



Robert Schuman Centre for Advanced Studies Press Release

For immediate release

Brexit: a 'Leap in the Dark' for both the UK and the European Union

(Florence, 13 June 2016) It is not clear which would be the bigger loser from a 'Leave' vote in the forthcoming Brexit referendum, but both the UK and the European Union (EU) would be hit hard; this was the alarming message of today's seminar discussion with Professor Richard Portes and Professor Brigid Laffan held at the European University Institute.

Just the economic arguments for Britain to remain in the EU alone were listed as obvious facts: over 50% of UK exports go to the EU; the UK is the financial capital of the Eurozone; the fall in trade would hit the dynamism of the economy as trade and foreign competition raise productivity growth.

For the EU the capital markets union project would be crippled, forces for advances in Eurozone governance would be weakened in favour of the already widespread Euroscepticism in France, Italy and other member states, with the prospect of more divisive referenda.

"The entire European project that has dominated the post war period would be at risk, while the UK and the EU would be tied up for many years in difficult negotiations, with unpleasant recriminations on both sides", said Professor Richard Portes from the London Business School and Tommaso Padoa-Schioppa Chairholder.

However, the economic and factual arguments seem to be ineffective in the current debate and the 'Leave' campaign has been rather successful in persuading the electorate that an exit would be cost-free. *"Most British voters know little about the EU, they are confused by the conflicting 'data' from both sides. Voters don't want to see evidence and data",* added Professor Portes, *"the irrational arguments are driving the momentum"*.

Among these of course immigration is at the top of the list. The arguments used on immigration's negative impact on the availability of social services and housing are stronger than its potential positive sociocultural effect such as for example, students at 'multicultural' schools performing better in exams.

"If the result of the referendum is in favour of a UK exit, this is going to be a leap in the dark in many ways; the stakes are incredibly high for both sides", concluded Professor Laffan, Director of the Robert Schuman Centre for Advanced Studies of the European University Institute. *"I wasn't too worried until a few days ago",* she added, *"but the way the polls are giving predictions now remind me of other past referenda about the EU that did not turn out quite the way they were expected"*.

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