



Club of Three: A Franco-British-German leadership network for a strategic Europe 2016

‘Fireside Chat’ discussion on Brexit and the forthcoming UK referendum on Britain’s membership of the EU

London, 23 March 2016

The Oxford and Cambridge Club
71 Pall Mall, London SW1Y 6HD



(Picture: Princess Marie Louise Room. Credit: Martyn Hicks)

INTRODUCTION

The ‘fireside chat’ that took place at the Oxford and Cambridge Club in London on the 23rd of March was the first meeting organised by the Club of Three as part of its programme of activities for 2016 agreed in collaboration with the Robert Bosch Stiftung.

This event focused on the topic of Brexit and the forthcoming UK referendum on Britain’s membership of the European Union, which reflected the greater emphasis placed on Europe’s inner core in the Club of Three programme in response to the risk of a British breakaway. It

followed on from an initial discussion at the Club of Three's 2015 Plenary meeting on the UK-EU negotiations that came to a close in February 2016.

David McAllister, an influential German politician of the centre-right Christian Democratic Union and former Prime Minister of the state of Lower Saxony who is now a leading Member of the European Parliament, had agreed to come to London to share his views with a small group of carefully selected guests on how Germany would approach the British referendum issue in the months ahead. But unfortunately Mr McAllister had to cancel his trip at the last minute due to the terrorist attacks that struck the Belgian capital on 22 March.

However, despite these dramatic events and bearing in mind that a number of participants were coming over from France and Germany especially for this occasion, the Club of Three decided to go ahead with the meeting. It was able to put together an attractive alternative programme within a very short period of time. Two of the confirmed guests who were closely following the Brexit debate and spoke with authority on this subject were asked to lead the discussion. Peter Kellner, President of YouGov, and Philip Stephens, Associate Editor of the Financial Times, gave an insightful account of the political and public opinion dimensions of the debate. They also assessed how the Leave and Remain campaigns were shaping up and looked at the main issues that were likely to affect the outcome of the June 2016 referendum.

SUMMARY OF DISCUSSIONS

During his introductory remarks, Club of Three President Lord Simon of Highbury paid tribute to George Weidenfeld who had died in January 2016 at the age of 96. Before asking the participants to join him in a moment of silence in memory of the Club of Three founder and those who had died tragically in Brussels, Lord Simon stressed that he was determined to carry



(Picture: Lord Simon)

on George Weidenfeld's legacy and to take on the vital task of facilitating European integration and greater understanding between France, the UK and Germany.

During the discussion that followed, Philip Stephens pointed out that both Leave and Remain campaigns had weaknesses. For example, the Remain campaign had so far failed to take advantage of the large body of evidence from leading economic institutions showing the negative impact of a

Brexit on the UK economy. These findings needed to be communicated to the public much more effectively. The conspicuous absence of the Labour party from the debate was another weakness. In Jeremy Corbyn, Labour had a leader who was at heart a Eurosceptic and more

preoccupied by other issues, such as the renewal of the UK's Trident nuclear weapon system. Moreover, Alan Johnson, the head of the party's campaign to remain in the EU, did not seem to be making an impact. One of the participants argued that allowing the Conservative party to dominate the debate had turned the referendum into a surrogate Tory leadership election.

But the Leave campaign also had deep issues of its own. The biggest problem was the lack of any agreed vision of what a post-Brexit UK would look like. Some Eurosceptics believed that the UK could join countries such as Norway and Switzerland in the European Economic Area, whereas others thought that Britain could be like Canada or Singapore and strike its own trade deal with the EU. But there were uncertainties over whether these scenarios were realistic.

For others in the Leave camp, sovereignty counted above all else. They admitted in private that any economic pain caused by a Brexit was a price worth paying for returning all legislative power back to the UK parliament. There were also constitutional issues that had not been addressed: what would be the post-Brexit position of Northern Ireland? A hardened border with the Republic of Ireland would upset many on both sides, potentially jeopardising the peace process.

These different views and lack of clarity over what would happen if the UK left the EU was being exacerbated by the existence of two Leave campaigns: Vote Leave and Leave.eu, the former dominated by the Conservatives and the latter by the UK Independence Party (UKIP). This made it difficult for them to communicate a coherent message.



(Picture, left to right: Jonathan Powell, Philip Stephens and Ulrich Hoppe)

Ways to win

A number of participants agreed that the outcome of the June referendum could to a large extent be decided by the campaigns' ability to set the parameters of the debate. The Remain campaign had to exploit the weaknesses of the other camp and force them to explain clearly what a post-Brexit UK would look like. It was pointed out that in the 2014 Scottish referendum, it was only

when the nationalists were pressed to give answers to specific questions, such as what currency would have replaced the British pound, that the Better Together campaign was able to scrutinise what was on offer. If the Remain campaign was able to do this, they could turn the referendum into a choice between two different futures, rather than about often negative perceptions of the European Commission and EU bureaucracy.

Too much focus on the economic risks of a Brexit could be counter-productive however, as the Remain campaign could be accused of putting fear into the public mind. But some participants argued that the economic argument was central to winning the debate. One in particular argued that if the Remain campaign was ‘project fear’, the Leave campaign should be described as ‘project anger’ as it was primarily relying on a sizable group of people who were unhappy about a variety of issues that they associated with the UK’s membership of the EU, ranging from globalisation and job security to immigration.

What role for the UK’s allies?

One of the German participants expressed deep concern about the rapidly approaching referendum and the possibility of a vote to leave the EU, arguing that it would weaken Germany’s position in Europe and change the EU’s internal dynamics, especially in areas where it shares common values with Britain, such as trade policies.

There was agreement that any intervention on the Remain side from the UK’s allies should aim to send a positive message about the need for Britain to play a leadership role in Europe. It was felt that the comments made by French Economy Minister Emmanuel Macron in March, warning about a dramatic change in relations between France and the UK, were not helpful. One of the participants said that President Obama could use his visit to the UK in April to emphasise



(Picture: Margarita Mathiopoulos)

the importance for the special relationship of Britain remaining in the EU. This would undercut the argument made by the Leave campaign that a Brexit would enable the country to engage more actively with global partners.

But one participant questioned whether third parties making internationally focused arguments could influence the outcome of the referendum. During the Scottish referendum, attempts to elevate the tone of the debate by highlighting the collective security implications of a vote for independence did not have much impact.

The Better Together campaign succeeded by focusing on voters' primary concerns, such as currency and food prices. In the EU referendum, British people were also likely to base their decision on straightforward, domestic considerations.

People's capacity to absorb large amounts of information was low and they tended to react to simple messages, another participant noted. Success for the Remain campaign could therefore lie in presenting its leading figures as 'the team you trust', a team of authoritative leaders in politics and business, and also household names able to convey Prime Minister Cameron's message that Britain would be safer, stronger and better off inside the EU.

Polls and predictions

During his presentation, Peter Kellner focused on the public opinion aspect of the debate. All online surveys over the past months had shown that the two campaigns were neck-and-neck while telephone polls showed a comfortable majority for staying in.

There were two theories to explain this discrepancy. The first one was that the two survey methods were reaching different samples. It was suggested that people contacted by phone were less politically engaged and more inclined to opt for the status quo. Online surveys however required a much higher level of pro-activity from participants who as a result tend to have a genuine interest in the issues at hand. The second theory was that different methods of polling provoked different behaviours. People surveyed by telephone were likely to resort to what



(Picture: Peter Kellner. Right, Anna Sabol)

American sociologists called 'social satisficing', whereby respondents adjust their views to what they think is less likely to offend the interviewer – in this case, to a position of support for EU membership. On the other hand, people tended to be more truthful online. These different results made the outcome of the referendum more difficult to predict. That said, there was a general consensus that the British people would vote in favour of staying in the EU. One reason for such optimism was the fact that the status quo had often prevailed in referendums on

constitutional matters. This was the case for Quebec in 1995, Spain and its NATO membership in 1986, Australia and the monarchy in 1999 and Scotland in 2014.

If Scotland was a reliable model, we could expect the polls to stay around 50-50 until a few weeks before the referendum, at which point the gap would begin to widen to 55% or even 60% in favour of staying in. There were some important differences with the Scottish referendum however. In Scotland, there was a significant gender gap, with men largely voting for



(Picture: Lord Arbuthnot)

independence and women voting quite strongly against it. With the EU referendum on the contrary there was no such gap.

Furthermore, older voters in Scotland were broadly in favour of the status quo while younger ones tended to support independence. By contrast, the under 30s in the UK were 3 to 1 in favour of staying in the EU, whereas the over 60s were almost 2 to 1 for Brexit. This could have a major impact on the

final result because younger people are less likely to vote. It seemed probable therefore that a higher turnout would benefit the Remain camp.

Several participants agreed that a 55%-45% result in favour of staying in seemed realistic but this prediction did come with an important proviso: a dramatic event such as a terrorist attack on British soil, a migrant-related incident or a scandal affecting the UK government could radically change the risk equation, making the status quo seem a more dangerous option.

CONCLUSION

Peter Kellner and Philip Stephens's very authoritative analyses gave participants a comprehensive and timely insight into the intricacies of the Brexit debate and what lies ahead. It was clear that both the Leave and Remain campaigns had weaknesses and that facts alone would not win over voters. In order to have real impact, the arguments for or against staying in the EU would have to be easy to understand and voiced by people who are trusted by the public.

It was encouraging to hear both speakers explaining the reasons why the result might be narrowly or even substantively for staying in the EU, although they were each careful to stress the role of the undecided and the apolitical, and also the possible impact of a terrorist incident such as the one that prevented David McAllister attending, or a refugee surge.



CLUB OF THREE FIRESIDE CHAT

London: 23rd March 2016

LIST OF PARTICIPANTS

Lord	ARBUTHNOT OF EDROM	Director, SC Strategy Ltd; Member of the Advisory Board, Thales UK; Adviser, Pure Storage; Adviser, Babcock International Group; Director, Gusbourne Estates plc, Former Chairman, Defence Select Committee
Philippe	BERNARD	UK and Ireland Correspondent, Le Monde
Florence	GOMEZ	Managing Director, French Chamber of Commerce in Great Britain
Ernst-Uwe	HANNECK	Member of the Advisory Council, German Industry UK; Former CEO, BSH Home Appliances Ltd
August	HANNING	Former State Secretary, German Federal Ministry of the Interior; Former President, Bundesnachrichtendienst (BND); Steering Group Member, Club of Three
Peter	JUNGEN	Chairman, Peter Jungen Holding GmbH; Governing Board Member, Institute for New Economic Thinking; Advisory Board Member, Columbia Center for Global Economic Governance, Columbia University; Honorary Chairman, Center on Capitalism and Society
Rebecca	HARDING	Co-founder and CEO, Equant Analytics; Board Member and Trustee, German British Forum; National representative, European Movement UK
Steffen	HOFFMANN	President, Robert Bosch UK Ltd

Ulrich	HOPPE	Director General, German-British Chamber of Industry and Commerce
Peter	KELLNER	President, YouGov
Jürgen	KRÖNIG	Political Commentator for Die Zeit, Berliner Republik, ARD, the BBC and other media outlets in Germany, Switzerland and the UK; Board Member, German British Forum; Advisory Board Member, OMFIF
Jonathan	LACÔTE	Deputy Head of Mission, French Embassy in the UK
Michael	MACLAY	Steering Group Chairman, Club of Three; Executive Chairman, Montrose Associates
Margarita	MATHIOPOULOS	Founder and CEO, ASPIDE; Professor of US-Foreign Policy and International Security, University of Potsdam
Jonathan	POWELL	Founder and CEO, Inter Mediate; Former Chief of Staff, 10 Downing Street
Anna	SABOL	Europe Region Coordinator, BP
Lord	SIMON OF HIGHBURY	President, Club of Three; Non-Executive Director, Engie; Former UK Minister for Trade and Competitiveness in Europe; Former CEO and Chairman, BP
Jean-Michel	STEG	Senior Adviser, Greenhill
Philip	STEPHENS	Associate Editor and Chief Political Commentator, Financial Times
Tania von	USLAR-GLEICHEN	Deputy Head of Mission, German Embassy in the UK
Liz	WALKER	General Counsel, BT Global services

With the generous support of: **Robert Bosch Stiftung**