



Dysfunctional Democracy and Referenda: The Case of Brexit

Matthias Matthijs | Thursday, June 9, 2016

The current era of democratic politics in the West is marked by dysfunction. Long-standing political institutions are creaking. The establishment consensus of free trade, economic openness and liberal migration policies that has buttressed the U.S.-led postwar liberal system is quickly losing its popular legitimacy.

Since the late 1980s, electoral turnout has fallen in much of Europe; the joint vote share of center-right and center-left parties is hitting all-time lows; and various populist and anti-establishment parties have filled the void with the promise of easy solutions. At a time when the European Union is heavily criticized for being run by unelected technocrats, out of touch with ordinary people's lives, a referendum to let the people have their say seems to many like the right way out of the contemporary democratic malaise.

When Prime Minister David Cameron promised the British people a say on whether the United Kingdom should leave or remain in the EU in January 2013, he did so for more cynical reasons. He hoped it would effectively kill the surging threat on his party's right flank from the nationalist U.K. Independence Party and silence the many Euroskeptics in his own Conservative Party. He also wanted to put the Labour Party on the defensive by showcasing his own party's support for more direct democracy.

Today, Cameron has gotten himself into a much bigger mess than he ever bargained for. The risk of an actual "Brexit," or a British exit from the EU, is all too real, and the consequences for the Conservative Party are likely to be dire, even in the case of a close vote in favor of remaining in the EU.

There are both process-related and outcome-related arguments for holding a referendum on really important questions that may affect the future of a country. Process-related arguments are largely positive from a democratic point of view: Referenda increase political participation and raise the level of voter awareness and issue knowledge on a particular matter of public policy. As people become more directly involved in a government's decision-making, representative democracy is enhanced. A referendum can also increase the legitimacy of particular policies, as no government is ever elected with an explicit popular mandate to implement all their policy proposals, especially the more controversial



Nigel Farage, leader of Britain's UKIP party, in front of a 'Grassroots Out' banner, London, March 31, 2016 (AP photo by Kirsty Wigglesworth).

ones.

On the issue of EU membership, the British public has certainly been misled by decades of vitriolic reporting from British tabloids, which have negatively portrayed the EU's impact on British sovereignty and cultural traditions. An open debate and informative campaign could have corrected some of those misperceptions. On the other hand, the EU today is hardly recognizable from the European Economic Community the British people joined in 1973. Brussels has amassed a lot more powers over the past four decades, going from an economic bloc with nine members to a more overtly political organization with 28 member states and a flawed single currency. A referendum campaign is useful in addressing whether this is still the kind of club the U.K. wants to be a member of.

Almost all popular referenda on further European integration have resulted in a vote for the status quo or against further steps toward an ever-closer union.

The outcome-related arguments for holding a referendum are largely negative, however. It is not the job of ordinary people to constantly deliver judgment on complicated matters of state. That is, after all, why they elect representatives with deep policy expertise to do that job for them. In practice, many people decide how to vote in a referendum based largely on extraneous factors, like whether they like the current government or not, rather than on the issue of the day. Finally, those most likely to vote in a referendum are those who feel most strongly about the issue at hand, with the result often going against the opinion of the actual majority of the electorate.

The EU does not have a strong record when it comes to national referenda. With the exception of France's narrow vote in favor of the Maastricht Treaty in 1992, almost all popular referenda on further European integration have resulted in a vote for the status quo or against further steps toward an ever-closer union. But as mentioned, those votes reflected disapproval of the sitting government, rather than popular opinion on the issue at hand.

In the case of Brexit, which side benefits from the inherent status quo bias present in referenda will depend on what exactly most British voters believe the preferred status quo to be. The "leave" campaign argues that the EU is on a dangerous path of further integration, and that Brexit is the only way to preserve the country's sovereignty and national discretion over sensitive areas such as macroeconomic policy, security and defense, border control and migration. The "remain" campaign's argument centers on

the economic disaster that leaving the EU would entail, while also pointing out that the U.K. currently has the best of both worlds: It does not take part in Economic and Monetary Union, and by virtue of being out of the Schengen zone, it does actually control non-EU migration, while EU migration has been largely beneficial. It is mostly a question of head versus heart, or whether material interests will trump the people's passions.

Just over 40 years after the U.K. joined the then-European Economic Community, in part due to Conservative Prime Minister Edward Heath's promise that membership would solve all the U.K.'s economic ills of that era, more than half of the Conservative Party's members—going against their prime minister—seem to believe that all the country's ills can be solved by exiting the EU. But the "leave" campaign has recently realized it has a very weak economic case. The U.K. stands to lose both a large market for its products and the ability to punch above its weight on the global stage through the EU, especially in international trade and financial matters. So, instead, advocates for Brexit have started to focus on the people's fear of uncontrolled migration. The last polls, which slightly favor the "leave" camp, show that their arguments are touching a raw popular nerve.

The "remain" camp has run a lackluster campaign, largely relying on expert reports from the International Monetary Fund, the Organization for Economic Cooperation and Development, the British Treasury and the Bank of England, which all warn against the overwhelmingly negative consequences of leaving the EU. But so far, they have failed to make the positive case for European integration. The problem is that most politicians opposing Brexit, including Cameron and former Prime Minister Gordon Brown, have spent their entire careers criticizing the EU and Brussels. Now they find themselves in the awkward position of defending an organization they were always largely skeptical about.

While it is still reasonable to assume that cooler heads will prevail come June 23, the vote is unlikely to settle the question once and for all. Only if more than 60 percent of Britons vote to stay in the EU will the "leave" camp admit defeat. A more likely outcome is a close vote to stay in the EU, with an outbreak of open warfare among the Tories. Just like the Republican Party in the U.S., the Conservative Party is a house divided. Cameron has no love lost for the EU, but his replacement could prove an even tougher counterpart for Brussels. No matter what happens on June 23, Britain is likely to remain Europe's awkward partner for decades to come.

Matthias Matthijs is assistant professor of international political economy at Johns Hopkins University's School of Advanced International Studies (SAIS).