractiveness to foreign investors, whose presence is largely conditional on gaining access to the EU single market.



**Actor:** Centre for European Reform (Pro-EU Think Tank) // DeStatis (Federal Statistical Office, Germany)

**Source:** CER, February, March 2013 // DeStatis, 2012  
<http://www.cer.org.uk/publications/archive/bulletin-article/2013/leaving-eu-will-not-set-britains-economy-free>  
<https://www.destatis.de/EN/FactsFigures/National-EconomyEnvironment/ForeignTrade/TradingPartners/Current.html>

The Centre for European Reform (CER), a think tank devoted to improving the performance of the EU, illustrates that German trade with Asian countries has flourished over recent years, despite supposedly damaging EU restrictions.



## 4.2 EU Budget

**EUROSCEPTIC ARGUMENT (I):** The UK supports a costly and inefficient EU bureaucracy through large contributions to the EU budget and suffers net loss from EU membership.

The UK makes large contributions to the EU budget but gets few benefits in return. According to Open Europe, most of this money goes to support the administrative costs of a growing EU bureaucracy. ThisIsMoney, a financial news website, has calculated the net loss of EU membership to the UK at £85bn since 1979, approximately paying £4bn more than it receives per year. Overall, Democracy Movement Surrey and Civitas find that the EU costs the UK about £65bn gross per year in budget contributions and regulatory costs for business.

**Actor:** Open Europe (Independent Think-Tank) // ThisIsMoney (Financial News website)  
// Civitas (Institute for the Study of Civil Society) – Democracy Movement Surrey (Anti-EU Movement)

**Source:** Open Europe, January 2012 // ThisIsMoney, 1/8/2012 // Civitas, 27/7/2011 – DMS  
<http://www.openeurope.org.uk/Content/Documents/Pdfs/2012EUstructuralfunds.pdf>  
<http://www.thisismoney.co.uk/money/news/article-2052433/Chart-How-does-Britain-pay-EU-does-back.html>  
<http://www.civitas.org.uk/eufacts/OS/OS13.htm>  
[http://www.democracymovementsurrey.co.uk/dyk\\_eu-costs.html](http://www.democracymovementsurrey.co.uk/dyk_eu-costs.html)

**FACTS AND RESPONSE (I):** The UK enjoys the benefits of the single market by only contributing 1% of its Gross National Income (GNI) to the EU budget.

Henning Meyer, editor of Social Europe Journal, argues that the UK profits immensely from being part of the EU single market by contributing just 1% of its GNI to the EU budget. The cost is comparatively miniscule when considering that UK public spending in 2008 was 40% of UK GDP, that is, £580bn. The EC, often criticised for incurring large bureaucratic costs, employs 25,000 civil servants, 25 times less than UK's total of 500,000 public officials. Finally, complaints over budget contributions



won the UK a rebate since 1984 of nearly £5bn per year. This cost is borne by other member states, most notably France, Italy and Spain. These countries pay for the UK's rebate through increased contributions to the EU budget.

**Actor:** Henning Meyer (Editor of Social Europe Journal, Senior Visiting Fellow at the Government Department of LSE)

**Source:** Social Europe Journal, 3/6/2009  
<http://www.social-europe.eu/2009/06/britains-future-in-the-european-union-stay-in-warts-and-all-or-leave/european-union-stay-in-warts-and-all-or-leave/>

**FACTS AND RESPONSE (II):** The overall economic benefit to the UK of being in the single market is £30-£90bn a year which is 5 to 15 times the cost of being in the EU.

Contrary to UK Eurosceptic allegations over the costs of EU membership overshadowing the benefits of maintaining access to the EU single market, a report from the UK's Department for Business showed that the overall value to the UK of being in the single market is £30-£90bn a year, which was 5 to 15 times the cost of being in the EU in 2011.

**Actor:** UK Department of Business, Innovation and Skills

**Source:** Guardian, 22/11/2012  
<http://www.guardian.co.uk/world/2012/nov/21/eu-budget-battle-brussels>



**FACTS AND RESPONSE (III):** The EU costs the British people £1 per week.

David Miliband, Former British MP and member of the Labour party, argued that claims over the excessive costs of the UK's EU membership on British taxpayer pockets are hugely exaggerated. Rather, UK citizens enjoy the benefits of a continuously expanding market and free mobility across EU member states, by contributing just £1 per week to the EU budget.

**Actor:** David Miliband (Former British MP, Labour)

**Source:** Spiegel, 7/2/2013

<http://www.spiegel.de/international/europe/david-miliband-interview-on-the-future-of-the-uk-in-the-eu-a-881974.html>

**EUROSCEPTIC ARGUMENT (2):** The UK is about £150 billion worse-off each year because of EU membership while the model of Norway and Switzerland's relationship with the EU can be a better alternative.

According to UKIP, the UK is roughly 10% of GDP (about £150 billion) worse-off every year because of UK contributions to the EU budget and regulatory costs for business. UKIP argues that the UK should instead be an 'independent sovereign nation' and form its relationship with the EU in the likes of Norway or Switzerland. These countries have secured the benefits of participating in the single market through the European Free Trade Association (EFTA), without having to become full members of the EU and thus face its painful restrictions. Specifically, Norway is a member of the European Economic Area and the Schengen Convention and it cooperates with the EU in cross-border criminal investigations. Switzerland's relationship with the EU is limited to the EFTA and forging bilateral free trade agreements with EU member states. Both countries have held public referendums where EU membership was rejected and have since enjoyed the advantages of access to the EU single market without obligations to disperse large sums of money to the EU budget.

**FACTS AND RESPONSE:** Norway and Switzerland have to abide with 90% of EU regulations without being able to take part in decision making, in order to participate in the single market.

The Centre for European Reform warns that the UK adopting the model of Norway and Switzerland is not as dandy as it might first appear. Despite these countries benefitting from access to the single market without being fully-fledged EU members, they are obliged to comply with 90% of EU single market regulations without having any say in their formulation. The fact that they must nearly unconditionally accept EU regulations has put a strain on their relationship with the EU and dissatisfaction with this model is growing from both Norwegian and Swiss authorities and from inside the EU.

Although Norway and Switzerland are benefitting from access to the single market without being fully-fledged EU members, they are obliged to comply with 90% of EU single market regulations without having any say in their formulation.

What is more, Norway and Switzerland are structurally dissimilar to the UK as the former has vast oil reserves while the latter is a tax-free haven. Most importantly, as Radek Sikorski, the Polish Foreign Minister illustrates, both countries contribute to the EU budget proportional to the size of their economies. For example, Norway's net contribution per capita to the EU budget is almost as high as the UK's, with each Norwegian and British citizen contributing 68 and 74 Euros per year respectively. John Cridland, Director General of the Confederation of British Industry, said that while his team was on a fact-finding mission in Norway, Norwegian Conservative MP Nikolai Astrup told them: "If the UK wants to run Europe, it needs to be in Europe. If you want to be run by Europe, feel free to join us in the EEA".

**Actor:** UKIP // Civitas (Institute for the Study of Civil Society)



**EUROSCEPTIC ARGUMENT (3):** The UK makes large contributions to the Common Agricultural Policy (CAP) but gets little in return; the CAP is inefficient and resources are better allocated through the free market.

The CAP is the Collective Farming Policy of the EU aimed at protecting agricultural production through subsidies and controlling prices. The UK contributes about £10bn per year to the CAP, but due to its relatively small agricultural sector, gets little in return. The CAP represents the bulk of the EU budget at 47%, however agriculture generates just 1.6% of EU GDP and employs only 5% of its citizens. UK officials have been especially critical of the fact that a disproportionately large amount of the CAP budget (about 20% of the total) goes to support the agricultural sector of one of the EU's largest economies, France. Indeed, the UK has been frustrated by the staunch opposition of successive French governments to any reform in the CAP that would jeopardise the massive amount of subsidies it is currently receiving, despite widespread recognition of the CAP's deficiencies.

As reported by Civitas, an independent research institute, CAP subsidies encourage inefficiency, inflate food prices and lead to over-production. In this light, subsidies need to be removed and instead, resources allocated through the free market, while concurrently increasing investment in research and technology. Finally, whilst the CAP is designated by the EU as an 'income support policy', it has failed to help small farmers, as 80% of funds go to just 25% of large holding farmers. According to the Telegraph, not a single ordinary farmer in France can be found among the top 24 beneficiaries in 2009, with most CAP funds channelled to large food and drink conglomerates.

**Actor:** Civitas (Institute for the Study of Civil Society) // BBC // Telegraph

**Source:** Civitas, 22/1/2013 // BBC, 12/10/2011 // Telegraph, 30/8/2009  
<http://www.civitas.org.uk/eufacts/FSPOL/AG3.htm>  
<http://www.bbc.co.uk/news/world-europe-11216061>  
<http://www.telegraph.co.uk/news/worldnews/europe/france/6111715/French-farmers-survive-but-multinationals-cash-in-on-EU-subsidies.html>

**Source:** UKIP, 2012 // Civitas, 26/7/2011  
<http://www.ukip.org/media/pdf/CostofEU.pdf>

**Actor:** Centre for European Reform (Pro-EU Think Tank) // Radek Sikorski (Polish foreign minister) // John Cridland (Director General, CBI)

**Source:** CER, 10/7/2012 // Telegraph, 12/11/2012 // Guardian, 17/5/2013  
<http://centreforeuropeanreform.blogspot.co.uk/2012/07/britain-should-not-go-swiss.html>  
<http://blogs.telegraph.co.uk/news/danielhannan/100188822/belatedly-fisking-radek-sikorski-long-but-comprehensive/>  
<http://www.guardian.co.uk/commentisfree/2013/may/17/business-better-off-staying-in-europe>  
<http://www.civitas.org.uk/eufacts/FSMS/MS20.htm>

**“If the UK wants to run Europe, it needs to be in Europe. If you want to be run by Europe, feel free to join us in the EEA”.**

Norwegian Conservative MP Nikolai Astrup



**FACTS AND RESPONSE:** The CAP provides necessary protection for the EU's agricultural sector but there is widespread recognition that the policy's implementation is inefficient and in need of substantial reform.

According to European Movement UK, the CAP ensures the continued survival of the EU's agricultural sector, which could become extinct in the absence of adequate subsidisation. Many smallholder farmers earn less than the average wage and would go out of business without the CAP. In fact, 2% of farmers leave agriculture every year and most farmers are aged over 50, which renders the CAP integral for incentivising younger people into farming. According to José Manuel Barroso, President of the European Commission, the EU now has one of the most competitive agricultural sectors in the world, which accounts for 6% of EU GDP, £715 billion Euro added value, 15 million companies and 46 million jobs. In addition, Copa-Cogeca, the EU farmers association, argues that the CAP safeguards rural communities by obstructing the establishment of large US-style factory farms that would damage the environment and the character of the EU countryside.

Nevertheless, although Barroso has argued that the CAP represents value for money by avoiding the fragmentation of agricultural policy along 27 member states, the EU itself has acknowledged that the CAP is largely inefficient and in need of substantial reform. Indeed, the CAP has justifiably been one of the most contested EU policies as member states contribute large amounts of money for subsidies that generate inefficiency in the farming sector and distort food prices. As such, the EC has moved to propose reforms involving a move away from public control of market prices toward more free market prices, while administering direct aid to farmers not tied to their current farming practices. These changes were set to take effect in 2013 but will be delayed until 2015.

**Actor:** European Movement UK (Pro-EU Think Tank) // Copa-Cogeca (EU farmers association) // Jose Manuel Barroso (President of EC)

**Source:** European Movement UK, December 2011 // BBC, 12/10/2011 // Europa, 5/3/2013  
<http://www.euromove.org.uk/index.php?id=15297>  
<http://www.bbc.co.uk/news/world-europe-11216061>

[http://europa.eu/rapid/press-release\\_SPEECH-13-188\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-13-188_en.htm)

**EUROSCEPTIC ARGUMENT (4):** The UK is the third largest net-loser from contributions to EU structural funds while there is no evidence that those funds have an overall positive effect on the EU economy.

Structural and cohesion funds are instruments for redistributing wealth within the EU and reducing economic disparities between member states. According to Open Europe, for the 2007-2013 budgetary period, the UK has contributed £29.5bn to EU structural and cohesion funds and gets in return around £8.7bn, making it the third largest net-loser. Each British citizen pays around £68.5 per year to support the economic growth of other EU member states; most notably Poland, which receives £14.7 of the total amount. Quite surprisingly however, Spain and Germany are the second and third largest recipients, each receiving £9.5 and £7.5 from the British taxpayer respectively. Critically, there is no evidence of structural funds benefiting the aggregate EU economy as much of their success depends on the recipients' good administration. In this light, Open Europe claims that involving all states in regional spending irrespective of wealth is irrational as it channels funds away from poorer states or poorer regions in wealthier states, and argues in favour of 'renationalizing' structural funds for well-off states to administer their own regional aid policies.

**Actor:** Open Europe (Independent Think-Tank)

**Source:** Open Europe, January 2012  
<http://www.openeurope.org.uk/Content/Documents/Pdfs/2012EUstructuralfunds.pdf>





**FACTS AND RESPONSE:** Structural funds help to reduce economic disparities between member states and expand the benefits of the single market.

Civitas posits that structural funds are necessary for assisting poorer regions in dealing with changing economic conditions and smoothing their entry to the single market. By focusing directly on needy areas rather than funding national governments, structural funds help reduce economic disparities between member states and foster solidarity and equitable economic growth across the EU. This redistribution of wealth is advantageous to the UK because it increases the size and value of the single market.

By expanding the single market to include more member states, and empowering them to pursue sustainable economic development, the UK is provided with access to more stable and investable markets. The European Movement UK also reveals that poorer and new member states fear that a potential re-nationalization of structural financing would compromise the willingness of wealthy nations to retain the fund. Indeed, it is doubtful whether affluent member states would choose to administer structural funds to poorer states, if not obliged by EU rules.

**Actor:** Civitas (Institute for the Study of Civil Society) // European Movement UK (Pro-EU Think Tank)

**Source:** Civitas, 27/7/2011, European Movement UK, December 2010

<http://www.civitas.org.uk/eufacts/FSSOC/SF2.htm>

<http://www.euromove.org.uk/index.php?id=13933>

**EUROSCEPTIC ARGUMENT (5):** The UK makes large contributions to the EU budget to support the lavish pay of more than 40,000 EU bureaucrats.

David Cameron has criticised the lavish salaries of EU bureaucrats paid by British taxpayers money through UK contributions to the EU budget. The British PM argued that over 16% of EC staff earn more than £80,000 per year, an inappropriately large amount, given the austerity measures imposed on workers across the EU. In addition, according to The Telegraph, 1,023 Eurocrats earn more than Cameron's annual income of £142,500, while the net income of unelected EC officials is around



£57,000 to £103,000 more than the British PM. Cameron proposes upping the retirement age, trimming salaries and lowering pensions of EU bureaucrats to reduce the administrative costs of the EU and therefore the burden on British taxpayers.

**Actor:** David Cameron (British PM, Conservative) // The Telegraph

**Source:** Guardian, 23/11/2012 // Telegraph, 20/6/2010  
<http://www.guardian.co.uk/world/2012/nov/22/david-cameron-eu-bureaucrats-pay>  
<http://www.telegraph.co.uk/news/worldnews/europe/eu/7841716/Over-1000-EU-officials-earn-more-than-David-Cameron.html>

**FACTS AND RESPONSE:** The EU's administrative expenses amount to less than 6% of the total EU budget, with EU employees' salaries accounting for around half of that 6%.

The European Commission questions the assertion that a large portion of the EU budget is spent on maintaining the luxurious lifestyle of EU bureaucrats. In fact, only about 3-4% of the total EU budget is afforded to the salaries and pensions of EU staff. What is more, the EC decided to freeze its administrative expenditure in 2012, while just seven years ago it undertook major bureaucratic reforms. These included lowering recruitment salaries, the creation of a contract agent category with lower salaries, upping retirement ages, lowering pension rights and increasing pension contributions. According to the EC, this reform has already saved the EU taxpayer €3 billion, and is expected to generate another €5 billion in savings by 2020.

**Actor:** European Commission

**Source:** Europa (Official Site of EC)  
[http://ec.europa.eu/budget/explained/myths/myths\\_en.cfm](http://ec.europa.eu/budget/explained/myths/myths_en.cfm)

### 4.3 Eurozone Crisis

**EUROSCEPTIC ARGUMENT:** The Euro has failed and the UK will be marginalised by crisis prevention measures that propel the EU towards closer political integration.

Nigel Farage, MEP and leader of UKIP, argued that “by any objective criteria the Euro has failed” and compared the EU with the sinking Titanic. Indeed, the Eurozone crisis has brought to the fore fundamental problems with the single currency and Eurosceptic circles have been inclined to equate the Euro’s deficiencies with the failure of the European project as a whole. What is more, the Eurozone crisis has revealed the need for closer political and economic integration of Eurozone member states in order to stabilise the single currency.

As such, to deal with the crisis, the EU is moving towards a common banking union, which leaves non-Eurozone countries like the UK in a quandary. David Cameron expressed the UK’s need for safeguards to avoid its marginalisation from decision-making processes following the transformation of EU institutions. UK officials fear that the ensuing banking union will give rise to new legislation and governing structures needed to regulate the single market. As the UK is not in the single currency union, these developments might compromise the UK’s access to the single market and increase the burden of regulations that the UK has to comply with.

**Actor:** Nigel Farage (MEP, Leader of UKIP) // David Cameron (British PM, Conservative)

**Source:** InfoWars, 14/6/2013 // Guardian, 23/1/2013  
<http://www.infowars.com/farage-the-euro-titanic-has-now-hit-the-iceberg/>  
<http://www.guardian.co.uk/politics/2013/jan/23/david-cameron-eu-speech-referendum>

**FACTS AND RESPONSE:** An EU banking union will benefit the UK by addressing the deficiencies of the Euro, while stabilising the Eurozone economy as a whole.

Widespread social unrest, mass resistance to EU austerity policies and soaring unemployment throughout Europe do provide legitimacy for Farage’s claims over the failure

of the Euro. However, the move towards a banking union is a measure designed to address some of the Euro’s deficiencies that Farage is so keen to point out. The banking union will allow the European Central Bank (ECB) to guarantee government bonds and bank deposits through a common Eurozone fund and supervise large bank risk-taking across the EU. George Osborne, the British Chancellor of the Exchequer, although eager to preserve the commercial interests of UK banks, is not willing to block the banking union because he believes that bringing calm and stability to the Eurozone is in Britain’s best interests.

Quite similarly, Her Majesty’s Treasury stated that “Britain has consistently argued that a banking union is an essential part of a stable single currency, and ... the ECB is the right organisation to take on the central supervisory role for Euro-area banks”. Lyndon Harrison, chairman of the House of Lords committee, also argued that while safeguards against UK marginalisation are necessary, the EU banking union is integral for the smooth operation of the Eurozone and therefore a veto by David Cameron will only serve to further alienate the UK from EU decision-making procedures. Indeed, Osborne has managed to secure veto power for EU countries outside the banking union, providing the UK with a voice in the creation of banking rules.

**Actor:** George Osborne (Chancellor of the Exchequer, Conservative) // HM Treasury // Lyndon Harrison (Chairman, House of Lords)

**Source:** BBC, 13/12/2012 // 11/12/2012  
<http://www.bbc.co.uk/news/business-20709381>  
<http://www.reuters.com/article/2012/12/12/us-britain-eu-banks-idUSBRE8BB00C20121212>







## 4.4 Regulations

**EUROSCEPTIC ARGUMENT:** EU-imposed regulations harm UK business and outweigh the economic benefits of

In its effort to coordinate the single market, the EU imposes excessive regulations on the UK, which harm the economy and undermine competitiveness by inflicting additional costs on businesses. The EU defines regulations as binding legislative acts that must be enforced in their entirety across the EU. By contrast, an EU directive is a legislative act that sets out a goal that member states need to achieve but is left to them to decide how. According to Open Europe, since 1998, regulations have cost the UK economy £176bn, £124bn of which originate from the EU, that is, 71% of total regulatory costs. Based on similar calculations, Open Europe concludes that regulation is more effective when devised at the domestic rather than at the EU level, where the benefit/cost ratio for the former is 2.35 compared to 1.02 for the latter. A survey of 4,000 UK firms, conducted by the British Chambers of Commerce showed that businesses believe that ‘dangerous’ laws from Brussels undermine British competitiveness and stifle recovery. Around 60% of respondents

argued that renegotiation of the UK’s EU membership would be beneficial for the economy.

However, since complying with such regulations is mandatory for participating in the single market, Eurosceptic rhetoric in the UK has been formed around the economic benefits gained from leaving the EU entirely and relinquishing the obligation to conform to damaging EU regulations. While David Cameron has expressed the UK’s desire to remain in the EU granted certain regulatory concessions, mainly on financial services and employment law, major European leaders, such as the German and French foreign ministers, have made clear that the UK will not be allowed to ‘cherry-pick’ legislation but will have to abide with EU regulations just like everyone else.

Actor: Europa (Official Site of EU) // Open Europe (Independent Think-Tank) // British Chamber of Commerce // CNN // Guardian

**Source:** Europa // Open Europe, June 2010 // City A.M, 16/4/2013 // CNN, 24/1/2013 // Guardian, 23/1/2013  
<http://europa.eu/about-eu/basic-information/decision-making/legal-acts/>  
<http://www.openeurope.org.uk/Content/documents/Pdfs/stilloutofcontrol.pdf>  
<http://www.cityam.com/article/uk-firms-want-eu-powers-reined>  
<http://edition.cnn.com/2013/01/23/world/europe/eu-cameron-reaction>  
<http://www.guardian.co.uk/politics/2013/jan/23/david-cameron-europe-international-reaction>

**FACTS AND RESPONSE(I):** The EU sets the minimum standards but member states differ substantially in regulatory structures.

The argument that the EU imposes excessive regulations on member states and forces an uncompromising uniformity across diverse EU economies needs to be qualified. The EU sets the minimum regulatory standards to ensure template consistency across member states and the smooth operation of the single market. A single market by definition cannot exist without some degree of common rulemaking but beyond that, member states have the liberty to adjust EU-wide regulations to domes-

tic preferences according to the policy area. This is outlined in the division of competences between the EU and member states set out by the Treaty of Lisbon. There are three main types of competences; exclusive, shared and supportive. In exclusive competences the EU alone can legislate and adopt binding acts while member states are limited to applying them. In shared competences, both the EU and member states adopt binding acts, but member states are authorised to exercise their competence only insofar that the EU has not exercised its own. In supporting competences, the EU has no legislative power and can only intervene to support, coordinate or complement the action of member states. Most regulations governing the single market fall under the auspices of shared competences, which means that the EU can set the minimum requirements but member states are free to regulate above and beyond these specifications. This has allowed member states to differ substantially in regulatory structures. For example, the CER shows that the UK has amongst the freest product and labour markets in the world, quite contrary to the rigidities observed in the Spanish, French, Italian and Greek economies.

Actor: Europa (Official site of the EU) // Centre for European Reform (Pro-EU Think Tank)

**Source:** Europa // CER, February/March 2013

<http://www.cer.org.uk/publications/archive/bulletin-article/2013/leaving-eu-will-not-set-britains-economy-free>  
[http://europa.eu/legislation\\_summaries/institutional\\_affairs/treaties/lisbon\\_treaty/ai0020\\_en.htm](http://europa.eu/legislation_summaries/institutional_affairs/treaties/lisbon_treaty/ai0020_en.htm)

**FACTS AND RESPONSE (II):** UK business leaders warn that financial uncertainty generated by a possible UK exit from the EU far outweighs any costs businesses suffer from EU regulations.

Through an open letter to David Cameron, the chairmen of large British corporations like Rio Tinto, Virgin Group, BT, London Stock Exchange and the Confederation of British Industry, warned of the precarious financial consequences of a possible UK exit from the EU. The business leaders, whose corporations bear most of the burden of EU regulations, argue that investor uncertainty generated by a possible termination of UK's EU membership far outweighs any costs businesses suffer from EU legislation. In fact, 50% of investment in and out of the UK



comes from other EU countries and a possible UK exit from the EU would undoubtedly jeopardise these flows and ignite investment withdrawal from UK markets.

Moreover, illustrating the gaining momentum of Euro-scepticism in the UK and the concerns this generates for business, the chairmen of Virgin and BT along with those of Deloitte, Lloyds and Shell sent another open letter accusing the government of putting “politics above economics” in their handling of the EU debate.

The chairmen argued that the Conservatives ignore “the overwhelming case for staying in the EU”, which is derived from the fact that British membership in the EU is estimated at £31bn to £90bn in income gains per year, or between £1,200 and £3,500 for every household. Finally, the same survey by the British Chamber of Commerce which found that 60% of UK firms would favour renegotiation of UK's EU membership, also found that 60% of respondents fear that a full withdrawal from the EU would be extremely damaging for Britain's economy.

Actor: Open letter to David Cameron by Sir Richard Branson (Chairman, Virgin Group), Sir Michael Rake (Chairman, BT), Jan Du Plessis (Chairman, Rio Tinto), Chris Gibson-Smith (Chairman, London Stock Exchange), Sir Roger Carr (Chairman, CBI) // British Chamber of Commerce // Shell, Lloyds, Deloitte, BT, Virgin

**Source:** Telegraph, 09/1/2013 // City A.M, 16/4/2013 // BBC, 20/5/2013

<http://www.telegraph.co.uk/finance/economics/9789393/David-Camerons-EU-rethink-may-hurt-UK-economy-say-business-leaders.html>  
<http://www.cityam.com/article/uk-firms-want-eu-powers-reined>  
<http://www.bbc.co.uk/news/uk-22592596>





**Source:** BBC, 28/10/2011 // UKIP // Telegraph, 28/3/2013  
<http://www.bbc.co.uk/news/uk-politics-15487674>  
<http://www.ukip.org/media/pdf/wwsf.pdf>  
<http://www.telegraph.co.uk/news/worldnews/europe/9899460/David-Cameron-EU-bid-to-cap-bankers-bonuses-will-hit-the-City.html>

#### 4.4.1 Financial Regulations

**EUROSCEPTIC ARGUMENT:** EU financial services regulations will damage the global competitiveness of the

David Cameron asserts that proposed EU regulations on the financial services sector will damage the competitiveness of the City of London and limit market openness to emerging economies. He describes securing exemptions from the Financial Transaction Tax and proposed caps on bankers' bonuses, as being in the "key national interest" of the UK. UKIP maintains that these regulations would compromise the massive contributions of the financial sector to UK tax revenues of about £61bn per year or 12% of the UK total.

Following the EU agreement to cap bankers' bonuses and increase the capital requirements of banks (labelled Basel III), an enraged Boris Johnson, Mayor of London and member of the Conservative Party, called such policies "transparently self-defeating". Johnson criticised the EU for undermining the ability of UK-based banks and financial institutions to attract global talent and warned that banks will move to less regulated areas like Zurich, Singapore or New York, thus stunting financial sector growth in the UK.

**Actor:** David Cameron (British PM, Conservative) // UKIP // Boris Johnson (Mayor of London, Conservative)

**FACTS AND RESPONSE (I):** Financial services leaders warn that potential UK exit from the EU is against the interests of the City of London.

Since there appears to be no visible way for the UK to renegotiate EU policy measures that apply to all EU countries in the single market, it is highly likely that the UK would have to seek exit from the EU to pursue policies that better correspond to its perceived interests. However, Gerry Grimstone, Chairman of TheCityUK, an independent membership body for promoting the interests of UK financial institutions, said "it is really poppycock to believe that the City can survive in its present form if it is not an integral part of the European financial services framework". Grimstone argued that the City of London gains massively from attracting firms that want easy access to the EU single market and thus the alternative to complying with EU regulations, that is, withdrawing from the EU, would deprive them of these benefits and irreversibly damage the global competitiveness of the UK's financial sector. A report by TheCityUK revealed that the trade surplus with EU member states for financial services grew by 80% between 2005 and 2011, that EU banks hold £1.4tn assets in the UK and that twice as many Euros are traded in the UK than all of the other member states combined.

**Actor:** Gerry Grimstone (Chairman, TheCityUK) // Telegraph, 29/12/2012

**Source:** TheCityUK

<http://www.thecityuk.com/financial-services-in-the-uk/why-financial-services-matter/uk-financial-services-articles/gerry-grimstone-s-speech-at-the-cityuk-annual-dinner-2012/>

<http://www.telegraph.co.uk/finance/comment/kamal-ahmed/9770994/The-City-the-EU-and-a-very-inconvenient-truth.html>

**FACTS AND RESPONSE (II):** The recent global financial crisis has shown that regulating financial markets is necessary for protecting the real economy.

The devastating impact of the global financial crisis on the livelihoods of citizens across the globe has drawn considerable attention on the negative effects of unregulated financial markets. Othmar Karas, the EP's Chief Negotiator, points out that EU financial regulations are devised to reduce volatility in financial markets and force banks to concentrate on their core business, that is, financing the real economy.

The CER argues that UK objections over City of London regulations have nothing to do with concerns over British competitiveness but rather the issue is being encompassed within the overall Eurosceptic debate about the role of the UK in a more fiscally integrated EU.

In fact, the CER argues that UK objections over City of London regulations have nothing to do with concerns over British competitiveness but rather the issue is being encompassed within the overall Eurosceptic debate about the role of the UK in a more fiscally integrated EU. This is illustrated by the fact that the UK has already begun to regulate the financial sector, irrespective of EU directives, mainly by obliging banks to increase their capital requirements and separating retail from investment banking.

**Actor:** Othmar Karas (EP's chief negotiator) // Centre for European Reform (Pro-EU Think Tank)

**Source:** Telegraph, 28/2/2013 // CER, July 2012

<http://www.telegraph.co.uk/news/worldnews/europe/9899460/David-Cameron-EU-bid-to-cap-bankers-bonuses-will-hit-the-City.html>

<http://www.cer.org.uk/publications/archive/essay/2012/britain-europe-and-city-london-can-triangle-be-managed>

#### 4.4.2 Social & Employment Regulations

**EUROSCEPTIC ARGUMENT:** EU-imposed labour market regulations harm business and restrict job market flexibility.

EU social & employment regulations are laws protecting the rights of workers across member states. UK officials argue that rigid social and labour legislation, harms business and restricts job market flexibility by increasing red tape, placing restrictions on working hours and making it harder for firms to fire personnel. According to Open Europe, EU social and labour laws cost British business and the public sector almost £8.6bn per year. They estimate that cutting 50% of these regulations would create about 60,000 new jobs and add £4.3bn to the UK's economic output. A survey of 4,000 UK firms by the British Chambers of Commerce (BCC) shows that businesses perceive EU employment law as the most damaging regulation for UK competitiveness. John Longworth, director general of the BCC, argued that since UK firms trade with the rest of the world and not just the EU, extra laws on employment render them uncompetitive against firms in the US or Asia who compete for the same business. In his EU speech, David Cameron wondered, "Why should the UK's doctor working hours be set in Brussels?" This statement reflects the Eurosceptic sentiment that the UK economy would be better off scrapping EU social and employment laws and promoting economic growth through the deregulation of the UK labour market.



**Actor:** Open Europe (Independent Think-Tank) // John Longworth (Director General, BCC) // David Cameron (British PM, Conservative)

**Source:** Open Europe, November 2011 // City A.M., 16/4/2013 // Guardian, 23/1/2013  
<http://www.openeurope.org.uk/Content/Documents/PDFs/2011Eusocialpolicy.pdf>  
<http://www.cityam.com/article/uk-firms-want-eu-powers-reined>  
<http://www.guardian.co.uk/politics/2013/jan/23/david-cameron-eu-speech-referendum>

**FACTS AND RESPONSE (I):** The argument that EU social and employment law undermines UK competitiveness is debatable, as deregulation of markets is not always the best way to encourage economic growth.

Anne Davis, Professor of Law and Public Policy at Oxford University, contradicts the Eurosceptic argument that rigid labour laws are harmful to the UK economy. Such notions are based on the debatable theory that the deregulation of labour markets is the best way to encourage economic growth. Rather, social and employment regulations can give rise to a more productive labour force by limiting excessive working hours while oppositely, cutting labour costs can stifle competitiveness by crowding out more educated added-value personnel. Moreover, even if regulations were dropped, nothing can guarantee that the UK would gain a comparative advantage when considering that many EU countries have significantly lower wage levels and labour is free to move between member states. In short, evidence on how the deregulation of labour markets affects economic growth has been largely inconclusive.



**Actor:** Anne Davis (Professor of Law and Public Policy, University of Oxford)

**Source:** LSE, British Politics and Policy Blog, 10/2/2012  
<http://blogs.lse.ac.uk/politicsandpolicy/archives/20586>  
 Facts and Response (ii): EU social and employment laws prevent EU member states from competing to attract cheap labour.

In the EU single market where labour is free to move between nations, the absence of minimum regulations on workers' rights would generate competition between member states based on the cheapness and vulnerability of employees. EU social and employment law is thus necessary for avoiding competition between member states, premised on attracting cheap labour through lowering wages and limiting the rights of workers.

According to John Monks, the General Secretary of the European Trade Union Confederation, Europe's trade unions believe that for the single market to enjoy popular support, good employment standards across all member states are essential. As such, European leaders, including the then British PM Margaret Thatcher, agreed that the single market should prohibit competition in employment regulations and especially on the basis of one member state using poor health and safety standards to gain an advantage.

**Actor:** John Monks (General Secretary of the European Trade Union Confederation)

**Source:** The Guardian, 22/1/2013  
<http://www.guardian.co.uk/commentisfree/2013/jan/22/cameron-europe-speech-workers-rights>

**FACTS AND RESPONSE (II):** EU social and employment laws guarantee rights indispensable to British workers.

John Monks argues that millions of British workers are grateful to EU employment measures that protect them against unfair dismissals, below subsistence pay, minority and gender discrimination. Nevertheless, UK and EU employment law have been in conflict, which has often led to poor implementation of EU employment regulations. Indeed, the European Court of Human Rights (ECHR) ruled in 2012 that UK employment law has inad-



equate protection over the unfair dismissals of employees. Philip Landau, Employment Law Solicitor at Zeffertt Weir, cites the example of a UK bus driver fired for his political opinions in 2004, who was unable to claim unfair dismissal rights due to UK law which prohibits employees from claiming their rights if they have worked for less than a year at the company in question. Quite surprisingly, in April 2012, this was extended to two years.

In addition, Ben Molyneux, Chair of the Junior Doctor's British Medical Association, was openly critical of David Cameron's choice of using British doctors as an example to justify opting out from the EU's working time directive of maximum 48 working hours per week. He said, "I resent my working hours being used as a stick to beat Brussels, especially when the argument is flawed".

According to Molyneux, before the EU working time directive in 2004, junior doctors worked for more than 100 hours per week. He argues that longer working hours are not the solution for improving the training of young doctors as tired workers make more mistakes and in the hospital, mistakes are a matter of life and death.

**Actor:** John Monks (General Secretary of the European Trade Union Confederation // Philip Landau (Employment Law Solicitor, partner at Landau Zeffertt Weir) // Ben Molyneux, (Chair of the BMA's junior doctors association)

**Source:** The Guardian, 18/1/2013 // The Guardian, 12/11/2012 // The Guardian, 22/1/2013  
<http://www.guardian.co.uk/commentisfree/2013/jan/22/cameron-europe-speech-workers-rights>  
<http://www.guardian.co.uk/money/work-blog/2012/nov/12/employment-law-political-arena>  
<http://www.guardian.co.uk/commentisfree/2013/jan/18/tories-junior-doctors-pawn-eu-power-struggle>

#### 4.4.3 Security Regulations

**EUROSCEPTIC ARGUMENT (1):** EU crime and policing laws lead to unfair trials of Britons abroad.

Theresa May, Home Secretary and member of the Conservative Party, argues that it is in the UK's "national in-

terest" to opt-out from EU crime and policing laws as the UK should not be bound by pre-Lisbon laws, of which some are now "entirely defunct". Central to the Eurosceptic criticism over EU security regulations is the European Arrest Warrant (EAW), which allows member states to issue arrest warrants for criminals found in other member states. Once issued, criminals are arrested and extradited to the issuing state. Tories argue that the EAW has led to unfair trials of Britons abroad, citing the example of Andrea Symeou, a British national who was extradited to Greece for murder but acquitted after spending four years in jail.

**Actor:** Theresa May (Home Secretary, Conservative)

**Source:** BBC news, 15/10/2012

<http://www.bbc.co.uk/news/uk-politics-19944072>



**FACTS AND RESPONSE:** UK opt-out from EU crime and police regulations will undermine the ability of British police to provide security.

A potential UK opt-out from EU crime and police regulations conceals major security implications for the UK. As the CER emphasises, the opt-out would undermine British police efforts to conduct international investigations and convict criminals abroad.

In fact, Stephen Lander, former Chief of MI5, highlighted this risk in a recent letter to the government, co-signed by a number of former British police chiefs. In particular, the UK would lose access to cross-border agreements and databases designed to help EU countries maintain security. In the context of the EU single market where people are free to move between member states, access to the exchange of criminal records is imperative if the British police are to persecute cross-border crime effectively. Indeed, an all-party report by the House of Lords concluded that potential UK opt-outs from EU security regulations, and especially the EAW, could attract crime suspects from

around EU fleeing to the UK to escape justice as well as damage cooperation between Ireland and Northern Ireland in tackling terrorism and organised crime.

As Viviane Reding, the European Commissioner for Justice points out, in 2010 the UK sent European Arrest Warrants for 256 people leading to the extradition of 116 facing trial in Britain. As such, withdrawing from shared IT systems may cause considerable financial damage to the UK, while concomitantly the lack of cooperation at the EU level will increase complexity in dealing with cross-border crime. European Federalists, a pro-EU NGO, argues that in reality, Eurosceptic criticisms of the EWA have no clear rationale but rather are embedded within the wider framework of “repatriating powers from Brussels”.

**Actor:** Centre for European Reform (Pro-EU Think Tank) – Stephen Lander (Former Chief of MI5) // House of Lords // Viviane Reding (European Commissioner for Justice) // European Federalists (pro-EU NGO)

**Source:** CER, January 2013 // The Guardian, 23/4/2013 // The Guardian, 14/2/2013 // European Federalists  
<http://www.cer.org.uk/publications/archive/bulletin-article/2012/camersons-choice-play-gallery-or-keep-britain-safe>  
<http://www.guardian.co.uk/uk/2013/apr/23/eu-policing-justice-opt-out-danger>  
<http://www.guardian.co.uk/world/2013/feb/14/eu-warnings-uk-security-optout>  
[http://europeanfederalists.wikispaces.com/European+Arrest+Warrant+\(EAW\)](http://europeanfederalists.wikispaces.com/European+Arrest+Warrant+(EAW))

**EUROSCEPTIC ARGUMENT (2):** The EU forces Britain to adopt laws on human rights that hamper the extradition of convicted criminals.

The European Court of Human Rights (ECHR) has drawn considerable criticism from British Conservatives for blocking the extradition of convicted terrorists Abu Hamza and Abu Qatada, based on fears of human rights violations at the country of destination. Chris Grayling, Secretary of Justice, said “*We cannot go on with a situation where people who are a threat to our national security, or who come to Britain and commit serious crimes, are able*

*to cite their human rights when they are clearly wholly unconcerned for the human rights of others*”. Tories argue that the ECHR undermines the UK’s ability to persecute crime and control immigration. In fact, prominent Tories like Grayling and Theresa May have promised to replace the Human Rights Act, which enshrines the European Convention of Human Rights into British law, if the Conservatives win the 2015 general elections. In this light, Daniel Hannan, Conservative MEP, argued that it’s unclear whether the UK could repudiate the ECHR without having to leave the EU altogether.

**Actor:** Chris Grayling (Secretary of Justice, Conservative) // Theresa May (Home Secretary, Conservative) // Daniel Hannan (MEP, Conservative)

**Source:** Telegraph, 2/3/2013 // Herald Scotland, 10/3/2013 // Telegraph, 12/11/2012  
<http://www.telegraph.co.uk/news/politics/david-cameron/9904880/David-Cameron-answers-critics-I-will-not-lurch-to-the-Right.html>  
<http://www.heraldsotland.com/news/home-news/tories-vow-to-scrap-human-rights-act.20456849>  
<http://blogs.telegraph.co.uk/news/danielhannan/100188822/belatedly-fisking-radek-sikorski-long-but-comprehensive/>

**FACTS AND RESPONSE:** The European Court of Human Rights is not an EU institution.

The Eurosceptic tendency of linking criticisms of the EU with rulings made by the ECHR is largely misplaced. The ECHR is an international court and completely independent from EU institutions. It was founded in 1959 by the Council of Europe, an organisation spearheaded by the UK and comprised of 47 European states. The EU by contrast has 27 members and has no mandate over ECHR decisions. What is more, the ECHR should not be confused with the European Court of Justice. The former rules on the European Convention on Human Rights, which covers the whole of Europe but not EU institutions, while the latter only rules on EU law. As such, according to Polish foreign minister Radek Sikorski, the ECHR is not only a completely separate body but also “a noble British creation that pre-dates the EU”.



**Actor:** Radek Sikorski (Polish Foreign Minister)

**Source:** Telegraph, 12/11/2012

<http://blogs.telegraph.co.uk/news/danielhannan/100188822/belatedly-fisking-radek-sikorski-long-but-comprehensive>

#### 4.4.4 Environmental Regulations

**EUROSCEPTIC ARGUMENT (1):** The Common Fisheries Policy (CFP) undermines environmental and economic sustainability.

The CFP is one of the most controversial EU policies to date. In particular, most criticisms are concentrated on the fish discards directive, which obliges fishermen to dump dead fish back to the sea when they have exceeded their allocated quota or catch limit of a certain species. This policy was enforced by the EU to discourage over-fishing but has generated public outcry over environmental degradation. According to Richard Benyon, the British Fisheries Minister and member of the Conservative Party, the fish discards policy has led to the waste of huge amounts of fish when fish stocks are already depleted, thus seriously undermining biological and ecological sustainability in the UK. Maria Damanaki, the EU Fisheries Commissioner, admitted that the CFP was 'broken' and claimed that the discard policy has led to one quarter of all fish caught in the EU being dumped back into the sea.

What is more, the Scottish government published a report in 2009 outlining the deficiencies of the CFP in promoting sustainable economic growth. According to the report, the CFP has failed to maintain sustainable levels of fish stock as 30% of EU stocks are fished outside safe

biological limits while 90% of fleets fished at levels beyond the Maximum Sustainable Yield. Additionally, the CFP has failed to ensure fair levels of compliance across member-states as some have systematically disregarded EU regulations leading to over-fishing in certain areas. Finally, the CFP has failed to engage with industry to improve policy by exploiting the innovation and expertise of local fishermen with managing fish stocks.

**Actor:** Richard Benyon (British Fisheries Minister, Conservative) // Maria Damanaki (EU Fisheries Commissioner) // Scottish Government Website

**Source:** The Guardian, 1/3/2011 // The Guardian, 27/2/2012 // Scottish Government Official Website, 21/12/2009  
<http://www.guardian.co.uk/environment/2011/mar/01/government-attacks-eu-fishing-rules>  
<http://www.guardian.co.uk/environment/2013/feb/27/eu-fish-discards-ban-welcomed>  
<http://www.scotland.gov.uk/Publications/2009/12/21104310/5>

**FACTS AND RESPONSE:** The EU has already agreed on a full-scale reform of the CFP.

Following the recognition that fish discards have adverse consequences on environmental and economic sustainability, the EU has moved to enact major reforms on the CFP. In fact, the European Parliament and Council agreed in February 2013 to ban fish discards starting from January 2014. Moreover, the EC published a White Paper in 2011 proposing legislation on reforming the CFP on several important areas. Aside from banning fish discards, the EC recommended placing fishing limits based on scientific evidence, introducing pre-defined catch restrictions on boats over 12 meters and obliging large





fleets to operate through licences. Moreover, in the spirit of engaging local industry and making policy more responsive to local conditions, the Commission proposes the devolution of most responsibility over fisheries to member states within general EU level guidelines. These reforms are awaiting approval from the EP and Council and are set to take effect starting from January 2015.

**Actor:** EU Fisheries Ministers // European Commission

Source: The Guardian, 27/2/2012 // Euromove, December 2012

<http://www.guardian.co.uk/environment/2013/feb/27/eu-fish-discards-ban-welcomed>

<http://www.euromove.org.uk/index.php?id=20150>

**EUROSCEPTIC ARGUMENT (2):** EU 'renewable' energy rules will double electricity bills by 2020; global warming is not proven.

Through a policy brief labelled "Keeping the Lights On", UKIP criticises EU environmental regulations that oblige member states to increase the proportion of total energy generated through 'renewable' sources. According to UKIP, a switch to renewable energy as outlined by the EU will double electricity bills by 2020 means that while for every job created in the renewables sector, four will be lost elsewhere in the economy. Crucially, UKIP maintains that global warming is not proven by scientific facts and thus abandoning energy-efficient coal, gas and nuclear power in favour of expensive renewables is environmentally and financially unjustified.

**Actor:** UKIP

**Source:** UKIP, 2011

<http://www.ukip.org/media/pdf/wwwsf.pdf>

<http://ukip.org/media/policies/energy.pdf>

[goldmercury.org](http://goldmercury.org)

**FACTS AND RESPONSE:** Investment in renewables is crucial for tackling climate change and reducing UK dependence on imported fossil fuels and oil.

Carbon Brief, a site devoted to fact-checking stories about climate and energy, argues that UKIP's conclusions on climate change and the cost of renewables are informed by studies that reflect the overwhelming minority in scientific opinion. Rather, a massive amount of evidence gathered by world-class scientists and economists illustrates the criticality of investing in renewable energy for tackling climate change and reducing dependency on rapidly depleting global fossil fuel gas and oil reserves.

This recognition is manifested through EU's environmental regulations and Cameron's pre-election promise that the new coalition will be the "greenest government ever". However, despite his reassurances, the new 'green' energy bill proposed in 2012, undermines EU environmental regulations by clearly favouring nuclear and gas over renewable energy. This move has been followed by fierce criticism by environmental groups, MPs and business leaders who charge Cameron with generating uncertainty in the UK's energy market. According to the CEOs of two of the big electricity providers in the UK, E.ON and Statkraft, this uncertainty drives away much-needed investment in renewables and restricts the growth of 'green' energy.

**Actor:** Carbon Brief (Site on Energy and Climate Change) // Johannes Teyssen (CEO, E.ON one of big 6 electricity providers in UK), Christian Rynning-Tønnesen, (CEO, Statkraft one of big 6 electricity providers in UK)

**Source:** Carbon Brief, 9/11/2012 // Guardian, 23/5/2012  
<http://www.carbonbrief.org/blog/2012/11/keeping-the-lights-on-ukips-energy-policy-evidence-base>  
<http://www.guardian.co.uk/environment/2012/may/23/overseas-investors-criticism-uk-energy-bill>



**EUROSCEPTIC ARGUMENT (3):** The EU's Emissions Trading Scheme (ETS) is not a proper market mechanism but a bureaucratic system that has failed to

The ETS was devised by the EU as a market mechanism to battle climate change by controlling the emission of greenhouse gases. The ETS operates under a 'cap and trade' principle, whereby a cap is placed on the maximum amount of carbon emissions permitted for all participating installations. This has covered all heavy industries and power generators as well as the aviation industry since 2012. 'Allowances' for emissions are then auctioned off or distributed for free, and can be subsequently traded. Installations that exceed their permitted amounts of carbon emissions must buy allowances/permits from others while those that succeed to reduce their emissions below their quota can sell theirs. This model allows the system to find the most cost-effective ways of reducing emissions without major government intervention.

However, according to Roger Helmer, MEP and member of UKIP, the ETS is not a proper market mechanism but rather a completely artificial and bureaucratic system, which fails to provide the regulatory certainty that businesses need for planning the future. Indeed, due to an over-allocation of free allowances and depressed demand following the financial crisis, permit prices have plummeted from an average of €30 in previous years to just €5 today. Since for the ETS to work properly, available permits should be limited, the resulting surplus has driven prices down and the ETS has ceased to incentivise polluting installations to decarbonise. Given the "obvious and disastrous failings of the ETS", Helmer recommends imposing a carbon tax as a more efficient disincentive for installations exceeding allowed carbon emissions.

**Actor:** UKIP // Carbon Brief (Site on Energy and Climate Change)

**Source:** Ukipmeps.org, 29/11/2012 // Carbon Brief, 3/4/2013

**FACTS AND RESPONSE:** Deficiencies in the ETS have been recognised and reform is underway.

The undergoing financial crisis has revealed the weakness of the demand-driven ETS system. It is clear, that without

adequate demand, the ETS generates surpluses in permits and consequently fails to provide the incentives for certain installations to reduce their carbon emissions. While the financial crisis has brought an overall decline in carbon emissions due to ailing production, some of the EU's largest economies like the UK and France have increased their share by 4.7% and 4% respectively. As such, the EC has proposed to reform the ETS by temporarily withdrawing around 900 million permits from the market to eliminate the surplus and boost carbon prices. However, Jonathan Grant, Director of Sustainability and Climate Change at the consultancy PwC, argued that these reforms can only be a short-term fix when the ETS is in need of major structural reforms. On the 15th of April 2013, the EC's proposals were rejected by the EP and reform of the ETS has been blocked until further consideration. The Guardian reports that reforms failed partly because certain UK Tory MEP's defied David Cameron and voted against the measures. A spokesman for the Conservative MEPs argued that the ETS is a market-based mechanism and should continue to function according to market principles rather than through artificial price manipulations by the EU.

**The EC has proposed to reform the ETS by temporarily withdrawing around 900 million permits from the market to eliminate the surplus and boost carbon prices.**

[http://www.ukipmeps.org/articles\\_516\\_Carbon-emissions-trading-scheme-entirely-subject-to-bureaucratic-fiat.html](http://www.ukipmeps.org/articles_516_Carbon-emissions-trading-scheme-entirely-subject-to-bureaucratic-fiat.html)

<http://www.carbonbrief.org/blog/2013/04/eu-emissions-drop-shows-need-for-carbon-market-reform>

**Actor:** Carbon Brief (Site on Energy and Climate Change) // Jonathan Grant (Director of Sustainability and Climate Change at PwC) // Guardian

**Source:** Carbon Brief, 3/4/2013 // Guardian, 19/2/2013 // Guardian 16/4/2013

<http://www.carbonbrief.org/blog/2013/04/eu-emissions-drop-shows-need-for-carbon-market-reform>

<http://www.guardian.co.uk/environment/2013/feb/19/emissions-trading-scheme-eu-rescue-reforms>

<http://www.guardian.co.uk/environment/2013/apr/16/meps-reject-reform-emissions-trading>

#### 4.4.5 Immigration Regulations

**EUROSCEPTIC ARGUMENT (1):** EU enlargement towards Eastern Europe has produced the phenomenon of “benefit tourism” in the UK.

The EU’s enlargement towards Eastern Europe in 2004 and 2007 has seen hefty populations of migrants from Poland, Bulgaria and Romania migrating to the UK under EU law allowing for the free movement of people between member states. Chris Grayling and Damian Green, the former Employment and Immigration Ministers respectively, claim that Eastern Europeans migrate to the UK to exploit the generous welfare benefits system provided by the UK state, in what is labelled as ‘benefit tourism’. Despite the fact that restrictions are in place, obliging Eastern Europeans to have a job when they move or be self-employed, many exploit a loophole in the system and declare themselves technically self-employed. As soon as they secure residence in the UK, these immigrants become eligible to claim benefits after 12 months on a registration scheme.

EU agreements predict the lifting of these restrictions in 2014, allowing Romanian and Bulgarian nationals to freely migrate to the UK and indiscriminately access UK welfare benefits, placing additional burdens on UK taxpayers and increasing the cost of public services. Considering that the government had predicted that less than 20,000 Eastern Europeans would migrate to the UK following the 2004 EU enlargement, actually 669,000 now reside in the UK, reinforcing Conservative fears over the costs of ‘benefit tourism’. In fact, David Cameron promised to end ‘benefit tourism’ and decrease net migration from hundreds to tens of thousands and is currently reviewing ways around EU law to restrict immigration from Eastern Europe and tighten eligibility criteria for UK benefit claimants. Labour leader, Ed Miliband, also admitted that the previous Labour administration made mistakes on immigration when former Prime Minister Tony Blair lifted restrictions on Polish workers. According to Miliband, the Labour government underestimated the amount of Polish nationals that would migrate to the UK as well as its effect on housing supply and peoples’ wages.

**Actor:** Daily Telegraph // Guardian // Chris Grayling (Secretary of State for Justice, Conservative) – Damian Green (Minister for Police and Criminal Justice, Conservative) // David Cameron (British PM, Conservative) // Ed Miliband (Leader of the Opposition, Labour)

**Source:** Daily Telegraph, 21/10/2013 // Guardian, 19/2/2013 // Guardian 22/1/2012 // BBC, 19/4/2011  
<http://www.telegraph.co.uk/news/uknews/immigration/9637967/Britain-facing-new-eastern-Europe-immigration-surge.html>  
<http://www.guardian.co.uk/commentisfree/2013/feb/19/cameron-bulgarian-romanian-immigration>  
<http://www.guardian.co.uk/society/2012/jan/20/government-moves-prevent-benefit-tourism>  
[http://www.bbc.co.uk/blogs/nickrobinson/2011/04/ed\\_miliband\\_we.html](http://www.bbc.co.uk/blogs/nickrobinson/2011/04/ed_miliband_we.html)

**FACTS AND RESPONSE:** ‘Benefit tourism’ is a myth, as is the contention that immigrants claiming benefits incur disproportionate costs on UK public services.

Europa, the official site of the EU, cites three recurring myths about EU migration rules used by UK Conservatives to substantiate claims of ‘benefit tourism’ and incite immigration-phobia in the UK. First, it is a myth that EU law gives all EU citizens the unconditional right to reside freely in the UK. Rather they are free to stay in any member state up to three months, after which they must be in employment, be actively job seeking or be self-sufficient. Second, it is a myth that EU migrants are automatically eligible for benefits in the UK. Instead they have to meet stringent requirements; claimants to social assistance benefits have to provide proof of employment, while social security benefits applicants are subject to a strict ‘habitual residence test’, where they have to demonstrate a genuine link with the UK. The most relevant social security benefit for immigrants, the Jobseeker’s Allowance (JSA), is premised on applicants providing proof of active job searching to Job Centre officials in person and every two weeks.

Third and linked to the arguments above, it is a myth that EU law encourages ‘benefit tourism’. Figures by the UK Department for Work and Pensions show that out of 5.5 million people claiming benefits in February 2011,



only 371,000 (64%) were non-UK nationals, while no more than 30% of these came from inside the EU. Moreover, out of 1.44 million people claiming JSA, fewer than 38,000 were from other EU countries, that is, just 2.6% of total JSA claimants. Finally, statements by UK Conservatives that immigrants drain public finances by costing public services more than what they contribute in taxes are false. The Centre for Research and Analysis of Migration shows that migrants from the EU pay in taxes about 30% more than they cost UK public services.

Also, despite alleged massive inflows of Bulgarians and Romanians in the UK, the UK does not show up in the top 20 countries of origin for foreign benefit claimants. Laszlo Andor, the EU employment Commissioner, claims that the EC has repeatedly requested evidence of 'benefit tourism' but the UK has consistently failed to provide it and subsequently accused Cameron for stirring up "knee-jerk xenophobia". Nevertheless, EU interior ministers are set to defer Romania and Bulgaria's admission to the Schengen zone due to allegations of widespread corruption in these states.

**Actor:** Europa (Official Site of EU) // Department for Work and Pensions (UK Government) // Centre for Research and Analysis of Migration (Independent Research Centre, UCL) // EUobserver (Independent Online Newspaper) // Laszlo Andor (European Commissioner for Employment, Social Affairs and Inclusion)

**Source:** Europa, 18/2/2013 // DWP, Sept. 2011 // Guardian, 6/3/2013 // EUobserver, 7/3/2013 // Guardian, 30/3/2013

<http://blogs.ec.europa.eu/ECintheUK/getting-the-facts-straight-eu-rights-to-reside-in-another-member-state-eu-benefit-claimants-and-nhs-treatment-entitlement/>

[http://statistics.dwp.gov.uk/asd/asd1/adhoc\\_analysis/2012/nat\\_nino\\_regs.pdf](http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2012/nat_nino_regs.pdf)

<http://www.guardian.co.uk/commentisfree/2013/mar/06/uk-benefits-eu-migrants-what-crisis>

<http://euobserver.com/justice/119312>



**EUROSCEPTIC ARGUMENT (2):** Increased immigration in the UK causes unemployment, pushes down wages, and generates crime.

Godfrey Bloom, MEP and member of UKIP, argues that EU open-border policy has led to the massive influx of unemployed Romanian and Bulgarian immigrants, who claim UK benefits and engage in criminal activities. According to Bloom, 90% of all cash point fraud is perpetrated by Romanian gangs. Migration Watch UK, an independent organisation campaigning for tighter migration controls, asserts that some immigration has negative effects on the employment of UK-born workers. In fact, since 1997, three quarters of all jobs created have been taken by immigrants, while immigration has harmed the earnings of the lowest-paid UK-born workers.

A Migration Advisory Committee report illustrates that every increase in 100 foreign workers is linked to a reduction of 23 Britons in employment, that is, a total of 160,000 Britons displaced by immigrant workers. What is more, immigration increases demand for housing thus driving up house prices and rents, while there is evidence to suggest that wages become more unequal, as low salaries get lower and high salaries get higher. Finally, the same report concludes that immigration increases demand for public services, crime and congestion in the same manner that any increase in the UK-born population would.

**Actor:** Godfrey Bloom (MEP, UKIP) // Migration Watch UK (Think Tank) // Migration Advisory Committee (Independent Government Advisor to UK Border Agency)

**Source:** Public Service Europe, 14/1/2013 // Migration Watch UK, 6/7/2012 // Daily Mail, 14/1/2012  
<http://www.publicserviceeurope.com/article/2686/uk-cannot-afford-eu-open-borders-any-longer>  
<http://www.migrationwatchuk.org/briefingPaper/document/235>  
<http://www.dailymail.co.uk/news/article-2084667/UK-unemployment-23-fewer-Britons-jobs-100-migrants.html>

**FACTS AND RESPONSE (I):** Freedom of movement within the EU is the best guarantor of future British jobs and growth.

The Daily Telegraph reports that contrary to UK Conservatives' belief that UK worker prospects are undermined by immigration, the free movement of labour within the EU is the best guarantor of future British jobs and growth. According to the columnist, this is assured by the liberty of British workers to seek employment anywhere in the EU just as the EU worker has the right to relocate to the UK. Ex British PM Gordon Brown claimed in 2010 that *"around 1 million citizens of other EU countries are now living and working in Britain – but there are also around 1 million Britons living and working in the rest of the EU."* While this statement has been disputed for its statistical accuracy, general estimates show that Brown was in the right ballpark suggesting that around 1 million Britons live in other EU countries; though a higher number of 1.5 million EU workers currently reside in the UK.

**Actor:** Daily Telegraph // Gordon Brown (Former British PM, Labour)

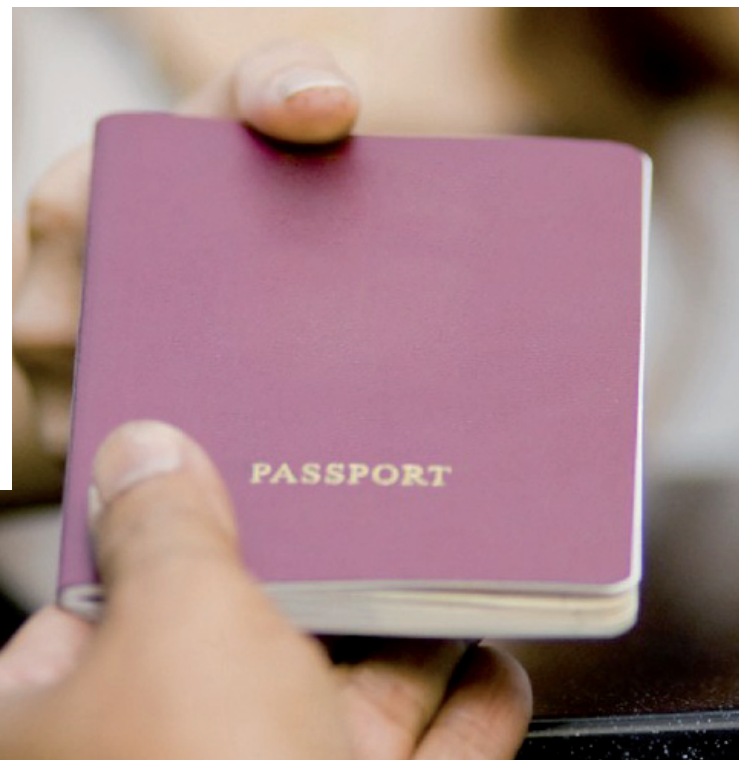
**Source:** Telegraph, 15/1/2013 // Channel 4 News, 29/4/2010  
<http://www.telegraph.co.uk/news/politics/labour/9803265/Ed-Miliband-needs-bolder-answers-over-the-European-Union-and-immigration.html>  
<http://blogs.channel4.com/factcheck/does-number-of-europeans-here-equal-brits-abroad/2322>

**FACTS AND RESPONSE (II):** Research suggests a lack of correlation between higher immigration rates and unemployment.

The National Institute of Economic and Social Research, a British independent research institute on economic affairs, investigated the link between immigration and unemployment and found no association between them. Rather, the study reports that immigration can provide positive economic stimulus for the economy, albeit small in times of recession. Another study, conducted by the US San Francisco Federal Reserve shows that immigration can boost wages, productivity and employment because economies absorb immigrants by expanding job opportunities rather than displacing native workers. The study shows that for every 1% increase in employment from immigration, a US state will see a 4 to 5% increase in income per worker, while no evidence was found that immigrants crowd out the employment of American citizens.

**Actor:** National Institute of Economic and Social Research (Independent Think Tank) // Giovanni Peri (San Francisco Federal Reserve, Associate Professor at University of California)

**Source:** Daily Mail, 14/1/2012 // Huffington Post, 31/8/2010  
<http://www.dailymail.co.uk/news/article-2084667/UK-unemployment-23-fewer-Britons-jobs-100-migrants.html>



**FACTS AND RESPONSE (III): Restrictions on immigration will hurt economic growth.**

Julia Onslow-Cole, the Head of Global Immigration at PwC (PricewaterhouseCoopers), warns that Cameron's efforts to renew restrictions on immigration will have adverse effects on economic growth. This is because businesses that compete in international markets value skilled migrants for the diversity they bring in expertise and would potentially relocate to gain access to global talent. She also highlights the intangible benefits that come with immigration like knowledge transfer, training and multiculturalism. The UK's Department of Trade and Investment also cautions that constraining immigration will hurt business competitiveness and thus the ability of the UK to attract foreign investment.

**Actor:** Julia Onslow-Cole (Head of Global Immigration, PwC) // UK Trade and Investment (UK Government Department)

**Source:** Telegraph, 24/11/2010 // Visato.com, 30/7/2012  
<http://www.telegraph.co.uk/finance/jobs/8155178/Without-a-doubt-a-harsh-immigration-cap-would-hurt-the-UK-economy.html>

The UK's Department of Trade and Investment cautions that constraining immigration will hurt business competitiveness and thus the ability of the UK to attract foreign investment.

**EUROSCEPTIC ARGUMENT (3): Mass immigration perpetuates social divisions in British society.**

According to David Cameron, unskilled workers who don't speak English and are unwilling to integrate "create a kind of discomfort and disjointedness in some neighbourhoods". British Europe, an independent think tank, conducted a poll which found that 57% of Britons believe that tensions between immigrants and natives are the major cause for social division in the UK. The survey also states that 75% of Britons would like to see a reduction in immigration, and that 51% would like to see a large reduction.

Moreover, 52% of respondents believe that immigration has a negative economic impact, while 48% believe that it has a negative cultural impact. Get Britain Out, an anti-Brussels campaign group, revealed poll results that 79% of Britons are opposed to the termination of immigration controls for new EU states Romania and Bulgaria. Finally, UKIP maintains that immigration undermines British traditional values while "multiculturalism has split our society".

**Actor:** David Cameron (PM, Conservative) // British Future (Independent Think-Tank) // Get Britain Out (Anti-EU Campaign Group) // UKIP

**Source:** BBC news, 14/4/2011 // New Europe, January 2013 // Get Britain Out, 2013 // UKIP doc, 2011  
<http://www.bbc.co.uk/news/uk-politics-13072509>  
<http://www.britishfuture.org/wp-content/uploads/2013/01/State-of-the-Nation-2013.pdf>  
<http://www.ukip.org/media/pdf/wwwsf.pdf>  
<http://getbritainout.org/polling/>

**FACTS AND RESPONSE:** There is no evidence to support the view that immigrants are unwilling to integrate into British society and cause social divisions.

A report by the Migration Advisory Committee indicates that immigrants tend to have more trust in British institutions and express a higher sense of belonging to Britain than the average UK-born individual without migrant heritage. This casts doubts over perceptions about the unwillingness of immigrant populations to integrate into British society. What is more, Vince Cable, Secretary of State for Business and member of the Liberal Democrats, highlighted the danger of Cameron's statements "inflaming extremism" and inciting racist intolerance among the British people.

**Actor:** Migration Advisory Committee (Independent Government Advisor to UK Border Agency) // Vince Cable (Secretary of State for Business, Lib Dem)

**Source:** Daily Mail, 14/1/2012 // Channel 4 News, 14/4/2011  
<http://www.dailymail.co.uk/news/article-2084667/UK-unemployment-23-fewer-Britons-jobs-100-migrants.html>



<http://www.channel4.com/news/cameron-talks-tough-on-immigration>

#### 4.4.6 Health & Safety Regulations

**EUROSCEPTIC ARGUMENT:** The EU's 'light-touch' regulation of health and safety standards has paved the way to the horsemeat scandal.

The horsemeat scandal refers to the discovery of horsemeat in processed beef products sold by a number of supermarket chains from January 2013 in the UK and across Europe. The Telegraph reports that the horsemeat scandal is the by-product of relaxed EU regulations on health and safety standards since 2006. Indeed, the EU aimed at switching the onus for food safety from government agencies to food producers by scrapping mandatory daily inspections on meat processing plants. Stuart Agnew, MEP and member of UKIP, blames the previous UK administration for 'stupidity' in relinquishing complete control over food law to the EU about 13 years ago. He argues that the EU's existing complex food chain system, that sees meat being processed in Romania, transported through the Netherlands and consumed in Britain, is 'wide open' to fraud and corruption. Owen Paterson, the UK Environmental Secretary, called the horsemeat scandal a 'conspiracy' and urged the EU to take speedier action on introducing country-of-origin labelling for processed beef and other meat products.

**Actor:** Telegraph // Stuart Agnew (MEP, UKIP) // Owen Paterson (Environment Secretary, Conservative)

**Source:** Telegraph, 17/2/2013 // FarmingUK.com, 12/3/2013 // BBC, 9/2/2013  
<http://www.telegraph.co.uk/foodanddrink/foodand-drinknews/9875216/EU-ruling-paved-the-way-for-horsemeat-crisis.html>  
[http://www.farminguk.com/news/MEP-attacks-Paterson-for-mishandling-horsemeat-scandal\\_25159.html](http://www.farminguk.com/news/MEP-attacks-Paterson-for-mishandling-horsemeat-scandal_25159.html)  
<http://www.bbc.co.uk/news/uk-21391891>

**FACTS AND RESPONSE:** UK ministers have opposed tighter regulations on health and safety standards.

Glenis Willmott, Labour MEP, said that in 2011 UK ministers opposed plans backed by the European Parliament (EP) to introduce country-of-origin labelling on food products, which forced MEPs into a much 'weaker compromise' on EU health and safety standards. She added: "It is interesting that Mr Paterson, one of the most Eurosceptic of ministers, is now advocating EU legislation as a solution to the current crisis. It is simply common sense that a problem in the meat supply chain ... needs EU-wide measures to combat it. But it is precisely this kind of EU regulation that Eurosceptics deem "red tape from Brussels". What is more, a report from a cross-party group of MPs accused the coalition government of trying to scale down EU health and safety regulations even after the horsemeat scandal became known. In fact, UK ministers are attempting to secure exemptions from EU rules requiring the declaration of the amount of meat in loose fresh meat products and a cap on fat and collagen permitted on minced meat. On the horsemeat scandal case, the EU is coordinating product testing for horsemeat throughout member states while the EC is drafting legislation to introduce country-of-origin labelling on meat products and improving harmonisation of penalties for fraud along the food chain.

**Actor:** Glenis Willmott (MEP, Labour) // Guardian // European Commission

**Source:** Guardian, 24/2/2013 // Guardian, 14/2/2013 // Europa, 11/3/2013

<http://www.guardian.co.uk/uk/2013/feb/24/horsemeat-scandal-country-origin-labelling>

<http://www.guardian.co.uk/uk/2013/feb/14/horsemeat-scandal-ministers-left-flatfooted>

[http://ec.europa.eu/news/agriculture/130311\\_en.htm](http://ec.europa.eu/news/agriculture/130311_en.htm)





## 5. Foreign Policy Issues

**EUROSCEPTIC ARGUMENT:** UK favours bilateral relations to EU common foreign policy as they are most capable of protecting UK interests globally.

Following disagreement between the UK and France on the one side and Germany on the other concerning the armament of Syrian rebel forces, David Cameron asserted Britain's right for an 'independent foreign policy'. The UK's Foreign Minister, William Hague, also declared that the UK will prioritise bilateral relations over a common EU foreign policy. Previously, the UK alone had obstructed the establishment of a genuine common foreign and security policy at the EU level, mainly by rejecting proposals over the facilitation of autonomous EU military headquarters and joint consular services for EU citizens. Sir Malcolm Rifkind, Chairman of the Security and Intelligence Committee, argues that while multilateral relationships are crucial for the UK's national interest, a single EU foreign policy is unattractive not just to the UK but also to many other countries like France and Germany. Indeed, considering that the EU is comprised of 27 member states, it is only rational that the larger states will have different global aspirations than the smaller ones.

This is manifested through the divergence in member state attitudes towards Catherine Ashton, the EU's first High Representative of Foreign Affairs and Security Policy. Her appointment came as concession to UK officials for signing the Lisbon Treaty in 2009, Ashton, a British national, has not managed to escape the criticism of UK politicians. In fact, the UK has criticised Ashton's request for a budget increase in 2011 judging that she is doing too much and thus eroding on British sovereignty, while other EU countries like France, Austria and Belgium criticise her for doing too little to bypass national ministers and provide a single Union voice in foreign relations. As such, the UK considers that retaining sovereignty over foreign policy provides the national government with more flexibility to promote its interests abroad while concomitantly maintaining cooperation with the EU in matters of common appeal.

**Actor:** David Cameron (British PM, Conservative) // William Hague (UK Foreign Minister, Conservative) // Der Spiegel // Sir Malcolm Rifkind (Chairman of the Security and Intelligence Committee, Conservative) // Guardian

**Source:** EuObserver, 13/3/2013 // Eurostep // Der Spiegel, 5/12/2011// British Influence, 7/3/2013 // Guardian, 23/5/2011

<http://euobserver.com/foreign/119400>

<http://www.eurostep.org/wcm/eurostep-weekly/1560-recent-criticism-of-the-high-representative-reflects-the-unwillingness-for-an-effective-eu-foreign-policy-says-director-of-eurostep.html>

<http://www.spiegel.de/international/europe/blocking-tactics-uk-infuriating-partners-by-obstructing-eu-foreign-policy-a-801756.html>

<http://www.britishinfluence.org/europewatch-summary-articles/item/britain-and-eu-foreign-policy>

<http://www.guardian.co.uk/world/2011/may/23/eu-foreign-ministers-attack-ashton>

**FACTS AND RESPONSE:** The UK will benefit from a more powerful EU in international relations.

A pooling of the foreign policy weight of all EU member states would make the EU more influential in the international arena than the UK could ever be individually. An agglomeration of the foreign policy powers of all EU countries would provide additional leverage for the UK, when negotiating international agreements or contemplating military action, especially when considering the rising importance of China, India and Brazil in global affairs. Moreover, Civitas, an Institute for the Study of Civil Society, points out that combining diplomatic and defence resources allows members to save money by sharing know-how and hardware. Concerning the UK's diplomatic relationship with the US, US officials have repeatedly stressed the importance of UK's membership in the EU and their support for a common European foreign and security policy.

Indeed, US President Barack Obama, has expressed this desire explicitly by stating that “the United States values a strong UK in a strong European Union, which makes critical contributions to peace, prosperity, and security in Europe and around the world”. In this context, Sir Rifkind admits that London's influence in Washington will diminish considerably if the UK further distances itself from EU institutions. Finally, Simon Stalker, Director of NGO Eurostep, argues that criticism against Ashton sim-



ply emphasises the unwillingness of large EU member states for a common foreign policy by jealously guarding their own interests at the expense of smaller member states. In any case, the materialisation of a genuine EU common foreign policy is unforeseeable for the near future.

**Actor:** Civitas (Institute for the Study of Civil Society) // Barack Obama (US President) // Sir Malcolm Rifkind (Chairman of the Security and Intelligence Committee, Conservative) // Simon Stalker (Director at Eurostep, NGO)

**Source:** Civitas, 2/4/2012 // Telegraph, 18/1/2013 // British Influence, 7/3/2013 // Eurostep  
<http://www.civitas.org.uk/eufacts/FSEX/EX3.htm>  
<http://www.telegraph.co.uk/news/politics/9810334/Barack-Obama-Britain-should-stay-in-the-EU.html>  
<http://www.britishinfluence.org/europewatch-summary-articles/item/britain-and-eu-foreign-policy>  
<http://www.eurostep.org/wcm/about-eurostep.html>

#### ABOUT THE AUTHOR

Georgios Nikolaidis is a Research Fellow at Gold Mercury International. He has a BSc from the University of Bath in Politics with Economics and an MSc in Development Management from the LSE. In between his studies, he has worked in the finance industry in various companies in Greece, Turkey and Romania. He currently works as an Economic Policy Adviser for PCG



“The EU urgently needs a shared understanding of how to realise its ambitious agenda. It needs to identify the measures required to adapt to the global era, and the costs and implications of standing still. In short, it needs to communicate a common vision of how Europe can secure its future. The choice we face is therefore clear: build on the strengths of the EU and use its collective weight to become an assertive and relevant player in the world, or cultivate fragmentation and contemplate the possibility of absolute decline in a world where the rules are defined by those who matter.

From the independent Reflection Group Report “Project Europe 2030” presented to the European Council on May 8th 2010.



The European Union (EU) is a major political and economic union of 28 nation states.

#### BRAND EU CENTRE FOR EUROPEAN IDENTITY

The BRAND EU Centre for European Identity examines how the lack of a collective European identity and a strong EU BRAND are key impediments for citizens and other international actors to understand, support or be attracted to the EU project. Our programmes seek to inform and educate citizens, the media, decision and policy-makers by providing unique research and insights at both international, European, national and local level in order to build a strong BRAND EU.

#### CENTRE LEADERSHIP

The BRAND EU Centre is led by Nicolas De Santis, Centre Founder and Enrique Barón Crespo, former President of the European Parliament.



**Nicolas De Santis**  
President of Gold Mercury International



**Enrique Barón Crespo**  
Former President of the European Parliament

#### GOLD MERCURY INTERNATIONAL

Gold Mercury - The global governance and visionary leadership think tank. Gold Mercury works with organisations and leaders to navigate global complexity and develop the strategic visioning and innovation required to build the sustainable business models, cultures and brands for the future. Since its founding in 1961, Gold Mercury has been a pioneer in global governance and globalisation, advancing international and economic cooperation in different spheres. GLOGO®, our Global Governance Monitoring and Rating System is a unique framework to organise world complexity and report on the impact of major decisions and events on the future of our world. Our historic GOLD MERCURY AWARDS® for Global Governance exemplify visionary leadership and sustainable decision-making. Our laureates include the most visionary individuals and organisations in the world. Our Visionary Leadership Academy offers executive programmes and Masterclasses to develop the new leadership and strategic skills required to lead in the 21st Century.



**GOLD MERCURY INTERNATIONAL**

Sustainable vision for a complex world

Gold Mercury International  
Gold Mercury House - 13 Chesterfield St., Mayfair, London W1J  
5JN Message Centre: +442071932807, Email: [enquiries@goldmercury.org](mailto:enquiries@goldmercury.org)  
Follow us on Twitter: @goldmercury  
**[goldmercury.org](http://goldmercury.org)**