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**A State Half Sovereign  
Why Britain Should Remain in the European Union**

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# A State Half Sovereign

## Why Britain Should Remain in the European Union

Rory A. McClain<sup>1</sup>

### Introduction

Only a few years after Scottish voters went to the polls to determine whether or not they would remain in the British political union, every Briton will have had an opportunity by late 2017 to decide whether their state will stay in the European Union. Despite the recent publication of British Prime Minister David Cameron's "highly problematic" list of demands, experts disagree how likely a British exit from the EU, or a Brexit, is. If one simply looks at the history of the EU, it is clear that change is a popular fear. Before Maastricht, when elites made more of the most important decision and the public rarely concerned itself with the progress of European integration, a quasi-federal European polity was established with little controversy.<sup>2</sup> Thus, it seems more likely that Britons will opt for the more gradual, and less threatening, change that comes with remaining in the EU rather than the radical, threatening, and, even, detrimental change that would come with leaving the EU. In fact, Margaret Thatcher described referendums as a conservative tool, in that they tend to deliver victories for the status quo.<sup>3</sup>

Britain was skeptical of European integration from the outset. It avoided the process of European integration for the first four years of the project's existence. However, in 1956, the embarrassment of the Suez Crisis made it realize its diplomatic isolation and political weakness. Although Britain first applied for membership in the European Economic Community (EEC) in 1963, it took another ten years for Britain to join because of the intransigence of then French President Charles de Gaulle—he did not want to have to compete for influence within the EEC. Since then, while Britain has cautiously guarded its sovereignty, it has fundamentally shaped the character of the integration process. The British concern for limited government led to the three pillar system that delineated which policy areas would be handled with supranational bodies and which with intergovernmental bodies. Although the three pillar system was abolished six years ago with the Treaty of Lisbon, the structure of each institution is largely unchanged. The genesis of Britain's disillusionment with EU membership can be found in 2007 when the global financial crisis broke out. Since then, many Britons have associated EU governance with threats to the economic security of themselves and their posterity that would have occurred regardless of its existence. Moreover, the unexpectedly large influx of migrants from Eastern Europe after the 2004 round of EU enlargement has led many to question how much authority the British government should have to govern the contents of its borders and, in turn, how much authority the EU should have over British territory and citizens within it.

When it comes to a Brexit, there are three distinct questions: why do some Britons want to leave the EU? Will it happen? Should it happen? Considering that the first question is a subject for a much longer and more complicated paper and the second question is highly speculative and mercurial, this essay will explore the most fruitful of the three. It will examine the consequences of a Brexit for Britain's overall economy, trade, foreign direct investment, regulations, immigration, international role, and sovereignty, asserting that, apart from keeping Scotland, an exit from the EU will give Britons few, if any, reasons to be optimistic. In most sectors or areas of the economy Britain would be worse off. Furthermore, it would be politically and morally indefensible for Britain to shy away from the global challenges that Russia, ISIL,

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<sup>2</sup> McCormick, John. "From Single Market to European Union." *European Union Politics*. Basingstoke: Palgrave Macmillan, 2011. 89-104. Print.

<sup>3</sup> The Economist. "The Reluctant European." *The Economist*. 17 October 2015: 1-16. Print.

and climate change present and expect the rest of the world to pick up the slack. Finally, as it will become clear in this paper's description of the economic consequences of a Brexit, a Brexit would not make Britain any less beholden to EU law, an apprehension that may be unnecessary or misguided.

## Overall Economy

There has been some speculation as to how a Brexit would impact Britain's economy as a whole. Under an optimistic scenario, in which the UK continues to have a free trade agreement (FTA) with the EU, losses would be 2.2% of GDP<sup>4</sup>. That is \$59 billion total or \$920 per person. To further put that into perspective, \$920 is more than a week's income for 65% of Britons and more than a month's salary for 10% of Britons, or six and a half million people.<sup>5</sup> If Britons are going to act reasonably and make the same sort of personal cost-benefit analysis that they made for joining the EU, they should understand that, in the best case scenario, which would be an act of charity by the EU, they would lose income vital to the payment of their utility bills, rent, mortgages, and, even, to the raising of their children. To make those kinds of sacrifices, Britons would have to believe that the EU was significantly holding back the growth of the British economy and that, in the long run, their post-Brexit privations would be worth it. According to economist Roger Bootle, the UK would only save a net contribution of £9.6 billion, or 0.6% of nominal GDP, which it pays into the EU.<sup>6</sup> Considering that payments to the EU government are practically negligible, at best, Eurosceptics can claim these payments represent a wasted investment and that leaving the EU is a matter of principle. However, subsequent sections of this paper will demonstrate that EU membership has been, and continues to be, a relatively lucrative venture for Britain.

## Foreign Direct Investment, Trade, and Regulations

Much of the foreign direct investment (FDI) coming into Britain is contingent on the access companies based in the UK have to EU's single market. In fact, almost half of Britain's FDI comes from the rest of the EU. Many companies like NGF Europe, a Japanese glassmaker, manufacture their products in Britain and then sell them to continental EU states. NGF is an extreme example, since four-fifths of the glass and related products they create are exported to the continent, and its managing director has stated unequivocally that it would relocate in the event of a Brexit.<sup>7</sup> Nonetheless, other major companies like Nissan, Toyota, and Ford have said that they would have to reconsider the locus of their European operations, if Britain left the EU.<sup>8</sup> Deutsche Bank and Goldman Sachs have already hinted that they might have to move operations out of London, and a Brexit could be the tipping point.<sup>9</sup> This veritable run on the bank is inextricably linked to British and EU trade relations, because it is doubtful whether Britain could or would remain a part of the single market.

Catherine Bearder, a Liberal Democrat member of the British Parliament, recently warned that if Britain leaves, the EU would have an incentive to be harsh with, rather than acquiescent to, Britain.<sup>10</sup> Quixotic trade deals that British Eurosceptics imagine, in which Britain retains access to the single market and gets to eschew EU regulations, would demonstrate to other member states that leaving the EU was not only possible but also desirable. If Britain decided to relieve itself of the apparently unbearable burden of EU regulations and forego access to the single market, it would face EU tariffs on cars (10%), clothing

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<sup>4</sup> Ottaviano, Gianmarco, Joao Pessoa, Thomas Sampson, and John Van Reenen. *Brexit or Fixit? The Trade and Welfare Effects of Leaving the European Union*. Tech. no. CEPPA016. May 2014. Web.

<sup>5</sup> "UK Salary Comparison Calculator." *Salary Graph*. Web. <http://www.salarygraph.co.uk/>

<sup>6</sup> Allen, Katie, Philip Oltermann, Julian Borger, and Arthur Nelsen. "Brexit – What Would Happen If Britain Left the EU?" *The Guardian*. 14 May 2015. Web.

<sup>7</sup> Bounds, Andrew. "Pro-EU strategy at risk of failing, warns head of Siemens UK." *The Financial Times* [Manchester]. 30 June 2014. Web.

<sup>8</sup> Groom, Brian. "How united is UK business on Brexit?" *The Financial Times*. 7 July 2014. Web.

<sup>9</sup> The Economist. "The Reluctant European." *The Economist* 17 October 2015: 1-16. Print.

<sup>10</sup> Zalan, Eszter. "Any post-Brexit deal would be tough on the UK." *EUobserver*. 25 November 2015. Web.

(11%), and food (15%), to name a few.<sup>11</sup> Carmakers like Nissan, Toyota, and Ford could not afford the losses in revenue that would result from consumers opting for the automotive brand that did not cost thousands of euros more due to customs duties. This explains their intimation of leaving Britain for greener pastures. While Eurosceptics have often cited Norwegian, Swiss, and, even, Turkish cases, those states are in the process of becoming more integrated into the EU and, so, the EU is willing to make concessions.

If a Brexit did occur, Britain would mostly likely want to retain its access to the single market for all of the aforementioned reasons, including the fact that, in 2014, 51.4% of its goods exports went to the EU and only 6.6% of EU goods exports went to Britain.<sup>12</sup> The EU can afford to lose Britain, but not Britain the EU. John Springford of the Centre for European Reform has calculated that Britain's trade with the rest of the EU would be 55% less if it left the EU.<sup>13</sup> Just having access to the single market, however, would not preserve the bargaining clout that comes with being a part of the world's biggest trade block. Britain would be completely taken out of the loop of the Transatlantic Trade and Investment Partnership (TTIP) negotiations because the deal's focus on regulations and standards give more influence to large trade blocks.<sup>14</sup>

Potential trade deals that a fully sovereign Britain could make with the likes of America, China, and India, which Eurosceptics have harped on, would have highly unfavorable—even insulting—terms for Britain, considering that the three countries in question would only be after a market of 64 million rather than one of 503 million. Although China rarely comments on the internal affairs of other countries, a week after the European Council told David Cameron to establish an unambiguous list of reforms necessary for Britain to remain in the EU, Chinese President Xi Jinping urged Britain not to leave the EU for the sake of “the deepening development of China-EU ties.”<sup>15</sup> In other words, Xi Jinping made it unambiguous to David Cameron that existing, planned, and potential trade deals between their two states would be endangered if Britain does not retain its access to the EU's single market. Based on this statement, China is only interested in Britain for as long as it is a part of the EU.

If Britain did leave the EU, the price for retaining access to the single market would be implementing all of the EU's regulations anyway. The only difference would be that Britain would have no role in crafting those regulations. Moreover, considering that Britain's relatively laissez-faire attitude—as evinced by the fact that it has the second least amount of regulation in product markets and the absolute least amount of regulation in the labor market of wealthy EU states—has most likely made EU laws to date less imposing, the absence of Britain could actually mean more, and more burdensome, regulations.<sup>16</sup>

If the Eurosceptics really wanted to reduce the amount of government interference in British markets, they could do a lot more by lobbying their own government rather than Brussels, or by advocating for a Brexit. According to Jonathan Portes, director of the National Institute of Economic and Social Research, the most intrusive and costly regulations for businesses are those imposed at home, not by the EU.<sup>17</sup> Furthermore, domestic factors such as poor education and inadequate infrastructure do more to hinder growth and employment than any of the low-stakes, low-impact rules made in Brussels. If anything, those who vote for a Brexit in 2017 will be doing so to “punish”<sup>18</sup> David Cameron's government for its recently proposed restrictive planning rules and new living wage, which constitute a far more significant interference in the market than all of the EU's regulations put together.<sup>19</sup>

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<sup>11</sup> The Economist. “The Reluctant European.” *The Economist* 17 Oct. 2015: 1-16. Print.

<sup>12</sup> Ibid.

<sup>13</sup> Springford, John, and Simon Tilford. *The Great British Trade-off: The Impact of Leaving the EU on the UK's Trade and Investment*. Rep. Jan. 2014.

<sup>14</sup> The Economist. “The Reluctant European.” *The Economist* 17 Oct. 2015: 1-16. Print.

<sup>15</sup> Bounds, Andrew. “China's Xi Jinping urges UK to stay in EU.” *The Financial Times* [Manchester]. 23 Oct. 2015. Web.

<sup>16</sup> “Productivity and Long Term Growth.” *Indicators of Product Market Regulation Homepage*. OECD. Web. <http://www.oecd.org/eco/growth/indicatorsofproductmarketregulationhomepage.htm>

<sup>17</sup> Portes, Jonathan. “The Economic Implications for the UK of Leaving the European Union.” *National Institute Economic Review* 226.1 (2013). Web.

<sup>18</sup> McCormick, John. “Elections and Referendums.” *European Union Politics*. Basingstoke: Palgrave Macmillan, 2011. 257-273. Print.

<sup>19</sup> Portes, Jonathan. “The Economic Implications for the UK of Leaving the European Union.” *National Institute Economic Review* 226.1 (2013). Web.

## Immigration

Immigration has been one of the salient issues in the Brexit debate. David Cameron listed it among economic governance, sovereignty, and competitiveness as one of four crucial areas that would need to be reformed if Britain stayed in the EU. In the fourth section of his letter to European Commission President Donald Tusk, written on November 10<sup>th</sup>, 2015, David Cameron wrote, “The UK believes in an open economy. But we have got to be able to cope with all the pressures that free movement can bring—on our schools, our hospitals and our public services.”<sup>20</sup> David Cameron essentially blamed migrants for the costs of maintaining a welfare state. However, while migrants need to have at least £2,800 in savings to get a work visa,<sup>21</sup> roughly 60% of Britons have less than £1,000 in savings.<sup>22</sup> Furthermore, according to Christian Dustmann of University College London and Tommaso Frattini of the University of Milan, between 2001 and 2011, eastern European migrants to Britain contributed almost £5 billion more in tax revenues than they consumed in government spending.<sup>23</sup> Thus, it seems more likely that the mounting costs of the British welfare state have more to do with Britain’s long-established aging population, an ailment that could be solved with an injection of young workers from other EU states.

When Britain joined the EEC in 1973, it knew that it had to agree to the stipulations of the Treaty of Rome, which entered into force fifteen years earlier and implemented the EEC single market and the free movement of labor.<sup>24</sup> If Britain left the EU and retained access to the single market, it would still not be able to restrict inflows of workers from other EU states. It would go against the most fundamental principles of the single market to curb the free movement of labor, capital, goods, or services. Additionally, it would not be able to seek the reforms that David Cameron has been pushing for, such as having to live in Britain for four years before being able to take advantage of public services. Many experts agree that a compromise between this demand and the current situation in which there is no residency requirement could be worked out if Britain stays in the EU.

Britain is still allowed, under Article 48 of the Treaty of Rome, to deny visas to immigrants “on grounds of public policy, public security or public health.”<sup>25</sup> Thus, the EU does not restrict Britain from denying entry to potential terrorists and, actually, grants member states a great deal of discretion with respect to their filtration of immigrants. It is hard to imagine the facets of an immigrant that do not fall under “public policy.” This has not stopped UKIP supporters and others who desire a Brexit, in the wake of the Paris attacks, from fear-mongering and blaming Britain’s EU membership for any hypothetical assaults that might happen. If such an attack were to be carried out, it would be as a result of the failure of British intelligence and security agencies, not existing EU immigration regulations.

## The Scottish Question

The only positive aspect of a Brexit would be that Britain would likely retain Scotland. While support for the EU has traditionally been greater in Scotland, it is not so strong that it would propel Scots towards independence from Britain so it could join the EU. Before the Brexit became a distinct possibility in 2015, David Cameron and the British government often reminded Scots that Scotland would need to

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<sup>20</sup> Cameron, David. “A New Settlement for the United Kingdom in a Reformed European Union.” Letter to Donald Tusk. 10 Nov. 2015. London.

<sup>21</sup> “UK Working Visa FAQs.” *WORKgateways*. Web. <http://www.workgateways.com/working-visa-faqs#saved>

<sup>22</sup> Canocchi, Camilla. “Majority of Brits have less than £1,000 saved up.” *This is Money*. 25 Sept. 2014. Web. 09 Dec. 2015.

<sup>23</sup> Dustmann, Christian, and Tommaso Frattini. “The Fiscal Effects of Immigration to the UK.” *The Economic Journal* 124. 580 (2014). *Centre for Research and Analysis of Migration*. Web.

<sup>24</sup> Portes, Jonathan. “Could we – should we – stop migrants coming to Britain?” *The Guardian*. 18 Oct. 2014. Web.

<sup>25</sup> European Commission. “THE TREATY OF ROME.” European Commission. Web. [http://ec.europa.eu/archives/emu\\_history/documents/treaties/rometreaty2.pdf](http://ec.europa.eu/archives/emu_history/documents/treaties/rometreaty2.pdf)

reapply for EU membership and that they would block an independent Scotland's accession to the EU.<sup>26</sup> Scots who supported staying within the UK at the time of the Scottish referendum also pointed out that states like Spain, which are facing their own secessionist issues, would not support the accession of Scotland, so as not to encourage Catalonians. Even if Scotland did not face these opponents over the principle of secession, it would almost certainly be denied membership if it demanded the same opt-outs out of the euro and Schengen that it currently enjoys.<sup>27</sup>

If Scotland did secede soon after the 2017 referendum, besides the diminution of its already insignificant international status, it would suffer deleterious economic tribulations. Tax revenues from oil peaked at £12.4 billion in 2008-09 and, according to the Office of Budget Responsibility, "revenues from oil taxes will dwindle to just £3.4 billion by 2017-18."<sup>28</sup> Without those oil revenues, an independent Scotland would get poor quickly. Scotland already had a deficit of £14 billion in 2012-2013, which at 11% of GDP, was already proportionally greater than the deficits of Greece or Ireland. One of Scotland's biggest issues with spending was, and continues to be, demographics. Too few people work already, 3.2 working age people for every Scottish pensioner, and that number will shrink to 2.6 by 2037. Scotland also has some of the areas of Britain with the lowest life expectancy, making paying for healthcare expensive. Although Scotland has some promising non-oil exports like whisky, £3.9 billion in 2012, and salmon, Scottish productivity was 11% lower than the rest of Britain due to a "shortage of innovative firms and low R&D investment."<sup>29</sup> Those weaknesses could create a large trade deficit and make the Scottish economy tremendously dependent on the rest of Britain.

Furthermore, many separatists are banking on Scotland's potential future as a European bastion of renewable energy. The UK Energy Research Centre has estimated that Scotland has 25% of Europe's tidal energy potential and 25% of Europe's wind energy potential.<sup>30</sup> However, the renewable energy industry in Scotland is heavily dependent on subsidies from the British government. Were Scotland to become independent, the rest of Britain could choose to import cheaper green energy from continental Europe. Without the support of the British government, Scotland would need to invest in new gas or nuclear stations, hurting many existing wind farms.<sup>31</sup> Independence would hurt an important industry for Scotland as well as for the rest of the world.

Additionally, in "On the Number and Size of Nations," Alberto Alesina and Enrico Spolaore have found that when barriers to trade are high, a bigger domestic market allows for more internal specialization.<sup>32</sup> Thus, nations like the United States or China are not as likely to develop dependencies on other countries and, with greater specialization and division of labor, can produce more per person than countries like Belgium or Switzerland. Alesina and Spolaore also found that smaller states devote a larger share of output to government. One reason for this is economies of scale: smaller countries have to provide much of the same bureaucracy, but with much fewer taxpayers. The other reason is that smaller countries tend to have greater ethnic, racial, and political homogeneity, and less diverse economies engage in more redistribution and provision of public goods. Scotland would still have to spend close to the same amount of money on healthcare, education, and other government services, but without the generous allocations it receives from the British government as a result of the Barnett formula, under which federal spending per person in Scotland is 16% higher in Scotland than it is in the rest of the UK.<sup>33</sup> Thus, Scotland's new government would have had to either cut back on spending or risk incurring an even bigger budget deficit.

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<sup>26</sup> Johnson, Simon, "European Commission: Separate Scotland forced to reapply for EU membership". *The Telegraph*. 12 Sept. 2012. Web.

<sup>27</sup> "MEPs could block Scotland's EU membership if it pushes for euro opt-out." *EurActiv*. 15 Sept. 2014. Web.

<sup>28</sup> The Economist. "A costly solitude." *The Economist*. Sept. 2014. Print.

<sup>29</sup> Ibid.

<sup>30</sup> Gray, Michael, "10 key economic facts that prove Scotland will be a wealthy independent nation". *Business for Scotland*. 7 Jan. 2014. Web.

<sup>31</sup> The Economist. "Let's stick together". *The Economist*. Sept. 2014. Print.

<sup>32</sup> Alesina, Alberto, Enrico Spolaore, (1997). On the Number and Size of Nations. *The Quarterly Journal of Economics*, 112(4), 1027 – 1056

<sup>33</sup> Shepherd, Jessica, "What is the Barnett formula and how does it work?" *The Guardian*. 19 Sept. 2014. Web.

Issues with fiscal and commercial policy aside, Scotland would have major issues with its currency. One of the main questions facing separatists is whether Scotland would create its own currency or keep the pound as its currency. The greatest cost of secession, according to Robert Young of the London School of Economics and Political Science, can be uncertainty. In the wake of failed secession movement in Quebec, he wrote:

Borrowing costs rise during the transition to sovereignty because lenders worry about (1) political risk, or uncertainty about future public policies, (2) default risk, because of uncertainty about the creditworthiness of both the continuing and the seceding state, and (3) currency risk, arising from uncertainty about future exchange rates.<sup>34</sup>

Young went on to estimate that uncertainty could cost a new country between two and seven percent of its GDP, which in Scotland's case, could amount to nearly £9 billion. In fact, polls from the Scottish Chamber of Commerce taken before the 2014 referendum indicated that 8% of Scottish firms had plans to move their base of operations out of Scotland had independence been achieved.<sup>35</sup>

One of the few things that would be certain, according to adamant separatists, is that, if granted independence, Scotland would retain the British pound as its currency. But then, neither the rest of Britain nor Scotland would have had full control over its currency. They would be joined in a monetary union similar to that of the EU. Without the current British government, there would be no central body to determine fiscal policy and, thus, no government apparatus to reduce inequality between the rest of Britain and Scotland. According to economist Paul Krugman, Scotland would be in the same position that Portugal, Ireland, Italy, Greece, and Spain (PIIGS) were in, except that euro countries had some say in how the European Central Bank was run.<sup>36</sup> Scotland, like the PIIGS, would have been subject to the whims of a central bank that will always look after the interests of the most powerful and most important states. Although Scotland's fiscal position was relatively strong at the time of the referendum, the same was true of Spain and Ireland before the euro crisis in 2009.<sup>37</sup> Even though an independent Scotland would be in a similar situation that many less wealthy EU countries are in, that would certainly be a worse position than Scotland is in now.

## Britain's Place in the World

Eurosceptics complain that Britain's influence in EU governance has declined greatly since its accession. That is, of course, because of the accession of nineteen other states in the forty-two years since then, and all had to be given a seat at the table. Moreover, Britain was one of the main proponents of the largest round of EU enlargement in 2004, when ten eastern European states joined the EU. It, of all EU states, should not be surprised to have seen the number of votes it has in the European Council or the Parliament diminish proportionally. Britain has not been alone in enduring the lessening of its influence. Every state that has had another join after it has experienced this phenomenon, making Croatia, not Britain, the only outlier in this sense. Eurosceptics also argue that the nineteen Eurozone states use their numerical advantage to gang up non-Eurozone states. However, most EU institutions, especially the European Council, have, and will continue to, make decisions based on compromises between national interests, most of which are not directly related to the management of the euro.

Britain has already been accused of shying away from global leadership. The budget of its Foreign Office has already been cut by 20% since 2010 and the armed forces have been similarly downsized in terms of soldiers.<sup>38</sup> In recent years, Britain has myopically focused on diplomacy that facilitates economic prosperity. With the United States, as well as the much of the world, looking to Britain and the EU to

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<sup>34</sup> Young, Robert, "The road to secession: Estimating the costs of independence in advanced industrial states." *EUROPP Blog*. 5 Dec. 2013. Web.

<sup>35</sup> The Economist. "A case of the jitters?" *The Economist*. Sept. 2014. Print.

<sup>36</sup> Krugman, Paul, "Scots, What the Heck?" *The New York Times*. 7 Sept. 2014. Web.

<sup>37</sup> Yglesias, Matthew, "What will Scotland use for money if it becomes independent?" *Vox*. 8 Sept. 2014. Web.

<sup>38</sup> Menon, Anand. "Littler England: The United Kingdom's Retreat from Global Leadership." *Foreign Affairs* Nov.-Dec. 2015. Web.

oversee the situation in Ukraine and to closely monitor Putin's machinations, Eurosceptics are proposing to further eschew the responsibilities that Britain's political and military heft demand of it. Ted Bromund, a Eurosceptic Senior Research Fellow at The Heritage Foundation, claimed, "Promoting greater unity in Western Europe made sense during the Cold War as a way to resist the Soviet Union, but that policy has become increasingly out of date since 1989."<sup>39</sup> However, Putin's Russia represents a far greater regional security threat than the Soviet Union in 1989. The last country that the Soviet Union had invaded at that time was Afghanistan ten years earlier. Meanwhile, Putin invaded Ukraine just last year and continues to occupy Crimea and meddle in "frozen conflict zones" located in Georgia, Azerbaijan, and Moldova.<sup>40</sup> In Syria, Russia, while intermittently fighting ISIL, has spent much of its effort propping up the regime of Syrian President Bashar al-Assad, whose government has tortured and killed ten European citizens and at least eleven thousand of his own citizens.<sup>41</sup> If anything, the opposite of Bromund's statement is true, and even greater unity, at least in foreign and security policy, is necessary among EU states in order to stand up to Russian aggression, which could portend a new Cold War between the EU and Russia.<sup>42</sup> This is not to mention the necessity of a coordinated effort to eradicate ISIL and combat global warming, all of which require greater cooperation and accord between the global community of states.

## Sovereignty

Eurosceptics' most passionate argument concerns the sovereignty of Britain. They claim that it has already lost much of its sovereignty and will see it disappear completely if it stays in the EU. Ignoring the fact that the EU as a polity pools, not desiccates, the sovereignty of its member states, there are historical and geographical forces at work that prevent the British identity from being subsumed into a larger European one. The mere possibility of Britain leaving the EU suggests that, if Britain remains in the EU, it will continue to guard and preserve its national identity even as the EU reaches full political union. Does Britain not have its own minority groups? As hundreds of thousands of Indians, Poles, and Pakistanis in Britain have evinced, multiculturalism is possible without complete assimilation.<sup>43</sup> Furthermore, the English Channel is a natural border. Whenever Europeans look at a map, they can easily identify Britain as a distinct geographical entity. Considering that Britain is formally known as "The United Kingdom of Britain and Northern Ireland," owing to Northern Ireland's own geographical distinctness, it is not inconceivable that a fully politically integrated EU would be formally known as "The United States of Europe and Britain."

## Conclusion

The golden age of the British Empire, the nineteenth century and the early twentieth century, was also the time when Scotland most enjoyed being a part of Britain. Graduates of Scottish universities were immediately considered for leadership positions throughout the Empire. Between 1885 and 1939, a third of Britain's colonial governors were Scottish.<sup>44</sup> These leaders believed that they had a mission to spread Scottish liberalism and Protestantism and only the Union could give them the political influence to do that.

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<sup>39</sup> Bromund, Ted. "Ten Reasons to Rethink U.S. Support for British Membership of the European Union." *The Heritage Foundation*. 29 Sept. 2015. Web.

<sup>40</sup> Fischer, Konstantin. "The Kremlin's Love and Fear of Separatism." *Institute of Modern Russia*. 12 Nov. 2015. Web.

<sup>41</sup> Rogin, Josh. "U.S. Says Europeans Tortured by Assad's Death Machine." *BloombergView*. 14 Dec. 2015. Web.

<sup>42</sup> Gugán, Dániel, "The re-emergence of Russia and its collision course with Europe", Vol. 14 No. 4, 2014. [http://www.as.miami.edu/media/college-of-arts-and-sciences/content-assets/euc/docs/papers/Gugan\\_Russia&Europe.pdf](http://www.as.miami.edu/media/college-of-arts-and-sciences/content-assets/euc/docs/papers/Gugan_Russia&Europe.pdf)

<sup>43</sup> "2011 Census: Ethnic group, local authorities in the United Kingdom". Office for National Statistics. 11 October 2013. Retrieved 6 March 2015.

<sup>44</sup> The Economist. "How did it come to this?" *The Economist*. Sept. 2014, 50-51. Print.

Scottish trade, paired with heavy industry, Scottish culture, and Scottish identity became tied to the Empire and, thus, to England. The doctrine of unionist nationalism came more clearly into being. Supporters of unionist nationalism claimed that Scotland had to be in the Union to realize its true potential as a nation.<sup>45</sup>

Nearly a century later, Britons have rightly begun to reassess their relationship with the EU and to determine whether its political and economic structure permits, or facilitates, the political, economic, and cultural growth of their state. As this essay has demonstrated, this seems to be the case in nearly every sphere. The British economy as a whole would take an immediate hit. As a result of the diminishment of Britain's bargaining position, past, present, and future trade deals would be jeopardized. Major, primarily automotive, companies would pull their investments from the island in favor of a continental European state that has access to the EU's single market. If Britain did retain its access to the single market, it would have to implement many of the same, if not more, EU regulations as a consequence, which would further deplete the credibility and legitimacy of British democracy. Although Scotland, facing a dilemma parallel to Britain's, would not sacrifice its economic security for sake of independence, there are other political privations that would afflict Britain. Internationally, Britain would truly become an island, in that it would be diplomatically and politically isolated and censured for its selfish avoidance of responsibility. Britain would not be any more sovereign, by the definition of Eurosceptics, and it is clear to most who are knowledgeable with respect to all things Brexit that Britain has not lost any of its sovereignty or political distinctness. In fact, as a fundamental element of EU governance, the British government enjoys a much greater jurisdiction, one that is over twenty-eight states rather than just one.

Britain's problem is one of perception. The tribulations of the global financial crisis, the euro crisis, the influx of eastern European migrants, the recent terrorist attacks, and numerous other issues have led many of its citizens to associate the EU with nothing but trouble. Eurosceptics see political regression, a return to a solitary, independent Britain, as the only way to return to the golden age of the British Empire. However, Britain is no longer the imperial power it once was. Whether through the fault of the EU or not, Britain has had its economics and politics converge with and become dependent on those of the continent. Instead of seeing the EU as holding Britain back, Britons should view the EU as a political and economic channel in which they can once again realize their imperial ambitions, similar to the way in which most Scots viewed Britain a century ago. As one of the leaders of the EU government, Britain can conquer Chinese and Indian markets, ensure the economic security of its citizens, rival the United States for global hegemony, and quell the dangers of climate change, Russia, and ISIL.

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<sup>45</sup> Brown, A, McCrone, D, Paterson, L, *Politics and Society in Scotland*. 1996. Macmillan Press Ltd