

Making Sense of Brexit: The Political and Policy Implications for the UK's Devolved Administrations

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Abstract: For the first time in the history of the European Union (EU) a member state has voted to leave the Union. The UK has often been coined 'an awkward partner' a catch-all term to encompass the UK's troubled relationship with the European integration process. The recent vote to Leave the EU only reiterates the UK's ambivalence towards its place in the wider European family. Analysis of electoral data from the EU referendum on 23rd June 2016 has highlighted that the UK electorate is inherently fragmented on a range of political and policy issues. The referendum vote for Remain in Scotland and Northern Ireland and the Leave vote in Wales has attracted much attention to the devolved administrations, the Brexit negotiations and the impact Brexit will have on the UK's regions. The politics and policies of the devolved administrations vary significantly and thus identifying the impact of Brexit at the regional level is highly significant. This article will make sense of Brexit using the framework of multi-level governance by examining the regional variation in the UK on the salience of EU membership, the political and policy implications of Brexit for the devolved administrations, the role the devolved governments of Scotland, Wales and Northern Ireland will play during the negotiation process of the UK exiting the EU and the future of devolution in the UK post-Brexit.

Keywords: Brexit, Devolution, Scotland, Northern Ireland, England, Wales, Multi-level Governance

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1. INTRODUCTION

The UK's changing relationship with the European Union (EU) has become a topic of growing concern and debate across Europe. At a fundamental level, little has changed in the UK's approach to the EU. The underlying attitude of the UK to the European project remains the same yet the fact that it is so different from the approach of other EU member states has been brought to the fore through the 2016 EU referendum and subsequent Brexit result. The term "awkward partner" (George, 1998) is not a new one. The UK entered the European Economic Community (EEC) in the first wave of enlargement in 1973 and has over the past four decades displayed an unrivalled reluctance and suspicion of the EU project. Eurobarometer data since 1973 has consistently illustrated that UK citizens have among the most negative attitudes towards European integration. Successive UK governments have viewed European integration primarily in economic terms as opposed to a political project and the tendency in the UK debate to assess EU membership has been coined on a balance sheet of money paid in and benefits extracted. However, the UK's relationship with the EU is more than one of British pragmatism – it highlights the lack of emotional or psychological commitment to the European project among Britain's elite and the general public.

In light of a new political context in the UK, the UK's arms-length attitude to political debate about the benefits of EU membership has shifted substantially creating a new context within which the traditional 'awkward partner' must now operate. The political climate has swung in favour of the 'Better Off Out' attitude that has been sparked by an internal economic crisis and the external crisis of the Eurozone. Within this is the internal dimension of a changing Conservative Party with a shift towards a harder Eurosceptic position, a hardening of British public opinion

towards immigration and the rise of the United Kingdom Independence Party (UKIP) coupled with the external dimension of a two-tier EU as a consequence of the Eurozone crisis. All of this has provided British Eurosceptics with what they regard as further evidence of the dysfunctional nature of the EU project.

However, this is representative of the nation state or UK level. What the result of the EU referendum of 23rd June 2015 demonstrates is the regional polarisation across the UK with regards to support for the EU. The majority vote to Remain in Scotland and Northern Ireland has continued to attract attention while the majority vote to Leave in Wales did not align with the stance of the Welsh government. This raises a number of concerns with regards to the politics and policy of the devolved administrations; (1) why did EU membership have more salience in Scotland and Northern Ireland than in England and Wales? (2) how will Brexit impact the politics and policies of each of the regions? (3) will, and if so *how*, will the devolved administrations play a role in Brexit negotiations? and (4) what effect will Brexit have on the devolved governments once the UK has exited the EU?

This paper aims to make sense of Brexit using the framework of multi-level governance by examining the regional variation in the UK on the salience of EU membership, the political and policy implications of Brexit for the devolved administrations, the role the devolved governments of Scotland, Wales and Northern Ireland will play during the negotiation process of the UK exiting the EU and the future of devolution in the UK post-Brexit.

2. DEVOLUTION IN THE UK: THROUGH THE LENS OF MULTI-LEVEL GOVERNANCE

Multi-level governance has become one of the reinforcing structures of UK devolution. In the late 1990's and early 2000's the British state was being restructured

through a process of constitutional and institutional reform creating an increasingly complex range of inter-governmental relationships along with a redefinition of state-society relations (Bache & Flinders, 2004). As a consequence, the emergent new system of UK governance adopted the term multi-level governance. The reallocation of authority upwards, downwards and sideways from central governments has received attention from numerous scholars. However, in EU Studies the term multi-level governance has been widely used among scholars and decision makers as a “system of continuous negotiation among nested governments at several territorial tiers – supranational, national, regional and local” in relation to EU Structural Policy (Marks, 1993 pp. 393; Hooghe, 1996) and has since been extended to apply to the EU more generally (Grande 2000; Hooghe & Marks 2001; Bache & Flinders 2004). Many scholars such as Bache 1999; Benz & Eberlein 1999; Pierre & Stoker 2000; Bulmer *et al* 2001; Bache & Bristow 2003; Flinders 2004a & 2004b, have used multi-level governance as a framework to study the recent developments of governance in the UK. Building upon Hooghe and Marks (2003) two types of multi-level governance Bache and Flinders (2004) find that multi-level governance has robust potential as a theory of governance for the UK when juxtaposed with the Westminster Model.

Multi-level governance can be applied to all three devolved administrations in the UK. The Scottish Parliament and Government has been described by Keating (2010) and Cairney (2011) as functioning within a wider system of multi-level governance along with the UK, EU and local institutions. Multi-level governance has also been applied to Wales by Cole and Stafford (2015) and coined by Entwistle *et al* (2014) as co-governance by four levels of government which includes local government. Northern Ireland meanwhile is a well-developed model of multi-level

governance with the EU in particular playing a key role (Birrell & Gormley-Heenan, 2015).

One of the key principles of multi-level governance is the division of powers between levels of government. In the UK, the functioning and allocation of policy competences is significant for devolved administrations. The importance of policy competences for devolved administrations in the context of multi-level governance is three-fold as it outlines: (1) the policy responsibilities between the UK and the EU, (2) between the UK and the devolved administrations and (3) between the devolved administrations and the EU. Within the UK, the response since the EU referendum has reiterated that it is the Westminster government who has jurisdiction over EU affairs – not devolved administrations. However, there are policy competences that are devolved which governments in Scotland, Wales and Northern Ireland have a key vested interest in with devolved administrations developing bi-lateral relationships in a variety of policy areas with the EU. As a consequence, each of the devolved administrations have specific policy concerns in a post-Brexit environment and their concerns have been exemplified further by a lack of robust engagement with regards to these policy concerns by the Westminster government.

3. ISSUE SALIENCE: REGIONAL VARIATION IN SUPPORT FOR EU

In the lead-up to and during the EU referendum campaign the impact Brexit would have on the devolved legislatures and regions in the UK did not feature prominently. The EU referendum played out differently across the nations and the regions. In Scotland, nationalists have taken the EU referendum result as a mandate for remaining in the EU, or at least the EU single market. The Welsh Government which campaigned for Remain is resigned to Brexit but is hoping that negotiations with the EU will favour a ‘Soft Brexit’ rather than a ‘Hard Brexit’. While the position

of Northern Ireland is seen through the lens of the partisan divide with the Democratic Unionist Party (DUP) supporting Leave and Sinn Fein supporting Remain.

<< *Table 1 about here*>>

At the UK level the relationship between support for Brexit and demographics are already well documented. Typically Remain voters were likely to be younger, a graduate of a university and receiving a higher income while Leave voters were likely to be older, with a lower level of education attainment and earning a low income (Fieldhouse *et al*, 2016; Goodwin & Heath 2016; Prosser, Mellon & Green, 2016). Before the official EU referendum campaign began the key issue for Leave voters was immigration while the key issue for Remain voters was the economy – this changed little up to 23rd June. The result of the EU referendum highlighted the polarisation in Britain across generational, educational and class lines in areas that are predominantly, although not exclusively, composed of pensioners, low skilled and less well-educated blue collar workers as well as those individuals who have been pushed to the margins by both the economic transformation but also values that now dominate a socially liberal media and political class in the UK (Goodwin & Heath, 2016).

The EU referendum result highlighted significant geographical differences in England, Scotland, Wales and Northern Ireland. There was a large majority for remaining in all three districts in Scotland (Eastern and Southwestern Scotland, along with the Highlands and Islands) with a similar picture in Northern Ireland. Wales meanwhile voted to Leave the EU although not by a large margin (see Table 1) and the vote in East Wales was almost evenly split (50.25% Leave, 49.75% Remain). It was in England which the decision to leave the EU was made. The vote to leave the

EU was returned in every county except Berkshire, Buckinghamshire and Oxfordshire where the vote to Remain had a significant majority (46.84% Leave, 53.16% Remain). The vote to Remain also had slim majorities in Gloucestershire, Wiltshire, Bath, Bristol, Merseyside, Surrey and East and West Sussex (Gloucestershire, Wiltshire, Bath, Bristol: 49.12% Leave, 50.88% Remain; Merseyside: 48.82% Leave, 51.18% Remain, Surrey and East and West Sussex: 49.29% Leave, 50.71% Remain). Overall, the vote to leave the EU was strongest in those areas which prospered during the industrial revolution in manufacturing during the nineteenth and twentieth centuries areas in England such as Sheffield, Lincolnshire, Yorkshire, Shropshire, Staffordshire and Durham. These areas have all experienced socioeconomic decline over the past century relative to London and the South East. However, this pattern is *not* visible in both Scotland and Northern Ireland. Scotland prospered during the industrial revolution producing linen and wool along with a fervent steel and shipbuilding industry and voted to remain. While the industrial revolution and shipbuilding transformed the city of Belfast in Northern Ireland which also voted to remain (Arnorsson, & Zoega, 2016).

What is most interesting about the EU Referendum outcome in Northern Ireland is it does not demonstrate the existence of a stark communal divide. A simplistic nationalist/unionist explanation for the Northern Ireland vote is not convincing (Mills and Colvin, 2016). This is also confirmed by an Ipsos-Mori poll which found that 40% of Protestant voters in Northern Ireland wanted the UK to stay in the EU (McBride, 2016). Related research by Garry (2016) notes that “two-thirds of self-described unionists voted to leave while almost 90% of self-described nationalists voted to remain” (Garry, 2016, p. 2). In sum, a larger proportion of unionists than nationalists defied their party position when voting in the EU

referendum – 25% of DUP supporters voted to Remain, while 58% of Ulster Unionist Party (UUP) voters opted to Leave (Garry 2016, p. 6).

4. THE POLITICS AND POLICIES OF BREXIT FOR DEVOLVED ADMINISTRATIONS

Brexit Politics

The outcome of the 2016 EU Referendum exposed tensions that had long been evident in UK politics. In the immediate aftermath of the referendum that had in parts been instigated by the Eurosceptic tradition within the Conservative party, David Cameron the Prime Minister (PM) since 2010 resigned. This triggered a leadership election within the Conservative party that would determine not only the next PM but also enforce the Conservative party to adopt a more Eurosceptic stance. While the Labour party had officially campaigned to remain in the EU the party plunged into turmoil as the newly-elected yet unpopular (in particular for those on the right within the Labour party) leader Jeremy Corbyn was faced with pressure to resign. This was due to Labour MP's arguing that Corbyn had failed to demonstrate leadership and communicate a clear and concise case of why the UK should remain in the EU. Amid much political turmoil, the Liberal Democrats, a long standing pro-EU party, quickly pledged to campaign for the UK to re-join the EU at the next general election. UKIP meanwhile had achieved its defining goal of withdrawal from the EU.

In the UK's regions of Scotland, Wales and Northern Ireland political discord ensued. The Scottish National Party (SNP) argued that the EU referendum result revealed a need for a second independence referendum reviving calls for Scottish independence. Following the EU referendum result the First Minister of Scotland, Nicola Sturgeon, made a statement on 24th June stating it was “democratically unacceptable” that Scotland should face the prospect of being “taken out of the EU

against its will”. The Scottish government has been definitive about the need for Scotland to retain a connection to the EU most notably with the European Single Market (ESM).

Wales voted to Leave the EU in the face of strong political support to Remain. In the immediate aftermath of the EU referendum result the Welsh Government set out six priorities for Wales that would seek to protect during the Brexit negotiations including retention of full access to the single market. The Welsh Government has also explicitly stated that Wales “must play a full part in discussions about the timing and terms of UK withdrawal from the EU” and that Brexit should lead to a wider process of constitutional reform to place the relationship between the UK and devolved governments.

In Northern Ireland, the vote to remain in the EU referendum was anticipated yet not absolute. EU support for successive domestic peace efforts has been underscored by financial commitments and initiatives (Hayward & Murphy, 2012) and as a consequence, support for the EU in Northern Ireland has typically been stronger than in other parts of the UK. However, the Northern Ireland Executive’s response to the outcome of the EU referendum has been minimal. A joint letter from the First Minister and Deputy First Minister outlining key concerns about the border with the Republic of Ireland, trade, energy, EU funding, agri-food and fisheries stating that the Northern Ireland Executive aims to be involved and engaged in protecting these key interests is the totality of engagement from the Executive.

The appointment of Theresa May as PM in July 2016 was founded in principle on her providing strong and stable leadership through a period of economic and political uncertainty, as well as delivering a clear direction on uniting the Conservative party and the constituent parts of the UK in a Brexit environment.

However, the triggering of Article 50 of the Lisbon Treaty in March 2017, the announcement of (April 2017) and subsequent snap general election (June 2017) provided a period of instability and turbulence in British politics. Aiming to capitalise on a seemingly weak Labour party and increase the Conservative party majority in the House of Commons the 2017 ‘Brexit’ general election was predicted to be a landslide win for the Conservatives. Yet, despite record leads in the polls and public support for exiting the EU, PM May mispent the Conservative party’s hard-fought majority. In the immediate aftermath of the general election, the Conservative party succeeded in retaining power by a Confidence and Supply Agreement with Northern Ireland’s DUP. Nevertheless, it was a disaster for PM May and the Conservative party closer to the “coalition of chaos” warned would take over under the Labour party and Corbyn than the “strong and stable” leadership PM May had promised throughout the campaign.

In the UK’s regions, political upheaval also ensued. In Scotland, there were three key issues to note; the resurgence of the Scottish Conservative party, a Labour party comeback and the return of the Liberal Democrats. While the SNP continue to be the largest political party in Scotland the 2017 general election demonstrated that the party does not robustly obtain the political stronghold it had previously and calls for a second Scottish independence referendum have subsided. In Wales, while the Conservative party made gains, the Labour Party’s share of the vote increased, while the UKIP vote crumbled and in some constituencies disappeared entirely.

In Northern Ireland, the 2017 general election was the fourth time in just over a year that the electorate in Northern Ireland had gone to the polls and the second time

in 2017¹. The DUP were not only the winners of the general election in Northern Ireland (having increased their percentage share of the votes after losing their overall majority in the Assembly less than four months previously), but arguably the winners of the 2017 general election becoming the kingmakers of the Confidence and Supply agreement and keeping the Conservatives in power in Westminster. Sinn Fein also fared well in the 2017 general election gaining seats from the moderate nationalist party the Social Democratic and Labour Party (SDLP).

Despite, the snap general election being dubbed the Brexit election it was relatively absent from political party campaigns across the UK. Yet recent research from the British Election Study (BES)² highlights that Brexit was the dominant issue on voters' minds during the election campaign with one in three voters stating that Brexit was the most important issue facing the country (Prosser, 2017). The winners and losers among the political parties across the UK in the 2017 general election highlights the pertinence and complexity of Brexit politics in the UK and the intricacy of multi-level governance model in the UK.

From Politics to Policy and Constitutional Practicality – Key Concerns for the UK's Devolved Administrations

For Scotland, Wales and Northern Ireland the territorial conundrums of the process and institutional basis of Brexit whose political economy is multi-dimensional and multi-scalar is enormous. Key concerns for the devolved administrations have focused on the possible economic consequences and uncertainties. For governments

¹ Northern Ireland Assembly elections took place in March 2017 following the collapse of the Assembly in January 2017 following the resignation of Deputy First Minister the late Martin McGuinness over the Renewable Heat Initiative (RHI) scheme. The Northern Ireland Assembly Election in March 2017 returned the highest nationalist vote for the first time since the formation of Northern Ireland in 1921. A period of negotiations preceded on the formation of a power sharing Executive however these discussions were put on hold when PM May announced the 2017 General Election. At the time of writing power sharing between the two largest parties; the DUP and Sinn Fein had not been established and thus there is no functioning Northern Ireland Executive/Assembly.

² British Election Study Internet Panel Study Wave 12, fieldwork 5th May – June 7th 2017.

in Wales and Scotland maintaining access to the ESM has been a priority (Welsh Government 2017; Scottish Government 2016) and all three devolved administrations have expressed concern about restrictions on freedom of movement and the potential loss of migrant workers.

For Scotland from a constitutional perspective, Schedule Five of the Scotland Act 1998 reserves all aspects of foreign affairs to the UK Government and Parliament including relations with the EU. This means that the UK Government is responsible for managing relations with the EU including all policy and legislative negotiations. However, the Scotland Act does give the Scottish Government and the Scottish Parliament responsibility for implementing European obligations where they relate to devolved matters. Therefore, as with the other devolved legislatures, the Scottish Parliament is responsible for transposing and implementing a wide spectrum of EU legislation in areas such as agriculture, fisheries and the environment. The Scottish Government is also responsible for administering the spending of European funds such as European Regional and Development Funds and the Common Agricultural Policy (CAP) in Scotland.

In a speech at the Institute for Public Policy Research (IPPR) Scotland's First Minister offered 'Five Key Interests' that would be prioritised in negotiations with the UK government; "democratic interests, economic interests, social protection, solidarity and having influence" (Sturgeon, 2016). However, the Scottish Government's position is masked with substantial complexities. Firstly, the EU referendum provides a mandate for the UK to leave the EU and the UK government will do so as the UK. Secondly, the referendum result applies to those constituent parts of the UK that voted to Remain in the EU as well as those who voted to Leave. Thirdly, under the devolution settlement foreign affairs are a reserved matter for the

UK Parliament and the responsibility of the UK government. The Scottish Government has concerns regarding the impact of leaving the ESM would have on the economy with a report produced by the Fraser of Allander Institute for the Scottish Parliament concluded that “over the long term a reduced level of trade is expected to result in Scottish GDP being between 2% and 5% lower than would otherwise be the case (Fraser of Allander Institute, 2016). The position of the Scottish government is a clear desire to remain a member of the EU and if this is not possible then access to the ESM. The Scottish Programme for Government (Scottish Government, 2016) aims to emphasis Scotland’s place in the world including within the EU. However, this endeavour is accompanied by practical concerns with regards to social policies such as the loss of European Structural Funds after 2020, the retention of employment and skills training as well as rural development, transport and urban regeneration. The belief that EU membership has been beneficial for Scotland has also been recognised by local government in Scotland with reference to the quality and length of funding programmes and contacts throughout Europe (COLSA, 2016).

The Welsh government’s position is all the more complex by the Leave outcome in the referendum. Nevertheless, the Welsh government has emphasised the need to pursue the social and economic interests of the Welsh people expressing a vision of a strong business environment while also delivering resilient and well-functioning public services (Jones, 2016). The Welsh economy is more dependent on manufacturing than other parts of the UK so free trade in goods will remain important for Wales. Continued participation until at least 2020 in EU funding programmes which has seen Wales as a net beneficiary of EU money is regarded as vital. Higher education is another area of strength so additional restrictions on international students will not be favoured. Wales is a net beneficiary of EU funding and as a

consequence there is profound concern for the impact on public services (Zolle, 2016). The Welsh Assembly has produced a list of key concerns including health and social policy issues which focus in particular on the dependency on staffing from the EU, coordination of health care, recognition of professional qualifications, medical research cooperation and funding as cross-border health (Birrell & Gray, 2017). The Welsh Local Government Association meanwhile has described Brexit as seismic and has expressed concerns of EU structural funds, workers' rights, anti-pollution measures and the role of established networks and programmes for territorial cooperation (National Assembly for Wales, 2016). There is also an uneasiness that the third sector in Wales will be a financial loser post Brexit (Fiander & Williams, 2016) as well as a concern for the potential reduction in direct investment from the European Investment Bank (EIB) which has provided £2 million in funding to Wales (Birrell & Gray 2017).

Devolution in the UK is asymmetric, with a different model and a different scope of devolved powers operating across each of the devolved nations. Unlike Scotland and Northern Ireland, Wales has to date had a 'conferred' model of devolution under which the legislative Assembly may adopt laws in those areas conferred on it under the Government of Wales Act 2006, Schedule 7. Wales has primary responsibility for transposing and implementing EU legislation within the twenty areas of devolved competence set out in Schedule 7 to the Government of Wales Act 2006 as well as direct interest in influencing and shaping relevant EU policy and legislative proposals within these areas. These include a number of areas where the EU has extensive competence such as agriculture, fisheries and rural affairs, animal health and welfare, food and environment where there is an established body of EU law and regulation that Wales must already comply with. Notably for two

of the other main Welsh competences – education and health – the scope of EU intervention is limited.

There has been limited articulation from the Northern Ireland Executive on the impact Brexit will have on policies in Northern Ireland as a consequence of deep political cleavages between the two main political parties; the DUP and Sinn Fein. This has been exacerbated as previously discussed by the collapse of the Northern Ireland Executive in January 2017 and despite two elections there is currently no Northern Ireland Executive³ while the DUP and Sinn Fein negotiate on the formation of a power-sharing government. For political, economic, geographic and social reasons the impact on Northern Ireland of UK withdrawal from the EU might be expected to differ in important ways from the impact of withdrawal on other parts of the UK. Firstly, Northern Ireland is the only region in the UK to share a land border with another EU member state and UK withdrawal would therefore mean that an “external border of the EU would run through the island of Ireland” (O’Ceallaigh & Kilcourse, 2012). Secondly, British withdrawal from the EU will be a source of enormous instability and turbulence for Ireland both North and South of the border and political arrangements established by the Good Friday Agreement would not be entirely protected from this instability. The Good Friday Agreement, which included the establishment of the Northern Ireland Executive and Northern Ireland Assembly, also enshrined North-South cooperation, effected constitutional changes and established cross-border organisations as well as the status of the UK and Ireland as EU member states is woven throughout the Agreement.

For Northern Ireland one of the key policy issues in light of Brexit is the Irish border where immigration or customs controls could be both economically damaging

³ At the time of writing August 2017

and politically destabilising. Research by the Centre for Cross Border Studies indicated that it would be necessary to have customs checks' as passport free travel "would make it impossible to distinguish between business and personal travel... [...]... and make the enforcement of the EU's customs arrangements nearly impossible" (de Mars *et al*, 2016) there is wide support for finding a practical solution to keeping the border open. The Northern Ireland Secretary James Brokenshire announced that the UK and Irish governments are working together "to strengthen the external border of the Common Travel Area, building on the strong collaboration with our Irish partners" (McDonald, 2016). The UK government's stated intention to leave the ESM raises concerns over the potential imposition of customs controls and the introduction of a hard border. Research by the Nevin Economic Research Institute (2016) has indicated that leaving the customs union would have substantial consequences for Northern Ireland as it would become an immediate and visible barrier to trade on the island of Ireland in the event of a hard Brexit. In addition, there are concerns about cross-border organisations which currently provide services to the Republic of Ireland (an EU member state) and Northern Ireland (post Brexit a non-EU member state) and how the EU provides overarching support to maintain political stability. Overall, the concerns in Northern Ireland focus upon the economic and political changes to current arrangements post Brexit in relation to the free movement of goods, services, capital or people.

The Northern Ireland Executive, similarly to the Assembly's in Scotland and Wales, have also highlighted policy areas of significance which will directly impact Northern Ireland in light of Brexit which include the energy market, agri-food and fisheries sector and adequate access to both skilled and unskilled labour force as well as access to European Structural Funds and EU peace funds specific to Northern

Ireland. However, many of Northern Ireland's core priorities such as agriculture and fishing may be less important issues for the UK's negotiating position as a whole and thus the Executive needs to advance its priorities and develop meaningful dialogue with Department for Exiting the European Union in particular.

The Role of Devolved Administrations in Brexit Negotiations

The UK Government has stated that it wants a 'UK approach' to Brexit. Since June 2016 a number of structures have been implemented to feed the perspectives of the devolved legislatures into the UK's negotiating position. Firstly, the Secretaries of State for Scotland, Wales and Northern Ireland will attend the Cabinet Committee leading on Brexit – the EU Exit and Trade Committee on an 'as required' basis (Hunt & Keating, 2016). Secondly, a new Joint Ministerial Committee (JMC European Negotiations) of the UK and the devolved administrations has been established. Thirdly, in EU policy-making, devolved ministers can by invitation attend meetings of the Council of the EU (Council of Ministers) and are on the circulation list for relevant papers. However, they do not attend the European Council meetings and there is no indication that devolved ministers will attend the negotiating meetings around Brexit or receive the relevant papers (Hunt & Keating, 2016). Hopes of a more inclusive negotiating position for the UK have diminished with recent proclamations of 'one United Kingdom' and the spectre of 'divisive nationalism' (May, 2016) raising serious concerns about the level of inclusion that devolved administrations will have in the negotiating process. In conjunction with this, Scottish, Welsh and Northern Irish Ministers do not have a permanent seat on the Government's EU Exit and Trade Committee (Hunt, Minto & Woolford, 2016).

The devolved administrations have all expressed a desire to be fully involved in negotiations given the varying impact Brexit will have on each administration.

While some action has been taken to provide a basis for consultation with the JMC Europe sub-committee to meet on a regular basis the usefulness of this has been questioned amid claims that the as an institutional mechanism the JMC is not suitable for developing a joint position on the EU (House of Commons 2017; Whitman 2017) as it is the UK government who controls the agenda for the JMC and has no obligation to explain or publically account for decisions (Paun & Miller, 2016). The inaugural JMC (EU Negotiations) took place in November 2016 with agreement to meet monthly and consider initial priorities of the devolved governments focusing on access to the ESM, justice and security, immigration and trade (Dept. for Exiting the EU, 2016). There has been extensive criticism of the structure of the Cabinet Committee as the three Secretaries of State for Scotland, Wales and Northern Ireland are not formal members of it and while constitutionally Brexit negotiations will take place between the Westminster government and the EU attention has been drawn to the extent to which EU law is embedded within devolved law. The reality of Brexit negotiations is juxtaposed against a UK devolution agreement that has created powerful legislative organisations with robust legitimacy through the mechanism of public referendums (Paun & Miller, 2016) with Northern Ireland presenting an all the more complex dimension in the multi-level governance structure by the devolution settlement being underpinned by an international agreement supported by both the EU and the USA.

5. BREXIT AND REGIONAL DEVELOPMENT: WHAT NEXT FOR REGIONAL POLICY & EU STRUCTURAL FUNDS?

The EU referendum result highlighted profound spatial differences in opinion across the UK. Inequality and economic insecurity has widely been discussed as a major factor in explaining these differences with some of the highest shares of the

Leave vote in areas experiencing greatest economic difficulty (see above) in particular in areas such as Northern England and Wales. The UK government has acknowledged this with PM May making several political statements to address inequality and economic polarisation however the fundamental question is how this rhetoric will be translated into practice? A once powerful domestic UK-wide regional policy has been eroded with divergent approaches to regional development following devolution and the withdrawal of regional development institutions which have been superseded by both local and urban initiatives with varying resources, coherence and permanence.

One policy that will be phased out post Brexit is EU Structural Funds which currently provides an allocation of £10 billion pounds of EU funding to the UK from 2014-2020 period (Bachtler, 2017). The phasing out of EU Structural Funds presents both a challenge and an opportunity to the UK government and to the devolved administrations. The loss of EU Structural Funds significantly affects the less developed regions of the UK such as West Wales, the Valleys, Cornwall, Isles of Scilly, as well as former industrial regions such as Tees Valley and Durham that are chief recipients of EU funding. While the UK government has guaranteed funding for any EU Structural Fund projects approved until the UK leaves the EU, it has not made any commitments to replacement funding for recipient regions thereafter. Therefore, the UK government and the devolved administrations have the challenge of determining whether and what aspects of the EU funding regime should be retained as part of any future regional policy framework. The domestic policy context and the future development of policy-making is characterised by a regionally focused set of interventions which include devolution deals which have been agreed or under negotiation such as the Northern Powerhouse, the Midlands Engine as well as a range of local enterprise partnerships and regional growth funding.

EU Structural Funds have been an important part of UK regional policy since the UK joined the EU in 1973. Overall, EU funding has influenced devolved policies in a number of areas such as: regulations and directives covering employment, movement of labour, higher education and equal rights and specific to Northern Ireland on peace building and cross-border movement and co-operation with the Republic of Ireland. EU Structural and Investment Funds (known as EU Structural Funds) are focused on developing the UK's poorest regions with European Regional Development Fund (ERDF) and European Social Fund (ESF) primarily targeting infrastructure, education and training.

The devolved administrations have responsibility for distributing EU Structural Funds to projects. In Scotland and Wales ESF has been used in various projects to develop and progress equal opportunity, sustainable employment and tackling poverty and social exclusion. Scotland in particular has pursued a strategy of priorities for reducing poverty, boosting education attainment and skills, growing employment, energy saving and climate change. Wales has the highest allocation of EU Structural Funds in absolute terms which have targeted "training and skills to address poverty resulting from unemployment, economic inactivity and youth unemployment but have also been used to improve public administration and partnership working through local service boards" (Miller Research UK, 2017).

In Northern Ireland, EU Structural Funds have had a strong economic focus – while Northern Ireland punches above its weight politically, it tends to bunch below its weight economically as a consequence of the legacy of conflict and the imposition of austerity by the UK government. ERDF has been used to promote investment in research and development for SME's while ESF has focused upon economic inactivity and those individuals with no or low qualifications. ERDF is also linked to

specific programmes to assist regions in Northern Ireland that border the Republic of Ireland. Interreg, and specifically the Interreg VA programme, which assists border regions in the EU and promote cross-border cooperation, had funding of €240million with four specific priority areas; research, the environment, transport and health and social care (Birrell & Gray, 2017). In addition, since 1995, Northern Ireland benefits from the Special Fund for Peace and Reconciliation - a cross-border programme covering Northern Ireland and the six border counties of the Republic of Ireland. This was a direct decision by the EU to make a positive contribution to the peace process in Northern Ireland. Overall this funding is from the ERDF with the objective of promoting socioeconomic stability and cohesion between communities with specific projects covering issues such as shared education, children and young people, disadvantaged groups, victims of conflict and improving community relations. The Peace Programmes have contributed €1.3billion between 1995-2013 and are administered by the Special EU Programmes body - a cross-border implementation organisation (Birrell & Gray, 2017).

The UK is one of the largest beneficiaries of EU research funding from EU Structural Investment Funds and Horizon 2020. Scotland has been principally successful in securing Horizon 2020 funding with universities being awarded €296million since 2014 (Scottish Affairs Committee, 2016: p. 6). Horizon 2020 funding has also been crucial to higher education institutions in Wales and Northern Ireland. Wales has received funding in the region of £45million while Northern Ireland's Horizon 2020 funding has focused on north-south collaborative projects converging on health and support for SME's (Birrell & Gray, 2017).

6. DEVOLUTION IN A POST BREXIT UK

The crux of the matter for devolved nations and regions of the UK is the possibility of a confederated UK. Given the genie in English devolution can no longer be put back in the bottle this may gain popularity as the devolved territories become more powerful. A UK of the nations and regions underwritten by the principle of subsidiarity and by a system of fiscal federalism may be a long way off. Yet the territorial fracturing of the UK is a distinct possibility if the Brexit outcomes lead to a lost decade. (Bailey & Budd, p. 10). The White Paper on legislating for exiting the EU states that while “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” (Department for Exiting the EU, 2017) there is no specific detail on how and what the decision-making process will be. In conjunction with this there has been some suggestion that powers repatriated from Brussels for devolved policy areas could be returned to Westminster in order to create a ‘UK Policy Framework’ (Birrell & Gray, 2017). The governments in Scotland and Wales have been resolute that EU competences in devolved policy areas should remain within the devolved administrations – this is at odds with the UK government and thus highly problematic.

Overall, there will be a significant change in the scale and nature of administrative functions as a consequence of Brexit which will range from agriculture and rural development to necessary administrative transitions in relation to university research funding, social funds and the environment. While there is strong support for these policies among the devolved administrations there is criticism from the UK government on the effectiveness and cost efficiency of EU funding mechanisms. If, and there has been no indication thus far, the UK government decides to continue with this funding post-Brexit it is inevitable that there will be issues regarding the

priority attached to each area of spending and how funding would be allocated among the devolved administrations. The logical and possible outcome is a review of the Barnett Formula however even this solution presents challenges with Bell (2017) highlighting that while transparent the Barnett Formula is linked to the UK's fiscal position which would on the one hand give devolved administrations' policy autonomy but on the other than could lead to reduced funding for higher priority needs.

Given the nature of Brexit there are many uncertainties about possible changes and the nature of future devolution but in particular these issues focus on whether there will be increased funding for public services, whether there will be arrangements made to support universities through Erasmus and Horizon 2020, whether there will be matched funding for the loss of EU Structural Funds, whether the same level of social protection for part-time workers will be maintained. The devolved administrations will be involved in this process however examining and assessing EU legislation on the UK Statute book and scrutinizing devolved legislation, regulation, directives and decisions is an enormous task.

7. CONCLUSION

Brexit is being treated as a mono-causal event in which the process of leaving the EU should be straightforward given political will and authority. Similarly, the widespread view that the vote to Leave the EU was a consequence of xenophobia combined with the dissatisfaction of people and places left behind by the EU's globalised modernity is somewhat distorted. Analysis of electoral data highlights that the vote to leave the EU was much more complex as were the occupational, gender and age differences. Over years of ambivalence and consistent negative towards to the

EU in the UK, the EU has become a hallmark of the status-quo out of touch political elite which imposed lower real wages and substandard socio-economic welfare through austerity. As a result, leave voters were protesting against the decline in the quality of their lives, a rational response, but perhaps hitting the wrong target.

This paper has highlighted that Brexit is multi-dimensional and multi-scalar within the UK. Up to now, most of the national Brexit debate has focused upon Scotland and whether the UK is headed for a second Scottish independence referendum. However, the vote to leave the EU in Wales demonstrates that Euroscepticism is not just confined to England. Northern Ireland often falls of the political agenda in Westminster however the 2017 general election and the comprehension of the salience of Northern Ireland with its continuing fragility of the peace process and its government is garnering prominence in Great Britain. In conjunction with this is UK-Ireland relations – while the Irish government has been resolute that it will not be caught in the slipstream of British decisions the Republic of Ireland is clearly the fulcrum of how the impact of Brexit in the whole of the EU is both negotiated and managed.

Brexit politics is fundamental and it affects policy. For Scotland, Wales and Northern Ireland the territorial conundrums of the process and institutional basis of Brexit whose political economy is multi-dimensional and multi-scalar is enormous. Key concerns for the devolved administrations have focused on the possible economic consequences and uncertainties. For governments in Wales and Scotland maintaining access to the ESM has been a priority and all three devolved administrations have expressed concern about restrictions on freedom of movement and the potential loss of migrant workers. However, the lack of government in Northern Ireland is placing the region on the periphery as opposed to the core of Brexit negotiations.

Brexit politics at the national level *is* affecting a wide variety of social and economic policies with devolved administrations having unequal representation in the Brexit negotiation process. While it is acknowledged that the competences of the devolved administrations will be affected by Brexit determining a definitive conclusion on the impact of Brexit on the devolved administrations continues to be complex and uncertain. The positions and concerns of the devolved administrations do not receive much consideration and are not well understood within the UK cabinet or in Whitehall. The loss of EU funding specifically from ERDF and ESF has been identified as a major difficulty for a variety of aspects of policy in Scotland, Wales and Northern Ireland. There appears to be some consensus that the UK government should replace some of the loss of funding after Brexit ends current arrangements – but once again there is nothing tangible thus far. However, it is the wider impact of economic developments following Brexit which is of much concern, especially the potential consequences for wages, employment, standards of living and particular important economic activities such as the agri-food industries and the associated well-being of rural communities. Understanding, consolidating and rationalizing the complexities of the UK and its constituent parts would provide some indication of how the UK aims to make sense of Brexit and what the future of UK devolution will resemble.

Tables

Table 1: EU Referendum 2016 Results

	Leave	Remain
England	53.4%	46.6%
Wales	52.5%	47.5%
Scotland	38.0%	62.0%
Northern Ireland	44.2%	55.8%
UK	51.9%	48.1%

Source: Electoral Commission

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