

Making Sense of Brexit: Political & Policy Implications for UK's Devolved Administrations

Dr Kathryn Simpson

Invited Guest Lecture at the Centre for Analysis of Social Exclusion
London School of Economics (LSE)
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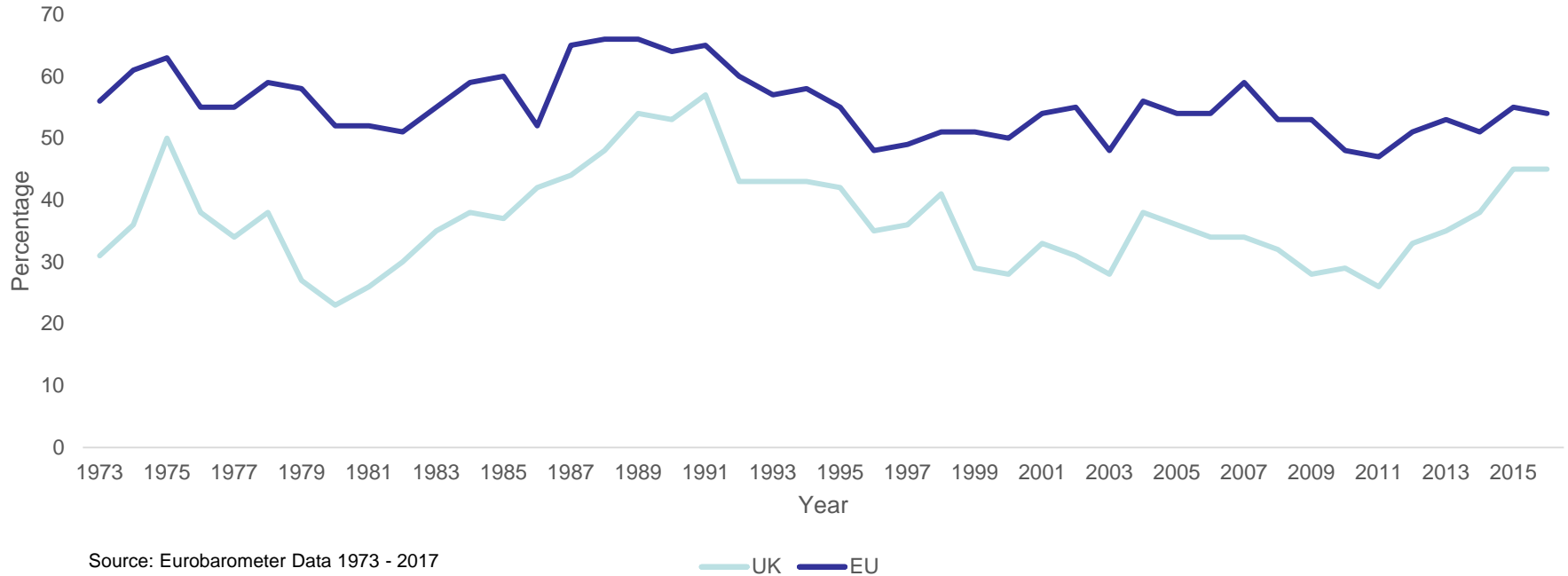
Outline of Presentation

- UK attitudes towards EU
- Rationale – why devolved administrations matter
- Devolution in UK: through the lens of multi-level governance
- Regional variation in support for EU
- Key concerns of devolved admins.
- What next for regional development?
- Devolution in post Brexit UK
- Conclusion

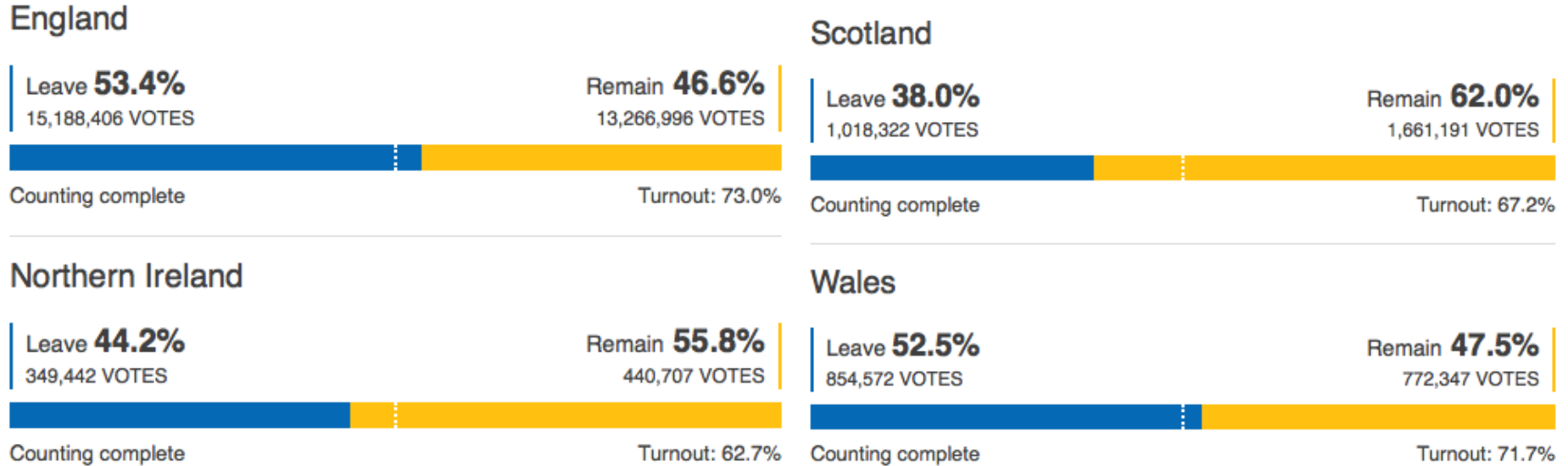


Attitudes towards EU Membership

Is EU Membership a Good Thing (UK)



EU Referendum 2016: Nation Results



Rationale (1)

- “Awkward Partner” (George, 1998)
- UK Government’s: European integration in economic terms
- UK’s relationship with EU more than British pragmatism –lack of emotional/psychological commitment to European project among elite & general public
- “Better off Out” attitude sparked by internal economic crisis, external economic crisis (Eurozone), Euroscepticism in Cons. Party, hardening of British public opinion towards immigration, rise of UKIP

Rationale (2)

- Representative of **ALL** of UK?
- EU Ref. Result = regional polarisation
- **Four concerns for politics & policy of devolved administrations:**
 1. Why did EU membership have more salience in Scotland & NI than England & Wales?
 2. How will Brexit impact politics & policies of each region?
 3. Will, and if so *how*, will devolved administrations play role in Brexit negotiations?
 4. What effect will Brexit have on devolved governments once UK has exited EU?

Devolution in UK: through lens of multilevel governance (1)

- Process of constitutional & institutional reform creating complex range of inter-governmental relationships & redefining state- society relations = multilevel governance
- EU Studies: multi- level governance used among scholars “***system of continuous negotiation among nested governments at several territorial tiers – supranational, national, regional and local***” relation to EU Structural Policy (Marks 1993; Hooghe, 1996) & applied to EU (Grande 2000; Hooghe & Marks 2001; Bache & Flinders 2004)
- Multi-level governance as framework to study developments of UK governance (Bache 1999; Pierre & Stoker 2000; Bulmer *et al* 2001; Bache & Bristow 2003; Flinders 2004a & 2004b)

Devolution in UK: through lens of multilevel governance (2)

- **Applied to all 3 devolved administrations:**
 - **Scotland** - functioning within wider system of multi-level governance along with UK, EU & local institutions (Keating 2010; Cairney 2011)
 - **Wales:** co-governance by four levels of government including local government (Cole & Stafford 2015; Entwistle *et al* 2014)
 - **Northern Ireland:** well-developed model of governance with EU in particular playing key role (Birrell & Gormley-Heenan, 2015).

Devolution in UK: through lens of multilevel governance (3)

- Functioning & allocation of policy competences is significant for devolved administrations in the context of multi-level governance is **three-fold** as it outlines:
 1. Policy responsibilities between UK & EU
 2. Between UK & devolved administrations
 3. Between devolved administrations & EU

Regional variation in support for EU (1)

- **Remain voters:** younger, graduate of a university & receiving a higher income
- **Leave voters:** older, lower level of education attainment & earning a low income

	Remain	Leave
England	46.6%	53.4%
Wales	47.5%	52.5%
Scotland	62%	38%
Northern Ireland	55.8%	44.2%
UK	48.1%	51.9%

Regional variation in support for EU (2)

- Decision to leave EU was made in England

	Remain	Leave
County	Berkshire	Sheffield
	Buckinghamshire	Lincolnshire
	Oxfordshire	Yorkshire
	Gloucestershire	Shropshire
	Wilshire	Staffordshire
	Bath	Durham
	Merseyside	
	Surrey	
	East & West Sussex	

- Vote to Leave – strongest areas prospered in industrial revolution & now experience socio-economic decline (relative to London/SE)
- Pattern not visible in Scotland & NI

Key concerns for devolved admins

- Concerns: multi-scalar & multi-dimensional
- All 3: European Single Market (ESM), freedom of movement, loss of migrant workers
- **Scotland:** “*democratic, economic, social protection, solidarity & having influence*” (Sturgeon, 2016), ESF, rural development, transport & urban regeneration
- **Wales:** health & social policy issues, coordination of health care, recognition of professional qualifications, medical research cooperation, ESF, workers’ rights, anti-pollution measures, role of established networks/programmes for territorial cooperation, reduction in investment from EIB?
- **NI:** Energy market, agri-food/fisheries sector, access to skilled/unskilled labour force, access to ESF & EU peace funds

What next for regional development?

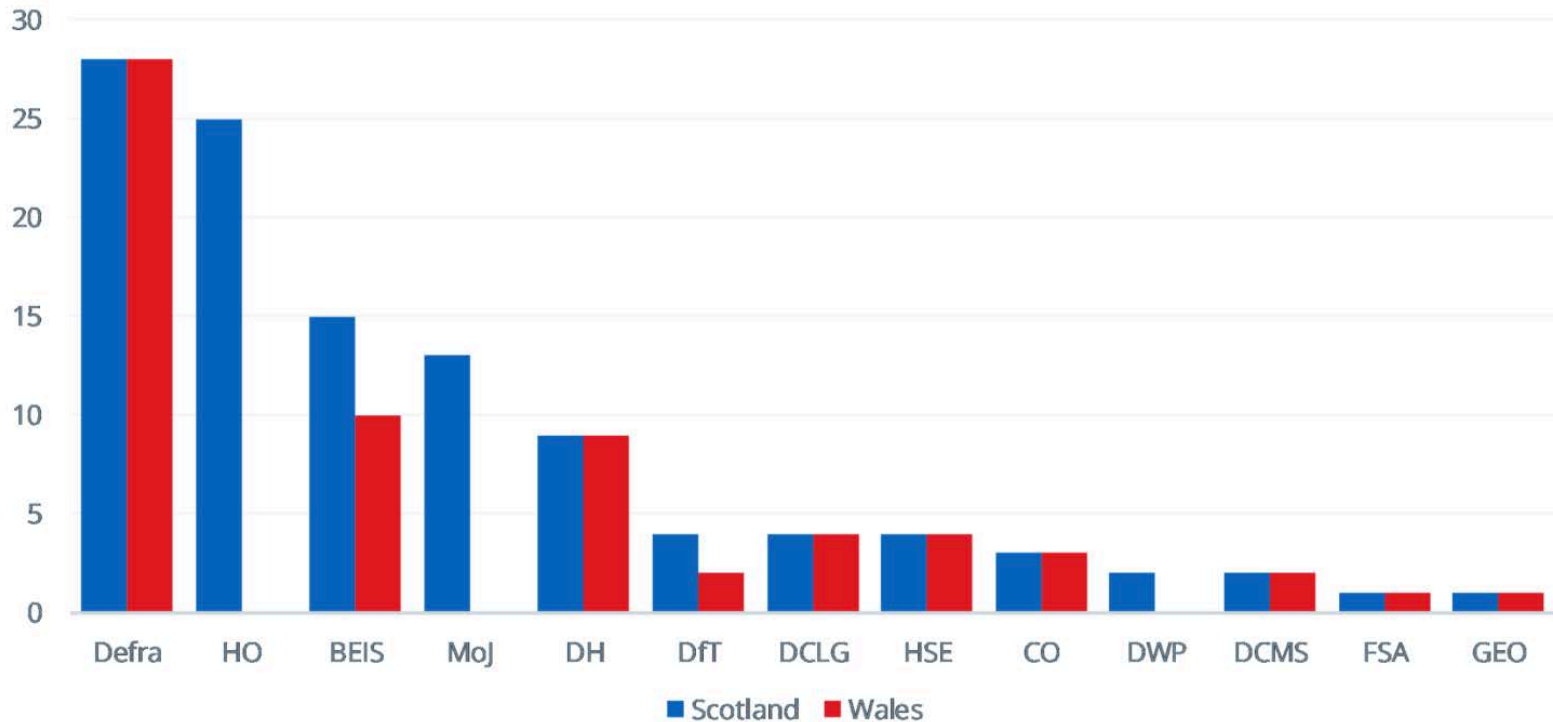
- **ESRDF:** regulations/directives covering employment, movement of labour, equal rights specific to NI peace building/cross-border co-operation with Republic of Ireland
- Devolved admins. responsibility for distributing ESRDF
 - Scotland & Wales: equal opportunity, employment, tackling poverty & social exclusion
 - NI: economic focus, Research & Development with SME's, Interreg VA (cross border cooperation)

Brexit Breakthrough for devolved admins (1)?

- **EU Withdrawal Bill** – Scottish & Welsh Govt's: “power grab” by Westminster. Seek to block it via Sewel Convention
- Post Brexit Devolved admins. free to follow different policies in areas: agriculture, state aid for industry, public procurement, environmental standards, rail franchising etc.
- Devolved in theory, constrained by EU law in practice
- **‘Common Frameworks’** = replace EU laws that will cease to apply. Laws/agreements about coordination of policy after Brexit
- Agreement national, economic, diplomatic, security interests at stake but devil will be in detail

Brexit Breakthrough for devolved admins (2)?

Policy areas where EU powers intersect with devolved competences



Brexit Breakthrough for devolved admins (3)?

- **Six reasons for new Common Framework**

1. protect functioning of UK internal market
 2. ensure UK can meet international obligations
 3. enable UK to strike new trade deals
 4. manage common resources like fisheries
 5. ensure effective cross-border cooperation on justice
 6. safeguard national security
- Devolved admins will retain at least same level of policy autonomy they currently have
 - *‘significant increase in decision-making powers for devolved administrations’*
 - Vague clause commits devolved admins to close intergovernmental working on non-devolved matters that impact upon devolved issues i.e. trade policy

Devolution in post Brexit UK (1)

- Possibility of confederated UK?
- “UK of nations & regions” underwritten by principle of subsidiarity & system of fiscal federalism - realistic?
- Territorial fracturing of UK possibility if Brexit outcomes lead to lost decade
- **White Paper** legislating exiting EU: *“the expectation of the Government that the outcome of this process will be a significant increase in the decision-making power of each devolved administration”* = no specific detail how & what decision-making process will be
- Powers repatriated from Brussels for devolved policy areas could be returned to Westminster in order to create ‘UK Policy Framework’

Devolution in post Brexit UK (2)

- Significant change in scale/nature of administrative functions as consequence of Brexit - range from agriculture, rural development to administrative transitions in university research funding, social funds & environment
- Strong support for these policies among devolved administrations - criticism from UK Gov. on effectiveness & cost efficiency of EU funding mechanisms
- Inevitable issues regarding priority attached to each area of spending & how funding would be allocated
- Review of Barnett Formula? Linked to UK's fiscal position policy autonomy but possible reduced funding

Conclusion

- Brexit treated as mono-causal – it's not
- Ambivalence/consistent negative towards EU in UK, EU has become hallmark of status-quo out of touch political elite which imposed lower real wages & substandard socio-economic welfare through austerity
- Leave voters: protesting against decline in quality of life, rational response, but EU wrong target
- Brexit politics is affecting devolved policy – unequal representation
- Understanding, consolidating & rationalizing complexities of UK & constituent parts provide indication of how UK aims to make sense of Brexit & what future UK devolution will resemble

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