

THE BBC and 'EUROPE'

Analysis of the BBC's Flagship Coverage of
its EU Output, Post-Referendum:

'The Brexit Collection'

September 2016

Executive Summary

The Brexit Collection is a selection of 31 programmes and features, originally broadcast on Radio 4, and posted by the BBC on its iPlayer website. It is presumably thus thought by the Corporation to be a balanced representation of its referendum coverage. Analysis by News-watch has now shown that the Collection was, on balance, very strongly anti-Brexit.

News-watch transcribed and rigorously analysed all the items (24 separate programmes, one collection of four brief clips on personal finance, and six news features in the *Brexit Street* series) that were posted between the launch of The Brexit Collection on July 11 and August 23 – two months after the referendum. In total, this amounted to eleven and half hours of broadcasting.

Overall, there were no attempts in any programme to explore the benefits of leaving the EU, but conversely, Brexit came under sustained negative attack. This was reflected in the balance of contributions and comment contained within the items. Analysis by News-watch shows that only 23% of contributors in the programmes as a whole spoke in favour of Brexit, against 58% in favour of Remain and 19% who gave a neutral or factual commentary.

Nine programmes and six features, amounting to 5 hours 20 minutes of programming, were strongly anti-Brexit, contained unchallenged predictions that civil unrest and rioting were now on the horizon and cast the 'out' vote in negative terms, inferring that the result had been a consequence of racism and xenophobia. The balance of programme guests in all of these items was strongly – and sometimes overwhelmingly – pro-Remain.

By contrast, only two programmes, from the series *Points of View*, were clearly Eurosceptic in tone. They both attacked the EU project as a whole, but did not explore the possibilities presented by Brexit.

A group of six documentaries in the Collection, originally broadcast in 2009 and 2012, looked critically at the EU and examined claims that there were structural faults in the EU project, especially in relation to the euro. However, the vast majority of guests on these programmes were wholly in favour of the EU project, or were EU officials, and as such the issues were observed through a strongly pro-EU lens.

A further eight programmes have been classed as neutral. Many of these, such as the comedy programmes *Dead Ringers* and *The Now Show*, contained strong anti-Brexit content, or expressed doubts about it, but did contain some balancing material.

The items that were strongly anti-Brexit were editions of culture series *Front Row*, *The Briefing Room*, six editions of the feature *Brexit Street* on the news programme *PM*, one edition of *A Point of View*, *How to Make a Brexit* (a one-off documentary about Greenland's exit from the EU), *Farming Today*, *More Less*, *The Food Programme*, *The Bottom Line* and *Call You and Yours*.

In some of these, the range of anti-Brexit opinion was astonishing and light years from any definition of 'impartiality' and there was no balancing comparable pro-Brexit material. A majority of the country had voted 'out' on June 23, but this was not reflected in the space given to each side of the debate, or the thematic emphases of the various programmes.

The Food Programme, for example, contained predictions from ten contributors ranging through civil unrest, substantial food price rises, the demise of food businesses and years of turmoil. Only one contributor (described disparagingly as a 'former speech writer for Nigel Farage'), thought that Brexit could have positive outcomes.

And in *The Bottom Line*, presented by Evan Davis, three strong supporters of Remain (one a former Liberal Democrat candidate) feared a drying up of investment, the introduction of tariffs, an increasing complexity of doing business through the need for additional paperwork, price rises, unfair treatment of workers, unwise and impractical restrictions on immigration, a curtailing of the opportunities available to young people, and a rise of xenophobia and racism to the extent there was imminent danger of 'personal attack' for those supporting Remain. They were ranged against a contributor from Switzerland, who – although accepting briefly that Brexit could be positive – also warned that the process was very complex.

In all anti-Brexit programmes, presenters such as Evan Davis worked with the contributors to ensure that the negatives of Brexit were pushed to the maximum extent, and they did not challenge their extreme claims, for example, about civil unrest and racism.

Analysis of the contributions across the series as a whole raises other major issues of imbalance. Of the 59 politicians to appear, 37 were pro-Remain. With academics and lawyers, 11 supported Remain and none favoured Leave, and with businessmen and financial experts, 19 were Remainers and only six wanted 'out'. Another striking imbalance was that, across the board, 41% of the speakers who supported Leave were 'ordinary' contributors (i.e. members of the public with no obvious expertise, for example, in vox pops), compared to only 27% of pro-EU guests. In terms of the number of words spoken, members of the public contributed 34% of the Leave total, compared to only 8% on the Remain side.

Eleven of the 20 'ordinary' speakers who spoke in favour of Brexit were from two locations in Northern England, Thornaby-on-Tees and Wakefield. All of these were from social classes D and E and together they were responsible for 80% of the words spoken by 'ordinary' Leave supporters.

News-watch research has shown that such serious imbalances have been a feature of BBC coverage of EU-related issues since 1999.

This raises big questions about how the BBC defines 'impartiality' in the aftermath of the June 23 vote. During the referendum campaign, there were BBC-wide referendum editorial guidelines which stipulated that the Leave and Remain sides should be treated even-handedly. The evidence presented here suggests these rules have now been set aside and that a version of 'due impartiality' is in force which gives much greater precedence to the Remain side.

Whatever the reasons, the evidence presented here shows that the Corporation seems to be on a mission to show that Brexit is a fool's errand, which elements within the BBC are doing their best to frustrate. There can be no other explanation why this flagship collection of programmes is so deeply biased.

Introduction

After the referendum on British membership of the EU, the BBC posted a number of Radio 4 programmes in a dedicated part of their iPlayer website designated as **The Brexit Collection**.¹ It has been updated periodically since. This analysis is of all the programmes and extracts that were posted on the site between 11 July and 23 August 2016. The full transcripts are included in this document.

The BBC's selection criteria are hard to discern from the outside because on the one hand, it includes five documentaries about the EU broadcast between 2009 and 2012, and on the other, the majority of items were produced and broadcast post-Brexit. The mixture includes factual, comedy, news features, phone-ins, and points of view. The majority explore the likely impact of withdrawal on business, the country as a whole, on politics and on individuals.

In total, The Brexit Collection included approximately eleven and a half hours of material in the two month tracking interval, equating to over 130,000 words of broadcast output. Those compiling the Collection presumably believe to some extent that the programming they have chosen is representative of the EU/Brexit related output – why post them as a 'collection' otherwise? On that basis, it would be expected that there was a reasonable reflection of impartiality towards the Leave and Remain cases.

A mystery here is what the Corporation's post-Brexit rules are for covering the EU debate. During the referendum campaign strict referendum coverage guidelines were in force which laid down that equal prominence should be given to the Remain and Leave camps. The analysis which follows demonstrates that in the period June 23 – August 23 in this selection made by the BBC, this approach to impartiality emphatically no longer applies.

It demonstrates a strong bias against the Brexit perspective. This is reflected in the proportion of speakers, the nature of their contributions and the time allocated to them.

All the programmes have been carefully analysed using rigorous analytical methodology. The conclusions are that the programmes summarised in the next section, were very seriously biased against the Brexit case. Against that, only two programmes, editions of Points of View (by Roger Scruton and John Gray), were deliberately constructed as critiques of the EU. **No other programmes**

¹ <http://www.bbc.co.uk/programmes/p040j6lx>

could be regarded as in any sense pro-Brexit, and nor did they try to explore the likely impact in any positive sense.

Programme-by-Programme Analysis

Front Row (26 July 2016) – This was a skewed barrage of views that Brexit would cause serious damage to the arts and lead to civil unrest.

This special edition looked at the possible impact of Brexit on the arts. It was presented by John Wilson, who opened by saying that (arts) landscape had been ‘fractured’ by Brexit and pointed out that the referendum result had been ‘against the grain’ of the arts community, though he presented no evidence for this. He made no challenge of (and indeed, on occasions, seemed to agree with) strongly-polarised points presented in the programme that the Brexit vote was xenophobic and could lead to rioting, and that the Thatcher governments had, without qualification or question, damaged the arts through ‘cuts’². Two contributors were supporters of Brexit, Phil Redmond, the television industry businessman, and Dreda Say Mitchell, the poet. Both made broadly anti-EU points, and defended the vote, and Redmond pointed out that Liverpool’s year of being culture capital had been successful not because of EU grants (which were hugely difficult to obtain) but local involvement. However, the bulk of the programme was taken up by a succession of highly-charged attacks on the referendum outcome by actor Sam West, author Val McDermid, Wayne Hemingway (of the Red or Dead fashion label), artists Jane and Louise Wilson, National Theatre boss Rufus Norris, and two young performance artists. Points they made included that the vote was chest-beating Braveheart nationalism that was narrowly inward-looking; that the vote was xenophobic and racist by parts of the country barely affected by immigration; that – as with the poll tax – there would (rightly) be a major national uprising against this bad outcome; that, as had happened in Thatcher’s Britain, an era of ‘serious cuts’, there would be in reaction to a bad decision, a flowering of the arts based on ‘European sensibility’; that those who had voted out had only done so because they were dispossessed and disregarded; that the vote had now devalued the arts industry so that people were now thinking of moving to Berlin rather than staying in Manchester; that Britain was now a more divided place than ‘many had cared to contemplate’; The referendum result had left almost half the country with no voice, and the National Theatre would now assume the role of finding that voice; that the vast majority who take this world forward, including in respect of the arts, voted Remain; that the vast majority of young people had voted to stay, and the fact that they were not heard would ‘precipitate a wave of riots’; that young people would be ‘galvanised’ because they had not been listened to; that the arts community was shocked by the result; the referendum would lead to a world where art was an ‘add-

² An alternative view would be that she opened up the arts to other forms of funding such as sponsorship [as Michael Billington details](#).

on'; that there would be a 'youthquake', the UK would remain 'European' and the young would put two fingers up to those who did not want to remain European.

Summing-up: Overall, this was a seriously imbalanced programme that gave by far the greatest prominence to strongly polarised Remain perspectives and suggested the Brexit vote was a mistake that would lead to rioting in the streets. John Wilson could have made more effort to generate balance by challenging some of the more polarised views, but conspicuously chose not to do so. That compounded the skew – there was a limp acceptance of that, on the one hand, Margaret Thatcher had damaged the arts, and that on the other, Brexit would do so in the future. A further obvious point of imbalance was that seven of the contributors were anti-Brexit, compared to just two who supported it. That was a deliberate editorial choice.

The Briefing Room (14 July 2016): Pro-remain columnist David Aaronovitch chose interviewees he claimed were typical of the 'out' vote and built hugely negative assumptions around their views.

This was presented by David Aaronovitch, a strong supporter of the EU, as he made clear through his Times column during the referendum campaign.³ His main purpose seemed to be to establish that the Brexit vote was based on narrow prejudice. His primary evidence consisted of interviews he had conducted with three Leave voters in Wakefield, Yorkshire, followed by analysis of their views by Stian Westlake of the Nesta think-tank, who believed the Brexit vote had happened because of a 'depressing' opening up of resentment against the 'new economy'; Ben Shimshon of the communications company Britain Thinks, a 'strategy' company set up to advise the Labour party and the Fabian Society, and psychologist Molly Crockett. The central flaw in the programme was that Aaronovitch chose three voters, from inner-city areas of Wakefield strongly affected by immigration, whom he projected as typical and then built generalisations on their attitudes. But were they 'typical'? One was a retired shop worker, the second the owner of a chip shop on one of the largest council estates in the UK, and the third a 23-year-old hairdresser in a Wakefield city centre salon. It would be hard to place them socially, but all were from lower socio-economic groups, and seemed relatively uneducated. Were they genuinely typical of the 'out' vote in Wakefield (or anywhere) or rather a reflection of what Aaronovitch had decided was 'typical'? Aaronovitch's choice of questions was narrow and seemed to be designed to bring out especially their concerns about immigrants. Of course

³ <http://isthebbcbiased.blogspot.co.uk/2014/10/david-aaronovitch-eu-and-bbc-bias.html>
<http://www.pimlicoplumbers.com/blog/brexit-could-drag-all-of-europe-into-disaster-by-david-aaronovitch>

these were a component of the reasons for the vote, but this was a brief programme where only a small snapshot of each contributors' views could be explored, and this was disproportionate. The programme's conclusions, based on a mixture on these local views and research carried out Britain Thinks, were that Leave voters were worried about immigration and globalisation and had been left behind economically. Their vote for Brexit was also linked directly to support for 'traditional values' including criminals being publically whipped and bringing back the death penalty.

Summing-up: The programme was flawed in the selection of the analysts, the prejudice of the presenter and the choice/editing of the sample of pro-Brexit views. If The Brexit Collection had contained balancing programmes from different perspectives then the skew evident here might have been justified, but this one-sided presentation and analysis stands alone in the Collection.

Brexit Street (occasional series PM, 20 July – 12 August, 2016). **This was a totally flawed exercise in which an atypical street with atypical problems was depicted as representative of the Brexit vote.**

The series began on Radio 4's PM programme in July, and its premise is that a regular stream of reports from this 'ordinary street' in Thornaby-on-Tees (between Middlesbrough and Stockton) will illuminate the underlying reasons for the referendum vote and its subsequent impact on residents and the locale. However, research by News-watch has identified it is not an ordinary street at all. House prices there are a third of the national average, and the local council has taken a very high number of asylum seekers, many of whom have been housed in 'Brexit Street' itself. The reporter, Emma Jane Kirby spoke of houses peppered with satellite dishes, low home ownership, high unemployment and daytime street drinkers. The focus of the early programmes has been on the problems of the asylum seekers and the apparent negative attitudes of locals towards them, including verbal and physical abuse and Swastika graffiti painted onto doors. The initial choice of interviewees has also included a high number of unemployed people who are very angry with the government that it has allowed Teesside to become rundown. To date, the interviewees have all been drawn from the DE social grades, and thus in a fundamental overall sense, the choice of material cannot at all representative of the national Brexit vote. Thus PM is being deeply misleading in its claims about the series. They have chosen a street where problems related to recent incomers are disproportionately high, and the intent seems to try show that the Brexit vote was based heavily on such tensions. Clearly, they may have been an element of voting choice, but not to this extent.

The Food Programme (3 July 2016): A selection of commentators and ‘experts’ from the food industry warned of calamity because of Brexit. There was only one contrary voice, introduced as a ‘speech-writer for Nigel Farage’.

This contained contributors from a range of food industry figures and ‘experts’ who overwhelmingly thought the consequences of Brexit on the UK food industry – from farm gate to supermarket – would be what amounted to disastrous. Predictions included ‘serious sets of challenges’, rioting in the streets, the possible demise of the Scotch whisky industry, businesses large and small in serious jeopardy, huge uncertainties about farming, and sharply-rising costs and prices. The contributors were mainly Remain campaigners and they argued that the benefits of Brexit had been hugely exaggerated and in any case would not materialise. Presenter Dan Saladino mostly did not challenge their negative views, and at times seemed to work hard to add to the concerns. One of the commentators with a pivotal role was described as an ‘expert’, as if he had a neutral overview of the industry, but in reality he was an ardent opponent of Brexit who argued that the main purpose of the EU had been to avoid famine, warned that Britain was unprepared for exit and that it would have disastrous consequences (presumably including famine). There was only one contributor who believed that the Brexit vote would have a positive impact and presented his arguments in detail. Dan Saladino introduced him pointedly as a ‘former speech writer for Nigel Farage’ and someone who did not think it morally wrong to take food from Africans.

Summing-up: Overall, this was an alarmist programme that was seriously imbalanced against Brexit. The Remain side painted an extremely bleak picture and it was balanced with only one contrary view. Given that the food industry must contain figures who espouse less negative views about Leave and are not linked to Ukip, this was serious bias.

How to Make a Brexit (8 December 2016): This programme about Greenland’s exit from the EEC in 1983, strongly over-emphasised the difficulties involved, gave more time to the ‘remain’ contributors, and overstated the parallels with the ‘exit’ issues in 2016.

This programme focused on the 1983 exit from the EU by Greenland and examined whether the process could have potential lessons for the UK now. The main thrust of presenter Carolyn Quinn’s commentary was that huge difficulties would be involved. She gave contributors who confirmed this

point most space in the programme (to an approximate ratio of 3:2) and edited their comments so that they contained longer, more coherent arguments. Further, there was extensive comment from Claude Piris, an EU mandarin, about the problems of Brexit such as the impact on EU citizens living in Europe⁴ – nothing in the programme was provided to balance this. There was no equivalent contributor, because the main Leave campaigner who appeared, Ruth Lea, was asked principally about procedural issues linked to trade deals.

Summing-up: The programme provided an insight into the complexities of exit, but it emphasised these disproportionately and failed to give an adequate reflection of the ‘out’ perspective. Carolyn Quinn emphasised throughout the difficulties of leaving, compounding the negativity of the Remain contributors, who between them, commanded the lion’s share of the comment.

Farming Today: What Should a Post-Brexit British Agricultural Policy Look Like? (2 July 2016): This was a heavily Remain-sided view of the claimed very negative impact of Brexit on farming, from contributors who also strongly favoured ‘ecological’ and ‘green’ approaches to agriculture.

The programme examined the likely effect of Brexit on agriculture through the opinions of four figures who were strongly pro-EU before the referendum and mostly thought the consequences of Brexit were likely to be negative. The integrity of the programme suffered seriously as a result. It was definitely not impartial. Two of the panellists claimed that they would make the most of Brexit, but nothing in their contributions brought out what this would be. The main focus of two of the contributors was the ‘green’ approach to the environment and their priority was that post-Brexit agriculture should be more ‘green’ than it is now. The main agricultural ‘expert’, Allan Buckwell, [an ardent Remain campaigner at a national level](#), said that leaving the EU would be disastrous for the UK; that the UK must stay in the single market, or agriculture would seriously suffer; that DEFRA did not have the expertise to deal with UK agriculture; that farming was dependent on single-market levels of immigration; that the tariff regime would be chaos; that there had been no planning for Brexit; that

⁴ He said: ‘The big problem will be for Britons living, which are around 2 million, in countries of the European Union now. So they will be not any more EU citizens, they will lose the citizenship of the EU, which gives the right to move, to establish, to have a lot of benefits and so on, that will disappear. And then if the UK tries to negotiate to the EU on that, will the UK accept that Eastern European members of the EU have free access? I don’t think so, because that’s one of the problems. And if there are some barriers to this movement, the same will be applied to Britons going in the EU countries. So there’ll be a lot of problems for EU citizens living in the UK as well, because you have two million there, working and living or studying in the UK.’

the Treasury would not fund many farming schemes, wiping out elements of agriculture in some regions; there was anger that the sheep and beef industry could be lost; that farming was going to be turned 'upside down' without any planning; that the CAP provided a settled regime, so that farmers could plan, but now they would be at the mercy of UK political cycles; that the UK was being appallingly badly governed; and that the post-Brexit 'pause' would hit markets hard and investment would be held up. Matt Shardlow, of the pro-EU charity Buglife, claimed that all the environmental gains in the UK over the past 20 years had emanated from the EU and the question now was whether wildlife protection would even continue. He said that 10,000 pieces of EU law would now have to be brought into UK law, and suggested that agricultural subsidies were at risk, with serious wildlife consequences. Ed Gillespie, of the green think-tank Futerra, said post-Brexit, consumers must accept that food prices would go up steeply, that excesses of big farms needed to be curtailed, and the power of supermarkets must be curbed. Ed Ford, a member of Young Farmers, an avid supporter of Remain, but who now felt Brexit should be embraced, said that environmental measures must recognise the need for efficient farming, but he favoured a continuation of the current EU environmental regime.

Summing-up: The Allan Buckwell contributions, which were shot through with negativity about the impact of Brexit, dominated the programme. He was introduced as an 'expert' thus imbuing his pronouncements with authority, but nothing was said or explained to listeners about his deeply pro-EU stance or that he is a [senior research fellow of the Institute of the European Environmental Policy](#) group (IEEP) which receives regular funding from the European Commission. He was thus a highly-biased observer. Matt Shardlow, of Buglife, is similarly staunchly pro-EU. His company's website describes the UK's approach to the EU as 'petulant', and makes it clear that he believes the EU is a vital component of all efforts in the UK towards what he calls 'conservation'. There was nothing on the programme that challenged either of their strongly-skewed perspectives.

Mary Beard's Point of View: The academic Mary Beard argued that Brexit meant a close-down of academic horizons and had stemmed from 'specious propaganda'.

In this programme, Ms Beard argued that her career as a 'European academic' had been better because of the EU and the co-operation it promoted. She warned that the withdrawal of 'EU funding' (the source of which was not disclosed) would be devastating. The Roman Empire had shown that people could be 'culturally ambidextrous' (for example, Roman and Spanish) and that is what she felt when she listened to 'Ode to Joy'.

Beard accepted that the 'specious propaganda' about sovereignty, migration and 'getting our country back' had spoken to people in places like Lincolnshire not because the people were racists or xenophobic but because they did not in any way feel European – and that was the fault of a procession of governments who had not done enough to encourage people to 'think European'. Instead a history curriculum was taught that was about divisions in Europe and wrongly built on 'British heroism against Europe'. There had also been a failure of language tuition and that had closed down ways of entering other cultures and 'being European'.

Beard accepted that other forms of co-operation might open up as a result of Brexit, and that leaving the EU would not end many forms of co-operation. But meanwhile uncertainty hung over the Erasmus academic exchange – and she could not help thinking that intellectual boundaries that had opened up during her working life would close up again.

Summing- up: This was a strong attack on Brexit that emphasised there would be huge uncertainty for academic enterprise and cooperation, and postulated a possible return to isolation.

The Bottom Line (June 30): Three strongly pro-EU guests predicted between them dire consequences as a result of the referendum vote. Evan Davis, the presenter, seemed to delight in their pessimism.

Evan Davis encouraged three business figures who were firmly against Brexit (Juergen Maier of Siemens, Julia Gash of Bag It Don't Bin It, and Anne Richards of M&G Investments) – and who had predicted dire consequences in advance of the referendum vote – to articulate their EU-related thoughts. Between, them they described an overwhelmingly negative prospect, and suggested the Leave vote had also been motivated by negativity. In consequence of the poll they said there was a 'market rout' with prices 'off the cliff', a 'walking nightmare'. Businesses, they claimed, faced their 'worst nightmare' of having to negotiate trade deals with 27 countries. Collectively, they feared a drying up of investment, the introduction of tariffs, an increasing complexity of doing business through the need for additional paperwork, price rises, unfair treatment of workers, unwise and impractical restrictions on immigration, a curtailing of the opportunities available to young people, and a rise of xenophobia and racism to the extent there was imminent danger of 'personal attack' for those supporting 'remain'. The fourth contributor, Jan Atteslander of Economy Swiss, warned that it had taken 45 years for his country to work out trading arrangements with the EU, and explained the

Norway option would also mean accepting the 'acquis' which involved the continued application of EU law and other principles such as free movement of people. The only positive points made briefly in the programme, from Anne Richards, were that the vote should not prevent the UK from being outward looking, and the Brexit vote had not knocked the UK's image. Evan Davis seemed to be increasingly delighted as each negative point emerged, and expressed this by a series of strange laughs.

Summing-up: the aim of this programme seemed to be mostly to allow the three contributors who were supporters of the EU a platform to express their wide-ranging anti-Brexit concerns, and to advocate that the vote had been underpinned by racism and negativity. One of the interviewees, Julia Gash – perhaps the most strongly pro-EU guest – [has strong links with the Liberal Democrats](#) (and had appeared on BBC programmes in that capacity as a campaigner in favour of the UK joining the euro⁵), and thus had a political axe to grind as well as her business perspective, but this was not spelled out to the audience. The Swiss contributor was given the opportunity to say that the UK might be able to negotiate a positive trade deal with the EU, and this was one slightly balancing factor, but it did not make up for the overall blatant imbalance.

More or Less (The BBC's fact-checking unit) The Referendum by Numbers: Omnibus Part 1 (18 June 2016): Tim Harford used false logic to discredit the 'out' case and was in no sense 'objective' – in fact, the reverse.

This featured investigations by presenter Tim Harford into the 'truth' of claims by Vote Leave about the costs of EU membership and potential benefit of Brexit; corresponding warnings by Remain supporters of the financial cost of exit; the possibility of controlling immigration in the wake of Brexit; and whether the proportion of EU laws on the EU statute book was as high as 70%, as claimed by Nigel Farage. The findings were that the Vote Leave claims about the cost of EU membership were wrong; that experts, including one on the 'out' side believed that the cost of Brexit would be high and that trade would fall in the short term; that a consensus of economists – including at least some on the 'Leave' side – thought immigration was vital for the UK economy, that there was difficulty in measuring actual numbers, and that many 'out' campaigners believed continued high volumes of incomers were needed; and that even if the proportion of EU laws in the UK was as high as 55%, this was not a helpful

⁵ <https://www.theguardian.com/world/2001/feb/18/euro.eu>

measurement because EU laws, such as those covering olive oil production, did not apply to the UK in any case.

Summing-up: Overall, Tim Harford was most focused on providing evidence that claims in favour of Brexit were wrong. His techniques for doing so were not, as he clearly projected, in any sense 'objective'. He used, for example, the pro-immigration views of just one 'out' supporter, Andrew Lilico, to undermine the Leave side's desire to cut immigration numbers. His false projection was that because Mr Lilico had different views about immigration from others in the 'out' camp, the whole of the 'out' case about immigration was not credible. He also said that Mr Lilico believed that Brexit would cost the UK in the short term £60bn, noted that this was several times the UK's annual subscription to the EU and said that this chimed with the Remain side's forecasts of slower growth. Thus Tim Harford used the perspective of one Leave-supporting economist and his gloomy forecasts and support for immigration to undermine the 'out' case. This was deeply misleading journalism and certainly not – as the BBC claimed for Tim Harford's 'fact-check' work – in any sense an objective assessment.

Call You and Yours – How is Brexit Affecting You? (28 June 2016) Much more time and weight was allocated cumulatively by the programme to those who attacked Brexit.

Presenter Winnifred Robinson, though including a number of contributions that suggested that Brexit could lead to positive outcomes, nevertheless gave greater prominence to those who believed the prospects following the referendum were negative and that the Leave vote had been based on racism. Four phone-in contributors – a bakery shop owner from Bolton, a US tourist to the UK (and shopper), a corporate consultant and a marine equipment manufacturer – each said that they thought Brexit could have a positive impact, though the bakery owner qualified this by warning that he was heavily reliant on immigrant labour, and the marine goods maker claimed that that a new James Dyson-like figure was needed now to steer the process of change. Another caller said he had voted 'out' because the EU was undemocratic, and the last word in the programme wrap-up was briefly given to a woman who said she was not racist even though she had voted Leave. The greatest prominence, however, was given by Ms Robinson to a selection of callers who thought that Brexit was beset with serious problems. An architect said he had already lost orders and was very 'angry and upset' because this was all so unnecessary'. A homeowner claimed he had lost £20,000 from his house sale, while an overseas property investor said that all decisions about future investment were being put on hold. A

man married to an Indian woman said that although he had voted Leave, he was worried about racial attacks and had postponed his plans to move to France. A pensioner said her husband could not now retire as he planned because annuities had plunged in value. Another pensioner, who lived abroad, said the value of his monthly pension had already fallen by £200. A brick company owner warned that he had already lost £10,000 because of increased material costs and said that curbing immigration would be a difficult issue for his firm. On a macro level, the Leave vote meant that without a shadow of a doubt, the government would not be able to meet its housing targets. A scientific research company executive said the vote had caused a rise in the cost of materials and put EU-based projects under threat. The cost of this was potentially the equivalent of £2.7bn or ten new hospitals. Finally, another caller said that her Italian husband had wrongly been barred from voting and this had been the case for lots more like him who had put their roots down here. They would now leave the UK because they were under threat from racists, and she noted that in Wales, a Polish girl had been found dead in her classroom. She said that a voice had been given to 'them' (racists) and she no longer wanted to live in a country 'like this'. The next caller agreed about the racism and warned that he would now lose a pension he had accrued when he worked in Hungary. This higher number who attacked Brexit was supplemented by comment from co-presenters/contributors, who outlined mainly that the economic reaction to the referendum vote had been strongly negative.

Summing-up: The programme could easily have ensured a more equal balance in post-referendum opinions. But it seems that this was not the editor's priority. The majority of the callers put negative points, and their concerns were supplemented by the presenters' emphasis on the negative market reaction to the prospect of Brexit. Those who were positive towards Brexit were allowed to put their points without interruption, but their perspective was heavily outweighed by the other side.

EU Programmes 2009 and 2012

Finally, there were six programmes about Britain's relationship with the EU, four broadcast in February 2012, and one in November 2009.

In the first, an edition of **Analysis** from 2009, it was noted that the Treaty of Lisbon included a provision for member states to leave the EU. There was comment from Lord Pearson of Rannoch and Daniel Hannan MEP, about the potential benefits of leaving. But this was offset by a greater range of other

guests who thought the impact would be negative. It floated the idea that the UK might one day leave the EU – the Treaty of Lisbon provisions meant it was no longer ‘simply inconceivable’.

Preparing for Eurogeddon (13/2/12) looked at what was likely to happen if Greece or another country exited the euro, and if it did, whether contagion could be contained. The departure, it was said, of Greece was 50% likely. If Germany continued to try and stop Greek departure, it would likely have to help other countries such as Portugal too. It was suggested that Greece might do better after exit. Overall, the suggestion was of uncertainty and unpredictability. There were no Eurosceptic contributors.

Eurogeddon II (25/6/12) looked at whether the euro could break up against a lack of vision for the way forward. There were problems of sovereignty – for example the Germans scrutinising Irish budgets – but calls for closer integration to deal with the problems created by the euro. Peter Mandelson argued that closer integration did not involve loss of sovereignty, and the cost of failure would be incalculable. Chris Bowlby concluded that against a background of the single currency unravelling, the response had been to aim for much tighter integration, but there will formidable new challenges that would create other problems.

1989, Reshaping Europe (29/1/12) Allan Little surveyed the history of the euro. He traced back to the fall of the Berlin Wall and said that the EU leaders (who had seen the Second World War) wanted it to ensure future peace. It was suggested that France wanted the single currency to tie Germany to the EU – but it had the opposite effect of putting Germany in charge of the EU. There was comment that preparation for the euro was minimal and that countries were allowed to join who did not meet the financial rules. There were suggestions that EU leaders naively overlooked the potential political and financial problems.

In **Breaking the Pact** (5/2/12) Allan Little argued that the needs of the euro could lead to the EU being more centralised and undemocratic. Jonathan Powell said that after 9/11 efforts had been made to set up an EU troika of France, the UK and Germany to make ‘urgent decisions’ – but Spain heard of it and demanded to be involved. Eventually, the new unit was much larger and just as bad at making decisions. It was explained that there had been rule-bending on a massive scale to allow Greece into the euro. The 3% GDP deficit limit had been repeatedly broken (by France and Germany) and this had been sanctioned by Ecofin. This had led Romano Prodi to try make the Commission more powerful so that it could run economic policy properly. Sir Stephen Wall suggested that actually the EC was ‘rather

weak'. Lord Kerr discounted the idea of an elected Commission – it should be run by a very powerful figure to look after the common interest. Allan Little concluded that an issue for the future would be whether the EU was accountable to the people or the Commission 'a bunch of people whose names we don't know'. There were no eurosceptic contributors.

In **Deeper Not Wider** (12/2/12), Allan Little opened by noting that Greeks were currently revolting not just against their own government but 'Europe' too. He observed that the EU had been set up to curb Germany; now the Eurozone was 'Germanising' much of Europe. Former Greek Finance Minister Peter Doukas claimed that the centre of gravity was moving towards Berlin – and Germany would soon be dictating the rules. There was comment that the consensus for closer union was weakening. Was Germany in any case as relevant now because the axis was shifting eastwards? Allan Little noted that the True Finns had taken 20% of the vote and they viewed the EU as a 'monster' of bureaucracy. Integration had gone too far and too fast, according to the True Finns – they bought the EU's environment agenda, and much else, but not without limit. Allan Little commented:

Europe has had seventy years not only of free trade and steadily rising standards of living, not only of peace but of a peace in which war is now all but unimaginable. But public opinion has often followed the van of European integration reluctantly and at a distance. Now integration has run up against a powerful foe: a democratic backlash, a revolt of the nations. Even at its Franco-German core.

Discussion about the EU involving Stephen Wall included comment that it was democratic. Allan Little wondered what would happen when and if the EU had the power to insist that national budgets were submitted to them for approval. He noted however that Poland wanted the EU (and Germany) to have more power

Summing up: These programmes raised the possibility that the UK might one day leave the EU, and that there was now legal provision for it to do so; that preparation for the euro had been abysmal; and that the tensions created by this inadequate preparation were now coming home to roost, causing major tensions throughout the EU and leading to big questions about how it was run. Overall, they showed that the Greek financial crisis had created structural, economic and political problems that were difficult to deal with to the extent that in Finland at least, powerful movements against the EU were beginning to stir, and big questions were being asked about the role and power of Germany. However, the main bulk of the comment was made by pro-EU figures such as Sir Stephen Wall and Lord Mandelson, and the criticism was thus relatively limited. In the programme about the UK's possible exit, the comments of Lord Pearson and Daniel Hannan were heavily outweighed by those

who wanted the UK to become a more enthusiastic member of the EU. A glimpse of negativity about the EU was provided, but only from a very narrow perspective. This in no way adequately reflected the range of opinion in the UK against the EU. If anything, the reverse was the case.

The Brexit Collection – Statistical Analysis

Overview

News-watch transcribed all programmes included on the Brexit Collection webpage at launch, together with all new additions made before Tuesday 23 August (exactly two calendar months on from the referendum date). The 31 items chosen by the BBC for inclusion in the Collection are listed below:

<i>Items included in the Brexit Collection, 11 July – 23 August 2016</i>		
Programme Name	Broadcast Date	Duration
Front Row: The Cultural Response to Brexit	26 July 2016	43 min
The Briefing Room: Why Did People Vote Leave?	14 July 2016	28 min
PM Brexit Street	20 July 2016	8 min 45 sec
PM Brexit Street	21 July 2016	10 min
PM Brexit Street	22 July 2016	9 min 30 sec
PM Brexit Street	10 August 2016	3 min 15 sec
PM Brexit Street	11 August 2016	9 min 15 sec
PM Brexit Street	12 August 2016	9 min 15 sec
A Point of View – John Gray	12 July 2016	9 min 30 sec
A Point of View – Onora O'Neill	11 July 2016	13 min 45 sec
A Point of View – Peter Hennessy	14 July 2016	13 min 30 sec
A Point of View – Mary Beard	16 July 2016	13 min 45 sec
A Point of View – Roger Scruton	13 July 2016	13 min 45 sec
Dead Ringers: Series 16, Episode 3	1 July 2016	28 min
What Could Brexit Mean for Your Finances	Unknown	10 min 45 sec
Brexit and Food – A Food Programme Special	4 July 2016	28 min 15 sec
The Vote Now Show: EU and Yours	19 June 2016	27 min 45 sec
How to Make a Brexit	8 December 2015	36 min 30 sec
Farming Today: What Should a Post-Brexit Agricultural Policy Look Like?	2 July 2016	24 min 45 sec
The Human Zoo: That Post-Brexit Feeling	28 June 2016	27 min
The Bottom Line: Life After Brexit	30 June 2016	27 min 30 sec
Money Box: Post-Brexit Pension Prospects	2 July 2016	11 min 45 sec
More or Less: The Referendum by Numbers Omnibus	18 June 2016	28 min. 45 sec
In Our Time: Sovereignty	30 June 2016	47 min 15 sec
Call You and Yours – How is Brexit Affecting You?	28 June 2016	39 min 45 sec
Analysis – Divorcing Europe	16 November 2009	27 min 45 sec
Europe's Choice – Preparing for Eurogeddon	13 February 2012	28 min
Europe's Choice – Eurogeddon II	25 June 2012	27 min 45 sec
Europe's Choice: 1989, Reshaping Europe	29 January 2012	27 min
Europe's Choice: Breaking the Pact	5 February 2012	27 min 45 sec
Europe's Choice: Deeper not Wider	12 February 2012	27 min 45 sec

When the Brexit Collection website was re-visited on 5 September 2016, two of the initial raft of programmes had been removed by the BBC: comedy sketch-shows *Dead Ringers* and *The Vote Now Show*. Although full transcripts were compiled, News-watch had already decided to exclude these programmes from the statistical analysis, given that in both cases comedians or impressionists were

essentially ‘presenting’ or delivering content. And although the strongest barbs were aimed at Nigel Farage, Ukip and Brexit more generally, it was impractical to categorise them in the same terms as the voices heard in the news, documentary, current affairs and arts programmes contained in the rest of the Collection. Similarly, *The Human Zoo* and *In Our Time* were excluded from the statistical analysis given that they only dealt with the referendum tangentially (and in the case of *In Our Time* markedly avoided its discussion altogether). With these four programmes excluded, the sample for analysis was reduced to exactly 10 hours of coverage, with transcripts totalling approximately 108,000 words.

Contributors

212 guest speakers contributed to the debate across the 10 hours of programming selected by News-watch for detailed analysis. These contributors were coded according to their viewpoint towards the EU and, where possible, the referendum itself. A proportion of speakers were also categorised in terms of whether they were included to ‘bolster’ one side of the debate or the other, on occasions where they did not explicitly state how they had voted personally.

The analysis shows that 49 contributors (23%) spoke in favour of Brexit, were anti-EU, or bolstered Leave arguments. 124 contributors (58%) spoke against Brexit, were pro-EU, or bolstered the Remain perspective. The remaining 39 speakers (19%) gave a neutral or factual perspective, or provided contributions which could not be categorised neatly in terms of the referendum or wider EU debate. As such, those listening to The Brexit Collection (and to the original programmes themselves, of course) would have been **two and a half times more likely to hear a Pro-EU/Remain speaker than an Anti-EU/Leave contributor.**

A similar discrepancy was revealed when contributors were assessed on word count rather than number of appearances. Leave/Anti-EU contributors were afforded 15,462 (24%) of the total words spoken, Remain/Pro-EU contributors 40,786 words (63%) and Neutral/Factual/Uncategorised speakers 9,009 words (14%). This indicates that Anti-EU/Leave speakers were not given additional space to make up for their lack of overall numbers.

Range of Voices

The data was analysed to assess the range of voices contributing to the Brexit Collection.

Category	Leave	Remain	Neutral/Factual
UK Politicians	9	23	6
EU Politicians	2	14	1
Non-UK, Non-EU Politicians	3	0	1
Business, Finance, Trade Bodies	6	19	7
Academics, Lawyers	0	11	2
Think Tanks, Pressure Groups and Charities	3	9	3
Members of the Public, Vox Pops, Listeners	20	33	12
Artists, Authors, Historians, Journalists	6	11	6

Given the imbalance between Pro and Anti-EU speakers in the Brexit Collection as a whole, it is unsurprising that Pro-EU/Remain supporters dominated every category.

The biggest inequality came with regards to Academics and Lawyers: this category contained eleven Remain supporters, but not a single advocate of Leave. There was also a significant inequality in the category of EU Politicians (which includes politicians from the member states and those working for the EU institutions themselves, but excluding UK MEPs), where Remain voices outnumbered Leave voices by a factor of seven to one. Similarly, visitors to the page who managed to listen to the full raft of programmes would have been over three times more likely to hear a Remain representative from the world of Business and Finance than a guest who supported Leave.

One important point of divergence is the relative proportions of ‘ordinary’ speakers (members of the public, vox pop interviews and programme audiences) who were used to make the case for each side. Such contributions made up 41% of those speaking against the EU or in favour of Brexit; whereas ‘ordinary’ contributors accounted only 27% of Pro-EU guests.

In terms of airtime given, the discrepancy was even more pronounced: Members of the public were responsible for delivering 5,270 words of the Leave/Anti-EU argument people (34%) compared to 3275 words for the Pro-EU/Remain side, (just 8% of the Pro-EU total).

This raises crucial issues around of the quality of the contributions of ‘ordinary’ people, their depth of their understanding and their ability to express their opinions articulately. There are also significant concerns surrounding audience perceptions of ‘ordinary’ sources, whether they are authoritative, and how they might compare favourably or unfavourably to the ‘professionals’ or ‘experts’ who

dominated the other side of the argument within the raft of programmes chosen by the BBC for inclusion in The Brexit Collection.

Certainly, there are issues surrounding the breadth of opinion being delivered by the various members of the public: 11 of the 20 'ordinary' speakers who spoke in favour of Brexit were from two locations in Northern England (Thornaby and Wakefield), and together they were responsible for 80% of the words spoken by 'ordinary' Leave supporters.

Conclusion

The disparity in speaker proportions recorded within the Brexit Collection raises serious concerns: how can the strand purport to 'explore what the impact of Brexit might be'⁶ if there is an inordinate focus on those who *lost* the argument with the general populace? And if this raft of programmes, self-selected by the BBC is the most balanced and equitable overview of the Corporation's EU and referendum output, then what might be happening elsewhere in the schedules?

Inequality in speaker appearances within the BBC's EU coverage has been a key issue since News-watch began monitoring the BBC's EU coverage in 1999. Early surveys divided speakers between those who were overtly pro-EU and those who were Eurosceptic, with an underlying acknowledgement that this was ultimately a false dichotomy, given that a large proportion of the Eurosceptics were, despite an apparently 'tough' stance on the EU, ultimately in favour of continued membership. Even so, in the initial News-watch surveys pro-EU speakers often outnumbered Eurosceptics by a ratio of 2:1.

The 2016 referendum divided political discussion on the EU into a clear binary: those supporting Leave against those supporting Remain. This exposed the huge disparity in coverage of the two sides of the debate in the preceding 17 years, and how the arguments for leaving the EU had been severely and consistently unrepresented in the BBC's EU coverage.⁷

Throughout this period the BBC has consistently attempted to avoid any criticism on matters of speaker balance, resting its defences on two interlocking principles - 'due impartiality' and 'breadth

⁶ <http://www.bbc.co.uk/mediacentre/latestnews/2016/r4-explores-brexit-with-special-commissions>

⁷ For example, between 1999 and 2004 so few speakers who supported withdrawal from the EU appeared on Radio 4's Today programme, News-watch didn't categorise them separately from 'eurosceptic' guests. Between March 2004 and June 20015, of the 4,275 guest speakers on EU themes who appeared on Today, only 132 (3.2%) were identifiably in favour of Britain leaving the EU, and only 3 (0.07%) were left-wing advocates of Britain leaving the EU.

of opinion’ - which in effect permit virtually any combination of speakers, based on ‘editorial judgement.’⁸ The foundation of this new approach to impartiality was John Bridcut’s 2007 report, ‘From Seesaw to Wagon Wheel,’⁹ and Stuart Prebble’s 2012 follow-up, ‘A BBC Trust Review of the Breadth of Opinion Reflected in the BBC’s Output.’¹⁰ Senior BBC staff have since bolstered this approach, for example in appearances before the House of Commons European Scrutiny Committee, with criticisms of ‘impartiality by numbers’¹¹ and claims that fairness was ‘not something to be solved by mathematics.’¹² Conversely, university departments tasked to undertake fieldwork for the regular BBC Trust Impartiality Reviews have often relied on precisely such measures.¹³

When Sir William Cash of the European Scrutiny Committee questioned BBC Director General Lord Hall on the point of arithmetical equality directly in a European Scrutiny Committee hearing in March 2015, Lord Hall appeared to agree that there ought to be ‘complete and equal balance’ between opposing views on the EU:

SIR WILLIAM CASH: But you agree that there are two sides to this equation, in terms of whether or not you want more integration. You cannot really answer my question by referring back to this diffusion of voices. There is a question. Quite simply, there are people who believe that there should be more integration and there are people who believe there should not. On that issue, what I am asking you is very simple—that you make sure that there is a complete and equal balance between those two views as and when they come out of the radio or the television.

LORD HALL: Our job is to ensure that we are impartial and reflect all sides of an argument.

SIR WILLIAM CASH: So you do agree with me.

LORD HALL: Yes, I do.¹⁴

⁸ A complaint to the BBC based on the 23 January 2013 edition of BBC2’s Newsnight (the day on which David Cameron announced that he would hold an in/out referendum) in which pro-EU speakers outnumbered a single supporter of withdrawal by 18 to 1 was rejected by the Editorial Standards Committee, as the Committee considered the editorial decisions in choosing the contributors were reasonable.

⁹ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/review_report_research/impartiality_21century/report.pdf

¹⁰ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our_work/breadth_opinion/breadth_opinion.pdf

¹¹ Rona Fairhead, CBE, Chairman of the BBC Trust, Oral evidence: EU Scrutiny: follow Up inquiry, HC 540, Wednesday 2 December 2015, <http://bit.ly/2dzuYLO> p.9

¹² Richard Ayre, BBC Trustee and Chair of the Editorial Standards Committee, Oral evidence: EU Scrutiny: follow Up inquiry, HC 540, Wednesday 2 December 2015, <http://bit.ly/2dzuYLO> p.13

¹³ In a report conducted by the BBC Trust, Loughborough University Communications Research Centre pointed out that comparing the space and regularity of guest appearances in news coverage ‘may help assess whether . . . a balance has been achieved.’ *The BBC’s Reporting of the Israeli-Palestinian Conflict*, Loughborough University Communications Research Centre, 2006, p.22 In subsequent reviews other university departments have also counted speaker appearances to assess impartiality.

¹⁴ <http://www.parliamentlive.tv/Event/Index/a2aa652a-168b-4899-95ee-6e306655b337>

But in reality the BBC has always resisted ensuring any such parity, and The Brexit Collection stands as a testament to it never having been achieved. Indeed, the enduring lack of curiosity regarding the arguments for Britain leaving the EU has had a direct influence on the data presented here.

Exactly a quarter of the Collection's airtime (and 31% of total speaker appearances) came from six documentaries originally broadcast between 2009 and 2012. Stuart Prebble himself referenced the three Allan Little 'Europe's Choice' programmes in his 2013 report as evidence of the breadth of EU coverage delivered by the BBC, which he opined were 'explained brilliantly' and represented an 'an absolutely fascinating analysis.'¹⁵ He noted, however, as a caveat, that in all three programmes, 'there was not a single voice expressing the view that the UK would be better off out. You could almost hear the groans from the withdrawalist camp.' As News-watch pointed out in its contemporaneous assessment of the Prebble Report for Civitas¹⁶, he had failed to grasp that there might also have been similar 'groans' from anyone pressing for a level playing field, or for a rigorous and equitable examination of the issues at stake.

The imbalance observed in the Brexit Collection, therefore, is in no small part a consequence of historical inequalities in the BBC's coverage, recorded by News-watch over many years and across a range of programmes, where pro-Brexit opinion has been routinely side-lined or ignored, and where those charged with ensuring impartiality believe that a documentary strand featuring one and a half hours of EU discussion without input from a single withdrawalist guest to be 'excellent' reporting.¹⁷

As the statistics in this section and the programme-by-programme analysis earlier illustrated, very little appears to have improved with regards to the BBC's post-referendum programming, with striking differences in the treatment of the two perspectives continuing. The BBC has failed to reflect public opinion on the EU for more than two decades. The Brexit Collection shows that even after a majority of the public voted to leave the EU, this failure to reflect the debate in a balanced way continues.

¹⁵ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our_work/breadth_opinion/breadth_opinion.pdf, p47

¹⁶ <http://news-watch.co.uk/wp-content/uploads/2015/03/Civitas-Impartiality-at-the-BBC.pdf>, pp13-14

¹⁷ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our_work/breadth_opinion/breadth_opinion.pdf, p47

THE BREXIT COLLECTION

Full Transcripts of all items included on the BBC Brexit Collection website up to 23 August 2016

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John Wilson is joined by cultural figures including Phil Redmond, Val McDermid, Dreda Say Mitchell, Rufus Norris, Wayne Hemingway, Samuel West, Jane and Louise Wilson, George the Poet and Anthony Anaxagorou to discuss how Britain's creative community can and should respond to the divisions in British society exposed by the EU Referendum result.

With an audience at The Royal Society of Arts in London, they explore whether Brexit presents an artistic opportunity, if it signals a retreat from European culture, how it will be reflected in the books, films, plays and music of the next few years, and what art can do to help us navigate the realities of post-Brexit Britain

26 July 2016, 43 minutes

JOHN WILSON: Yes hello, and welcome to the special edition of Front Row in which will debate the cultural response to Brexit. We'll hear from television producer Phil Redmond who masterminded Liverpool's tenure as European Capital of Culture, novelists Val McDermid and Dreda Say Mitchell are here, as is the designer Wayne Hemingway, actor and director Samuel West joins us, he chairs the National Campaign for the Arts, and Rufus Norris, the artistic director of the National Theatre is also with us, as is an audience at the Royal Society of Arts (applause) We're in, we're in the historic Great Room here at the RSA, which has hosted debate and demonstrations for over 250 years. Around the walls just above our heads, there's a series of frieze paintings by the 18th-century Irish artist James Barry, featuring the likes of William Shakespeare, Chaucer, Christopher Wren, Rubens, Reynolds and many more. This room hosted the very first public exhibition of contemporary art, and the first public exhibition of photography. Alexander Graham Bell demonstrated the telephone here, in this room, in 1877, and people heard a photograph recording for the first time the following year. All of these great cultural leaps allowed new ways for people to communicate and make sense of the world, and it's in that spirit that we've come to the RSA this morning to hear at the cultural landscape might shift and resettle in the years ahead after the seismic events of recent weeks. Britain is heading out of the European Union, so how can artists, producers, writers and others in the creative industries make sense of Brexit, to help navigate a fractured social landscape and to create new narratives? Will we become perhaps less European culturally? Does Brexit offer artists an opportunity to mine deeper into the rich vein of Britishness? And could the vote to leave the EU help inspire and galvanise a younger generation of artists? Well, you can join in the, er, the debate, by Twitter using the hashtag 'culturalresponse' that's all one word #culturalresponse. But let's start with some questions for our panellists, and Phil Redmond, let me start with you. You once told stories about social and domestic struggle, via the microcosm of Brookside Close of course, many years ago, and you lead as you mentioned, as I mentioned Liverpool's European Capital of Culture that was 2008. Does Brexit offer an artistic opportunity for Britain?

PHIL REDMOND: Erm . . . yeah, well I think just going back to your . . . your own introduction there is just a reminder that we existed before the European Union, and we'll exist after it, so . . . I mean, the question's really . . . we're not really sure, are we, what the changes are going to be, but it is going to be change. But . . . if you go back to Dickens, 'it was the best of times, it was the worst of times, the age of reason and the age of foolishness.' I think, erm . . . I think there's probably an opportunity there, you know, because, er, it's probably time anyway across our cultural landscape that we did start to take a look back at the UK itself, we've got a lot of big cultural changes going on across the UK, the kind of things that we used to do in Brookie, and we touched on in Grange Hill and Hollyoaks, and now I've actually . . . I haven't actually stopped, I'm not still . . . I'm not really a 'used to be' yet, I've . . . (fragment of word, or word unclear) now doing it in novels, you know, but I think erm, from the European Capital of Culture 2008, erm . . . I mean, just a couple of bald statistics, in 2008 erm . . . we got the European Capital of Culture, everybody assumed Europe gave us a lot of cash, they didn't. They were supposed to give us €600,000 to help print the new letterheads and things, which I don't think it ever arrived, so the city did it all itself with mainly non-central government funding and private

funding. But out of that, you know, was a renaissance of the city, and what we did is use culture and art to remind everybody in the city who and what we were. We work, at one time, both the richest and the most culturally vibrant city in the world, at the turn of the 19th Century, and ten years on now, the European funding stream up to 2020, from 25 years has delivered about £100 million to the city region. The visitor economy now, this year, has doubled from 2008 to £4 billion a year.

JW: Right, so that 'can do' attitude that you're talking about there can be applied to other . . .

PR: Yeah, I mean . . .

JW: . . . urban centres in Britain, and its urban centres.

PR: Yeah, take the caveat that you know, the European funding helped sort of re— . . . reinvigorate the city, but it was culture that actually focused everybody within the city, and made them rediscover who they were, you know, and so that £4 billion a year now, to us, it has actually been reduced now to £33 million a year from Europe, and that's gone up, I'd say doubled since 2008, and it's still driving, and it's still cultural, arts driven.

JW: Right, okay. Val McDermid, er . . . best-selling crime writer of course, who's sold more than 10 million books around the world, and, and Val you voted for Scottish independence from the UK, but for the UK to remain part of the EU. Is this a new opportunity as far as you are concerned, erm . . . to define what it means to be Scottish through art and literature in your case?

VAL MCDERMID: Well, actually, that's what we've been doing in Scotland for the last 40 years, er, after the first devolution referendum in the late 1970s, Scotland started to look at itself very closely and to think about who we are in the modern world. For too long we'd de— defined ourselves positionally, we said, 'We're not the English', and now we've started to look at ourselves in different terms about who are we? What are our aspirations? What kind of country do we want to be? What kind of people do we see ourselves being in the 21st century and beyond? And . . . what it turned out to be is that we've moved away quite drastically from the old Braveheart nationalism of pounding our chests and saying, 'We're Scottish', to a much more civic nationalism, which is about saying 'if you choose to come here and cast your lot in with us, we will welcome you, we will make you part of us.' And a lot of that discussion has happened within the world of the arts, it's happened in drama, it happened in literature, and I think one of the reasons why Scottish crime fiction has come from nowhere to be so vigorous is that the crime novel in particular lent itself very well to the exploration of social circumstances, social realism. That's not to say that other writers in Scotland haven't also been doing these kinds of things, asking these kinds of questions. You have Alasdair Gray's *Lanark* kicking off one whole school of thought, and then you have novels like James Robertson's *And The Land Lays Still* – which is essentially an examination of what it means to be Scottish and to believe in Scotland, moving forward. And I suggest that this is an opportunity for the rest of the UK to do something similar, to think about who we are, to remake those myths. We don't have to accept the historic myths of who we are. You know, you're absolutely right, Phil, before there was the EU, there was Britain, but Britain didn't stand alone as an island, Britain had its, its . . . its support came from the colonies, its raw materials came from the colonies, we used their labour, we used their raw materials, we sent our products back out into the world, we weren't this tiny little inward-looking island state. And I think this is a chance for artists to help us to explore who we are in an outward-looking way as well as an inward-looking way.

JW: Yeah, well let's hear from your fellow crime writer, Dreda Say Mitchell, as well, and Dreda, born to Caribbean parents, grew up on an estate in . . . in er, London's East End, trained as a teacher, worked in education, Dreda, you voted Leave in the referendum, and in a way, going against the grain politically, er, of the artistic, the British artistic community, do you think that artists fail to properly represent the concerns of many people, the majority even . . . er, about life in Britain?

DREDA SAY MITCHELL: I think I would challenge, first of all, this definition of going against the grain of the British artistic community, because it's who we decide is the community. I'll tell you what happened to me this morning, I came here, I arrived, bright and early, I said, 'I'm here for Front Row', and what I was told is, the audience starts at nine o'clock. So, the media perception, is, here I am as a black woman - I'm here as an audience member - I can't be somebody here to talk about absolute . . . to talk about culture. And I think to me, that's the biggest thing that has come out of the referendum, is we keep talking about our narrative with Europe, our narrative with the world, the biggest thing that has come out is us having to look back at our relationship to ourselves. Our relationship to, to being British, and you know, for me, one of the biggest things in culture that has been talked (*word unclear, 'at' or 'out'?*) for years and years is this whole thing about access and diversity. I actually think those are pretty words for . . . discrimination. Why is it, in Britain, that lots of different groups actually aren't represented (*sic*) represented at the top. So, for here we are at the RSA in London, and I would suggest that we're not a representative group of the people who, who live in London. I don't think the panel is a representative group of people who, who live in Britain. And for me, you see, the big issues of . . . sorry?

UNKNOWN MALE: I used to be.

DSM: You used to be. (*laughs*) But I think, you know, we're so fixated on, that 'the EU did amazing things for us', but actually, we've got some big issues in this country to do with culture, and if we're really determined to move forward, it's about looking in on ourselves and actually moving those things forward. And one I want to move forward is this notion, and let me use the pretty words of 'access' and 'diversity.'

JW: Hmm, and, well, we're going to come onto that later in the programme. But let me throw some of those points to, to Samuel West, known for film and television dramas of course, but . . . and a former artistic director of Sheffield Theatres and currently chair of the National Campaign for the Arts. Erm, Sam, many creative people in Britain talked about being shocked by the result of, of the referendum, but surely, if the publicly funded arts is to give voice to the nation as a whole, it shouldn't really have been a big surprise to artistic people?

SAMUEL WEST: Well, I think a vast majority of people, about 96% of those polled, which may not be representative as Dreda says, but the vast majority of those polled wanted to remain. Collaboration and connection are our bread and butter, and that's why many people are mourning. But . . . I think for the rise of xenophobia in this country, the fear of the strange, we absolutely must take responsibility, we all must. We know, contrary to that, that the, that the fear of xenophobia, the, the acceptance of the strange is greatest in areas where integration is greatest, and by contrast, somewhere like Sunderland which has an immigration population of 3% - tiny by national standards - voted 61% to Leave. Now, if globalisation's losers feel ignored and threatened and scapegoat and dehumanise the other . . . outsiders, who they blame for those feelings, then artists absolutely must be there to help explore that frustration. That . . . those connections, that kindness is, is muscular, it's strong, it's worth doing, we can and we must do that. I think we are allowed to worry about where in society those artists are going to come from, and where the money to support them will come from.

JW: Yes, and what might be stimulating them, what might inspire them. Let me just, because we've got a lot to cover, let me just move it on, Wayne Hemingway, erm, Wayne, designer, who started the, the Red or Dead label, famously on a street market, it's now a global brand. But Wayne, you started in the 80s, in politically charged times. Great art and creativity can of course thrive, often does thrive in times of, of great political and social change, doesn't it?

WAYNE HEMINGWAY: Yeah, I mean, we've been dealt two massive erm, sow's ears, you know, one, one of them . . . one of the sow's ears is the fact that we're leaving Europe . . . or leaving the EU. Another one is the fact that we . . . that we have such a divided society. And both, but both of them erm, we've got to, we've got

to, we have to take something positive from it, you know, there's, there's, we can't go round in mourning for very long, and the creative industries are brilliant at turning sow's ears . . . into silk purses. That, that, that's what we do. And if you look . . . but it's going, it's going to take some, some, some form of revolution, and you look at what creativity did . . . the most exciting times of creativity from me, so . . . I was lucky enough to be at the right age for punk in 1975 and '76, and without that I would not have erm . . . been able to, me and my wife, would not have been able to create our first business, Red or Dead, which we sold, by the way 18 years ago, that is old news by the way (*laughter from audience*) but we would never have been able to have create that, we wouldn't have, you know, Camden market would have never reached the stage that it did, they wouldn't have been, you know, the vibrancy of Kensington Market, without all of that, and Affleck's Palace in Manchester and, and Quiggins in Liverpool and the Corn Exchange in Leeds, and all, and all of that it was a youthquake. If you look back, and, and the same happened in, in the late 80s and the 90s that the rave culture was born out of police oppression, erm, you know a government that was stopping people having fun, and, and in the 50s, rock and roll came out, and everything that came out of it, and the Festival Britain and all of that came out, the great design and the youthquake of the 50s, came out of a Second World War, and so I actually think, I actually think we will solve this. But I think it will be a youthful rebellion of sorts that does it, not going to the streets and rioting like the poll tax, but I think, but I think – or maybe it will happen that . . .

JW: Yeah, yeah.

WH: But I think there will be a massive rebellion at the moment.

JW: Well, I want to bring in some more artists who are in (*gap in recording*) we know that one of the key Vote Leave hotspots in Britain was the north-east of England, two artists who, who grew up in Newcastle, are the Turner Prize-nominated sisters, Jane and Louise Wilson. Erm, were you surprised, first of all, Louise?

LOUISE WILSON: Well, I have to say, Newcastle did vote to Remain just by a small majority . . .

JW: As a city.

LW: Yes, by a small margin, but they did er, vote to Remain. But actually, in a way, growing up in the north-east as we did, and studying there in the 80s, you kind of . . . erm . . . we were growing up in a sort of Thatcher period in a sense, at a time when, (*fragments of words, unclear*) you know, there was a vibrancy in London, there was kind of clearly, you know, serious sort of er, er cuts in the north-east, which has still continued. But having said that, we came out of a great erm . . . group of artists who are now, you know, Turner Prize winners, international curators, you know, gallery directors. So . . . you know, there was a great context there, in a way, even despite the fact that, you know, there was little sort of funding for the arts. And I just sort of thing now, you know, you've got museums like the Baltic in Gateshead, you've got MIMA in Middlesbrough, and you know, they've had to be inventive and creative in the way that they think about sustaining themselves now. I mean, you look at something like, er MIMA in Middlesbrough, and they've merged with Teesside University in order to sustain themselves, so . . .

JW: (*speaking over*) And that's . . .

LW: I'm sorry, yeah . . .

JW: . . . the cultural infrastructure, just talk about the mindset if you will. I think it's quite striking, you are merged, and other artists emerged at a time, and it's often looked back on as Brit Art, as Cool Britannia, that kind of idea, but the irony, of course, is that so much of the art that you and your peers were making was, was informed by a European sensibility, wasn't it? It wasn't particular British?

JANE WILSON: Well, I mean, we were very fortunate in 1996 to be invited to go to Berlin to have a DAD which is a Deutsche . . . I've forgotten the name of it now, sorry . . .

LW: (gives German phrase)

JANE WILSON: Yes, thank you Louise, but yeah, it was, it was a great opportunity, because basically it meant you lived in Berlin, you studied there, you also met and . . . saw other artists, you had a free studio, you kind of spent a whole year there, and it was a very, erm, you know, it was a very er . . . a huge experience for us to have that, but also to be able to feel that, you know, this is something that was available to you coming from the north-east, coming from where we were, but also to have that ability to cross over and to be in Berlin and to study, er . . . and to have a residency. So it was a, a big part of how we developed as artists.

JW: Yeah, let me just through, Louise, just for a moment, let me just throw that back to Samuel West, because, at a time when Jane and Louise emerged, Sam, it was a time, politically, economically of, of optimism, wasn't it? I mean, you had a new government, you had huge streams of lottery money coming on for the first time, underpinning many of the arts organisations, do you think the British art . . . will lose some of its swagger?

SW: I think it might well have to turn . . . erm . . . inwards, in some circumstances, erm . . . I . . . I think . . . it's . . . we sh— . . . I would love to see artists taking responsibility to make what they do more representative of, of the communities around them, erm, especially in areas that voted Out. But I don't know whether all artists will be psychologically able to reach out, whether the closing in on itself in our culture will make people . . . erm . . . withdraw into a sort of inner emigration, who can tell?

JW: Yeah, well let's put that point to one of our writers here, Dreda Say Mitchell just a quick point, and I know you work with young, younger writers as well, and you're getting a sense of encouraging them, a sense of what they want to write about.

DSM: I think if we're talking about young people, we have to talk about education in this country, and we have to talk about what's happening with the arts and the creative curriculum in education, and what's happening at the moment, it's been sidelined, it's been made to feel like it's actually a hobby. So we have to think about, are we going to have that growth of artists kind of coming through? When I was growing up, it was, I don't know if people remember, ILEA days – Inner London Education Authority. I have, my three brothers and my sister, we all took musical instruments home, this sense of every child should have a musical instrument was a real big mantra of ILEA, so I do think the . . . the political erm, kind of, society we live in will also be affecting what we're doing.

JW: Yeah, a quick word from Val, and then I want to hear from Wayne as well.

VM: I do think that those of us in the cultural industries have to take some responsibility for the fact that there is this huge stratum of disaffected people. It's clear that a lot of the people who voted to leave the EU did so as a protest vote, because they felt dispossessed, because they felt disregarded. Now, it seems to me that in the 1980s when, when we were . . . dealing with Thatcherism, there was a, there was a popular groundswell, it was kind of that post-punk thing that you were talking about there, Wayne, and people articulated those feelings, they, they had a way of coming through and expressing those views. But it seems to me that as artists, maybe in the last 10 years or so, we've kind of ignored that fact, we've ignored the rise of things that we're uncomfortable with, so we let that build up and not have any release, not have any way of expressing themselves, so perhaps through, you know, at least through popular media, we need to address these things, we need to make people feel that they have a voice within the culture. And I think, to some degree, we have failed to do that, and that is one of the challenges that faces is now, in terms of trying to reintegrate as a . . . as a society.

JW: Quick, quick word from Wayne Hemingway.

WH: (*speaking over*) Yeah, going back to your question about will it affect the industry, a lot of people don't understand, and people think it's a Cinderella industry – we're talking about the arts. But look, look at the figures, you know, in 2014, it was 84.1 billion to the economy, the creative industries, it's, it's the second biggest driver of the economy. One in 10 people in this country are employed in it, and it, and, and (*fragments of words, unclear*) it's got the biggest increase in exports at 8.9%. And what you've got is, you know, you, you, you've worked in . . . Louise and . . . the Wilsons have worked in, worked in Berlin, and we were, Britain has been seen as the pre-eminent creative nation, bar-none in the world. We've been suddenly, people in Berlin, which is an amazing city, people, people in Brooklyn in New York, people in Johannesburg, are rubbing their hands together thinking, 'All of a sudden, Britain is devalued' – and we are devalued. And, and you look at the numbers of people that are thinking of relocating to Berlin. I would, I would . . . I, I've seen some figures to show that more people are thinking about relocating to Berlin with their businesses than are thinking to go to Manchester at the moment.

JW: (*speaking over*) Yeah, I just want to bring in another opinion, and Phil Redmond, I'm going to come back to you, because erm, let's look at the example of the National Theatre here, because perhaps one of the most surprising lessons of, of the referendum was that Britain is a more divided place than many people realised or cared to contemplate, there's a lot of anger and resentment across a broad range of issues from health and education to employment and, and immigration, so, so do the national cultural institutions need to realign their antennae to detect and possibly transmit a broader range of British experiences? Rufus Norris, artistic director of the National Theatre is here with us, and . . . is that a concern for you Rufus now, in the coming years, to refocus the storytelling, to . . . to better reflect Britain today, at the National Theatre?

RUFUS NORRIS: Yeah, I think so. I think art always responds to the time. I think, erm . . . and this has been a huge wake-up call, for all of us who realise that half the country, as Val says, feel that they have no voice. Er, if we're going to be a national organisation, we have to speak to and for the nation. And in this, this moment I think our principal responsibility initially is to listen . . . to listen to that voice and, and . . . and, you know, art will follow from that. We're an art house, we're a theatre, we're going to be making work, erm, quite what the form of that work will be, we will discover, but the content of it I think has got to start with getting out there, with getting a, a project. Almost as soon as the vote had come in, we initiated a nationwide project to get out having one-to-one conversations, a listening project really, all over the country, and people from all backgrounds and er, you know, all persuasions, erm, just to find out what, you know, what are British values? What are your values? What do you think about where you live, and, and what is the kind of Britain that you want to live in?

JW: And that's something that the National Theatre hasn't been doing up till now? I mean, do you think we will, increasingly, on the stage of the National Theatre, be . . . will we be hearing those voices reflected better?

RN: That's the intention, yeah. I mean I think, you know, I think many writers, you know, a lot of the writers that we work with come from all over the country, come from all over the world, and they've . . . you know, and they've no doubt been the, the . . . the kind of voices of their, of their regions, but I think there, there, there's no question about the fact that we as a arts community have been surprised by this and, er, and consequently, I think we've got to reflect that we're slightly out of touch with part of . . . with the way that, that much of the country's feeling.

JW: So, the short-term plan is to listen and then plan, rather than to impose a new set of policies and ideas, it's not going to be a new season of British plays at the National Theatre?

RN: No, you know, it'd be very easy for us to erm . . . for us to give our opinions on what's been going on, and that, that, at its worst just becomes another version of 'me and my mates' . . .

JW: Hmm.

RN: Erm . . .

JW: Phil Redmond, I know you wanted to come in, but just let me throw that point back to you, because in 2008 I spent a lot of time with you in Liverpool, and what was very impressive there when . . . you were hosting European Capital of Culture, you had the big organisations working, but also a lot of grassroots organisation, we heard a lot of the people's voices, it was very much, you said, it was the people of Liverpool who won that bid, and they were sort of innately European in, in, in that way. Erm . . . do you think the creative community has, has failed to reflect that full diverse range of, of opinions and voices?

PR: Erm . . . I think (*fragments of words, or words unclear*) that's, that's too easy to say really, because we, we all operate within a bigger construct, and I think . . . I think what's always missing from these debates, and when you were talking earlier about the vibrancy of the 70s and 80s and things, what everybody forgets is the massive explosion of the media, you know, that happened towards the end of the 60s, 70s into the 80s. And what you had there was the doubling, tripling of the exhibition space for people and their ideas and things, and, for example, the Turner Prize would not be the Turner Prize without Channel 4, you know. And what's happened since the 80s, and actually since the 1990 Broadcasting Act, is media, and television being the dominant form, has retreated more and more to London. And then London gets engaged with the national/international debates, politicians then also retreat to London, and that's where we find the root of disconnect. I mean, I'll say this, because I mean, the professorship in front of my name is all attached to media studies, and although everybody keeps talking about it, the way they do about sociology in the 70s, which I'm also a sociologist, but erm . . . it's (*clears throat*) excuse me, it's true. Because if we cannot talk to each other, in that great BBC thing 'nation unto nation', then it really should be flicked back to 'region should talk to region.' Now, today for example, I mean, why aren't we all talking in Salford? You know? Or if you can't quite make Salford, what about Birmingham? You know. Or actually go to the most easiest place in the world to get to, which is Crewe, right? (*laughter in audience*)

JW: That is, that is the plan though Phil, watch this space, Front Row will be taking this debate around the country.

PR: So I mean, I hear what . . .

JW: (*interrupting*) But let me just throw it back to you, because, I mean, you talked about being professor of media studies and all that, but I mean, a lot of people still think of you as the man who started Brookside. What about . . .

PR: Yeah.

JW: . . . the role of the soaps, a lot of people would say the soaps on television, that's the real National Theatre – you're sitting next to Sam West whose father, Timothy West, has recently been in, in EastEnders. The role of the soaps in telling the story of what has happened and what might happen . . .

PR: (*speaking over*) Well that's why . . . that's why I'm a 'used to be' in soaps, because . . . I got out of it, because it was becoming too difficult to actually tell these kind of stories - stories about diversity, about access. And that's not just about race or creed, that's about social position, you know. And the fact now, if you talk about education, I mean, since the 1980— since the 1870 Education Act we've still not solved the problem of literacy in this country.

JW: Hmm.

PR: And we have more people, we have more people who are illiterate and sort of looking for work amongst our young people than we have migrants, you know. And so there's an imbalance there somewhere, you know, and that, again, perhaps as culture we've failed, but you have to have the exhibition platform, you have to have the space to make these arguments, but these cases and get the debate out there, and have it looked at properly.

JW: Val McDermid.

VM: One of the problems that we face at the moment is the urgency of the situation. We really didn't expect to be here, so, in a sense, we hadn't been thinking about it . . . very seriously, very much for very long. In Scotland, we've had the luxury of a long time to have this debate among ourselves. When you were doing the City of Culture you had a few years to plan . . .

PR: Capital of Culture actually.

VM: Capital of . . . I'm sorry, I'm sorry . . .

PR: (*speaking over*) It's probably actually going to be the one and only European Capital of Culture that the UK's ever had.

VM: I'm sorry, I'm grovelling, I'm grovelling (*laughter from audience*) I love Liverpool, it's a wonderful, wonderful city, its astonishing beautiful skyline - it deserves its World Heritage status (*laughs*)

JW: Come on that was 2008, we've moved on.

PR: We like you too!

VM: But I think the, the challenge here is, I mean, you had time to plan, and we had time to think about this in Scotland. What happen now is we're faced with this situation and we've got to respond quickly. We've actually got to hit the ground running I think. It's all well and good to be listening, and heaven knows we should be listening, because a lot of the time we've not been listening, but we need to act quickly on this, we can't, we've not got the luxury of sitting around for the next 40 years figuring out how we're going to respond.

JW: Let me just throw this back to Rufus Norris, briefly, and just on a practical level as somebody who is running an organisation, are we going to see fewer European theatre companies coming to the National, or European dance companies, European musicians, because of . . . you know, and I'm talking about logistical, administrative difficulties that might arise?

RN: No, I don't think so at all. I mean, I think, you know, there are difficulties, and we don't quite know what they're going to be yet, but I think this has also been a . . . a catalyst, I mean, certainly for us to, to up that. We're, we, you know, we are . . . we're a world leader, as, you know, people on the panel have pointed out. Particularly Wayne was talking about this in . . . in the creative industries and in culture, and we're not going to give up that position, I think, I think this, for us anyway, is going to spur an increase in our, in our collaborations with European partners, and our international work. It's, you know, being isolated is bad for a culture and is very, very bad for a society, and there's no way we're going down that path.

WH: Are we not, are we not being a bit polite about all of this really, you know, because what we haven't . . . yes, yes of course, lots of towns need way better infrastructure, they need . . . need more equality when it comes to access to arts, they need more equality when it comes to access to employment and, and public transport – the town that I'm from, Blackburn and the town that my wife's from, Burnley, when you look at

public transport, and you look at, you look at . . . they have, you know, you, you mentioned that erm, that 3%, that Sunderland has 3% erm . . .

JW: Immigration.

WH: Immigration. Blackburn and Burnley, have 33%, but they voted 66 . . . 66% to Leave, so it isn't, there isn't a correlation between that at all, there's something much deeper than that. But, we, what we also haven't talked about is the fact that the majority, the vast majority of young people, who are the people who take . . .

JW: (*interrupting*) We're coming onto that.

WH: . . . this world forward, and Britain forward, voted to stay. And, and, and over the next few years, you know, a lot of the people who, who, who voted to Leave will play a lower, a smaller role in society, that's, that's called ageing, you know, that, that's what happens. And the younger people, who voted to Remain, will come into their prime, and, and, we mustn't all just be polite, thinking we've got to be polite now, it's happened. We've got to fight.

JW: Well, you've brought the subject up, Wayne, and let's hear from a couple of young artists who are here alongside Rufus Norris in the front row, we've got George the Poet who is, erm, a Brit-nominated rapper, writer, and er . . . I mean, as, as Wayne is alluding to there, the majority of people, 18 to 25 year olds, voted to Remain. Do you hope that young people, young artists, creatively-minded young people will feel galvanised by what happened?

GEORGE THE POET: I know that young people are galvanised by what happened, but er, as, I think Dreda mentioned, there are erm, a number of issues that are compounded. First of all, erm, at 25 years of age, personally, the minute I got a vote, there was a recession (*short laugh*) and then after that, there was a government, coalition government that tripled education fees, made a lot of things difficult for young people . . .

JW: Yeah.

GTP: And since, the policies of austerity have further challenged our progression in building a future for ourselves. Now, erm, as again Dreda said, the arts . . . if it's not taken seriously by the state and non-state actors and society in general, becomes a secondary concern. Now I'm also a child of hip-hop, I grew up listening to rap music, although, unlike you said, I'm not really a rapper, I'm actually a spoken word artist . . .

JW: Sure, yeah.

GTP: The narrative of hip-hop, it was birthed in er the . . . er, social economic conditions of Reaganomics, in er, in New York, and what then happened was that, er, there was a, a big explosion of crack cocaine being sold in the slums, and that . . . proceeded hip-hop music being . . . erm, being birthed, again, out of an amalgamation of cultures, Jamaican immigrants with their sound systems, so on and so forth. Now . . . I think that's too big a price to pay . . .

JW: (*speaking over*) But it's born out of adversity, the point you're making . . .

GTP: My point is, the direction society is moving in, erm, will precipitate another . . . er, er, er . . . wave of riots at some point, and I don't think it's, it's, it's, it's . . . erm . . . something to be aspiring to that our young people are going to be galvanised into really engaging with politics, because they are, but it's not going to be what you want to see.

JW: Right, well I mean, hopefully, there's not going to be riots. Let me just . . . pass the mic to Anthony Anaxagorou who's next to you, another poet, and . . . and Anthony, you're running spoken word evenings, performance poetry, er, events - what about that as an outlet, and I suggested to George that there may be a sense of, of people feeling galvanised and energised, because they haven't been listened to. Will that be reflected in the art form that you represent?

ANTHONY ANAXAGOROU: I think, I think all the time. I . . . we have to accept that art flourishes in times of conflict, and in, and in times of tribulation. That's one of the great things about what we do here. I think the main problem we have though is that culture is defined as this very singular thing, but we have to kind of see culture as being very multifaceted, and massively subjective at the same time. Erm, when we think about art, we have to ask ourselves (*clears throat*) who is the art being made for? (*clears throat*) And on what . . . and what, and what's its function, what's its purpose? So, working with young people in schools, I've come to see how art can ameliorate a lot of these, erm . . . tensions that have been created by the current political climate, and I think it's within that, that people want to come to see poetry, want to hear, but it's why they turned to art, because they look for some kind . . . of solution, of some kind of solace from, and understanding, in a way that transcends the political, that transcends the strict rhetoric that you find in Westminster, and from the press houses. This is the most important thing, and I think to undermine that, which is essentially what has been happening over the last 5 to 10 years, to undermine that and, even from an education perspective as well, to not invest in it fully, is to do a massive disservice to the people of an entire country.

JW: Those are very laudable . . . laudable ideals, and Dreda, let me throw back to you, because I mean, what Anthony's suggesting there is that the arts serve some kind of social purpose in a way, but I mean, most art is made because people have something to say. It's a, it's a means of personal expression, they do it for themselves, primarily, don't they?

DSM: No, and also you want people to watch it, you know, when I, when I write my books, I want lots of people to, to buy my books. But just to pick up on a couple of other points, you know, Wayne was talking about young people, I find it really, really rude, when we start talking about older people as if they're already dead. We're not dead, we are still here, we contributed to this society, we helped make it what it was at the time. And Val talked about, erm, being shocked at the result - I wasn't shocked at the result, if you've got your ear to the grassroots floor, you can hear what people are talking about, so I suppose, let me just leave a question: if the arts community was so shocked, is the arts community out of touch?

JW: Wayne, are you feeling older today? Chastised and older?

WH: I might, I might actually be older than you. (*laughter in audience*) I'm, you know, I'm 55 years old, and . . . I feel a bit of . . . I feel a bit of guilt on behalf of my generation, so . . . we've created a generation that is, for the first time, empirically proved to be worse off than, than their parents. And that, that is, that . . . to me is turning the world upside down. And, and you know, you're supposed to leave the world a better place, for, you know, that's our job, as, as elders, and we haven't done that for a generation. And yet, that generation didn't vote to leave.

JW: Phil Redmond?

VM: And in, and in the same way . . .

JW: Yeah, go on Val, go on . . .

VM: . . . in the same way in the Scottish referendum, it was the young people who most strongly voted to leave the UK, and I, and I felt guilty on behalf of my generation. My, my young son said when, when, when he saw the results, he said, 'Well, never mind mum,' he said, 'time's on your side' (*laughter from audience*)

UNKNOWN MALE (*Wayne Hemingway?*) To leave the UK but to be part of Europe.

VM: Yes, absolutely, absolutely. Yes.

DSM: But also, the turnout for young people was low.

JW: Well that's, that's disputed as well. Let's just move on from that, Phil Redmond.

PR: No, no, I think the er . . . the points you guys have made is quite valid, I think, but you've got to remember too that, you know, us old folks, like, we've lived through our times of revolution and fear too. You know, I mean, you guys haven't grown up with the nuclear winter hanging over your head every day, you know. But . . . Liverpool is a place of revolution, and the fact that, you know, thinking about riots and revolution, 1982 and Liverpool was ripped apart by the riots, as Bristol was, you know, and, you know, these things happen occasionally, (*word or words unclear*) through society, you know, and if we think they're going to go away, they won't. I mean, the 2011 was almost a . . . a reflection of what happened in 1911. I mean the term bolshy (*fragment of word, unclear*) bolshy scouser comes from the fact that, in the General Strikes in 1911, you know, they were going to . . . they sent a gunboat up the Mersey, to take out the Bolsheviks, you know, they actually shelled the town hall, but they missed. But, you know, these things happen in society all the time, but . . . I don't think it's an age/youth thing, because I think it's also, it's a state of mind, and I don't believe that, you know, just because there's a vote gone now to say we're leaving the European Union, which is an administrative disaster, that's what we wanted to get rid of . . .

JW: Well . . .

PR: . . . In 2008, the European artists were fantastic, but I couldn't buy a piece of carpet to keep Ringo safe on the roof of St George's Hall without going through, theoretically, a four-week European procurement process, where we had to advertise it in Athens Gazette, you know (*laughter from audience*) and it's that kind of nonsense we want to get to, and I think in five, ten years' time, Europe will have for — reformed, and the young guys when they come and take over the place will actually sort of form a new alliance (*word or words unclear*) we're not, as they keep saying all the time, we're not leaving Europe, you know, we're leaving the administrative bur — bureaucratic process, you know.

JW: Sam West?

SW: We're talking here, and I think the referendum may have shown us a world in which most people think art is a luxury, an add-on . . . a hobby. It's not. It's essential for making sense of the tricky condition we call 'human'. The world is enormously complicated, as we've been hearing now, people . . . win or lose nowadays, through no fault or agency of their own, that's what capitalism does. Art has to offer as a working model of what the world is, and it has to include shade, complexity, vagueness, change, all the other things we recognise as true and human, otherwise we get seduced by the binary, the simplistic stuff, 'take back control' — it's about immigration and everything. Norman Tebbit is wrong, you don't give up feeling British when you start to feel . . . European. Cultural allegiance, sporting patriotism, it's not an either/or situation, it's much more nuanced, it's much more multiple, it doesn't work like that, and we mustn't be seduced by that binary.

JW: We're running out of time, we're going to have to head towards some concluding erm thoughts, but for those of you listening to this debate live on Radio 4, or watching via the BBC Arts website, remember you can join in, let us know your views about what you've heard via Twitter using the hashtag #culturalresponse, er, that's all one word, and tonight on Front Row we continue this debate when I'm joined by people who run arts organisations, including the Edinburgh International Festival, and the Turner Contemporary Gallery in Margate. Now, this is all highly speculative, I know, but let's get some . . . predictions from our panellists about how Brexit might affect the British cultural landscape. Erm, Dreda, let me start with you: one single major cultural change that we might see when we look back at . . . at the last ten years, in ten years' time?

DSM: When we look back in ten years' time, the culture and the art that we are looking at will be much more representative of the Britain that we live in.

JW: In what way?

DSM: Well, I'd like to see more black faces, more, more working class, erm, types of art, more regional kinds of representations. Because at the moment . . .

JW: (*interrupting*) You're talking about theatres, galleries, books, film, right across the board?

DSM: (*speaking over*) Yeah, everything because I'm, I'm worried that when we talk about this established art community, I think we're essentially talking about lots of people who live in, in London and the south-east, and it needs to be bigger than that.

JW: Val McDermid, how will things look differently in ten years' time?

VM: I hope will be galvanised into something that is more inclusive, but also something that is more outward looking, and that it will take the form of something like the punk revolution, or the rave revolution, and that we will have something that, that leaps forward. And in a generation's time, they'll be the establishment, as always happens, but for right now, what we need is something to galvanise us.

JW: And you think it will be some kind of . . . of cultural moment . . .

VM: Yes.

JW: . . . but again, that's dependent on young people, isn't it?

VM: Well, it's not just dependent on young people, older people still have something to say. I still feel like a young Turk, I don't think my ideas have calcified just because I'm no longer in my 30s. I think that's right across the board we have things to contribute, it's not just about young people.

JW: Yeah. Wayne Hemingway? Middle-aged and angry? (*Laughter from audience*)

WH: Well . . . yeah. We will definitely have a youthquake, you know, that is coming. I think we'll see young people more engaged in politics, and . . . but I do think that we will look at . . . we will still remain European, and we'll put two fingers up to the people who don't want us to remain European, we'll just find a new way of doing it. One of the ways that I will do it is for the first time in my life, you know, I've never had a flag outside my house, this idea of having the flag of St George kind of has the wrong kind of connotations for me, but I'm going to put a European flag out of my window. (*laughter from audience*)

JW: A provocateur. Er, Phil Redmond.

PR: Well (*exhales*) I'm old enough now to keep using that William Goldman misquote, which is 'Nobody knows nothing' so, we just don't know. We know the future is going to happen, we never know when it's going to arrive, but what I . . . hope will happen is that er, as we're beginning to see, London is realising that it no longer should be focused on looking to Europe, it should actually be focused on looking to the rest of the UK. And I think the big cities outside of London will do what Liverpool has always done, which is go down to the banks of the shore, and look out to the world, and remember where they are.

JW: Yeah, yeah. Samuel West, concluding thought, very, very quickly please.

SW: The big question is: what do we want the next generation to inherit? We have to defend the live, we have to defend free public spaces, places we can go to be without spending money. And I hope somebody makes a 'Cathy Come Home' for immigration.

JW: Well, we're going to have to leave it there I'm afraid, the debate continues online, you can have your say, as I mentioned, via Twitter, using the hashtag #culturalresponse, there'll be more discussion about the art of Brexit Britain on this evening's edition of Front Row, do join me at 7.15, but for now, my thanks to Phil Redmond, Val McDermid, Dreda Say Mitchell, Wayne Hemingway, Samuel West, Rufus Norris, and all the other guests, here in the Great Room in the Royal Society of Arts. (*applause from audience*).

THE BRIEFING ROOM WHY DID PEOPLE VOTE LEAVE?

Leave voters in Wakefield tell David Aaronovitch why they want to quit the EU.

14 Jul 2016, 28 minutes

DAVID AARONOVITCH: In The Briefing Room tonight, I want to try to understand why three weeks ago 52% of voters in the referendum ignored all the dire warnings from academics, economists and business leaders and voted to leave the European Union. Sometimes it's not quite enough to sit behind a table and invite the experts to come to me. There'll be some of that later. Sometimes you need to hear the way people talk and think. So I went to Wakefield in West Yorkshire, an area round a small city where over 65% of the electorate voted to leave the EU.

JENNIFER: I was hoping that we were going to get Great Britain back, and that we were going to be able to do the things that we British people, people who live here can do, without having the EU telling us we must do this, we must do that.

DA: That's Jennifer, Labour voter, retired shopworker, mother of two, grandmother of seven, in a small semi in a cul-de-sac opposite council estate that she doesn't visit. What did you feel you weren't having a say in, that we would get back?

J: Difficult to say, I'm not quite sure, erm . . . we very rarely go abroad, but a lot of our friends go abroad and they say . . . 'The EU's this, the EU's that, they must do this in the EU, you mustn't do that in the EU.' And I say, 'Well, I'd rather stay in England, and do my own thing in my own country.'

DA: And what kind of things are we going to do more of and be more of . . . once we're out of the European Union, do you feel?

J: Well, I think it's going to take a few years, but I think once it's sorted out, I think things will work out well. And I think the farmers, a lot of them, said they wanted to come out because they could put what they want in their own fields.

DA: So, that would be one thing. What about the rest of us? There aren't that many farmers in Britain.

J: No, but I hope that our children will get decent jobs, and I hope that there'll be good education for them. I mean, I've had quite a lot of hospital experience, and . . . a lot of the staff are . . . not English, but they are fantastic staff, and they work their socks off. But I do think that there should be more training for our children.

DA: Here was a theme repeated over and over. Not about immigration per se, all my interviewees professed themselves sympathetic to foreigners who came over to work or who were refugees, but about the twin ideas of control and identity. 'Us' being 'us' and governing 'us'. But embedded was also an idea of how things were. The polls seem to suggest that it was more older people who wanted to come out, and more younger people who wanted to stay in. Why do you think that might be?

J: I don't know really. Erm, they've only really known the EU, and I don't think they really understand what we say when we want it . . . to be Great Britain again.

DA: Actually, what do we mean by, 'we say it want to be Great Britain again.'?

J: Oh gosh. Well, everybody was friendly with everybody. You know, everybody was there for one another. Which I'm not saying we're not now, especially this area we're very good . . . but . . . in a lot of areas, people don't even know their neighbours.

DA: That's how Jennifer feels. But how about losing out? What about those experts whose views and calculations are so important to someone like me, who said there'd be a cost? Did she listen to them?

J: Well, everybody says this to some things, and everybody says something else, and you find they're all contradicting one another. So . . . who do you believe? I just thought we would be better without. So we just went with our hearts (*short laugh*).

DA: Another of the two-thirds who voted Leave in Wakefield, is Damian Schofield. He is ready faced, smiley, chatty, and I would guess one of the best-known people in the area. In a smart, flower-fronted art deco building, he runs a chippy with a constant stream of customers. The business is obviously thriving, there's a BMW keyring on top of a filing cabinet. He's . . .

DAMIAN SCHOFIELD: I'm just a working class man that gets out of bed in a morning and goes and earns his keep. That's pretty much how I'd describe myself. I have my two brothers working for me, my sons, my stepson, my nephew, even my . . . my mum and dad come and do all of my plants outside for me, make it look all nice and smart.

DA: Which it does.

DS: Yeah. Just because we're up north, and in the middle of a . . . housing estate, doesn't mean that we can't try. (*laughs*)

DA: Damian is sure that none of his customers voted Remain. And if I were one of them, that's what I'd have told him too. But the estimate from the local polling station was indeed that the local Leave vote was about 80%. Why?

DS: Everybody's under the same illusions that we're going get . . . be a stronger nation. So that's one part of it, and then obviously there's a lot of . . . erm . . . what's the word, animosity I suppose, with the amount of non-English, British people living in this country.

DA: And what are the feelings about that? I mean, do people feel that on the whole, the changes to society, changes to the places have been beneficial or not?

DS: I don't think the city itself's the same as it used to be, many moons ago, and I don't quite to, how to, what, you know, what you could put your finger on that, it's like, if you walk through the city centre, through a daytime and stuff like that, not that I . . . not that I got anything against anybody, and God helps them that helps themselves and everything, but you struggle to hear the English majority, you know what I mean? There's that many different languages that you hear, and that many different people knocking about . . . it's, it's just not the same.

DA: How do you . . . how do you feel about that?

DS: (*speaking over*) (*fragments of words, unclear*) Oh, it guts me. It guts me. I remember saying years ago that I'd never leave this city, I loved it that much, and all my family and my friends and everything, they're lovely, and now (*exhales*) it's just not the same as how it used to be.

DA: In fact, the city centre is predominantly white and English-speaking, with a few Polish and East European shops in the slightly depressed mix. Even so, Damien believes leaving the EU would give Britain back control over its immigration policy and he hopes lead to fewer migrants. Like Jennifer, Damien believes that this has been a chance to make Britain great again, he too touched on that idea of trying to restore a sense of community – unlike, say, London.

DS: I think the illusion that we've got is that the people from down South think they're a little bit better than us, they think they're a little bit more educated than us, they think they're more well-to-do than us, and they think that we're just the . . . the working class common Northerners, that don't know as much as they know. It's, it's the capital, so everything's trying to . . . rammed down your throat, we're the more important, we're this, we're that, you know, everybody who is important live here, work here, and that . . . and you're just visiting us, so buy a fridge magnet. (*laughs*) Which I don't want a fridge magnet.

DA: Is this a chippy's chip on the shoulder, or a perception of a real gulf? Either way, it's not surprising that often London-based university educated experts who, he thinks, have no idea how he lives, didn't influence the way he voted. Damien was middle-aged and straight. My final interviewee is neither.

CHRISTIAN FELLOWS: Er, so my name is Christian Fellows, and I'm a hairstylist from Wakefield. I've worked in Wakefield for the past seven years, and I've lived in Wakefield for the past two.

DA: Okay, but you're only . . . ?

CF: I'm 23.

DA: How did you vote?

CF: I voted Out, and I'm quite proud to say I voted Out (*fragment of word, or word unclear*). I feel like we've had 30 years of being in the EU, and not accomplished much in my opinion, whereas I think as British people we are strong, and we do know a lot of things, so why couldn't we try and dive into this world on our own?

DA: What were some of the issues that led you to think that it might be better to come out?

CF: Immigration's been a big thing with a lot of people, and migrant workers and things like that. Like, (*word unclear*) people stealing jobs, or is it just that the English people are too lazy to do jobs, things like that. And just from . . . from a cost point of view, like, we spend a lot of money being in the EU, how's that fair?

DA: So, when you talked about people maybe coming here, getting jobs and so on, do you have any examples yourself?

CF: I've heard about it, I've read about it, and I come from a salon, we kind of know everybody, and we talk to a lot of people in a lot of different businesses, and . . . not mentioning any names, a few of them have said they would always choose someone who was foreign, over someone who was English, because they're cheaper.

DA: Do you think there are any problems also with . . . what you might call integration?

CF: There's streets in Wakefield that you can't walk down as a white person or an English person without feeling uncomfortable.

DA: Really?

CF: Hmm, there is certain segregated parts of Wakefield that are more of a Polish area, more of an Asian heritage area, more of a white area, things like that. As a young man, walking past the streets on a daily basis, I find a lot more people would stand and look at me walking down, when . . . have I not got a right to walk down the street in my own country?

DA: Really?

CF: (*speaking over*) Where I've been born and bred?

DA: So you actually have felt uncomfortable . . .

CF: (*speaking over*) Oh yeah, many times, many times over. You can honestly feel the divide sometimes in some places round Wakefield.

DA: And what did you think of the fact that big cities like London, er, Newcastle, Manchester, Leeds, voted to stay in? Why that separation, do you think?

CF: Money. What rules our world, money. Places like London is full of wealthy, wealthy people. They will have properties elsewhere, and they will own businesses elsewhere in the world, that they're currently profiting on. If we were to leave, does that mean that they're not going to get their nice fat pockets from it.

DA: Same with Leeds?

CF: Same with Leeds.

DA: So, do you think if you had more money . . . you would have been a Remainer then?

CF: Oh no, not at all. Because I think you've got to remember where you come from, I'm a Barnsley boy at heart, I've got coal mining in my blood from family and things like that, you remember your roots and it's time to pull together and be more of a community together.

DA: That word again, 'community', but let's recall that last answer. Did Christian think that if he had more money, he would have voted Remain? No. He is who he is, and loyal to his roots. Though for this mining boy, his choice of political parties – Conservative – may seem unusual. I was interested in what he thinks about a whole range of issues, and luckily he agreed to play along. The Royal Family?

CF: The Royal Family? Big supporters of them. Long live Queen Elizabeth, love her to bits, I think the Royal Family's great.

DA: The death penalty, how do you feel about the death penalty?

CF: (*slight laughter in voice*) I actually support it. I'm a big believer in it.

DA: Really?

CF: Yeah I am.

DA: You'd have people hanged.

CF: I would. Yeah. Because if you have committed an unforgivable act, like murder, rape, why should I as a taxpayer have to pay for you three meals a day?

DA: And now of course, this is difficult . . .

CF: Yeah.

DA: You weren't around, and depending on some of it, even I might not have been around . . .

CF: *(laughs)*

DA: . . . but there's a kind of concept around, you know, there was a time when half the world was coloured red after Britain and so on. Does any part of you kind of hanker back to that world?

CF: Er, no, not really, I think, obviously, times have changed a lot, we've seen what it was like in my grandparents' era, we've learned from it and we bettered ourselves from that, I'd like to think so anyway, but some old-fashioned values still stick to me, well, for me personally, in this day and age.

DA: What's your favourite old-fashioned value?

CF: *(laughter in voice)* Er, as I gay man this might shock you, but you hold a door open for a lady, you always treat women with respect, you never speak out in anger towards them, and things like that, it's just . . . it's manners, it's what makes a gentleman.

DA: Christian was a great example of a correlation found in the voting patterns - that between voting Leave and a series of what some people will call old-fashioned, almost nostalgic values and identifications. *(music)* I'm back in the Briefing Room now, the interviews you just heard from Wakefield were clips from three people out of a dozen I interviewed, out of 17 million Leave voters. What I need to know now is whether we can generalise from it at all, and what it tells us about Britain. Are we, for instance, now two nations if not more? Joining me in the Briefing Room are Stian Westlake, director of policy at the think-tank Nesta, and author of a new paper on why people voted for Brexit; and Ben Shimshon, a founding director of Britain Thinks, a company which advises big business, public bodies and political parties on how to communicate better with the public. Stian Westlake, you've heard some of the voices from Wakefield. One of the things that I was trying to get a handle on was, for instance, how important something like class was, because one of the things people said immediately after the vote was held, er, and they looked at the areas voting, was, 'Look, this is a revolt of a working class, traditional working class, that feels itself left behind.'

STIAN WESTLAKE: I think this idea of a revolt of the left behind was something everyone was feeling three weeks ago, but when you look at the data on how people voted, it doesn't seem to bear it out. Now, if you look at someone's, say, class status and their income, and you try to use that to guess whether or not they voted Remain, it turns out it's not much better than guesswork as a predictor – it gives you sort of 55% accuracy. And obviously a guess would get you 50% accuracy. But if you look at some of these attitudes towards . . . some really quite sort of er *(slight laughter in voice)* hardcore questions as it were, like, 'Do you believe that criminals should be publicly whipped?', 'Are you in favour of the death penalty?' – those things are much better as predictors, those can *(words unclear due to speaking over)*

DA: *(speaking over)* So what kind of percentage correlation you can get *(sic)* for those?

SW: Over 70%, sort of the low 70%'s. And just to give you an idea of how good a predictor that is, if you ask someone, do you think there is too much European integration, which you'd think is a pretty good predictor, that only gets you to the high 70s, so if you can get 71%, 72% prediction from these questions about traditional values, attachment to community, that suggests that it's that rather than these income and class predictions that's really driving the vote for Leave.

DA: Ben Shimshon, what I got a sense of in Wakefield was not really a set of people united by their views on the European Union or something that could easily, indeed, be explained simply by age or by geography, it was that they had a certain . . . I don't know what, vision of Britain really, and a series of sets of values, which they were keen to hang onto or, or go back to. Now, you ran a series of focus groups to find out what people thought before the vote – does what I found in Wakefield fit in at all with what you discovered?

BEN SHIMSHON: It really does. What we saw in, in our focus groups, and also in our polling was those people who were either voting Leave or leaning towards voting Leave really did hold a set of values that were around patriotism, around tradition, much more community orientated, and by community and thinking more about their geographical community rather than their sense of belonging to other wider groups in society. And they tended to value things like order and stability and safety above things like openness, modernity, social liberal values that perhaps are more common amongst Remain voters.

DA: Order, safety and security, so let's unpack those things a bit, what kind of things fit into the sort of categories of order, security and safety?

BS: So . . .

DA: *(interrupting)* I'm presuming those are not the words they're using, those are the categories that we use . . .

BS: *(speaking over)* That's right.

DA: . . . to explain them.

BS: Often it is about harking back to a past. Sometimes a feeling of they don't belong in the present or that they're not part of the economy that seems to be dominant in Britain today. So they might talk about policing, police on the streets, they might talk about knowing their neighbours, and in fact, you heard Jennifer talking about that idea. And there's a sense of understanding what other people are doing, being able to predict what other people are doing, and, and having a sense of community and continuity in a neighbourhood.

DA: So the question then becomes why? – Why would those sets of values correlate to a desire to leave the European Union, and override what people were being told about the potential cost of leaving?

SW: I think what we see at work here is . . . people are being put on the spot about how much they value openness, links to other countries, versus the value of these kind of sovereignty arguments, this kind of retrenchment to a traditional view of Britain. And it's a question that is not normally asked in politics, so in general elections, there is a traditional streak to the Labour Party, there's a traditional streak to the Conservative Party, those votes can play out either way. But this was a much more clear vote.

DA: Yeah, but I suppose what I'm getting at Ben Shimshon, in addition to that, is why that playing out of integration versus separateness and so on should correlate along the lines of beliefs about things like security, i.e. death penalty, safety, crime policy and so on. It's not . . . it isn't at all obvious?

BS: Before the election we asked Remainers and Leavers how they describe themselves, so Leavers see themselves as heroic, willing to stand up to vested interest, patriotically and traditional, and they see Remainers as rich enough to be unaffected, protecting what they have and dressing it up as the national interest. Meanwhile, Remainers, who see themselves as open, liberal, modern, idealist, less motivated or bothered by uncertainty and sort of more at ease with the modern world, they see Leavers as xenophobic and racist, as bitter and resentful and also Remainers see Leavers as having, they would say, an obsession with a

myth of Britain and a kind of idea of sovereignty, but they can't quite put their finger on. And one thing that might be interesting to look at is this idea of alienation from the economy and alienation from politics. For example, if you feel quite alienated from the economy, you feel that politics hasn't spoken to you or your community for a long time, then that might lead you to look at your own life and, and, and reject as wholesale a whole lot of values that seem to be propounded by what you might see as a political elite, of an urban elite.

DA: Stian Westlake?

SW: I think the other angle is that we've seen the rise of the service industry, creative businesses and professional services, and all of these industries tend to reward that kind of open mindset that we were talking about before. The things that go on in big cities where people work with other people, where they interact kind of casually and by accident, these things seem to be quite important to driving economic growth. They're about spillovers - accounting learning from banking; the law working with manufacturing sectors, and if we look at the last 30 years we've seen big cosmopolitan diverse cities doing well, we've seen smaller cities doing less well. And I think to some extent what that shows is this kind of new, service-based economy is rewarding diversity and openness in a way that perhaps makes some of these tensions we've described feel sharper on people who are doing less well out of that new economy.

DA: So what you're saying is, erm, they will associate their relative deprivation, or the perception of the relative deprivation with a rejection of their values and identification, in other words, what they perceive it as is essentially those who run society saying, 'Actually, we just don't particularly want you and what you believe in.'? Ben?

BS: I think that's exactly right. I think that erm, you heard both from Damien and from Christian this idea of kind of London being very different, and underlying that, they didn't quite say it, is not only is there a gap in, in terms of economy, but there's actually an underlying belief that, that in choosing a set of values and in making the economy the way it is, they've profited at the expense of those smaller towns. In that context, all the warnings around Brexit look like people trying to protect what they have, and the links between the strength of the economy and my own life weren't made at all.

DA: That's really interesting. Let's just throw another thing in here, erm, it's been an orthodoxy that if people believe they'd be worse off because of a decision then they wouldn't take it, there's a kind of famous poll taken in Scotland before the referendum that said if people thought they'd be £500 better or worse off either way, it would affect how they vote. Er . . . but Leavers in this referendum had most of the experts telling them that they'd lose out if we left the EU, and (*laughter in voice*) they still voted to leave. Now, was this because they didn't believe the experts? The discipline of behavioural economics offers us an intriguing alternative explanation. Molly Crockett, Professor of Experimental Psychology at Oxford University explains the ultimatum game.

MOLLY CROCKETT: The ultimatum game is very simple. It has two players, one person, the proposer, is given some money and they have to decide how to split that money with the other person, the responder. So, for example, the proposer might receive £10, and decide to offer £2 out of £10 to the responder, and keep it for themselves. If the responder accepts that offer, then they get £2, the proposer gets £8. If the responder rejects that offer, neither player gets any money. Now, when this study was first published in the 1980s, it was very surprising to economists because their models predicted economic self-interest, people should always accept any amount of money that is greater than zero because some money is better than no money. But what people do is actually very different, they overwhelmingly reject offers that they perceive to be unfair, usually less than about 30% of the total. There have been hundreds of studies on the ultimatum game played across cultures, range of ages, and overwhelmingly the results show that responders reject offers that they think are unfair.

DA: So the weak in this game would sometimes prefer nobody getting anything rather than accept what looks like an unfairly small share. Change the rules of the game a bit, however, and behaviour changes.

MC: If they have some alternative way to communicate that they're dissatisfied with the unfairness, then they're a lot less likely to reject. So, in one set of studies, experimenters gave participants ultimatum games in two conditions: there was a standard condition which is just a regular ultimatum game, and they compared rejection rates of unfair offers in that regular situation, with a situation where the responders could send a written message to the proposer, in addition to deciding whether to accept or reject. And what they found is that when responders received unfair offers in this alternative game, they were very likely to send nasty and angry messages to the proposer, but they then accepted those unfair offers at a much higher rate than in the standard ultimatum game. And what this shows is that when you tie the desire to express frustration to economic outcomes, people will use whatever means that they have available to them to express their emotions. But if you can separate out those channels, if you can give people an alternative way to express their frustration with the situation, then they can avoid making decisions that hurt them economically.

DA: Ben Shimshon, you were smiling knowingly during some of that, why?

BS: Well, I think that idea, that there was a set of pent-up frustrations that people wanted to express and that the referendum gave them that opportunity makes a lot of sense to me. The idea that those who voted Leave lacked an alternative way to communicate their frustration.

DA: I thought actually, Stian, it completely reflected the point that Christian, the hairdresser, made, when he talked about people in London getting their money taken away from them. Erm, er, you didn't see his face, I did, erm, there was a certain amount of relish I thought in that desire.

SW: (*laughter in voice*) I couldn't agree more. One of the interesting things was, in the few days after the referendum, there was a certain amount of . . . you might even call it sneering from some . . . er . . . some London-based commentators about the areas that had voted Leave, which it was then found out receive large amounts of EU money, and I think the kind of reaction from these kind of elite (*laughter in voice*) experts was very much, 'Goodness me, look at these crazy people, they don't even know what's good for them.' But in fact, if you look at this through some of these sort of psychological prisms, sending a message, it makes a lot of sense, it makes a lot more sense than I think the voters were given credit for.

DA: How would you advise a political party like Labour for instance, which has been, latterly, coalition, between the urban, liberal, Metropolitans and what has been called the er, er . . . traditional working class? How can a party like that possibly hope to hold these elements together, given what we've just heard? Ben?

BS: The first place to start is, is by thinking about what might have undermined this level of trust that, that got to the place where, where such a large group of people wanted to give the political elite a kicking, and this is something that I have to say is, as someone who's given advice to political parties, I feel somewhat complicit in. I think that over the last 15 years or so, immigration has been the most spontaneously-mentioned issue facing the country, in the top three for at least 15 years, and at number one for the last five or six, and, and politicians have been advised to say, 'Yes, we completely understand, it's a very, very valid concern, and we'll definitely do something about it', and then they haven't really done anything about it, erm . . . you either need to do something about it or you need to take that argument on, and say, 'It isn't a valid concern, and here's why.'

DA: One of the questions that arises from all this is: is it possible, actually, to frame policies which would make people feel less the thing that they are feeling?

SW: I think it's a big challenge, because a lot of these attitudes to openness are very deep-seated, and they don't necessarily relate to their income or even, necessarily, their background. So I think, the question is, if we have a significant number of people in society who cleave to community, who think in some ways that the old ways are the best, which is a perfectly valid attitude to have, we need to work out a way of finding space and a way for them to make a living in a modern economy.

DA: I might be being dim here, but I'm trying to work out how you might have a policy that would do that on any kind of national level. I mean, if you allow people little passports to go in and out of different parts of the country, differentially, then you could see how you could kind of create movement policies, but unless you do that people are going to be susceptible to the same pressures that exist anywhere in society?

SW: I think there are a couple of routes, but both of them are pretty radical. One is you do go down that route as has been proposed in the last couple of weeks, you have London-specific work permits, you decide that London is a place that likes this kind of thing, whereas other parts of the country (*word unclear due to line breaking up*) you have place-specific work permits, which is not a million miles away from the way things in practice work in, in parts of the continent where you have to register with your local city. The other possibility is we turn our back on a lot of what English, British, Anglo-Saxon policy has been for the last twenty years, and try and build an economy a bit more like Germany's where you have medium-sized manufacturing companies in medium-sized towns, offering something that looks a little bit more like the job for life that people used to have. Now, it's certainly true that Germany, that Scandinavia, that Austria, can, or has created an economy like this, the question is, if you're starting at the UK in 2016, can you get there from here?

DA: Thank you very much, that's it from the Briefing Room, my thanks to Ben Shimshon, Stian Westlake, Molly Crockett, and our interviewees in Wakefield. I'll be back next week, until then à *bientôt*.

BREXIT STREET

19 JULY 5.53PM

EDDIE MAIR: You're here on a good night tonight, because tonight we start a brand new series on PM that will run for months to come. Emma Jane Kirby is the reporter.

EMMA JANE KIRBY: Eddie, for the rest of this week and then, as you say, regularly, through the coming months I'll be shining the spotlight on one street in Thornaby near Middlesbrough on Teesside, an area that voted overwhelmingly to leave the EU in last month's referendum. Our street – which we're calling Brexit Street – is pretty ordinary. It's made up of young families, retired couples, individuals struggling to find work, parents worried about their children's future, and there's also a large number of asylum seekers too. As I introduce you to people like Mark, who's lived on the street for the best part of 40 years, we hope to get a clearer picture as to what motivated their vote.

MARK ROCHFORD: I've seen all sorts of things in the street from . . . communities disappearing, immigrants coming into the street. The core values of the community have gone. So that, that was my main reason for voting Leave.

EJK: But if Mark, who's unemployed, voted Leave so decidedly, why did his neighbour and newcomer to the street Jo – who's also out of work – vote Remain?

JO: I voted to stay in. I know a lot of people won't like that, I'm working class, but I thought, for my grandchildren and my family, for the future, I thought they would benefit more, us staying in, than out. I think it's all about the next generation, not us.

EJK: As the Brexit negotiations unfold we'll be following Mark, Jo and many other residents of the street to see if they're happy with the choices they made.

EM: Emma Jane Kirby on Brexit Street. Was there a big meeting to decide the name of the series? It seemed a lot of creativity went into that?

EJK: A lot. A lot.

EM: I've got to start coming to the meetings.

EJK: (*speaking over*) A lot of managers.

20 JULY, 5.48PM

EDDIE MAIR: Our reporter, Emma Jane Kirby was here last night talking about Brexit Street. It's not a real street, well, it is a real street, but it's not really called Brexit Street. This is a new series on PM. Over the coming weeks and months, Emma Jane will be reporting from the real street about how exiting the EU is affecting the real people there. Remind us first exactly where our Brexit Street is, if you would?

EMMA JANE KIRBY: I'm in Thornaby on Tees, it's a town of some 24,000 people, sandwiched between Stockton and Middlesbrough, in the north-east of England, where about 65% of people voted to leave (*dog howling*) the EU. Quite a few dogs, you can probably hear as well. (*dogs bark*) Let me sketch for you a little

picture of Brexit Street itself, it is, apart from the dogs, a pretty quiet road, not much through traffic, but when the school holidays are out - and today the children broke up - the whole place livens up. Yesterday, there was even a paddling pool at one end of the street, and a barbecue. The houses are mainly brick terraces, peppered with satellite dishes, and at the other end of the street some of the houses get bigger and have their own front gardens. That's known as the posh end. There are no cafés in the vicinity, but there is a little supermarket, a betting shop, the Salvation Army's here, quite a few churches, and also a little mosque in the immediate area. Now, although Thornaby does not have a significant immigration population, Brexit Street does have a large number of asylum seekers living here, and I shall now hear, rising immigration levels are something that many residents of Brexit Street worry about.

MARK ROCHFORD: My name's Mark Rochford, erm . . . I've been on this street around about 40 years, give and take . . . I'm currently unemployed. Er, previously worked as a . . . a carpet labourer for eight years, then my mam took ill, so I had to leave my job and come back and look after her. Subsequently she died and I ended up back in my old family home, where I'd been from the age of 11.

EJK: Mark is 52, and he shares his house with his best friend and his teenage son. He is one of the very few owners on the street.

MR: I've seen all sorts of things in the street from . . . communities disappearing, immigrants coming into the street. The core values of the community have gone. The immigrants keep to themselves in their own communities, and there's no interaction. People are just going along, minding their own business, whereas when I was young, everybody knew each other in the street. Erm, Christmas and New Year's, people would have parties in the houses. So that was, that was my main reason for voting Leave. It went anything to do with being racist, because I'm a . . . I can't be racist, and mixed raced. My father came over as an immigrant himself, from Barbados in the 60s. So, it wasn't about that. It was the volume of people coming to our shores. We can't cope physically, we need to build 250,000 houses a week to cope with the demand. And that's what it was about for me personally. We just overstretch our, our services, our public services, and (*words unclear*) unemployment rate up here is quite high, but if Turkey joins the European Union, that, that's 88 million more people . . . in Europe, which means 88 million more people will be eligible to work in Europe. So they filter through from Turkey into Europe, and eventually . . . they come to Britain, because Britain pays the better wages.

EJK: But most of the migrants who live here, the immigrant community here are not European Union migrants, they're not economic migrants . . .

MR: (*speaking over*) No I . . . I know, I know this, I know this. But obviously, they still take up housing (*laughs*)

EJK: A little further down the street, the local children are playing tag in the sunshine. Landscape gardener, Wayne, is keeping an eye on his young son from his open front door.

WAYNE: Nice, lovely area, love it. You know what I mean?

EJK: Wayne's been renting here for the last three and a half years. And in the referendum he didn't hesitate before he voted Leave.

W: We're best of out of it, because it might stop, like, 'em bringing all the immigrants into our country and then, it's going to give more of us chance of getting jobs around here. So that's why I voted Out. And not only that, people that are on benefits over here, don't get as much handout as what they do. I've heard like, you know, they've got cookers and all that. Everybody over here has to get a loan to buy one. Where they don't, they just come over, live in our houses, do you know what I mean, and get everything paid for. And they get vouchers to go to the supermarket to get food. None of us get it, round here, you know, so . . . I mean,

there's more people now, like . . . returning to food banks and that, you know? I mean, you feel sorry for people who have to do that, I mean, I never have to, but, you know, it's not fair is it? It's not fair on people who have to go there to get hands out (*sic, means 'handouts'*) you know what I mean?

EJK: One of those food banks in Thornaby is situated in the church, not far from Wayne's house. And one of his neighbours helps out there.

CAROL: I'm Carol, I care for my children, and I've lived in this street for eight years. Well, when my children are at school I work in . . . I volunteer in a foodbank, we get asylum seekers and we get white British people, and it is hard seeing those people coming into the foodbank, but . . . I vote Leave. And mainly because I think our money should be spent in our country.

EJK: Carol is known by all the children on the street of the lady who organises outdoor summer games. But she doesn't know all her neighbours.

C: It is very friendly now. We have the odd one or two that we don't bother with, we don't . . . interact with us (*sic*).

EJK: Do you socialise with the asylum seekers, or . . . ?

C: They . . . they don't . . . stand and have conversations with you, but they . . . they are friendly and they say 'Hi' to you, and they speak to the children when they pass by. Yeah, there's always been at . . . quite a lot in this . . . in this street. But as long as they're willing to pay into our country and support and work in our country, then I don't see a . . . a great problem. But then if they're just coming over here for our . . . our money and our income, then . . . that's not right.

EJK: But, as asylum seekers, they're not allowed to work at the moment.

C: Yeah, I understand, yeah, yes. They should be made to pay back a little each week for . . . the resources they're given, to prove that they're not here just to . . . take, take, take, but also to give.

EJK: Did you chat to your neighbours and stuff before you voted, or . . . ?

C: Yeah, my friends and family all wanted to vote Out, for the same . . . More or less the same reasons – we're British, and we support our British people. I'd like to see more help and support out there for families, but I don't think there's enough help and support. I mean, I've got an elderly gentleman living in the street, he's got no family out there, and I don't see him getting any support at all. I've seen other families that need the help and there's nothing for them. Our money should be spent in our country, not in other country (*sic*) we need it.

PETER: Is that a chocolate biscuit? Where? (*child replies, inaudible*)

EJK: A few doors away, Peter, whose off work with depression, is looking after his two little boys. Money is very tight in Peter's family. His wife is only working part-time, and they've calculated that even if Peter were well enough to find employment again, the high childcare costs would mean they were financially know better.

P: I voted to remain.

EJK: Why did you vote to remain?

P: I believe that we're . . . people are stronger together, (*words unclear*) work together. I've never really been, see myself, bothered by immigration like that, because erm . . . neighbours on this side of me they're . . . er, immigrants. I don't know, fully know, the situation, but erm, I always say hello they're . . . they're nice neighbours. And . . . like, a lot of people were thinking that, by voting Leave, they were going to

get rid of all of them, which is never going to happen. Or that somehow by voting Leave . . . (*fragments of words, unclear*) stop coming completely.

EJK: Some people on the street say . . . (*exhales*) it just seems so unfair that we have to struggle to pay our rent and . . . people coming over, asylum seekers, refugees, just get a handout?

P: I . . . I can understand where they're coming from, but I don't think it's right to blame the asylum seekers as well, because . . . in their situation, you would do the exact same thing, because we're . . . supposed to help each other. But I think that's getting lost in this . . . day and age. So . . . the next door neighbours were actually targeted, because they were immigrants. Swastikas have appeared on the side of buildings or on the floor and it scares me, it makes me uneasy, because I don't want to see this country go that way. Because we all know where that leads, and it doesn't go anywhere good.

EJK: At the other end of the street, Mark, the unemployed carpet labourer who's lived here for 40 years, shakes his head in disgust at the abuse that some of his immigrant neighbours have recently suffered.

M: Kids who are idiots, they decide to terrorise them, but they're just, they're just children, they don't know any better, they've been brainwashed by their parents, who are ignorant. I think personally that the people here now, they should stay here, but we should be able to shut our borders and say, 'Look, this is a small country, in area,' – it's all about the area for me – 'We're a small country in area, we can't have . . . more people coming in . . . to live here, because we haven't got the ability to sustain them.'

EJK: Do you feel European at all? Is Europe relevant to you?

M: We're an island state, they should never have built that tunnel (*laughs*)

EM: Emma Jane Kirby's first walk down Brexit Street, more to come here on PM.

21 JULY, 5.47PM

EDDIE MAIR: This week on PM we are starting a new series called Brexit Street, all this week, and the months to come, our reporter, Emma Jane Kirby is hearing from the people in a street in Thornaby near Middlesbrough on Teesside, an area which voted overwhelmingly to leave the European Union. Emma Jane's first report was last night, she's back tonight with more.

EMMA JANE KIRBY: Eddie, Thornaby is an area of high unemployment. The north-east of England as a whole has the lowest GDP per capita in England and time and time again on Brexit Street I'm hearing from people who say that with the decline of the region's main industries: shipbuilding and coalmining, there's a feeling that the government down south has just left them to rot, and that feeling of abandonment has prompted a lot of residents here to vote to leave the EU. Yet, this is also the region that has benefited more than any other in England from EU development grants, and some residents feel that the opportunities the EU provides are worth hanging onto.

JO: I haven't been a lot, like, a lot of places in Europe, I've been to like, Amsterdam, Holland just, just that part. My brother lived in Germany for a long time.

EJK: Meet Jo. She moved into the street just six weeks ago, and she shares her rented house with her dog and cat. She's not working at the moment, but she used to work in retail for a big Swedish company, which gave her a soft spot for all things European.

J: I love Europe. I like being in the EU, I . . . liked being part of Europe. It can't be that bad, if we've been in it for 40-odd years.

EJK: She also has three grandchildren, and it was her love for them that swayed her vote.

J: I voted to stay in. I know a lot of people won't like that, I'm working class, but I thought, for my grandchildren and my family, for the future, I thought they would benefit more, us staying in, than out. I think it's all about the next generation, not us. Don't (*word unclear 'stay' or 'state' – she possibly means 'keep'*) your mind in the north-east of England. I just think they've made a mistake.

EJK: Before the referendum, Jo had never followed politics, but this time she watched all the TV debates. Her subsequent vote to Remain caused a rift in her family, but she wants to be clear that voting 'in' was not an endorsement of David Cameron's government.

J: Even though I voted 'in', I'm not a fan of David Cameron, no sorry, I'm . . . I still don't like what he did, I think he's sort of let the north-east down, erm, coming onto childcare, tax credits, hitting disability. So the people who don't work have been hit hard, and some others can't work.

EJK: And what do you think of Jeremy Corbyn, for example?

J: I don't really know much about him. I've never really been into politics until (*laughter in voice*) all this started. I'd like to learn more about it, I think I need to, because I'm not too sure what he does, what you, who you've just mentioned.

EJK: Jeremy . . .

J: (*word unclear*) Labour . . .

EJK: Jeremy Corbyn yeah, he's the leader of the Labour Party.

J: . . . Party . . . well, we've been Labour all our lives, but I'm just studying that now.

EJK: Pop over the road to landscape gardener Wayne's house, and you won't hear him singing David Cameron's praises either. In fact, the Tory government, he says, is partly why he voted Leave.

WAYNE: You know what I mean, he's done nowt for us. Absolute nowt.

EJK: Did you vote for him?

W: What?

EJK: Did you vote for him?

W: No. No. We were hoping Labour'd got back in. You know, and that's what this country needs, it needs Labour back into sort all the mess out what he's done. At the end of the day, we are already like in crisis aren't we, so it's not going to do no more damage to us, is it? He hasn't got us out of the credit crunch has he, really? You know what I mean? I mean they couldn't . . . they couldn't even bail our steelworkers out, could they? But yet they'll bail their banks out and what have you. Because of my family are . . . you know, in the steelworks, you know, and it's not nice is it? So that's why I voted out. You know what I mean, they don't help the public round here, do they?

MARK: In the north-east, this is a predominantly Labour stronghold, we're wor — working class people. So working class people want a working class government, but . . . people around here don't trust Jeremy Corbyn.

EJK: That's Mark. We visited him at his home yesterday, the same home he's lived in on and off for 40 years. Mark is an unemployed carpet labourer, and although his local MP, the Conservative James Wharton, voted Leave like he did, Mark feels disillusioned with mainstream parties.

M: If they call a general election, there's a lot of people up here who'll be voting UKIP.

EJK: Could you see yourself voting UKIP?

M: Yeah I could. If Labour could form a . . . government with UKIP, we might see things better. Erm . . . currently my son, you know, I look around and that, I, I worry about my son's future. There's no heavy industry to go into, there's no apprenticeships. I don't know. It's . . . the only, the only thing I would suggest he can do is go in the forces, because . . . that's the only guarantee of maybe five or six years' employment. There's nothing to do for him round here. The chances for me to get employment – very slim.

EJK: And how does that make you feel?

M: That's a good question. Inadequate. It's alright George Osborne saying things like 'the powerhouse of the north' – but the north to him only extends as far as Leeds. Now Theresa May's been elected, there might be more investment in the north-east.

EJK: She doesn't represent your politics though, does she, (*word unclear*)

M: No, but I think Theresa May'll be . . . make a good Prime Minister, I think Theresa May was a good Home Secretary, she is an honest politician, as politician— . . . as politicians go. And she'll represent the country leaving the European Union well.

EJK: The European Union, though, does give a lot of money to this area.

M: Yeah but that money, that money is what we've already paid in. (*laughter in voice*) They're only giving us what we paid in, they aren't giving is anything that we're not entitled to. If we didn't pay that money in, in the first place, then there'd be no need, no need for them to give us government grants back, would there? I think we're better off alone. I think it'll make a stronger eventually. The pound's gone through these traumas before and always come back strong. And that's why our economy will eventually recover. It might take, I don't know, it might take two years, it might take five years. I think most of the people, if you ask them, who voted Leave, whether they thought they'd be economically worse off, I, I think most people would answer yes. And I think if you asked them, 'Do you think that's a price worth paying, to get your independence back as a sovereign nation?' I think they'd also say it was worthwhile.

EJK: Cross the road again, though, to stay-at-home dad Peter's house, and although he also feels this area has been neglected, he voted Remain because he read that the north-east has benefited more from EU development funds than any other English region.

PETER: I do feel that erm, the government has become more centred on their self – in the Teesside area, you don't really get much . . . whereas, like, the EU does actually help . . . put money into places that need it. (*sniffs*) And I've seen a lot of places which have grants that were given by EU funds, and obviously, once we leave they're gone, and . . . again the Leavers have no plans for actually how to get money back to them, the ones that need it. So . . . yeah, it was one of the things I was thinking about when I voted Remain. Any parent wants to do right by their kids (*sniffs*) so I want to try and make everything . . . great for the kids coming up. We don't know what the consequences of this is going to be, down the line, I don't want it to be a case of when they come to working age, they have great difficulty because of the decision that we may now.

EJK: Theresa May, we have a new Prime Minister . . .

P: Yes.

EJK: What do you think about that?

P: Mixed feelings about it, because the way the Conservatives did the race, it seemed very . . . a bit odd, how everyone just dropped out. And she just got sworn in quite quickly. I would have liked to have seen a snap election, even if the Conservatives won it, that would at least make me feel a bit . . . thing, because then it's like, well, they voted for her, so there we go. But I was listening to her doing Prime Minister's Questions earlier, and it still seems as it's the same old . . . same old. We'll see how she does.

WINNIE: Why should somebody tell me what to do . . . in Brussels. You know, 'You can't do this, you can't do that' – well tough, we're out and that's it. Out.

EJK: For Winnie, a retired cleaner, paying into the EU is just throwing good money down the drain. The north-east may have benefited from more EU development funds than any other English region, but the trade and science parks, universities, that have one the EU grants just don't figure in Winnie's life.

W: And all this money that they've been getting off us – why? No one's ever said why . . . Out.

EJK: What about the money that comes from the European Union though, to areas like the north-east, to help boost areas like the north-east?

W: Where? Where? I haven't seen it. You can't give Brussels that much power. You can't. And expect other people to do their bidding. I remember before we went in. Well, we had no problems, you know, when we were younger. We got on with it, simple. I do not feel European . . . at all. No.

J: I think there's no niceness in being alone, we're just going to be an island on our own. I think we did well to, to be with the EU, and I don't think we'll be able to cope without them.

EJK: Back at Joe's house, Jo is worrying about Britain becoming insular.

J: I think we're very arrogant, and . . . racist. I think we've become a very racist country. I don't know what the immigrants think, I'd like to . . . to sort of find out their opinion about what, what it's like to come out of the EU, because nobody's really mentioned them. They're, they're outsiders. So I wonder if life's going to get any harder for them?

EM: Emma Jane Kirby on PM's Brexit Street. More tomorrow.

22 JULY, 5.47PM

EDDIE MAIR: This week on PM, Emma Jane Kirby has been getting a better idea of why people voted to leave the EU. In her new series, Brexit Street, she's begun to hear from people living in a street in Thornaby near Middlesbrough on Teesside, an area which voted overwhelmingly to leave. We've had two reports already, Emma Jane will continue her series in the weeks and months to come, here's her latest dispatch.

EMMA JANE KIRBY: So far, on Brexit Street in Thornaby, we've been hearing a lot from residents who are concerned with the issue of immigration - not necessarily economic migrants coming from Eastern Europe, but those people coming from outside the EU's borders, because housed here on the street there are large

numbers of asylum seekers. Some people we've heard from feel it's unfair that these refugees are being provided for, and others have said they'd like to hear more about who their refugee neighbours are, and why they're here. So, tonight, we're hearing from some of the resident asylum seekers to find out what life is like here for them on Brexit Street. 20-year-old Cami from Congo has hospital appointment today, and she's careful to lock her room before she goes out.

CAMI: Everything, every time you ask, this, this, this this . . .

EJK: I say *her* room, but Cami has to share her small bedroom with another refugee, and there are eight other asylum seekers in the house.

C: You bring some problem you know, because we are different country, we can't talk, talk together, we . . . me I speak French, then they speak their language. It's difficult.

EJK: Do you feel accepted in the street? Do you have friends in the street?

C: I don't have friends . . . they used to call me before 'Ebola', 'Ebola' – you know this . . .

EJK: The disease.

C: The disease, yes, 'Ebola', 'Ebola'. (*exhales*) What you can do? Nothing.

EJK: Would you like to get to know your neighbours?

C: I would, I would. But it's difficult.

EJK: And do you ever think maybe you'd be better going home? The Congo again?

C: Congo you . . . (*becoming upset*) I don't have family, you know. Before, I was with my mum, father, my sister, I don't have them now. You know that. They dead.

EJK: Off tape, and in her own language, Cami told me how she came to be here, when her parents and sister were murdered by armed militia in Congo, she was left alone until a white man came to her village and said he would take her to a safe country. He trafficked her.

C: He say, 'Okay, I will take you guys to, to some place you can . . . go to school, you can . . .' – I believe him, I believe him. I believe him. He was beating us (*words unclear*). He (*fragments of words, or words unclear*) something like us to do . . . prostitute (*sobbing*) you know.

EJK: In a little park, near Brexit Street, I take a walk with Xavier – an asylum seeker from Cameroon. He's lived on the street for a few months now, but like Cami, he knows no one.

XAVIER: I'm living in England, I want to know every British people, I want to make my life there. Why I should don't know (*sic*) British people. That doesn't make sense.

EJK: But he understands, he says, his neighbours' reticence to interact with him.

X: The people doesn't talk. Sometimes they look at you like . . . I feel like (*exhales*) but . . . it's normal, because . . . they will take time to . . . to accept us, because they're born in this country and they never see the black man. And sometime you need to give them the, the time to realise that it's life, that is the life now in the UK.

EJK: You play football, I know you're injured at the moment, but you play in a football team.

X: Yeah.

EJK: Is that important to you, to get to know people, because you spend a lot of time in your room.

X: Yeah, it's important for me, because I love football, and when I play football, I always forgot about all the matter. I just enjoy it. I'm very happy to see the team mate (*sic*) because when you are in the team, you don't talk about the asylum, you just talk about football, just talk about life, just talk about university. They just interact a lot, that makes me very happy.

EJK: Back in Brexit Street, it's supper time in the Eritrean asylum seekers' household. Hibra (*phonetic*) was nervous when I knocked, the other day when he answered a ring on the bell, he got pelted with eggs. He laughs it off.

HIBRA: A knock the door, open the door. Egg . . . eggs. (*laughs*)

EJK: Apart from going out to church though, Hibra rarely leaves Brexit Street. He spends a lot of time reading in his kitchen, with just the noisy fridge for company. But he's determined to improve his English and his chances in life, so he chooses his reading material, he says, very carefully.

H: I read the books of Dale Carnegie – how to influence people, how to communicate with people, how to integrate with them, how to live your life. So . . . that's what I read.

EJK: As a former biology student, Hibra's desperate to get his asylum papers sorted so he can resume his education.

H: I like living here, but not much. I would like to continue my education, I want to learn, because I feel erm . . . I can have a very bright future. It can be for itself and (*fragment of word, unclear*) community and for his country.

EJK: And for you now, Britain is your country?

H: Yes. (*words unclear*) If I get a . . . I get a residence permit, I want to study nursing, nursing degree.

EJK: Have you been following all the Brexit stuff?

H: (*speaking over*) I've been following, I've been following the whole. I feel not good. If I had the right to vote, I would vote to Remain, because today are world is facing terrorism, in securities, so many problem, global . . . climate change. It is very easy to stand and fight together than alone. To cooperate and collaborate with other friends. See in life, even simple life, you need friends, you cannot live alone.

EJK: A few doors down and Jalad from Iran is making tea. He doesn't know Hibra, his Eritrean neighbour, yet both of them faced religious persecution in their own countries. Coming to Thornaby, and to Brexit Street, has been a complete culture shock to carpenter Jalad. 'Everywhere you go in this place, you can smell dope' he says, with a bewildered glance at his friend Mustafa. In the afternoon, everyone seems to have a bottle with them, whether it's wine or beer, someone's always got something to make them high. And I can see that a lot of people on the street,' he continues, 'don't have a good life, they don't go to work. On the street very few people go to work, and they make do with whatever benefits they get from the government. In Iran,' he says, 'it's not like that - we work to improve our lives, we don't rely on Social Security. The people on the street seem to be living for today,' he says, 'but we're thinking for our future.' Because some people here don't have much money, they see asylum seekers and refugees coming in and they say, 'But you get the house with a kitchen and an oven, we have to get a loan from the bank to get an oven, to get furniture.' What do you say to them. Jalad begins to answer, but his friend Mustafa cuts across him. 'It's not comparable,' he insists. 'The people on the street at least have their family around them, and they can live in their own country with their own community. Whatever we have here,' he says, sweeping his hand across the sparsely furnished room, 'we don't have our family. We still don't have our wives or our children.'

C: Oh, I don't know how to do, it's very difficult for me.

EJK: In her stuffy little bedroom, Cami stairs through the net curtains in her window out onto the street. She's lived here now for 18 months. 18 months on the street, 18 months in a country she never planned on coming to. She feels totally alone.

C: (*upset*) I didn't know I will come here one day, I didn't know that. I didn't know my life would be like this. It's not life. It's not life.

EM: Emma Jane Kirby, whose series will continue.

10 AUGUST, 5.50 PM

EDDIE MAIR: A few weeks ago on PM, our reporter Emma Jane Kirby began a new series for us. The aim is to hear in greater depth from a part of the UK that voted overwhelmingly to leave the EU, and we want to keep in touch with the people in that one street, as Britain heads towards the exit. We're calling it Brexit Street, it's actually in Thornaby on Teesside, near Middlesbrough. Tonight, Emma Jane visits a barbershop, and not a moment too soon, just around the corner from Brexit Street, where hairdresser Tracey is talking to her customer Graham.

TRACEY: Hi Graham, got my glasses on. I voted to Leave, fancied a change, and also . . . feel like the north-east's been ignored. Erm . . . and . . . yeah, being able to do what we want to do for a change, rather than being told what to do. I don't know many customers who actually, erm, stayed. Erm, what did you vote for?

GRAHAM: I voted to stay.

T: Did you now? Well, you are my first one then.

G: Sorry.

T: Yeah. Don't worry about it, I will take it . . . I won't take it out of your . . . haircut. Shall we discuss this Graham then? What do you think? Why, why did you . . . why did you . . . vote to stay?

G: I think . . . I just thought we were better in Europe . . . I didn't give it a great deal of thought.

T: (*words unclear*) There's a lot of customers who've . . . lost their jobs and things like that, and it's had a whole . . . like, knock-on effect for everybody.

G: Yeah, but I didn't think that was down to Europe, I thought it was down to, just the climate in England as it is. I know what you're saying, with a lot of people coming in from abroad and working and what have you, but erm . . .

T: No, but that can, that can benefit as though, can't it? So . . . erm . . . you know, and I know people'll go on about, like, immigration and things like that, a lot of people would have said that in, in this area about, about the immigration, some actually, you know, come outright and, and say, you know, that the foreign people have come and they've took our jobs, and, and I disagree with that, because those jobs were there, if you wanted them before they came, you should have had them then.

G: We've got a lot of foreigners coming in now and . . . no matter where they're from, they work hard.

T: I just . . . thinking back about when we, erm . . . I phoned my son up on the day and just, and he said, 'You voted mam?' and I said, 'Yeah, yeah', he said, 'Yeah, you'll have voted to leave, have you? Do you realise what you've done to me?' I was like, '*What?* What do you mean? What have I done to you? How's that?' – 'You're not thinking of me, and, er, and my future.' And I said, 'Really?' I said, 'I've thought of your future of the nearly 30 years and now it's ti— time for me to think about the rest of my future.' But he's, he's based in central London, you know, so, he's . . . he's seeing it from a different point of view.

G: Ah yeah . . . yeah but, but London is, is a different . . . area to was, it's a different country to be honest . . .

T: Well it almost is, yeah, definitely.

G: (*speaking over*) The amount of money and what have you, they put in there . . .

T: Yeah.

G: . . . and there's nothing here.

T: No, it's that huge North and . . . North and South divide that everyone complains about and has done. I, I wasn't too sure when we actually joined the EU. Er, all I can remember is, in the . . . in, in, when I was younger, when my nanna said, 'Oh we're getting some free butter', and that's all I can remember us benefiting from being in the EU, as a child. Because there was this butter mountain, and I was like, 'Oh, okay, we're getting some free butter,' Oh, you know, and my nanna was over the moon. But I'm just like . . . 'Oh, okay', and that's all. Erm . . . you know, so . . . Can you remember anything like that, when you were younger? I mean . . . but I'm like 50 years old, and . . . how old are you to me, how old . . .

G: 47.

T: Oh right then, well you've got a few years on . . . now . . .

G: All I remember is the football match. When we joined Europe, that was all I remember. I mean . . . and I don't think Eu— Europe makes much of a difference. Whatever happens, the funds won't come here. MPs and that are lining their own pockets. They're not interested in Joe Average in the street.

T: Yeah. No, that's true.

G: So wherever the money goes, it doesn't come here.

T: Yes, more . . . money getting wasted. Morning (*another customer speaks, words unclear*) afternoon is it?

UNNAMED SPEAKER: Not yet, yes, three minutes, three minutes.

T: Alright, thank you. I would like the NHS to be improved above everything, because everybody's living longer, so it definitely needs some money spending, I think on the . . . on the NHS. And if that, by leaving the EU is going to do that, well I'm . . . yeah, I'm glad. I'm glad. It'll free some money up. It just seems, I mean, we're such a big country and if anything happens, we're always the first one to go, 'Oh, we'll give you some help, we'll give you some money.' – but who's helping us? Do you know, who, who's helping, like, England in their time of need, and, you know, who's helping the North East in their time of need? It's always us, isn't it. And it doesn't seem like we're getting anything or . . . maybe we're not told getting anything. (*referring to haircut?*) Is that alright Graham?

G: Yeah that's (*word unclear, 'nice' or 'fine'*)

T: Yeah, and then another panic thing, with the interest rates going down, and mortgages and stuff like that, everybody is having a little bit of a panic, but I . . . you sort of knew that was going to happen, I think, when, when they said about 'You were going to leave', erm . . . I got a shock, actually, on the day that, you know, I was told. And I remember running in and saying to my husband, erm . . . 'We're out . . . we're out!' And bearing in mind he'd just been on nights he said, 'Why, where we going?' (*laughs*) He thought we were booking, you know, a night out somewhere with our friends, 'No, we're out, we're out.' And erm . . . I said, 'I can't believe it' you know, 'and David, David Cameron's resigned.' He was like, 'God' – and that woke him up. And erm . . . he, he was shocked by it, because I honestly believed it had already been made for us, that decision, I really, I really believe, I thought we were going to get up the next morning and we're going to Remain and all the rest of it, and, and I got a shock about it, yeah, a pleasant surprise. I thought, 'yes, we've won – they've took notice of us.' So . . . yes. I think where just about done Graham what you think of that then, is that okay.

G: Yeah, that's fine.

T: Alright. (*spraying hair*) Each to their own, we'll see what comes out in the wash, won't we? As my nanna would say. Yeah, only time will tell, won't it?

EM: Emma Jane Kirby on Brexit Street, more tomorrow and do catch up with all of the reports on Brexit Street on the PM website.

11 AUGUST, 5.48 PM

EDDIE MAIR: The UK is heading for the exit door of the European Union, and over the course of the next year, we're committed to reporting on events as seen through the eyes of some of the people who voted to leave. The majority of people who voted in North East of England voted to leave, so we've homed in on a street in Thornaby on Teesside, which we are calling Brexit Street. You can catch up with some of the people of Brexit Street on the PM website, the reports we've already broadcast. On a previous visit, our reporter, Emma Jane Kirby, heard from Mark, an unemployed carpet labourer who cited immigration and the deindustrialisation of his area as the main reasons he voted to leave. She also met Peter, father who's off work because of depression, and who voted to Remain because he thought EU membership could be good for his son's opportunities. Emma Jane caught up with Peter and Mark again.

EMMA JANE KIRBY: Stockton Carnival, just over the bridge from Brexit Street, and Peter, his wife (*sounds of children, words unclear*) and his two very excited little boys are watching colourful paper dragons parade down the High Street. Since the UK's decision to leave the EU, however, the news headlines haven't looked too festive. According to recruiters, Britain's labour market went into freefall last month, with the sharpest drop in permanent job placements since 2009. It's exactly what Peter, who voted to remain, feared would happen.

PETER: There's doom and gloom, because if there is recovery, it's going to be a long time coming, and I don't think it's worth this, but . . . obviously, what's happened's happened. Employment, they're just going to move everyone onto the zero hour contracts, which . . . benefits no one. I mean, this really is a horrible system, and like I say, with employers obviously not taking on more staff, and . . . they're trying to cut whatever corners they can to survive, and it was really unnecessary to go this way. (*words unclear*) optimistic about it . . . but it seems that nothing changes. I look around, and everything's still . . . the same. If more money is invested in the infrastructure around here . . . then we might be able to (*fragment of word, or word unclear*) do more, because . . . there's people out here who want work, we're not getting the work.

EJK: In another part of the Carnival, Mark, an unemployed carpet labourer has come to watch the attractions with his young daughter. Mark voted to leave the European Union, and he's still confident that that was the right choice.

MARK: I think in another six months it'll settle down. I think the Bank of England has been forced to cut interest rates, nobody's buying anything, people aren't investing, they're frightened, they want to see what . . . the government are going to do, so I don't know. It'll settle down in the end.

EJK: What do you feel about interest rates being cut?

M: Personally, I think it shocking, people . . . people haven't got enough money to be saving anyway. They need a decent return on the small amount that they're going to put in. And cutting interest rates, is not going to do much for investment. People are frightened. It's the uncertainty. That's, that's what the problem is.

EJK: But are you more hopefully now that we're exiting the EU, of finding work?

M: That depends on whether the influx of people from Europe still come here in numbers. If they don't come here in numbers, then there's hope for the future for me personally and the generation below me. If not then everybody's going to be fighting for the small jobs that are here.

EJK: Peter, still watching the Carnival, knows all about that fight for work. He is currently off sick with depression, but the strain of trying to make ends meet for his little family is making him ill with worry.

P: There's days when . . . I know I'm not ready myself, but I think, 'Oh well, money's that bad, I'm (*fragment of word, unclear*) I'm going to have to do something about it', but then . . . I start worrying, the depression, like, 'Am I going to fail again? Am I just going to make myself worse?' Because I've been pretty low in . . . (*fragment of word, or word unclear*) times, and there's sometimes when . . . there's . . . my mind just goes to dangerous places. And I don't want to end up like that again. I'm positive (*word or words unclear*) my family, I've got positive things for that, but as far as work, work prospects go, no, not really. Because there seems . . . I always see like there's jobs going, but there are always so many people applying for them that I get lost in the shuffle, like so many others probably end up doing as well. Going through all the . . . education channels, from school to college, then straight on to university (*two second pause*) and . . . so I'm saddled with, obviously, my student loan debts. I have a . . . (*fragment of word, or word unclear*) degree in Computer Studies, that was the best that I could get onto at the time, but my goal was to actually become a computer games programmer, but sadly it never . . . panned out, and the industry's so cutthroat that even stuff I learned then is almost of no use now. So at the moment it feels like it's just a bit of paper, the . . . worthless.

EJK: And did you ever think of packing up and going somewhere else with your little family?

P: It has been in my mind . . . a few times, I mean, get away and start anew. But . . . we've still got a lot of debt to pay off, there's . . . the idea of moving elsewhere is just not . . . possible, I mean . . . back, before university, I always like dreamed of emigrating to . . . maybe Canada. But (*two second pause*) that's just not going to . . . that just won't work now. So for the foreseeable future, I'm here just . . . getting my life back together.

M: I like this country, I know we have our problems, but . . . I like living here.

EJK: Mark has never thought of emigrating, though he did spend a few years working in other parts of the country. After he left school, he went into the army for five years. But he's not sure he's living the life he thought he'd be leading.

M: I had hopes and dreams as a younger man, but as you get older, your hopes and dreams become more realistic, and you settle for what you can do. But I was (*fragment of word, unclear*) naive enough to think that I would go into employment and have a job for life, I didn't want to be famous, I didn't want to be rich, I just wanted a steady job for the rest of my life, and to have a, have a nice easy life, normal life. And that just hasn't happened, because . . . they've shut all the heavy industry down in the North East of England, the

shipyards have closed, there's no coal any more . . . at the moment you're just, you just do what you can, you do the best you can. And some people take jobs just to survive.

EJK: Have you?

M: Course I have, yeah, I've taken jobs to survive, I've taken jobs I wouldn't dream of doing. Working on (*word unclear*) farms, picking fruit . . . mindless jobs, erm . . . working in a crisp factory, working . . . working in a biscuit factory. I, I think if you talk, if you talk to most people who are unemployed, most people'll tell you, in a heartbeat, if they had, if they had the opportunity to get a fair day's work for a fair day's pay, they'd jump at the opportunity.

EJK: And what about your children's future? Do you think . . .

M: Oh . . .

EJK: . . . they'll have a better future than you had?

M: At this moment in time, it's hard to say the way the world's going. As I said, all the old industries have gone. Labour and jobs, eventually, they'll all fizzle out. Yeah, I do fear for my children's futures. I feel in the next couple of years that they might not have work to give them. They might have to go abroad themselves, be migrants. Look for a better future for themselves.

EJK: What if your children say to you, 'But dad, I want to go to university'?

M: I'd encourage them. If the government want future generations to do well, be pioneers of this country, captains of industry, then they should scrap tuition fees and let people have a free education, if they've got the brains to do so. It should be an incentive for people to learn and then go on to do something better, and they shouldn't be penalised financially for this.

EJK: As the energetic and diverse parade draws to a close, Peter walks home to Brexit Street. The spirit of the carnival has made him reflect that perhaps even outside the EU Britain could still have an exciting future.

P: There's a lot of different things we could try, but it's getting people to come together and talk about what we need to do as a country, instead of . . . arguing along the lines, and believing that they're the only ones with the right vision. It's times like this when the festival's on, that I do feel a bit hopeful, because everyone comes together for this. And . . . I do get hope at that point, thinking that, well . . . we (*word or words unclear*) come together to do this.

EM: Emma Jane Kirby on Brexit Street, more from Emma Jane on PM tomorrow.

12 AUGUST, 5.20 PM

EDDIE MAIR: Now, at 5.20, another visit to Brexit Street, the real street in Thornaby on Tees near Middlesbrough, that we've sort of adopted. It was part of the UK that voted heavily to leave the European Union, and over the next year or so we're staying in touch with the people there as the UK heads for the EU exit. You can catch up with all Emma Jane Kirby's previous reports on the PM website, it's worth a listen. Tonight, more on the asylum seekers in Brexit Street, there are quite a few. You might remember, we heard before from Camille, a refugee from Congo, who'd been trafficked to the UK and sold into the sex trade. Camille had been unable to form any friendship on Brexit Street.

CAMILLE: I don't have family, you know. Before, I was with my mum, father, my sister, I don't have them know. You know that. They dead.

EM: A clip from one of Emma Jane's previous reports. Now, many listeners wrote in, after we broadcast that, asking us, erm, could they help, and certainly asking to pass on their good wishes to Camille. We did that, and we wanted to update you with how she is - she has just had her asylum application rejected, and when Emma Jane met up with her again, Camille was recovering from an operation to remove her tonsils, so (*laughter in voice*) as you can understand she wasn't really up to saying very much, but she was very anxious that we record this for the PM listeners who wrote in. Here it is:

C: I feel like some people they (*word unclear, 'take'?*) care, I feel like I'm not alone. I thank them for everything they do, to do this is to have a good heart, I'm (*sic*) just thank them.

EM: Obviously, we'll keep you in touch with Camille's situation. All the asylum seekers Emma Jane met on Brexit Street have told us how isolated they feel living there. But that hasn't stopped some of them trying to integrate.

EMMA JANE KIRBY: It's Saturday morning at Thornaby Football Ground, and the coach is not happy with his team's performance.

COACH: Come, come! Come up.

EJK: But Brexit Street resident, Xavier, who's an asylum seeker from Cameroon, takes no offence at the odd telling off – for him it just means he's accepted, like any other member of the local team.

XAVIER: Because I like football, I can have a lot of friends, because I will be ashamed (*fragment of word, or word unclear*) with them, with my mate.

EJK: The team is made up of local British players and asylum seekers, and was the brainchild of John, who himself was a refugee and was without papers for nine years.

X: Yeah, John is a good manager, he's managed of the team (*sic*), because in the team you have many different . . . different language and different country he try to . . . to be, to be welcome for everyone, he try to be like a father for all us. He try, if you have problem, we just need to talk to John, he help you and he's . . . he's tried to . . . to learn, to treat us how they life is in the UK without paper, John is a very, very important person for us.

EJK: John says he's watched Xavier blossom, since joining the team.

JOHN: The first time he came, he was so quiet, and er . . . but since he came and start playing for the team, get together with others, he has changed. Now he can, he can laugh, he can smile, and er . . . his mood it has changed, his mood as well. And he become a bit happy. Yeah, I set this team up just to get people busy, because er . . . when I first came in Middlesbrough, I was stressful . . . so stressful, and I was depressed, completely depressed. Sometimes when I was in my bedroom, er . . . I felt like my head . . . just want to explode. So thought about myself, and I say . . . they might be in the same situation as I was before as well. And erm, I just say, 'Okay, if I was trying to be active', and it was a bit of relief for me, 'if I do that for others, they might feel relief as well.'

TATIANA: We are not giving up, we are so involved, it was very good, good challenge (*laughs*) very good challenge.

EJK: That's John's wife Tatiana, who's another keen footballer. John recently set up a women's league, but a shortage of female players means they often end up playing the men. Tatiana has learnt English through the football club, but more importantly she's also got to know her husband better. The couple had barely been married a year in Cameroon when government forces hunted down John, who was an outspoken political activist, and he was forced to flee, and Tatiana was captured and imprisoned. When John was finally

granted asylum in Britain in 2014, he'd tracked down Tatiana and sent for her. They'd been apart and out of contact for the best part of a decade.

T: He was different, because he just change. With the situation here, yes, he's another man. Erm, we are trying to . . . to start . . . again, if I can say like that, you know, to know each other, yes, because nine years, ten years, it's a lot, yes. So, we are, we are doing our best, and I think that I gave him my best . . . (*laughter in voice*) hopefully. But I think that it'll be okay, by the grace of God, yes, yes, but it's not easy. Not easy.

(*choral music*)

EJK: At the nearby Baptist church in Stockton, Javad, an Iranian asylum seeker from Brexit Street finds his solace in prayer. When we first met Javad, he told us how isolated he felt on the street, and how alienating he found the British culture of smoking and drinking. At church, however, he says he feels included. 'From the first day we came here,' he tells me, 'we felt accepted. The congregation here, they don't judge you, whether you come from Kurdistan, Iran, wherever. They respect others, and they accept us completely, and we forget our worries here. It's not like being on the street. We feel free here, we feel free to pray.' (*sound of sermon*) Javad claims he was persecuted in Iran because he converted from Islam to Christianity. When we called for him at his home in Brexit Street, his flatmate told us he was at church, 'The guy's always at church' he said.

ANDREW WARR: As, as we've been sent asylum seekers and others to this town, we've just done what it says in the Bible to keep the doors open, and we're just so pleased to have them.

EJK: The local pastor, Andrew Warr, says in the last five years his church has baptised many converts from overseas like Javad, but he always has to be careful that he's baptising them for reasons of faith, and not because they hope it will help their asylum claim.

AW: There, there is always the possibility that one day we're going to be suckered like that. But we spend a lot of time with folks, we interview them very carefully, we make sure they're rubbing shoulders with lots of other Christians before we baptise them, before we welcome them as formal members of our church, and, it has to be said, that I've baptised White Brits and then see them walk away from a living faith, so in a sense I've been suckered before, and I probably will be suckered again, but we do our best to make sure these folks really are walking with Jesus.

EJK: Back on the playing fields, the week's tensions are being played out on the pitch. Xavier dreams of kickstarting his life and beginning his mechanical engineering degree. But until he gets his asylum papers, he's stuck in limbo on Brexit Street, and the only thing he's free to do is play football.

X: When I was in my country, I was in high school, now I can't go to the high school, I can't work, I can't do anything. The only thing I can do is just sleep, eat . . . it's very stressful, but you need to be strong, you need to be positive, and you need to (*word unclear 'play'?*) every time.

EM: Emma Jane Kirby continuing her Brexit Street series. More, as I say, on the website.

A POINT OF VIEW AFTER THE VOTE:

JOHN GRAY ARGUES THAT BREXIT WILL HAVE A GREATER IMPACT ON THE EU THAN IT WILL ON THE UK.

1 Jul 2016, 10 minutes

JOHN GRAY: During the tumultuous and dramatic events of the past week many people have been talking as if Britain is somehow at the heart of the crisis that is unfolding in Europe. The UK has always been semi-detached from Europe they say, and when a majority of the electorate voted to leave the EU, their decision reflected problems that were parochially British. It was splits and conflicts in the two main political parties, divisions between the provinces and the metropolis, North and South, England and Scotland, young and old that produced the referendum result. In this common view Brexit is a peculiarly British upheaval. No doubt some of the forces that produced the referendum result were distinctively British. But people who think these factors account for the shock decision should ask themselves a question: how will they react if the British experience is repeated across much of continental Europe over the next few years, as I suspect it will be? The Brexit vote was certainly not the first to reveal large-scale estrangement from the European Union. A little-noticed referendum in the Netherlands on closer relations between the EU and Ukraine held in April produced an overwhelming rejection of the proposal. It's true that turnout was low, just over the 30% that was needed to make the result binding. But of those who did vote, nearly two thirds were determined to block further EU expansion. The Dutch case wasn't much discussed in Britain, but for me it sent a powerful message: anyone who believed there couldn't be a majority in favour of Brexit was making a big mistake. Popular discontent with European institutions and policies has been rising for many years. The EU has become a kind of laboratory experiment on the destabilising effects of market globalisation. In its relations with the rest of the world, the EU is highly protectionist. Internally, it aims to be a market for goods, services and labour that cannot be checked by national governments or local communities. It's an economist's dream of efficiency. The trouble is that this dream has no regard for other human needs. Human beings need security in their lives as well as efficiency in the economy. When the two are at odds they will opt for parties and leaders that promise security. This is what lies behind the frightening advance of movement of the far right across much of the European continent. Mainstream parties have been promising EU reforms at least since the financial crisis of 2008, but none have been forthcoming. Partly this is because of the euro which, by binding very different economies into a single monetary union, was never going to work. But the failure to implement any serious reforms has another cause. For the guardians of the European project in Brussels, nothing is more important than keeping that project alive. If this means imposing austerity policies and the corrosive insecurity in society that comes with mass unemployment, so be it. As should have been clear some time ago, this is a path that can only lead to the destruction of the European project. When the European idea began to be implemented in the years just after the Second World War it was an attempt to move on from a time ravaged by economic breakdown and savage conflicts. The situation changed after the end of the Cold War; European officials launched a grandiose project of expansion and integration. They wanted to extend the EU right across the European continent while at the same time deepening integration between countries. The very different economies that were being included into the single currency would also be governed by the same regulation. For a time this scheme was not unpopular. Post-Communist countries queued up to join. For them, the EU meant a kind of normalcy, becoming part of a continent-wide entity would enable them to leave behind decades of dictatorship. The European project promised to rescue them from their history. The trouble is that the European state was never a dream that could be realised. Not only are the economies of the EU states too different from one another, so are their political institutions and traditions. With its long history and diverse cultures, Europe cannot become a single political unit like America. Even the US, it is often forgotten, only became a single political system after a devastating Civil War and generations of nation building. During most

of that time the American government has enjoyed a popular legitimacy that few other states in the world have come close to matching. Here we reach the heart of the problem: political union in Europe cannot be achieved through any democratic process. With mainstream parties going along with Brussels in promising EU reforms that never materialise, voters have turned to extreme parties from anger and despair. Eight years after the financial crisis, tens of millions are mired in unemployment and deprivation that EU policies have only made worse. The last straw for many voters may have been the inability of the EU to fashion any coherent response to the migrant crisis. The success of far right parties in inflaming and exploiting racist attitudes is only part of the reason why so many people have turned away from European situations. A large reason is the fact that while it claims many of the prerogatives of statehood, such as a currency and the power to set economic policies, the EU lacks some of the most important capacities of states. The breakdown of the Schengen agreement on free movement has seen national governments taking over responsibility for policing borders. What alarms people is not so much the numbers of migrants, as the fact that their movement into and within Europe has not been properly controlled. People look to states first and foremost to protect their security. More than material welfare, this is what most human beings demand from government and it's this need that the EU cannot satisfy. We arrive at a paradox: for many Eurosceptics the EU is a dangerous superstate in the making, but it would be closer to reality to describe the EU as a pseudo-state which in trying to become a superstate risks breaking down altogether. At present the greatest danger for the EU is that it will use the crisis that Brexit has triggered to launch a final attempt to create a supranational government. The result will be to fuel demands for British-style referendums in growing numbers of countries. The endgame will come when a eurozone country decides to hold a referendum on EU membership. At that point the future of the euro will be in question and the entire rickety structure could start to crumble away. Brexit has been a catalyst for this process but it is not the cause. The destabilising impact of the vote is greater on the EU than the UK. The prospect of the UK breaking up has been much exaggerated stop not all countries welcome Scottish accession. Both the Spanish prime minister Mariano Rajoy, worried about Catalan separatism, and President Hollande of France have laid down that any negotiations over the terms of Britain's exit from the EU must be with the UK, not a part of it. Or to the point, events in Europe may develop faster than many people expect. If a referendum is held in Denmark, Sweden or Holland and results in a decision to exit the EU, will be followed by one in Scotland that proposes leaving the UK and re-joining the EU? Maybe. But somehow I doubt it. It's obvious that Britain faces large uncertainties. Our in/out referendum posed a choice between two options, when in fact there are many ways Britain can leave the EU. It would have been better if these options had been explored, not only by politicians but also by civil servants well before the referendum was held. But that's history now. Whatever anyone may think or want, Brexit will go ahead. The fact of the referendum has set in motion a succession of events that has its own logic and unstoppable momentum. Rather than Recrimination about what has passed we should be looking to the future. However we may have voted, we find ourselves in a new world. Why not make the best of it?

ONORA O'NEILL CRITICISES THE STANDARD OF PUBLIC DEBATE ON BOTH SIDES OF THE EU DECISION.

11 Jul 2016, 15 minutes

ONORA O'NEILL: There's rather little on which the embattled protagonists of Leave and Remain agree or even communicate. As we watched the implosion of the two main political parties in a bonfire of accusations and name-calling, of back-stabbing and ambition it's hard to be optimistic about the capacity of either to address the serious issues that need addressing, to reach the compromises that will be needed in order to negotiate well or to convince the electorate that the negotiated outcome – whatever that may be - is acceptable. Even the massive inroads into their former fiefs by UKIP and the Scottish National Party and the collapse of the Lib Dems have seemingly not lead the major parties to consider how they need to change, or why so many members of the public do not think them trustworthy. Much has gone wrong and as it seems not only during the campaign. One thing that's gone spectacularly wrong is the standard and tone of public debate. The referendum campaigners talked past one another, sometimes indulging in inflammatory rhetoric and unrealistic promises. The disarray that we now witness and the retractions, revelations and recriminations that spill out on a daily basis show that large parts of each campaign failed to communicate with the public, did not offer adequate or honest accounts of the alternatives and did not provide the basic means for voters to judge the real options, the real opportunities or the real risks. There's now a lot of evidence that options were not set out adequately, responsibly or effectively. The public could not find adequate reasons to believe the government's economic forecasts - hardly surprising since economic forecasts are a specialised art form based on complex assumptions about economic variables and unsuitable for mass communication. On the other hand the public, including those who voted to Leave, were not given adequate reasons to believe the rosy claims made by the Brexiteers. Some of the more alluring of these were of course quickly discarded or retracted after the referendum. The protagonists both of Project Fear and of Project Fantasy did not explain accurately and simply what was at stake or what would happen in the event of each outcome. Neither the process of invoking Article 50, nor the role of Parliament in that process, nor the time it would take, nor the constitutional risks to Northern Ireland and Scotland and thereby to the unity of the UK, were adequately communicated to voters by either campaign. Favoured scenarios for immigration and for future prosperity were simply asserted and contrary evidence was rubbished. Independent information was also often impeded rather than provided. Institutions that have been set up to test and present expert and independent evidence on economic matters: the Bank of England, the Institute for Fiscal Studies, were accused of being partisan when they did so and were rubbished. Publicly funded institutions such as the Office for National Statistics and others whose task is to provide evidence-based views, were placed in purdah and any evidence they could have provided thereby silenced. The BBC duly provided coverage of differing opinions, but often failed to challenge or test unclear or dubious claims. Democracy doesn't work, unless citizens can check and challenge the claims and arguments that are put forward in the public arena and citizens were often not able to do so. Nor it appears did the government make preparations for the contingency of a majority voting for Brexit. A civil service unit for negotiating was not established until after the referendum. UK expertise in the complex minutiae of trade negotiations has been run down, yet it appears that no steps were being taken to repair this deficit. There was no communication of the process of invoking Article 50 and although the government repeatedly pointed out that the process of exit would be protracted, this too was routinely denied once more without evidence provided. How did this depressing and pervasive democratic deficit come about? And how can it be repaired? The causes are multiple and complex, and I shall mention two deficiencies before trying to sketch what healthier public debate could provide. The first defect's an everyday matter, but the second is more fundamental. The everyday defect is that social media make it all too easy for people to imagine that they're aware of a spectrum of positions and evidence even when they're not. Social media are known to produce echo chambers they contribute to the radicalisation of extremists, who imagine that everyone endorses certain extreme views. But we're often much less aware of more routine ways in which social media can undermine democratic debate. Crowdsourcing is a good way of finding out about consumer products,

because each person's rating of a product is independent of others' ratings so provides additional, relevant, indeed expert evidence. But crowdsourcing is a rotten way to support judgment about complex matters, if the opinions encountered merely echo one another rather than providing additional evidence. Last year at the meeting of a parliamentary group on hate speech, I realised just how insidious this could be. Facebook gave evidence to the group that they remove material that incites hatred or abuse after a certain number of complaints, informants thought usually after about 20, but they also reported that the material taken down is promptly reposted and remains available creating a continuous torrent of abuse and incitement which may emanate from few voices and reflect few views, yet may seem to be widely endorsed. Public debate cannot flourish without adequately accurate, reasonably fair and reasonably comprehensible reporting and interpretation. Unless the media make a range of views and evidence and arguments available, and provide the context and commentary needed to assess them, public engagement will start off on the wrong foot. If the media ignore, caricature or rubbish some positions or sneer at or deride evidence that they dislike, democratic decision-making is hardly likely to work well. Yet it's commonly assumed that the media have no civic duties and that a free press is simply a press that is free to publish whatever its owners and editors wish to publish, provided that it is within the law. I think that this confuses rights of self-expression with rights of press freedom. Both freedom of self-expression and press freedom are covered by the 20th century term 'freedom of expression' but they're quite different. Rights to self-expression are for individuals, and we often follow John Stuart Mill in thinking that individuals should enjoy well-protected rights to express themselves as they choose, which should be restricted only if their self-expression is likely to harm others, as in Mill's famous example of shouting 'fire' in a crowded theatre where there is no fire. But Mill did not think that powerful institutions, including the media, have rights to self-expression – after all, they have no 'selves' to express. He argued that a free press matters for different reasons, and above all because it can support discussion and debate by ensuring that the public encounter a wide range of relevant evidence and opinion, and can check and challenge what they read, hear and see. Press freedom is essential for civic purposes, rather than to enable the press to express itself. If we're to have adequate standards for public debate we need media that take their civic responsibility seriously. The media often acknowledge this civic duty, claiming that their task is to hold power to account. But during the referendum campaigns, large parts of the media joined in the campaigning activities of the powerful, rather than in holding them to account. The standards that the media must respect if they're to meet civic needs are hardly novel. They involve honesty, accuracy, clarity, commitment to correcting errors, and to indicating uncertainty, as well as standards of respect for persons that require journalists and broadcasters, like others, not to abuse, defame, misrepresent, intrude on privacy or to injure or breach others' rights. These are important standards for all personal, public and civic life, and of prime importance for the media, because they are necessary for effective communication that doesn't mislead. Where these standards are flouted or ignored, citizens cannot check or challenge what they read, hear or see. Of course, accuracy is often hard, and nobody expects the media to achieve flawless accuracy, any more than they expect individual businesses or government to achieve flawless accuracy. But they do expect the media, like others to attempt accuracy, to correct errors once discovered and to make sure that corrections are communicated to those who might otherwise base their views and action on misleading content. Accuracy alone, however, is not enough for good communication. The public also need media that support rather than undermine their efforts to judge what they read, hear and see. That support may be a matter of providing context, and of covering both corroborating and contrary evidence on a routine basis. Often, this is helped by explaining where the evidence comes from, and the level of assurance that can be placed on it. While there's a narrow case for the media to withhold information about sources, where this is in the public interest, the media in a free society have no general right to hide or fail to provide information about the sources and credibility of material they publish, nor would this be in the interests of the media. Although there will be a few cases in which there's a public interest in not revealing sources, the public interest is always in understanding where information comes from, and whether it's credible or not. Without this, it's too hard for readers, listeners or viewers to judge what's trustworthy and what's untrustworthy. And needless to say, it is an abuse of the public to pretend to have sources where there are none, or to fail to reveal the sources that

are known to be untrustworthy, or to be interested parties. At their best, free media protect and support public goods that are necessary for democracy, by enabling robust communication, supporting rather than sidestepping citizens' needs for information, and providing commentary that enables critical assessment of claims and counterclaims. These standards for media communication make serious demands. Media that are attentive to the needs of citizens can make significant contributions to public good. They can provide access to a wider and varied pool of information, and to the critical standards that enable intelligent assessment of that information, and engagement with other views. They can provide a shared sense of the public space, and support for citizens' confidence and capacity to communicate with others that do not have the same views. They can support shared enjoyment of cultural and sporting occasions that would otherwise be the preserve of a few more privileged. They can also help citizens to understand the diversity of views held by fellow citizens and by foreigners. They can support realistic assessment of what can be done and what cannot be done, and can help citizens to judge who is spreading fear or fantasy and who is not. When things go badly, we often hear demands to know who's to blame. Parts of the media find this a particularly alluring question at present, and point out, with some accuracy that many politicians and political parties are to blame. Blaming looks backwards and doesn't help to resolve problems. The more important questions, both for politicians and for the media now, look to the future. Both need to provide credible and honest information for the public: how and when should negotiations begin, how separate will exit negotiations be from negotiations on future arrangements, how long are both likely to take, how is the unity of the UK to be preserved in the face of the situations in Scotland and Northern Ireland, and of a prospective land border of the EU across the island of Ireland. Is the unity of the UK up for negotiation? How far are UK citizens living elsewhere in the EU to be protected, and how far are they not. The media will play their important civic role only if they provide credible, accessible and assessable evidence that bears on these and other basic questions.

14 Jul 2016, 15 minutes

PETER HENNESSY: Thursday 23 June 2016 – European Referendum day, scored a line across the page of British history. The incision was swift, the cut deep. Whichever way they voted the British people are in a state of after-shock, including, I suspect, some of those who have devoted their political lives to prising the UK out of the European Union, and whose careers have been a preparation for this hour. Reeling is certainly the condition of those who were not prepared - including those currently in authority over others in Whitehall. For government departments, in the run-up to the vote, were expressly forbidden from undertaking any contingency planning for a UK departure from the European Union. The Treasury was the exception. As with the Bank of England, it had to think how best to stabilise the pound sterling and the markets if the British people voted to sever the bonds with the European Community built up over 43 years of frequently fractious, often half-hearted and usually resentful membership. We pride ourselves on being a back of the envelope people, a country that springs into action at the 59th minute of the 11th hour. But this was pushing a cherished national characteristic too far. The 23 June was only the second time in their history that the British people had been asked to take a direct decision on whether or not there should be a profound shift in Britain's strategic position, and the face it turns to the rest of the world. The first was in the referendum of June 1975 on our 2½ year membership of what we then called the common market, or to give it its proper name, the European Economic Community. By two to one, we voted to remain. This time, the country voted to leave, triggering, what in my judgement will be the greatest adjustment in peacetime in the life of any others living today on our exquisite green islands in the cold northern seas of the continent of Europe. On the Richter scale of great significant moments in British history since the Second World War, where stands the 23 June 2016? In my view it has but one rival – the disposal of the British Empire. This took place between India and Pakistan becoming independent in 1947, to the transition of Southern Rhodesia into Zimbabwe in 1980. With the greatest rush for the Imperial exit taking place in the early to mid-1960s. The timing of the Imperial dismemberment was largely, though not wholly, in the hands of UK ministers. The process transformed the lives of those in the former colonial territories, but perhaps surprisingly left few scars on the surface of the emotional geography of the British people, unless they'd come to live in the UK from the old Imperial dependencies. The years too since 1945 have been punctuated by crises. There were the devaluation of the pound in 1949 and 1967, big events in the era of fixed exchange rates. The Suez Affair of 1956, the Anglo-French invasion of Egypt after its leader Colonel Nasser had nationalised the Suez Canal Company – an expedition swiftly ended by economic pressure from a disapproving United States. There were the economic crises of 1976, when alone had to be secured from the International Monetary Fund, and Black Wednesday in 1992, when the pound crashed out of the European Exchange Rate Mechanism. Yet, none of these matches the 23 June 2016 – why? Because it was, to use a grand word, a caesura in our national life and our place in the world, a guillotine moment. To switch metaphors, never before in our peacetime history have so many dials had to be reset in consequence of a single day's activity. And the adjustments will take several years to play out. There are multiple and overlapping anxieties. I shall come to reasons to be cheerful in a moment. My greatest single anxiety is that a fuse has been lit beneath the very union on which the United Kingdom is based. If Scotland separates, by 2025, we will be out of the European Union and shorn of Scotland, finding ourselves in a very different strategic position than we were on the 22 June 2016. Yet . . . there was no whiff of this in last November's Strategic Defence and Security Review and National Security Strategy, in which the government traced the range of threats to the United Kingdom. Indeed, as is traditional, it stressed the virtues of the United Kingdom as a bringer, where and when it can with our allies of stability to the more troubled parts of the world. 'Our long-term security and prosperity,' the document declared, 'depend on the stable international system that reflects our British values.' On Friday 24 June, we woke up to find ourselves in a country that was suddenly a bringer of instabilities, certainly in Europe. We have yet to begin to make the

psychological adjustment involved in what a friend of mine has called 'The presentation of a new CV to the rest of the world.' Meanwhile, the world stares back, baffled and amazed - this is not how we imagine ourselves as a global player. Those in Whitehall, charged with providing ministers with a picture of the world as it is, have detected one pleasure spot: it's Moscow. The Russians, I'm told, see this as a double-win for them. A Brexit weakens the remaining 27 nation European Union, while removing from its decision-making corridors the most prominent advocate of continuing sanctions on Russia, because of its seizure of Crimea. As last weekend's summit in Warsaw demonstrated, the UK will continue to help stiffen the sinews of NATO, an international organisation with which Britain has always been at ease, since the signing of the North Atlantic Treaty in Washington in April 1949, not least because British politicians and diplomats played such a prominent role in shaping it. This contrasts starkly with our emotional deficit with the European Union in its various manifestations, beginning with the Coal and Steel Community of the early 1950s, which came out of the minds of clever, catholic, left-wing, French bureaucrats. Most Brits have an aversion to at least three of those five, though I am not among them. If only we had invented the kind of Europe that followed from the Marshall plan of 1947/8, when the United States, in putting up a dollar curtain against Stalin's Iron Curtain that rent the old Europe in two, inviting the Western European nations to pool their thinking and their needs, and to tell Washington how best to apportion its aid. If the Brits had fashioned a more permanent form of European integration, it would have been all about free trade, occasional letter sent out by a tiny secretariat saying, 'Would you mind awfully doing a bit more about free trade here, here and here?' How that would have suited us. We are not a directives people. Reaching back again into our early post-war past, might the Commonwealth side of our international relationships come more to the fore? It remains a remarkably varied and very special grouping of 53 nations, reflecting where the British Imperial lion once trod, embracing a range of both developing and already highly sophisticated mature economies in Australia, Canada and New Zealand, on one rising super competitor in India. The Commonwealth cannot provide a substitute for the European Union as an alternative trading bloc, but real potential lies there, as the scars left by the old internal rows about independence for Southern Rhodesia/Zimbabwe, and sanctions on apartheid South Africa have healed. What of the United Kingdom home base? The referendum was a lightning flash that illuminated a social landscape long in the changing. Fissures in our society, deeper and more jagged than I admit I had fathomed. For all the sense we as a people have been sharing in recent years about growing disparities in wealth and life chances. It is time for a long, hard look at these inequalities, if we as a society are to have a greater opportunity to find things to fall in about, rather than to fall out over. We need, I think, at least another pair of serious, candid look at ourselves and our kingdom to come, which merits to separate but related enquiries. First, our place in the world. Can we, should we still aspire to punch heavier than our weight in the world, to use Douglas Hurd's celebrated phrase. We are a country with a deep and sustained appetite to be a significant player, but what kind of face can we now sensibly, viably and profitably turn to the rest of the world? Secondly, the configuration of the United Kingdom. The internal relationships between its nations, regions and localities. We already possess one citystate, it's called London and the south-east, and it's had profound effects on the rest of the United Kingdom. Should we go for more citystatelets or powerhouses as some call them? Should retouch the old mediaeval solution: counties clusters of counties, which we rather like, with their cathedrals, their regiments and their cricket teams. My preferred instrument for these enquiries would be Royal Commissions - a device long-rusted through disuse, but worth unsheathing, polishing and burnishing. Going still wider, a range of potential nation-changing questions suggest themselves. Might there be a realignment of political parties. If Scotland separates in the coming years there will be. Certainly, if the centre-left is to put together a combination in England that can seriously compete to quicken the government - would such a new political reality lead to a change in the terms of our electoral competition with our traditional first past the post arrangement giving way to some kind of proportional voting system. Would it, could it lead to a re-examination of the relationships between the two Houses of Parliament, the coming years fluid with multiple possibilities, and our standard models of politics and government are potentially molten. Ours will be an age of uncertainty, tinged by both anxiety and a degree of excitement about what might become of us. There are reasons to be cheerful when you examine both past and current anthropologies of

our 65 million people, living, breathing, thinking and working on our islands. They were not always everywhere apparent during the referendum campaign, but we do as people possess deep wells of civility and tolerance, on which we can draw. We have great reserves too of intellectual agility and scientific prowess. We will certainly carry on thinking heavier than our weight in the world, though it will be crucial for the United Kingdom to participate, as we have done so successfully over the years, in the European Union Science and Technology programmes. We relish too what Melvyn Bragg calls our cultural world service, our truly lustrous world-reach in literature, drama, the arts and broadcasting. The oral and visual expressions of our very large barcode of cultural soft power. Above all, perhaps, we have the possibility of a serious, rich and cheering national conversation about the cornucopia of possibilities unleashed by 23 June 2016. For that to work, we may need a new political vocabulary. It was 70 years ago that George Orwell published his fabled essay on politics and the English language, which warned us of the price we pay if the language of political exchange becomes meagre, stilted or prefabricated, or 'soundbitten' as we would say today. 'Language,' Orwell wrote, 'can become ugly and inaccurate, because our thoughts are foolish, but the slovenliness of our language makes it easier for us to have foolish thoughts'. Winston Churchill that great wartime crisis manager was fond of a phrase that can help us too – 'The requirement,' as he put it, 'to rise to the level of events.' Place that alongside her Majesty the Queen's carefully crafted words when opening the Holyrood parliament in Scotland about the need to create room for quiet thinking and contemplation, and we have a prospectus for a serious national conversation. If we do hold that national conversation, rise to the level of events, and draw on those wells of civility and tolerance, we may yet surprise ourselves, and the watching world, by the quality, the care and the foresight of what we do and what we say.

THE HISTORIAN MARY BEARD REFLECTS ON WHETHER BREXIT WILL CHANGE OUR CULTURAL IDENTITY

15 Jul 2016, 15 minutes

MARY BEARD: A few days ago, I was one of a crowd of thousands in the ancient amphitheatre at Pompeii. It was the first time since AD 79 that an audience had gathered there to watch a show; not in this case a gladiatorial fight or a wild beast hunt but a concert by David Gilmour – singer, guitarist and veteran of the rock band Pink Floyd. For me it felt like a wonderful way, both of stepping into Roman history and enjoying a belated triumph over Roman brutality. To be honest we probably overestimate quite how bloody the games were, at a backwards little place like Pompeii. Gladiators were far too expensive a commodity to kill in large numbers in front of a local audience. But any traces of blood were now, for an evening at least, spectacularly obliterated by the fun, the fireworks and very loud music. It wasn't actually the first time that Gilmore had appeared in amphitheatre; in 1971 when Edward Heath was busy negotiating Britain's entry into the common market he had played there with the rest of the band to make the famous movie *Pink Floyd Live at Pompeii*. But then it had been empty of all but the musicians, the cameras and the crew. Gilmour's repeat of that occasion, by sheer coincidence a couple of weeks after Britain had voted itself *out* of the EU was instead in front of a heaving crowd, that seemed to encapsulate some of the intriguing cultural entanglements of the new Europe. There we were, a polyglot gathering of young and old from different European countries, all happily colonising one of the most striking ruins of an ancient European empire which had once colonised us. We were both sharing a memorable celebration and bringing our different experiences to the party, and taking away different messages. When Gilmore belted out one of the Floyd's classic lines 'hanging on in quiet desperation is the English way' the middle-aged British fans, me included, smiled that wry joke which was, I suspect, lost on most of the Italian teenagers. But given the timing I couldn't help thinking about the new Europe that we British seem to be about to lose, and about my own personal stake in that. My career as an

academic can be measured against the history of the Common Market, the EEC, and the EU. I left school in 1972 and over those last 40 something years, what I do, the context in which I do it and how I define myself and my job has changed dramatically, taking a decidedly European turn and without doubt a turn for the better. What's most important here is the broader intellectual and cultural world of which British universities have become a part. I'm not just talking cash, though it's true that the consequences on UK research of the withdrawal of EU funding may be devastating. A bigger revolution has been going on, in a way that would have seemed inconceivable when I was doing my own degree, I now expect to find students from all over Europe in my classes. And some of my closest colleagues in my department in Cambridge come from Italy, Germany and Greece - and it's a two way traffic: as our staff and students have come simply to assume that the Continent, as we used to call it, as if it wasn't us, is as open to them as the UK is, open for conversation for resources and for collaboration. This doesn't just add to the local colour. The mixture of cultures and languages, of educational backgrounds and different traditions of expertise has widened all our horizons and has changed how we think about our subject, our opportunities, and even about the very nature of education itself. To put it another way, whereas back in the 1980s I would have introduced myself as a British academic, maybe even an English one; I now also think of myself, and call myself European. And I mean *also*. You don't give up feeling British when you start to feel European. One of the worst legacies of Norman Tebbit in his infamous cricket test was saddling us with the notion that cultural allegiance and sporting patriotism was an either/or kind of phenomenon. 'Who did British Indians support when it came to the test match?' he asked, 'India or England' - that told you all you needed to know about where these immigrants' loyalties lay. Of course it didn't tell you anything of the kind. Cultural identity is much more nuanced, much more multiple and it doesn't work like Tebbit tendentiously suggested. To go back to the amphitheatre for a moment, this is one of the things that the ancient Romans got right, insisting as they did that you could be both Roman and Spanish and British and so on. A person could in, their words, have more than one heart. In fact, one of my favourite characters from the ancient world made exactly that point on his tombstone. He was a rich man called Zoylos who came from a small town in what is now Turkey but had made his fortune hundreds of miles away in Rome itself. On his grand memorial back home he had himself depicted twice: once in a Roman toga and once in his native costume. It's what we might call being culturally ambidextrous. And I suppose that's rather what I feel in the new Europe, when I tingle a bit to the strains of Ode to Joy as I do to God Save the Queen. It's a complexity and an openness that is something to celebrate. But there's another less optimistic side to it, and that comes down to the question of who exactly the beneficiaries of what I'm calling this new European culture have been. It's all very well for intellectuals to enjoy the new linguistic Babel of their common rooms, or for students at elite universities to take advantage of the new horizons that come with cultural European collaboration, or even let's face it the relatively well-heeled Gilmore fans to take a plane to a concert in the ruins of Pompeii. But not that means very much to the unemployed of, say, Boston, Lincolnshire. In cultural terms, in England at least - and I think Scotland may have done better - the new European project tended to be the project of those already privileged. And my hunch is that that's one big reason why the referendum went the way it did. Hardly any voters thought they could make head nor tail of the economic predictions. The specious propaganda about sovereignty, migration and getting our country back became powerful because it spoke to those who weren't necessarily racist or xenophobic, but who didn't in any way feel European. It's asking a lot for people to vote to remain in the EU, when Europe has always been a foreign country. Those of us who've been the beneficiaries of the new Europe must face the uncomfortable fact that we are partly to blame for the vote going, in our terms, so badly wrong, because we didn't stop, we didn't stop long enough to think of those who are on the other side of the cultural divide. We didn't work hard enough over the decades, not just over the months of the referendum campaign, to share the benefits of which we were so certain, and so rightly proud. A succession of governments, back to the 1970s has a lot to answer for too. When, in a couple of hundred years' time historians come to reflect on why Britain decided to quit the EU, they will, I'm sure, look in astonishment at how little those governments did to help us all 'think Europe'. Cultural identity may be multiple, it may be nuanced, but it still needs working on. To me, it simply beggars belief that while the UK was entirely reformulating its relations with the rest of Europe, we

were still happy that many, if not most, children in schools were fed a history curriculum that was built on British heroism *against* Europe, in which fighting Germans on the beaches, and Escape from Colditz were repeatedly presented as our finest hour. But it even more beggars belief, as will no doubt be observed by those historians in the future, that over these last decades we've let modern European languages in schools dangerously decline. German, in particular, has been in freefall, with 2016 marking its lowest ever GCSE entry. And maybe that's not wholly surprising. GCSEs put enormous emphasis on making yourself understood in a foreign language, which is fair enough, but as every canny teenager knows, speaking English slow and loud in our Colonel Blimpish way is likely to be a far better way of getting directions to the train station than your faltering German. Couldn't we have sold those languages more as a way of entering another culture, of opening our cultural eyes, and of being European? Some of the most eloquent Brexiteers have ready answers to the worry is that I'm raising. They would point, for a start, to a variety of other cultural traditions outside the EU, and I would be the first to admit that students and colleagues from the Americas, Australia and the Far East have also contributed to the diversity of the world, in which I now work. But they would also say that you didn't necessarily need the EU to underpin the cultural collaboration that I have been praising. Some upmarket Eurosceptics, as they never cease to remind us, are the biggest Europhiles of all. They have European wives, husbands and partners, and in some cases European second homes - I don't know how that plays in Boston, Lincs. And they love everything about Europe, from Mozart to Real Madrid, except any of form of political integration, which they insist is not relevant to the cultural project. That is much more to do with the Channel Tunnel and cheap airfares than anything coming out of Brussels. I see what they mean, but I don't think they're right. Of course, Brexit will not spell the instant end to Euro-collaboration, we won't all retreat to an unadulterated diet of Morris Dancing, any more than Switzerland outside the EU has remained a country of cuckoo clocks. Some of the intellectual exchanges will be too embedded to scrap. And anyway, the rich have always been able to spend their time soaking up the atmosphere at European universities. But, for the rest of us, collaboration means institutional support and resources. We still don't know, for example, what will happen to the ERASMUS scheme, which has so far supported more than 200,000 British students to work in the EU and its neighbours. The ERASMUS website, understandably but unhelpfully, currently asks those who are anxious to be patient about the scheme's future. Definitive answers on the programme's future, particularly in relation to UK students and universities may take time, it says. If you want to know, I'm pessimistic. I can't help thinking that what's left of my working life will see the intellectual boundaries we thought we'd broken down closing up again. (*music, Dave Gilmour*) And that is what I felt next to the pleasure of the occasion, in the amphitheatre at Pompeii the other evening, when I was listening to Gilmour rather attentively. Straight after the words about 'hanging on, in the English way,' came the even more ominous line: 'The time is gone, song is over' - sitting where so many ancient Romans had sat before, I did start to wonder if the whole thing wasn't a bit of a Requiem. The excitement of my own particular new European song, perhaps really was over.

13 Jul 2016, 15 minutes

The argument was made during the recent debate that the European Union lacks democratic accountability, and that no reforms would ever change this. Those seeking to remain in the union dismissed the argument as a populist ploy. In such an important matter, they implied, the people should not be consulted since they don't understand what is at stake. It is the experts who must decide. In fact, it was the experts, or at least those wheeled on by the Remainers, who didn't get it. For they failed to see that the British people are profoundly democratic, and do not accept to be governed by bureaucrats who are not accountable for their mistakes. Indeed, reading the quantities of anger that have been heaped on the electorate since the vote, we may reasonably wonder whether the social and business elites of our country really believed in democracy. Some have been calling for a second referendum, thereby mimicking the behaviour of the European Union which, when defeated in a popular vote, calls for the vote to be repeated so as to give the people the chance to correct their mistake. But it is precisely because the European Union distrusts the people that people distrust the European Union. In modern conditions, in which governments rarely enjoy a majority vote, most of us are living under a government of which we don't approve. We accept to be ruled by laws and decisions made by politicians with whom we disagree, and whom we perhaps deeply dislike. How is that possible? Why don't democracies constantly collapse as people refuse to be governed by those they never voted for? Clearly, a democracy must be held together by something stronger than politics. There has to be a first person plural, a pre-political loyalty which causes neighbours who voted in opposing ways to treat each other as fellow citizens for whom the government is not 'mine' or 'yours' but 'ours' – whether or not we approve of it. It is true that a country's stability depends to a great extent on economic growth, but it also depends upon social trust, the sense that we belong together and that we will stand by each other in the real emergencies. Social trust comes from shared language, shared customs, instinctive law-abidingness; procedures for resolving disputes and grievances; public spirit; and the ability of the people to change their own government by a process that is transparent to the more. Urban elites build trust through career moves, joint projects, cooperation across borders and what the philosopher John Stuart Mill called 'experiments in living'. Like the aristocrats of old, they form their networks without reference to national boundaries, they do not, on the whole, depend on a particular place, a particular faith, or a particular routine for their sense of membership. In the recent vote, they would have experienced little reluctance in saying 'yes' to the European Union, since it threatens their way of life, if it all, only at the margins. However, even in modern conditions this urban elite depends upon others who do not belong to it, the farmers, manufacturers, clothiers, mechanics, soldiers and administrators for who attachment to a place and its customs is implicit in all that they do. It is surely not difficult to imagine that in a question of identity, these people will very likely vote in another way from the urban elite, on whom they depend, nevertheless the government. An inclusive first person plural is the residue of cooperation and trust generations. Those who have guided and inspired with the European project have tried to create such a first person plural by gimmicks and subsidies, while suppressing the national loyalties of the European people. But it is nationality, the home country and its shared culture that define the true European identity. It astonishes me that so many people fail to see this, or to understand that democracy and national

identity in the end depend on each other. Europe was set on the path towards democracy by the Peace of Westphalia of 1648, which ended the devastating 30 Years War. The treaty marginalised religion, established a secular rule of law in the sovereign states of central Europe and rearranged borders so that nationality, rather than faith should become the ground of political allegiance. In all subsequent conflicts, peace has been achieved when the nation states of Europe have agreed to respect each other's sovereignty, and to allow each nation to make its own laws and to live unmolested within its borders. And it has worked, at least for short periods between the conflicts, and will surely continue to work so long as the nation states are democratically governed. The Treaty of Rome, which founded the European project was the first real departure from that long-standing peace-making process. It was not a treaty guaranteeing the sovereignty of its signatories, but a treaty to diminish national sovereignty, with the ultimate aim of destroying it. It was a treaty against the nation state. It was advertised at first as a customs union, but it soon became clear that those who signed up to the treaty were not merely surrendering their ability to tax the goods crossing their borders, they were surrendering their border too, and also the right to make laws within them. In short, they were relinquishing national sovereignty in exchange for sovereignty of another kind. But this other kind of sovereignty could never be democratically exercised, since the people would never identify with it as 'ours' always, those laws handed down from on high would be what laws coming from them in which we had no say. This, in my view, is the real reason why so many people voted to leave the European Union. They were voting for the right to vote on matters of shared national concern. The official story is that the Treaty of Rome aims to regulate trade and commerce between the nation states, but in subsidiary matters, where the application of the treaty is not in question, national governments exercise full sovereign choice. As for the European Commission, its directives and regulations are purely technical matters, governing the management of the internal market. In such matters, national parliaments have always been happy to delegate to experts. So what is there to worry about? That official story is entirely deceptive. The scope of the treaty is unlimited, since all laws and decisions can be understood as bearing on trade between the nation states. This free movement of people across national borders has been justified as an integral part of the internal market, while laws concerning the terms and conditions of employment have been used both to impose a moral code of non-discrimination and to penalised people who wish to get ahead by working longer hours than their competitors. In the name of the internal market, we've discovered, people can be bossed about in every aspect of their social being, and no Parliament can defend its electorate from this. The metrication directives led to the abolition of long-established customs of our high streets, to great popular discontent. This profound change, which affects not only our historical identity, but also our trading relations with America was branded merely as an adjustment to the internal market. Hence, Parliament had no right to question the result, even though it was an affront to the British people, their history and their long-established patterns of trade. The promise of sovereignty in subsidiary matters is in fact entirely empty. For who decides which matters are subsidiary? Who decides that a nation may pass its own laws when considering the terms of employment contracts, or the standards of energy efficiency in buildings? The answer is: the European Commission. The government has sovereignty only if the Commission permits it, and that, of course, is not sovereignty at all. The term 'subsidiarity' is a term of newspeak, which means the opposite of what it pretends. It means that national governments are not sovereign at all. Ours is a representative democracy. We elect our representatives to Parliament in order that they should advance our interests there. In this, we are affirming our existence as a 'we' – an electorate bound together by a pre-political loyalty, and an identity that we

share. Many are the flaws in the system of government, but one feature gives it an insuperable advantage over all others so far devised: which is that it makes everyone who exercises power accountable to the rest of us. That is what the sovereignty of the people means. But the people in question must be bound together as 'we' – only if this 'we' is in place, people cooperate in ensuring that the legislative process is both accountable and also reversible when it make mistakes. It is surely impossible, therefore, that we should be truly represented by the European institutions. The Commission is not elected and its legislation is neither publicly introduced nor openly discussed. There is no organised opposition and no clear procedure for correcting mistakes or for rejecting those who make them. And there is no way of rectifying these defects, since there is no 'we' who can insist on another arrangement. All that 'we' the people can do is to get our government to withdraw from the treaty. And this points us to the strangeness of the whole arrangement. In a parliamentary democracy legislation changes and constitutions evolve according to the will of the people. But when legislation is controlled by a treaty, and the treaty itself can be changed only by majority vote of the signatories, the legislative process rapidly stagnates, proceeding with an agenda which has never adapted to the changed conditions of Europe, and which cannot adapt to the now. We have seen this in connection with what, for us, is the most critical feature of the Treaty of Rome, namely that providing for freedom of movement within the union, which has stimulated an unprecedented tide of immigration into this country, which we have no legal power to limit. Nobody foresaw the effect of this provision when the original treaty was signed, but nobody can undo the provision, just because it is leading to a demographic catastrophe. We must go on following the instructions, even though they were written in another world by people long-since dead. Many people say that in a representative democracy, referendums are only dubiously legitimate, and indeed, this is true. Four referendums deny the right of legislators to make informed decisions without consulting the people - something that they must feel free to do if they are to be genuinely accountable. However, there is one circumstance in which only a referendum can answer the need of the moment, and that is when what has to be decided is the question, 'who has the right to decide?' Who – in other words – is part of the 'we'. To answer this question we must appeal directly to the people. That is why we had a referendum on Scotland's membership of the United Kingdom, and why we have had a referendum on our membership of the European Union. The appeal to the people is especially important now, when so many have seen their world is turned upside down by the global economy. For many of them, their old attachments have been disturbed, their sense of place and home has been disrupted, and yet they, as much as the elites, want to live life to the school and to be at peace with their neighbours. The referendum gave these people a voice, and what they have told us is that their country, its laws, and its sovereignty are more important to them than the edicts of anonymous bureaucrats striving to rule them from nowhere. Our metropolitan elites would happily discard such people in the way that the Labour Party, in the discussions over the referendum, seemed happy to discard the indigenous working class, and to speak for the multinational restaurateurs of Islington, rather than the struggling factory workers of our northern cities. But there is no way of forcing onto people forms of attachment that are not generic to their way of life. We must therefore work to include the ordinary people for whom this country is an inheritance and a home in the decisions made in their name. Can it be done? Well, one thing is certain, it was not being done by the European Union. In this matter, at least, things can only get better.

DEAD RINGERS SERIES 16: EPISODE 3

Topical impressions show that offers a satirical take on politics, media and celebrity.

1 Jul 2016, 30 minutes

Names given throughout transcript are of the people being impersonated:

SARAH MONTAGUE: You're listening to Today with me, Sarah Montague.

JOHN HUMPHRYS: And me, John Humphrys. Right, let's have a look at the news. Oh my. Oh dear god. Didn't Nostradamus warn us about something like this? Yes, Leave voters got their country back. Unfortunately, it turned out to be Germany in 1932.

SM: The Leave campaign has insisted, however, that the media were being unduly pessimistic about Brexit, saying they saw plenty of positives already, with sales of fallout shelters, shotguns and tinned produce rocketing.

JH: As the enormity of the referendum result sunk in, a Brexit steering committee was hurriedly put into place to get us out of Europe, led by this man.

ROY HODGSON: I'll put Wayne Rooney in charge of negotiating . . . in charge of negotiating the block grants to Cornwall, and Jamie Vardy will be doing the tricky manoeuvre of removing free movement of immigrant workers without completely destroying the British economy. I'm certain they'll get us out quickly.

SM: The Leave campaign was accused of having no plan for the chaos post-Brexit. An angry Boris Johnson made this statement:

BORIS JOHNSON: (*fragments of words, unclear*) Wah! What bally tommyrot, of course we have a plan, it's the same one Michael Caine uses at the end of the Italian Job.

SM: Michael Gove's decision to ditch Boris and run for leader himself was the biggest moment in his career since he convinced Frodo Baggins to hand over his precious ring.

JH: Meanwhile it seemed that many Leave voters didn't realise that voting to leave the EU meant that we leave the EU. Precious little snowflakes, aren't they? Some rare good news now, and the England football team was humiliated at Euro 16 by Iceland, up the Welsh. After Iceland scored their second goal, Joe Hart punched the air in frustration, and missed.

SM: With the Tories in disarray, Labour had the chance to present themselves as a government in waiting, so sadly, Jeremy Corbyn joins me now.

JEREMY CORBYN: That is typical anti-Labour sentiment, from the mainstream media, I'm adding your name into my little red book of retribution.

SM: How do you react to a no-confidence vote where 172 Labour MPs voted against you?

JC: It's very gratifying, Sarah.

SM: Gratifying?

JC: Yes, I've spent my whole career being disloyal to Labour leaders, Kinnock, Blair, Brown, Miliband, it just goes to show how much I've managed to make the Labour Party in my image.

SM: And do you have enough MPs prepared to be in the new shadow cabinet?

JC: Yes, in fact, I've just appointed Nicola Murray as my Foreign Minister.

SM: Nicola . . . but she's out of *The Thick of It*?

JC: Just because Nicola is fictional doesn't mean she can't be a valuable member of my team, delivering radical socialism to British politics. Keith Lemon, Top Cat, Honey Monster, Barry Scott from Cilit Bang . . . Yosser Hughes from *Boys from the Blackstuff* is going to be make a great Shadow Employment Minister.

SM: Now, we're hearing that a challenger has declared who's said they are 100% certain that they can get you out.

JC: Angela Eagle? No chance. I'm not going anywhere.

SM: No, not Angela Eagle, has just released this statement.

BARRY SCOTT: Hi! I'm Barry Scott. Difficult to shift old socialists? Try new Cilit Bang Red Flag Remover, Bang and the Corbyn is gone.

(phone rings)

PRITI PATEL: Hello?

MICHAEL GOVE: Oh, hello, is that Priti Patel? Erm, it's Michael Gove, erm, here, I was just calling to see if I can count on your support.

PP: Oh . . . no, I wouldn't have thought so.

MG: Hmm. Can I ask why?

PP: You're Michael Gove. *(puts down phone)*

One Show Theme Tune.

ALEX JONES: Hello and welcome to The One Show, about half an hour before it socially acceptable to open that bottle of wine.

MATT BAKER: Right, now later on we're sending Giles Brandreth to a dairy farm in Lancashire - not for any reason, it's just to get him out of your hair.

AJ: Our guest tonight's Conservative MP, Boris Johnson.

BJ: Phwaar!

MB: So, er, Boris, Mr Johnson, you've surprised everyone by . . . not running to be Conservative leader.

BJ: Whoh! Whoh! Buff, buff, buff! Why on earth would I want to do that? Look, I don't want to be involved in red tape, contracts, or being responsible for my actions, no, no, no, no. I'm much more of an ideas man. I set the fireball of destruction rolling, then duck under it and saunter off like a horny Indiana Jones.

AJ: So what was the point . . . so what was that point of all Brexit, infighting, everything?

BJ: Well *(fragments of words, unclear)* Oh, it's a classic public school prank, it's a bit of Bullingdon hazing for old Cameron. Er, you put my toothbrush in a urinal, I crash the FTSE index and leave your position untenable, it's banter. I don't want to be on Andrew Marr, Peston, being asked, 'What's your policy' and 'Are

you lying' – I want to be here, on The One Show, sitting next to Basil Brush on a tiny sofa. Chuckling merrily and making silly noises like (*makes extended silly noise*)

MB: So . . . so, so, this is why you didn't stand. You withdrew for a laugh?

BJ: Well yes. And, and it's great revenge on that moleman Govie – you stab me in the back, and I'll leave you to mop up my weapons-grade, cock-ups. Whoh! What larks! Tally-ho, Bwah!

(*phone rings*)

FEMALE VOICE: Hello?

MALE VOICE: I don't know who you are. I don't know what you wanted, but I do know that you voted Leave in the referendum, and I am a lefty, North London actor. If you let my daughter work freely in Europe and enjoy all the protections of the European Convention of Human Rights, that'll be the end of it. I will not pursue you. But if you don't, I will look for you. I will find you. And I will demand you add your name to an Internet petition calling for a second EU referendum.

UNKNOWN: Honourable Members of the European Parliament, Nigel Farage. (*booing*)

NIGEL FARAGE: No, no, no, let me speak. I know I shouldn't have walked in here earlier this week, gloating and ranting, laughing and joking, mooning and wagging, so . . . I'm here to say, I'm truly sorry. Because what I should have done is go a whole lot bloodier further, I should have called you all dusking nancy-boys who wouldn't know democracy if the HMS victory sailed it straight up your fundamentals. I should have stripped nude and revealed my giant tattoo of Donald Tusk fellating a bratwurst. I should have wrestled Juncker to the ground, tea-bagged him and shouted 'You're not laughing now, ball-eyes.' I don't need you. I've got an army of Europhobes, a battalion of xenophobes and a small squadron of homophobes fighting my corner. And I'll tell you what, that's what keeps me warm at night. Well, that and the heat from those burning crosses in my garden. Now stick this trumpet up my arse and play myself out. (*trumpet plays theme from The Great Escape*) Ooh . . . ooh, oh . . . oh there's a sprout on the end of that one. Finally we're back to the good old days of sticking up to the rest of the world – this empire belongs to me. Nigel Beherbert Farage, finally a Malala for the white man. See you suckers! Of course, I hope this won't affect our peaceful trade negotiations.

(*Channel 4 News Theme*)

JON SNOW: Welcome to Channel 4 news, the show that made politicians look clueless before it was cool. I'm joined now by Tory leadership contender Theresa May, good evening.

THERESA MAY: Wiff-waff.

JS: I'm sorry?

TM: Cricket. Yorkshire Pudding. Baa. Pint of bitter, bumble, bumble.

JS: Mrs May, what are you doing?

TM: Well Jon, now that Johnson's bottled it, I'm the perfect candidate to pick up his buffoonish mantle. Waa! Veni, Vidi, Vici, Liverpoolians are ugly.

JS: I see.

TM: And that's all that matters, apparently, not who is best suited to the job, but whose best at looking like an hilarious old Etonian wag. Waa! So I'm determined to be the go to zany posho in the contest, bumble, bumble, casual racism, isn't my hair silly.

JS: But Mrs May, people look to you as the sensible option?

TM: Yes, well, John yes, I am very sensible, but I want people to see my silly side. I'm going to replace National Rail with a series of faulty zip wires. All cats must learn to speak ancient Greek, we can have access to the common market *and* control immigration.

JS: Erm, but Ms May the . . .

TM: Oh, I'm sorry, I'm sorry, was that last one a bit too silly? Baa!

(phone rings)

JOSÉ MOURINHO: You have reached the answerphone of José Mourinho. I'm better than you.

ARSENE WENGER: Erm, yes, José Mourinho, you Portuguese pinhead, er, look it is Arsene Wenger speaking, erm, I want to know what you are going to say when the FA asks you about the England job, we can't all use the same excuse, otherwise it will look suspicious. So I'm letting you know that I have bagsied, 'I think England should have an English manager', I don't know if they will fall for that one again, but it is . . . it is worth a go. Oh, and make sure you don't choose the, 'I think England should have a manager who knows what he's doing', because Gareth Southgate has bagsied that one already.

(Newsnight theme)

EVAN DAVIS: Welcome to Newsnight – providing political insights that you can pass off as your own on Facebook. As Britain struggles to come to terms with Brexit, the desperate plight of migrants continues. Our international correspondent, Lyse Doucet reports live from a newly-discovered refugee camp.

LYSE DOUCET: Thanks Evan. I'm standing here where thousands of frantic people are trying to get across the border in search of a better life.

ED: Lyse, Lyse, where are you, are you in Greece, or, or Macedonia?

LD: No, Evan, I'm on the M74 at the border to Scotland. Middle-class English people are fighting to escape the chaos and devastation raging across the Home Counties.

ED: So, so tell us about the conditions there.

LD: Well, it's truly appalling Evan, just a few feet away a group of social media content managers are huddled around a makeshift campfire, desperately trying to heat up soy hazelnut cafe latte.

ED: We're also receiving reports of clashes arising from cultural differences?

LD: Yes Evan and compounding the problem is that some refugees are claiming they can't understand the incomprehensible accent here, although I have promised to annunciate more clearly.

ED: Now, what I (*word or words unclear*) are there are signs of this unrest spreading.

LD: Yes, yes, we are also getting reports from Belfast that some English people are desperate to get into Ireland, so they're actually pretending to have Irish heritage. Frankly, they should be ashamed of themselves, don't you agree Evan?

ED (in Irish accent) Oh to be sure, to be sure, to be sure.

(phone rings)

ERIC PICKLES: Hello, Eric Pickles.

MICHAEL GOVE: Oh yes, erm, er, my dear friend, it's Michael Gove.

EP: Oh, Michael, I'm sure glad you've called. Can I say how much I admire your courageous decision to withdraw your support from Boris Johnson. I've always had the greatest respect for your political judgement, and the work you've done in the education and justice departments.

MG: Oh thank you so . . . so . . . so . . . can I rely on your support?

EP: Nope.

MG: Why not?

EP: You're Michael Gove.

ANNOUNCER: BBC Radio 4, and now the Archers, an everyday story of knife crime, mental torture, psychopaths, attempted murder, and the failings of the British criminal justice system. Oh, and a cow mooing (*sound of cow mooing*). Pat and Tony are paying another emotional visit in prison to Helen. (*Archers theme*)

PAT: You have to be strong for the sake of the new baby, Helen.

TONY: Jack's a bony lad, he's got your eyes.

P: We hardly see anything of Rob in him – apart from the number 666 on the back of his neck.

HELEN: It's hopeless, Rob twists everything so no one will believe me. What chance do I have when the case comes to trial?

UNNAMED MAN: Stop! Enough, enough I said. Everyone, shut up.

T: Oh my god, what is this?

P: Tony, be careful, he's got a gun.

UM: Exactly, so shut up. I'm taking back control of my show.

P: Who the hell are you?

UM: I'm the agricultural story editor. For months . . . for months I've sat in the corner being ignored with my silage reports. I've had enough. Get in here Grundys.

CLARRIE GRUNDY: Ooh, we're ever so sorry to interfere with your gripping storyline Helen.

EDDIE GRUNDY: This bloke's crazy he marched us in at gunpoint, didn't he Joe?

JOE: (*unintelligable*)

FV: No, no, no, we're not going to get shot Joe, we're the comic relief.

UM: Right. This is the new script for today. My script. Back to the way The Archers was, before it became Eastenders in wellingtons. Read it, or the Grundys get it.

P: Okay. Erm, we came here to the prison today, Helen, to talk to you about something very important. Erm . . . the effect Brexit will have on farmers who are no longer in the common agricultural policy.

H: Yes, just yesterday, my barrister was saying it would have a devastating effect on the sugar beet harvest.

T: True Helen, crop yields over the medium to long-term could fall by as much 18%, resulting in rising prices and (*gunshot*)

EG: Don't worry everyone, I had my old shotgun wired to my leg in case of emergencies.

CG: Oh Eddie, you killed the agricultural story editor.

P: We'll all go down for this.

T: Yes Clarrie, I'm afraid we will. Unless, we can blame his murder on someone known for her unprovoked violence attacks on controlling men. Someone in a confused and fragile mental state. What do you reckon Helen.

H: Why do I have this shotgun in my hand?

(*Archers theme*)

ROY HODGESON: Thank you, thank you. As the England team returns from France, I've been harried, harangued and harassed by the press, who place the blame solely at my feet. But, it isn't my fault, it's the FA's fault for hiring me in the first place. They gave me £3.5 million a year to stand around with a clipboard and feed Wayne Rooney his breakfast crayons. I shall offer you know more excuses, but I shall leave you with this. (*sings song to the tune at My Way*)

ANDREW NEIL: Hello, and welcome to This Week. I'm Andrew Neil, reassuringly orange and lumpy. Just like Byrd's custard. On the show tonight, we've got a man who can eat cakes with his bellybutton, a parrot with a first-class degree in History from Oxford, and Diane Abbot.

DIANE ABBOT: Your disbelieving tone, Andrew . . . it's quite hurtful. I would like to think I'm a more credible guest than a masticating bellybutton.

AN: So, Diane – the Labour Party's in quite a mess.

DA: Nonsense, Andrew, under Jeremy's wise leadership, the Labour Party has never been popular, you should hear what the people of Hackney tell me when I ask them about Jeremy.

AN: What do they tell you?

DA: Well, usually that they don't like strange women talking to them in the street.

AN: And now you're, don't laugh Andrew, don't laugh. (*laughter in voice*) Shadow Health Secretary?

DA: That's right, Andrew, and I intend to get right down to the job once I've worked out how to get off this sofa. (*phone rings*) Oh, excuse me. Hello. Oh Jeremy. Who's resigned? Has he, and her? Oh. Really? And there's no one else. Oh, in that case, Jeremy, I'd be honoured to . . . heart emoji, hammer and sickle emoji, kissing face emoji, Jeremy. So now, Andrew, I'm also Shallow Foreign Secretary, Shadow Chancellor, and Shadow Minister in charge of falafels. And . . . Andrew, Shadow Minister of Jewish Relations.

ANDREW NEIL: Well, surely the world of politics has just completely gone off its beam.

DA: Oh, here's a text. Oh, look Andrew, look what they want me to do.

AN: Oh my god. Well, later on in the show, we'll be looking at the chances of the Conservative leadership contenders. Michael Gove, Theresa May, Liam Fox, and . . . Diane Abbot.

(*News at Ten theme*)

HUW EDWARDS: Hello, I'm Huw Edwards, the human equivalent of a soggy digestive and not even a chocolatey one. Our top story is the Prime Minister is a sitting duck, the two main parties are in meltdown, at one point the pound was worth less than a polo mint. The UK appears to be on the brink of a breakup, and this news just coming in now, we're going over live now to Sophie Rayworth, live at the Tower of London.

SOPHIE RAYWORTH: Well Huw, it's pandemonium here, because the ravens have just left the tower. Apparently they were targeted by a mob of confused racists. I'm also hearing that the euro is now so strong that German tourists have started buying up the crown jewels, and Prince Philip is being deported back to Greece, so it's not all bad news.

HE: I'm sorry, Sophie, we're going to have to leave it there for a moment, because now we're getting reports that the world has stopped turning. Brexiteers have been quick to rubbish this claim, as Farage had convinced them that the world is in fact flat. And we're getting reports that the sky has fallen in. Michael Gove is assuring everyone that this is a natural, short-term blip and it will soon bounce back. Well, all of this is a little bit much for me, I'm going to have a lie down and watch an old episode of Dad's Army – what's that? No more Dads Army repeats of the BBC? We're doomed, doomed I tell you.

(phone ringing)

BJ: Boris, er, answering the phone. State your business.

MG: Erm, yes, Boris, a bit awkward, it's Michael Gove, hello, erm . . . now you've dropped out, I was wondering, can I count on your support?

BJ: Waa . . . well, you did stab me in the back, hatching a Machiavellian plot to turn the party against me. But hey, why not, it's all just Bullingdon bants. I'm with you Govie.

MG: Really?

BJ: No, of course not, you're Michael bloody Gove.

(Coast theme tune)

NEIL OLIVER: Hello and welcome to Coast. I'm Neil Oliver, Laurence Llewelyn Bowen of the outdoors. I'm here on the picturesque coast of St Davids in South Wales, ambling along the glorious sandy beach, as the sun beats down. The beach is empty, except for a loan sunbather, who's . . . hold on, that's the Wales manager. Excuse me, Chris Coleman?

CHRIS COLEMAN: Hello.

NO: Shouldn't you be in France for your quarter-final?

CC: Nah, nah, nah, we stopped worrying about that. We got everything we want out of this tournament.

NO: What do you mean?

CC: We did better than England.

NO: But you got a chance to reach the semis?

CC: You're not listening, son, we did better than England. The whole team's here, they're just walking over. It takes them a while because Gareth Bale has to carry them.

NO: So who's playing against Belgium?

CC: Aaah, just anyone Welsh, doesn't really matter. I got Sir Tom Jones up front, Shirley Bassey at right back and er, a leek in goal – well, he can't be worse than Joe Hart, can he?

NO: I cannot believe you're sabotaging the biggest game in Welsh history.

CC: Nah, nah, this isn't the biggest game in Welsh history, that was on Monday when England got battered by Iceland. Right, I've got to snapchat my holiday pick to Roy Hodgson, you hold the camerap-hone and I'll bare my arse.

(Jeremy Kyle theme)

JEREMY KYLE: Hello there, this is the Jeremy Kyle show, everyone here today is scum! Let's meet today's couple, he's the posh bloke who thought he was happy in his relationship, let's bring him out and humiliate him, it's Dave on the Jeremy Kyle show everyone (booing)

DAVID CAMERON: I don't really think I'm the right kind of person for the show.

JK: Dave, you're fat, you just lost your job, you've assaulted farmyard animals. If anything you're overqualified.

DC: Is there a Dimpleby I could talk to?

JK: Shut it. Now, make the woman in his life who many accuse of controlling their relationship with an iron fist, let's hear the hate for Angela. *(booing)* According to France, you laugh at posh boy here behind his back, when you're kicking back with Lowenbrau and ridiculing the puny size of Cameron's so-called EU reforms.

DC: Hey, you told me my EU reforms were massive.

ANGELA MERKEL: I was just trying to massage your ego, David, size isn't everything.

JK: She's playing your country for a fool, Dave, call her a slag, hit her with a chair, invoke Article 50.

DC: Well, for your information, I'm glad we voted Leave. You think I want to attend one more of your dreary EU conferences, listening to you prattle on about your precious German sausage.

AM: Well, at least we can still beat Iceland. And our credit rating hasn't dropped from Triple A to an episode of the Benny Hill Show.

JK: Now, Angela, you're not being entirely straight with Dave, are you? You've been seeing other British politicians behind Dave's back.

DC: You tart.

AM: Scheisse.

JK: At this stage we'd usually hook them up to a lie detector, but they're politicians, what's the point? Let's bring out from backstage the woman Angela secretly met behind Dave's back in a hotel room in Glasgow yesterday. It's Nicola.

NICOLA STURGEON: Look, Merkel can't wait to see the back of you, Dave. We are forging a meaningful union now.

JK: Don't you stand there like a pound shop Bertie Wooster being humiliated, make a complete fool of yourself by brawling with two women on national TV for the amusement of the baying mob. *(sound of fighting)* Look at them, they're scum. Tomorrow on the show, they were the best buddies who promised to support one another, now they're taking chunks out of each other like a pair of rabid Rottweilers, it's Boris and Gove. Guaranteed scum overload.

(phone ringing)

GERMAN VOICE: Hello, you've reached the voicemail of the German embassy. We can't come to the phone right now as we are busy, how do you say - cleaning up the mess made by you, dummkopf. Leave a message after the very stern beep.

THE QUEEN: Hello. One is just wondering whether one might be eligible for German citizenship.

ANNOUNCER: Dead Ringers was performed by Jon Culshaw, Lewis Macleod, Jan Ravens, Deborah Stevenson and Duncan Wisbey.

WHAT COULD BREXIT MEAN FOR YOUR FINANCES?

We have brought together leading experts to try and provide some answers.

The result of one of the biggest decisions in British political history has raised many questions in areas such as investments, savings, pensions, the housing market and EU citizenship applications. We have brought together leading experts to try and provide some answers.

1. PROPERTY: 'IS IT A GOOD TIME TO BUY MY FIRST HOME OR RENTAL PROPERTY?

London & Country mortgage broker David Hollingworth answers listeners' questions.

CATHERINE: I'm currently in the process of buying my first property with my partner, erm, so we're first time buyers and we really just want to know if this is the right time to be buying or whether we would be much better off holding off. Of course, this is kind of all of our savings, we've been saving for a long time, and erm, it's a big investment for us, and we want to be making sure we're doing the right thing.

PAUL LEWIS: It's a big deal, and so you're obviously concerned you're doing the right thing at the right time.

C: Absolutely.

PL: Hang on there Catherine, because we have another call very related to this, from Joanna, who's also in London. Joanna, just tell us your situation?

JOANNA: Yes, well, erm . . . I just made an offer on an investment flat two weeks ago, and obviously now I'm concerned about the values of properties in London decreasing, and I wanted to know what was likely to happen, and if it was reasonable to renegotiate the price with the seller.

PL: Okay, and I have to say, I'll put this to David Hollingworth, but David, I have had so many emails about this, erm, you know, I've just got a long list of headings here – postpone, postpone, postpone, should I postpone? Exactly like Joanna and Catherine. What should people be doing?

DAVID HOLLINGWORTH: There's no surprise that it's a common question, and actually when you've got this kind of uncertainty you can't expect that it'll have no impact at all, and I think there will be people who will postpone a purchase, if they're thinking about going to the market over the summer, maybe they'll just hang on and see how things play out. But of course, property is a much more emotive issue than that, so if you found a property that actually looks like your dream home or is certainly suitable for you for years to come, then the question is, well, if I pull out of that purchase will I actually have the opportunity to buy it again in the future? Now, you can talk about gazundering as it's called, i.e. reducing your offer. There's a slight ethical (word unclear) around that when you've agreed a price, but . . .

PL: So, just to be clear, you, you've offered £130,000 you've agreed on, say, £130,000 and you think prices are going to fall, so you ring them up and say, 'Hang on a minute, I've changed my mind, I'll give you £120,000).

DH: And cut by 5% or whatever it is. Erm, now again, there's risk associated with that, particularly where there's a chain, because if the vendor is not going to be able to kind of pass that saving up the line, if you like, then it may actually just result in the chain collapsing and the property coming off the market all together.

PL: And I think in Scotland that's probably not possible, is that right? They have different rules, different laws.

DH: It may be that's difficult at an earlier stage, so exchange of contracts in the UK will be the . . .

PL: (*speaking over*) But, but generally, I mean, the whole . . . message of Money Box on Saturday, and I think possibly today is, you know, 'don't panic' – it could be a panic move to stop, couldn't it?

DH: Well, and the talk of negative equity, of course, is a frightening one, but negative equity is only really a problem if you have to sell, so if you're buying a place to stay for long-term. And that's where these questions are contrasting, because one is to live in, and one is an investment.

PL: Joanna wants an investment, so she's concerned the value will go down, but, of course, Catherine want to live in it and if it's worth less in a year's time does it matter?

DH: Does it matter if you're staying there? As long as the mortgage remains affordable, and rates are super-low at the moment, it's paper loss at that point. Now, with investment property, of course, you should be going into that for longer term anyway, because there's costs to buy the property in the first place, this costs to exit that investment, and the other question is, is rental demand going to remain high. At the moment there is very little to suggest that that should drop away, so the income return on the investment could remain very strong indeed.

2. CITIZENSHIP: 'DUAL CITEZENSHP: SHOULD I APPLY AND WHAT WILL IT COST?

With Rose Carey, Head of Immigration at Charles Russell Speechlys Rose.

VICTORIA: Hi, I have a French husband and erm, we don't really want to lose any of the freedoms that we currently have following Brexit, for, for him or our daughters or myself. So we're currently looking at considering looking at dual citizenship, French citizenship for myself and for our daughters, and British citizenship for my husband. And we were just wondering whether or not it was necessary to do this, because it is going to be quite costly, and what is our route?

PAUL LEWIS: Okay, and I gather from your accent you're Scottish, I think?

VICTORIA: I am, but that seems like a bit of a long bet as well.

PL: (*speaking over*) A long . . . even further off, even further off.

V: Yeah, yeah, obviously, that would be easier, if that did happen for me then we would obviously . . . I could have my Scottish passport quite easily, but erm, that seems a bit far . . . you know, far-fetched.

ROSE CAREY: Yeah, I mean it's, it's, it's really sensible for your husband to, to get citizenship, British citizenship if he's, if he's entitled to. Erm . . . the rules changed just over a year ago, so now applications to become British from EU nationals, they have to be accompanied by evidence that the EU national has erm, permanent residence. So what your husband's probably going to have to do is make two applications, so the first one for permanent residence, and because you're British as soon as he gets his permanent residence, he can apply for, to, to become a British citizen himself. In order to qualify for permanent residence though, he

must have lived in the UK for a period of five years, erm, so hopefully he meets, meets that criteria. Erm, and the *(fragment of word, unclear)*

V: Yeah, he's been here for eight years *(words unclear due to speaking over)*

RC: Wonderful.

PL: Because people sometimes think, 'Well, if we're married, is going to be okay', but it's not necessarily is it?

RC: It's not, so erm, most applications for citizenship, even if you're married to a citizen of that country, they require you to have residence as well. Erm, so in his case he's abs— absolutely fine, I mean, he's in a really good position, he can get his permanent residence and then get his erm, citizenship as well. Just quickly, the cost is £65 for the permanent residence application, and £1,236 to naturalise as British, and then he'll have to pay £72.50 for his British passport. Erm, however, for you, though, Victoria, I'm afraid it's a little bit more complicated, erm, because you're not living in, in France, so although your husband's French it would be difficult to, erm, obtain French nationality unless you're actually living there. Erm, but your children, erm, should be able to obtain French nat— nationality, because they would be French by . . . by descent.

PL: Right, so . . .

V: *(speaking over)* Okay. I think *(word unclear)* our biggest concern really is looking at their futures, and we don't want the opportunities for them to work and study abroad could be potentially closed off, so they would be our priority really, anyway I think.

PL: And it is complicated, and Rose, apart from going to a specialist like you, which is obviously one approach, but that's going to cost, forgive me for saying this, even more . . .

RC: *(laughs)*

PL: . . . on top of all these fees.

RC: *(laughter in voice)* Yes.

PL: Where can people go? Can they go to the embassy, can they go . . . or the consulate for advice?

RC: Yeah, it is difficult to get advice actually. The Home Office, erm, has a website, erm, which is quite difficult to navigate. The, the easiest way to find the information you want to is actually 'UKVI' – So, UK Visas and Immigration, and then 'European Union' and that will bring up the relevant pages to show you how to make the permanent residence application.

PL: I suppose, though, be very careful of some commercial companies that are going to charge you for things, more than you might have to pay through the official government website.

RC: Yes, so it's UKVI is the official government . . .

PL: Right.

RC: . . . website, and that's definitely the one you should look at, yeah.

3. PENSIONS: 'WILL I RECEIVE A UK STATE PENSION IF I LIVE AND WORK IN FRANCE?

Michelle Cracknell from The Pensions Advisory Service explains the current position.

SOPHIE: My concern is how Brexit will impact my entitlement to a state pension when I come to retire. I'm a 42 year old British national, and I've lived and worked in the UK full-time, erm, until 2008 and then I relocated to France by choice, and have been living and working here for the last eight years. My question is, what will happen to my final state pension. Is there a risk that the pension I'm entitled to is reduced, or even that I no longer meet the qualifying criteria in the UK and in France?

PAUL LEWIS: Michelle, Michelle Cracknell.

MICHELLE CRACKNELL: So, Sophie you've done 10 years in the UK paying National Insurance? Yes?

S: Yes.

MC: So you, you, you're over the minimum requirement to qualify for a state pension. Now, what happens at the moment with countries in the European Economic Area, is that if you pay National Insurance in one country it can qualify you for a pension in another country. So, so in your particular case, if you're paying National Insurance in France, if you return back to the UK it could give you credits towards the UK State pension scheme, and also vice versa. Erm, there is also whether you had any private pensions whilst you were working in the UK that you should be keeping on top of, because of course, then you could have the UK pension being paid in France, and once you've reached retirement age.

S: Right, well I mean I, I have a very small UK private pension.

PL: And that will be accessible?

MC: Yes. That's, that's accessible, so it's worth . . .

PL: *(speaking over)* Now . . .

MC: . . . keeping in contact with them, but as far as the . . .

S: Yeah.

MC: . . . state pension scheme's concerned, all we can say is what is happening at the moment is that . . .

S: *(speaking over)* Okay . . .

MC: . . . there is . . . erm, Social Security agreements, with the countries inside the European Economic Area, but also countries outside the European Economic Area, so even on leaving Europe, we could still have an arrangement with France where by paying National Insurance in France you'll get a qualification for the UK state pension or vice versa.

PL: And I think it's right, Michelle, that we had an agreement with France before we were in the European Community, as it was called then, didn't we? And I think there are some old agreements with some of the European countries that date back before the EU?

MC: Absolutely.

PL: And those could either be revived, or, of course, we could come to an arrangement with all 27 of them so that these things carry on. We just don't know, but it would be strange government that was going to punish its citizens who are living abroad, really.

MC: Absolutely. And like I said, there . . . we already have Social Security agreements with countries outside the European Union, so, so, you know, just by leaving the European Union doesn't mean that these arrangements are going to be torn up and therefore you'll be left with nothing.

4. INVESTMENTS. INVESTMENT ADVICE: IF IN DOUBT DO NOWT

Russ Mould, Investment Director at A J Bell discusses listeners' investment concerns.

PAUL LEWIS: Let's have an investment question now, from Joan. 'I have a stocks and shares ISA, I'm very worried that its value has dropped' she's so worried she says she daren't even find out how much – 'Should I wait and see or should I take it out and do something else with it?' So Russ Mould.

RUSS MOULD: I think it's always, as Michelle was saying at the start, keeping a regular check on your investments, not that that means you should tinker with them necessarily too much . . .

PL: (*interrupting*) Sure, but Joan hasn't so . . .

RM: (*speaking over*) No, exactly, and she's doing the right thing. Patience costs nothing, trading costs something.

PL: There we go that's (*words unclear due to speaking over*)

RM: (*speaking over*) And that's very, very important to bear in mind, because in the current . . . you know, even when the market, the market hasn't really gone anywhere for two years, so in a low-returns world, keeping your costs down is one of the best ways of actually improving your portfolio's performance. It all depends ultimately on, on, on your personal financial circumstances, if you don't need the money now, it's like David with his previous call, in the flat – if you sell now you're crystallising the loss, and you're permanently out of the market, and you've got the big expense of getting back in. If you don't need the money now, and you're ten, twenty years away from needing it, you can probably ride out this storm, and that's probably the secret to investing, it's keeping calm, it's investing in a broad range of stocks or asset classes, so you, you can weather (*fragment of word, or word unclear*) you can weather the volatility, and volatility isn't a bad thing, because once you come out of the other end, you may be able to find some assets that are a little bit cheaper as well, and actually worth adding to your portfolio.

FOOD PROGRAMME BREXIT AND FOOD: A FOOD PROGRAMME SPECIAL

Dan Saladino outlines the big food issues the UK faces because of the vote for Brexit.

4 Jul 2016, 30 minutes

DAN SALADINO: I need to ask you a question: how has your week been?

UNNAMED FEMALE: The UK has voted to leave the European Union (*cheers*)

DAVID CAMERON: The British people have voted . . .

MISHAL HUSAIN (?): There were big wins for Leave.

DC: . . . and their will must be respected.

MISHAL HUSAIN: In The City, shares plunged, and the pound fell dramatically.

DC: The country requires fresh leadership.

MH: Northern Ireland voted to remain in the EU.

NICOLA STURGEON: A second referendum must be on the table.

DS: As if you need reminding. But that question I posed, ‘how has your week been?’ isn’t intended to sound flippant, it’s actually the question I’ve spent the last couple of days put into people whose lives and livelihoods revolve around food and drink, farming and retailing. So, if you are feeling a little Brexited-out, I’m genuinely sorry, but the last 10 days has served up a way to big a food story for the Food Programme to ignore. And in many ways it’s an untold story. So this our Plan B – a fast and sometimes furious exploration of a newly unpredictable food future.

UNNAMED MALE: It has thrown what I’ve known pretty much throughout my farming career all up in the air.

UNNAMED FEMALE 2: I have no knowledge of what it’s like to be outside the EU.

DS: Think of this programme as less a guide as to what’s going to happen next and more a road map of the food issues to be aware of, or even just what questions we need to start asking when it comes to food. I can’t promise you a huge amount of joy, but I think there’s at least one laugh tucked away in the programme, and I think we’ve found a way of ending on a positive note. But first, let’s hear from a small sample of the people who really matter. That’s you, me, and the other 60-odd million of us, all following events as best we can.

UNNAMED MALE 2: Food wasn’t something that I heard anyone talk about, or recognise that some things might get more expensive.

UNNAMED MALE 3: Everybody talks about the price of food going up, and yet, by the pound devaluing, British farmers are going to get a better deal from a lot of the supermarkets, we’ll be buying a lot more British products.

UNNAMED FEMALE 3: I don’t think it will make much difference to ordinary working class people, to be honest. I wonder where my shopping bill’s taking me every week, so it doesn’t make any difference.

DS: Well, is Brexit making any difference? Let's go back to our central question: 'how has your week been?', one I put to a man who has an eye across the vast majority of food consumed in the UK. And it's safe to say his was a stressful week.

IAN WRIGHT: The real question was what on earth do we do now, because *(fades out)*

DS: Ian Wright is the director of the Food and Drink Federation, which represents some of the biggest brands and employers in the country, from Nestlé and Unilever to smaller producers including Nairn's oatcakes and Hawkshead Relish, and it all adds up to more than six thousand businesses, and a workforce of close to half a million. He says after the initial shock, he started to plan.

IW: I'm sombre and of a mood that we've got to get on with it and get to a solution now. We're faced with a really serious series of challenges; we do not know how the government will respond and that's because the government doesn't know how it will respond. There has been, as far as I can see, no planning at all for this eventuality, and now we have to help them plan, very, very quickly. Now, I think this is the biggest peacetime challenge that the UK has ever faced.

DS: And an issue for his membership, who make up a large part of the UK's food supply. The reason is that 10% of the FDS members are thought to have been pro-Leave – and 70% backed remaining in the EU.

IW: Because all of the free trade agreements under which we operate are negotiated by Europe rather than the UK, and if they cease to apply we have to go back to WTO tariffs which are in almost every case far, far less advantageous to the UK, and everybody recognised the implications for free movement of labour. A quarter of our workforce comes from the non-UK, non-Republic of Ireland European countries. Many of them are very frightened, many of them are actually very, very, very uncertain about whether they should remain in the UK and that puts an enormous strain on our businesses. And at this stage, we simply don't know what their status will be.

DS: And all week, he's been talking to businesses who import billions of pounds ingredients, and so the immediate shock was watching as costs went up by the second as the pound fell.

IW: It's very difficult, in an industry where, remember, the margins are very tight because of the current supermarket competition, the very, very strong price wars. Any changes to prices in those tight margins are very concerning.

DS: North of the border, Ian Wright's counterpart as a man called David Thomson. Members of the Scottish Food and Drink Federation make up 20% of Scotland's economy. David had been looking forward to Friday June 24.

DAVID THOMSON: I was lucky enough to be wondering around the Royal Highland Show which is a big agricultural show in Scotland, with lots of food companies there. And most people's immediate reaction was one of confusion and uncertainty.

DS: Confusion and uncertainty quickly turned to anxiety for a group of members who campaigned hard for Remain - Scotland's distillers.

DT: Scotch whisky is the UK's biggest food export, and therefore is Scotland's biggest food export worth something north of £4.2 billion a year. So, it's not anything that can be played with.

DS: Because however popular whisky has become in China and India, Europe remains the biggest market. But their anxiety isn't just about sales. They also see EU membership as giving them more clout.

DT: Not least of which is the weight of Europe in trade negotiations and protecting their intellectual property all over the world.

DS: But for others in Scotland, June 24 was a long-awaited day of celebrations.

FISHERMAN: It's a totally new ballgame. We just have to take stock and see where we go from here.

DS: Unlike the distillers, Scotland's fishermen wanted Out.

F: You see I'm a bit emotional. The struggle we've had er . . . the last few years, watching the Europeans steal our fish away from us, it, yes, it was an emotional night.

DT: They feel that they can better manage the seas than Brussels negotiations would ever get them, and so it has not been a unified picture in Scotland.

DS: Someone else who I asked how their week had been had simply been trying to keep up with the quantity of stories coming from inside the food industry, which, I should mention, is the UK's largest manufacturing sector, with more than £20 billion of exports at stake.

JULIA GLOTZ: It's been an absolutely extraordinary week (*fades out*)

DS: That's Julia Glotz, managing editor of The Grocer magazine, and during the publication's 150 year history, they've covered the UK's biggest food stories.

JG: I remember the horsemeat scandal very well, but it didn't feel quite as dramatic as this past week has been. Some smaller manufacturers in particular, have told us that the price of their raw materials surged overnight and they're very worried about the impact that is going to have longer term. The conversations I've been having have been more, been more emotional than, than usual.

DS: You mentioned this felt like a week . . . like no other, I mean, was there one conversation, one story that made you realise that?

JG: (*exhales*) It's the account of our bakery manufacturer, who, who told us just of her absolute despair, her worry for her Polish staff, whether she would be able to retain them, her concern about soaring raw material prices, and as a small business owner just some very, very urgent questions about her future.

DS: Which got me thinking about a few people I thought might be vulnerable to the clear signs of economic shock, as George Osborne has described it, caused by the Brexit vote. The young, small food businesses we feature each year in our BBC Food and Farming Awards. And at this point, I think we all need a drink.

UNNAMED MALE 4: A pint of (*word unclear*) please.

UNNAMED MALE 5: Cannonball, which is our flagship IPA, full of American hops.

DS: Magic Rock in Huddersfield is one of the UK is 1,300 breweries riding the wave of the craft beer revolution. Its small, creative and inspirational team produce a growing range of beers, and with plans to expand and sell into Europe. I arranged to meet one of the Magic Rock team as they arrived into King's Cross Station to promote their beers in London. I asked Becky Rothwell about her week. She told me that after the referendum result there was an immediate effect.

BECKY ROTHWELL: We've already experienced huge increases. We get a lot of our hops from the USA, our container of key kegs that we used to package the beer cost an additional £800 to what it normally costs. The . . .

DS: £800 . . .

BR: £800 extra, just because of the devaluation of the pound. We're going to have to reconsider various things erm . . .

DS: Like what?

BR: The margins in beer are very small, so I can imagine a lot of people are going to struggle with it. We just don't know what's going to happen.

DS: Because their approach and their entire businesses is dependent on overseas ingredients - malt from Germany, specialist hops from the US. Prices of both went up fast.

BR: It's already incredibly hard for small UK breweries to secure hops. Although we're guaranteed the hops that we've got, they can't guarantee the exchange rate.

DS: One argument is it's good for British hop growers?

BR: Well, yeah, that is one of the things, but if you look at modern craft beer, everyone wants these US flavours that are coming out.

DS: I predict a revival of Fuggle's.

BR: (*laughs*) Well, it'd be really interesting to see if in, you know, a few years we've got Fuggle's IPA . . . is just dominating the market, because of this.

DS: Fuggle's – as many of you know – is a classic English hop. Meanwhile, in West Wales, another story was unfolding, the sounds of the pedigree Welsh pig. Meet the owner of these pigs.

ILLTUD DUNSFORD: I'm Illtud Dunsford and I'm the owner of Charcuterie Ltd.

DS: As we now know, the majority of people in Wales voted to leave the European Union. For Illtud, that came as a disappointment because the place where he lives, farmers and is building his business reveals a less familiar side of the EU story.

ID: The farm's in the Gwendraeth Valley in West Wales, and we're classed as an Objective 1 area, so it's seen as one of the areas with the most poverty really, in Europe, and because of that, because of its classification as an Objective 1 area, we've had funding over the last few years to invigorate the area, both in terms of jobs but also in terms of community. We're a post-industrial area, we're right on the edge of the South Wales coalfield, very, very high levels of disability, very high levels of unemployment. It's hard to run a specialist business in an area like this, but it's the right place to do it because we have access to widespread agriculture, but without that funding we wouldn't create jobs.

DS: Illtud's business produces some of the finest cure meats in the country. And the EU funding he received - a grant of £120,000 - was to build a new processing facility and create new jobs. He's done that. And those jobs were going to help him sell his products into Europe. That's still his ambition, and so he is keen future negotiations with the EU are positive. But when he turned on the television last Tuesday, he had a bad feeling.

NIGEL FARAGE: I said I wanted to lead a campaign to get Britain to leave the European Union, you all laughed at me – well I have to say, you're not laughing now, are you?

ID: (*dry laugh*) watching the response of the European Parliament to Nigel Farage, for somebody who wants to, or needs to have a good trade deal, that is not the way to approach it. Who is the person that's going to be doing this negotiation? Because it has such wide-ranging impact on . . . on everything, all our lives. It's just complete and utter uncertainty. We're definitely on Plan B – Plan B, C, D . . . I guess it's business as usual this, this week and for the next few weeks, er, while we, while we work out what the future holds. There was a great realisation a few years ago when one of our staff was talking about getting a mortgage, and . . . that was the key moment for me, that I realised how much responsibility I had as a business owner to my staff. And since last week, it's been my responsibility to them that we continue, that we forget about growth, that we forget about expansion, that it's about securing all our livelihoods. And it's scary.

DS: From West Wales, to a hotel lobby near Victoria train station in London. I'd arranged to meet someone who's been researching the implications of Brexit for the past two years, Professor Tim Lang of City University Centre for Food Policy. Inside the hotel tourists were arriving, all were glued to television screens.

TOURIST: Scary, yeah it's just scary.

TOURIST 2: Yeah.

T: What's going to happen to everyone. The, the whole economy in the world.

T2: Yeah, how it's going to bring all others into a recession.

DS: Erm . . .

T: Is there a plan in place?

DS: Is there a plan in place? No, says Tim Lang, who is clearly having a bad week. Because when it comes to food, having no plan translates as 'we have a serious problem.'

PROFESSOR TIM LANG: I think it's deeply troubling time (*sic*). Our Centre wrote for briefing papers preparing for this, and the analysis we gave was very sober, saying this is an enormous impact on the food system if we choose to do it. We're now in that reality. And what worries me mostly is that the political class is currently failing us.

DS: The analysis Tim Lang mentioned consists of four research papers, covering a range of different aspects of the UK's food system. The Common Agricultural Policy and other EU food policies are far from perfect, he says, but his team's conclusion was that they have helped to keep food prices relatively stable.

TL: We then did a study looking at the big picture, of Brexit versus Bremain, and that made us even more concerned. We thought the enormity of this really is not featuring in the debate. Why? Why? This is *food*. This is what was one of the main motivations for the creation of the common market in the first place. The Netherlands have had a famine in 1944, Europe had been devastated. And then we did two other studies, one on horticulture in particular, because Britain is *highly* exposed, we get . . . huge amount, big percentage of our horticulture, fruit and vegetable, from the European Union. So, to summarise all of those papers, we concluded we could vote to leave and indeed we did, but if the people chose it a period of *major* reorganisation was needed. And that was our final point. We didn't think the British state was ready for it, and what we're seeing now in politics is a sign that we were absolutely right. There is very little civil service expertise, the politicians haven't thought about it, there's no Plan B. The secretary of state even gave a

speech in January saying there is no Plan B. I mean, I nearly tore what her I've got left out of my head. There should be Plan B, there should be Plan C, D, E and everything. So dear British consumer, think very carefully about this.

DS: Those consumers will have been reading Tim – and this comes from you – history suggests that a country which only just feeds itself is in a potentially fragile state. Now, aren't you overstating it?

TL: No, I'm quoting government figures. 54% of our food is home-grown, about 30% comes from the rest of the European Union, and the rest comes from around the world, coffee or tea for example. And when we look at the figures, the food trade gap is now £21 billion in deficit, so we think that's, by any definition, fragile situation to be in.

DS: On my phone, I have a question that's come in from a Food Programme listener, I'll just play you this and see if you can provide an answer.

ANGELA FIELD: My name is Angela Field, and I wanted to know, as a result of Brexit, should we expect the price of imported foods to rise, and should we be looking to buy more from local producers and UK producers?

TL: That's a really good question, Angela. One of the things on which there was absolute agreement among academics who looked was that food prices are highly likely to go up, because the pound, everyone agreed, and indeed it has now, would go down. Therefore imports will cost more. Is that, the second part of your question, therefore a trigger that Britain produces more of its own? In the long term, yes. But who's going to grow this? We rely upon foreign labour to produce the food, to grow it and to process it in the factories. And as I've said in a Tweet, you know, those who voted for Brexit, are they now prepared to go and work picking Brussels sprouts and cabbage us, and lifting potatoes in Lincolnshire where I'm from? Do they really want to do that? I don't see any sign of them wanting to do that? Actually it's Eastern Europeans who are prepared to do it. Come on, let's get clear guys, this is, call it time here. Do you want food from Britain? In which case you've got to get going and doing it, or not.

DS: Another point being made is that at this point in time we are still one of the wealthiest economies in the world, we can spend our way out of this. We can buy food on a global market post-Brexit?

TL: Mr Gove, in an interview with the BBC, at one point said one of the things that he wanted to leave the European Union for was to open up trade with the rest of the world. So we can (*fragment of word, or word unclear*) in a throwaway remark he said, 'We can get cheaper food from Africa' – I thought Africa had a problem and it needed to feed itself? Is that option really moral and justified? I don't think so. It's a fantasy of free trade - very strange politics.

DS: But not strange to people who spent much of their lives working hard to take the UK out of the EU.

TIM WORSTALL: My name's Tim Worstall, I'm a senior fellow at the Adam Smith Institute in London.

DS: Which is a free market think tank and Tim Worstall was having a good week. For him, Brexit is mission accomplished.

TW: I have actually been writing about this and working towards it for the last two decades. Wonderful. Superb. First decent decision made in 20 years.

DS: And among the arguments Tim has put forward for Brexit, either as a former speechwriter for Nigel Farage, or in his role at the Adam Smith Institute, many revolve around food.

TW: I have a great interest in trade and food, obviously, is the most important thing that we human beings have traded over the millennia.

DS: When you envisaged this moment arriving, did you expect a period that we're currently going through that is instability, uncertainty and a degree of panic?

TW: Yes. There will be a large number of headless chickens running around, and after a few weeks, a month or two, everyone will realise the sun still rises in the morning, but now we get to make our choices. That's the only difference.

DS: On a Skype line from his home in Portugal, Tim Worstall predicted that when things do settle down we can all look forward to a stable, more secure and affordable food future.

TW: The bigger problem I think that people have got here is that they really just don't quite understand how markets work. We do not buy food from the European continent because we are members of the European Union. It's some farmer, it Georges or Jacques or Joaquim or somebody who sells something to Sainsbury's, and why would that change just because we've changed the political arrangement? Whatever tariffs food faces after Brexit will be determined exactly by the British government. We get to decide what our import tariffs are. Why are we going to make the things we want to buy more expensive for ourselves? So, obviously, you know, we like buying continental food, great, we won't have tariffs on continental food. What's the difference?

DS: What would you say to people who point to the fact that we have some of the cheapest food in Europe, in fact, the proportion of the income that we spend on food has decreased.

TW: Yeah, well, I mean that's, that's just . . . part and parcel of getting richer. Food is what called a . . .

DS: (*interrupting*) But that, that has happened under EU membership.

TW: We have to pay quite large tariffs to import food from outside the European Union. I think it's something like 30%-35% on sugar at the moment. Okay, so, we're outside the European Union, we now decide that we want to buy sugar not from the European Union, we don't have to charge ourselves 35% on importing sugar from Guadelupe or Martinique or wherever, we're fifth, sixth, seventh, whatever it is, richest nation on the planet. Here in the UK, or you there in the UK, should be growing the high value stuff that Britain grows really well. I mean, our grass-fed beef, for example, is some of the best in the world. People line up to buy joints of it. But it's simple stuff like turnips or wheat. Why should we even think about trying to grow it in the UK when there's the vast steps of the Ukraine, or the American Midwest or the Canadians, at hundreds of dollars a ton, and ship it to us? Why would we bother to make this cheap stuff when we're a high income, high cost nation?

DS: And his post-Brexit food vision isn't based on some theoretical economic model, it actually exists. To find out more, over to Dave Harrison of Beef and Lamb New Zealand, the organisation that promotes the country's meat exports around the world. He remembers the 1980s when the subsidy system came to an end.

DAVE HARRISON: About 40% of our farmers' income was coming from subsidies back in those days. But the government had essentially run out of money, and so overnight it had to go. They were there one day and they weren't there the next. It was a really difficult time for New Zealand. Once you're not being paid to produce, which is what we were being paid to produce, and in those days we had 70 million sheep in New Zealand, and so now we have half that number of sheep, our farmers are focused on genetics, they're focused on . . . you know, what you can do with feed on the farm. Back in those days when we had 70 million lambs they were . . .

small, and there was a lot of sheep that people don't want to buy, they don't want a, like a small leg for a Sunday roast.

DS: And so the livestock and the food produced changed. And the country's farmers were forced to rethink their business plans. But should we expect a future in which food production becomes simpler, more vibrant and free from unnecessary red tape? Well no, says journalist and food writer Rose Prince. She spent her week reflecting on a story she investigated 16 years ago.

ROSE PRINCE: In 2000, it became apparent that the small-scale abattoirs in Britain were closing down in huge numbers, which was a great problem for . . . farmers in areas where there was a long distance for their livestock to travel.

DS: In fact, between 1985 and today, the number of abattoirs declined from 1000 to fewer than 200. And for the most part this happened without any real scrutiny by journalists.

RP: It wasn't seen as exactly a very sexy story for the newspapers. You had to fight to get this told, past your editor. The general consensus at the time, whenever you discuss donor's regulations, that the fault was always Brussels and that Brussels were imposing all sorts of incredibly thick red tape all over the food industry and making it incredibly hard, particularly for the smaller producer, because, of course, regulations always cost the producer money to implement. So, everywhere I went, I'd hear 'Oh, it's Brussels, it's Brussels'.

DS: But then, an opportunity came up to fully investigate the issue.

RP: There were two committees of enquiry at Westminster looking into the meat regulations at the time. I worked on one of them, as a committee member. I learned from this information-gathering on the inquiry that it's not always Brussels, and that very often it is up to the government of whichever member state to interpret rules. And the real problem is that I think our Ministry interpreted the rules in a way that was so own arrests to the producers, it was almost hostile.

DS: The decline in abattoirs accelerated in the years that followed the outbreak of BSE. And so a heavy-handed approach by government might come as no surprise. But, for Rose Prince, the media's handling of the story was shocking.

RP: There was a willingness to believe that it is all the fault of Brussels. We would be reading stories about straight bananas and people absolutely loved to believe all of that. When it came to more difficult subjects like the meat industry, if you went to an editor and said, 'I really need to tell you that this actually not the case, and it's our government who have the problem' they weren't that willing to go along with that. And I mean, this is where it's been for absolutely years. And is even now.

DS: We're quickly learning that the Brexit story, including its impact on food will take years, and more likely, generations to unfold. But things are moving fast, and the head of the Cabinet Office, Oliver Letwin, is now leading a team that will shape future negotiations with the EU. Our food future has to be treated as a top priority, argues Professor Tim Lang.

TL: In Mr Letwin's new unit, which Prime Minister Cameron has said he's setting up, there needs to be a big bunch of food specialists in there, or else people like me are very worried, indeed. Why? Because food security matters. Food has a great capacity to create riots. Food ought to be for health, for biodiversity, for good things in life, all the things the Food Programme has celebrated since Derek Cooper started it. We want to maintain that, but we're now in tricky waters. Food has got to be in those negotiations, we've got to have specialists brought back out of retirement, because DEFRA has sacked huge swathes of its workforce, and

we've got to make sure that the public health and environmental interests, and consumer interests are right in the centre of those renegotiations.

DS: Finally, for people listening to this, saying, 'Professor Tim Lang, please say something positive, what would you say to them?'

TL: I think this is potentially the most exciting and interesting time for food democracy in Britain, and I don't say that lightly. These are dire times – so why do I think this is exciting? Because in Britain we have an extraordinary food movement, there has been a renaissance over the last 30 years of food thinking, experimentation, and we see this in the generation gap – why have young people voted so strongly for Europe? Because they're Europeans in their food culture. So I think there is an opportunity for progressive food movements to come forward and say we want a good food system for Britain. If the political classes can't deliver that, well we have to push it onto them.

DS: Professor Tim Lang, in the podcast edition of this programme, you can hear more on the unfolding story of Brexit and our future food. Including Rose Prince's take on why we should pay attention to something that at first glance might appear trivial – the 73 British foods that come under the EU's Protected Name Scheme, from Stilton cheese to Yorkshire rhubarb, Scotch beef to Welsh lamb.

RP: If we, through leaving Europe, lose the right to participate in the Protected Food schemes, it will be a tragedy. It's good for our industry.

DS: And you'll also hear from chef Angela Hartnett, and reactions to the Brexit vote from inside the restaurant world – a UK industry with a workforce of more than 600,000 people.

ANGELA HARTNETT: The one thing that comes through more than anything in the restaurant industry is movement of people. My restaurant, 70% are Europeans – easily.

DS: That's all in this week's special edition of the Food Programme's podcast, and we will of course be following events and bringing you up to speed as this story unfolds. For now, I hope the next time we ask 'how has your week been?' the answer is a positive one.

THE VOTE NOW SHOW EU AND YOURS

Steve Punt and Hugh Dennis present an ultra-topical look at the EU referendum.

19 Jun 2016, 28 minutes

ANNOUNCER: The Now Show (*theme tune*)

STEVE PUNT: Hello, I'm Steve Punt.

HUGH DENNIS: And I'm Hugh Dennis.

SP: Joining us are Jemma Arrowsmith, Mitch Benn, Simon Evans, Jon Holmes and Lucy Porter. And this is:

ANNOUNCER: The Vote Now Show.

SP: Thank you, so, not long to go now, the polls are tied, 10% of people still don't know which way they're voting, and with The Times backing Remain and Sunday Times backing Leave, it would appear that Rupert Murdoch is one of them.

HD: David Cameron's everywhere today, writing for the Sunday Telegraph and the Sunday Express, saying:

WORDS OF DAVID CAMERON: Whether it's the UN, NATO, or the European Union, we have a seat where it clearly matters.

HD: Clearly not familiar with Southern trains. Or indeed any public transport. You can see why he's all over the papers though, it's neck and neck.

SP: And presumably Cameron is baffled – the Treasury, the Bank of England, the International Monetary Fund, they've all said 'Don't do it' – but the polls suggest that a big chunk of the British electorate is following the lead of England football supporters, they're not backing down. They see the whole establishment ranged against them, and they're chanting.

GROUP CHANTING: No surrender, no surrender, no surrender to the IMF.

SP: And the standard of debate has been dismal, because no one knows anything.

HD: Even the most basic things, we don't really know. During one of the debates, an audience member put a question to Michael Gove and David Dimbleby.

AUDIENCE MEMBER: Which billion you talking about, when you're talking about billions? Do you talk about a million million, or a thousand million.

SP: Now, that's a perfectly reasonable question, there are two definitions of a billion, and one is a thousand times bigger than the other, so quite important to know which we're talking about. So, how do Gove and Dimbleby reply?

DAVID DIMBLEBY: Neither here nor there, but the point is we get more out . . .

MICHAEL GOVE: (*speaking over*) We're moving to a mathematics seminar.

SP: Neither of them have a clue! Virtually non-of the questions have been answered, and the ones that have, no one agrees on. Take, for example, the question:

FEMALE VOICE: Do you know how many of our laws actually come from the EU?

HD: Well, it depends who you ask. Nick Clegg says 7%, David Cameron says 14%, Nigel Farage says 75% *(laughs)* As an experiment, we decided to get one of the production team to print out on sheets of A4, using the office printer, all the EU laws and all the British laws, and then stack them side by side and see which stack was higher. And the winner was . . .

SP: Erm, Ryman's. *(laughter)* So, how on earth did it come to this? How come we've got four more days to decide whether or not to stay in the EU, when it took us 20 years to join in the first place – 10 years deciding whether to join, another 10 years applying to join, until finally joining in 1973, and everything was fine.

HD: Until 1974. *(laughter)* When Labour offered a referendum as part of their election manifesto. The referendum arrived in 1975 – 67% of people voted to stay in, so that was that.

SP: Until 1983, when Labour put a promise to withdraw from the EEC in their election manifesto. Labour at this time, of course, led by Michael Foot.

HD: And he was worried that Brussels would force him to become Michael 30.48 centimetres. *(laughter)* But it didn't matter, because Labour lost the election. In 1986, Margaret Thatcher signed the Single European Act.

SP: Under which the Conservative Party agreed not to accept a single European act without a massive argument, for the next 30 years. Things got worse in 1992, when the Maastricht Treaty created the EU and started moves towards a single currency, and by the mid-90s two new political parties were formed.

FEMALE VOICE: The UK Independence Party.

SP: And the enigmatically titled:

FEMALE VOICE: The Referendum Party.

SP: Whose political aims were shrouded in mystery *(laughter)*

HD: In 1997, this party, backed by billionaire James Goldsmith, sent out 5 million VHS tapes of a film featuring former That's Life presenter Gavin Campbell, warning . . .

MALE VOICE *(like a Hollywood Film Trailer)* Coming federal European superstate *(laughter)*

HD: On the critics' list of 1997 films, it ranked pretty low, although it was slightly above Jurassic Park 2. *(laughter)*

SP: All the while, people had been so busy celebrating the collapse of communism and welcoming the former Eastern Bloc countries into the EU, that nobody really bothered to think about how giving people from much poorer countries the right to go and work in much richer countries would actually work.

HD: To the surprise of absolutely no one, large numbers of people from poorer countries moved to richer countries, where middle-class people hired them because they were cheaper than working class people. *(laughter)* The working class people were fed up about this, but no one listens to working-class people, so the middle-class people told them they were racist and that they should stop complaining. *(laughter)*

SP: Nobody noticed this, except Nigel, who was now in charge of UKIP and got lots of votes at the European elections, and lots of Conservative MPs started worrying they might lose their seats, so David,

accordingly, decided that the way to win the election in 2015 was to promise a referendum. But first, he would renegotiate all the things that worried people like Iain Duncan Smith - benefit tourism, for example.

IAIN DUNCAN SMITH: And the European Commission comes knocking on my door to order me to open up the benefits system to benefit tourists and pay them benefits and that when they arrive, regardless of whether they work.

SP: And so, David found himself renegotiating a deal with an EU who didn't really want to renegotiate . . .

HD: . . . in an attempt to win a referendum that he didn't really want to hold . . .

SP: . . . in order to remain in a job he'd already announced he'd be leaving anyway. (*laughter*) it all made perfect sense. And when he'd renegotiated so no one would be able to claim benefits for at least four years, it turned out that had never worried people like Iain Duncan Smith anyway.

IDS: Yes, I think for those who do come over, erm, I've never said they're a vast number. Do I, if the question is 'do I think that it is a huge driver for people coming over here,' the answer is categorically not.

SP: And David finally realised that people didn't need to have reasons for staying or leaving Europe, they wanted to stay or leave Europe and adjusted their reasons to suit - the two main reasons being the economy and immigration, because nobody knew whether the number of Turks who would come here was a thousand million or a million million. (*laughter*)

HD: Complicated statistics lose us very quickly and have very little effect. So, if you're going to campaign on numbers, you need to keep it simple. Vote Leave settled early on a number they have repeated endlessly.

FEMALE VOICE: The amount we give to the EU every week is £350 million.

SP: Now, this isn't strictly true.

FV: A week.

HD: As has been laboriously demonstrated.

FV: £350 million.

SP: But that doesn't really matter, because this is what psychologists call anchoring. When you attach a number to something it anchors the discussion so it all focuses around that figure, and even if the £350 million is inaccurate, the arguments still endlessly repeat the £350 million and relate other figures to the £350 million, and it makes you think, well, the other side say it's £160 million, but it's still hundreds of millions, or maybe millions of millions, and bingo – Boris's work is done (*laughter*). Now, as Boris and the Leave camp well know, hundreds of millions a week sounds like a lot. Or, if you're Philip Green, sounds like a yacht. (*laughter*) And Remain have found the figure hard to counter, at one stage wondering whether to just give up and try and put a positive spin on it.

HD: The EU - reassuringly expensive.

SP: As a percentage of Britain's GDP, our contribution to the EU is only 0.6% of it so, clutching at a small lifebelt of facts amid a raging sea of guesswork we can say this: if leaving the EU reduces Britain's GDP by more than 0.6%, it wouldn't be financially worth it, and I say financially because of course, as Nigel Farage has said:

MALE VOICE: This is about more than just money.

SP: Which I think is commendably honest, given what it implies. So, if leaving reduces GDP at least in the short term, will it be by more than 0.6%? Well, sadly, no one knows, and we're back to guesswork again.

HD: For this we turn to the Institute of Fiscal Studies. The IFS looked at what different groups of economists predicted a Leave vote would mean for the UK's public finances in the long run, on both best and worst case scenarios.

FEMALE VOICE: The Treasury.

HD: Best case scenario: GDP down 3.8%.

FV: The International Institute of Economic and Social Research.

HD: Best case scenario: GDP down 1.8%

FV: The OECD:

HD: GDP down 5.1%.

SP: Now, there were eight groups asked, and only one gave a best case scenario of:

FV: GDP up: 4%.

SP: And that group was called?

HD: Economists for Brexit. (*laughter and applause*) And they may be right.

SP: Yeah, they may be right. But can you trust a group whose conclusion is in their name? (*klaxon sound*) Ah, now that's the bias alert. Er . . . both campaigns have insisted we install this. If a joke is too obviously biased one way or the other, we are obliged to read out a balancing joke against the other side. So Hugh? Do we have an anti-Remain campaign joke please?

HD: Er, we certainly do. How many Remain campaigners can you fit in a mini? Three, because there's already a German in the driving seat. (*laughter and applause*)

SP: Good. So none of these predictions of economic doom seem to have worked, because of the many chickens coming home to roost in this referendum, the biggest and juiciest foul striding confidently back into the henhouse is this:

(*fanfare*)

FV: Nobody trusts anything economists say.

HD: Because?

FV: Because none of them saw the financial crisis coming when it was right on top of them. (*fanfare*)

SP: Yes, now the media forgot this almost immediately, but the public didn't. And perhaps the greatest revelation of this campaign has been the extent to which the economic and political establishment appear to have no credibility with a large chunk of the public at all. The consequent failure of Remain's negative scaremongering (*klaxon*) Ah yes.

HD: Clear bias there. Do we have a balancing anti-Leave campaign joke?

SP: Er yes, why did the Leave campaign chicken cross the road? Because it had been ordered to by unelected Brussels bureaucrats. (*laughter*)

HD: Good. So as we reach the last few days of the campaign, it seems to me that both sides have been watching too much of The Apprentice.

FV: With time running out to win the task, team Brexit and team Remain are making ever more ludicrous claims against each other. Remain are claiming Brexit will lead to a zombie apocalypse, and no more access to Scandi-crime drama. While Brexit have said that if stay, Kent will sink under the weight of immigrants, we will all be force-fed olives, and by 2018, 95% of us will be Turkish, with dire consequences for the English cricket team. (*klaxon*)

SP: Oh, unfair to both apparently, well, we'll see on Thursday, thank you very much. (*applause*) so, one access of the referendum campaign has, of course, been the television debates, which aren't really debates at all.

HD: No, ITV's dramatic music and lack of a lectern made it look so showbiz that at the end of one of them I thought Nigel Farage was going to win a car.

SP: And David Cameron taking questions from the audience while pacing back and forth looking a bit like Michael McIntyre at a rough gig.

HD: So, since politics looks like stand-up, we thought we'd make this week's stand-up more like politics. And would you please welcome Lucy Porter and Simon Evans. (*applause*)

SP: So . . .

SIMON EVANS: Thank you.

SP: Simon and Lucy, thanks for coming. Now, the plan was to make sure we had one person representing each side of the campaign, so can you please confirm which side you are on?

HD: So, Simon?

SE: Erm, Leave obviously.

SP: And Lucy.

LUCY PORTER: Go on then, I'll take Remain.

SP: Okay, right, given the glitzy showbiz spin that ITV and Sky tried to bring to their debates, we thought we would do the same as we play . . .

HD: Nice to see EU, to see EU . . . (*audience responds 'Nice'*) Excellent. We have picked members of the audience at random, totally impartially, to read out questions that we have written (*laughter*) and on the basis of the answers given, will be awarding points. And what do points make? (*audience responds 'Prizes'*) No, the basis of Australia's immigration policy. (*laughter*) So, can we have the first question please.

AUDIENCE MEMBER: What informed your opinion of Europe?

SP: Okay, Lucy.

LP: Er, my first introduction to European politics was a gritty television documentary series that some of you may remember from the 1980s. It was called Allo Allo. (*laughter*) And it really laid bare the brutal, often merciless reality of life in the French resistance. For me, the exploits of René Artois and friends highlighted the profound similarities between all Europeans, despite the obvious conflict between the French and their German and Italian neighbours, or the more subtle disagreements of communist and Gaullist resistance

movements, all were united by their love of crumpet, nookie and a little bit of how's your father. *(laughter)* Or 'Como va von pere' as they say in France. Allo Allo also impressed upon me Britain's status as the benevolent policeman of Europe, in the very literal form of Officer Crabtree, who always took the trouble to say 'Good moaning' if he 'happened to be pissing by'.

SP: Erm, Simon, same question to you.

SE: Well, I resent the question, to be honest Steve, erm, and I refuse to answer it directly. I erm *(laughter)* . . . what you should be asking me is in fact, not what was my first experience of Europe, but what was my first experience of a superfluous and unaccountable tier of management that attracts corruption and redundant Serpentine complexity, as a gramophone needle attracts fluff. That's what we're discussing here, not Europe. And my first experience of that was probably me in my role as the student head of the 6th Form block committee, which was a completely unnecessary tier of management set up by the school in order to create good relations between staff and pupils, but which I ran as a sort of junta. *(laughter)* Channelling funds into my own pet project, completely unaccountable to my fellow students, who were all far too busy and under pressure to pass exams to scrutinise the affairs of the committee, let alone create a mechanism for removing me. So that's what I base it on, and also some experiences I had at the lavatories in the old Gare du Nord, but mainly the first *(word unclear due to audience laughter)*

SP: Well, thank you very much.

SE: Thank you.

HD: Next, er, next randomly-selected audience member?

AUDIENCE MEMBER: Give us an argument we haven't heard yet?

SP: Okay, so Simon, do you want to take that one?

SE: The most common reason given for despising the Leave tendency is of course that they are all closet or not-so-closet racists. I want to draw attention to the fact that this is bizarre, given that if there is any useful definition of race, and most scientists now dispute that at all, but if there is, it's certainly possible to divide the human race into no more than three broad categories, roughly speaking, black, white and Asian. Therefore, the EU, consisting as it does solely of white, European countries . . . is actually the least racially diverse trading block ever imagined. Furthermore, the risibly protectionist nature of the common agricultural policy does infinitely, incalculably more harm to black African farmers in their own countries than even the most knuckleheaded British Nationalist skinhead could ever imagine doing, without even having to go to the bother of lacing up a boot. However . . . once out of this European farrago, we will be able to trade equably with these African farmers, as we used to so agreeably in the 19th century *(laughter)*

HD: Lucy, give us a Remain argument we haven't heard yet.

LP: I have one crucial question that nobody seems to have addressed. In the event of Brexit, what will happen to the French exchange students? For decades, it's been the God-given right of every English child to share a room for a week with a sullen, pubescent French teenager, who's more garishly dressed and better at smoking than they are. As a mum, I was looking forward to welcoming a Jean-Luc or a Sylvie to my home and having to dust off my schoolgirl French, put more garlic in my cooking and reminisce about the time I saw Betty Blue at the Croydon Odeon and had new and unusual feelings.

SP: Okay, thank you, good. Okay, can we have our next audience question please?

AUDIENCE MEMBER: What could the other side offer to make you switch sides?

HD: That's for you Lucy.

LP: Well, whichever side wins, I think we should have strict and binding 'no gloating' pact. (*laughter*) I would like to see a promise that all the prominent Brexiteers will have to stand by the things they've said in the event of a win and be very hands-on. If Michael Gove really has had enough of experts, I'd like to see him put himself in the hands of amateur hairdressers, dentists, proctologists (*laughter*) If we don't magically have an extra £350 million a week to spend on the NHS, the leaders of the campaign will have to personally make up the shortfall. (*Laughter and applause*)

HD: So, Simon, could anything turn you?

SE: Yes, I think the only way I would consider giving over my vote to the other side would be to give the weaker nations, let's start with Spain, say, which currently has 45% youth unemployment and literally no fiscal means at its disposal to address that situation, give Spain the right to unilaterally devalue its currency, namely the euro, in order to stimulate their economy. Spain, Greece and Portugal would see export and hence employment pick up, Germany can go to hell (*laughter*) And a holiday, a holiday on the Cote d'Azur would suddenly become not merely affordable, but downright churlish to refuse. On that basis alone, I would vote Remain. Thank you.

HD: Well, thank you very much indeed, Simon Evans and Lucy Porter. (*applause*) So, the French economy minister, Emmanuel Macron has warned that if the UK leaves the EU, it risks isolating itself in trading terms, and becoming, as he put it . . .

SP: A tiny post.

HD: It's good news for this next man, as it gives him somewhere to scratch his tiny claws. It's Jon Holmes (*Music: Europe – the Final Countdown*)

JON HOLMES: Thanks very much thank you. And yes, it is four days to go, and it's the final countdown, it's a complex issue. I'll be honest, right . . . I like some ideas that are in with the In crowd - farming subsidies, free trade movement, as much French wine as I can fit in the back of a middle-class car without being questioned at Dover. And I like some ideas that are Out - for instance, who doesn't love a hastily organised flotilla? So, I'm basically approaching this whole European referendum in much the same way that I approach the belly button. Now, I can see that's weird, right, so, let me explain. My four-year-old daughter, Isla, has an 'innny' bellybutton, yet my six year old Maisie, has an 'outy' and different though they are, there are things I like about both of my children. So, the one with the 'innny' right, she's four years old, genuinely followed me into the toilet and watched me begin to have a wee, and then loudly pronounced it to be akin to a fountain that we saw on holiday in Italy. And I'm going to take that as a vote for Europe. Conversely, the 'outy' Maisie, six years old, is all for leaving, because I quote, 'Jeremy Corbyn reminds me of a thin Captain Birdseye and I don't like him.' So . . . the EU. The in of it, the out of it, the shake it all about of it, you do the referendum and you turn around, that's what it's all about of it. And it's not simple. Everyone's got an opinion, except, it seems, for the Lib Dems. Seriously, where's whatever the leader of the Liberal Democrats is called these days in . . . in all this. I've actually checked, he's Remain, er, very much the opposite of his own long-term prospects. But it's not just about being clear. It's also about control. Just ask Michael Gove.

MICHAEL GOVE: Ultimately this debate is about control. Within our control. No control. Any control. Controlled migration policy. I favour control. Just taking control of our own destiny. Control the numbers. Control the numbers. Control the numbers coming here. Control the numbers. Control the numbers. Controls the numbers. We can't control the numbers. We can take back control. Take back control. Take back control. Take back control. Take back control. And take back control. Take back control. Take back control. Take back control. And we want to take back control.

JH: Michael Gove, for the Leave campaign on one edition of Question Time. The number of times Michael Gove said 'control'.

HD: 38.

JH: Number of times you'd give Michael Gove control of anything, up to and including a child's toy and the TV remote.

HD: None.

JH: None. In the Remain camp, meanwhile, Cameron and Osborne seem to be obsessed with churning out long lists of people who agree with them.

GEORGE OSBORNE: The Institute of Fiscal Studies.

DAVID CAMERON: Nine out of ten economists, the governor of the Bank of England.

GO: The National Institute of Economic and Social Research.

DC: The IMF, the OECD . . .

GO: Some of the world's leading economic think tanks. You've got Rolls-Royce . . .

DC: You've got the nine out of ten economists.

GO: You've got one of our largest property developers.

DC: You've got the International Monetary Fund.

GO: And you've got the markets.

JH: Cameron and Osborne there, who know we trust them so little, that their main tactic is just listing other people's opinions. Anyway, there was a survey showing how many media appearances our leading politicians have racked up in this whole debate, and seeing as the nation is currently obsessed by a load of overpaid millionaires kicking a ball of hot air about to determine who will be out of Europe, let's look, Euro commentary style at the line-ups.

HD: Well, here's the line-up D. Cameron, 357 appearances, captain, has clearly been struggling, forced to play out of his naturally preferred position. His tactics looking increasingly likely to leaders out of Europe.

JH: And here comes Johnson, the Big Boris there, 275 appearances, talismanic if anything, too upfront allegedly, incredibly reckless with his tackle.

HD: in Duncan Smith, 97 appearances, follicle challenged, poor social skills and praise on the elderly, insert your own Wayne Rooney joke here.

JH: And Osborne there, 143 appearances for George, about as effective as arming yourself with a baguette against 150 Russian ultras, although he thought Russian ultras were type of extra-strength tampon and tried to tax them. And Tim Farron there Liberal Democrats – no idea, relegated. (*whistle blows*) I'm Jon Holmes – vote bellybutton, thank you very much. (*applause and music*)

SP: So, it's easy to forget, when we talk about Europe, that Europe can hear us. So, what has Europe made of our conversation? To find out would you please welcome political diarist for the Evening Standard, Marie Le Conte. (*applause*) So what result do you think France is looking for? What would they be happiest with?

MARIE LE CONTE: It's been a weird one, actually, reading the French press, because politicians in France really, really want the UK to Remain. But I think over the past, sort of like, few weeks when it's become clear that actually, you know, a Brexit vote is a possibility, the papers have started looking at the good points, so they're like, 'Well, you know, the UK leaving could be great for France' (*laughter*) So there's a few things. Like, for example, you know, they're just like, 'Well, you know, if they leave, nobody's really going to be speaking English in the EU, could we make them speak French, instead?' (*laughs, and laughter from audience*)

SP: So you've been covering events and receptions and stuff for both campaigns, Leave and Remain for The Standard. What sort of events have these been?

MLC: I don't know, it's mostly been actually, interestingly, I've been to a lot more Leave events than Remain ones, not that's my own choice, because I think there's just been a lot of Leave events. You know, they're mostly dreadful, it's kind of . . . (*laughter*) it's going to be, sort of, you know, backbench Tory MPs, and the audiences, really interestingly actually, are normally . . . sort of like, either over 60 years old or under 20 years old, but there's no one, sort of, you know, inside that bracket. So I feel like I can sort of understand why old people would go to these events, because . . . you know, they don't have much else on and (*laughter*) you know, they feel strongly about it, and you know, fair enough, they've probably felt strongly about it for a long time. Erm, but it's just the people under 20, there's quite a lot of them, sort of, very staunch Brexiteers, and my favourite event, actually, I went to was erm, Iain Duncan Smith gave a talk at a private members club in Belgravia, in SW1, and he kept railing on and on and on to the audience, er, about the establishment, and 'don't listen to the establishment', you know, like, 'this is what the establishment . . . '

HD: And what will you do, if we vote to leave?

MLC: I don't really know, because like, we're not actually entirely clear what's going to happen to us, so it's almost only going to be fine, you know, and I doubt that I'll be sent back on the 24 June, if you vote for Brexit. I mean, my friends have been threatening me for a while now. Erm (*laughter*) but you know, I don't know, I'm actually in a weird situation, because I went to actually one of those Brexit events with a Tory MP, Jacob Rees Mogg, the honourable member for the 19th Century (*laughter and applause*) and, and I actually asked, not even for the Evening Standard, just for me personally, I asked, you know, what was going to happen to me if erm, if the UK votes for Brexit, and he was really nice about it, he said, well, you know, 'Please don't leave if,' you know, 'anyone ever threatens to deport you, I'll personally write to Theresa May on your behalf, you'll be fine' (*laughter*) So I think my message, basically, to other EU migrants living in the UK is that, you know, it sucks to be you, I'm fine. (*laughter*)

SP: On that note, Marie Le Conte, thank you very much. Thank you. Et maintenant, Mesdames et Messieurs, bienvenue a Mitch Benn.

MITCH BENN: (*Song*)

If we're going to stay
How's about we do it properly this time.
Start to drive on the right and quit sniggering at Eurovision.
Learn a couple of languages and take an interest in interesting food, extramarital sex and good wine, it's a momentous decision.

And if we are going to leave,
can it be for a good reason please.
Not just because Little Englanders think all things foreign sinister.
And no one in the media has the plums to tell racists they're wrong and to shut the hell up.
And Boris Johnson can't wait three more years until they make him Prime Minister.
And whatever we do,

How's about we all chill the heck out?

This time next week half of the country will be pretty mad.

And if this is about being proud to be British, I've always been proud to get along

And if this comes between us then it would be desperately sad.

(applause)

SP: So, thank you very much indeed for listening, and goodbye.

HD: Goodbye.

HOW TO MAKE A BREXIT

Carolyn Quinn explores the practical process for exiting the EU if UK voters opt to leave.

8 Dec 2015, 38 minutes

CAROYN QUINN: Welcome to political time travel.

UNKNOWN SPEAKER: I'm definitely going to vote one big 'no.'

CQ: We've gone back forty years to 1975, and Britain's first referendum on whether to stay or leave what was then the European Economic Community.

UNKNOWN SPEAKER: How will it affect the housewives, it's the food prices that we're worried about.

HAROLD WILSON: So the political argument in Britain is over. Every Democrat will accept the result. You and all.

CAROLYN QUINN: The vote back then went in favour of staying in the EEC but what happens if there's a different verdict when the next referendum takes place sometime this year or next? In this program we'll be traveling into the future to imagine what might happen should the majority of voters in the forthcoming referendum decide they want to leave the EU. How would the days, the weeks, the months after the result shape up? How would Britain go about the process of unwinding a trading and political relationship which has lasted for four decades? In essence, how exactly would Britain make a Brexit?

RUTH LEA: Given a 'no' vote, or a 'leave' vote or whatever it is, then the British government (*word or words unclear*) it'll be all hands to the pump, let's be honest about this, and they'd have to get on with it.

CQ: This is the largest scale legislation and policy exercise that has possibly been carried out ever.

GUS O'DONNELL: I think of this as like a couple who've been married, this is sorting out your divorce.

CQ: Over the next half hour I'll attempt to map a route through the tangled web of treaties, laws and directives which currently bind us to the European Union. I'll ask what Brexit would mean for EU citizens in Britain and UK nationals in the other member states, and how would our ministers in the European Council, our commissioners and elected members of the European Parliament spend their remaining time in office? Let's start at the beginning then, let's imagine for a moment that the UK has voted to leave the EU what happens next?

STEVE PUNT: Can we actually leave?

HUGH DENNIS: Well, yes we can, er, because Article 50 of the Treaty of Lisbon provides for just such an eventuality. It says:

ANNOUNCER: If you're not entirely happy with your membership of the European Community, just return it to Brussels with two years' notice and we'll cancel it with no questions asked.

CQ: That's how Radio Four's The Now Show recently paraphrased Article 50 of the Lisbon Treaty which sets out the steps to be followed should a member state wish to leave the EU. It's not quite as much of a parody as you might imagine. Jean Claude-Piris was for twenty three years one of the EU's top legal brains, director general of legal services to the Council of Ministers. I asked him to explain what would happen if Article 50 were to be invoked.

JEAN-CLAUDE PIRIS: So, the first step will be for the British government to send a letter to the president of the European Council to the partners, the other member States and saying we intend to leave the EU. And

this letter has not to be justified or explain it's the . . . (*word unclear, 'brunt'?*) decision of the British state to leave.

CQ: So, the Prime Minister's first task would be to decide exactly when to send that letter to his European counterparts as Article 50 makes clear that the negotiations can only get underway once that's happened. As Charles Grant, who leads the pro-EU think-tank the Centre for European Reform explains.

CHARLES GRANT: The treaties lay down a procedure whereby the British negotiate a withdrawal treaty with the other member states over a two year period which can be extended if necessary. That withdrawal treaty has to be approved only by a qualified majority of the other member States and doesn't have to be ratified by their Parliament, so it's quite an easy treaty to negotiate – that's if all goes well.

CQ: If all goes well, but as we'll discover there would be all sorts of things that would need to be finally negotiated. The trade options alone are staggering and then there's what to do with EU legislation, citizenship, even devolution. Is there a precedent for this? Well, no nation state has ever left the EU but there is one part of one country which has gone through the process of getting out. The country is Denmark but the part that left is one of its overseas territories, much closer to Canada than to Copenhagen. I'm heading to the Arctic, we're flying north at the moment over Iceland, and our destination is the world's biggest island that's not a continent – Greenland – one of the most sparsely populated places on the planet. We really do feel a long way from Europe now, I'm looking down on the Greenland coastline with its miles of jagged, frozen white fingers.

PILOT: Ladies and gentlemen, from the cockpit, we are approaching (*word or words unclear*) we should be landing within 30 minutes. The weather is very nice for landing, light (*words unclear*) good visibility, and sky clear, temperature -29°C.

CQ: Yes, he really did say -29. Greenland entered the Common Market in 1973, as part of the Kingdom of Denmark, although the majority of Greenlanders had said that they were opposed to the move. Six years later, they achieved home-rule, and the new Greenlandic government set about extracting their homeland from the then EEC. In a referendum in 1982 the voters issued an emphatic 'no' to Europe. Walking around the edge of the fjord, it seems strange to be crunching through snow while the water is lapping just a few yards away. I'm on my way to meet Kaj Kleist, who was one of the big movers and shakers in Greenland's bid to leave the EU back in the 1980s.

KAJ KLEIST: I cried. Cried. At that moment. And when we win the referendum in '82, I remember that the chairman of the Commission, Jacques Delors, he said, after have heard (*sic*) that Greenland said 'no' to be member of EU, 'Tonight we just lost 60% of the EU's territory.' – 60%.

CQ: I met Kaj Kleist and his son Mininnguaq, who's now a senior figure in the Prime Minister's office over coffee at a luxury hotel in the capital Nuuk. Why did you feel it so important for Greenland to leave Europe?

MINNINGUAQ KLEIST: I was a boy then, but I remember . . . the campaign, and I remember the demonstrations, and the speeches, and the march here in Nuuk. But it's not . . . that we dislike the EU, we just don't see why we should be part of it being Greenland, er, being three or four thousand kilometres away.

CQ: Unlike some of the more isolated settlements in Greenland, Nuuk is pretty up-to-date, with blocks of modern, non-descript houses and flats, good Internet connections and a 10 story shopping and office complex. But, you know, you don't have to wander very far to find traditional Greenlandic art and music. They're making a real effort to keep the Inuit culture alive.

(*Greenlandic music*)

CQ: Hello.

IVAN ELSNOR: Hello.

CQ: Are you the owner of at Atlantic music that I've just stepped into, and it's nice and warm?

IE: Yes I am.

CQ: What's your name?

IE: Ivan Elsnor.

CQ: And what sort of music do you produce here?

IE: We produce all kinds of music, traditional, rock, pop and er . . . we have this traditional music with the old drum and, and stuff like that. Really, Inuit drums. And, and . . .

CQ: That's an Inuit drum?

IE: Yeah.

CQ: What sort of skin is that?

IE: I think this is a reindeer stomach. I don't like to use the polar bear stomach, because there are not a lot of them left, so, so they have big problems with surviving in the nature, so we're using other skin now.

(drumming sounds)

CQ: Did you vote in the referendum in 1982?

IE: Yes.

CQ: And how did you vote?

IE: 'No.'

VOX POP FEMALE: Of course, I voted to stay, yes. Yes I did.

VOX POP MALE: I don't.

CQ: And your husband voted to leave.

VPF: Oh, he did?

VPM: Yeah.

CQ: And so how did you feel when the result was 'leave'.

VPF: Well, I thought they were stupid *(laughs)* Yeah, that's . . . the right answer.

VPM: I think it's really dependent on the, the heart I think, a lot of Europeans vote because of the money.

VPF: Yeah.

VPM: But I think a lot of Greenlandic vote because of heart feeling. That, that can be a . . . *(coughs)* a very different thing.

CQ: Distance, culture, economics, finance, they all played a part in Greenland's exit from the European Community, but when it came to Greenland's future prosperity, there was only one issue that mattered to

most people: fish. 8 o'clock in the morning, and their snow on the ground, and er . . . I'm just making my way now to meet Henrik Leth, who runs the biggest privately run fishing company here in Greenland, and fishing obviously hugely important to the Greenland economy. Hello Henrik. I can smell the fish already.

HENRIK LETH: Yeah

CQ: Not far from the factory is the harbour, where of course all your boats are moored.

HL: Yeah, well we are the next trawler that comes from the north west, which has been up catching Greenland halibut. And then there are all the smaller ones over there that goes mainly for cod and snow crab, and some of them Greenland halibut, but they, they are smaller boats, this one is a factory trawler which produces everything on board.

CQ: So, what do you hear people saying about 1982, and the time of the referendum in Greenland and whether to stay or leave the EU?

HL: You know the thing, the problem was that Greenland never said yes to the union, they were just dragged in by Denmark, so, from the very beginning people were against joining the union. Normally, the fisheries policy was done here, before that it probably was done in Copenhagen, but now everything was moved down to Brussels, and that was quite a problem for people, to feel that they were not able to develop their own industry, but they only had to sit and wait what was left over from what the European Union wants to take.

CQ: So, what happened after Greenland left the EU? Was there a noticeable change for the fishing industry?

HL: Yes there was, because we were able to develop the industry. Actually, the two biggest fishing companies from the kingdom of Denmark is actually Greenlandic, it's Royal Greenland, which is the government owned, and then it's our company, Polar Seafood which is, that the two biggest fishing companies in the kingdom of Denmark. And we are actually also quite big compared to the rest of the companies in Europe, so we probably are top 10 in Europe.

CQ: It took almost three years before Greenland was able to leave the European Community with a satisfactory deal on fishing. As a part of Denmark, the talks were led by Danish negotiators. Paul Kristoffersen is a former Danish ambassador to the EU in Brussels.

PAUL KRISTOFFERSEN: One of the reasons why it took such a long time was that the EU was also trying to define its own fisheries policy. But this happens all the time that the EU is changing, is moving, in the coming years there probably will be very important negotiations on how to create a capital market union, or how to . . . create a real digital internal market, so . . . the EU will be changing at the same time as you would be trying to establish a new relationship with the European Union.

CQ: Back here in Westminster if, on that notional day after the EU referendum a majority of voters have decided that Britain should leave, how ready would the government to be? Is there any kind of model for the post-referendum new relationship they'd like to build with our European neighbours?

MARTIN HOWE: What I fear is that waking up on the day after the referendum, if there is a vote to leave, that there will not have been preparation that should have been done in Whitehall for the eventuality and you'll find the civil service running round like headless chickens, wondering what to do.

CQ: That's Martin Howe QC, he's a constitutional lawyer who says he'd rather not see the UK stay in an unreformed EU.

MH: My belief is that whatever the government's view on the result of the referendum, whether it's campaigning to leave to stay, it really ought to be doing some serious contingency work on what would happen if there is a 'leave' vote, in order to pave the way.

CQ: He's given a lot of thought to how the UK might leave. But are his fears about the government's lack of preparation well founded? Hello Gus, hi, hello, we've just come back from Greenland actually.

GUS O'DONNELL: Welcome to Frontier Economics, it's rather warmer here.

CQ: To find out, I've come to visit Gus, now Lord O'Donnell, a former head of the civil service who also served as Cabinet Secretary to three prime ministers, Tony Blair, Gordon Brown and David Cameron. How prepared does he think the civil service would be for Brexit?

GO: Obviously, every single civil servant will be thinking 'what if?' What are the different possibilities, different scenarios, and I will be absolutely sure that they will be hoovering up all of the work that's been done by the outside world, and the Foreign Office you know, this is something that they'll think about, their lawyers will be thinking about, the economists will be going through, we know they'll have to do work on trade, migration and all the rest of it so I think there'll be a lot of work going on mentally, how much they write down is a different question. That's one of the potential drawbacks of the world of Freedom of Information we live in, that actually, if the Chancellor doesn't want anything written down, then . . . that's the way it will be.

CQ: When Martin Howe suggests, well, he fears that Whitehall mandarins will be running around like headless chickens the day after the referendum, is that a fair representation do you think?

GO: Absolutely not. The point is, we need to be like Boy Scouts, you know, prepared for all possible eventualities, 'Be prepared' is the key. So I think they'll be thinking through the various scenarios, and of course, they've got some time, you know, I think a lot of people think that when the referendum comes out and if it's a vote to leave, then suddenly the clock starts our two-year clock under Article 50, and it's all happening. That isn't the case, there is time, the government can decide when it starts that clock ticking, and in that time there'll be some preparation done, I'm sure. Some of those thoughts that are in people's heads will be transferred to paper, and will be given as advice to ministers, and they'll go into what will be a two-year period of renegotiation, and with detailed briefs about what the pros and cons of the different options are.

CQ: Remember as well that the Europe of today is very different to that of the 1980s when Greenland left. 10 members then, now the EU has expanded greatly in terms of membership and response abilities. That makes Britain's negotiations to leave much more complex than those of Greenland. But there has been one notable attempt to try to anticipate what might happen. Hello Stephen, Carolyn Quinn from the BBC.

STEPHEN BOOTH: Hi there.

CQ: So this is where you're war-gaming exercise took place.

SB: Yeah it is, yeah, yeah, yeah.

CQ: Of course, we are in the lobby now of the QE2 Centre in Westminster, but . . . take us to where it all happened then. I'm with Stephen Booth, who heads Open Europe, a think tank that supports reforming the European Union and which organised its own war-games, a sort of dry run, if you like for Brexit negotiations.

SB: So, this is the room, we're overlooking Parliament Square, the Houses of Parliament, Westminster Abbey, the Supreme Court. We had 70 to 80 participants and guests, watching our nine or ten wargamers, discussing this hugely important issue about how would you leave the European Union if the British public voted to leave in a referendum.

CQ: So war games, but big negotiations as well?

SB: Yeah, people did try to address the issues and it was quite interesting, the difference between the French willingness to do a deal on goods versus services came through very clearly, I think that's something that you would, you would probably see in real life scenario. It's going to be a hugely complicated process, there's so many different elements that you'd have to deal with, there's obviously a trading relationship, there is at the border issues, there's the migration issues, there's at the issues of UK citizens already in the EU, EU citizens here, how would you deal with the social security and the welfare arrangements, and then trade with third countries outside the European Union, so all of these things would be up for grabs if you like, or would have to be settled as part of the process.

CQ: A huge in-tray, certainly, for any British government faced with finding its way to Brexit. And one of the most pressing issues would be sorting out trade relationships with our soon-to-be ex-EU partners. As Charles Grant, of the pro-EU think tank, the Centre for European Reform explains.

CG: All the different options whether it's the European Economic Area, Switzerland is bilateral agreements, the free trade agreements, the World Trade Organisation rules, there's a basic trade-off that Britain will face. If Britain wants to have . . . significant access to the single market, it has to accept the rules and standards of that market without having a vote on it, which is the Norwegian option. If it wants to maintain regulatory sovereignty and not have to adopt all the rules and standards of the EU, that's the WTO option, the World Trade Organisation option, that's fine, but then it has much less access to the single market. So, there is a trade-off that Britain will have to decide upon, when it leaves the EU, if it does, which is how much access do you want to the market, and if so, how much are you prepared to accept all rules and regulations made by the EU without having a vote on them?

CQ: So, could the UK manage without an EU trade agreement? I asked Ruth Lea, an economist working with Business for Britain, a group campaigning to leave the EU.

RUTH LEA: The first thing that would happen is that trade under the World Trade Organisation, the WTO rules would then be the default position. You trade with any country in the world, but it's got to be non-discriminatory, because that's the fundamental thing about the WTO rules. And moreover, there are a lot of countries that basically do most of their trade now under the WTO rules. China does, for example, it has very few preferential trade agreements at the moment. Trade economists estimate that about a third of all international trade is probably under the beauty of rules and it can thrive and it can flourish and of course, in the case of China because of its rocket-like growth in recent years, it can actually do extraordinarily well.

CQ: You say, erm, it would be a reasonable option, but of course the arguments will range far and wide between the various trade options on offer, how do you think the British negotiators and the European negotiators will actually pick their way through the various options?

RL: Well, I think in addition to that Britain and the rest of the European Union would be very sensible, and I think it would be very likely that they would sit down and negotiate some sort of free trade agreement. After all, you would have the common external tariff between Britain and the EU if we didn't arrange that sort of thing now, on the whole, the common external tariff is trivial, it's about 1% on average, and that just applies to goods. But there are some industries, some sectors that would actually be quite affected by it, for example, the common external tariff, that's the EU's common external tariff is nearly 10% in the car industry, and obviously we export a lot of cars to the continent of Europe, we would preferably not want that.

CQ: So, if only to prevent our motor industry from being clobbered by tariffs some sort of trade deal with the EU would presumably be sought. But there would still be conundrums for the negotiators, according to Charles Grant.

CG: Something that all these options have in common, which is very important for the British is that none of these options, Norway, WTO, Switzerland, whatever keep Britain in the free trade agreements that the EU has negotiated with other parts of the world. There are some 200 trade agreements, but from the day we leave the EU these trade agreements no longer apply to the United Kingdom, so Britain would have to start from scratch to negotiate separate, bilateral agreements with other countries like South Korea, Canada, Singapore whatever, to catch up and maintain the access that it enjoys. But there is a very important practical difficulty here: since 1973 when we joined the EU, we haven't had any trade negotiators. We handed over that competence to the European Union and the European Commission, so Whitehall doesn't have any, and I can tell you, they're going to have to negotiate dozens and dozens and dozens very, very quickly so they're going to be in the market for people who know how to do a trade deal, they're going to have to hire people from other member states, they'll use the consultancies, they'll maybe get some old men out of retirement to help, it will be difficult.

RL: I'm not worried about that, because we're very good at sort of importing talent if we want to.

CQ: Ruth Lea again.

RL: We have a Governor of the Bank of England at the moment who's Canadian and he's taken on two members of the Monetary Policy Committee who are Americans, and one of them actually, was born in Egypt. And indeed, as I say, there probably are British people who have still been involved in the EU trade negotiations, but, you know, we could buy the talent in, if it happened to be inadequate.

CQ: In our imaginary scenario then, once the negotiators have been put in place and start picking their way through an increasingly crowded agenda, what would Brexit entail on the other side of the Channel?

(Eurostar announcement in Brussels)

CQ: I'm here in Brussels and this is where the letter from the British government invoking Article 50 would arrive, it'll come to the European Council building which houses the heads of state. They've got a new building under construction in fact, to replace the current elderly glass box.

JCP: This ugly building *(laughs)*

CQ: So where are we now? Where is this?

JCP: Well, this building is huge, several buildings together with three courtyards in the middle, and you have then the rooms where all councils of ministers meet, except three months a year when we meet in Luxembourg *(laughs)* and *(fades out)*

CQ: My guide is Jean-Claude Piris. If anyone knows the ways of the European Union then he does. He spent 23 years as head of legal services to the Council of Ministers, he's taken part in many treaty negotiations himself, and points out one of the other big considerations beside trade.

JCP: The big problem will be for Britons living, which are around 2 million in countries of the European Union now. So they will be not any more EU citizens, they will lose the citizenship of the EU, which gives the right to move, to establish, to have a lot of benefits and so on, that will disappear. And then if the UK tries to negotiate to the EU on that, will the UK accept that Eastern European members of the EU have free access? I don't think so, because that's one of the problems. And if there are some barriers to this movement, the same will be applied to Britons going in the EU countries. So there'll be a lot of problems for EU citizens living in the UK as well, because you have 2 million there, working and living or studying in the UK.

CQ: Immigration and movement of citizens, then, among the host of issues that would need to be unravelled. But we mustn't forget about legislation. What would happen to the mass of EU regulations, thousands of directives which have been incorporated into UK law since 1973? Daniel Greenberg was a parliamentary lawyer heavily involved in a number of EU-related bills. He drafted the Amendment Act, which brought the Lisbon Treaty into UK law in 2008.

DANIEL GREENBERG: This is the largest-scale legislation and policy exercise that has possibly been carried out ever. It's certainly bigger than the exercise that had to be carried out in 1972, when we joined, because it's more complicated unravelling 40 years of combined European and domestic policy and literally every one of those thousands of pieces of our law that rests on European Union law will have to be examined to see how you and pick it, how much you want to throw away, how much you want to keep and for different reasons. And the extent of the exercise is just staggering.

CQ: And it wouldn't just be Whitehall civil servants and policymakers affected - the constitutional lawyer, Martin Howe believes the return of agriculture and fisheries policy to the UK would have implications for the devolved governments in Scotland, Wales and Northern Ireland as well.

MH: You have a common agricultural policy which is very tightly controlled at European Union level, but within the United Kingdom, agriculture is divided between, in England it's Westminster that controls it and in Scotland it's the Scottish Parliament and government that controls it. So you'd need to replace the common agricultural policy, with a UK common agricultural policy, you wouldn't want to have say, Scotland subsidising . . . beef farmers who then undercut English beef farmers, etc. So, you'd have to have a degree of central policy, but within that you'd obviously retain the existing characteristics of the devolved legislatures and governments having their own local powers and their local implementation of the policy.

CQ: So while the policymakers and lawmakers set to work at Westminster, and in the devolved governments, what would be happening to the UK's small army of ministers, MEPs, commissioners and civil servants working within the institutions of the European Union? On this, says Jean-Claude Piris, the Lisbon Treaty is very clear.

JCP: Nothing happens, everything continues as usual including the UK remains a full member of the European Union and his ministers and civil servants, diplomats continue to participate to all negotiations except that they don't participate on the EU side for the negotiation with the UK of course. That's the legal position, but politically, you may understand, that the influence of the United Kingdom within the institutions on the decision-making will be less comfortable. When you have your hand on the door to go out, then you know that you are negotiating a thing, and it will not probably apply to [the] UK, if you are German or a Spaniard maybe you listen with less (*laughs*) attention to the arguments of your British counterpart.

CQ: Here in the heart of the European Parliament is a bar called the Mickey Mouse bar, apparently because there's a photo just at the entrance which has a little picture of Mickey Mouse in it, but it's got lots of colourful chairs, and here I find Diane James from UKIP, one of UKIP's MEPs. If UK people vote to leave the EU . . . and you and your other 72 British MEPs are here at the European Parliament, are you just going to be floating around like zombies, you know, without much to do? Maybe you'll be spending more time here in the Mickey Mouse bar, waiting for something to happen?

DIANE JAMES: Nothing changes. We are here representing a member state and until that member state's membership is fully, finally terminated then we are here to serve our country's needs and to deliver our representation here.

CQ: But wouldn't colleagues from other member states object to British MEPs like yourself framing legislation that won't apply to you?

DJ: I don't actually think you will hear that. There might be mutterings, you know, I don't disagree with you from that point of view, but quite frankly there is effectively a process and a procedure which has to be gone through which all the member states have agreed to as part of the Lisbon Treaty and it's no good suddenly saying, or mumbling, muttering, that were not very keen on the United Kingdom now having a presence if they're going to leave, because, you know, that aspect is in place. They can't change that.

CQ: But some of Diane James's fellow British MEPs at the European Parliament believe that far from being ostracised, the UK could face pleas to think again.

EMMA MCCLARKIN: Well, my name's Emma McClarkin, and I'm a British Conservative member of the European Parliament for the East Midlands region. I think that it is highly possible that if we, as the UK votes to leave the European Union, but they would not accept that as a final offer, I think they would use that two-year notice period to try and improve an offer. I don't think the European Union has ever accepted a 'no' on a referendum, and it's been the final say. So there is a possibility that we could have another referendum.

CQ: Most of the people that I spoke to this programme say there is no provision in the exit clauses of the Lisbon Treaty for a second referendum, should Britain vote to leave. They see Article 50 as a one-way ticket out of the EU. But 30 years ago in Greenland, the home-rule government did have to ask voters a second time to confirm their wish to go.

UNKNOWN SPEAKER: Just turn around here and there you can see a painting, and this our Speaker Lars Emil Johansen, you will meet him later today. And he is one of the most experienced politicians we have in Greenland.

CQ: During a guided tour of the Greenlandic Parliament with its 31 members, I'm introduced to the Speaker, Lars Emil Johansen, or at least a rather imposing portrait of him. The man himself is a former Greenlandic prime Minister, he was trade minister when Greenland broke away from the EEC in 1985.

LARS EMIL JOHANSEN: We have . . . referendum first time in 1982, and that time we get a large majority against membership. And again we had to, to make referendum number two, we had to do it to confirm that we're standing by our decision from 1982. And we also get in this time a smaller majority, you know, we were fighting against . . . 500 millions and was only 50,000 so erm, very proud of this result.

CQ: But 30 years on Henrik Leth, we heard from him earlier, he's head of Polar Seafood and also chairs the Greenland Employers Organisation. He thinks it might be time to apply to re-join the EU.

HL: I think it should be considered and analysed whether it would be a good thing for Greenland. The good thing would be that we will be part of these new free trade agreement that the European Union makes, and it's not only Canada and the US, but it's also Japan and other places, there will be more and more free trade and that means a small country like Greenland will not be able to make the same kinds of agreements, so we'll actually a disadvantage in industry. So that's one thing that could be very important. There's also another thing where I think it could be good for Greenland and that's there's a lot of development funds in the European Union, and we have very complex infrastructure and I think that could be very helpful and I think we could actually get more support from the European Union if we actually joined the union instead of staying out of it.

CQ: But wouldn't that cause embarrassment to contemplate going back in?

HL: It has to be analysed, and it will be a bitter pill to swallow to come back and say, 'Well, could we join in again', but on the other hand now we have our fishing industry, they will not be able to take that away from us and say, 'Well, we'll go back to what was before 1985' or something like that. So I think actually that could be a good thing for Greenland. But we have to look into it.

CQ: Let's leave Greenland and Henrik Leth, contemplating a possible return to the EU and come back to Westminster, and the topic of this programme: imagining how Britain could exit the European Union on the best possible terms. As we've heard, there'd be so many questions to answer about trade, immigration, legislation, even devolution might be affected. And we haven't even touched on the question of whether EU negotiators might seek compensation for lost income as a result of the UK's departure, or whether judgements of the European Court would be heeded in Britain during the exit process. And, after all those negotiations, to final hurdles to cross: any withdrawal treaty would have to be agreed by Parliament here in Westminster as well as in Brussels. So would add to or possibly three-year negotiating timetable really be enough to sort this all out?

MH: I think the problem is once you start extending a time limit like that, all the extra time will then get used up in bogged-down negotiations. And experience shows the only way you achieve a result negotiations is when they're up against a deadline.

CQ: The constitutional lawyer, Martin Howe. He believes there are sound practical reasons why the UK should be prepared to walk away without a deal after two years.

MH: If the referendum were in 2017, then the two-year time limit would allow the negotiation process to be completed and concluded within the current Parliament. Whereas if it's extended you're then going across into a new Parliament with a general election in the meantime in which there might be a change of government or at minimum, the negotiation process then gets tangled up in the general election campaign.

CQ: I'll leave you to contemplate the possibility of Brexit rumbling on into the 2020s. But let's not make that our final thought. Look at it like this: Lord O'Donnell the former cabinet secretary sees Britain and the EU as like an old married couple, who have decided to go their separate ways. It doesn't have to be messy.

GO: When you trigger the Article 50, you then start the negotiations, and I think of this is like a couple who have been married, this is sorting out your divorce, you know, the splitting of assets, because there'll be liabilities that need to be shared out, all sorts of things like that. That's one set of negotiations. The other set is of course life post-divorce, how are you going to live together. And there are various ways you can live together, you know, you're going to be sharing the same global trading world, are we going to be sharing it more like a Norway or a Switzerland or a New Zealand or a Japan? So there are, there are lots of different

scenarios so, but once you've got through the divorce proceedings, let's hope that they can be done in a nice amicable way, so that we have an amicable, friendly divorce, and then we get on to, as it were, cohabitation, how are we going to live together in this world and trade together in this world.

FARMING TODAY FARMING TODAY THIS WEEK: WHAT SHOULD A POST-BREXIT BRITISH AGRICULTURAL POLICY LOOK LIKE?

What should a post-Brexit British agricultural policy look like? Four guests discuss.

2 Jul 2016, 27 minutes

CHARLOTTE SMITH: Good morning. This week, we're looking at the future shape of British farming outside the European Union. Goodbye CAP – hello . . . well, hello what? What might the first British agricultural policy in the 43 years since we joined the European Union look like? Well, yesterday, the National Farmers Union launched what it called the most significant consultation over the impact of Brexit on agriculture and what a domestic farming policy should look like in the future. We've invited four people to draft their visions, and they'll share them with us shortly. And with us today, we have Ed Ford, he is vice-chairman of the Young Farmers, and also an arable farmer in Essex, and today he will be sharing his own personal views. We heard you on Farming Today ten days ago, Ed, at Cereals 2016, debating the pros and cons of the EU. You have, though, known nothing but life within the EU, are you daunted now, or embracing the challenges?

ED FORD: Although I was an avid Remain (*sic*), we have been served the card that has been given, and we've got to embrace it, we have got to get on with it and actually, looking back over the past week, I'm very excited about the prospect of now farming outside of the EU.

CS: Well, I wonder if our next guest shares those thoughts. It's Matt Shardlow, he's a naturalist, conservationist, and chief executive of the environmental organisation Buglife. Matt, there have been many fears that leaving the EU would be bad news for the environment. Do you think that's necessarily the case?

MATT SHARDLOW: I think it's very difficult to see it as anything other than a huge risk to the environment. Much of our legislation that we've developed over the last 20 years comes from Europe, so there's huge question marks about what we've currently got in, protecting wildlife, and whether that will continue, as well as these sorts of funding and general policy questions as well.

CS: All of which I'm sure we'll come back to later on. Let me introduce our third guest, Allan Buckwell, emeritus professor of agricultural economy and a policy expert. Allan, we spoke to you back in February, because you'd drawn up an assessment of what Brexit might look like. Do you feel that report now gives us a bit of a roadmap for the way forward?

ALLAN BUCKWELL: I hope it explain some of the big choices that we now have to make about our trading relationships with Europe, our trading relationships with the rest of the world, and how we arrange our domestic policy. And incidentally, is it a British agricultural policy or four devolved, decentralised agricultural policies in the regions, and how do they interact? And there's some big questions about how we are actually going to formulate it, and even big questions about DEFRA's capability and expertise and capacity to do the work that's necessary, because DEFRA has been haemorrhaging staff since 2010 and so there's some real challenges there, to get civil society together to debate the complex issues of where we now go.

CS: Well, also with us is Ed Gillespie, two Ed's always better than one. He is a founder of the consultancy and creative agency Futerra. It advises clients in food and other sectors. Ed, what do you see here as the opportunities for British farming?

ED GILLESPIE: Well, I think it's about having a blank slate to start with, isn't it? I mean, for those of us who've worked in sustainability for 20 years, we're used to kind of pushing large rocks up hills, and against the grain and delivering the impossible, so, I think the idea that we've been served this blank slate means that

what we can do is not a prediction, we can actually start to outline a wish list and actually develop the kind of biocentric agro-ecology that we really need, and actually we'd deliver for everyone.

CS: Okay, well, let's look at that blank slate. We've asked each of you to come up with a vision. Ed Ford, let's start with you, what your vision for the future of British farming?

ED FORD: Well, my vision is quite a complex one, but I will go through it. Ultimately we need to have a fair policy that gives access to all markets. I think the payments scheme going forward, whether we still get it, I personally don't believe that the government will support us as much as the EU have done in the past, but whatever that payment scheme is, I believe that emphasis should still be put on the environment, we've done an awful lot of work, as Matt said, over the past decade, or even over the past 40 years, with the environment and agriculture, you've had the Campaign for Farmed Environment, and it would be such a shame to see all that go backward. I also believe that we should revisit the GM debate, just look at it again, there's already GM coming into the country in the form of soya beans, and I think with the increase in world population we need to revisit that. We've got to protect our own industry in Great Britain. We have got to put high tariffs on products that don't meet our own welfare standards - a good example of that would be Danish pigmeat. Labour is a big one for me, we've got to maintain access to labour, all these fruit and veg farms, and all these flower farms in Lincolnshire et cetera, employ a lot of seasonal European labour, and we've got to keep that door open for those businesses to still be competitive.

CS: Well, let's see what the rest of the panel make of that. Matt Shardlow, is that a good vision for the future?

MS: There's a lot of uncertainty about (*short laugh*) those aspects, because those are aspects that will vary enormously, whether we're part of the European Economic Area or not. Obviously, if we're part of the European Economic Area, then we have to buy in 10,000 pieces of legislation already in place by the EU. That will cover issues like GM already, so we would have to go along with the EU position on GM. If we're not part of the EEA, and we're outside that, then all of that is up for negotiation, but so is 10,000 bits of legislation needing work to get them into . . . British situation, so there's a lot of uncertainties about whether those things are feasible or not.

CS: Ed Gillespie?

EG: I think I totally agree with Ed in terms of educating the consumer in terms of the real price of food. One of the key things which farmers suffer from is the massively depressed pricing by aggressive supermarkets. So, I think if people can understand the real cost of food and actually see the tangible benefits that are created through that, then they'd appreciate that if you're buying the right products, your spreading cow dung and birdsong every time you shop.

CS: Allan Buckwell, what do you make of Ed's vision.

AB: To be frank, we can have as many visions as we like, but there are a few realities out there which by and large will not be determined by farming considerations. Are we in the single market, or aren't we? The closer we are to the single market then the less we'll be able to change regulation, the fewer additional controls we'll be able to impose on EU migration, and we'll still have to make significant contributions to the budget. Are we at that end of the spectrum or at the other end, where we're out of the single market, free to deregulate, free to control migration from the EU and . . . avoiding contributions to budget? Those decisions will not be decided by agriculture, but they'll have a massive impact on agriculture, (*fragment of word, or word unclear*) in all aspects of that. And until that's clearer and you can see the political world is in complete disarray at the moment, until those issues are clearer, which will take months, I suspect, then of course British farming can have as many visions as it likes, but it's going to be subject to whatever is decided there. Likewise, we're not going to be in a position to start imposing higher tariffs on countries we allege have got different

standards than us, because there is a set of, as far as the EU is concerned, EU single market rules, and as far as the rest of the world is concerned, WTO rules, which we will not be able to ignore, and in fact, we've been strong supporters of, of having those rules. And again, what will be the trade stance? The Leave exponents in the last three months have tended to talk about very liberal trade. Now, as far as agriculture is concerned, there's some strong dangers there that need to be debated.

CS: Well, let's move on and hear another vision. This time from Matt Shardlow, head of the environmental organisation Buglife.

MS: We know that we're going to have to deal with some of these issues in any Brexit scenario, others are less certain, but one thing that we do know we'll have to deal with is what we do in terms of farmer support and the future, post-CAP. And I think the environmental organisations would like to paint a picture of the countryside that is rich in wildlife, with bees and butterflies and birds buzzing and thriving and creating a vibrant countryside for everyone to enjoy. The declines we've seen in the last 20 or 30 years have been driven in part by insensitive and intensive agriculture, and there's a real opportunity here for us to continue the learning experience that we've had over the last 20 years in terms of applying agri-environment funding to fix the countryside, to do more of that in the future. Doing this would be good for people, to create a countryside that people like to be in, that's good for their mental and physical health, that stores carbon in soils and creates floodplains that are rich in wildlife, but also protect people from unwanted flooding. It's good for farmers, I mean a great many farmers out there do want to do their absolute best for the wildlife on their farm, they don't want to live on sterile little plots of bare soil, they want to live on, on land that's rich and vibrant, that they can pass on to their children in just a good condition as they inherited it themselves. And it's good for the economy, we know that agri-environment spending, for every £1 you spend on improving the environment, you get back £2.23 in terms of benefits to society. The first thing we need to do to achieve this is to commit to maintaining our current commitments. There's currently 37,000 agreements out there for agri-environment schemes, covering 4.5 million hectares of the countryside. This work has been fantastic in slowing some of these declines and, you know, we've seen reverses to the declines in cirl bunting, corncrake, we need to switch more across from the just general underpinning of production of food to generally underpinning the production of these societal goods, looking after wildlife, looking after the environment. And the UK government's had a very schizophrenic approach to this over the last 15 years or so, and they apply the lowest level of payment for agri-environment across the EU, so we pay, per hectare for our wildlife, to look after our environment just £20 per hectare in the UK, where the average is nearly £100 per hectare, and some countries have been paying £200 per hectare to help their farmers to pay for their farmers to do this work, because why would we, who benefit from wildlife and benefit from a rich, vibrant countryside that tourists want to visit, that we want to enjoy, why should the farmers have to pay for that when we're benefiting?

CS: Let me just bring in Ed Ford, arable farmer in Essex. Matt Shardlow here is after your money, Ed.

EF: Just listening there, I would agree with many things Matt would say. But obviously, we have to maintain a living, we have to carry on farming. Certainly on my farm, we have adopted a zero till method of farming, looking at soil regeneration and that sort of thing. We're not seeking any payment for that as such, but we're just trying to do the right thing. And . . . the wildlife's increase, as we've already seen, through using cover crops and that sort of thing have been phenomenal, the worm counts have been amazing, but . . .

EG: *(interrupting)* But in the future if your direct payment were to go down, would you expect some agri-environment sort of payment for that sort of work?

EF: Yes, however, I think at the moment the current agri-environment schemes out there are too restrictive on what you can do, we have to have access to the chemicals that we need in our armoury to maintain.

CS: Allan Buckwell?

AB: The principal arguments having public money going into an economic sector like agriculture is that there are some substantial market failures that justify it, and there are these market failures. Matt talks, understandably, about biodiversity, but the environment is a lot more than just biodiversity, it's to do with climate and, and the way we are managing nutrients and so on. And so the scope for having completely separate policies in four regions of the UK is potentially a nightmare if at the same time were trying to maintain trading relationships with the rest of Europe and with the rest of the world. To be honest, beelines and hedgerow rules will pale into insignificance until we get those big structural questions about where we're positioning ourselves in terms of how much we're protecting agriculture, through what measures and what means, and the trading relationships with the rest of the world that are compatible with that, otherwise there are great dangers that, that, that we will simply eliminate farming from certain areas, or we'll fail to persuade the Treasury that they're prepared to fund some of the wild schemes that people will no doubt come up with in the next few months.

CS: Matt Shardlow?

MS: It's not an 'either or' this. There's recent research done by the Centre for Ecology and Hydrology and I join in the woe in the loss of research in the UK looking at sustainable agriculture, but there's been really important bit of work done recently last year, where they showed that actually increasing the area of wildlife habitats on farms increased the yield per hectare of the whole farms. So you actually got a better yield. And this is because you are boosting the populations of pollinators and populations of predators. So there's no reason to believe that farmers will be able to . . . have to produce less, they can keep producing food, we can keep tending those habitats and restoring them and putting them back, and dealing with the market failure that biodiversity drops through the gaps, and ends up getting edited out of the countryside unless you make real efforts to make sure that the market is adjusted and that farmers are rewarded for providing that public good, rather than the (*word unclear, 'perverse' or 'reverse'?*) market incentive which pushes for that to be marginalised and pushed out of the countryside. So, I think there's a real . . .

CS: (*speaking over*) Again . . .

MS: . . . opportunity here.

CS: . . . with apologies, I'm going to jump in there, because there is so much to talk about this morning. If you're just waking up, you're listening to Farming Today This Week, we're discussing the possible visions for the future of British farming outside the European Union. Let's move on to the vision of Ed Gillespie, he's a founding director of the agency Futerra, so where do you being, Ed, with your vision?

EG: Well, I come, it's from a communications perspective, and around storytelling, because I think the stories we tell ourselves are incredibly powerful, how we make sense of the world and our relationships to each other in the wider environment, and I think if we can change the story of agriculture, we can start to shift the way we see the world. So, in the context of Brexit, you know, the psychologically persuasive line has been all about taking back control. In practice, that probably means massive uncertainty as we're all sort of touching upon, and if you go back to the Leave manifesto, it comes to a glorious 1,293 words, so you're not going to get much insight on the future of agriculture from that. But that said, I think there's two stories we're telling ourselves around farming and agriculture at the moment. And I'm not talking about Bob and Helen and domestic violence in *The Archers*. But I think we're really polarised and conflicted, much like the country itself is at the moment. On the one hand you have this romanticised view of honest, horny-handed sons of the soil, largely sons, you know, tweeded yeomen in wellies, and a sort of heritage pastiche of a rural idyll of dry stone walls and cider. And then you have the industrialised view, we have the sort of mechanised mega-dairies, vast fields of mono crops, you know, pesticides and fertiliser galore, migrant labour and monstrous machinery.

Erm, and you know, perhaps both are true, but I think we yearn for the former, and we're sort of in denial of the latter. So for people, the romantic story is often used as a front for the industrialised story, you know, we have Tesco's fictional farms, which is inauthenticity in the extreme, and we have these impenetrable labelling schemes where we go from free range to outdoor reared to outdoor bread, you know, where pigs are effectively having sex in a field alfresco, and I think we are addicted to price, you know, and that cheap food promise hides a lot of hidden costs and ugliness. Worse, in a sort of growing urban population, we exist in this sort of desert of the real, where there's a fundamental disconnect from the kind of systems that sustain us, and a just-in-time economy, when we only have three to five days of food on the shelf. So food has the potential to connect us all, and I think that's the inspiring element here. So, my vision would be, like, for a new story, that has five very quick key elements. One is food security, we're only 16% self-sufficient at the moment, it would be very, very good and we'd be much more robust, just to tackle that. It is about stewardship, as a couple of the other speakers have mentioned, funding farmers for public goods beyond food - clean water, healthy soil, wildlife, climate change and flood protection. It's probably also about urban farming, using marginal spaces in cities, something that I'm sort of personally involved in. It is also about, I think, small is beautiful, understanding that if we stop subsidising land and benefiting big, rich landowners, we might be able to give access to smaller, more creative, innovative younger farmers. And lastly, and I think perhaps the big cow in the room, is the idea of flexitarianism in the British diet. And actually, if we looked to a kind of agri-ecology and sustainable agriculture, we're going to have to change our diets, you know, it is going to mean less meat, different types of meat, more extensive types of meat and, and more vegetables, and that might make us more healthier, happier, and there I say it, even hornier. So (*laughter from others*) for me, the story of sustainable agriculture is one that makes common sense for the common good, through common purpose. And I think we all need to think of ourselves as farmers now, because every mouthful we eat, we shape the world. And if we want to change the world around us, then we have to change what we put in our mouths.

CS: Ed Gillespie. An awful lot in that. Would you expect any support system to try to support those five aims that you outlined?

EG: Well, I would hope so. As I said at the beginning, I think this is a time for a wish list, you know, I was very pro-Remain, but I'm also now very pro-exit, you know, in the fact that if we are having this exit then it's up to us to really imagine better and think much more creatively about the system we want because, you know, this is . . . it is, as we keep saying, a once in a generational opportunity for us to reshape the world around us, and take back control in a real, tangible, beneficial way, rather than in the sense of an empty soundbite.

CS: Ed Ford, you're the one on the farm, trying to make all this happen. Did any of that sound possible, realistic, desirable?

EF: I think, I think a lot of what Ed has just said is good. Coming at it from a young people's point of view, we've got to open up and get more younger people into agriculture. But on the subsidy front, ultimately it comes back to educating the public. Why are we being subsidised? You know. If the consumer were to pay a fair price for our products, or the supermarkets even, we wouldn't need to be subsidised.

CS: Matt Shardlow?

MS: That's a fair point. You know, we pay for food through the supermarket, we also, actually, pay for food through picking up the pollution tab from the nitrates and the chemicals that get into systems, you know, there's areas in eastern England where the water company are paying farmers not to use certain pesticides on their land, because they can't get them out of the water supply. So, aiming our subsidies at creating that sustainable environment, and I'm using biodiversity as a useful shorthand, because whether it's floodplains, whether it's carbon storage, whether it's climate change adaptation, biodiversity is central and key to all of

those elements of environmental provement (*sic?*) There's a real opportunity here to commit to supporting those farmers that have done good work up to date, and to increase that money and put it in, because it brings financial, spiritual and health benefits for the whole nation by doing so.

CS: Let's move on. Allan Buckwell, Emeritus Professor of Agricultural Economy and policy expert. Allan, where do you see your vision? Where do you begin in fashioning a viable, independent British agricultural policy?

AB: What strikes me from the conversation that we're having, it perfectly illustrates the complexity of the task, and in a sense the horrific situation that we are now placed in, that we're apparently going to turn upside down the policies that determine our food production, the way our, most of our environment operates in, in Britain, and there's been no preparation whatsoever, no meaningful analysis done as to what the feasible options are, and what they mean. The most important thing now, and in a sense the government and DEFRA should be taking a lead in this, in bringing civil society together in a structured way, so that these visions, these competing visions – and there will be a huge range of competing visions, there isn't one vision of the countryside and food – but how we bring them together and settle them, but where there's some very clear ground-truthing about what the possibilities are, so that we don't find that we've just lost our beef and sheep industry because nobody noticed that the trading relationships with the rest of the world meant that we're going to be flooded with imports. We have to deal with these issues, and at the moment, I'm afraid, we're not even scratching the surface.

CS: To be fair, we're only a week and a day into this. Obviously, the government and opposition are in some disarray at the moment, but surely as we go on through the process, which could take two, five or even longer, years, then DEFRA will be doing that.

AB: Well, it's shameful that there's been no work done up to this point. We've been talking about the possibility of Brexit, it's been on the table for over a year, since the referendum was called. And in a sense, the difficult thing is that in the uncertainty in the meantime, who's going to take long-term decisions about investments in agriculture? There's going to be . . . there is now a pause, this will impact on the markets, these are not trivial matters. And all of these issues, ultimately, what matters is that the detail. Each individual farmer needs to know what prices, what conditions he has to adhere to, to sell his products. If these are all going to change, he needs to know, in order to make these investments. Agriculture's a long-term business. This is too important to sort of have a nice, general debate about do we want a warm, cuddly agriculture or a highly-productive, internationally competitive one - of course, we need all of those things.

CS: I just want to bring in something that Julie Porkson (*phonetic*) Tweeted me: she said, 'how do we guarantee longevity of policy or support in the UK political pendulum to help agri-investment?' Is there an answer to that?

AB: It's a very good question, at least, with all the sins under the CAP, we knew there was essentially a seven-year cycle, where the policy was settled for six or seven years, and then we'd decide how to move on. Britain is highly prone to change every year or two and create chaos for the long-term planning of farms. There is a real issue here, about the capacity in government to think this through and to bring in necessary expertise and the views of civil society. This is a real task that requires some structured thinking. There's no indication from our politicians as to where this is coming from. Are the DEFRA ministers agreed on which way they're going forward yet? I mean, we are being appallingly badly governed at the moment.

CS: Matt Shardlow.

MS: I think in the new reality, organisations who have been sitting comfortably under that long-term, slow protection that the CAP and the EU has provided to farming subsidies, they have to reappraise politically the robust arguments that are going to look after those payments across to farmers in the future. In the volatility

of a UK five-year government programme of renewal of agricultural subsidies, the concept that we're paying farmers effectively to do nothing, just as a hectare payment is highly vulnerable to public opinion and to political opinion. And hence it's actually in the farmers' best interests to be trying to make sure that they can give the best account of how they're spending that money. And the best account they can give is to be clear that that money is going into societal goods, not simply going into a subsidy for them to continue doing their work.

CS: Allan Buckwell.

AB: The suggestion that farmers are dependent on subsidies for 55% of their income is a serious issue. Not all of that 55% is subsidy, part of it is already for public payment for societal goods, for environmental care and so on. But Matt is absolutely right, that it's critical that we have that clear debate about what is the support agriculture needs, and it's not just for the environment, it is for improving competitiveness, restructuring, being able to stand on our own feet, because the supports will go down and restructuring is necessary. I do think we're also not paying enough attention to looking after the less-favoured areas that are very dependent on public support, and very vulnerable if that support is reduced.

CS: Ed Gillespie, where does all this leave us?

EG: *(laughs)* Buy land – they don't make it anymore. I mean, I think actually, in balance, what's interesting as well, I mean, we talk about the subsidy, but, you know, I think actually our contribution to the Common Agricultural Policy is one where we do have a potential benefit, because I think we put about €6 billion in and we only get €3 billion out. So there is an argument, a strong argument which says we could maintain those kind of payments to farms, and as we've talked about, use them in the broadest sense, so they are about delivering public and environmental good. I am an eternal optimist, but I think that's only because the work I've done over the last 20 years has allowed me to see, in a salient, tangible and visible way where the solutions we need tend to lie, and invariably they are not technological, or practical, or even economic. Usually they are political, social and cultural, which I've become quite front-foot about changing the stories and the way we see the world, because I think that ultimately ends up delivering the right solutions.

CS: Thank you all very much indeed for joining us this morning, and starting what I suspect will be a very long conversation about what agricultural policy, and indeed the countryside will look like once we Brexit. That's thank you to Ed Ford, Matt Shardlow, Allan Buckwell and Ed Gillespie.

THE HUMAN ZOO SERIES 8: THAT POST-REFERENDUM FEELING

Michael Blastland explores the quirky ways in which we think, behave and make decisions.

28 Jun 2016, 28 minutes

MICHAEL BLASTLAND: So, you decided. You put an 'x' in a box. Maybe you knew how you'd vote as soon as the referendum was called. Maybe not until you stood alone in the voting booth. One way or another we each had our moment of commitment - to Remain to Leave. This programme is about that moment. What if, in the instant of making a decision we're changed by it? Changed in how we behave, how we think. We're going to explore the psychology of that moment and its consequences. I don't mean consequences for Britain or Europe - this isn't about democracy, economics, migration; I mean what the moment of decision does to us on the inside, as the deed is done. Did choosing change you? First question to Nick Chater Professor of Behavioural Science at Warwick Business School and in-Zoo expert, Nick, why focus on the instant of decision?

NICK CHATER: So, for difficult decisions, we are torn and pulled in a variety of directions, and the moment of decision is the point at which one of those impulses takes control and, and pulls in a particular direction and what's interesting about that is that having made a particular lunge, we tend to stick with it, we tend to stick to our guns, and get the rest of our thoughts in line with the decision we've just made.

MB: So, initially at least, we may be terribly undecided, and afterwards we're terribly clear, but nothing really has changed apart from making a decision, we haven't evaluated things, the outside circumstances haven't changed, but all we've done is, is, is choose, but now the world looks different, is that correct?

NC: That's right, because now I've chosen, my job internally is to think, 'Now why does this make sense? Why am I a sensible person making this decision?' And therefore all the reasons that fit with my decision suddenly seem a lot more sensible, they're a lot more persuasive. And the reasons that didn't fit with that decision tend to get side-lined.

MB: Right, so the way people make decisions is sometimes quite spontaneous, but once we've made this decision, we very quickly become fixed, we start to defend our commitment, it's part of our identity, and we don't like jarring evidence, no dissonant voices or even thoughts. Who should we talk to about this idea that when we make decisions that, in itself, fixes us.

NC: I think a good person to talk to about this would be Greg Maio, Professor of Psychology at Cardiff University.

MB: Okay, your wish, Professor Chater . . .

(music)

MB: Greg, when we put an 'x' in one box rather than another, does the act of deciding, of itself, may cause more convinced?

GREG MAIO: Well, there's classic theory in social psychology that indicates that we would become more convinced after we make a decision. A theory known as cognitive dissonance theory talks about how we can have opposing beliefs about an issue, and when we come time to picking, for example, we might have two products that we want to choose between and they're very close options, but when we actually choose one, we decide to favour one set of beliefs over another. And that can be polarising by itself. So that we want to become more attached to the choice that we've made, in order to justify it, in order to have consistency between our beliefs and the feeling that we are . . . you know, smart, reasonable, good person and we've made a good decision. So, after making a decision like that, the theory goes that through the process of trying to rationalise our beliefs we start to favour our choice even more strongly.

MB: And how do we go about sustaining it? Because it's . . . it's a strange thing, suddenly to dispense with all your doubts isn't it?

GM: Well, we may suspend our doubts to some degree, rather than dispense with them completely. I think what we do is we feel like it's time to move on, so, recent theory that looked at this further, this model further, has suggested that a large function of this process is to enable us to progress, to move on, to . . . to go and face other issues and not dedicate our precious mental resources to ruminating over something we've already decided. So, by deciding that we made the right choice and, and things are good, we can then just free ourselves to face other issues.

MB: You used a word earlier on, 'consistency' . . .

GM: Yeah.

MB: . . . wanting to feel that we're consistent. Can you explain that?

GM: Consistency is more harmonious. If you decide that membership is good or bad in its entirety for all of its effects, that's a simpler world for us. We don't really have to worry very much about any kind of complexities in our decision. But when there's inconsistency in our beliefs, if we have two beliefs that are directly opposing, so we might think that being part of the EU is a good thing for the economy, but we might think that it's a bad thing for healthcare or something like that, we might not like the conflict this poses for us, we have to decide one way or the other.

MB: Now, I've heard it said that a decision is a clue to us, about who we are and what we really think. If that's correct, why do we need clues about ourselves, don't we know what we thought?

GM: Actually, it's funny, because this discussion parallels the way the research has evolved as well because a competing theory to cognitive dissonance theory, called self-perception theory argued that sometimes we simply use our decisions as clues to who we are. But it pointed out that this is more likely to be the case when we are uncertain to a great degree.

MB: Can, can you explain that? How, how can it be that we need a clue about who we are?

GM: Well, let's say that we don't feel very strongly, or maybe they are strongly conflicting and more uncertain (*sic*). Erm, sometimes the pool of relevant knowledge we have about a decision is quite large, so we really don't know how we feel, we have, we have what we call weak attitudes towards the issue. And self-perception theory holds that in those types of situations, we are like anyone else. What we do is we stand outside of ourselves to some degree and we look at ourselves and we say, 'Well, I must feel this way because I did that' – or 'I must feel that way, because I, I did this other option', and those are special cases, however, they're cases when we don't feel extremely, so if you feel really strongly in favour of one position, you know those feelings, you know that this is the basis for your action. But if you feel more weakly, then perhaps sometimes we just look at our behaviour to inform us about what our attitudes are.

MB: Nick, Greg said there that once we've made our call, in the ballot box or before, and especially if we feel strongly, we'll be driven by an urge for consistency. How do you see that affecting our behaviour?

NC: Well, I think one useful way to think about human behaviour is that we are improvising, we're a bit like improvisational actors, trying to play a role. And we're not quite sure quite what the role is, but when we find ourselves having made a particular decision, we think 'Ah-ha – so my character said this and did this, so I really ought to make the character fit with that by their other actions, and the other things that they say.' So that desire to make our character make sense means that once we've made a jump in one direction, we want to fit everything else within it.

MB: It does make it sound though as if you're talking about somebody else? 'I'm not talking about me, talking about this character' – who is this character, if not me?

NC: Well, I think we should think of our understanding of ourselves as very much like our understanding of other people. When you think carefully about it, and try to look inside your mind and see in some direct way what, what you think and feel, in a way that you can't, for example, see how other people think and feel, erm, it's rather hard to do. You look inside and you think, 'Well, there's just nothing there, I'm just not seeing anything.' It's really only by observing the things that you do and say that you have a sense of who you are.

MB: Does all this generate a prediction that attitudes over Europe, now the vote has taken place, are only likely to get harder from here on, nobody is going to go back on what they thought?

NC: I think that's right. As long as we stick by what we thought, and we hold onto the fact that 'I was an Outer or an Inner,' then I think we're likely to feel that either we've triumphed, and, and everything is as we would wish it to be, or we'll feel very cross that it isn't. And that will tend to harden attitudes.

MB: Okay, thanks. Carole Tavris, is a social psychologist, and co-author of 'Mistakes Were Made, But Not By Me.' We invited her to reflect on what the human urge to be consistent means for the way we think.

CAROLE TAVRIS: I vividly remember my beloved father reading James Thurber's book, 'The Wonderful O' to me when I was eight years old. It's a book to be read aloud, full of rhymes and wit. One day, I took the book down to read again, and I saw that it had been published when I was 13 – two years after my father's death. The jarring shock I felt was the sting of cognitive dissonance, the mental clash between a belief we hold dear, and evidence that it's untrue. In this case I had to reduce the dissonance I felt between having that intense emotional memory, and accepting the incontrovertible evidence that it never happened. Usually, as all quarrelling couples know, we fight fiercely to protect *our* memories, dismissing the other person's recollections as hopelessly flawed and biased. But, in this case, I had no option but to admit my memory was wrong. I didn't do it easily or happily though, our minds will go to great lengths to assuage the embarrassment of being wrong about a memory, wrong about a belief, wrong about a decision. Before we make a decision we are as open-minded as we are ever able to be. We'll weigh choices, arguments, evaluations of the cars or candidates we are considering, but once we've made a decision, even impossibly, our mental doors tend to close. The greater our commitment to that decision, especially if we've publicly announced it on social media, the harder it will be to change our minds. The reason is that it is cognitively easier to justify a belief than to change it. The mind is constantly working beneath awareness to keep our beliefs consonant, and it doesn't matter if the belief is about memory, health, soap, or politicians. When we are confronted with evidence that our preferred candidate has done something illegal, immoral or foolish, we rarely change our views of the candidate. Rather, we minimise, ignore or forget that dissonant information. And of course, if the other side is something illegal, immoral or foolish, there's no dissonance, those people are always misbehaving. At present, Americans are awash in dissidents. Conservatives who detest Donald Trump, but who have always voted Republican struggle with what to do - sit out the election, decide he's not so bad after all and, besides, it's my party uber alles. Or . . . god forbid, vote Democratic? Liberals who support Bernie Sanders are maximising their own dissidents about Hillary Clinton, to justify their support of him, they demonise her. I have no idea what the future will bring for our countries, but I can predict that in the climate of fear that we share generated by changes in the global economy, massive migrations of displaced refugees, terrorism and climate change, many people will be tempted to make impulsive choices that make them feel safe, but which oversimplify solutions. And then, dangerously, to justify them. Whether we feel elation or defeat on the day after, it's what we do next that will matter.

MB: One quiet thought, if true, that across the country in this debate on both sides we've been hearing the sound of doors closing, is that what it means to decide? Timandra Harkness.

TIMANDRA HARKNESS: Hello.

MB: I'm troubled by these closing doors, as you can tell, so a little thought experiment for you. Say you were in the afterlife, it's nothing personal, and you're shown a door you closed a long time ago, now . . . behind this door is the choice you've rejected, the alternative life you could have led had you taken some big decisions differently. In the afterlife, it becomes known as the 'What if' door – you'll probably find it sandwiched between a couple of estate agents. And that's really what I'm after. Your thoughts on the sense, after a big decision, of 'What if' – is that something you often ask yourself, 'What if'?

TH: Oh, all the time. Doesn't everybody?

MB: Well, we're going to give you a serious challenge now, because here's the question: would you open the 'What if' . . . door, bearing in mind that if you do what you see might leave you for all eternity in a state of vicious regret?

TH: Or absolute serenity, knowing you made the best possible choice. (*music*) But how can I know which I would feel? Bitter regret, or satisfaction that I made the right choice. I need to ask some people who have made life changing decisions and find out how they feel about them now, starting with somebody who's made some pretty bold choices in her life: fearless adventurer and intrepid motorcycle explorer, Lois Pryce . . . in her kitchen.

LOIS PRYCE: I suppose I should technically call it the galley, but I do prefer kitchen. (*laughs*) And then if we continue, er, into . . . the bathroom, where we have the joy of the chemical toilet. Into the horribly unmade bed, sorry I didn't expect (*laughter in voice*) you to be coming this far.

TH: It's alright, it's radio, nobody can see it.

LP: (*speaking over*) To the aft – I believe, or is it fore, I can't remember, and then . . .

TH: Had you, had you actually lived on a boat before you bought one?

LP: No. When I first bought a boat, I'd never really been on one for any longer than about three hours.

TH: (*laughs*) Wasn't that a bit of a rash . . .

LP: (*laughs*) Well I love, I've always loved water.

TH: And that, apparently, was enough to make the decision that changed her life.

LP: I left school at 16, I didn't really know what I wanted to do with my life, but I did have a hunch that somewhere along the line, maybe in the next five or so years I would have some kind of call in life that I would find my ambition. The crucial thing that I realised from a very young age was that I had to keep my expenses down, but I would need somewhere to live. So, I decided aged 22 that I would buy a boat on a five-year personal loan from the bank, and then when I'm 27 this great lightbulb moment will come to me. Sure enough, I paid off my last payment aged 27, and with my spare money in my paycheck the next month, I thought 'Ooh, what shall I do with this extra money? Oh, I'll learn to ride a motorbike.' Within a year, I had left my job and I was in Alaska, preparing to ride 20,000 miles to Argentina. That lightbulb moment that I had felt would come along, about five years before, when I was a 22-year-old ne'er-do-well, it did arrive.

TH: I'm very impressed that at 22, you envisaged yourself in five years' time. What did 22-year-old you think that 27-year-old you would be thinking?

LP: This is the bit that amazes me too, because I've never been a long-term planner. I just felt that I, somewhere along the line, I would have that calling in my life, I'd know what I wanted to do with my life, and I

knew that I had to be in a position to act upon that moment. Actually, the funny thing is that the big calling was writing. And when I look back on that experience, obviously, the journey was fantastic, exciting, thrilling, but . . . the best thing that came out of that journey was that I found my career.

TH: Lois is now writing her third book about motorcycling through Iran. She seems to think that her decision led seamlessly to where she is today. But is that just because she likes how it all turned out? Let ask somebody else, somebody with a proper job - a career even. Lee Jones, senior lecturer in international relations at Queen Mary University of London.

LEE JONES: My decision was to go and do graduate studies and, you know, I'm working class boy, I was never going to stay on at university after my first degree, and that was completely changed by an academic that taught me in a year abroad in Tokyo, twisted my arm, mentored me, and I decided to do a PhD and it's what I ended up doing.

TH: Did you have a clear picture of how your life was going to pan out from there on?

LJ: Not at all, I was the first in my family to go to university, so I didn't have a clear vision about what it would mean to be an academic at all. But then that was true of that year in Japan as well, because I didn't speak any Japanese, I'd never taken an aeroplane before in my life, before I moved to Tokyo for a year. Obviously, you know, when you're young, you don't have any responsibilities or a mortgage to pay, that's the time to take risks, and I did. You know, when I got there, I thought, 'Oh, I'm not really thought this through, have I?' (*laughs*) when I couldn't identify any of the food in the shops or read the language of the street signs or . . . I thought, 'Wow, maybe I've made a really big mistake.' But . . .

TH: But obviously, long-term you don't regret it, because it's . . . led to lots of really good things.

LJ: Yeah, I mean, that year changed my life in a really profound way. I've never lost sight of how contingent that experience was. If I'd not gone on that exchange year my life would have been entirely different.

TH: What life would the alternative Lee Jones have lived?

LJ: I think the more you get entrenched into a particular career, particularly if it's one that you find satisfying and rewarding, the more that career becomes bound up with your identity, and the harder it becomes to see what you would be doing otherwise. But that's a failure of imagination, rather than . . . the idea that I was fated to do something. I think we often look back on what we've done, what we've chosen to do and if there's some kind of unbroken story, as human beings, we have a tendency to make narratives about ourselves that seem very coherent. I've got no illusions, I know there's nothing coherent about the path that I've taken, it's a . . . series of decisions, and things that happened to me beyond my control that have, erm, led me to be in the position that I'm in. So, to me, it's a fantasy to think that you can look back and think, 'Okay, there was that turning point, and my life would have been like that' - you don't know.

TH: But if we can't know what difference our past choices made, how can we learn from them, to make better choices in the future?

LJ: I think we can be very precious about the choices that we make, and imagine that everything in the future rides on these particular choices. And that's particularly true of young people. The individual choices that you make matter, but they're not the be all and end all. So we shouldn't be afraid of making choices either, and I think a lot of the time, people are, because I think so much hinges on an individual choice, and if you think about life as just a series of decisions that we make, many of which are beyond our individual control, I think it actually makes life easier to live.

(*music*)

MB: So, Timandra, come on, your answer - would you open the 'What if' door?

TH: No, I wouldn't, because I think Lee Jones has convinced me that you can't look at one decision and say the whole of the rest of your life would definitely have turned out this way.

MB: You didn't speak to anyone actually felt regret about the decisions. Everything for them, for both of them, had pretty much worked out, hadn't it?

TH: Well, I found it impossible to find anybody who would put their hand up on the radio and say, 'You know what, I made this terrible decision and it ruined my life.'

MB: (*laughs*) You just can't find them when you need them, can you? But, you know what, I don't think I'd open it either and erm . . . I'm just beginning to wonder. Let's try the studio manager, David, are you there?

DAVID: Yeah.

MB: Would you open the 'What if' door?

D: Certainly not. It seems totally pointless.

MB: Dominic, producer.

DOMINIC: Hmm, I'm still sitting on the fence on that one, I can't decide.

MB: (*laughs*) Well, that's almost a consensus in the Human Zoo, I can't believe this is universal, erm . . .

TH: Well, maybe we could get some listeners to write in and say, 'I would open the 'What if' door'.

MB: Well, there must be somebody, I mean, curiosity after all. And . . . I'm sure we'll hear no end of 'What ifs' on Europe, I'll bet on that. But I guess that's the frustration of having to live by . . . other people's decisions. Nick, what else can psychology tell us about our likely feelings after the event?

NC: Well, I've been discussing this with Ralph Hertwig, from the Max Planck Institute in Berlin, to highlight a couple of things. The first, which may surprise people, is just how bad we are at forecasting how we'll feel after the event. For example, if the result isn't what we'd hoped for. Our ability to forecast how we'll feel is known as effective forecasting, and we're really not very good at it.

RALPH HERTWIG: There is actually also research that looks into how people feel after a political election, prior the election and after the election, and the general result seems to be that we tend to overestimate the emotional impact that the outcome has on us. So, in other words, say if the outcome is totally against what you would like to see, and you anticipate if that happens, if the majority thinks 'x' but I think 'y' – then I will be totally destroyed, it will annoy the hell out of me and I will be disappointed for many weeks and months to come. And what this effective forecasting literature seems to show is that we tend to overestimate the duration of our emotions, that, in other words, even if the outcome is not the way we wanted, we tend to adjust very quickly, and much, much quicker than we actually have anticipated originally.

NC: So that's one point, and the second, perhaps related, concerns our ability to see things all too clearly with hindsight. In fact, we tend to imagine, once we know the result of a referendum or anything else that we sort of knew how it was going to turn out all along. And this is known as hindsight bias. But of course, this may have an impact on how we feel, and perhaps may soften the blow a bit. Because if we get bad news, things don't go as we intended, we can always think to ourselves, 'Well, I sort of knew that was going to happen.'

MB: So, it's not what you wanted, but it is what you *expected*.

NC: And that's so much less painful.

RH: It's sure that some people may think that, and cognitive psychology or research on memory, they know that phenomenon that they call the hindsight bias, or the knew-it-all-along effect. And er, this hindsight bias is basically the notion that after an event happened, and we happen to make a prediction before the event, er, that when we then try to remember what the hell did we originally predict, like, think of the outcome of a soccer game, er, and the outcome was 'x' and we are thinking about, 'was I actually able to predict that? Yeah of course I was, I was totally convinced that this was going to happen', and the bias, what the bias is referring to is typically the observation that people after the event happened are more certain, more convinced that they would have been able to predict the outcome. When the outcome occurs, what the human mind does, and that's one of the powerful things that a human mind does, there is almost a kind of automatic updating of our knowledge, of our knowledge foundation. And let's say, er, after the event, when you try to reconstruct what you originally said, what you are doing is you are accessing this knowledge foundation, the knowledge base that you used originally, but of course, you are not going back to the original knowledge base, you are working with the new knowledge base. And on the basis of that, and while you are reconstructing your judgement, you are coming to a slightly different judgement that is more consistent with the actual outcome, rather than the original opinion.

(music)

MB: Zookeepers, gather round. Erm, lots of comment about how rancorous this campaign has been, and similar things were said about Scottish referendum. I feel we've been given some understanding of the behavioural root of that. Do you?

NC: Well, I think . . . certainly the fact that when we're forced to make a decision we crystallise our views one way or the other and we tend to think it was really good idea in just about every respect, or a really bad idea across the board. I think that polarising force can create more rancour than you'd normally get in debates where we are undecided and we don't really have to come down firmly on one side of the other.

MB: So, making up our minds will often be necessary, but at a cost?

NC: Well, I think there is a cost, and of course that's especially true when later evidence comes in. The ones we decided, we tend to be rather blind to arguments that make us think, 'Oh, I was wrong after all' – we tend to get bedded down, and, of course, we do potentially get stuck in, in disputes with people with opposite views, which we can't really escape from, even if it becomes a sort of obvious from a third-party perspective that one side or the other side was right.

MB: So Timandra, is it possible to make a decision, but keep a genuinely open mind for contrary evidence. I mean how, how, how do we do that, how do we keep the door open?

TH: I think that's the key question, I mean, if we don't decide, if we never reach a decision, then we can't really act in the world, but at the same time, things change, people who were for the Common Market in 1975 might be against the EU now or vice versa. Maybe the world has changed, and, you know, there is always that possibility that you were wrong. So, I think yes, act but always bearing in mind that actually you maybe don't have to nail your colours to that decision for the rest of your life.

MB: Do you have any strategies, Nick, psychological strategies for keeping an open mind?

NC: I think one is to always bear in mind that you should spend at least as much time thinking about why you might be wrong as why you might be right.

TH: Isn't that the great thing about democracy that, although we're each accountable for our own decisions and actions, we can share responsibility for the outcome with all the millions of other people who voted.

MB: Thank you very much. For more psychology behind the headlines, join us again next week.

THE BOTTOM LINE LIFE AFTER BREXIT

How will the vote to leave the EU affect businesses big and small? Evan Davis presents.

30 Jun 2016, 30 minutes

EVAN DAVIS: Hello, and welcome to the programme. By and large British business did not want Britain to leave the EU, but the vote was for Brexit, and now business has to deal with that. For companies it's what you might call a test of making the best of a bad situation. Time to light a cigar called Hamlet, or time to knuckle down and get into the practicalities. We'll be talking it through with my four guests. They are Anne Richards, who's chief executive of M&G investments, a fund manager in the UK and overseas, and it's part of the Prudential Group, and in financial services, obviously. Manufacturing industry – well, we've got Juergen Maier, who's chief executive of Siemens UK, it employs 14,000 staff in the UK, and has 13 manufacturing plants in the UK. Julia Gash is an entrepreneur and chief executive of BIDBI – Bag It Don't Bin It, which makes printed fabric bags, Julia joins us from Sheffield, and Jan Atteslander, he's head of international relations at Economy Swiss, which is the Swiss Business Federation, it's the equivalent of our CBI. Jan and Julia, by the way, were guests on our Brexit debate programme earlier in this season, back in May. Well, we'll hope to learn some lessons from Switzerland about life outside the EU, yet, for a country that still has the EU as a main trading partner. Erm, let me just start with you all, Julia, I'm going to start with you. I just want your reaction, because there's been a lot of political action, quite apart from the Brexit vote last week, we've seen comings and goings in the Tory leadership race, we don't know who will be the next Prime Minister, Julia, does that make any difference to you, or is that something you gaze upon with . . . bewilderment and excitement?

JULIA GASH: Er, certainly not excitement, but also I'm massively interested because from where we go now, in terms of our negotiation with Europe, certainly, from my perspective, we want to see a very steady pair of hands there, and someone who is really going to argue Britain's case. Erm, yeah, so it's, it's very, very . . . important where this now goes, and obviously I'm watching the news with great anxiety, as it affects my business on a, on a daily, if not hourly, basis.

ED: Juergen?

JUERGEN MAIER: Well, it is concerning, erm, because at the end of the day what we need right now is we need calm, we need reassurance, erm, but we also need a real dose of realism. And it's quite a hard balance to find, the reassurances about, well, you know, actually, Great Britain is a good place to do business, and the realism is we are going to have a long period of uncertainty, and how do we manage those two things best? And for that we need stable and very positive leadership.

ED: Anne, how much does this affect the markets, the political side of it, as opposed to, kind of, expectations about . . . trade, and Brexit deals, and EU negotiation?

ANNE RICHARDS: I mean, ultimately, it will feed through into markets, because if there is a lack of conviction and belief in the quality of political leadership, then eventually it affects government borrowing costs, so there's a direct effect on that. I think more immediately, anybody in the business world looks at the political shenanigans at the top, and thinks, 'If you were trying to run a company like this, it's not how you choose to manage your succession.'

ED: *(laughs)*

AR: So there's a kind of lesson in that, I think, for everybody perhaps to take away.

ED: Erm, Jan how is . . . how is Switzerland viewing what has happened in this country in the last week? I mean, I must say, I've been reading the New York Times *(laughter in voice)* each day and been sort of shocked

at the impression they have of what was once a country that was seen as a bastion of stability. And I mean, what's Switzerland's view?

JAN ATTESLANDER: Well, it was a big surprise. No one really expected it to happen, and now it's the question of leadership in your country, we need someone who re-unifies the country as a whole, sets the right targets and then also manage the transition period. So, for us, it's quite important, er, Great Britain is market number five of our Swiss exporters.

ED: Yeah, well look, let me ask you each then your reaction on the night. I mean, Julia, when you woke up, or maybe when you stayed up and you saw that referendum result, you were here last time, by the way, weren't you, you . . .

JG: Yes.

ED: . . . were arguing for us to Remain . . .

JG: Yes.

ED: What was your reaction?

JG: Oh, great, great sadness. And (*exhales*) this instant wave of sickness, because I knew instantly running a business that we'd be on the front line. But the sadness, I think, was not just for me, not just for my business, but for the next generation. The, the young people who I believe their, their future in terms of their ability to work, live, study abroad has just been taken away from them. And taken away from them, I have to say, by the older generation, by predominantly their grandparents. It's very difficult now for business, and I knew it would be, like waking from a nightmare, but you're still in that nightmare.

ED: Anne Richards.

AR: It was extraordinary from, from my perspective watching markets. Because I got up at three to . . . because I knew I'd have a long day ahead of me, regardless of what the result was, and I got about three, saw the headline and knew immediately that we will be going into . . . a real market rout situation . . .

ED: (*laughs*)

AR: However, it then panned out, I knew that we were in difficulties, because I started looking at the prices, and you started to see the prices, particularly the financial shares going off a cliff, down 10, 20, 30% some of them, plus currencies - sterling just went into freefall. And it was one of a very small number of days over the last 25 years where you had that visceral feeling in your stomach just wondering, 'Where is the floor going to be found?' And as we came into six o'clock, er . . . going into seven o'clock in the morning, started to feel that however horrible the numbers looked, and however red the screen was, and it was very, very red, we'd come off the absolute bottom of that. But I think what made it a more prolonged period over that couple of days was at the instant vacuum - again, coming back to that leadership point - that we had from the political side on Friday. Mr Osborne was missing in action, Mr Corbyn was missing in action, eventually . . .

ED: (*speaking over*) David Cameron stepped down (*laughs*)

AR: And David Cameron stepped down, and so, and suddenly, at a time when you would have thought it was a moment of great crisis, we might have expected somebody to say, 'Now is my moment to take charge, to show that I can do this', to show . . . to show confidence in this unexpected result - nothing. And again, thinking about this from a business perspective, it's not what you would have expected, the chief executive of business to do in that scenario, and they'd have been pilloried for it if they had.

ED: I mean, obviously there was a financial market panic, I wonder whether that . . . is . . . in the long term whether that's actually important. I mean, the market doesn't know what the new levels it should be at are, so it's kind of in this process of price discovery, is this really bad for banks, or quite bad for banks, or do we not know? And in the end, I wonder, Juergen, whether in your daily business, running manufacturing plants in the UK . . . does any of that matter, or do you try and see through market fluctuations to a medium to long-term . . .

JM: It doesn't matter, you know, what happens today in the market and, er, and on that Friday, you know, where my feeling was also one of disbelief, erm . . . a little bit of anger, to be honest with you, you know, we all knew that the markets would tumble, but that would just be today. For me, what's much more important is just, you know, the general level of uncertainty that this is now creating. That's why I think it's important that we as business leaders, we do offer some of that reassurance. And it's, it's to the financial markets, but it's also to our employees. What I had completely underestimated is, going into one of our major activities in Manchester on the Friday morning, was the really, really bad, terrible mood and anxiousness of our people in our business, the level of concern was, and is still huge.

ED: But can you reassure them though, Juergen, because you don't know what the trading regime is going to be, erm, you've got investment plans, and you just . . . you just have to pause it for a while, don't you, until you know what the world post-Brexit looks like.

JM: Yeah, and this is exactly it. So, I think we can give a lot of reassurance in terms of what we have here today, so our thirteen factories, we're totally committed to them, we see a good market here. But you are absolutely right, in terms of any future investments that we might be thinking about, certainly in terms of, you know, new activities to export business, where we don't know what the trading arrangements are . . .

ED: (*speaking over*) Give me an example.

JM: . . . so it will put a . . . well, one example, and it has actually already been talked about is our whole blade manufacturing facility that we are building right now, creating 1000 jobs . . .

ED: (*interrupting*) This is blades for wind turbines . . .

JM: Blades for wind turbines, yeah. And the good news is that those 1000 jobs were going to create, we've made statements that we're totally committed to it. But actually the really big prize was always to start exporting that technology, and not just our blades, but to build a whole new industry around Hull and the Humber, to be exporting technology for offshore wind turbines. And that is now going to be much more difficult to achieve in the short term. I'm hoping we'll find ways to do it in the long-term, but right now it's just a little bit uncertain.

ED: Julia has . . . I'm interested in whether anything for you has actually changed. Is there a decision you have taken, which is different to the one you would have taken . . . you know, a week ago, or if the result had been different?

JG: Yes. Absolutely. Erm, for a start, some things changed instantly, which is that the cost of our raw product is 10% more expensive now than it used to be. We work with fair trade factories in India and we import and pay in US dollars, as indeed most Asian currencies are pegged to the US dollar. So instantly, we have a rise of 10% which we are now having to put our prices up, as well as, no doubt, absorb some of those additional costs, so erm . . . this will hit our profit margins. We have a very strong position in the UK market, but instantly, the sales enquiries this week are one of the lowest I've ever seen, certainly for this time of year. I know cotton prices are going to go up, significantly, by September . . .

ED: *(interrupting)* Again, in dollars, presumably, are they denominated, yeah?

JG: *(speaking over)* In dollars, yes. So, I think there's this assumption, because British business has been doing actually very well, they've been running lean, working very hard from the recession of 2008 to pull itself together and to move forward, and it has done that. And I don't think people realise how difficult it is when you've got a small business, you don't have a big buffer, you don't have protection, you can't wait months for things to stabilise.

ED: How about you, Anne, what's your biggest fear?

AR: There's two things, first of all, there is that the risk that there is a panic by our customers to think that because we are a business domiciled in the UK that somehow or other we are unable to do business for them, and that could be from overseas customers, but actually it could also be from UK-based customers as well, there's panic away from markets generally, because at the end of the day we manage money on behalf of other people, and if they see their value for, that can cause . . . cause . . . so our worst nightmare would be that we have to go in and bilaterally negotiate with all of the 27 individual countries . . .

ED: *(laughs)*

AR: That currently we can . . .

ED: Just . . .

AR: . . . we can just wander in and do business with as and when we want to . . .

ED: This is the so-called passport, basically you have . . .

AR: *(speaking over)* This is the passport . . .

ED: . . . a passport to operate throughout . . .

AR: . . . the single European market.

ED: And your, your nightmare is losing the passport.

AR: Losing the passport. So, the first nightmare is that, the second nightmare is also to do with our staff. Something like one in eight of my staff based here in the UK are European nationals from elsewhere in Europe. And they're great people, and we love them, and they bring a huge amount of diversity of thought and culture, and all these other things *(word or words unclear)* business, and if we cannot reassure them of their place here in the UK, then there's a risk that we lose that talent and we lose that vibrancy . . .

ED: Okay . . .

AR: . . . And that would be very bad as well.

ED: So we've got, we've got the free movement worry, we've got the raw material worry, we've got the uncertainty worry . . . quite a lot of worries. Let's just talk about the model that we might be taking Britain towards. Now, Jan, I want you to start is off on this, because you Swiss are experts in which model *(laughter in voice)* which models are the menu of available options - the Norway model, the Swiss model, slightly different, just give us a little bit of advice on what our aspirations should be in this negotiation will be embarking on over the next couple of years?

JA: Yes, that's quite a good question . . .

ED: (*quiet laughter?*)

JA: . . . and it's widely discussed now also in Switzerland, and including Norway, I had a good contact with my colleague earlier this morning. One way to do it is a bunch of . . . of bilateral agreements, Switzerland has, we have 120 bilateral agreements, it took us 45 years to have them at the end . . .

ED: (*laughs*)

JA: So, that takes a bit of patience. The Norwegian model, or I would call it the EFTA, EA model – the European Economic Area (*sic, means Area*) is a full access to the single market, but unfortunately you will have to comply with the Acquis, so you have to take over all the laws, without any decision . . . erm, -making power there.

ED: And . . . come on, the most crucial part of that, which is going to be very difficult to sell . . .

JA: Is free movement of persons . . .

ED: (*speaking over*) Free movement . . . yeah.

JA: So, in a way, you might feel like being back on square minus one (*sic*), because you have no say and . . . more or less take the same settings of rules. Then, of course, encompassing comprehensive free trade agreement, there the Canadian model could be an example . . .

ED: Hmm.

JA: . . . way to go and follow. Then you have the WTO still around, but . . .

ED: So this, I think is, people call it the backstop option, if we . . .

JA: Yeah.

ED: . . . can't agree anything . . .

JA: Yeah.

ED: . . . else we just flop out of the (*fragment of word, unclear*) the, the, European Union with no agreement on anything, we then would presumably be a member of the WTO . . . WTO rules apply, and you're, you're not looking very keen on that one, I know a lot of people say that that would be fine anyway (*fragment of word, or word unclear*)?

JA: Well, in, in a way we have to accept that today's set of WTO rules date back to the late 80s, and since then, the world economy, including the British one has totally evolved, we have now different supply chains and so on. Unfortunately, the WTO is more or less blocked to have further progress, as someone from a business organisation, I wait now for more than 15 years for small progress to happen, and it doesn't really happen . . .

ED: Right.

JA: . . . so I don't think it's a (*fragment of word, unclear*) . . . it might be a fallback position, but the level of this fallback position is not satisfactory . . .

ED: Okay.

JA: . . . for Great Britain.

ED: Let me get comments then from my British business leaders. Juergen, which of these models would you like?

JM: Well, I mean the, the, obviously the ideal model is one that offers us er, free trade, but I'm also totally realistic that, that given the parameters that the democratic vote has put us under . . .

ED: (*speaking over*) The free movement problem, yeah.

JM: . . . which is the free movement issue, I'm, erm, clear that that is also pretty unrealistic. So, I mean, my best hope is that relationships don't break down between our negotiators and the EU, that everybody stays positive about those and that ultimately we retain a, a close relationship, however that is best defined. But just maybe to say one other thing is I think we are just going to have to accept that there is going to be uncertainty on this issue of trade tariffs. So my mind is beginning to move to, in that period of uncertainty, what are the other things that we can promote here in the UK which are, which are really very good, which are really very positive, that can maybe offset some of those trade barriers.

ED: Julia, I'm, I'm suspecting that business is going to be united, if we're not in the EU, then we (*laughter in voice*) want something that is as close to the EU as possible, which would be the Norway option, is that . . . is . . .

JG: (*speaking over*) Yes.

ED: . . . that your view?

JG: Ex— exactly, I mean, essentially, as, as what Juergen said, we want free trade and we want free movement, that is the EU. But we, we've had it, and we've had it good, so the Norwegian model in some ways is the most similar to that. The EEA, the European Economic Area. However, I don't think the British people realise that whatever model we choose, such as the Norwegian one, it's still ve— it's very, very expensive, and we'll be paying for that agreement almost as much as, say, what we'd be paying the EU.

ED: Indeed, but look, I just wondered, if you were advising the chief negotiator with the EU, and the chief negotiator's brief is there has to be some restriction on free movement, something to bring back if you like . . .

JG: Yeah.

ED: . . . to show change has occurred, erm, the EU says, 'You cannot have Norway without free movement', which essentially appears to be the . . . the position at the moment, erm, what would your advice be on what we should try and hang on to, and what should we give up? I mean, what would your business advice be to the negotiator?

JG: Well, from somebody who runs a business, exports to the EU, one of the most important things of that success is the ability just to send goods, documentation, without too much bureaucracy. One of the problems with, say, the EFTA agreement is that you do have to have a pile of paperwork when you send an order out, you have to sign and EFTA agreement on an order, and I remember once a parcel getting stuck in customs because the EFTA agreement actually got written on two pages as the invoice went on to two pages, it . . . that simple reason got it stuck in customs, so, whatever the agreement is, as Juergen mentioned, it's also then about the tariffs, it's also about how it's going to be administered by the businesses, so it's not just on the

agreement, there's lots of other factors that come into place, which will make it a success for a business or not.

ED: Hmm. Anne.

AR: I come at this from an optimistic point of view in the sense that the only immutable laws that I've ever come across are those of physics, and everything else is a matter of negotiation or interpretation . . .

ED: (*laughs*)

AR: So, I, I don't think we should . . . if we think the Norwegian model is . . . and I believe that is the closest to, to perfection that we can get in this new environment, I don't think we should be shy about going for it, but I also think we should remember that we bring a lot of choice for consumers, we bring a lot to different European countries as well, and that is a powerful position to have. So if we are forced into a situation where we go down the route of having to do bilateral negotiations, for example, of financial services, with every single individual country, what we'll find is that the larger countries, yes, companies will focus on those first, but that will mean a big reduction of choice for some of the smaller countries, where they're going to be lower down the pecking order. So, it seems to me that we bring a lot to that table as well, and we shouldn't forget that as we go through these negotiations.

ED: Hmm. Juergen, one of the things that probably didn't come out enough in the, er . . . in the referendum campaign is the degree to which a lot of companies have very integrated supply chains, so it's not that we make cars and we sell them in Germany and we buy their cars, it's that we make (*laughter in voice*) bits of cars, and they make the other bits of the cars. How much of a problem is it, how much of a problem are there . . . if you like, the exporting paperwork issues around some of these models, if we don't get them right?

JM: Yeah, well, as Julia mentioned, you know, it will be a bureaucratic . . . erm, you know, new industry almost . . .

ED: (*laughs*)

JM: We er . . . we have to create around that, you know, and one of the beauties that we have had, as being part of the single market that Jan talked about, is that we have not needed an export control department to deal with any of those things with the EU. We have one of those departments and er, we have about 30 people in it here in the UK to manage all of those things for shipping to America and er, Australia and everywhere else, and I'm already dreading to think, you know, how big that department . . .

ED: (*laughs*)

JM: . . . is going to have to go, al— albeit there'll be some nice new jobs therefore some people, but it will actually be doing bureaucratic duties, that I would rather have people doing work which is, er, work which is innovating or making things in our factories.

ED: Julia?

JG: I, I think Juergen, for small businesses, obviously, erm . . . we can't afford (*exhales*) departments such as that, and . . . for a lot of small businesses, they will have somebody already doing the paperwork, say, to the EU, which may be somebody, maybe, in a more junior position, because there isn't actually any paperwork, you can just send it, you send a parcel to Barcelona or Birmingham, it's the same . . . process. But now we're going to have a much more experienced and skilled workforce to deal with the paperwork, which goes to . . . whether it's EFTA or EEA, because it has to be absolutely right, I know that from experience. So, for small

businesses it may just be just too off-putting. I do think there'll be government agencies to advise people on exporting, but all of this comes at a cost.

ED: I mean, what we're hearing (*fragments of words, unclear*) in a way it's not surprising, because it was essentially the business view before we had the referendum, that your worries are around what kind of deal we have, how difficult it is to trade, all the things that we've heard about. Let me just throw this question to each of you: how much responsibility do you think business has for what happened in that referendum? There were clearly a lot of people who felt, as they looked at the world, and they listened to the arguments that you were making, 'you guys are on a different planet, we're not seeing the benefits of this globalisation, supply chain integration, exports and trade and the single market, we're just not seeing any of that, and why should we put up with what we think are, you know, changes to our culture, the discombobulating effects of migration' – all these things, and somehow felt that as though globalisation had just shot over their heads and left them behind. I mean, what . . . does business have some responsibility, Anne?

AR: I mean, it's a tough one and . . . I think . . . whereas at a macro level, the aggregate level, the benefits of globalisation to the, to the total UK economy are really quite substantial. They're, they're, on evidence base— . . . basis, you can demonstrate that really, really clearly. Jobs have been created, people are in jobs that wouldn't have been in jobs, without having done that. However, if you then look at the individual level, people may have a job, but I think one of the things that they have lost is not just a feeling that their actual income level has kept up with the broader growth in the economy, and I think that is definitely an issue, but at the same time as they've felt they've begun to lag, their job security has reduced. So some of the things, whether it's a commitment to the job for life from a business, from an industry, or security in retirement through a defined benefit pensions scheme, we've taken away a lot of that, you know, zero hours contracts, all these sorts of things . . .

ED: 'You're on your own' is the sort of culture.

AR: You're on your own. And so I think it's more than just absolute income levels, I think it's more (*fragment of word, unclear*) immigration. We've allowed this insecurity to come into that, that, that lower level, and, and we need to do something about that, and businesses can do something about that, it's not easy, but we can do it, and we should tackle it.

ED: Jan?

JA: Yes, of course, business is heavily involved, but here in the case of this campaign, no one can pretend that it was not absolutely clear that there was a high economic risk to that decision, if there will be a Brexit as it has happened now. Everyone knew, including the campaigners against, like Nigel Farage clearly said there might be and there will be an economic problem if we do it. Now, you did it, and of course, many CEO's now think, 'Well, I should have done more', we have lived through the similar situation two and a half years ago, where we lost a campaign with a very narrow margin, only 9000.

ED: On immigration in a referendum, yeah.

JA: On immigration as well. I think here it was mainly on immigration.

ED: Juergen.

JM: Yeah, well, I was one of those CEO's . . .

ED: (*speaking over*) You did speak actually, yeah.

JM: . . . who was out there, and, you know, really trying to do my best, as were many others to get that message out there, and I think there was two issues. One was that, especially the tabloid media, you know, they just didn't help us amplify those messages, because they weren't as interesting. As a matter of fact, some of what we've talked about here, like paperwork and bureaucracy – it's quite boring. And it's just not as interesting as, you know, the battle between Boris Johnson and the Prime Minister. But there is also a second issue, and that is an issue of business responsibility and I think there was also an issue of, you know, 'We're just not going to listen to you as big business, especially big business, because, you know, we don't trust you,' and there is this fat cat sort of thing. So I think there is some reflection we have to do is business in terms of our role in society, in communities, and, and, and maybe if I can just say, and I think the banking sector actually has got a real opportunity here, because the banking sector doesn't currently hold the best reputation, in this area . . .

ED: (*laughs*)

JM: . . . but here is an opportunity for the banks to really say, 'Do you know, we're going to help Britain get through this, we're going to help investment, we're going to help keep lending, especially to small business' and really see if we can come together and really show that we're going to add significant value to society (*words unclear due to speaking over*)

ED: (*speaking over*) It is interesting, you have heard people say, if you go on seeing these absurd and obscene salaries for chief executives without job risk on their part, all the risk on their employees, at some point there will be some kind of rebellion, and it feels as though this was . . . that rebellion against, er, that class. Let me just finish with a quick one. Julia, I'd be interested on your view on this . . .

JG: (*speaking over*) Hmm. Yes.

ED: And you Jan. Brand Britain – I mean, Britain to stand for certain things in the world: the rule of law, we tend to think it's a rather safe place to invest, we tend to think it's a rather . . . you know, perhaps a commonsense political culture, we're not like Italy, we are not like Belgium, it doesn't take 300 days to form a government here. Jan, has Brand Britain had a . . . taken a knock in the last week?

JA: No. You're still the same great country, you still stand for freedom, liberty and free market . . . go on, and do now the best you can.

ED: Julia?

JG: I think it has absolutely taken a knock. We deal with customers all around the world, and the messages, emails that I've had are one of shock and disbelief (*sic*) but not just on the decision, but on the behaviour of what they've seen of the British people. Some of the . . . racism, and the intolerance that they've seen through the media is something that has absolutely shocked people to the core. So, this has definitely tainted Brand Britain, where we've always been seen as a tolerant and forward and outward-looking nation, now we're seen in another light, which is not very attractive.

AR: I think and I hope that that is a short-term phenomenon, because I think the political spotlight will move on, and I think that we just need to get out there demonstrating that the fact that people have insecurity in their lives which has caused people to vote in this way actually still doesn't mean that we're putting up the barriers, and that we are still . . . as we've always been, an international country, and we're going to still be out there in the world.

JG: And, and I do have to say I'm, I'm obviously based in Yorkshire, and passions run high here, and I do think this is a very long-term problem, very, very deep-seated. I've been a passionate pro-European for many

years and I've spoken out, and I've had hatred, I've seen hatred to the face, I've been called a traitor, and I've been on the frontline of that abuse. There is fear amongst business leaders, big and small, speaking out, fear of losing business and fear of personal attack.

ED: Juergen?

JM: As far as business is concerned, I think we do remain an open economy, an innovative economy, one with great skills and I think we will continue to invest here. I totally agree with Julia that this xenophobic language, and I've personally experienced some of that as well, that has really not been great for Great Britain, and we just have to root it out, and get back to what Britain is, which is a tolerant and an open economy.

ED: We must leave it there. Let me thank my guests. Anne Richards of M&G investment, Juergen Maier of Siemens UK, Julia Gash of BIDBE – Bag It Don't Bin It – and Jan Atteslander of Economy Swiss, the employers' group there.

MONEY BOX POST-BREXIT PENSION PROSPECTS

Pensions minister Ros Altmann talks about pension prospects post-Brexit.

2 Jul 2016

INTRODUCTION

PAUL LEWIS: The Pensions Minister tells us her plans to protect pensions after the vote to leave the European Union.

ROS ALTMANN: What we don't want to do is offset some of the stimulus by forcing companies to put too much money into their pensions in the near term, if they can't afford it.

MAIN STORY

PAUL LEWIS: Well, it's the weekend after the week before. Markets steadying, though the pound is still very low, interest rates are falling, there are warnings of a pause in investment, so how will this all affect the most important long term investment most of us have – our pensions? In an exclusive interview, Pensions Minister Baroness Altmann, who was a staunch supporter of staying in the European Union, tells me her job is now to make pensions work in the new environment.

ROS ALTMANN: We are in a situation of economic uncertainty, and it is right to respond to that. But one of the difficult issues from the pensions perspective is that the monetary stimulus, the quantitative easing measures that are needed to stimulating the economy do have this side-effect of causing potential increases in deficits for pension schemes. We've seen a reaction with interest rates and annuity rates.

PL: Yes, and annuity rates have fallen, they fell . . . 2%, some people are saying, after the vote. But of course, that's part of a long-term trend isn't it . . .

RA: Yes.

PL: . . . interest rates have fallen, this may have pushed them down a bit further, a bit more quickly, after the Bank of England Governor's statement, but that's a long-term trend, it's not to do with the vote?

RA: What I'm saying is that a significant element of the trend in the reduction in annuity rates that we've seen in recent years has, to some degree at least, been a consequence of the Bank of England's policies designed to stimulate the economy. We are now seeing the Bank of England announcing that there'll be a further £250 billion of potential stimulus, and that particular stimulus, to buy government bonds in order to make it cheaper for banks to lend, for example, that will itself potentially have damaging consequences for pensions in the short term. We need to think about pensions as a much longer term issue.

PL: What about company schemes? Because they, the ones who have to pay the pension related to a final salary, their deficits have risen since the vote because of the falling, falling interest rates – are they now going to be under more pressure to abandon those good, final salary pension schemes?

RA: Well, the situation with our defined-benefit final salary-type pension schemes has been tricky for quite some time. But I do think it's important that the government, when we are making our plans for the future, recognises that employers are really having, in some cases, a really difficult time supporting the pension promises that they've made. And part of the reason for that is the trend in interest rates, and part of

the reason for the trend in interest rates is to try and help boost the economy. So, what we don't want to do is offset some of the stimulus by forcing companies to put too much money into their pensions in the near-term, if they can't afford it. So there's that delicate balancing act.

PL: Will there be more companies likely to say 'we can't sustain our pension' and they move into the Pension Protection Fund?

RA: The forecasts of the sustainability of the Pension Protection Fund, the long-term future for the Pension Protection Fund actually show clearly that we are expecting a number of potential big companies to need to call on the Pension Protection Fund insurance mechanism. That isn't a surprise, and indeed we are already in the middle of some experience with BHS and with Tata-British Steel.

PL: You mention . . . Tata-British Steel pension . . . scheme. We're expecting a report on that in the near future, there was some suggestion they would avoid the Pension Protection Fund by doing their own deal about, about pensions, cutting the inflation proofing. Is that going to happen, or are we going to see them in the Pension Protection Fund – another big firm going into it?

RA: From the perspective of the pensions system as a whole, what I am determined to do is make sure that we don't undermine the system of pension protection that we have. And I think it would be difficult to make preferred, preferential arrangements for one particular scheme when we know that there are lots of employers struggling with the costs of their pension arrangements. And this needs to be looked at again in a long-term and considered fashion, rather than rushing to do something just for one situation.

PL: Let me ask you about one group of people who, who indeed are not pensioners, but would like to be – the hundreds of thousands of women born in the 1950s, the so called WASPI women, their pension age has been changed twice, they say, without being properly informed, they've wanted compensation, we've talked about them before on Money Box with you, you met them on Wednesday, did you offer them any hope?

RA: I met with them on Wednesday and I was pleased to be able to do that. I've been trying, as I told you on this programme before, since I started in my post, to find a way to see if we can help them, because when these measures were going through Parliament, I could see how unfair those changes seemed to be, to impose the second increase on top of what was already an increasing state pension age, for a group of women who have in many ways been relatively disadvantaged in the pension systems. I understand how they feel, but also, of course, I have to say that not everyone else understands of sympathisers in the same way.

PL: No, but they say that you told them again 'There is no money' – which you've said before, I mean, you've said it twice on this programme, and each time you've said, 'I would like to help, I'm hoping to be able to help, there's no one more than me who would like to help', but yet again when you, when you finally meet them face-to-face, you say, 'There is no money' – you can't do anything without giving them some money, can you?

RA: I would like to find a way for this government to be able to offer some help. But in order to do that, I have to be able to make the case to convince fellow ministers and to convince Parliament that this is something we need to spend public money on.

PL: But one of the things they told you, as I understand it from them, is that they wanted some transitional arrangements to help the women who, who have got no other resources, perhaps give them the equivalent of Job Seekers Allowance, £73 odd a week, but without a means test, without work conditions. That would be a cheaper option, or fairly cheap option. Could you even suggest that at this moment?

RA: That is part of the work that I am doing in the Department to try and scope out the costings for things like that. And at this moment in time, the government's clear position has been, and it has been said to me many, many, many times by my colleagues, that there is no available budget to sort this situation out.

PL: You're a Pensions Minister in a dying government, you were named in Money Marketing as one of the ministers who might be a casualty of that vote last week, along with the Chancellor in fact, will you be able to carry on serving in a government whose job it is to leave the European Union, when you were so passionate for staying in?

RA: Look Paul, I am here as a policy expert. I've never claimed to be a politician in that way. Therefore, what I care about is helping people as much as I can have better pensions.

PL: Sure. But, but we know who the five possible future Prime Ministers are – would you like to be Pensions Minister under any of those potential candidates?

RA: What I would like to be able to do is help the government make better pensions policy for this country, to look after pensioners, to look after pension funds to also help drive policy in a good direction for the long-term. And one of the disappointments I'll share with you is that sometimes short-term politics can get in the way of making good long-term pensions policies.

PL: Doesn't it just. Baroness Altmann. And there's a story about that interview in the business section of the BBC News website. Well, as we heard there from Lady Altmann, annuity rates are falling, what that means is, if you have, say, £50,000 in your pension pot, the income for life – an annuity you can buy with it, is a lot less than it was. It was helped on its way downhill by the Governor of the Bank of England, who predicted a summer cut in interest rates. The return paid on two short-term government bonds actually went negative on Friday, and others were well below 1%. And those rates are critical in setting the amount insurance companies pay on annuities, so further falls can't be ruled out for new purchases. Live now to Guildford, to talk to Billy Burrows of annuity specialists williamburrows.com. Erm, Billy Burrows, just be clear initially – these changes affect people who buy an annuity today. Those with one won't see it change?

BILLY BURROWS: That's right Paul. When you buy an annuity, the income is guaranteed for life, but the income is set when you buy it, so people buying annuities today will obviously get much less than they would have got last week.

PL: Yes. And how has that amount changed over the last, well, the last week and also the last year it's gone down, hasn't it?

BB: That's right, I mean, annuities have been falling like a stone. Over the last year, annuity rates have fallen by about 11%, but in the last two weeks by 2 or 3%. Now, in real money what that means is, if you have a £100,000 in your pension, you'll be able to get (*fragments of words, unclear*) £500 a year less compared to a year ago, and about £150-200 less than you could have got last week.

PL: And how much of that is due to Brexit, the vote, and how much is this general fall in interest rates? I mean, it has just been going down and down?

BB: Well that's right, I mean, keep it simple: annuities are based on sort of gilts and bond yields, and if bond yields fall, annuity rates fall. And look at the 15 year gilt yield which is my benchmark, it now stands at 1.56 – only a few months ago, it was 2%, and a year ago it was 2.5%.

PL: And those gilts, of course, are government bonds that you buy, you lend money to the government, in effect, and as I said, some of the short-term ones actually went negative on Friday, so you're paying the government to look after your money?

BB: Well that's right, I mean, I think the Pensions Minister is right, you know, pensions are a long-term thing, so, you know, we are looking at long-term interest rates here.

PL: And, and that brings me to the next question really, because it's the future isn't it? People who haven't bought one, they're hoping to buy, will things settle down, or are they better to buy today, even at these rates, and lock into those?

BB: Well, again, taking the (*word unclear 'thing' or 'theme'?*) that pensions are a long-term thing, you know, does it make sense locking into the lowest interest rates ever? I don't think so. If I'm a guessing man, I think the bond yields, the annuity rates may bounce back, but erm, it'll get worse before it gets better.

PL: And meanwhile, of course, you'll be thinking of other ways, so we're not necessarily buying an annuity, we're using drawdown, just explain briefly the sort of alternatives there are?

BB: Well, erm, I think people have got sort of three or four choices. The first choice is simply to put off making a decision if you can afford to, secondly drawdown. I mean, drawdown is actually quite straightforward, you invest your money, you draw an income, erm, but the grass looks greener, but there is a lot of risk, and of course, erm, you know, volatile stock markets. An interesting one is a fixed term annuity, where you can get a guaranteed income for two or three years, then you get your money back to try all over again.

PL: Billy Burrows, thanks very much.

Tim Harford fact-checks the vital statistics from the EU referendum debate.

18 Jun 2016, 30 minutes

Music – The Clash – Should I stay or Should I go.

TIM HARFORD: Hello, and welcome to a special EU Referendum edition of More or Less. We are, as always, your guide to the numbers that surround us in the news. And we couldn't help noticing that a lot of the referendum coverage involves two politicians shouting contradictory statistics at each other. So over the next hour, we're not going to be talking to the politicians at all, we're just going to try to figure out the truth – bracing concept isn't it? We'll be looking at some of the big questions, immigration, law-making, regulations and trade. But first two very basic questions: how much would we save if we left the EU? And what would it cost us if we did? The first question is more straightforward, we don't need to make any forecasts, we can just look at the numbers from recent history and figure out what the membership fee of the EU actually is. Now, the Leave campaign is very clear on this point: the EU membership fee is £350 million a week. If we left, that's money we'd be able to spend as we wished. Here's Gisela Stuart the Chair of the Leave campaign.

GISELA STUART: Every week we send £350 million to Brussels. I'd rather have that we have control how to spend that money, and if I had that control, I would spend it on the NHS.

TH: They've even painted that £350 million figure on the side of Boris's bus. But is the number correct? We could interview both sides of the argument, but, as I think I mentioned, that's not how we roll on More or Less. We can just look up the answer, and tell you. And the claim is false. If we left the EU, we wouldn't have an extra £350 million a week to spend on the NHS. To get to that figure, the Leave campaign has to assume that a post-Brexit UK government wouldn't replace any of the money that the EU currently spends on British farmers, on aid to poorer British regions, particularly West Wales, the Welsh valleys and Cornwall, and also to British businesses. This may be news to farmers and to voters in Wales and Cornwall, but it's possible to make the argument that this is what will happen. It's harder to argue, as the Leave campaign would have to, to justify the figure of £350 million, that even if the UK left the EU, EU member states would continue to send us the famous rebate negotiated by Margaret Thatcher. That rebate is about £85 million a week. Unless you think we'd continue to get the EU rebate after we left the EU, it's impossible to make the claim that there would be £350 million a week to spend on the NHS. It's no wonder that the head of the UK Statistics Authority, Andrew Dilnot, has repeatedly said that the figure of £350 million a week is misleading. How much could we save? We reckon that in the year 2014, the UK paid £280 million a week to the EU, and received back £90 million a week in contributions to farmers and poorer regions, and another £50 million a week in spending on British companies. So, we think the largest feasible claim would be that the UK could save £280 million a week, that would simply ignore the lost payments to regions, farmers and British companies, include those payments, and the UK would save £140 million a week. And if the UK continue to pay some fees, as Norway and Switzerland do, the saving would be lower than that. But whatever the number it's not £350 million.

Music: Should I stay or go.

TH: Now, let's move on to the natural question: is that money well spent? The UK has to pay money to the EU - what does it gain or lose as a result? The simple answer is that the stakes are a lot higher than the EU membership fee. Both sides of the debate have produced economic forecasts suggesting that the UK will either grow faster or slower as a result of Brexit. But the numbers on either side are *much* larger than the membership fee, well over a thousand million pounds a week, perhaps two or three thousand million pounds a week. Both sides agree then, that the impact on growth, for good or ill, is more significant than the direct cost of EU membership. Where do these big numbers come from? From economic models. These are sets of

equations that try to simulate how the economy works. Some are simple and some are complex; some rely heavily on theory while others lean more on data about economic history. The most reported-on model, of course, came from the UK Treasury and it produced some very big, scary numbers.

GEORGE OSBORNE: In the long run GDP would be over 6% smaller and Britain will be worse off by £4300 pounds per household.

TH: That was the Chancellor George Osborne, and let's deal with those numbers one by one. In the long run GDP would be 6% smaller, but what that means is that the Treasury models suggest that after 15 years the UK economy would be 6% smaller, not smaller than it is today, but smaller than it would be if we stayed in the EU. Put into pounds that means that after 15 years the economy would each year be around a £115 billion smaller. And for those of you who want to compare that number to the current EU membership fee, the GDP loss is more than 10 times larger - £2200 million a week. The Treasury produced the £4300 pounds per household figure by dividing that big GDP loss by the number of households in the UK. That's not a piece of mathematics that impressed the editor of the Spectator, Fraser Nelson.

FRASER NELSON: You could tell what the deceptions were pretty easily, I mean, for a start, this conflated GDP with household income, so they tried to say the economy's going to be this much smaller if we leave the EU, therefore you're going to be worse off per household by this amount. But there's obviously two fundamentally different things, household income is not the same as GDP. Now, GDP is what an entire economy produces, household income is simply what you earn in a household. To divide GDP by households is economic nonsense.

TH: Fraser Nelson is criticising how the number has been spun, and we think he has a point. But the number isn't false. A bigger issue is how much weight we should give to the idea that the economy would be 6% smaller in 15 years' time. Can we really believe a 15 year forecast? Chris Giles economics editor of the Financial Times and an advocate of remaining, has an interesting way of explaining the modelling process.

CG: There's no reason to take too seriously economic forecasts out to 2030, but actually what we're looking here is at differences. If I said to you, 'I don't know how much you're going to weigh in 15 years' time,' we'd all say that's clearly the case. But if I said, 'If you drink a bottle of Coke every day, I can be pretty sure that you're going to weigh more than if you don't drink a bottle of Coke every day,' I think we'd all accept the health forecast of that, that the difference is easier to forecast than the actual level, and that's what the Treasury have actually been doing.

TH: Of course, the diet model might not apply if I drink fizzy drinks but also start training for marathon – any model can be wrong. What's pretty clear is that in the short term there'll be a great deal of uncertainty if we leave, and that won't be helpful for the economy even Andrew Lilico the chairman of economists for Britain at Vote Leave accepts that idea.

ANDREW LILICO: At or around the time of leaving, so perhaps the year before and then the couple of years after, I would expect there to be some short term lost growth associated with that. I think most of the estimates of the short term impact showing of the order of 2% maybe 3% at the upper end are about right.

TH: About 60 billion?

AL: Erm, yeah, 40, 60 billion, something like that.

TH: £60 billion, by the way, is several times more than any reasonable estimate of our annual contributions to the EU. So Andrew Lilico's forecast agrees with short term slower growth, but what about longer-term. What assumptions are fair? Well, pretty much everyone agrees that if we leave the EU then trade will fall with the EU. Andrew Lilico and the Treasury both presume migration won't come down. So,

where are the disagreements? The Treasury model also presumes that inward investment would fall, for instance, foreign car manufacturers might not want factories outside the EU's single market. Lilico's forecast doesn't agree with that. Lilico thinks that leaving the EU will allow us to increase trade with the rest of the world, and that lower regulations might be good for the economy. The Treasury doesn't. We'll look into those subjects later in the program. But Andrew Lilico, who, remember is one of the leading economists on the Leave side of the argument, doesn't base his views on the hope that Brexit would lead to large economic gains.

AL: I don't think that you should assume that the deals that you would get with other countries would be better than the trade deal which we have with the EU. We're not seeking to leave the EU in order to get better trade deals. That's not the point. It's that you don't lose so much that you can't seize the very significant gains in terms of self-determination, the constitution and self-controlled sovereignty, all those kinds of geopolitical gains of various sorts. I think that the case is relatively balanced, so, I've done a set of estimates of the impact of leaving the EU, I think it's between a 1% loss of GDP and a 2% gain in GDP by 2030.

TH: Clearly, the decision on Brexit doesn't have to be about the economy. It can be about the ability of the British government to make its own rules about trade, about law, and of course about one of the most contentious issues in this debate: immigration. So what might happen to migration if we left the EU? And what are the economic benefits and costs of EU migrants? Let's start by looking at the situation today. How many citizens from elsewhere in the EU are currently living in the UK. I asked Madeleine Sumption, the director of the Migration Observatory.

MADELEINE SUMPTION: If you look at the number of EU-born people living in the UK, back in around 2000 it was just over 1 million people, it's gone up to just over 3 million people, an increase of about 160%.

TH: And is that because of new countries joining the European Union, or a change in the rules, or something else?

MS: A lot of the growth that we saw took place between 2004 and 2009 or so, and that was countries, particularly Poland, but then also Romania joining the European Union, and they had access for the first time to the UK labour market. There has also recently been an increase in people from older EU countries, places like Spain, Italy and Portugal, for example, where unemployment has been high recently and so we've seen somewhat larger numbers of those people coming as well.

TH: So, the number's growing. But by how much? Well, the answer's a bit of a mystery itself. The official statistics show that net migration to the UK has typically been between 200,000 and 300,000 a year, the last decade or so. Those numbers are very high by historical standards, although well over half of that net migration has been from outside the EU. In 2015, net migration, the number of people who've come to the UK, minus the number who've left was 333,000, and net migration from the EU was 184,000. You might think that these numbers come from counting everyone in and counting everyone out again. But they don't. Instead they come from the International Passenger Survey. This survey is carried out by approaching a random sample of people arriving at the ports, airports or Eurostar. But that's a tricky project, as we discovered back in 2005, when our reporter Innes Bowen rode a ferry alongside the clipboard-wielding survey team.

INNES BOWEN: As the vehicles are loaded onto the ferry, each member of the team goes to a different entrance onto the passenger deck. I went with Linda to the busiest.

TH: To get a random sample, Linda took note of every tenth person that walked past her. But she couldn't stop to interview them immediately, so she then spent the rest of the ferry journey approaching them for the survey. The last lady to be approached was eating her dinner which called for a bit of discretion.

IB: (*laughter in voice*) It's like stalking people isn't it?

SURVEY LADY: Yeah, you try not to put them off, not to make it too obvious that you're waiting for them. Can I just ask you a few questions? What nationality passport do you hold?

RESPONDENT: British.

SL: And in which country (*fades out*)

TH: This is a big survey – hundreds of thousands of people are included, and the method has been used for years, but most people aren't migrants. Some are tourists, others, as in this case, are British. A person is only marked down as a migrant if they say they're planning to stay for a year or more. But there's a problem. During the campaign for the EU referendum, another number has thrown our official migration statistics into question - it comes from the Department for Work and Pensions, which gives out National Insurance numbers. If you want to work in this country, or, for that matter, to claim benefits, you need a National Insurance number. So, the DWP can see how many people from the rest of the EU are applying for UK NI numbers. And the answer is: a lot. A lot more than we would expect, given the International Passenger Survey. 630,000 EU citizens registered for National Insurance numbers between March 2015 and March 2016. The International Passenger Survey on the other hands, shows that 270,000 EU nationals migrated to the UK, that's less than half as much. So what's going on? Jonathan Portes is from the National Institute for Economic and Social Research. He warns that just because the two figures seem to contradict each other doesn't mean that one of them is wrong. They are, after all, measuring different things.

JONATHAN PORTES: The first thing that's very important to note is that these numbers don't represent precisely the same thing, so we should always expect some discrepancy. In particular, it is quite possible that people coming here for less than a year might choose to register for a National Insurance number. People who come here for less than a year are not immigrants, and they're rightly not counted in the migration statistics, however what I would note is that that discrepancy has increased quite sharply over the last few years, so something is going on.

TH: The Office for National Statistics, after studying the apparent discrepancy concluded that the gap between official long-term immigration figures, and the number of EU migrants applying for National Insurance is down to short-term migration - people who arrive in the UK for study or work purposes for between one and twelve months get captured in the National Insurance data, but not the International Passenger Survey. The ONS concludes that the International Passenger Survey remains the best source of information for measuring long-term international migration. But enough about the minor question of how many EU migrants there actually are in the UK – how might the situation change if the UK left the Union? There are different possibilities. We could be like Norway or Switzerland, both of which have arrangements which give them access to the European single market. However, as part of those deals they have to allow EU citizens to move and work freely. So, if we were like Norway or Switzerland, nothing would change when it comes to EU migration. But let's say that the UK was willing to give up access to the single market, and imposed stricter migration controls. To be specific, let's say that we imposed the same restrictions on migrants from the EU that we currently do on migrants from outside the EU. What would happen to the numbers? I spoke to Migration Watch, think tank that studies migration into the UK, and has a clear position: that current levels of migration are completely unsustainable. However Migration Watch isn't taking sides in the EU referendum debate. This is Matthew Pollard, Migration Watch's Executive Director.

MATTHEW POLLARD: If we imposed the same sort of restrictions on work migration as we currently apply to non-EU migrants it would have a significant cut to EU net migration. Because around 60% of EU migrants are in low-skilled work, if they'd come from outside the EU they wouldn't have qualified for a visa, so we think it would cut EU net migration by around 100,000, on the current figure of 170,000.

TH: Per year?

MP: Per year.

TH: This is just an educated guess but other migration experts say it's not unreasonable. And if migration from the EU was cut by 100,000 a year, net migration as a whole would be down by a third, from around 300,000 to around 200,000. But neither of the two prominent Leave campaigns have suggested that migration will stop altogether, just that it will happen differently and it will be more targeted to bring in people with the skills the country needs. I spoke to Andrew Lilico, an economist who's part of the Vote Leave campaign team. He believes that long-term the number of migrants coming in wouldn't change after Brexit, although we might take more migrants from outside Europe. He believes that some parts of the UK need more not less immigration.

AL: The UK has had very high degrees of movements of people with Western Europe for what, three thousand years or something. I think the idea that we would start to seriously curtail migration from France or Spain or other kinds of things, if we left the EU, is just silly. I'm quite aghast at the way the immigration has grown as an issue in the UK in the last 15 or 20 years, it seems to me to be completely unnecessary. And what I would expect to happen is that once we left the EU, we would have two or three years of government showing it could get migration down into the tens of thousands, just enough to prove it could do it, and then once it had proved it could do it then things would become much more relaxed again.

TH: The reason Andrew Lilico thinks that a post-Brexit government would continue to allow plenty of migration from the EU is that the evidence suggests that EU migrants are of benefit to the economy. He is Jonathan Portes again, of the National Institute of Economic and Social Research.

JP: There is a strong consensus among economists and labour market economists in particular, that EU migrants are likely to have a positive impact on the economy and public finances, both in the short term and in the long term. And that is basically because they have very high employment rates, higher employment rates than the native population, they're also relatively young which, as well as making them more likely to be in work, means that they're considerably less of a charge on our public services. Now, that is partly offset by the fact that on the whole, recent EU migrants tend to be concentrated at the lower end of the income distribution, but it's still a fact that somebody who's working, even in a relatively low-paid, low-skilled job, is likely to make a positive contribution.

TH: But Matthew Pollard of Migration Watch has his concerns.

MP: The problem with EU migration is that it's not the EU migrants themselves, of course not, they're coming here to work and to improve their lives, it's the scale of migration that is the fundamental issue and that's what's resulting in our rapid population growth at the moment, and the resulting pressures on our housing stock, on classroom sizes and on congestion in general. So, there's a lot of cost associated with expanding infrastructure to cope with our population rise that doesn't feature in these fiscal calculations. So you can have people individually making a fiscal contribution, or fiscally neutral, but taken together, when you factor in infrastructure expansion, it becomes a cost.

TH: Matthew Pollard of Migration Watch. Given the academic consensus that EU migrants are paying more taxes than they consume in public services, rapid migration isn't a problem if the authorities keep pace. They have the cash to hire the teachers and to build the schools, the question is whether they have the will or agility to respond to the needs of areas with a lot of migrants. (*reggae music*) We've talked about the costs and benefits of EU membership, and about migration. And will come to the issues of regulation and trade. But, for many people who advocate leaving the EU, the real issue is more fundamental: it's not about what the rules say, what their advantages or disadvantages might be, it's about who gets to make them - the government and the Westminster Parliament, or the Council of Ministers and the European Parliament. It's a matter of sovereignty. That might seem a purely philosophical argument. Some say that the British

Parliament shouldn't sign away powers to Brussels, others observe that, with the exception of North Korea, all nations sign agreements with other nations to limit their powers for mutual benefit. But, as is the fashion these days, an argument that seems to be about principles has instead been peppered with statistics. Many people who wish to leave the EU claim that a large percentage of UK laws now emerge from the European Union, eroding the sovereignty of the Westminster government. And their Pro-Remain opponents, unsurprisingly, dispute those claims. For example, here's a debate between Nigel Farage of the UK Independence Party and the then Deputy Prime Minister, Liberal Democrat, Nick Clegg, before the European Election in 2014.

NICK CLEGG: You'll hear from Nigel Farage, 'Oh, 75% of our laws' – no. Actually, the House of Commons has shown that roughly 7% - 7% of all new laws are related to the European Union.

NIGEL FARAGE: Oh dear, oh dear (*laughter from audience*)

UNNAMED PRESENTER: You've used some seconds up, I'd hurry up if I were you.

NF: 7%? What are you on about? We had one of your friends from Brussels, Commissioner Viviane Reding in London the other week saying we must all sign up to the United States of Europe and we must recognise the importance of Brussels, because after all, it makes 70% of our laws. Even Gordon Brown said over half our laws are made in Brussels.

TH: So what is it? 7%? 70%? In order to bring some clarity to this debate, the scrupulously independent researchers at the House of Commons Library decided to investigate. And the results are handily highlighted in a video posted on Facebook by the Daily Express. It's borrowed from BBC documentary on the EU by Jeremy Paxman.

JEREMY PAXMAN: The House of Commons Library tried to tot up the numbers in various combinations, coming up with an estimate between 15% and 55%. But when they looked at figures for 2010 to 2013, the most recent available at the time, they calculated a whopping 59%.

TH: Wow – independent research says that 59% of UK laws come from the EU. But erm . . . there's a problem. The Daily Express did something that I thought nobody would ever dare do - they cut off Jeremy Paxman before he'd finished his point. Here's what he went on to say.

JP: There is a catch, inevitably. We get all the regulations but some of them, like the production of olive oil or growing tobacco, clearly don't apply to us, so the figure of 59% may be a gross exaggeration. All researchers conclude is that it is impossible to get an accurate measurement, which for some people tells you all you need to know about our relationship with the EU.

TH: So, just to be clear. If you simply include the cases where British laws are in some ways influenced by European rules, the House of Commons Library said that this accounted for roughly 15% of our laws. Some of these laws make a fleeting reference to EU rules and others only exist to implement what's been decided in the EU. You get a much higher figure – 55% – if you include EU regulations, which automatically apply in the UK. Some of these regulations are a big deal, and some aren't. For example, the independent fact-checking website Fullfact contrasts merger regulations, which govern the circumstances in which huge multinational companies can take over each other with a regulation signing a customs code to a flashing plastic skull. And of course, some regulations, for example, on growing tobacco, apply in the UK but hardly matter, because we don't have much of a tobacco farming industry. We can count these regulations, but some of them are much more important than others. So we don't think that any of these figures are very informative. And the House of Commons Library itself agrees. After all, if the EU imposed just one law, but that law was that all British citizens had to become domestic servants of the wily French, then we might feel rather differently about that than hundreds of regulations about customs codes. That brings us to a crucial question: are these the kind of

rules that the UK government approved of, did we gladly vote for them or did we fiercely oppose them as they were imposed upon us from Brussels? According to the Vote Leave website, launched earlier this year, there are some 72 laws that the UK must obey that our government voted against. And Nigel Farage was making a similar claim on the BBC Question Time programme as long ago as 2014.

NIGEL FARAGE: On 55 occasions at the Council of Ministers, the British government have said, 'We're going to fight hard against this directive, and we have lost on all 55 occasions.

NC: (*speaking over*) I think what we've got . . .

NF: (*speaking over*) Let's stop banging our heads against a brick wall, and recognise we're not winning, we're not succeeding (*words unclear due to speaking over*)

UNNAMED PRESENTER: (*speaking over*) (*words unclear*) Grant Shapps . . .

NF: . . . governing our own country and making our own laws.

TH: So, have we been overruled on 72 occasions, or, as Nigel Farage said, couple of years ago, on every one of the 55 times when we've objected? Unfortunately, absurd BBC red tape means we have to break here for the news, so you'll have to wait to find out. In the next half hour, we'll also be asking whether leaving the EU could harm trade, or if we could do better trade deals outside the EU, and we'll be getting one Brexiter's opinion on a study that has been widely quoted by the Leave campaign.

UNNAMED SPEAKER: I think the technical term we use for that argument is 'bollocks'.

IN OUR TIME: SOVEREIGNTY

Melvyn Bragg and guests discuss the history of the idea of sovereignty.

30 Jun 2016, 43 minutes

MELVYN BRAGG: Hello. In 1576 French political philosopher Jean Bodin set out his ideas about the nature of sovereignty in what became a landmark work: *The Six Books of the Commonwealth*. He was writing a time of great conflict in France, the wars of religion between Catholics and Protestants and a few years before the St Bartholomew's Day massacre. With kings, princes, the Pope and aristocrats making overlapping claims for authority, Bodin wanted to find the defining qualities of the one supreme sovereign in a state. His ideas about sovereignty draw on Aristotle and profoundly influenced later thinkers such as Hobbes, during the English Civil War, Rousseau ahead of the French Revolution, the leaders of the American Revolution and we stop short of current affairs. With me to discuss the history of the idea of sovereignty, are: Melissa Lane, class of 1943 Professor of Politics at Princeton University, Richard Bourke, Professor in the history of political thought at Queen Mary University of London and Tim Stanton, senior lecturer in the department of politics at the University of York. Melissa Lane, Bodin read about the ancient Greeks, what would he have found there that would have helped him in his political theory?

MELISSA LANE: Of course, in Ancient Greece and across the ancient world, we have sovereigns in the sense of monarchs, but what Bodin was also very struck by was that in the Greek democracies we find what we can think of as popular sovereignty, whether people are sovereign, and the advantage of the people over monarchs is that they're not underage ever, they don't get senile, so they have more claim in some ways to be absolute, supreme, perpetual, and even indivisible, which were some of the key marks of sovereignty that Bodin identified.

MB: And also the Greeks set out the first, you'll tell me if I'm wrong, it might be the seventh, I don't know, anyway, set out the first division, that there was a . . . a monarchy, a monarchical system, aristocratic system and a democratic system – the three systems that could be intermingled, they could intertwine, they could overlap, but these three were the three pillars of political theory.

ML: Yes that's right, then in Rome in particular, and anticipated in some Greek thought there was the idea that perhaps you could have a mixed regime that actually combine elements of monarchy, aristocracy and democracy. So, we see that in the Roman republic, and there it's very interesting where sovereignty resides, because we find in the Roman historians sometimes the people are described as having *miestas*, erm, one term for sovereignty, sometimes it's the Senate, so that would lead Bodin and Hobbes to think that actually in these mixed regimes it's kind of fiction, there has to really be a sovereign underneath what seems to be a divided arrangement of power.

MB: We slightly go before our horse to market here, let's go back to Athens. Can you give an encapsulation of an idea of something like sovereignty that might have come out of the Athenian experience?

ML: I think it is the idea that the *demos*, the people are *quorous* (?) and in the state, so they are in control, they are the masters of the, of the state, that means precisely that they are supreme, no one can overrule them, they are not accountable to anyone else and those ideas of not being accountable, not being beholden to anyone else, I think are really at the centre of that idea of the, the people as, in a sense, sovereign.

MB: And as in many cases, the Romans took over and developed . . . those ideas, with the (*words unclear*) *miestas*, but also *sumum imperium*, was another word that they had for what Bodin is calling sovereignty. Did they put any sort of spin on what the Greeks had done? Did they develop it or just accept it and get on with it?

ML: One, one of the things the Romans do, and we see this especially in Cicero is develop more of a legal framework for thinking about how the people might entrust their sovereign powers to their rulers. So, the idea of the *res publica*, the 'res' is actually conceived as a kind of property, and the people can entrust it, they can deposit it, erm, and even in the Roman Empire the people have to confer their powers on the Emperor in order for the Emperor to actually be sovereign.

MB: One of the things that Bodin had been, he'd been a monk, and then he stopped being a monk, he was a classicist, then he moved to be a lawyer and to the parliament. Sovereignty was juridical, it wasn't a question of power, it's a completely different thing.

ML: So, I think that for . . . Bodin is really interested in using a method of history, especially in, in his first important work and before the *Six Books of the Commonwealth*, of universal history, to say even where people themselves didn't offer definitions of sovereignty, we can see this element of sovereignty in their legal arrangements. And he used that method to define it.

MB: Richard Bourke, I briefly skipped over Bodin, can you tell us something more substantial about him?

RICHARD BOURKE: Okay, well Bodin was born in Angers, south-west of Paris in 1529-30, the precise dates not clear, and died towards the end of the century in 1596. Erm, as was briefly mentioned already, as a very young man he joined the Carmelite brotherhood as a monk. There he would have received a detailed scholastic education, but he was actually released from his vows in 1549, and it's at that point he embarked on a legal career, or at least legal training at the University of Toulouse. Erm, er, that was er, in the 1550s, but then, as you very briefly mentioned, in the 1560s he embarked upon a career as a public official, as an advocate in the Parliament of Paris, and this new erm, development in his career coincides with the descent of France into turmoil, the wars of religion are triggered in 1562 and last until two years after Bodin's death. So his writing is very much constructed against that background.

MB: Against that background, but do we know, Richard, do we know what prodded him to write the six books, was there any particular incident, had he been driving towards it in his previous work?

RB: Well, I would say no particular er . . . no particular incident, however as a trained (*word unclear*, 'jurist'? er, with erm . . . deep humanistic knowledge and a public official concerned with the fate of his Commonwealth all the monarchy of France, he developed his theory of sovereignty very much as a means of staving off convulsion if you like, or the dissolution of the Commonwealth, under pressure from religious and political faction. So it is, as it were, his preoccupations are triggered very much by contemporary events, but no one particular event.

MB: So how did he define sovereignty?

RB: Well, er, Bodin's theory of sovereignty is mostly development (*sic*) developed in two works, on *The Method for an Easy Understanding of History*, er, of 1566, and then especially in his most famous work which was published in French in 1576, which is erm, er, erm, his *Six Books on the Commonwealth*. Now, erm . . . there Bodin came up with a theory of political authority essentially, a juristic one as has already been emphasised, whereby it was essential for him to make plain that authority had ultimately to have some final point of decision-making, and that's the, that's the erm . . . essence of sovereignty for him. I suppose as, as very briefly mentioned by, erm, by Melissa, it's important to see what he saw as the four characteristics of sovereignty. It had to have, especially, these four traits: it had to be supreme, that's to say there could be no superior to the sovereign, that would defeat the purpose . . .

MB: *(interrupting)* Except God.

RB: Indeed, and that is an important detail, but from a terrestrial or a secular point of view, the sovereign could have no superior. Erm, also er, the sovereign was absolute, could be tried by no other tribunal, it was also essential that sovereignty be indivisible, we can come unto, if you like, what . . .

MB: *(interrupting)* No, tell us what you mean by that now.

RB: Well, I suppose one of the, er, if I mention the last characteristic first, and then come back to that . . .

MB: *(speaking over)* Right, okay.

RB: The last characteristic's more straightforward, that sovereignty should be perpetual, it can't be changing hands at interludes, that would be destabilising. Indivisibility, well, to understand indivisibility, it might be very useful to see how Bodin thought the functions of sovereignty, which were essentially threefold had to be held in, er, one set of hands, if you like. Though I should say not literally one set of hands, because, as we've already established, a sovereign might be an individual, a monarch, or might be an assembly of the many, or might be an assembly of the few. Erm, but nonetheless, the sovereign ought to at once be responsible for legislation, the making of laws, er, but also for the right over war and peace and er, and also for the appointment of senior magistrates. Now, it made no sense to Bodin that these functions could be partitioned amongst different bodies, because that would be a recipe for dispute, the kind of dispute that France at the time found itself in the midst of.

MB: Well, to take, to go on from that – thank you very much, Tim . . . Tim Stanton. How could Bodin's idea's be applied to the France in great turmoil, religious wars at the time he was writing?

TIM STANTON: So, France at the beginning of the 16th Century is a relatively unified and united and strong state, but by the middle of the century that situation has changed somewhat. Erm, the monarchy is under pressure, there's been a long and ultimately unsuccessful war with the Spanish which has reduced its finances and it's had to meet the rising challenge of Protestantism which is spreading across France, perhaps 1 million Calvinists and this poses a very strong challenge to the traditional idea that er, the good order of a state depends upon a single ruler, a single er, faith, and a single system of law. And so what Bodin is interested in is thinking through the consequences of this new situation or erm . . . potential fragmentation and instability, and how can we find a solution to that. And the solution he proposes is sovereignty.

MB: So where did he . . . where did he find his, er, his basic idea of sovereignty from? He's there, a war's going on all around him, it's, it's, let's not use the word 'cursed', but it's very . . . it's disturbed and upset and disrupted, and there doesn't seem to be anyone . . . anyone specifically in charge, erm, so where did he say, 'Freeze all this for a moment and let's go to the heart of things'. What is wrong here is there's no sovereignty in this state. How did he get to that conclusion?

TS: Well, I think he got to it by reflection upon the situation in which he found himself, in which there were a variety of competing claimants, both de facto and de jure for authority within the state. The state is divided, socially and politically between different great families in different regions, who exercise higher degrees of patronage. There's also, erm, different political bodies which have a kind of quasi autonomous existence within the state, Leagues, confederations, guilds and so on. And what he sees is there needs to be, as Richard observed, single point at which authority culminates, and from there, every subordinate body gets its meaning and purpose. So you have this, erm . . . single point from which everything else flows.

MB: What did he draw on to get that? Did *(fragment of word, unclear)* Melissa talked about the Greeks and the Romans briefly, and so on, what did . . . what did Bodin draw on, he said 'This is where we should go,' which is what had happened in France, what did *he* draw on?

TS: Well, intellectually he drew on his humanist training, his knowledge of classic texts and also later juristic texts and mediaeval texts, so erm . . . texts of the erm . . . writers such as Bartolus (*phonetic*), Sassoferrato and Boldus (*phonetic*) who would, in various ways thought about what makes a political body a political body, rather than . . . a collection of different, competing political bodies, and what is interested in doing is cutting through that problem by supplying what, in his view hasn't yet been supplied even by Aristotle or Cicero, that's to say a definition – a definition that tells you what er . . . makes a political body a single political body, rather than a seething mass of competing bodies.

MB: The word 'sovereign' could to the words 'kings' and . . . did he, was he looking back on French kings or . . . other kings in other countries, let's stick to France, French kings and saying 'that was when it worked'?

TS: Well, I don't think he was quite doing that, it's not . . . the case that he thinks that there is some golden age in French history when kings enjoyed the kind of power that he is projecting through his definition of sovereignty, it's more an analytic implication of what it is to have a Commonwealth at all. If you are to have a Commonwealth at all you need this kind of power at its apex.

MB: Melissa Lane, erm, to flip across the channel, erm, Shakespeare took up the idea, whether directly or indirectly, is, is not important really, particularly in Richard II where the body politic and the body natural divide - the body natural is the man who's going to get old, er, get ill and die, and the body politic is a man whose state is going to continue, so 'The king is dead, long live the king' makes sense in that sense. Er . . . would that idea have been familiar to his audience, was . . . was he taking up an aspect of the argument of Bodin, do you think, in Richard II?

ML: I think there are even older routes as well, erm, in English legal thought, so in the course of the mediaeval period this idea of the Kings to bodies, as he said, the body politic and the body natural had really been put to work in a number of decisions, so questions about if a young king tried to make a erm, make a lease of land, and then became king, was that lease of land alienating the land still valid because a king couldn't alienate, by definition, any part of the realm. So that idea of the king's two bodies I think is very much ingrained already in a tradition of English legal thought, erm, as well as, erm, also, erm, in, in the continent, but . . .

MB: (*speaking over*) So, when Shakespeare when . . .

ML: (*speaking over*) Yeah . . .

MB: . . . that happened on the stage, and Richard handed over his sceptre and the bowl with the ointment, the oil in it, to Bolingbroke, people would have said, 'Ah yes, we know about that.'

ML: Well, they knew about it, but I think also the play really dramatises the tensions that that doctrine raises, I mean, Harry Hinsley has said sovereignty is as much a problem as a solution, and I think we really see that in Richard II, in the sense that, erm, you can say the king has two bodies, but what happens then, when a person, Richard, hands over his crown and he, and he himself is perplexed by that, he says, 'Now I have no name' – because he isn't anymore the king, and there's a kind of paradox about is it even possible for a king to divest himself of his sovereignty, so they knew about the doctrine but the play really dramatises for them the tensions, and it became a very political play, erm, for that reason.

MB: Richard Bourke, how useful are these discussions on sovereignty to rulers and political theorists, thinkers at that time, at the time of Bodin – let's stick in the 16th Century for the moment, or really 17th – go halfway through the (*words unclear*) something like that.

RB: Okay. Well, er, there's no doubt that the, the ideas of Bodin were taken up, and for instance if you take the case of er, if you take the case even of England, it's certainly the case that advisers of James I were

familiar with the writings of Bodin, erm, the same applied to Charles I as well for that matter, erm, and generally speaking I think is possible to say that Bodin did influence a sort of attitude to administration, erm, which is often described as absolutism, partly because one of his criteria for legitimate sovereignty was that it would be absolute. However, I think it's also important to see that there's a sort of really a partial interpretation of what Bodin was interested in. It's crucial to recognise that for Bodin, erm, varieties of, er, forms of regime would equally have sovereignty, and the question is, you know, you know, where would the sovereignty be relocated in (*words unclear due to speaking over*) regime . . .

MB: (*speaking over*) Will it be in the people or the aristocracy . . .

RB: (*speaking over*) Exactly.

MB: . . . or the monarch (*fragment of word, or word unclear due to speaking over*)

RB: (*speaking over*) Exactly.

MB: Can we stick to . . . sorry to interrupt, but just to clarify it for myself, in the background of what you're saying are they still thinking of the three possibilities: monarchy, aristocracy and democracy?

RB: Absolute, that's it.

MB: (*speaking under*) Yes, right.

RB: They, they, they largely think about the three possibilities or the possibilities of mixing them. However, in Europe er . . . erm . . . aristocracies and democracies are not so prevalent regime forms so the, erm, impact of Bodin was largely in the early phase, but not later, but in the earlier phase, was on thinking about monarchy, but is, er, what I'm trying to suggest is that it's arguable that really this involved a distortion, that Bodin was not interested in absolute government, he was interested in absolute sovereignty.

MB: Well, just distinguish that for us, elliptically and brilliantly, so we can go on from there.

RB: Sure . . .

MB: 'in absolute government, not in absolute sovereignty'.

RB: Well, he was interested in the location of the final rights of authority, sovereignty, which might be held by various kinds of body, rather than being interested in, if you like, effective, centralised administration of a state. So it's the difference between centralised administration, if you like, and the location of a right to authority.

MB: Melissa, you want to come in?

ML: Well, one way to think about him not being interested in absolute government, as Richard said, is the point that you made earlier, Melvin, about the role of God and indeed of natural law in the system, so for Bodin (*words unclear*) king or a monarch was still subject to the laws of God, to natural law, and even to, erm, the fundamental traditional customary laws of the French kingdom, say, erm, and so that, that in a sense puts limits, but the point is that no one else can enforce those limits, erm, on, on the monarch.

MB: The first big hitter next to Bodin (*coughs*) excuse me (*coughs*) the first big hitter next to Bodin who comes into the discussion as, as we've . . . as we've erm, scripted it really, er, Tim Stanton is Thomas Hobbes, (*fragment of word, or word unclear*) middle of the 17th Century, great English philosopher, intellectual and what did he . . . had he, had he read Bodin one assumes, what did he bring to the table?

TS: Well, Hobbes erm, brought to the table a very, erm, deep sense of the precariousness of the civil conditioning of the state and . . . in the course of his life began an investigation into the question that really Bodin is also asking, 'What is it that allows a state to exist and to subsist over time?' And Hobbes comes to the conclusion that . . . it's not at all clear that anyone had understood or been able to provide an adequate answer to that question until he did. (*laughs*)

MB: And of course there was the execution of Charles I while he was writing, so 'the King is dead, long live the King' didn't work, because the king was dead, and the interregnum took over, and Cromwell, a non-king took over?

TS: Exactly, and . . .

MB: (*speaking over*) Except he did all the same stuff, but that's another matter.

TS: (*laughs*) Well, exactly, Hobbes says he's . . . er, when he comes to write his great work of political theory Leviathan, he makes clear that he is talking in the abstract about the seat of power and not the person who occupies this seat. So, the person could be Cromwell or Charles I, or indeed Charles II. what he's interested in doing is explaining how occupancy of that seat gives life and form to a state, unless someone occupies that seat the state doesn't subsist, it reduces to this seething mass of competing powers, and Hobbes, strikingly, claims in his first major work of political theory that all politics to his own day has been like that, there hasn't been, er, an adequate understanding of the body politic until he writes There Elements of Law, and so all (*fragment of word, or word unclear due to speaking over*)

MB: (*speaking over*) Does he mean a sovereign body politic in the, in the sense that we're talking about?

TS: (*speaking over*) Well sovereignty is (*exhales*) is for Hobbes the essence of the Commonwealth, and he means two things by that: first that it is essential to it, so you can't have a Commonwealth unless you have sovereignty, and secondly, he means that it's the life-giving principle for the Commonwealth, so essence is life, it's the formal cause of the Commonwealth that distinguishes it from the material out of which it's made. So, if you don't have sovereignty you can't have a Commonwealth, and that's Hobbes's, erm, brilliant contribution to thinking about sovereignty.

MB: (*speaking over*) I'd like to stay with Hobbes for a while, because I think that was terrific, but I think there's further to go, so 'The King's dead' – and there's no 'Long live the King'. So that monarchical idea is . . . to Hobbes's great disappointment, I presume (*word or words unclear*) is, is not on. So he goes to what, what various people, (*word or words unclear*) have called the 'real basis of power' – the people, and constructs the (*fragment of word, unclear*) Leviathan, an agent monster, word from an ancient monster in the Old Testament, and this is, the Leviathan is . . . what, and what is the Leviathan stand for (*sic*).

TS: Well the Leviathan is a mortal God, as Hobbes says, and it stands both for God, er, to its subjects, and to the state for its subjects. And it is the collective embodiment of the power of the people, given expression through a representative. And that representative is, erm, a fictional person who bears the sovereignty of all of them. So the image, the famous image in the (*word unclear*) piece of Leviathan is very helpful in this . . . connection, because it shows you both er, a large figure looming up out of the water with a face representing this fictional person, composed at the same time of lots of little people, little homunculi who er, are the source of its power. And Hobbes says elsewhere in his writings that it really is the opinion of, er, the people that gives power to the state, and nothing other than that.

MB: (*fragment of word, or word unclear*) Melissa, you want to say something, can . . . do you mind if I ask you something first?

ML: (*fragment of word, or word unclear*)

MB: Because I'd like to take on, because this is fascinating, but the people have to give power, and they can't get it back, so they're giving their natural rights away in order to be protected and secure? Is that right?

ML: That's exactly right, and in fact, that's exactly what I wanted to say, (*laughter in voice*) erm, that the transfer is, for Hobbes, the transfer is er . . . almost absolute, so, people are a disunited multitude, and as Tim was suggesting they only obtain their unity by being embodied through the transfer of power to a sovereign. Erm, and only if that sovereign collapses or completely becomes incapable of, erm, performing the functions of protection that . . . for which the people had transferred their power, only then does the sovereign lose power. But otherwise their transfer is irrevocable.

MB: You know, the tricky bit is, how do you get the people to do that, and what are the laws saying to the people, 'You should do this, and give all your natural rights away, and (*fragments of words, or words unclear*)' who's going to (*fragment of word, unclear*) does he, did he tell us how it's going to happen?

ML: Well, this is very interesting, so Hobbes has two ways of thinking about that, he says one way is that, you know, we imagine the people sort of gathering together and actually doing it, but he also has a de facto route to sovereignty where we look at someone who in fact has become able to provide protection and people should think to themselves, 'I'm willing to recognise that person as my sovereign,' and in the period of the interregnum, I think that's really the critical political argument.

MB: (*speaking over*) We're still in theory, how did it happen, do you know how? Did Hobbes suggest that it should happen this way, they should have elections, they should have representation from their Shire, how did he make it happen.

TS: Well he didn't think that— he didn't think that. The two routes that he talks about don't make any difference to the character of the sovereignty that's produced, and in fact it looks as if the first route, the juridical route in which people transfer rights irrevocably is just a way of dramatising the consequences of having sovereignty. So, in fact, when Hobbes talks about what gives the sovereign power, it's the idea that the people obey without stint, that's to say without cessation of motion. So, it's an ongoing process rather than a one-shot, once and for all, irrevocable laying down of right. It's . . . a settled disposition to obey, and the question then is what settles that disposition to obey, and there Hobbes gives accounts in terms of monopolisation of the pulpit by . . . public doctrine, er, teaching, if people don't know their duties, Hobbes says, they'll never obey.

ML: It's helpful to think about some of the people Hobbes was opposing, so, in the course of the English Civil War, for example, there was the doctrine of, erm, parliamentary sovereignty, which claimed that its only parliament that can embody sovereignty, erm, because in some sense parliament represents the people in the sense of being a kind of virtual depiction of the people as a whole, and Hobbes thought, 'No it doesn't have to be only parliament, it can be a monarch, it can be a . . .' so, he objected to that view that there was something unique about parliament. But of course, from the other side, there were also people attacking the parliamentary doctrines, saying there has to be a stronger relationship of . . . erm, mandation or requirement, erm, of parliament to be authorised in an ongoing way through election. So you have a kind of spectrum of views in the 17th Century.

MB: Before we move away from Hobbes, and I want to come to Richard to talk about Rousseau, what, how did it go down? This came out – there you are, that's a solution – what did people think?

ML: It's seen as a very radical doctrine, and because of the mortal God point, erm, that Tim mentioned, it seen by some as even a kind of heretical doctrine, so he's attacked, erm, very violently, he's seen in a way as Machiavelli had been seen previously as a . . . kind of a threat in some ways, precisely because he's so, erm, ecumenical, as to what body can be sovereign, it could be a democracy, it could be an aristocracy, it could be a

monarchy, so for many people who were invested in the thought that only kings can be legitimate, or only crown and parliament can be legitimate, that was a very threatening set of ideas.

MB: He also had a very pessimistic view of human nature and of life, that life was nasty, brutish and other things, and short . . .

ML: Nasty . . . that's right.

MB: Let's move to Rousseau now with Richard Bourke. Rousseau wrote *The Social Contract* in 1762, erm, more than 100 years after Hobbes er . . . who . . . and he's the next big beast that comes into view for this, erm, for this conversation. Who for him . . . is the sovereign? Where does sovereignty lie for Rousseau?

RB: Okay, well, I think the best way of coming at that question is to explain Rousseau's position in the tradition of discussing sovereignty. Erm, *The Social Contract* er, of 1762 is often seen as being part of a longer conversation. But I think it's very important to see that, as well as obviously picking up on previous discussions of the theme, er, Rousseau was really innovating very radical . . . very radically with erm, with this doctrine, and essentially revolutionises the concept of sovereignty in the following way: erm . . . previous, erm . . . theorists had discussed sovereignty as being taking (*fragments of words, unclear*) three possible forms, as we've already seen. This is not possible for Rousseau, er, for Rousseau, sovereignty can only take one form, and it must be democratic sovereignty. So we spoke already about the transfer of sovereignty that one gets, for instance, in er, in Hobbes's theory of the construction of the state, there is erm, a multitude, which forms a people, and then can transfer it sovereignty to, for instance, a single will. This is an invalid move, according to Rousseau, his fundamental role is to . . . erm . . . try and address the question of how is it possible for human beings to subject themselves to the rule of others without them sacrificing some fundamental part of their . . . their humanity, and that fundamental part of their humanity is their freedom. And in order to preserve that, erm, er, Rousseau develops the idea of, erm, the, as it were, moral, the normative necessity of popular sovereignty, rather than sovereignty in general. So sovereignty must reside with an assembly of the people, however I think it's probably very important not to confuse that with, with full-blown democratic thinking, because whilst it's the case that you have a popular or democratic sovereign, erm, the main business of politics on a day-to-day basis, even in Rousseau's date is erm, handled by erm, by officials, by an administration, and that administration for Rousseau might legitimately be monarchical, or, erm, aristocratic - in fact, it's very important to recognise that for Rousseau you couldn't have a democratic government, you could have a democratic sovereignty, that's to say, you could have an assembly forming to establish fundamental laws, and erm . . . the, the tenure of rulers, but not to administer the day-to-day business of politics. Where that did happen in the past in Athens, er, Rousseau felt that it had been an unsuccessful, fractious, persecutorial regime. So he's not a democratic thinker in any simple sense, a democratic theory of sovereignty, but not of popular government.

MB: (*laughter in voice*) These, these theories always break down, and they have to trust the people, they don't want to, do they?

RB: Well, that's very true, yes . . .

MB: (*speaking over*) They don't want to have the people in on the act, no really . . . well, maybe they do, maybe they do, but they don't seem to, anyway. Tim Stanton, how did his ideas play out in the French Revolution?

TS: Well, I think they played out in different ways depending on how they were construed, but also the idea of Rousseau himself was tremendously important in the French Revolution . . .

MB: (*speaking over*) Oh he was a great . . . The Noble Savage, The Innocent Child . . .

TS: *(speaking over)* A kind of exemplar of . . .

MB: Yeah.

TS: . . . the kind of virtue that the . . . state ought to exhibit. So . . . lots of people were wrestling with the problem that you just drew attention to: how do you make this work, it's one thing to say we have a democratic sovereign and this is the source of all legislative power within the state, but what does that mean in practice? And there are really two dominant ways of trying to work that out in practice, so one way of working it out which is associated, really, with Sieyès (is to try to establish a representative model which does away with the worst aspects of Hobbes's theory of representation. So you have, to begin with, the idea that by a kind of natural law people form a mass state, a corporate body, then that corporate body develops its own single general will, but then what do you do? And Sieyès's answer that you need a system of representation to filter that well through various representative institutions which speak for, through their interaction, the totality of the nation. So he's arguing that, er, popular sovereignty must mean national sovereignty, er, where the nation is construed as the, the mass of ordinary people in the third estate, as his famous pamphlet, 'What is the Third Estate' tries to argue.

MB: *(speaking over)* Sooner or later, we're going to have to go onto the point of what influence did these ideas have on the actions of the time, but this is good, going on with the theories. Richard Bourke, when looking at the relationship between sovereignty and power, America, the American Revolution is a wonderful test case, so tell us why I think it's, or we think, you think, it's a wonderful test case?

RB: Okay, er . . . that's indeed a very interesting case . . .

MB: *(laughs)*

RB: And erm, I think we should probably, er, recognise the following first: that so far we've been talking about sovereign states, but of course, the state of Europe in the 17th and particularly the 18th Century were not simply states and to themselves, but were empires. And so the issue and problems surrounding sovereignty were, in due course, transferred to thinking about this wider domain. So in erm, er, 1764, er the British government of the day imposed a new regime of taxation on the Americans, the Stamp Act, er, really as a way of erm . . . addressing problems with the British Exchequer and the aftermath of the Seven Years War. However, it was soon discovered that the imposition of the Stamp Act was not successful, and by 1765, the Americans were in a state of, erm, very active protest. With a change of government the following summer, in July 1765, the Rockingham Administration, Rockingham Whigs decided they were going to have deal with this problem, and recognised very soon that they were not going to be able to impose their will on the Americans, whatever the rights of the matter, they weren't going to be able to impose their will on the Americans. And as a result, over the next six months or so, erm, they developed a position whereby they would not, they would repeal the Stamp Act, so they would not pursue this erm, erm, measure of taxation, but they would, at the same time, promulgate a law, a declaratory act, and that declaratory act was an assertion of British sovereignty over the colonies, and it stated that, er, you know, parliament, erm, has had, and does have, and always will have the right to bind the colonies in statute and by law in all cases whatsoever, that's, you know, roughly a paraphrase of the declaratory act. Erm, so they were asserting sovereignty whilst relinquishing power. We can't actually impose our will, but we nonetheless want to at the same time assert our right to final authority over the Empire. Now, this was a very controversial declaration, it was opposed by William Pitt the Elder, Lord Chatham at the time, and so there was a lively debate in British er . . . political culture about the nature of sovereignty, versus its enforceability. So, you might have a sovereign right, but that doesn't mean you can actually enforce it. And that was the key recognition of this period.

MB: And, do you want to add anything, or can I move on, Melissa, you were nodding away like mad there?

ML: Move on.

MB: We can move on, right, thank you. Right, go back to Tim, erm . . . was it . . . the idea of sovereignty, did it become accepted in European thought, let's stick to Europe for the moment, (*fragments of words, or words unclear*) as a useful tool for bringing new countries together out of the multiple states they were in Europe at the time.

TS: Well, a useful tool, certainly, but also a potentially very hazardous one for its user, so erm . . . there's a great ambivalence about sovereignty and indeed popular sovereignty which is er . . . a legacy of the French Revolution. The French Revolution doesn't end especially well, and so there's a great fear, actually, of popular sovereignty, and . . . by the same token some fear that the obvious alternative to that, a system of representation, leads in a more or less direct line to Napoleon, and er, Bonapartism and the representation of the nation by a single dominant figure. And so, throughout the 19th Century, really, there's an attempt to navigate between those two poles, while at the same time accepting that Rousseau, in a sense, has triumphed: democratic sovereignty looks now to be the only legitimate form of sovereignty you can have; the question is, how can you have it in a framework which is still, er, redolent of the different forms of government that have been established in the classical writers, so you still have monarchies, you still have aristocracies, you still have democracies as forms of government, but the underlying sovereignty now, it's accepted, has to be really democratic sovereignty.

MB: (*word unclear*) the tide coming in, but how far is it coming in and who's on that tide – it's a long fight, isn't it, Melissa?

ML: Yes, and I think this problem about the relationship between representative government and democratic sovereignty really is at the heart of, then, the political struggles in the wake of the American and French Revolutions, erm, going forward, and really remains in some ways a, a theoretically unsettled question in some sense: how is it that the people can, in some sense, erm . . . lend their sovereignty and have it be exercised in, in a meaningful way by a form of representative government. And yet, in some sense, also, retain it. So, in the American Revolution, for example, we see actually the very first popular referendum, as our colleague Richard Tuck has pointed out, ever in the world, it was in Massachusetts in 1778, where it was an attempt to ratify the state constitution. And we see there for the first time the thought that there's some role, erm, for a popular vote in relation to, erm, the fundamentals of the constitution.

MB: Is theory . . . er . . . exercising authority and power in the discussions, or could you say, look, what's really happening is that states are clashing because of power grabs, because of economic circumstances and so on and so forth? We're talking about great political theories, Bodin, that's what this program is based on, is theory coming into arguments which really matter, coming into events that really matter?

ML: Well, I think a great example where we really see that happening is Thomas Paine, and the, the . . .

MB: (*speaking over*) Oh yes.

ML: . . . and the pamphlet 'Common Sense', erm, in 1775, which, almost single-handedly, actually rules out the, the sort of, erm popular acceptability of erm, a, a monarch as sovereign, in America, really through ridicule, erm, so he ridicules the idea that monarchs can, given that they might be senile or fatuous, or in other ways kind of inadequate to the task, why would you want a monarch exercising your sovereignty, and really kind of single-handedly, that changes the, erm, thinking and practice, erm, of the American Revolution.

MB: Would you go along with that, Richard?

RB: Yes, no, I'd go along also with the general point really that, erm . . . er . . . what we have is an attempt by, er, sets of arguments to really understand the conditions under which they are living, erm, and we find that, you know, when it ends up with dispute over these, erm, various options for the understanding of sovereignty, so rather than it being an item, which maintains its stability and durability throughout the several

hundred years that we're discussing, rather we're talking about a sequence of disputes over erm, erm, er . . . contentious and erm, vying interpretations of the nature of political power.

TS: And I think Richard's absolutely right, and that comes out very clearly in the ratification debates in America after the constitution is proposed, because of course, those debates are, are soaked in theory, in theoretical reflection about the nature of sovereignty, how you can combine the sovereignty of states with a confederation, or indeed a United States, the unity of states, and lots of people are very worried about, erm . . . the threat of being impaled on the horns of a Hobbsian dilemma – either you have a confederation, in which case you don't have a single unitary body at all, or you do have a united body, in which case the sovereignty of the states disappears. And so theory is, is playing a very important role, not just in explaining the, the issue, but also in legitimisation, in trying to legitimate whatever settlement comes out of the discussions.

MB: To come back to where we started from, where (*laughter in voice*) we nearly started from, it seemed to me that Bodin said people impossible goals, (*laughter in voice*) sovereignty had to be supreme, absolute, indivisible and perpetual. It's a hard fact isn't it?

ML: I think that's a really important point, because there's a sense in which Bodin thought he was, or claimed to be giving a definition, but in a way he's actually setting out a very high and strong specific theory about sovereignty, and I don't think that we necessarily have to agree with that theory. In fact, insofar as it seemed to rule out the possibility of mixed constitutions and mixed regimes, I think history actually in some way can, can be thought to refute it, that we actually do see erm, in some sense, even if we can imagine popular sovereignty as united and indivisible, in fact it has to always be manifested and operated through some channel in which it appears divisible, so that paradox, I think, erm, does mean that we can't just accept Bodin at his word.

MB: Finally, Richard, Richard Bourke.

RB: Yes, and coming back to Bodin again, it's worth bearing in mind that he was a lawyer, and therefore his theory of sovereignty was juridical, but of course a juridical conception of authority is not necessarily adequate to capturing all aspects of political power. So you might have supreme legislation, but nonetheless be able to control very little. And that, in a way, was the lesson of the American Revolution. So, sovereignty does not mean controlling your destiny.

MB: Well, thank you all very much indeed. Melissa Lane, Richard Bourke and Tim Stanton – next week, next week we'll be talking about the invention of photography and its impact on the 19th Century. Thank you very much listening.

ANNOUNCER: And the In Our Time podcast gets some extra time now, with a few minutes of bonus material from Melvyn and his guests.

ML: Well, we didn't get into the 20th Century, really . . .

MB: Deliberately (*words unclear due to speaking over*)

ML: (*speaking over*) And, yeah, no, exactly.

MB: Today being the day it is, it is deliberate.

ML: No, no, no . . . but, I mean, even without going to current affairs, I think what we could say is that one of the debates we've seen around the UN for example is the question, you know, do sovereign states have the right to do anything they choose that's in their boundaries, if they're recognised as sovereign externally by their fellow states. And there's been a real kind of struggle at the level of the UN to say, 'No actually, states have a responsibility to protect their citizens, there is some kind of internal standard, they have to be . . .

MB: (*interrupting*) Whether, whether you have the right to sort of go into Yugoslavia, or interfere in Sierra Leone, or something, yes, yes?

RB: There's certainly more to be said about the French Revolution, erm, after all the (*fragment of word, unclear*) the Declaration of the Rights of Man and Citizen was . . . er, very much asserting in one of its articles er, that sovereignty essentially resides in the nation, erm, and the working out of the implications of that statement, erm, you know, embodies a lot of subsequent history if you like. Erm, so I think it's probably right to say that some really epochal events cast a long shadow over debates about sovereignty, and we did touch upon them, the American Revolution and the French Revolution.

MB: We didn't, we didn't mention the English Revolution, oddly enough?

RB: No . . .

MB: That's because I suppose Hobbes had . . .

ML: Yes.

MB: . . . given us enough of England. Do you think he had Tim?

TS: Er, I think (*coughs*) I think he did, I mean, we didn't really get into some of the details of his objections to the parliamentary case for sovereignty, which are very interesting, because of course, erm, he thinks that they're . . . learning very bad lessons from their classical, erm, predecessors and er, are trying to chop the kingdom into small pieces, really. And so the question for him is about who bears sovereignty, and, and why it has to be born only in one place. And I think, I mean one question we, we didn't get onto, but, but perhaps could have done, is, is whether that kind of personal predication is always necessary, so it's sovereignty is something that can be . . . ascribed to a system of law, let's say rather than to a person, whether that person is a natural person with a head and two arms, or a . . . or a, a fictional corporate person like the state. Can you speak of the sovereignty of law? In that debate becomes very, er. . . heated and important during the days of the Weimar Republic in Germany, where lots of, erm, words, ink and eventually blood is spilt, trying to work out the answer to that question.

MB: One thing about Hobbes, I think, he had an impact . . . his radicalism, I think it was his tone that put people off, this nasty, brutish . . . people didn't want to think life was like that, did they?

RB: Yeah, I think actually, I mean, it's a very good point, that's to say er . . . you know, 20th Century commentary associates Hobbes with absolutism, and therefore some, you know, sort of retrograde moment in history, whereas I think it's very important to recognise that he was precisely, erm, a radical thinker, beginning . . . I mean, let's look at the arguments that no longer seem to have much of a length after Hobbes – first of all, theocracy, that's to say that authority derives . . . drive straightforwardly from gods, and it would be interpreted by, you know, priestcraft, and equally, erm, patriarchalism, er, that, you know, the sons of Adam, by right, rule. Erm, you know, by the 18th Century these are not viable (*fragment of word, unclear*) they're basically on their way out as systems of argument, and rising in their places some kind of neo-Hobbesian doctrine of popular sovereignty. The crucial thing is that this was then subject to disputatious interpretation, it's not as though there was then a sort of template which people could interpret. They struggled over the meaning of the implications of that contribution to the debate.

TS: I mean, I think it's also very important that one of the . . . most important legacies of Hobbes is the idea that representation, in a sense, is the first idea, and democracy needs to be understood through it rather than having democracy as the kind of dominant idea, and then representation is an attempt to make democracy work in practise. I mean, there's a sense in which you can . . . interpret Hobbes as moving in that direction through the three great works of political theory that he is responsible for, so by Leviathan you don't

have the sense that you begin with a kind of . . . popular sovereignty, erm, democratic sovereignty, and then that's handed over to someone to represent. The whole idea of having a people in the first place is tied to the notion of a representative. If you don't have a representative, you don't have a people. So you can't have a popular sovereignty that precedes representation.

RB: Just a separate point actually, that I think, if we're talking about the things that we didn't discuss that would have been very useful to discuss, or best wrongly upon this topic is, of course, the dissolution of European empires in the 20th Century, all conducted in the name of popular sovereignty, so the Habsburg monarchy, the British Empire, and so on and so forth – these release into the world erm, you know, many micro- popular sovereignty is, and that, as it were, if you like secessionist pressure, brought about by popular sovereignties, is something we still live with.

MB: Thank you very much.

Consumer phone-in. In the few days since the UK voted Leave, what effect has Brexit had?

28 Jun 2016, 45 minutes

WINIFRED ROBINSON: Hello, welcome to the programme. Today, we're asking how the vote to leave the EU is affecting you, and what are your hopes for a post-Brexit Europe? It's just a few days since the referendum, and the politics has been frenetic, but what's been the impact on you? If you run a business, has it made a difference? Are you bringing forward or putting back any big projects or recruitment? Has it changed how much work you're getting in? How much you're earning? What about personal finances? Holidays? Other plans? And has it made a difference to your relationships with friends, family and your local community? Tell us about the kind of Europe you're hoping will emerge when the dust settles. Callers now please, ring 03700 100 444, or you can email us youandyours@bbc.co.uk, or you can text us some messages to 84844. I've been speaking to two people with very different experiences of Brexit so far, first David Smart, he runs Greenhalghs Baker, it's in Bolton in Greater Manchester, and he has no concerns about the result of the vote.

DAVID SMART: It hasn't affected us at all, nor do I ever think it actually will, if it ever does, for some time to come.

WR: So tell me about your company.

DS: Family-based company, turnover of around £28 million, my father started it. We've got 62 of our own shops, three more this year, doing well, employ a lot of Europeans, Eastern Europeans, a lot of English, a couple of Americans, quite cosmopolitan. And we serve the Greater Manchester area, predominantly, but we've got quite a bit of export through a couple of distributors. Oman, America.

WR: What do you bake?

DS: Bread, pies, cakes, we make soup, we make cheesy Emmmentals, sausage rolls, the usual fare from a . . . a family craft bakery in the north-west of England, yeah.

WR: Now, how do you hope Brexit will change things for the better in the future then?

DS: For the business it won't really change an awful lot . . .

WR: (*interrupting*) What about the free movement of those people you've got from Eastern Europe, working for you?

DS: (*speaking over*) Well, I don't, I don't think it's ever actually going to change, I've got to be honest with you. I mean, we, we, you know, we have got a lot of Europeans; England, as well as a lot of countries needs immigration, because it's a natural changing of passage of people from around the world. I've interviewed three or four Polish people over the . . . the last two or three weeks, and I've, I've interviewed, and we employ, quite a few Italians, and my youngest daughter is actually dating an Italian, my sister lives in Germany. I, I think there's a lot of scaremongery (*sic*) going on which has obviously, has affected the markets and hopefully temporarily. In this modern world, I don't think it's going to actually change an awful lot. You know it's, there's an old phrase, isn't there? Today's news is tomorrow's chip papers, and I think it will . . . it is a blip, but I think it will settle down.

WR: Well, Paul Doorly is an architect, he works in London, Paul, how has the vote affected you so far?

PAUL DOORLY: Last week I went to see new clients and spend half a day with them at their home discussing a loft conversion and internal modifications they were planning on doing. I then spent a further day drafting up a fee proposal covering the design, the planning stage and the, the post-planning stage, the building control stage. I sent that to them last Wednesday, and on Thursday we discussed it with them and they were very happy to go ahead, they just wanted the weekend to kind of . . . go through and discuss timescale et cetera, and they were going to come back to me today. Today they came back to me and said that, 'Sorry but we are shocked by the recent political event. At this point, to be completely honest with you, we are uncertain on what to do, and we've decided to put the project on hold, we will see how this situation evolves.' My fear is that, you know, I've seen this go off the cliff face before in 2007, and I know how quickly confidence can seep out in the particular sector I'm involved in. And I'm just so angry and frustrated that I think this is all so unnecessary, it's generated far more heat than light. While I voted Remain, I, I respect the people who voted to leave.

WR: Paul, it's just one job, isn't it? It might be that they've used it as an excuse, you know, maybe they looked at it and thought, 'Hmm, bit dearer than we thought.'?

PD: Yeah, we had discussed, we, we had discussed that on the Wednesday prior to the, the vote, so yeah, I mean, it could well be. I've been in this business long enough now to know that people don't come back and talk to me when they're apprehensive about the costs, they tend to go very quiet, and often I would have to chase them. These people came back very, very quickly, so my feeling on this is that they were happy with the price, they were kind of . . . honest with that, and that the email they sent me through today, they are kind of . . . they're just so . . . uncertain on . . .

WR: (*speaking over*) Paul . . .

PD: . . . what to do now that they're going to put it on hold.

WR: Do you know what these people do for a living? Do they do anything that's particularly sensitive to the EU vote?

PD: (*speaking over*) Well, they're a fairly young couple, they're in their 30s and they've bought an apartment in West London, just a very small, 40m² apartment that they've done up and now want to extend into the loft. I mean, they're both Italians, they've been over here for a few years, I . . . assume they're professional, but other than that, I've, I've no idea.

WR: David Smart, listening to that, you're obviously very optimistic and upbeat sort of person, what would you say to Paul?

DS: Come north! (*laughs*) I was speaking to a colleague last night who, who does a lot of leasing and letting in the small, like, residential market, I was just passing comment last night, funnily enough, about this, and she said, actually leasing than lettings are going down, and buying's going up – which obviously is affecting her because of the buoyancy of the market. Who knows why they've given you backward, you know, it could be a multitude of reasons, especially small residential. If the person was buying or selling, like, large amounts of, of euros or dollars, which obviously has currently affected it for the short time, I could commiserate and understand why, but a small . . .

WR: (*speaking over*) Do you take . . . David . . .

DS: . . . retail development (*sic, means residential?*), I don't see the logic there.

WR: David, do you take Paul's point that in his experience confidence drains very quickly?

DS: Oh, as I said to you – granted it was in Lancastrian – today's news is tomorrow's chip papers, yes it does, it does come, and you know, our friend in London there is perfectly right, but it comes back just as quick.

PD: People might go ahead with some design, might go ahead with some planning, but actually to go ahead with the, with the building and commit themselves to that amount of investment is often something that they will think twice, three times about. So it, it, it, it's quick to go, very slow to come back, in my experience.

UNNAMED VOICE PLAYED IN ERROR? The core essence of . . .

WR: . . . Doorly, that's Paul Doorly and David (*fragment of word, unclear*) Smart, speaking to me a little earlier on. Call us now please, with your experience of Brexit so far, how is the EU vote affecting you? Ring 03700 100 444, or you can send text message to 84844. Barrett Young in London did that, he's just said 'Brexit has knocked £20,000 off the sale price of my house, because the person at the bottom of the chain immediately demanded a 5% reduction on Friday morning.' Joseph from Manchester's also texted us on 84844 – he says, 'I'm in the property market, selling to investors abroad, they are all on hold.' And of course it is early days yet. The decision to leave the EU was only five days ago, but already there's been a huge impact on business, economics and politics. Simon Gompertz is the BBC's personal finance correspondent, and he's been watching what's been happening. So Simon, so many predictions before the vote about the impact on the economy, but what has really happened, just in these first few days?

SIMON GOMPERTZ: I think the prediction that really has come true first is the fall in the value of the pound, and so that's affected travellers immediately. And if they have, say, £100 in their pocket as they're going abroad, that's worth £8 less in the EU, people, countries using the euro, and around £11 less in the United States, so, against the dollar. And that's an immediate impact, it's affecting holidaymakers. Just on the housing markets too, I think we are seeing dribs and drabs of (*word unclear, 'infancies'?*) coming through there, erm . . . and Barrett you mentioned there with a £20,000 reduction in the sale price of his home, erm, I'm hearing, anecdotally, stories of that sort as well, as a practise developing called 'Brexundering' . . .

WR: (*laughs*)

SG: . . . where, because of, because of the vote, erm, people who had put in an offer say, or . . . erm, say they're going to pay a certain amount for a property are now getting in touch with the vendors again and saying, 'Look, we're not sure now, because of the uncertain climate and . . . er, but we might go ahead if the price is, say 5% less.' So there's a return of that sort of toing and, and froing in the property market. But, to be fair, erm, these are just stories, and a lot of that is, is in, in the London area, where the market has been quite topsy-turvy in recent weeks in any case. If you talk to estate agents around the country, the dominant story as far as homes is concerned is that there's a great shortage of, of suitable homes on the market and a lot of first-time buyers trying to get, get in there and still finding properties very expensive. And there's no worry that there'll suddenly be an overhang of, of, of properties on the market. So that, that's the housing market. I think the other centre of worry perhaps is, is jobs, and we've had several banks in The City saying they will need to move jobs into the EU area, because they're EU-specific jobs, and that could amount to thousands. Erm, and the Institute of Directors did a survey of its members around the UK of a thousand of them, and a quarter of them said they'd put a freeze on, on recruitment. So, that is a concern, on the other hand in the same survey, a third have said they were very happily continuing to take people on. So, you know, you have to balance these, and it might take a little while for it all to work through.

WR: Now, you're an expert in personal finance Simon, what's been the impact so far on savings and investments and loans? Any?

SG: Well, there has been, because of the, the drop in the market, so if you've got any savings that are anything to do with the stock market, erm, then the value of them will have dropped by several percentage

points in the last few days, and that's not just sort of wealthy, active investors in specific shares, that people with pension savings. And so this has become quite a, a key time for people who might be thinking about using their pensions savings if they're, they're verging on retirement. Erm, if the value's gone down, it's not a brilliant time to use those new powers that we've been given to cash in our pension funds, because they'll be worth less. Erm, perhaps you need to hold on a bit and, and, and see how the market develops over the months ahead.

WR: Simon Gompertz, thanks for the minute, we'll come back to you. This is Call You and Yours, today're we're asking how is Brexit affecting you, your work, your business, your personal finances, holidays, other plans. What are your hopes for the Europe of the future? Callers now please, 03700 100 444, or you can email us youandyours@bbc.co.uk. Bob Walker is with me in the studio today, and he's reading all of your emails as they come in, Bob, give us a flavour.

BOB WALKER: Well, something of a theme is the rift this has caused between family and friends. Deborah Field sent a long list of reasons she's depressed, but she ends, 'I've all but fallen out with my elderly mother, with whom I've always had an excellent relationship. I'm worried about the rise of anti-elder feeling and what consequences this will have for families.' Karen Buckley says, 'I'm shocked and horrified by the result, one of the key concerns is that the older generation has voted Leave, and the people this has really affected is the younger generation. My son works in Spain, and he starting on his career path, and some of our immediate family voted Leave - potentially jeopardising his career. This feels such a betrayal, and causing some uncomfortable family relations.' But, however, on the other side, Anthony Thompson says, 'My granddaughter, the granddaughter of a Holocaust survivor, who fears the consequences of the EU's lack of democracy was shouted at in her child's playground and told that white trash shouldn't have the vote. My wife, who is Austrian, didn't have the vote, but has lived in the UK for 25 years, and she put a Leave sticker on her car. Now, since Friday she's had old friends turn away from her and refuse to speak.' He finishes, 'Yes, there's some xenophobia among believers, but it's not widespread, but that very limited xenophobia is as nothing compared to the hatred and contempt that millions of Remainers have for their fellow countrymen, who for the most part just want to live in a democracy.'

WR: Bob, thanks, we'll come back to you later. Let's go to our callers now, Ian Jones on the line, he is in Bedford. Erm . . . I can hear you whispering to someone, yes, here we go.

IAN JONES: Okay, I'm done now, yeah, how, how are you?

WR: I'm good. What I want to ask you then is, er, how has the vote affected you so far?

IJ: Erm, well, several different ways really. I think, you know, primarily I was waiting to see which way sterling went before . . . you know, booking, booking a holiday. We know we were . . . you know, if it went the right way, we'd go to erm, you know, to Europe, to France, but erm . . . the way, the way it's gone, we'll, we'll go on holiday to . . . to the UK now, I think erm . . . long, longer term, you know, I've benefited a lot from Europe . . . Europe, in, in as far as I went to a French university, and er . . . under the ERASMUS programme, and I've worked out there and my eldest daughter was born in France, and I was hoping to work the last seven years of my career out there and retire there, which is probably, probably not going to happen now. Erm, and then, then, you know we're a . . . a multiracial family, my wife is Indian, and my children are half-Indian, and er, er, I've been quite, quite afraid really at some of the things that have been going on in, in, you know, stories about racist attacks er . . .

WR: Ian, forgive me, because I think you emailed as yesterday and we got back to you . . .

IJ: Yes.

WR: . . . and even yesterday, you felt more upbeat about this then you seem to feel about it now. Is that true?

IJ: It, it is true, I feel, I feel that I've done the right thing, because I did to vote to erm . . . to Leave . . . and erm, I think er . . . you know, the right thing to do is not always the easiest thing to do. And I, I very much feel that it is the right thing to do. I think the European Union is . . . is un— undemocratic, and erm . . . I think it denies ordinary people a chance to prosper, erm, so for that . . .

WR: (*speaking over*) But, but . . . so you don't regret your vote, but you've changed your holiday plans, you may be changing your retirement plans, you seem to feel . . .

IJ: (*speaking over*) Yeah.

WR: . . . a bit sad about it?

IJ: Er yeah, course. I think erm . . . you know when, when I looked at . . . I took the vote seriously, obviously, and I . . . thought about it a lot, and erm . . . you know, it's not just about, you know, voting for me, it's what's right for the country.

WR: Ian, thank you, thanks so much, I'll stop you because there's a lot of people who want to get on. And Margaret Morgan is in Hertfordshire, erm, Margaret, how has the decision affected you so far?

MARGARET MORGAN: I think it was touched on by your personal finance reporter or expert. We've lost an awful lot in terms of our pension. Erm, my husband is due to retire this year, September, not a great time vis a vis the Brexit vote, we don't have public sector pensions or defined benefit pensions, we're dependent on defined contribution schemes, and this is just now the wrong time for us. We took a hit in 2008 obviously, as did everybody else with austerity, and we just clawed back, we thought, to a position which would be comfortable, and now the whole thing's gone again. I think on our calculations this morning, we've lost over £40,000 worth of savings, and of course if the housing market is affected as well, as it may be, er, then the house, which we'd also factored into pension contribution plans will also be worth less. So this is not a good day for us, I have to say.

WR: Margaret, this isn't an advice programme, but nonetheless, let's see what Simon Gompertz thinks you ought to do. Erm, Simon, what would you say to anybody then, in Margaret Morgan's position?

SG: Well, there are two problems, if you have the sort of pension savings that Margaret has, erm, which are basically a pot of money that's dependent, and usually, on movements in the stock market, and that's gone down. Erm, so first of all it's that it's worth less, erm, and if you feel that the market might at some stage in the future recover, and if you can possibly hang on, you don't need the money desperately now, then perhaps that's the way to go, that's what you need to think about. But, the second thing is that a lot of people use that money to buy what's called an annuity, which is an income for the rest of your life. Erm, and one of the other knock-on effects of the EU vote is to lower the value yet again of annuities, now that's through a complicated process on the financial markets, which I won't explain now, but you get less pension for every pound that you buy a pension with as a, as a result of what's happened. Again, that might be a wrinkle, and it sorts itself out if say . . . in the coming months, interest rates have to go up in the country, which helps annuities, but those are the two things that Margaret has to think about.

WR: Margaret, thanks so much calling us, thank you. Glenn Harman is on the line, and he is listening to Call You and Yours from Portland Maine, USA. Are you a regular listener, Glenn?

GLENN HARMAN: Yes I am, Winnifred . . .

WR: (*laughs*)

GH: I listen on my commute every morning as I pedal to work.

WR: How do you do that? Via the internet? Or do you record us, or what?

GH: (*speaking over*) Yes, I, I stream it online on my phone.

WR: Okay, and how has the vote for a Brexit affected you thus far then, Glenn?

GH: Well I have to say it's all been positive from my perspective, in that my dollar now goes 25% further than it did just two years ago. So that I am actually, er, spending more and planning to come over this autumn, where we had initially planned on coming over in the spring, so I've moved the trip up by six months to take advantage of the favourable exchange rate.

WR: Anything else that's been good for you? Do you buy goods and services from here?

GH: Yes, erm, erm, British design is known the world over, of being of high quality, and now it's becoming more affordable, so I've actually pulled the trigger on a bunch of purchases, I've just got a new Brooks saddle for my, er, one of my bicycles, I'm buying some shirts, Ordnance Survey maps, appliances, so I'm, I'm quite happy to spend, erm . . . I don't know if I'll get up to the £4,300 level to help offset things, but I will try.

WR: Erm, we heard from an earlier caller who was hoping to retire in France, who thinks he perhaps now won't do that. Erm, does it affect your travel plans in the longer term? Might you spend longer here?

GH: Yes, indeed, especially when the dollar goes further, I'm, I'm quite comfortable spending more. I'm also looking to send my daughter to high school, and one reason we were over this past spring was to look at schools, and we're coming again next spring to look at schools, and I'm more comfortable in that regard now than, with the Brexit vote, not only in terms of affordability, but practicalities, the playing field I think will be more level and in our favour.

WR: So, do you think that we might trade more . . . see more, do more with people from the United States? Do you think some big companies in America will feel as you do?

GH: Always looking for opportunities and always looking for a bargain, certainly.

WR: But do you think that they will settle here, that they will open companies here?

GH: It's becoming more of a possibility, yes. Erm, so I'm heartily encouraged by that.

WR: Glenn Harman, thank you so much. Simon Gompertz, you mentioned the fall in the value of sterling, and how but that was for holidaymakers, but it's good of course, for exporters erm . . . people, the kind of people that Glenn Harman is buying from?

SG: You're absolutely right, there are two sides to this, and obviously it's cheaper for the people to buy the goods that we make here, and so that should give a bit of a fillip to UK manufacturers, although it is slightly complicated in that a lot of our manufacturers are also buying, erm, parts and raw materials from overseas, so erm, they will get more expensive. There are other things to draw out from what Glenn says, erm, in that he would like to come to the UK, maybe to settle, maybe to travel, erm, and the lower pound is obviously good news for the tourist industry in the UK, it's cheaper for visitors, we're likely to get more of them, taking advantage of the fact that hotels, restaurants and things to buy in the UK are going to be much cheaper, and that industry should get a boost. Erm, but I would balance that by saying erm . . . for those people visiting here, you've also got to think of perhaps our pensioners and other people who are living overseas who might be getting pounds, and they'll find they go not at all so far if perhaps they're living in Spain, France, or elsewhere

and their costs of, costs of living is going to go up er . . . dramatically as a result of the change in the pound if, *if* that persists.

WR: Simon Gompertz, thanks for the minute, and we will come back to you as the programme unfolds. This is Call You and Yours, today we're asking how Brexit is affecting you. Call us if it's made any difference to your working life, your earnings, your personal plans, even your relationships with friends and family. Call us now on 03700 100 444, you can email us as well, we'll be reading some of your emails out, our address is youandyours@bbc.co.uk. Erm, Bob Walker's reading the emails today erm, Bob, what are people saying?

BW: Well, just to touch on that point that Simon raised there, we've had a number of emails from people abroad. Joyce Wyatt, 'Unheard of so far', she says, 'has been the voices of hundreds of thousands of UK people who have retired to the four Mediterranean countries. The violent drop in the value of our pension is already affecting our quality of lives . . . life, and the loss of EU citizenship will mean automatic loss of all our medical benefits.' Chris Driver lives in France, his pension, paid into a French bank has dropped by £200 a month, and he's worried, also worried that the European health card could be scrapped – he can't get private health insurance because he has a number of issues, so he's worried about his, his bills there. Now, I've been speaking to Ian Hodgkinson from Derby who runs a brick workers' contractors business, he employs 120 brickies, he's told me how he's already feeling the effect of the Brexit vote.

IAN HODGKINSON: The impact so far to us is the cost of bricks, basically, this country has not got the capacity to produce the bricks that we, in the amounts that we actually need them at the moment, so we're having to source the bricks from the continent. And basically, we are buying our bricks from Spain at the moment, which they've got bricks available for us, so we're bringing them across and it's just, with the pound dropping at the moment, from Friday morning, it's actually made a massive impact on our bottom line.

BW: Can you tell me what that's been?

IH: Well, it's nearly £10,000 actually, with the amount of bricks that were buying at the moment, so we're building a lot of houses, and you know, with the hundreds of thousands of bricks that we are bringing in that's basically the impact, it's just come off our bottom line, I am not happy at this moment in time through this vote to leave. It's not going to send us bust or anything, don't get me wrong, but it's just the icing on the cake, that we're going to lose unfortunately. The effect of it at the moment is just straight off our bottom line, if the pound continues to sink then we'd have to review our operations, it could mean that we have to lay people off, ultimately it will depend on the amount of work that our clients can give us and whether we remain competitive with other brickwork contractors.

BW: Did you see this coming?

IH: Do you know something? I saw this coming. I saw it, and . . . I tried to tell people what it was, the scaremongering really that the Prime Minister was putting about was partially correct, I could see that what, to me, the recession was only yesterday, what we had to go through to get through the recession to be actually, you know, last man standing, basically, and then going forward, all we wanted was stability and continuity and a calm, sustained recovery within the economy. And having this vote to leave has really hammered home the problems with the economy that we've got.

BW: Do you employ many foreign workers? Are they important to your business?

IH: To be honest, we had been talking to our Polish guy who could supply us with bricklayers to support on what we're doing. This moment in time we have not got any at all, so it's all . . . it's all British workers that we've got.

BW: But are you in any way concerned, further down the line, if you were to need more Eastern European builders that that might somehow be affected, have you thought along those lines yet?

IH: We have considered it, and going forward it was a possibility that we could perhaps use European, Eastern European labour. But the upshot of it is that in London, 75% of the bricklayers and, and workers, building workers in London are foreign. So we need the support from workers abroad.

BW: So any kind of restriction on Eastern European or European bricklayers coming to work here, that could be an issue?

IH: It's going to be a massive issue. I see that as a problem, we wouldn't be able to keep up with anything like that the government want us to build, we wouldn't stand a chance. We need that help from workers abroad, without a shadow of a doubt.

BW: That's Ian Hodgkinson. A couple of other brief emails. Some people are feeling the pain, but they feel it's worth it, Sharon Bahain (*phonetic*) says 'I voted Leave, I know it will be painful, but this is our chance to decide what our country will look like for our children. I've been a self-employed corporate consultant for 26 years, and I've taken a 16% drop this week in my overseas rates', and finally from Anne Delaney, it's quite a sad story, I think, 'My five-year-old grandson came home from school yesterday and said, 'I don't want to be called Felipe anymore, I want an English boy's name, like Philip.' His father's English, his mother's Peruvian,' she says, 'we're already feeling the effects of Brexit.'

WR: Bob, thank you, keep those emails coming youandyours@bbc.co.uk, and you can all us now, 03700 100 444, tell us how the vote to leave the EU is affecting you. Sarah did that. Erm, Sarah, how is the vote affecting you so far?

SARAH: Erm, well I've got a history of cancer and preventing cancer over about 15 years, and er to help me (*line drops, pause*)

WR: Oh Sarah, we, we've lost you just for a moment, I think your line has broken up. Can you hear me now? (*silence*) We've lost Sarah, I think we'll come back to her as soon as we can get that line back. David Dexter is in London. David, how has the vote to leave the EU affected you so far?

DAVID DEXTER: Yes, (*words unclear*) Imperial College and er, like the man talking about the price of bricks, we actually buy, buy a lot of our raw materials from the US and from Europe, and so this has an instant impact on, er, the amount of money it's going to cost us to do our research. And research really does earn the UK a lot of money, and erm, the government is talking about the financial markets don't like uncertainty, neither do scientists. Because we also need to know are we going to stay or we going to go? Somebody needs to push that button and tell us when, because these EU applications, yes they're worth a lot of money to us, but they're very complex to write, and they take a lot of time to do. And also, if we submit applications now, what are those . . . what's going to happen to those in the pipeline, erm, that erm, you know, if somebody does push the button, are they just going to get put in the bin, and we've wasted a lot of time. It's also about the financial impact long-term, and it's a major concern. If you look at 2007-13, Britain paid in 4.3 billion to the science budget in the EU, but got back out in grants 7 billion. So that's an excess of £2.7 billion over that period. Now, I have difficulty knowing what a billion looks, but it's the equivalent of building four 210 bed hospitals in the UK.

WR: But if that was . . . was that from our . . .

DD: (*words unclear, speaking under*)

WR: . . . overall budget, David, because we're net contributors, aren't we? So maybe . . .

DD: Yes . . .

WR: . . . from the budget, we were . . .

DD: Yes . . .

WR: . . . net gainers, but overall we're net contributors?

DD: That's right, yes, but you could take it in balance, because the research does earn the UK a lot more money, and if we haven't got the funding to do that then, you know, it's going to have an impact long-term on the amount of money science can in the country.

WR: How much more are you paying now, because of what's happened to the currency?

DD: Erm well we're see . . . we're starting to see effects, because everything, you know on . . . we're ordering stuff all the time, and erm, a lot of the things that we're ordering in dollars or in euros, that's translate (*sic*) into a higher price when our invoices start coming through.

WR: Didn't you think about . . .

DD: (*speaking over*) And . . .

WR: . . . buying some currency like most businesses did? They call it hedging, don't they?

DD: We can't, we can't do that in science, unfortunately, because we have a pot of money to play with and we can only spend it on purchases which are related to the products, we can't sort of . . . you know, hedge our bets and think 'Oh, I can buy some dollars, because then I can spend it on products which are costing us dollars' – we're not allowed to do that.

WR: David, where do the new sources of funding open up for you, if . . . perhaps they won't, but if erm, the EU sources closed . . . sources of funding closed down?

DD: Well the government said it's got these contingency plans, and (*word or words unclear*) you know, are they going to pump in that extra £2.7 billion in . . . into the research budget, so we can . . . we can just stand still where we are at the moment? Never mind move forward.

WR: David Dexter, thank you, from Imperial College London. Erm, Nigel Davies is in Torquay in Devon, Nigel, how is the vote to leave the EU affecting you so far?

NIGEL DAVIES: Well it's been quite (*fragments of words, unclear*) . . . positive, Winifred. We've actually had two orders in today, one from Greece and one from Den— sorry, not Denmark, Holland, and both of them stated because they wanted to quickly get in and take advantage, although there's only a narrow difference, from what the pound to euro is at the moment, to what it was.

WR: What do you sell?

ND: We sell headset communication systems for the marine industry, so it's private people who own boats that will buy this sort of equipment to communicate between captain and crew, as it were.

WR: So it's given your business a real boost?

ND: Yeah, I think Winifred that it takes business people now, when the, the going gets tough, the tough get going, and that's what we need in this country, we need a lead from the politicians, and our business people should be out there knocking on doors already. One advantage I've already found myself, I actually have to import these via Europe, part of the products that I sell, now they actually originate from Korea – once

we're clear of the, erm, Europe, then in two years' time, or whatever length of time it takes, I can buy them direct from Korea, and then I will actually be able to pass on a saving, quite considerable saving to all of my customers.

WR: Will there be no downside for you at all, Nigel? Is it all upbeat?

ND: No, when, there's obviously downside at the moment, temporarily I'm going to have to absorb, when I buy new stock from Europe, a lesser pound euro rating, although it could quite easily go the other way. I think that the euro could actually lose strength against the pound if Britain actually gets its act together, and I think it's going to need the business people. I heard mention the fact that they've got a lot of civil servants that are going to be doing the negotiations, my concern is those were the civil servants that didn't help Cameron get an agreement. I think we need business people, people like the chap in charge of Dysons to get out there and start talking to business partners, and let's get the show on the road.

WR: Nigel, thank you. We've got the BBC's personal finance reporter, Simon Gompertz with us throughout the programme today. Simon, as we've been saying the news obviously, it's just a few days old, and we're hearing some upbeat assessments, some downbeat, certainly some uncertainty. But our first person we spoke to said that today's news is tomorrow's, you know, old fish and chip paper, it'll soon calm down and it'll blow over. How soon do you think before people will start to feel more confident?

SG: Well, you know those ructions in the financial markets that we had, share prices plummeting, the pound falling very sharply as well, both on, on Friday and yesterday, erm, well already that situation has, to an extent, stabilised today, so that erm, share prices are slightly higher, the pound is ever so slightly higher, erm, so things don't fall by 10% a day forever, and just for today that's come to end. I think we are in for a period though – you mentioned uncertainty – erm, an uncertain period that's likely to continue for, for many weeks, first of all until we hear the new leader of the Conservative Party is likely to be, erm, and then for a time after that, while we wait to see what the new deal will be. For instance, the Chancellor, George Osborne, has warned again today that erm, the finances of the government will be such that there will have to be either higher taxes or lower spending announced later in the year. Erm, so there's reason to be uncertain about the future, and the other thing arising about . . . out of the er . . . drop in the pound that people need to think about is that eventually this will feed through to prices in the shops, if the pound doesn't recover. So things like clothing, electronics, all those iPads and things like that, erm . . . are inevitably going to be affected by a 10% movement in the currency, and they will become more expensive for us to buy. And we're already this week being warned about the possibility of filling up our cars becoming more expensive, because petrol and diesel are priced when they come out of the refinery in dollars, and the pound has dropped against the dollar.

WR: Simon thanks. Stella Burchill is on the line in Lancashire. Stella, how is the vote to leave the EU affecting you, so far?

STELLA BURCHILL: Well, this is just a personal thing for me, not any of the big issues, but I found it very upsetting that . . . on Facebook people are saying h— really horrible, nasty, nasty things about people who voted Leave, the implication being that the Remain people are well-informed, and the people who voted Leave were . . . stupid, were racist, erm, even fascists. And I've . . . unfriended a handful of people, I've deleted posts from a numerous number more, because I, I just find this sort of hatred hor— really horrible. I was brought up to believe, very strongly, in the democratic process and accepting whatever the electorate wanted. So I'm sort of very angry.

WR: Stella thank you, erm, Athena Masi (*phonetic*) is on the line, Athena, how has the vote to leave the EU affected you?

ATHENA MASI: Hello yes, erm, I, I'm married to an Italian, and we have two children. And my husband applied to vote, and he went to the polling station to vote, and er, his name was on the list, and it was crossed

off. Okay, that is because he is Italian. But when he applied he was not given any response and (*fragments of words, unclear*) he wasn't told that he's not allowed to vote. So that's just one small thing that must have happened to lots of people. And I've spoken to people who have lived here for longer than they lived in their own country, who are married with children, have invested in houses, have good jobs, pay their taxes, who are not allowed to vote. Erm, we now want to move, my husband wants to move as quick as possible, because he feels although the people who wanted to leave were not necessarily racist, a lot, a majority of them are not racist at all, but it now allows racism to breed, and er, and since all of this has happened, there's been a lot of attacks on, on, on, on, on all sorts of people, there was a Polish girl in Wales who was killed in her classroom, she was found dead. And it's just giving a voice, it's sort of allowing these people with racism within them to feel like now, 'Oh we're allowed to, to express ourselves' And we . . .

WR: (*speaking over*) Athena, thank you.

AM: . . . don't want to be in this country with this.

WR: Thank you. Erm, Neil Thurston is in Poole in Dorset. Neil, how has it affected you so far?

NEIL THURSTON: Hello, yes, well I'd like to say I agree with the previous caller about er, the, the attacks that have been reported on foreigners living here, but er, for myself I had a . . . I lived and worked in Hungary for twenty years, and I paid into the Hungarian state's pension system, and if the UK can't negotiate an agreement which keeps the UK in the European Economic Area, then I may lose my pension.

WR: Are you drawing that pension now?

NT: No, I'm 60 now, and I've er . . . another four years, because they just put the pension age up, so . . .

WR: Neil, we're almost right out of time, but let me ask Simon Gompertz if he knows anything about that. Simon, does anyone know the answer to Neil's problem, will he still be able to draw his pension from Hungary when we have left the EU?

SG: I can't tell you, I'm afraid, what the situation with Hungarian pensions is, however there's so much that's going to need to be negotiated and sorted out over the next two years, while Brexit is negotiated over, and that sort of thing is going to come into it, not just that but it's the future of, you know, our EHIC healthcare cards that we can take when we're travelling across Europe, and gives us some protection there; things to do with the airline industry, you know, compensation for delays. A lot of these things will need to be negotiated over this time, and we can't be sure that we'll keep them all, but equally, for the moment we still have them.

WR: Neil, thank you, and thanks Simon Gompertz, the BBC's personal finance correspondent for being our expert today with us throughout the phone in, right from the start. Thanks everyone who got in touch, I'm so sorry if you called but you didn't get on air, but there will be another phone-in next Tuesday, and I think we can say with some confidence that we will be returning to this subject soon. Bob, just before we leave it, is there a . . . an email that sounds like a finale?

BW: Well, (*laughs*) so many, several callers who rely on EU research funding are now extremely worried, you touched on that. I'll just finish with Linda Gemble (*phonetic*) who says, 'I'm fed up with people telling me I voted for Brexit . . . Brexit on racist grounds, there was one big reason I voted for Brexit, that was sovereignty.' She says, 'I'm not a fool, I recognise there will inevitably be a period of instability while we change over, I won't like that, but that was the risk.'

WR: Bob, thank you. That really is it for today.

EUROPE'S CHOICE

Allan Little looks at key moments and issues that brought the EU to the current crisis

DIVORCING EUROPE

What would happen if Britain chose to leave the European Union? Chris Bowlby reports.

16th November 2009, 8.30pm

CHRIS BOWLBY: If you go to the Europa website, you can find a full text of the Lisbon Treaty. It might not be your idea of a page-turner - or mine - but there is, buried within it, something really surprising. If I scroll down ... And here we are. Here's a section saying: 'Any member state may decide to withdraw from the Union in accordance with its own constitutional requirements.' And it goes on to talk about the state notifying the European Council; that there have to be negotiations, maybe two years or more. The European Parliament has a say as well. The Lisbon Treaty is the latest great EU landmark. Depending on your point of view, it either modernises and democratises the Union or paves the way for an authoritarian super state. So why include a kind of anti-integration time bomb, a clause, here that sets out clearly for the first time how a country could quit? The British Labour MP Gisela Stuart claims at least some of the credit, dating back to when she helped draft a European Constitution some years ago.

GISELA STUART: My thinking was that if you have a constitution which defines the procedures of joining, then there was a logic that you should also have an established procedure of leaving. Most of my colleagues regarded that initially with horror. They thought this was an act of heresy because no country should contemplate leaving. And it's a bit like going into a marriage contract where you have at the bottom - PS: should this not work, I may consider divorce.

CHRIS BOWLBY: She's not in favour of such a divorce herself, but knows the strength of feeling in British public opinion. Currently forty per cent and over opt for leaving the EU in opinion polls. Sometimes there's even a majority when people are offered a UK retaining close economic links with the EU after leaving. And talk of a possible British departure isn't confined to Britain itself. Marco Incerti, Brussels insider with the Centre for European Policy Studies, and fascinated observer of Britannia's turbulent union with her Continental partner.

MARCO INCERTI: We are now in a situation, you know it's like with couples: you have years during which to make the couple work, you try and reach compromises, you try and meet halfway through. By now, I think certain people are beginning to ask themselves is it worth it, does it make sense for us to continue to struggle, to stay together if one of the parties really doesn't want to?

CHRIS BOWLBY: And potential divorce, as everyone knows, should mean discreet consultation with lawyers and bank managers. But there's little or no public discussion of what would happen in practice were the UK to leave. It ought to be a vital part of an informed debate, before any final choice is made. Yet until now, it's not been considered worthy of serious attention. So in this programme, we'll try to discover the key questions a possible British exit raises. For even those who regard it as both unlikely and undesirable, like Professor Simon Hix, EU specialist at the London School of Economics, concede that it is certainly a possibility. There's even a precedent.

SIMON HIX: Greenland actually left the EU, so Greenland gained independence from Denmark as part of Denmark was part of the EU; and by leaving Denmark, it had decided to leave the EU. So it's happened in the past. It could happen again.

CHRIS BOWLBY: So Greenland has already removed from the EU in the 1980s plenty of territory, if very few people. A UK exit would be a far more significant moment. And that new Lisbon Treaty exit clause now offers a framework. But the key to leaving is much simpler, suggests those most keen on a swift UK withdrawal. All you need do is repeal the 1972 Act passed at Westminster as we joined what was then the European Communities. Lord Pearson of Rannoch is one of the leadership candidates for the UK Independence Party, or UKIP. He hopes the new Lisbon exit arrangements could largely be avoided.

LORD PEARSON: If we were to withdraw from the European Union, we would do it simply by repealing the 1972 Act and all the subsequent amendments to it, which now includes Lisbon. And if we did that, all the provisions of Lisbon would actually fall; and with them the sort of new exit procedure, which is cumbersome to say the least.

CHRIS BOWLBY: Not so fast, say specialists in international law like Professor Stefan Talmon of Oxford University. It may or not may be cumbersome, but the Lisbon exit clause does reflect the fact that the EU is a treaty organisation. Just repealing a law in your own country is not the end of the story as far as the rest of the EU is concerned.

STEFAN TALMON: At the international law level, the United Kingdom would continue to be a member of the European Union for at least two years after it notified the council of its intention to withdraw. That's what's set out in the exit clause of the Lisbon Treaty. One could actually argue that prior to the Lisbon Treaty and the general international law rules applicable to treaties, as codified in the Vienna Convention on the Law of Treaties, Britain might have had a way of getting away from the treaty in a much shorter period of time.

CHRIS BOWLBY: But if the Westminster Parliament has abolished the European Communities Act and the law no longer applies in Britain, what then happens? Do you still say that our laws do apply to you under your treaty obligations?

STEFAN TALMON: Exactly.

CHRIS BOWLBY: Daniel Hannan is a Conservative MEP, but one who wants the UK to leave the EU - a stance which has now led to his giving up his front bench role in the European Parliament. He concedes that leaving the EU could not, in practice, happen overnight.

DANIEL HANNAN: The question of leaving for any country is basically a political rather than a legal one. You will find very few lawyers who will deny that the House of Commons could repeal the 1972 Act; it could be done and go through all those parliamentary stages in a day if there was the political will. It's more really a question of what terms would you get?

CHRIS BOWLBY: Like any divorce proceedings, the mood of the moment - cooperative or acrimonious - would affect the outcome. Leading UKIP member Lord Pearson has an intriguing theory as to why the mood would be positive.

LORD PEARSON: They'd be delighted to get rid of us. We're a frightful nuisance, we're the noisy neighbour, and now we would become a friend.

CHRIS BOWLBY: A mood of good riddance might not be the best guarantee of favourable treatment. What about those British citizens who've gone to live elsewhere in the EU, for example? Diana Wallis is a Liberal Democrat Member of the European Parliament.

DIANA WALLIS: You would see difficulties in travelling to the rest of the EU to study or to work or to retire. All those people would have all sorts of difficulties in terms of their property ownership, drawing their pensions, etcetera, etcetera. People who want to work in other European countries would have to have all sorts of work permits and other things that they don't have to have at the moment. The list is frankly endless. And if the EU want it to be difficult for us, it could make life really uncomfortable.

CHRIS BOWLBY: Others believe retaining free movement of people would not be so controversial - as EU members would value reciprocal rights to come and work here. But any deal would be caught up in the increasingly fraught debate about immigration into Britain. A much broader deal would have to be done over a new economic relationship, embracing trade and areas such as farming and fishing policies; and, especially sensitive, how British payments to the EU budget are phased out. Britain's a net contributor, and one of the reasons our relationship with the rest of the EU has often been rocky is that we're always arguing over who pays the joint bills. Sir Stephen Wall know this very well, as former top UK official in Brussels and adviser on Europe to Tony Blair.

STEPHEN WALL: We are a very big market in the UK, so clearly all our partners would have an interest in continuing the access to our market. On the other hand, this is a game of national advantage and so they would be trying to make us pay a price, just as the French made us pay a huge price for joining in the first place. So it would be a kind of mirror image of that kind of negotiation.

CHRIS BOWLBY: The arguments put by those advocating withdrawal is that the rest of the EU could not simply afford to cut off the UK. Whatever the pressures might be seen to be punishing the UK for withdrawing, there would be pressure from within EU countries saying, look, we can't afford to lose the EU markets. We must do a deal. We must look favourably on the UK.

STEPHEN WALL: Well I think that is true to the extent that they would certainly want to do a deal. It's not a question of simply saying sorry, guys, you're out there on your own. I think the question is what price would we have to pay, and there would be a budgetary price to pay. And of course there is a price to pay once you were outside, and I think in a way that's the more significant because you no longer have any part in shaping the laws that the rest of the EU, the EU that you have left, adopt.

LORD PEARSON: I don't think we would say to them look, we're withdrawing our cash overnight.

CHRIS BOWLBY: Lord Pearson of Rannoch, while keen to suggest how much the UK would save by not contributing to EU budgets, admits that Britain would not simply be able to stop paying immediately.

LORD PEARSON: We want to continue in friendly free trade and, therefore, we will phase out what we send you over an agreed period. Could be five years. The whole thing should be entirely friendly. They want to go on with what we regard as their misguided project of European integration. We want free trade and we want to get rid of their over-regulation. But we are in the driving seat in all this, just as Margaret Thatcher was in the driving seat when she got that rebate. I hope we wouldn't have to be as tough as that, but we are in the driving seat in this and we would drive in a very amicable and friendly way towards acceptable divorce.

CHRIS BOWLBY: No-one says they're talking about a sudden rupture in UK relations with its former partners, a splendid isolation with the Continent permanently cut off by defiant British fog. A deal on a new relationship would have to be done, but what kind of deal? The high seas are a good starting point - historically either a route linking across to Europe or a defensive barrier; and, crucially to our EU membership, full - or once full - of valuable fish. Would a Britain outside the EU simply reassert its territorial waters and exclude all comers? Professor Stefan Talmon sets out the legal position.

STEFAN TALMON: Leaving the European Union would mean that Britain would regain its sovereign rights over its exclusive fishery zones, for example. It would have exclusive access in these zones to the natural resources, but of course it would come at a price. Of course you could say Spanish fishermen will no longer be allowed to fish in British waters, but so would British fishermen in Spanish waters. Again, it is a give and take.

CHRIS BOWLBY: An abrupt closure of fishing grounds to remaining EU fishermen would, in other words, invite some kind of retaliation. UKIP's fishing policy envisages a transition period of, say, five years, and a busy time for the Royal Navy in policing British waters. Lord Pearson relishes the chance to leave the EU's common fisheries policy, but accepts that new deals on access would have to be made.

LORD PEARSON: We would end immediately for the areas of our control this absurd business of trying to practice conservation by limiting the amount of fish that are landed in port. We would end that immediately. And just by ending that, you free up the foreign boats that would be fishing in our waters, and of course you'd have to sit down and negotiate. But the aim is to get control of our fisheries, to allow our stocks to replenish over a period of time, to satisfy our own fishing industry and to build it up again, and then to licence out to foreigners the surplus.

CHRIS BOWLBY: British fishermen might look forward to a golden era of exclusive waters full of surplus fish. But healthy surpluses are hard to imagine at present. Simon Hix points out that the problem of diminished fish stocks would not suddenly disappear. Britain would now need its own policy to prevent a new kind of over fishing.

SIMON HIX: British fishermen argue that the EU is stopping them fishing as much as they want; but you can say, on the other hand, you know fish stocks are declining globally. For the first time there will probably have to be a debate in Britain about whether we really do want our fishermen over fishing in the world seas. So you know in a sense, yes, you might think this very simplistic idea that Brussels is stopping us catch fish; if we're outside the EU, we can catch as much fish as we want. Now I don't think British consumers are going to like that because we care about the fact that fish stocks are declining.

CHRIS BOWLBY: As for farming, leaving the Common Agricultural Policy would mean finding a new way of subsidising British farmers. Expect grain barons who've done well out of the CAP to feel disgruntled. As would the French - chief beneficiaries of the CAP, unhappy about losing the British contribution to the overall budget. More pessimistic observers, like Simon Hix, see such resentment prompting a broader desire to punish the UK for leaving and try to deny what might have been some of the most valued aspects of European integration in, say, air travel.

SIMON HIX: You can only really have access to the European air transport market if you're an airline from an EU member state. So the idea that you know British airlines would carry on as they are with this cheap access - that ain't going to work like that because the other member states, why would they do that? Why should we let you have access? These routes can be flown by our airlines, but they can't be flown by your airlines. Most European consumers take for granted their lifestyle choices that they have now as a result of being part of the single market both in terms of their ability to travel, their ability to go and work or live or retire elsewhere in the EU, and their ability to consume products in Britain. Think about British supermarket shelves in the 1970s compared to British supermarket shelves now. I think about my parents and how their lifestyle has changed, and I go and visit my parents in Brighton now and you know my dad is serving French wine and we eat Italian cheeses. You know the lifestyle has completely changed compared to when I was growing up. And this happened because of the European single market. Do we really want to give that up? I'm not sure we do.

DANIEL HANNAN: The idea that you wouldn't have French wines or cheeses if you were not in the EU need only be stated for its absurdity to be apparent.

CHRIS BOWLBY: Conservative MEP Daniel Hannan regards the idea of an EU shutting the UK off from economic and trade access as inconceivable in the modern global trading world.

DANIEL HANNAN: Do we have no produce in our supermarkets from non-EU states? The idea that cheap flights are a creature of the EU, I mean I seem to have exactly the same EasyJet flights to Switzerland and Eastern European states that haven't yet joined as I do to EU member states. This is the great myth that if something isn't regulated by Brussels, there would be no collaboration whatever, and that simply isn't true.

CHRIS BOWLBY: It's important to remember, runs this argument, that a Britain outside the EU would still be a member of the European Economic Area, which links EU members and other European countries in free trade, as well as the World Trade Organisation. At the same time, suggests Stefan Talmon, the idea that the UK would now be able to trade on its own terms, free of Brussels regulation, ignores the fact that anyone doing business with the EU from outside does have to comply with EU laws.

STEFAN TALMON: These laws have been made for a reason, to basically come up with uniform standards within the European Union. So I assume that if you want to continue some kind of a relationship with the European Union, you have to see that your laws are compatible with the European Union. Just to give you one example. China, not a member of the European Union, adopts a large body of laws made in the European Union to be able to export its goods to the European Union. So Britain would be in a similar position. Some people call this legal imperialism, but all economically powerful countries - the United States, the European Union - are in a position to somehow impose its laws on weaker partners which want to trade with it.

CHRIS BOWLBY: So a Britain outside the EU could remain heavily influenced by the EU rulebook. The best way of imagining this, say many, is to look at countries like Norway and Switzerland. They're not EU members, but are closely linked to the EU through trade and agreements allowing the free movement of people. Norway's political leaders have regularly proposed EU membership. Its population has voted against. Gisela Stuart suggests, however, that Norway has ended up with many obligations towards the EU without any influence.

GISELA STUART I very often when I feel mischievous do a trick question with students or civil servants and ask them which country in the European Union has the highest implementation rate of EU directives, which country implements a hundred percent? And then I have to tell them it's Norway, and then some of them twig and say, "But Norway is not in the European Union." And you then have to explain what the real relationship is. Norway had referenda. They should have come in in 1986. Their people said no. So the deal Norway carved out for itself was that, subject to the fishery policies, they have the movement in terms of labour, they're paid towards the European Union, they transpose all the decisions. But they don't have a commissioner and they don't have any MEPs - so far from being an independent relationship, it's what's sometimes rather mischievously called government by fax because they just wait for the fax to come from Brussels. So I don't think that is an option.

CHRIS BOWLBY: Liberal Democrat MEP Diana Wallis works on liaison between the European Parliament and non-EU member countries like Norway and Switzerland. What does she make of their people's desire to maintain political independence?

DIANA WALLIS: They haven't got MEPs sitting in the Parliament, they haven't got members of the European Council, and they haven't got a commissioner. So, frankly speaking, they're on the outside when it comes to making legislation.

CHRIS BOWLBY: You would have liked to have seen a referendum in the UK on the Lisbon Treaty. You cited Switzerland as a positive example. You said they get to vote directly on things like Schengen, on free movement of people, on financial contributions to EU enlargement. On a case by case basis, the people have a say. Wouldn't that be quite attractive to a British population?

DIANA WALLIS: I find it attractive in this sense - that it brings people along with their relationship with Europe, and I wish we had had that facility. I don't envy the Swiss the end result that they're at, at the moment, which is very much sort of half in, half out.

CHRIS BOWLBY: For Daniel Hannan, it's precisely their democratic vigour that makes the Swiss the most attractive model for a Britain outside the EU. But he hopes leaving the EU would not mean a return to a more traditional idea of British Westminster based power. It would, he hopes, be part of a political revolution within the EU, devolving power downwards. Which raises the intriguing question of, say, Scottish opinion on Britain leaving the EU.

DANIEL HANNAN: I am, as you say, in favour of the Swiss model. I think referendums are a very good thing, and although I'm personally a unionist, I think there should be referendums on the maintenance of the United Kingdom within the component parts. It's always and everywhere a good idea to consult people. But the main thing is that there's no point in getting these powers back from Brussels only to leave them festering in Whitehall. I don't see the repatriation of power from the EU as an end in itself. I see it rather as a means to an end - that end being a more diffused, more democratic system of decision making within the UK.

CHRIS BOWLBY: But what about the point that if the Scots are keener on staying in the EU, what are the implications of that if you're proposing leaving?

DANIEL HANNAN: Well I mean at the moment we have a single state in the United Kingdom. If either England or Scotland voted for partition - although I would vote no if it were me - of course I would accept that decision; and if Scotland then went as a independent country for membership of the EU, that would be a decision for Scottish people.

CHRIS BOWLBY: Losing Scotland would diminish London's international influence, and wouldn't the same be true if London lost its seat at the Brussels high table? Would a Britain that's declared it's leaving the EU swiftly find that it had little leverage in negotiations about its economic future, and less overall clout than as part of the EU whole? Daniel Hannan insists that size isn't everything.

DANIEL HANNAN: Compare and contrast to the countries that are not in the EU. Norway has diplomats who are active in every part of the world. You know they were instrumental in the Oslo accords in Israel-Palestine; and, similarly, in the peace accords in Sri Lanka; similarly in South East Asia; now in the Sudan. They have global reach.

CHRIS BOWLBY: So a Norwegian or a Swiss level of influence would be your aspiration for a Britain outside the EU?

DANIEL HANNAN: Well my point is if Norway with four million people, or Switzerland with seven million people, is able to retain that level of global impact, how much more could this country - sixty million strong, a trading maritime nation, a nation whose colonising and enterprising energies have touched every continent, one of the five members of the UN Security Council, the fourth military power on the planet, the sixth largest economy on the planet? You know, I don't accept that we're too small. You know there are 199 states and territories in the world, of which 172 are not members of the EU. You know some of those are quite a lot smaller than us and they seem to be doing alright.

STEPHEN WALL: All our behaviour in the fifty odd, sixty odd years since World War Two suggests that we don't see ourselves like Norway or Switzerland.

CHRIS BOWLBY: Stephen Wall, veteran of many a successful British manoeuvre in Brussels, finds the idea of reducing ourselves to Swiss or Norwegian ambitions hard to swallow.

STEPHEN WALL: It's only sixty years ago you know since we were the largest empire the world had ever seen, and I think that still colours our attitude. We are a prominent member of NATO. We want to maintain a close relationship with the United States; and, as far as the United States is concerned, they've made very clear ever since the 1960s that they see us being members of the European Community, now the European Union, as being an important part of that relationship. They do not want to see us outside. Partly because they value our influence within, but partly also because they see that the European Union is a maximiser as it were of the things that we can usefully do in the common what you might call Western interest.

CHRIS BOWLBY: American response to a Britain outside the EU would be especially revealing. The US has historically been keen on a strong British influence in Brussels. Lord Pearson, however, looks forward to a Britain outside the EU reinventing its transatlantic links.

LORD PEARSON: Obviously on the defence front, we're free to re-establish entirely our relationship with the United States of America, which has taken a bit of a battering actually because the French love using the European Union to undermine what they call "American hegemony", etcetera. France has this unfortunately deep psychotic need to bite the hand that freed her in two world wars and that hasn't made life easy. And so don't forget we are a major power. We're a nuclear power, we're a founder member of NATO. We're in everybody that counts. For goodness sake, let's get up and do it, and don't let's do it through this absurd bureaucracy in Brussels which is dragging us down in every direction.

CHRIS BOWLBY: But dragging down by Brussels is precisely what Simon Hix fears might happen if the UK leaves, with the rest of the EU no longer seeing Britain as a key global partner - politically or economically.

SIMON HIX: I can imagine that, you know, 26 other member states, half a billion consumers would say to Britain, 'We don't particularly need you. You're a declining economy, you're a relatively small market. you don't manufacture anything of any significance. You have a financial services market, but that's basically a global financial service market and we'll still have access to that market.' So the only thing Britain has is that you're a bunch of consumers. And as a bunch of consumers, we're much less interesting to those other member states than China, India, the US, Russia, Brazil and the rising markets around the world. We're not in the situation we were thirty or forty years ago. Britain likes to think that it's still this global power - we have this seat on the UN and so on - but for the rest of Europe, Britain is just another relatively small state in a global economy. Why should they care particularly about us?

CHRIS BOWLBY: So you could imagine a situation in which, having taken the decision to negotiate withdrawing from the EU, Britain might then decide to move back in - having seen the bill, if you like?

SIMON HIX: Well exactly. I mean this was the situation, the calculation that a state like Poland made. The EU drove a very hard bargain with Poland about Poland joining the EU, but ultimately the Polish people and the Polish elite said we have to be in the EU.

CHRIS BOWLBY: The struggle between and among elites and people would be formidable if Britain did move towards leaving. In Britain itself, big business might fear losing access to the single market. Small business might relish the idea of less Brussels bureaucracy. Farmers would be divided between those who gain most from the Common Agricultural Policy and those who don't. Britons who live abroad or work regularly in Europe would differ from those fearing competition from incoming migrants. And gut instinct would play its part too. Daniel Hannan suggests that opinion polls where up to fifty-five per cent say they're in favour of leaving are remarkable, given how little airing such views are given in mainstream political debate.

DANIEL HANNAN: It's a position held by a few eccentrics like me and fifty-five per cent of the British electorate who have held that position despite it not being advocated by any major political party or any major newspaper. Which just goes to show that yet again ordinary voters are a lot wiser about these things than their leaders are, and I would much rather repose my faith in the good sense of the British public than trust the self-defined experts on any subject.

CHRIS BOWLBY: But what are the prospects of it ever coming to being tested if the main parties seem to be set against it at the moment?

DANIEL HANNAN: Well you can't swing forever against the current of public opinion.

CHRIS BOWLBY: Close reading of the polls suggests, however, that those either wholeheartedly for or against EU membership are not dominant; a large group in the middle looks open to persuasion either way. And here the nature of the deal on offer is crucial - promises of a UK outside the EU but maintaining close relationships with Europe help persuade many to support leaving. Stephen Wall, keen supporter of British EU membership, concedes that leaving would not be an economic catastrophe but he worries that the most negative consequences would only emerge too late. So would he welcome the opportunity to make such points in a straightforward referendum - in or out?

STEPHEN WALL: I'm in two minds about it, to be honest. Because I believe that it would be damaging to British interests for us to be outside the European Union, I'm loathe to take the risk. On the other hand, there's part of me that would welcome the chance to have the real debate because it is vital and at the end of the day you know the British people have got to be content, as it were, with the policy that successive governments have adopted. But it's not without risk. It's not a question of I don't want to lose. It's a question of the price you pay if actually you decide to come out. And, as I said before, I do think the British people could easily find that three or four years on, they'd say why the hell did nobody tell us what would actually be the result if we did this.

CHRIS BOWLBY: Referendums are the last thing most mainstream UK and European political leaders want after the last few years of EU wrangling. But persistent public opinion suggests the question should the UK leave the EU will not go away. We know it can happen, we know the basic rules. But that's where the uncertainty begins. That's where a much more open and informed debate is badly needed. Moving the UK from membership to a new relationship with the EU would be an unpredictable political and economic process. Eurosceptics say the benefits would soon emerge; Europhiles warn of dangers. But the idea that all this is simply inconceivable and irrelevant is no longer credible.

Where is the eurozone heading? Disintegration or super-state? Chris Bowlby investigates.

ANNOUNCER: And now Analysis. The battle to keep the eurozone intact is intensifying, and with European political leaders meeting this week to discuss the crisis, Chris Bowlby reveals how a radically different Europe is emerging.

CHRIS BOWLBY: The eurozone crisis has its public face, summits with bold promises of action, knife-edge elections, financial markets lurching up and down. But behind all that, out of view, in thousands of private, but urgent conversations between policymakers, experts, people desperate to protect their cash or their political dreams, very different questions are posed: where will it all end? Will the euro break up chaotically or be saved? Whatever happens now, could Europe be heading to change most of us have never begun to imagine?

DANNY RODRIK: Five years down the road, I think we'll have a much smaller group of euro zone members.

CB: Including France and Germany, or a core around Germany of its closest financial friends, if you like, the Dutch, the Austrians and so on?

DR: I would say that's 50-50 – I would say 50% chance that it'll be just the hard-core members and 50% chance that France will remain in.

CB: Only 50%? That's quite a shock to the whole idea of European unification, isn't it?

It is, it is, I'm terribly concerned that Europe is going through something that is not just an economic crisis of the most severe proportions, it's also a severe political crisis.

CB: That's Danny Rodrik, a leading political scientist at Harvard University, who now believes it's worth repeating, that it's as likely as not that Germany and France will, in a few years' time, no longer be in a eurozone together. And you thought the Greek crisis was bad enough? But something much bigger maybe staring across the continent, and European leaders, for their bold words are in shock. Professor Aristotle Kallis of Lancaster University, who's seen events in his country, Greece, feeding to much broader European trends.

ARISTOTLE KALLIS: The parties and the social forces that you would expect which support the European project do so in a kind of rather disappointed manner. There is no vision any more, even the most ardent supporters of the European project do so because at the moment this is the least terrible solution. Gone are the days of the 1990s when there was a genuine enthusiasm about where Europe is going. There is no vision, at the moment, what we call the European project is a damage limitation project.

CB: Those leaders, of course, do have a plan, or at least an aim - a much closer union, leap into areas such as shared responsibility for debt, but much more than that to: a new euro zone in which national sovereignty for its members, the ability to take key economic decisions, could be drastically reduced. It's something which will hear is already taking shape as the Irish get used to the German Parliament scrutinising their budgets. And it could throw up the most tense of political battles with, say, outside governments including Germany, challenging the French right to keep a nuclear deterrent. So, an enormous challenge, but such are the fears of imminent chaos in the eurozone and beyond, that even more Eurosceptic British Conservatives like the Chancellor, George Osborne have been saying this leap into tighter union is unavoidable.

GEORGE OSBORNE: I've argued for a year now that the eurozone needs to follow the remorseless logic of monetary union towards much greater fiscal integration.

LORD MANDELSON: I don't think the eurozone is currently constructed, and designed plus its existing members, are compatible. I think something has to change. Either its members have to change, or the way in which it operates, the way in which it . . . is structured.

CB: That's the view of one of the single currency's most prominent British enthusiasts, former EU Commissioner Lord Mandelson. Change, major change, is on everyone's lips. Much less openly addressed is where it could lead. When I first looked into the implications of the eurozone breakup for Analysis in February, there was much talk of Greece as a special case, of containing the trouble. But in conversations on and off the record I've been having with experts and officials now, much more fundamental questions are raised about money, power and democracy. So, in this program, the latest stage in Europe thinking the unthinkable, why much closer union could backfire as we reveal what Germany, the key player, really wants, and why France, in particular, may find that so hard to take. But first, to understand why European leaders are attempting this hazardous leap at speed, we need to understand how fear is grown at the eurozone's chaotic disintegration.

PAUL DONOVAN: Monetary unions, when they die, normally don't die because of bond markets or because of policymakers' decisions.

CB: Paul Donovan, global economist at UBS bank, has been researching intensively into how a eurozone breakup could happen. Financial markets supply their own volatile pressure, but what's causing most fear now, he suggests, is people power.

PD: Monetary policy unions tend to fail because there are bank runs led by ordinary people who panic, and get their money out of the bank and that brings about a collapse of the financial system. You get this contagion very, very quickly, and of course, it's very important to try and control this, because, of course, if the euro does break up, the consequences will be disastrous. We, in fact, believe that the consequences are so horrendous that every possible act will be made across the eurozone to prevent a breakup from occurring.

CB: As always in matters monetary, psychology is king. Once people think something is not what it seems, that the euro, say, may not be permanent, the game has changed. And in case you're listening in Britain and think, 'We're not in the eurozone, so all this is a long way from me' – ask yourself why the British authorities have been busy thinking through the scenarios. It's partly the worries the Bank of England's been addressing about responding to the banking shock that would follow, say, eurozone debt defaults. British banks' exposure to Greece, Spain, Italy, Portugal and Ireland is estimated at around £190 billion. And remember too that the UK shares a land border with a eurozone country, Ireland, so if things really deteriorate, much more could be at stake. Brian Lucey, Professor of Finance at Trinity College Dublin, used to work for the Irish Central Bank.

PROFESSOR BRIAN LUCEY: It would be astonishing in my mind if there was not close and ongoing contacts between the Ministry of Finance and the Treasury and the Bank of England and Central Bank of Ireland, gaming out situations where problems occur in the eurozone, how are they going to react in quite a coordinated manner.

CB: What might be an example of the kind of problem that might occur in that context?

PBL: Well, you have a situation where you've an open land border, and it's easy therefore, for . . . not just physical currency and electronic currency, but goods to move. And we've seen that even during, you know, a low-grade civil war, it was impossible to close that land border.

CB: If, say, the eurozone started to fragment, and Ireland was caught up in the panic and couldn't sustain its membership, it might end up with a new currency sharply devaluing against sterling. Imagine the trouble, if thousands from Northern Ireland, armed with pounds, came south to enjoy the bargains. You might hear this kind of new story:

NEWS REPORT: Troops have been sent to Northern Ireland's border with the Republic, following Dublin's decision to leave the eurozone and to devalue its currency. In recent days, tensions have been building up in the border area as thousands of people from the North have been crossing into the Republic to buy cheaper petrol and food. People in the south have been complaining that their shops have been stripped bare by the influx.

CB: Such scenarios may seem purely hypothetical. What's striking now though is how many real decisions have been taken by businesses and others to guard against possible consequences of euro zone failure. People really think this could happen. Instead of an ever greater spread of investment across Europe, precisely what the single currency made easier, money's been retreating behind national boundaries. Individuals and companies across the eurozone fear a moment when a country leaving the euro suddenly devalues. Citizens in many other countries try to pull their cash out of banks, and governments feel they have to seize control suddenly. Paul Donovan of UBS has worked through this scenario.

PD: If you're starting to move to a very panicked environment, you need something which convinces the markets and which convinces ordinary people that the euro is going to continue to exist. Now, that can't be negotiated terribly quickly, so I think that what you would properly have to look for is shutting down of the financial system, you know, declare a two-week long bank holiday, erm, by shutting down the banking system you're automatically limiting the amount of withdrawal, and your preventing deposit into other banks, so you're stopping money moving around the eurozone, you're shutting down the financial markets, you then buy time in which politicians can come out and say, 'Okay, we are going to go to a proper banking union, a lender of last resort, fiscal confederation, this is the plan, this is what we're going to do' and hopefully then convince markets and investors of their commitment to the integrity of the euro.

CB: So, across the eurozone, you're talking about banks closing their doors, ATMs will they continue to dispense cash?

PD: Yes, I think you'd probably still have to ATMs dispensing cash, but there's an automatic limit on that, so you can't get a complete run on the banking system. And bear in mind, this is an extreme scenario but if we get that scenario then we should expect extreme measures.

CB: While the rest of the eurozone faces growing unemployment, it's been boomtime for central bank contingency plan is. David Marsh co-chairs an organisation linking central banks and financial institutions, and is in close touch with many key players in the eurozone crisis.

DAVID MARSH: The contingency plans are still secret, to the extent we don't know chapter and verse, but the existence of the contingency plans has now been confirmed, and there are now conference calls taking place between finance ministries and central banks. Central banks are openly boasting that they've had contingency plans now for a considerable amount of time, even though there may be a lot of stress, and even

though you may see this example of a monetary union breaking down, or at least being broken up into smaller bits, taking place in front of our eyes.

PETER MANDELSON: The sort of Damocles which is hanging over the eurozone is a market sentiment or an opinion that suddenly starts questioning whether the euro is a permanent currency.

CB: Former EU Commissioner, Lord Mandelson has watched the marshalling of billions of euros in various funds to attempt to withstand contagion, runs on banks across the eurozone, if say Greece leaves the euro and banks in other countries start to wobble. That's for the immediate crisis, but to stop it happening again the European elite realise they have to make a major, credible commitment to a union where the common currency is backed permanently and unmistakably by every member country's resources.

PM: There were design faults, which, in a sense, really mean that the eurozone project was not so much a failed project as an incomplete project. And it is *completing* that for its future sustainability and survival which has to take place now.

CB: 'Not failed, but incomplete' fits an optimistic narrative, well-established in European thinking that crises like this one are what in the end take Europe forward. That it's only in times of trouble that Europeans realise they have to do more together. German Chancellor, Angela Merkel, leader of the country that do most to guarantee the eurozone has been promising to fix those euro design faults. (*clip of Angela Merkel, speaking German*) 'Our task,' she's been saying, 'is now to do what we failed to do then, and stop the vicious circle of more and more new debts, of broken rules. I know that's laborious and painful, it's a Herculean task, but it's unavoidable.' 'Never again' runs German thinking, 'will we allow the dodgy accounting and sheer profligacy that have brought the eurozone to its present crisis.' And for a real sense of what this will mean, listen to the steely words of Jens Weidmann, President of the German Central Bank, the Bundesbank, and former economic adviser to Angela Merkel. In a recent speech in Mannheim, he set out just what he regards as essential if Germany is, in effect, to guarantee the debts of other eurozone countries as part of a new fiscal union. Their budget limits will be set at the eurozone level, and if they continue to break the rules? Dr Weidmann's little-reported speech wasn't recorded, but here are his words from a transcript released by the Bundesbank.

JENS WEIDMANN (*Words read out*): In the event of a country not abiding by the budgetary rules, national sovereignty would be automatically transferred to the European level, on a scale that can ensure compliance with the objectives.

CB: So, that's the deal – follow the rules, or hand over control of key economic decisions to a eurozone authority with, Dr Weidmann suggested in his speech, extensive powers. This is what is speech said:

JW: One option, for example, could be the right to make tax increases, or proportional cuts in expenditure. And not just the possibility of calling for them, in effect, national sovereignty would be largely retained, and fiscal policy decision-making capabilities, and room for manoeuvre, would be preserved, as long as a country in question complies with the limits on borrowing and debt.

CB: The head of the Bundesbank is traditionally revered by Germans as the figure who guarantees sound money and stops politicians from ruining it. So Dr Weidmann who also sits on the governing council of the European Central Bank articulate with great authority what many Germans see as essential for a eurozone that will work. If you want to fund distressed European economies with Eurobonds, loans jointly guaranteed by all eurozone governments, accept that you will forfeit national control of, say, tax and spending, if your debt's seen as too large. Ulrike Guérot, based in Berlin for the European Council on Foreign Relations, is a close observer of German thinking.

ULRIKE GUÉROT: There's a lot of Germany-bashing these days, especially in the British press, you know, why does Germany not do enough? At least you can give credit to Germany that the Germans have been putting a lot of money on the table so far, and they thinking or they're trying to set the agenda for institutional change. From a German perspective, Eurobonds are not for free, and this is what the other countries need to get, they have conditions and of course what we are seeing here is that Germany, in a way, tries to negotiate power for money, right? And it's seeking for a different institutional setup of the European Union – a federation if you want, I mean, starting with a banking union, starting with a fiscal compact and so on and so forth, but then moving into politics. There are of course, doubts whether we can achieve this, but what I think will not go is that there's no readiness of the other countries engaging with the German argument, but then just squeezing Germany for Eurobonds, this is not going to work.

CB: So, will other European governments and people engage with that German argument and accept that the new eurozone has to mean loss of national power for countries that break its strict rules? Are increasingly Eurosceptic citizens really ready for this? Think of all the tension there's been in recent years, not only in Britain, over what was seen as transfers of sovereign power away from national authorities. How does former EU Commissioner, Lord Mandelson, see the prospects of Europe accepting such change?

LM: And know anti-Europeans like to use that language of something being taken away from you, you know, you're losing your sovereignty, you're passing it to a bunch of unelectable bureaucrats in Brussels. In fact what we are doing, democratically, agreed and decided, incidentally, by us, is to pool our sovereignty to pool our strengths, but even then we remain in Europe a union of democracies.

CB: But can I quote you something from . . . not from, say, a British Eurosceptic, this is the President of the Bundesbank in Germany, Jens Weidmann speaking recently, talking about what a fiscal union that works will mean, and he said in his speech, 'in the event of a country not abiding by the budgetary rules, national sovereignty would be automatically transferred to the European level on a scale that can ensure compliance with the objectives.' It does seem to be a matter of saying, 'if things go wrong, if people do not play by the rules in the future, you cannot allow them to carry on taking decisions at a national level.'?

LM: But from a German point of view, you understand why he's placing that emphasis in his remarks. Germany is being looked to, not unreasonably, as the principal saviour and bailer-outer of the eurozone. What Germany is saying, and what Jens Wiedmann is saying in his speech is, if you want Germany to stump up and to bail out those who are in trouble, then it's not unreasonable for Germany to expect a set of rules to be drawn up, a discipline to operate, for all of us to act in a collective spirit, rather than simply, you know, turning to Germany every time something goes wrong, and telling us to get our cheque-book out.

CB: Given the difficulties that governments have had getting constitutional changes relating to European integration through in recent years, do you see it as feasible they can go to their people and say: this is the next stage, you must make this kind of constitutional commitment to have joint responsibility for debts across the eurozone? Is that really politically feasible?

LM: But put it a different way: you know, if we're not going to see this entire project of economic and monetary union falling apart, with the most devastating consequences for our livelihoods, our standards of living, our ability to gain employment, to find a future (*laughter in voice*) for our youngsters who are leaving school and university now, we've got to make those changes. Now, put like that, do I think that people on the continent in the main are going to sign up to those changes? Yes, on balance I do.

CB: And given the urgency of the situation, is that how you see the political debate going? Not a kind of vision, if you like, of European unification, the rather more idealistic ones we've seen in the past, but saying, 'Do this or else.'?

LM: I don't think it's 'do this or else' – it's 'complete the project, or sit back and watch it fail further.' The human and social costs of the economic chaos that would ensue from that would be colossal.

CB: But 'Do this or else' is what it may already feel like, especially for economically weaker countries. Professor Brian Lucey in Dublin says the Irish have, under the terms of their current bailout, already become used to intervention by outsiders – the so-called Men in Black, officials of the Troika, the European Commission, European Central Bank and International Monetary Fund supervise economic decisions. And in what may be a foretaste of the new Europe, the German Parliament's been scrutinising Irish economic performance.

BL: What we have at the moment is we have permanent oversight, and there were . . . problems, let's say, in Parliament, in the Dáil, where it became revealed that once again the finance committee of the Bundestag, the German Parliament, had had sight of the Troika's report on the Irish economy, the scorecard.

CB: So, let's be clear about this, this is the idea that German politicians are discussing how well the Irish economy is doing and what it should do, before Irish politicians in their own Parliament are?

BL: Yes.

CB: And what's been the response that in Ireland?

BL: The first time it happened, there was a bit of an outcry. The second time it happened, it was a case of, 'Oh dear.' The third time . . . some of the responses were, 'Well . . . they are supplying the money, and . . . at least somebody competent and serious is looking at it and while it's unfortunate . . .' There was a little bit of, you know, shoulder shrugging of 'what can you expect?' Not terribly, you know, nationalistically chest-beating, but the reality is that it's the golden rule – them that has the gold makes the rules.

CB: What Ireland may accept with resignation, France would find traumatic. A country that's always seen itself as Europe's political leader faces its own debt problems and doubts, not least in Germany about the economic policies it wants the eurozone to follow. Add to that, distinctly poor personal relations between Chancellor Merkel and the new French president, François Hollande. She offered to campaign for Nicolas Sarkozy in the French presidential elections. After Hollande was elected, his spokesman warned Berlin, 'We didn't have an election to get a European president called Mrs Merkel, who has the power to decide everyone else's fate.' Imagine then, the French response to this kind of European future.

NEWS REPORT: The German parliament, the Bundestag has passed a resolution criticising France's budget, saying it risks breaching eurozone spending rules. The Parliament's finance committee says the French government needs to cut spending further, and questions whether France's nuclear weapons are still affordable.

CB: Ulrike Guérot once worked for a think tank run by one of the French architects of European integration, Jacques Delors. She suggested to me just why a new eurozone and closer economic union could threaten France.

UG: It cannot only be an economic government, you know, because what is government, government is nothing else than collective choices about societal priorities. I mean, is France then allowed to have a nuclear bomb which costs, I don't know how many millions, or to go to Libya, which costs a million per day, and then have a budget deficit? I mean, the thing is we will need to . . . do political choices together, because politics is always engaging money, and that is the sort of quantum leap that we, I think, can do, should do, I mean that's my opinion, but are we ready that's a question mark.

CB: But you know France very well, as well as Germany, can you really envisage a situation in which either the French population or its political elite accept, for example, Germany having a say in the future of the French nuclear deterrent?

UG: Well, no, of course not, but thinking the things through, in 10 years in 20 years' time, is already making them sort of (*word unclear*) in the mindset you know? I mean, I'm not saying that tomorrow Germany will have a finger on the French button on nuclear arms, but ultimately, political power and economic power belong together, and that is the European project.

CB: Throughout the whole European integration project, its core members have been Germany and France. It was formed essentially to halt the conflict between these two countries that have devastated Europe repeatedly. But could the attempt to save the eurozone force Germany and France apart? For now, and in public, the traditional declarations of perpetual Franco German amour will persist. But when it comes to the hard policies of, say, eurozone debt management, Germany's real soulmates of the Netherlands, Finland and Austria. And there's great doubt in those countries about much whether a much stricter union really can be achieved. As one source in a government close to the Germans told me, 'everyone is saying Eurobonds are essential,' those are the loans issued and jointly guaranteed by all euro zone member governments, 'but for them to work', said the official, 'we think every government involved will have to make a constitutional amendment accepting liability for other countries debts,' can you imagine everyone voting that? What could happen instead is German-minded country becoming ever closer, while others, including, perhaps, France become more detached. David Marsh, historian of the euro has followed Franco German relations for decades.

DM: It's happening already, in a way, and . . . I get the sense in which we are going, which is to say that only those countries that are already rather convergent with Germany and have Triple A credit ratings, and run their own economies rather sensibly, only those can be beneficiaries of any fiscal or debt or banking union. But of course, then, if they are already convergent, they don't need it. So, the only countries allowed in to fiscal union are those who manifestly don't need it, and the ones who do need it are going to be kept out.

CB: So, the fiscal union, or the establishment of it, which at the moment is being much-talked about as the way to save the existing eurozone, you seem to be suggesting will be the means whereby the eurozone will actually split pretty fundamentally?

DM: It could well be like that. I think the show has got a long way to run, and particularly this big conundrum about whether the French will stay in or stay out with the Germans. But the timeframe even for that fundamental question is now shortening.

CB: So, if the eurozone's immediate disintegration by the loss of, say, Greece is avoided, could the zone fragment more fundamentally in the long-term, once eurozone members realise there was such a difference of approach between the Germanic core and the rest? Could we even see this kind of scenario some way down the line?

NEWS REPORT: The political leaders of Germany, Austria, the Netherlands, Finland, Luxembourg and Belgium have announced they are setting up a new, core-eurozone area. In a joint statement, they said they wanted to protect the integrity of the currency and could only do this by having economic prudent members within the new zone. The French President has strongly criticised the move.

CB: Few will talk openly about this kind of possibility, but there are definite signs in the way Chancellor Merkel has been talking of a warning that Germany cannot simply be expected, as it might have done, more readily in the past, to follow others' lead and sign a large cheque in the name of European unity and penance for the German past. (*Angela Merkel speaking German*) 'Germany's strength isn't infinite' she's been saying, and she might have added, 'I'm seeking the election next year, so I can't ignore German public opinion, increasingly hostile to what are seen as German subsidies for other countries' inefficiency. Ulrike Guérot sees politicians struggling to match policy with public opinion.

UG: I'm not so pessimistic about laying out, you know, the quantum leap that would need to happen. I'm more pessimistic about bringing all our people along, after we have allowed public discourses being so poisoned over two years. And if you want to have a recreation of a beautiful, noble, new European undertaking, you need to come with happy energy, you don't need to come with a 'we must now, because that's how we got trapped into it' And that is where I'm most concerned.

ARISTOTLE KALLIS On the one hand, the number of people who are willing to use nationalism and sovereignty to attack the European project is growing in both numbers and strength of argument. On the other hand, the people, political and social forces that are meant to stand up and make the case for that transnational more cosmopolitan vision have lost their capacity to do so in the situation of crisis and are arguing in favour of it only on the basis of, 'this is the only solution' – well, I'm sorry, but if you say to an electorate 'this is the only solution' and you don't associate this message with a positive vision for what it means, for why nationalism is not the solution, why protectionism is not the solution, then you're not going to win this game, and it's going to get worse and worse.

CB: Political scientist, Aristotle Kallis. Politicians trapped in a crisis. Chaos is the immediate fear, the unravelling of the single currency that policymakers, in private, if not in public have been imagining. The response: a leap towards much tighter economic and political union, aims to revive belief in European integration as essential and irrevocable, symbolised by that shared currency. But if chaos is averted and closer union attempted, formidable new challenges will loom, especially if euro zone economies remain so weak and people so desperate. So much is so uncertain, yet one thing we have learned in the last few turbulent months: the eurozone will soon look very different from today, and few are putting their money, euros or not, on that change emerging smoothly.

Europe thinks the unthinkable - what happens if the eurozone splits?

DAWN HOLLAND: It would have to happen suddenly because if it were announced that it was going to happen next week everybody would pull all of their money out of Greece and put it somewhere else.

ARISTOTLE KALLIS: I think that if it is an overnight thing, something that comes out of nowhere and it's more or less a last ditch attempt to solve a problem that cannot solve itself, if you like, I think there will be a lot of people who will be out in the streets wanting to exact revenge.

DAVID MARSH: It is the danger that the whole edifice could start to unravel, and what starts in Southern Europe could actually end up in the Alps or even on the Rhine.

CHRIS BOWLBY: Nightmare visions of Europe's future. Summits are held, governments and financiers haggle, optimistic noises are made in public about keeping the eurozone intact. That is still the official ambition. But, there's been a very different, much more private policy conversation recently, full of angst and uncertainty. What might happen if the eurozone cannot stay together – if the debt crisis worsens, or a country refuses to swallow the austerity medicine - and wants out? David Lascelles, veteran observer of eurozone manoeuvres, says this is no longer an unmentionable heresy.

DAVID LASCELLES: Well I think this is one of the big changes that's occurred in the recent months. Previously the euro had an almost religious aura about it. You were not allowed to question it. It was like questioning the existence of God. That has gone now and people are prepared to actually address the realities and even the possibility of break-up without throwing up their hands in horror.

ANGELA MERKEL: (speaks in German)

CB: German Chancellor Angela Merkel, exasperated late last year by the sudden Greek proposal to hold a referendum on the terms of a proposed bailout, posed a pointed question: Does Greece want to stay in the eurozone, yes or no? Here was a first signal from the top that a eurozone exit was viewed as possible. And it sent policy makers and risk managers across Europe scurrying to create scenarios, to try and think through what this could mean for politics, business, people. David Lascelles has been consulting widely as senior fellow of the Centre for the Study of Financial Innovation.

DAVID LASCELLES: Politically it's out of the bag now because you're getting senior European leaders acknowledging the fact, central banks. Even the British regulator has now asked banks to start planning what might happen if the euro broke up. You've now got armies of people in the city - lawyers, accountants, consultants - working on technically how it would actually pan out because there's no provision for any of this in any of the treaties or the regulations.

CB: But this vital debate takes place largely behind closed doors, or furtively on the fringes of all those Euro meetings. For everyone knows that, when it comes to something as fundamental as the cash in people's pockets, psychology lurks - simple panic or popular passion could quickly outrun the swiftest of forward planning. David Marsh co-chairs a central banking think tank and stays in

close contact with the euro's key players.

DM: I've spoken to people about this in chancelleries and in parlours of power across Europe, and they say if there was even a hint of something very overt as a Plan B, then it would be leaked and it would then get into the press and then totally the opposite of what you want to happen would happen. So I am convinced that there is a Plan B. People have told me that there is one, but I don't know what it is and there's no reason why anybody should even think about making it open. It has got to be locked in a safe.

CB: Provided there's room, if the safe's not already full of alternative money - maybe old drachmas and deutschmarks? David Marsh believes there's a 50% chance Greece will leave the euro during the next year, and a smaller chance that more countries will leave. Others will disagree. But there's broad agreement that a Greek exit, sooner or later, is increasingly likely. And what's already driving events is not just the careful calculations of the policy experts - it's the fear among millions of eurozone citizens about what might happen to their money. Greek political scientist Aristotle Kallis has watched what he calls a slow run on the banks begin, as many of his compatriots act as if currency change is imminent.

AK: It's definitely a slow run on the banks. I mean if you look at statistics, you will see that every month for the last, at least the last six months people have been withdrawing money from the banks. Some people are sending the money abroad. I'm talking about people with small to moderate savings. They still feel that something will go horribly wrong - either Greece is going to move out of the euro or kicked out of the euro, if you like, and there's going to be a devaluation of the new currency and all this money will be converted automatically to the new currency; or there's going to be a catastrophic scenario with regard to Greek banks or actually both.

CB: So while the political Plan Bs remain locked in government safes, we can sense the kind of scenarios imagined as Europe thinks the unthinkable. In this programme we'll ask - What would happen to cash, bank accounts, the mood on the streets? Could the exit of one country be isolated, or would others be bound to follow? How are governments and businesses trying to prepare? If this does happen, it's likely to be a volatile mix of orderly and disorderly events. Policy makers may attempt to regain control, but at other times they'll be responding to unilateral, unpredictable acts - beginning with the shock of what might suddenly be heard on the news.

NEWS REPORT: The Greek government has announced that it is leaving the European single currency. An extended Bank Holiday has been announced as all bank accounts are redenominated into the new drachma. Eurozone political leaders will be making a statement later.

CB: If there's one thing most of the scenario planners agree on, it is that a country leaving the euro would have to act quickly - and would not follow an existing rulebook. So can this be done legally? Such was the confidence of the euro's creators a decade or so ago, such was their belief that ever closer union was irrevocable, that there is no provision whatsoever in the single currency rules for an exit. David Marsh has written a history of the euro project.

DM: This was thought of as being an absolutely top job, a great project that would be the pinnacle of Europe's integration efforts and was going to be a huge success. So why should you even think of failure? You know why start thinking about divorce when you're just getting into a glittering marriage? And also the charm of this was that people could enter through a very grandiose front door and they shouldn't even think about leaving because in fact if you want to maintain discipline you can't let people have an easy way out. And therefore whatever way out it is, it may not be totally barred but it has to be pretty difficult to climb through.

CB: The European Central Bank published internal legal advice a few years ago, as global financial

turbulence grew. It noted there was no provision for a departure from the eurozone, and concluded that to leave the euro, a country would have to leave the European Union itself. There's been some talk of a kind of negotiated half-way house for Greece, temporarily suspending its membership of European institutions - though little detail of how that might work in practice. And all these ideas - a quarantine, say, or a negotiated exit from the EU - assume one thing the policy makers may well not have: time. But the pace will be forced if a government feels it has to act as people reject austerity or begin to panic about their cash.

NEWS REPORT: The Greek government has said it plans to introduce notes and coins for its new drachma currency as soon as possible. There have been angry scenes at airports and on Greece's borders as police and customs officials try to prevent Greeks taking euros out of the country.

DH: It would have to happen suddenly because if it were announced that it was going to happen next week everybody would pull all of their money out of Greece and put it somewhere else, so there'd be massive capital flight. It would be chaos.

CB: Dawn Holland, co-author of a report on the euro area debt crisis for the National Institute of Economic and Social Research, imagines what would happen immediately in Greece as its withdrawal from the single currency was announced.

DH: Bank accounts would probably have to be frozen for a short period of time. There would be massive disruption to the banking system. Probably whatever cash was sitting in the cash point machines would be immediately withdrawn and put it under the mattress, and you wouldn't be able to stop that unless you had a button that controlled all the banks in Greece - which they don't have. So whatever cash was in circulation would stay in euros and people would be able to put them under the mattress and re-exchange it at a later period. But anything that's held in the banks would be then redenominated into the new currency immediately. All debts of Greece, including government and private, would be redenominated into the new currency.

CB: The fact that so much cash is held and transacted electronically these days would pose its own problems - one suggestion's been that a government leaving the euro would have to try and interrupt all its banks' communications with the outside world. But physical cash matters too - maintaining belief in those bits of paper is, after all, one of the prime duties of a government that wants to keep its people's confidence. Initially, suggests Dawn Holland, the government would have to try and overstamp or adapt existing euro notes in its system which they had redenominated into the new national - and rapidly devaluing - currency. Any Greek in possession of unaltered notes would probably, she thinks, head straight for the border.

DH: They would have to put up some capital control, so that you couldn't take money out of the country.

CB: Because everybody would immediately want to take their euros elsewhere, to where they would have a higher value than the ones denominated as new drachmas?

DH: Absolutely. And this is when you get into sort of problems with the fact that we're in a European Union which has free mobility of people as well as capital.

CB: Is this also a moment when you're trying to do it as a kind of rational economic forecaster, but human psychology can take over in an inherently unpredictable way?

DH: Well I think it's quite predictable to say that you want to change your money into something that you have a lot more confidence in. There are certainly many cases in point in

history when you see massive civil unrest, when people see their money, the value of it being sort of diminished - especially if there's military controls at the borders, you know very frightening. You can see certainly there's a risk that things could break down into devastating unrest.

CB: To try and end swiftly any unrest, a government introducing a new currency is likely to put in a discreet but urgent call to one of the top currency printers - like the British based firm De La Rue, which prints everything from sterling to the new currency in Iraq. The company won't comment on any plans it may have for Europe, but is clearly ready should opportunity arise. Mark Crickett, one of the company's consultants, has overseen the introduction of many new currencies. How quickly, I asked, can it be done?

MARK CRICKETT: A good timescale for introducing a new series is, ranges probably from maybe 18 months up through to three or four years, or possibly longer in some cases. The fastest one probably I can think of was the Iraq currency after the fall of Saddam Hussein, and that was done in around about four months.

CB: What's the minimum period, do you think?

MC: I don't think you could do it much faster than four months.

CB: So there'd be a transition between abandoning one currency and having new money ready. There are few precedents for the break-up of a monetary union, but one recent example is the end of the money shared by Czechs and Slovaks in 1993 after the break-up of Czechoslovakia.

MC: What they did was, in Slovakia, was to apply a sticker, sort of thickly, like a type of stamp, to some of the previous Czechoslovak currency to effectively identify which was the Slovakian currency as distinct from the Czech currency. But obviously that was very much a transitional arrangement until the new Slovakian currency could be prepared.

CB: And as I remember from living there at the time, it did not always go smoothly. The official new exchange rate between the currencies quickly broke down, and Slovaks started taking the stickers off their temporary currency to try and trade it as more valuable Czech money. As for the euro, what if large amounts of euros were successfully exported from Greece, evading any controls? One very well-informed source told us the authorities in Germany were even discussing the possibility of the whole euro currency having to be redesigned and replaced if it was compromised by irregular trade. What a moment that would be for the image of the euro as a new force for European confidence and stability. And not only cash, but every kind of contract, any debt would have to be changed if a country had abandoned the euro - as Dawn Holland explains.

DH: What would have to happen is it would be redenominated into the new currency on a sort of one to one basis. If the currency then devalued, as we would expect it to, then the holders of the debt would get repaid in the new currency, which would be worth less than they had been expecting. In public sector probably is more straightforward, but once you get into private sector and you get to sort of international companies that have holdings in different parts of the euro area, you get into much murkier territory.

CB: Devaluation of 50% or more is widely expected for a new currency - where would that leave, say, a British company that thought it was owed many thousands of euros by a Greek company, only to find that debt redenominated in depreciating new drachmas? Expect years of legal dispute about how debts should be paid. But never mind longer term wrangling - what about short term law and order? Aristotle Kallis believes the Greek state would struggle to introduce new money in an orderly way.

AK: I don't think it's going to happen smoothly one way or another. Even if it is a planned exit, I don't think that the Greek state at the moment has the reflexes as well as the administrative processes to oversee this process in a rational, calm, organised manner.

CB: What then do you think the mood would be if, say, a new currency had been declared more or less overnight? Do people think there would be trouble on the streets, social unrest?

AK: I think that if it is an overnight thing, I think there will be a lot of people who will be out in the streets wanting to exact revenge by politicians who promised them that if they follow the measures and if they basically accept the stipulations of the austerity packages - which have been very, very onerous - the problem will be solved in the medium term. These people will be very, very angry.

CB: Major political unrest, border restrictions, wider currency turbulence across the eurozone, a country having to leave the EU as well as the single currency - it's no wonder European planners are thinking hard about how they might try to forestall such events, or at least stop the rot from spreading. For once a first country had left the eurozone, showing it was possible, a much broader challenge would emerge - preventing other countries from being sucked into the exit zone too. Imagine this.

NEWS REPORT: Eurozone leaders have pledged to increase their financial support for Portugal's membership of the single currency. This follows a rapid withdrawal of cash from local bank accounts. The run on the banks followed widespread rumours that Portugal would leave the euro following Greece's exit last week.

LARRY HATHEWAY: Imagine, for example, that you are a Portuguese citizen in Lisbon and someone walks into your office one day and says, "Gee, did you hear the news Greece just left the eurozone?" The logical response, it seems to me, would be to seriously consider whether to continue to keep your wealth, your assets, your money and so forth in Portugal under the jurisdiction of Portuguese laws - for example in Portuguese banks - simply because although the probability might be quite small that Portugal would follow Greece out of the eurozone, the threshold effect has taken place: a country has left, the unthinkable has happened.

CB: Larry Hatheway, chief strategist at UBS investment bank, has co-written one of the most extensive studies of what a eurozone break-up would mean.

LH: That's the problem with the exit story, is that it's very hard in fact to contain to the one country that might be deemed to be exceptional. And this is of course the risk that those who advocate exit I think have to address - it's not clear that there wouldn't be the second and third round effects which, if they occurred, could lead to a fairly rapid unravelling of the system as a whole.

CB: If contagion spreads, everywhere could be affected. So a firewall is being urgently prepared - a block of cash and political commitment with which to try and halt any spread of panic beyond a country that's left the euro. Richer governments, especially Germany, those with the means to build and sustain a firewall, are thinking about how to construct it around a crisis-ridden Greece. But that can't be said publicly, suggests David Marsh - once word gets out that you have this kind of plan, it implies you're ready to let Greece go.

DM: There is clearly a firewall. That's partly because the Portuguese government is much more resolute in terms of what it wants to do. You would probably have to increase the bailout mechanisms and the Portuguese would probably have to pledge to be even more austere, even

more disciplined than they are already. And as a quid pro quo for that, another part of the firewall to stop the Portuguese queuing up in front of their banks would be for the Germans to say somehow we will extend our protecting hand to you Portuguese. We have not been able to do it for the Greeks. I'm very sorry, but things got out of control there, but next time it would be different.

CB: But even if citizens could be persuaded to stop queuing outside the banks, there would still be the financial markets lurking - ready to act if they sense the eurozone is now disintegrating. Many will remember the speculators moving on from one target to another when the old European Exchange Rate Mechanism was under threat?

DM: Financial markets, like a bear that has tasted blood, would go for the next victim, claws unfurled, and whatever the firewalls put into place, it could be the firewalls wouldn't be big enough. And that is of course the number one angst question. If it was simply a question of Greece, if it was 100% certain that if Greece went, the others would stay, then nobody could care less about Greece. It is the danger that the whole edifice could start to unravel and what starts in Southern Europe could actually end up in the Alps or even on the Rhine if there were to be a breach between France and Germany. That is the nightmare at the end of this scenario.

CB: There have already been moments - like the downgrading of France's credit rating - when suddenly no-one in the eurozone felt secure. And even if immediate contagion after a first country leaves is resisted, there could be another threat some time later - if a Greek exit proves to be less permanently catastrophic than some predict. That could tempt other peoples and governments, still under huge austerity pressure, to think maybe exit is now our best option? What about this scenario?

NEWS REPORT: There have been renewed calls in Portugal, Italy and Ireland to leave the euro and adopt new economic policies. The calls follow news that Greece has reported a rapid improvement in its global export performance and domestic job creation less than a year after it left the single currency and introduced the new drachma.

CB: Those more relaxed about a break-up of the eurozone suggest countries leaving would regain valuable economic freedom. Yes, their new currencies would devalue, yes there might well be short term disruption and much legal rancour. But in the end might they escape the worst of austerity and become newly competitive?

DM: I think there are strong reasons for thinking that Greece could become a Mecca to attract investment.

CB: David Marsh senses that, even if Greece did abandon the euro, it wouldn't become an economic and political pariah. Indeed the rest of the eurozone, and EU, once it had overcome its indignation at this challenge to ever closer union, would realise that it could not afford to risk Greece becoming some kind of failed state.

DM: If it were to put into place sensible economic policies thereafter, if the drachma were to be mightily more competitive, if there were still to be subsidies flowing of course from the rest of Europe to Greece, then I think you could see a lot of Chinese investment in Greece. Also of course all the Greek money that's fled from Greece over the last three or four years would come back in a big way.

CB: Is there any precedent for this? Much is made of Argentina's experience after its government in 2002 abandoned its currency's peg to the dollar and converted all dollar accounts into peso accounts. Dawn Holland has been thinking through the lessons of this for her analysis

of eurozone scenarios.

DH: The sort of success of Argentina, if you like, is often pointed to as the high inflows of foreign investment that happened after massive disruption happened temporarily. Then the value of the currency dropped so much that assets in Argentina became very inexpensive and there were a lot of foreign investors who came in to bring in funds and pull these companies back, which were on the verge of bankruptcy or already bankrupt.

CB: And might that lead to other eurozone countries who've been struggling financially to think, hmm, maybe that's an option for us?

DH: Yes, absolutely. If a country like Portugal were to see a successful resolution in Greece, they might then think well that's something that we could do as well.

CB: Others disagree sharply with such relatively benign visions of a post-euro future for the Greeks - or anyone else who leaves the eurozone. Larry Hatheway of UBS has written a report entitled "Euro fantasies and other nonsense".

LH: The likely impact of a exit and the devaluation that would accompany it would be a surge in inflation that not only itself has pernicious effects but also undoes most of the benefits of the devaluation itself, leaving the country with high inflation and not much to show for it in terms of improved competitiveness. In that environment, you would really question whether investors would come in and say this is now a place where I want to say, base a plant and try to manufacture. Also if one assumes, as we would based on our reading of the treaties, that the exit also means you've exited the EU and therefore you may not have the same privilege access to EU markets that you do under the current arrangement. So there are a lot of reasons here why the assumption that leaving would produce benefits is a very, very questionable one indeed.

CB: But whatever the potential economic pain identified by some experts and officials, will those forcing the pace on the ground be listening? For increasing numbers living in the eurozone's hardest pressed areas, defying international policy makers is now precisely the point. Aristotle Kallis has watched many fellow Greeks create their own version of what happened in Argentina.

AK: Argentina is playing a very important role in the Greek public discourse at the moment, and I have to say the media - television in particular - have created a kind of alternative reality with regard to Argentina. Argentina offers that mythical alternative scenario of reassertion of national sovereignty, of taking revenge on the international creditors, and on somehow improving the situation afterwards.

CB: Greeks' assessment of what might happen if they leave will shape how far they press their own politicians to make such a move. Across Europe - including here in Britain, we've been told - governments, banks and companies are making contingency plans. From his vantage point at the UBS London headquarters, Larry Hatheway sees people worrying about what happens if money stops flowing in the usual European way, and they have to face the completely unexpected, what he calls the non-linearities.

LH: There are important issues about how you would actually deal with the introduction of new currency in your payment system, in your accounting treatment, in all those very nuts and bolts but very important ways in which a modern corporation operates. So when we talk about non-linearities, we're not talking about well I might get repaid half of what was owed to me because the currency has fallen in half. That's linear thinking. Non-linear thinking is I might not get paid at all, right. And that I think is the kind of exercise that both companies, but also counterparties in the

banking sector have to be engaged in to really think about the probabilities of those worst case outcomes.

CB: At the same time, as David Lascelles has discovered, others in the City of London are already working out how they could profit.

DAVID LASCELLES: What I find talking around the city is a more hardnosed attitude to this. For example, in the foreign exchange departments of banks there's even a slight gleam in the eye at the thought of all the volatility. And at the end of the day you'd have an extra currency to trade, so you know it's bully for the banks really.

CB: So whereas one might have EU political leaders saying this is unthinkable, catastrophic, don't go near it, that wouldn't be the attitude in what you call the hardnosed members of the city?

DL: No, absolutely not at all. I've seen research reports from city investment houses which identify particular instruments that you can trade. It's all highly technical sort of rocket science stuff, but it could work.

CB: But the fact that people are putting the time in to designing these financial instruments suggests they're taking very seriously the possibility of that as an opportunity.

DL: I think exactly, yes.

CB: Right now the most crucial decisions are being taken in Berlin as the Germans are asked to foot much of the bill to defend the euro come what may. So what's the mood there? David Marsh, acute observer of German thinking, sees a leadership torn between calling the Greeks' bluff - and scaring them with warnings of what an exit from the euro could mean.

DM: It's a bit like if you are a sinner in this world, you have to believe that you're going to go to hell and there'll be flames and purgatory and it'll be a dreadful place. You cannot be told that you might be rewarded.

CB: And is there worry though that Greece, knowing what a political humiliation it would be for the eurozone to break apart, even just one country leaving, are going to try and use that angst to extract as many concessions as possible?

DM: Yes and they do call it blackmail. The Germans call it by its name - they say this is blackmail. And obviously they're willing to go into blackmail up to a point. The euro is very important to the Germans. It's not that important that they would forsake all their principles and indeed all their guarantees and pay billions and billions more in terms of future guarantees and future drains on the German taxpayers, but there is a game of brinkmanship going on. There will be a time when limits are reached for political and economic reasons, and I think that time may not be all that far away.

CB: Everyone, Germans, Greeks, others across the eurozone and EU, is wondering where it might all lead - now the unthinkable is being well and truly thought. The eurozone may be saved intact; the optimistic public statements we still hear from leaders may be vindicated. But behind the scenes very different outcomes are being imagined. Such are the sensitivities, the fear of prompting panic, we won't know the response unless and until such a crisis is underway. Creating the euro was a painstaking, well-publicised process of negotiation, planning, weaving together economies and peoples. Its unravelling, if it comes to that, will look very different.

PRESENTER: Well, back to this afternoon and now Europe's Choice, a new series for BBC Radio 4 in which Allan Little looks at some of the key moments and issues that lie behind the current crisis in the European Union. The story begins with a defining moment of the 20th Century.

ALLAN LITTLE: It was one of those hinges on which history turns.

NEWSREADER: The people of Berlin, East and West, have spent the night celebrating the new freedom to travel across (*fades out*)

AL: The 9 November 1989 changed the shape and the destiny of our continent.

UNNAMED SPEAKER: Well, it's amazing, it's what we have waited for, for 23 years or something.

UNNAMED SPEAKER: I am born in the city and I'm waiting to be free in the city.

AL: But it was also a moment of hidden, unforeseen consequences.

UNNAMED REPORTER: (*word unclear, 'this' or 'police'*) commander on duty here at Checkpoint Charlie has suddenly announced they can over, even though they may not have the right documents, and they're charging now through the (*fades out*)

AL: This is the moment that put Europe on the road to a single currency, and, ultimately, to the current crisis. It's a story of how political ambition triumphed over economic reality. Of how 17 nations married in haste and now repent at leisure. In 1989, many of Europe's leaders had lived through the Second World War. As young adults they'd helped build what would become the European Union. They had dreamed of a Europe with no internal borders, and a single currency from the beginning, in the 1940s. But no one foresaw in the euphoria of that November night that the fall of the Berlin Wall would give that dream new energy and a new urgency.

MARGARET THATCHER: I watched the scenes on television last night and again this morning because I felt one ought not only to hear about them but see them. Because you see the joy on people's faces and you see what freedom means to them; it makes you realise (*fades out*)

AL: But Britain, always the half-hearted European, quickly grew uneasy. Its prime minister had also lived through the Second World War.

JONATHAN POWELL: My brother worked for Mrs Thatcher as her foreign policy aide at the time, and I remember him ringing me up in the Foreign Office where I was the desk officer for German unification, and he told me my job was to stop German unification happening.

AL: Jonathan Powell would go to become chief of staff to Tony Blair.

JP: I said, 'Don't be silly, it's going to . . . you can't stop it happening, it's going to happen, we should be on the right side of it.' And Mrs Thatcher really did put herself in the wrong position, she was the one out there opposing German unification, whereas Mitterrand, who had the same worries and the same concerns, actually used it as a chance to build an alliance with Helmut Kohl and made their relationship even deeper.

AL: The prospect of a reunified Germany with its capital at Berlin reawakened an old anxiety in both the British and the French, for in Europe the past is ever present. How would the new German giant fit in Europe, when two previous united Germanys had proved so destructive? Douglas, now Lord, Hurd was Mrs Thatcher's foreign secretary.

LORD HURD: It wasn't that she feared the jackboots would march all over Europe, she was sometimes portrayed as believing that, but she didn't believe that, I'm sure of that. She did believe though that if you added x million highly disciplined Prussians and Saxons to the existing German mix, you'd get something absolutely formidable. And she was egged on in this by Nick Ridley, you remember he was Secretary of State for the Environment then.

AL: And there were others who egged her on, apart from Nicholas Ridley, who were they, do you think?

LH: I put a lot of blame on President Mitterrand. She had respect for President Mitterrand, he was several bad things, he was socialist and he was French and so on and so on, but she forgave those because he was so clever, and knew so much history, and he played on that. He said to me every now and then, 'C'est 1914 encore un fois' – it's 1914 all over again. And therefore we and the Russians and you, the British, must stand up against it, as we did then. And this was music to her ears, really, and she kept on saying to me, 'Oh, the French are on our side', but I knew that actually Mitterrand was discussing the whole question with Kohl on a completely different basis.

AL: France had always seen the European Community as a projection of French power and prestige on a continental scale. The old West Germany with its sleepy capital at Bonn caressing the Belgian border was containable within that idea of Europe. This new Germany would shift the European centre of gravity dramatically to the east. President Mitterrand was worried, but unlike Mrs Thatcher, he thought that opposing German unification futile. He offered his support, but at a price. The historian, Timothy Garton Ash.

TIMOTHY GARTON ASH: The document on this are by now absolutely clear, most of the documents have been released. The price was an accelerated commitment to a timetable for European monetary union, which Mitterrand saw as binding united Germany into Europe and preserving French leadership. The irony, of course, is it had precisely the opposite effect. It's not merely catalysed, it's compelled the emergence of German leadership inside the Eurozone.

AL: In Germany, too, the past is ever present. The spectre of hyperinflation haunts policymaking. Twice in the 20th Century, Germans were ruined by it. Hyperinflation helped bring Adolf Hitler to power. The deutschmark introduced in 1948 was, to the Germans, so much more than a currency. It stood for a Germany reinvented after the nightmare of Nazism. Joachim Bitterlich was foreign affairs advisor to Chancellor Kohl, and the principle architect of the single currency.

JOACHIM BITTERLICH: This was the symbol of the renaissance of Germany after the war. We formed the currency reform with the introduction of the deutschmark, and the whole debate how to structure Germany as a state came one year later, the deutschmark became the symbol of renaissance of Germany.

AL: And so persuading the Germans to give it up was a very difficult thing.

JB: Let's say it was nearly mission impossible. And therefore we had to offer something to the Germans, what I would call the translation of a German model at the European level, the euro, with the independent central bank, the obligation of fighting against inflation.

AL: This was Germany's price for agreeing to give up the cherished deutschmark. The new European Central Bank would have to be modelled on the mighty German Bundesbank. It would have to be independent of government. Its defining task would be to control inflation. The French didn't like this at all.

JB: The French model was no independent European Central Bank, and the economic model accompanying it was not federal at all but centralised, let's call it deregistic (?).

AL: State interventionist.

JB: State interventionist. And our model was social market economy.

AL: How difficult were the French on the question of the independence of the European Central Bank?

JB: Well, it was not in their nature, but they knew exactly the Germans will never do it without independence.

AL: Even so, the drive to monetary union gathered speed. Just two years after the fall of the wall, the twelve member governments gathered in the Dutch city of Maastricht Treaty.

UNNAMED REPORTER: As the ministers stepped forward to sign the Treaty, a string orchestra played classical music.

DOUGLAS HURD: An enlarged Europe will not be, cannot be a centralised Europe, with a single central power, a single central parliament, I think the logic is running against that.

UNNAMED REPORTER: The Foreign Secretary, Douglas Hurd, signed on behalf of the government. His signature, also on a separate protocol, allowing Britain to decide later if it wants to take part in a single currency, due to be in place by 1999 at the latest.

AL: Britain and Denmark negotiated an opt-out. But the other ten signed up for eventual membership of the single currency. They laid down strict criteria. To qualify for membership, governments must achieve low inflation, low national debt, and low budget deficits. Germany insisted on fiscal and financial discipline. And at the last minute, Germany added another condition: the new European Central Bank would be forbidden from issuing Eurobonds to bailout any national government that was overspending. David, now Lord, Williamson, was Secretary General of the European Commission throughout the negotiations.

LORD WILLIAMSON: It wasn't in drafts that floated around for quite a long time. So in the original version, there would have been more possibility to take on at European level commitments such as the ones which people are now arguing about.

AL: So the way in which the Treaty restricts the freedom of the European Central Bank was introduced to the Treaty by the Germans . . . ?

LW: As far as I recall by the Germans.

AL: Very late in the day.

LW: Yep.

AL: What do you think motivated that?

LW: The circumstances that have come to a head now. The German Constitutional Court had to protect their national position. They were signing up a treaty, they were giving away as it always says in the German Constitutional Court's judgement, they were giving away the powers which belonged to the German people, not to the German government, but to the German people.

AL: The effect was to create a shared currency, but to rule out shared debt. The benefits of the single currency would be mutual, but there would be no mutualisation of the risks that went with it. Did the cautious, disciplined men of the Bundesbank insist on this because, as early as 1992, they foresaw rampant overspending by their southern neighbours? Probably not.

LW: I'm not sure that they believed that there was really much risk. They probably felt that the risk of the currency as it were getting into serious difficulty because of big differences in the economic performance of the major countries, the major countries, was not very high.

AL: When the ink was dry on the Maastricht Treaty, the criteria were clear: to get into the euro, each nation would have to prove that its public finances were very sound indeed. John, now Lord, Kerr was UK ambassador to the EU at the time of the Maastricht Treaty.

LORD KERR: If you think back to twenty years, to the Maastricht negotiation, when we were working all this out, my view that it would be five, possibly six countries that would start. It never occurred to me that Italy or Spain, let alone Greece, would qualify.

AL: European countries now settled to the task of getting their public finances ready. They did this, in part, through something called the Exchange Rate Mechanism, a kind of monetary straightjacket that had been set up in the 1970s to try to limit fluctuations in the value of Europe's national currencies. Britain had joined the ERM in 1990.

SIR NIGEL WICKS: One of the objectives was actually how to deal with inflation. The Treasury was looking for a sort of Holy Grail – how can we control inflation?

AL: Sir Nigel Wicks is a former principal private secretary to Margaret Thatcher, and was Britain's man on the European Monetary Committee – the body that created the single currency. He says Britain joined the ERM, because the pound sterling had suffered inflation rates of 25% and more in the 1970s.

NW: We had monetary policy, we had formal incomes policy, we had informal incomes policy, indeed, you know, we regulated prices and wages by statute in the early 70s, but we were not really being able to get a handle on inflation. We then had a period of so-called shadowing the deutschmark, but then we thought, well, Germany clearly had managed to deal with inflation, and the argument was we will go, I think, join the ERM, not for necessarily for European reasons, but as a way of trying to deal with inflation.

AL: The Germans had mastered inflation, they wanted exchange rate stability for a different reason, to protect their lucrative export markets. Separate currencies and fluctuating exchange rates meant interrupted sales, a sudden drop in the value of, say, the Italian lira made German exports suddenly unaffordable in Italy. The Germans came to see in separate currencies a means of protectionism, a way for national governments to erect artificial trade barriers. Dietrich von Kyaw was German ambassador to the EU for much of the 1990s.

DIETRICH VON KYAW: We wanted Italy to stop devaluing the euro. They had to do with such limited but nevertheless, in the German political, the important things like Bavaria needing to continue to sell their surplus milk to Italy, or Volkswagen wishing to keep the Fiat competition within certain limits. It's a political game all this, also, it's not only one of principle, it's not even in Germany.

AL: In 1992, at the time of the Maastricht Treaty, eleven countries had joined the Exchange Rate Mechanism, ten of which were, in effect, pegging their currencies to the ever-dependable, ever-predictable deutschmark. But Germany was paying a high price for reunification, and deutschmark interest rates were high. Some of Europe's weaker currencies were now woefully overvalued. By September it was clear that Italy was struggling. At the Treasury Sir Nigel Wicks sensed a tipping point. His boss, the Chancellor Norman Lamont was that evening at the Royal Albert Hall, a guest of the BBC, at The Proms.

NW: I got a message at home from an Italian colleague that they were liable to fall out, and this was the days before text messaging and things like mobile phones, and I had to get a message to Norman Lamont who was in the box, the VIP box, and so I sort of passed him sort of cryptic messages, 'I'm awfully afraid my Italian

friend is very ill, and I'm not sure he's going to survive the weekend, perhaps we ought to have a word about funeral laments' and things like that.

AL: So you had to speak to him in code?

NW: Yes.

AL: Why?

NW: Because I couldn't actually say to the BBC people, 'Can you tell Norman Lamont that the Italians are just about to fall out of the ERM, and we'd better think of a contingency plan'. Maybe your music department would not have actually passed it on to the news department, I couldn't say that, so I had to talk in code.

AL: Then, as now, the contagion spread. The markets turned on the pound. The value of sterling started tumbling. To stay in the ERM, the British government tried to defend the currency.

NEWSREADER: Tonight, a massive 5% hike in Britain's interest rates to shore up the ailing pound – it didn't work. Hopes of recovery smashed with warnings that mortgages could go through the roof and thousands more may be on the dole.

AL: What was the mood at the Treasury that day? Sir Nigel Wicks.

NW: Pretty desperate. We were pretty desperate.

AL: Was there panic?

NW: No, there was not panic. We did put the interest rates up. We had in the offices a Reuters screen which showed you what the pound was doing. We put the interest rates up, we would intervene, spending a billion dollars to try to support the pound, and you saw a little, it was like a heart machine, a little blip up, and then it went down again.

NORMAN LAMONT: Today has been an extremely difficult and turbulent day. Massive speculative flows have continued to disrupt the functioning of the Exchange Rate Mechanism.

AL: Norman Lamont raised interest rates by 2% in the morning, and then by a further 3% in the afternoon. For the markets it looked like panic, it also looked hopeless. By the end of the day, he'd put them back down to where they'd started. The pound had lost 17% of its value.

NL: In the meantime, the Government has concluded that Britain's best interests are served by suspending our membership of the Exchange Rate Mechanism.

AL: The effort needed to keep the pound pegged to the mighty deutschmark was too much for the British economy to bear. It came to be known as Black Wednesday. It was an early lesson in the limits and dangers of a one-size-fits-all currency union. Despite these clear warning signs about the dangers of binding so many national currencies into one signal, nonetheless, the steam train to monetary union . . .

NW: Still steamed ahead.

AL: Sir Nigel Wicks, Britain's man on the European Monetary Committee was still busy in Brussels, building the single currency. Shouldn't Black Wednesday have been a warning that national economies needed their currencies to be flexible in value?

NW: But you see, what the mainland Europeans argued at the time was they argued the reverse, they said that because it was so difficult to run an ERM, which you had independent currencies, and those independent

currencies were effectively dominated by what decisions the Bundesbank took, the answer was to have one currency where you had interest rate decisions for the single currency area taken by the ECB, the European Central Bank, where everyone was round the table.

AL: And so the steamship single currency sailed blissfully on. Maastricht had set notional deadlines for Europe's national currencies to lock themselves together – 1997 if possible, 1999 at the latest. In 1995, three years after Maastricht, a young civil servant at the French Finance Ministry called Jacques Lafitte got a phone call asking if he'd like to relocate to Brussels to work on the euro project. What kick-started this process after this long period of inertia?

JACQUES LAFITTE: Frankly that simply that my commissioner realising that we were not ready. We were not ready to introduce the single currency, and we were not even ready to produce a paper which would explain how we would do that.

AL: And who was driving it politically?

JL: Well, in a way the Treaty, quite simply. I mean, the Treaty had been ratified with the opt-outs that we all know, but we had to implement the treaty. The Commission would have been guilty of not doing its job if we had not proposed the appropriate transition scenario and the secondary legislation that has to come with it. At the time, between ourselves we thought 'Oh gosh – two years to go', I mean, we, we have no design for the coins and notes, even for the simplest things we had a problem.

AL: Coinage was the least of their concerns. The key question was who would qualify for membership in the first wave. Which countries would fulfil the strict Maastricht criteria? Which economies would really be ready?

JL: Europe at the time was essentially divided between the countries who would potentially fulfil the criteria, that were not so keen on moving to a European currency, and the ones who would potentially not fulfil the criteria, who were far more positive about giving up their national currency.

AL: Twelve of the European Union's fifteen member governments wanted in. Britain, Denmark and Sweden stood back. Sir Nigel Wicks.

NW: The other member states didn't want to be regarded as second class citizens, and you found that there was an internal political dynamic which made them want to be really close members of Europe. The Spaniards and the Portuguese had not long come out of dictatorship, so they wanted to be part of it. Similarly with the Greeks. And if being part of the club was being a member of the monetary union, they would be members of the monetary union.

AL: Very political dynamic, not much economics going on.

NW: Not much economics to that.

AL: Many in northern Europe wanted the euro phased in gradually, to start with perhaps five or six members whose economies were truly ready and to grow from there. The Dutch were not happy. Their former Finance Minister, Wim Duisenberg was an early doubter.

JL: Mr Duisenberg, who eventually became the first president of the European Central Bank went on the record in January '95, saying that Europe was not ready, and it would take at least one more generation before we can possibly introduce a single currency.

AL: So there were doubts from some very, very serious people about whether Europe was ready for this venture. Why were those doubts in the end overcome? Why did the pro-euro, pro-single currency camp prevail?

JL: Well, first there were a lot people in the pro-euro camp, make no mistake. But it's clear that Chancellor Kohl played a decisive role.

AL: And why did he want it?

JL: The Chancellor Kohl that we knew in '95 wanted the euro for at least one very good reason, which is that the same Chancellor Kohl already wanted the euro back in '88, '89.

TGA: You have to look back at the whole history of European integration, which had happened through the so called Monnet method, or functionalist method, which is that you go almost by stealth through economic integration to political integration.

AL: Timothy Garton Ash.

TGA: Helmut Kohl and François Mitterand thought that of course a closer fiscal union and political union would follow monetary union and they wanted that to happen, they thought it would necessarily follow, but it didn't.

AL: Jacques Lafitte says it was an open secret among the technocrats putting the single currency together that Europe's southern tier was not ready. But Europe's political leaders, not the supposedly unaccountable Eurocrats of the Commission, but the democratically elected national governments themselves did not want to listen.

JL: Italy, Spain, Portugal and Greece, but they were in different situations. Spain was a very impressive country in terms of public finances for instance. Of course, we had our doubts that they were completely ready, when we look for instance at their balance of payments. Competitiveness was not one of the criteria, so the only thing we could do in practice, in the convergence reports or the economic assessments that we did twice a year was to say to Spain, well, maybe you want to do something about your labour market and your competitiveness and your unit labour costs. Italy was a country that a lot of us thought, but we couldn't tell people, was not really ready, but they were desperate on joining from day one, absolutely desperate.

AL: So it was your view that Italy was not ready, was that view widely shared?

JL: Behind closed doors, yes.

AL: Why did nobody tell the truth?

JL: Because we have had in Europe, and not just with the euro, a big political correctness problem over the decades. This good old tradition of not pointing the finger at any other member state, just to make sure that the other member state will not point a finger at you some day. It would have been difficult unless they would have remained very far away from the criteria.

AL: But they were far away from the criteria.

JL: Well no, they had a special tax, did some massaging of the figures, but not much, and they were not the only ones.

AL: How many countries did you think in your mind would be ready by the end of the decade?

JL: The vision that was shared by most EU officials – but again, we had to shut our big mouth and we're just smallish technocrats at the end of the day – was Germany, Benelux, Austria, France, plus the countries to the west and to the north, so potentially Finland and Ireland.

AL: So six or seven?

JL: Or six to eight, something like that.

AL: Britain's position was still ambiguous, undecided. The so-called 'opt-out' negotiated by John Major at Maastricht was really a right to opt in. Britain to this day retains the right to join the euro. In early 1997 with an election just weeks away, and as Labour were preparing for government, the shadow chancellor, Gordon Brown, who would later be credited with keeping Britain out of the euro, wanted even that late to keep Britain's options open. Discretely, a team of his closest advisors went to Brussels.

JL: They did come to see us very informally, okay? It was not three limousines queuing in the courtyard, but the main question was do we really need to re-enter the ERM for two years before joining the euro. If you saved us this disgrace – it was considered a disgrace because of Black Wednesday – we may well join the euro from the beginning.

AL: So they wanted to fast track Britain into the euro, or at least to have that option?

JL: I would say so. We took away the very strong feeling that they were seriously considering joining the euro from the very beginning, 1 January '99.

ED BALLS: I went out first for a day, and then I went with Gordon Brown subsequently, and we talked about how the euro was operating or would operate, how the decisions were going.

AL: Ed Balls, today the shadow chancellor, was then a special advisor to Gordon Brown. He took part in a series of meetings designed to keep the door to British membership open.

EB: We weren't drawing up secret plans to join, but we were undoubtedly wanting to keep the option on the table.

AL: Did you explore with the Europeans the possibility that Britain might not have to join the ERM for the full two years the Maastricht Treaty had stipulated, to qualify for membership in the first tranche?

EB: Yes we did, and that was an essential part of those discussions, because if joining the ERM was a precondition for going into the euro then that essentially ruled Britain out in principle, that was an impossible hurdle for us to cross. We weren't the only country in that situation, I remember Sweden having the same issues.

AL: In the end, Gordon Brown kept Britain out. In 1999, eleven others locked their currencies together, Greece making it twelve two years later. But political imperatives drove the whole process, and at key moments they trumped economic better judgement. The Europeans in their post 1999 euphoria allowed hope to silence legitimate doubt. Next week, I'll examine how that pattern will continue, with even the Germans casually and disastrously disregarding what were meant to be strict, legally binding fiscal rules, as the juggernaut of monetary union rolled on, with even the Greeks on board.

UNNAMED SPEAKER: We always saw the head of the statistical agency of Greece, that compiled all these statistics on the deficits, inflation, et cetera, we used to call him the magician, because he made inflation disappear, and then he also made the deficit disappear.

EUROPE'S CHOICE: BREAKING THE PACT, 5TH FEBRUARY 2012

PRESENTER: Well, now on Radio 4, we've the second part of Europe's Choice in which Allan Little looks at some of the key moments and issues which lie behind some of the current crisis in the European Union. This week's story begins in the messy week of the 2010 General Election.

JOHN HUMPHRYS: The news headlines this morning: Britain is heading for a hung parliament. That appears to be . . . (*fades out*)

DAVID CAMERON: I want to make a big, open and comprehensive offer to the Liberal Democrats.

NICK CLEGG: I think it would be best if everybody were just to take a little time so that people get the (*fades out*)

ALLAN LITTLE: Saturday 8 May 2010. Alistair Darling is surprised to discover that he's still Chancellor of the Exchequer, Labour has lost the general election, but no party has a majority, so no new government is yet in office. He finds himself unexpectedly back at 11 Downing Street, the Chancellor's London residence.

ALISTAIR DARLING: I left fully confident that I would not darken the doors of the place again because, you know, I was pretty clear that weren't going to win the election frankly. And of course having vacated the flat there's practicalities like there's no sheets, no blankets, no toothbrush, nothing.

AL: Next day Sunday 9, he had to head to Brussels. Europe was in turmoil.

UNNAMED NEWSREADER: European Union finance ministers have been discussing measures to prevent the Greek debt crisis from spreading to other countries (*fades out*)

AL: The idea that this meeting would wrap up in the late afternoon was always optimistic. He didn't want to commit the incoming government to anything, so he'd already informed the European Commission that Britain would not contribute to the bailout fund that was now desperately needed. What happened next would demonstrate a key weakness of the EU as an institution - its inability to take decisive action in a moment of urgency.

AD: This is yet another one of these meetings where instead of sitting down at the appointed time, and saying 'Right what is the issue here? The issue is, we've got to put together a rescue fund because if we don't do that the European Central Bank will not agree to buying bonds of distressed countries.' And there were one or two other smaller points, but that was the big thing. So what happens? The meeting doesn't start for I think it was like a couple of hours late, the European Commission put forward proposals that we had to contribute to it, despite me having told the Commission there was no way we were going to do that. This went on for hour after hour after hour.

AL: Why don't the meetings start on time?

AD: I don't know why they can't. It's just one of these things, because the horse-trading, deals and compromises are endemic within the culture of so many European countries, and certainly in relation to the Commission. So it is terribly frustrating; it's not a good way to make decisions.

AL: The urgency was clear: they all understood. It was a Sunday evening and the Asian markets would open within hours. The politicians present knew and would later admit that there was a real danger that the euro would fall apart that very night.

AD: I'd had a number of conversations with Tim Geithner the US Treasury Secretary who was increasingly concerned, if not frightened at Europe's inability and unwillingness to deal with what he saw was a growing

catastrophe in Greece. And I remember being party to one of these big phone calls with, you know, half a dozen finance ministers when again and again he kept saying, 'What are you guys going to do about it?'

AL: The crisis highlights another paradox at the heart of political Europe, and one that will now have to change. The EU is often characterised as undemocratic and unaccountable, as having usurped the sovereign rights of the nations. But if you thought that the EU was undemocratic and over-centralised before this crisis, get ready to be further outraged by what lies ahead. On that night in 2010, as so often in the past, the EU found itself paralysed - not by the centralisation of power in Brussels, but by the dispersal of real power among 27 sovereign nation states that couldn't agree.

JONATHAN POWELL: There had been attempts, for example to have some sort of leadership in Europe. We made an attempt to have a troika, to have Britain join France and Germany in making some of the decisions in Europe, our attempt to do that was a bit of a failure.

AL: Jonathan Powell was chief of staff to Prime Minister Tony Blair.

JP: We had one meeting after 9/11 with Chirac and Schroeder that went fine and then we tried have a follow-up meeting in Downing Street, but as soon as it became public we had telephone calls from everyone else demanding to come. So first Mr Berlusconi called and said he had to come, he absolutely insisted on it, so we allowed him to come. Then we had Mr Aznar of Spain who called and said, 'If you're having the Italians, you've certainly got to have me in, I have to come'. Then we had the President of the Commission call and say that he had to come, and he had to bring with him the Belgian Prime Minister, Guy Verhofstadt, because he was President of the EU. And then finally, just as we were sitting down to dinner, Wim Kok called me on my mobile and said he was coming as well, because the Netherlands needed to be represented. And I had to tell him we'd run out of food and he had have the vegetarian option.

AL: Everyone wants to be at the top table. It's a matter of prestige. This need had driven almost everyone, twelve of the then fifteen members, to adopt the euro - whether they were ready or not. Sir John Grant was the UK ambassador to the EU from 2003 to 2007.

SIR JOHN GRANT: European political leaders are quite bad at saying no to their colleagues, particularly when their colleagues are in the room. Individual leaders and individual countries have quite a significant measure of understanding for the national political priorities of other countries. You know, it's difficult to argue that that's a bad thing, unless you take a very federal view to the development of Europe.

AL: But that deference to their colleagues' national interest may have proved disastrous in the case of Greece. When the country first got into trouble there was, for many, a clear case for bringing in the International Monetary Fund. The economist Miranda Xafa has worked for both the IMF and the former Greek Prime Minister.

MIRANDA XAFA: There were discussions between Greece and the IMF. At that time some people in Europe did not particularly want IMF to be involved.

AD: My view always was we set up the IMF to help countries that got into difficulty.

AL: Alistair Darling believes the sectional interests of one very powerful national leader were allowed to stand in the way of IMF intervention, to the detriment in the end of everyone.

AD: But at that time French politics were very important and one always got the impression the last thing that President Sarkozy wanted was Dominique Strauss-Kahn, who then was enjoying a very significant reputation as being head of the IMF, coming to France and saying, 'Look, this is how we're going to sort it out'. Because Strauss-Khan was the frontrunner for the Socialist Party nomination at that time. Now, you know, things change (*laughs*) but that was a concern in French domestic politics, I haven't the slightest doubt about

that. At the time Strauss-Khan and the IMF were very much to the fore of saying, if you don't sort Greece out, these fires will spread.

AL: A public finance crisis in Greece shouldn't matter very much. Greece accounts for only two per cent of Europe's economy. But in a Europe of the single borderless currency, contagion spreads - so it matters very much. In the mid-1990s, the economist Miranda Xafa had left her native Greece to join Salomon Brothers in London. She was watching and writing reports for the investment firm as Greece made its preparations to join the euro. Member states had to prove that they had low national debt - sixty per cent of GDP at most. Low annual budget deficits, three per cent of GDP at most. And low inflation. Greece cooked the books.

MX: For example there was a rule set by Eurostat, the statistical agency of the Commission, saying that transfers to public enterprises are not counted as expenditure if they are matched by equal equity participations. So, let's say the Greek railroads, that lose about a billion a year, has more employees than passengers, the former minister Stefanos Manos, had said publicly at the time that it's cheaper to send people by taxi. How did they cover this deficit? Well, it was as if the company would issue more shares, that the government would buy, and then that was not counted as expenditure, it was a financial transaction.

AL: Let's pause for a moment to take that in. The Greek railways were losing a billion a year; the state was paying. But the government declared that it was using this money to buy equity in the railway company. So that huge billion euro loss did not appear as an item of expenditure in the nation's budget. It was hidden - deliberately. Pushed into the distant future as debt. So by taking advantage of these loopholes . . .

MX: Hm-hmm.

AL: Was the Greek government in the late 90s able to hide a lot of expenditure?

MX: Absolutely, I mean loopholes, and then they would try to push an elephant through that window, and that's why the deficit were really much, much bigger than the official figures suggested.

AL: What you've got in front of you here is paper you wrote, that you prepared.

MX: Yes, yes. So this report is dated December 15, 1998 and it explains these various tricks. So all that was out in the markets it was not a surprise that a decade later we are where we are.

AL: So you knew, because you wrote it in this paper, that Greece wasn't . . .

MX: And all the clients of Salomon Brothers knew. Because I used to come to Athens from London with clients of Salomon Brothers and we always saw the head of the statistical agency of Greece, that compiled all these statistics on the debt, the deficits, inflation, et cetera, we used to call him the magician, because he made inflation disappear, and then he also made the deficit disappear.

AL: By 2004, Greece was already a member of the eurozone. But the artifice was now beginning to show. The conjuring tricks were becoming transparent. That year Peter Doukas took over as budget minister. He wanted to look in detail at the nation's balance sheet.

PETER DOUKAS: I invited the senior staff of the ministry and asked them to give me all the details of the budget that had been voted in the previous December, two-and-a-half months before I took over. I said, you know, 'don't worry about persecution or anything, just tell me what the true story is, and we can work out, that's fine.'

AL: What was the difference between the budget that had been prepared and the real balance sheet?

PD: It was virtually about 7% of GDP difference, because the budget said there was going to be a 1.5% deficit, and the actual deficit based on that budget was 8.3% difference.

AL: How did that happen?

PD: That's a . . . that's a very good question, and I guess governments tend to want to show more optimistic light, they don't want to discourage people by painting blue picture that people may actually walk away from things or investors would walk away, and you want to preserve a climate of optimism.

AL: And so what were your feelings when you found out the truth?

PD: Well, I said that it's an alarming situation and we should start chopping down the budget. But the answer at the time was, 'listen, we are having the Olympic Games in a few months and we cannot upset the whole population and start having strikes and everything just before the Olympic Games'.

AL: So instead of reforming the public finances, Greece borrowed and borrowed and committed to debts that generations not yet born would have to pay off.

PD: I said, 'Let's borrow for 20, 30 and 50 years, and those times were easy years, and pretty much bankers would line up and beg us virtually to borrow from them, rather than from another bank.

AL: What's more, Greece could borrow cheaply at very low interest rates. Investors assumed their money was safe because Greece was in the euro. It got credit on the same conditions, give or take, as Germany. The so-called spreads - the differences in the rates at which sound and unsound economies could borrow – seemed to have disappeared. Suddenly in this one very narrow respect, every country was Germany. Dietrich Von Kyaw was German ambassador to the EU in the 1990s.

DIETRICH VON KYAW: We didn't understand or didn't foresee that due to this wonderfully successful-appearing monetary union everybody would get similar conditions as Germany would. Now we have these enormous spreads again as they were before monetary union, but for too long they didn't really come to play.

MX: What has happened, in effect, is that currency risk has turned into credit risk, so there are no more exchange rate fluctuations, there is no speculation of any sort regarding currencies, but some countries have unsustainable fiscal situations and others are in a much better shape, so it was this credit risk that markets underestimated. Markets just did not believe that there was credit risk inside the euro area.

AL: The markets just did not believe there was a risk of default. They failed to see the debt mountains that were accumulating. Eurozone members were obliged by treaty to keep their budget deficits below three per cent of GDP. Member states had signed up to something called the stability and growth pact that allowed the EU to punish governments that breached this limit by fining them. How serious was the EU about enforcing this commitment? You had a treaty obligation to get your debt down to sixty per cent of GDP, didn't you?

PD: Right.

AL: What was your view of that treaty obligation, given you are riding at well over a hundred per cent of GDP.

PD: As I said, I was in the minority that said let's squeeze things and push things. People didn't feel there was going to be any consequence. You know, if you can borrow and this was a prevailing attitude – again, I was very, very small minority, not in Greece in Europe, because Europe didn't see that problem coming?

AL: Was there any pressure coming from Europe, from the Commission, from those charged with regulating the Treaty of Maastricht, seeing that it was enforced?

PD: There was pressure but not the sort of thing that is breathing down your neck. Everybody who could read the numbers could see that the numbers are off. Even if you allow for constructive accounting, or whatever.

AL: Four months before Peter Doukas took office in 2004, the stability and growth pact was as good as dead. Both France and Germany had shattered the rules that limited budget deficits to three per cent of GDP. Germany, the great European financial disciplinarian, the nation for whom inflation was a living trauma, the nation that above all others could be trusted to live within its means, was struggling. The costs of re-unification after the fall of the wall in 1989 had left a big hole in its budget. Now, Germany and France had broken the very rules they'd insisted on for everyone else. The former German ambassador to the EU, Dietrich Von Kyaw.

DVK: They really sinned, by doing something not very serious, which was one of the consequences of German unification, and the enormous expenditures there. They flexibilised the schedules primarily. It was not a real sin, but when a big country does that, how can you afterwards impose on smaller countries, including Greece, to obey by the rules?

PD: The view was that, okay, if the big boys won't adhere and impose discipline on themselves, they're going to be more relaxed in terms of the treaty.

AL: The Greek budget minister, Peter Doukas.

PD: I mean, nobody can impose sanctions on Germany, which is a superpower by European standards, and similarly to France. So they don't adhere, the pressure was simply not there.

AL: France and Germany should have been fined by the EU. The safekeeping of the single currency required it. It was the European Commission's job to do that, as a way of enforcing the stability and growth pact. But as always, the unelected European Commission ran up against something much more powerful in the EU - the democratically elected national governments. On this occasion in the shape of Ecofin, the Council of finance ministers.

SIR JOHN GRANT: The crucial event for the development of the stability and growth pact happened very shortly after I'd arrived, in November 2003 during the Italian presidency at an Ecofin meeting in Brussels, in a small room with a round table, as I recall. Because in those days, that was before enlargement, and there was still only 15 of us in the room.

AL: Sir John Grant who was at the time Britain's ambassador to the EU.

JG: In other words, to make public the failure of France and Germany to correct its excessive deficit was not accepted by the Council there wasn't a qualified majority, there weren't enough countries in the Council who voted in favour of what the Commission wanted to do.

AL: So basically a majority of the finance ministers sitting around that table voted to let France and Germany off?

JG: That's what the Council decided, yeah.

AL: How did Britain vote on that day?

JG: Britain voted with the French and German position.

AL: Gordon Brown.

JG: I can't remember whether the Chancellor was in the room at the time, but that was the United Kingdom's position.

AL: France and Germany on that occasion had disregarded their obligations under the Maastricht Treaty, breached their obligations under the Maastricht Treaty, and Britain voted to let them do it without sanction.

JG: Well, they're your words, not mine. But the record shows that we didn't vote in favour of the Commission proposal.

AL: Does that mean that the stability and growth pact which was intended as a mechanism to make sure that countries who were sharing a currency didn't damage each other's currencies and economies by overspending, failed as a mechanism, as a system?

JG: It didn't *fail* as a mechanism at that point, in the sense that you know, I think you'd find many economists who would argue that the problem wasn't the three per cent deficit or the trajectory of reduction *only* – there are a whole bunch of other things that lie behind the difficulties that the euro faces at the moment. But the credibility of the Commission and the readiness of the member states to accept the authority of the Commission as the politically independent enforcer of the Maastricht criteria was obviously gravely undermined.

AL: The president of the European Commission at the time was the former Italian Prime Minister Romano Prodi. John, now Lord, Kerr, is a former British ambassador to the EU.

LORD KERR: His job was to defend it. We, of course, as outsiders, were not in a very strong position to defend it. Gordon Brown was ending his long affair with prudence. We were also having a ferocious row in the European Council about Iraq, at the crucial moment. So the atmosphere was very bad, and the French and the Germans were not really speaking to Tony Blair in 2003. So, for a number of reasons we were ill-placed to police the stability and growth pact, it didn't apply to us, when its two principle proponents ignored it.

AL: For Romano Prodi, one lesson of that Ecofin compromise was not that the unelected institutions of the EU were too powerful, but that they weren't powerful enough to stand up to the elected governments of Europe.

ROMANO PRODI: I had some problem because I called it stupid the euro, not because it was wrong, but you cannot regulate and reinforce the currency only with a few arithmetic rules, you know, you need a policy. But look, the problem was serious. We overstretched our institution building the stability pact. Clearly, (*laughs*) I had not enough power, because I tried and they told me to shut up, you know, because in this moment, honestly, we always work it through an agreement, you know, through some sort of common feeling and understanding between the Commission and the member states.

AL: In the optimistic mood of 2003, with economies growing and Europe on the verge of a dramatic Eastern expansion, this didn't much matter. But later when crisis hit, the old divide would open up again: the elected bodies, like the Council of Ministers versus the unelected, like the Commission. To rescue the stability pact the Commission would have needed to be far stronger. But that would have led to cries of outrage about the democratic legitimacy of faceless EU bureaucrats issuing diktats. Sir Stephen Wall is a former chief adviser on Europe to the British government.

SIR STEPHEN WALL: One of the paradoxes really, in a way, or contradictions within the single currency is that institutionally, in European terms, it's rather weak. I mean, the European Commission which ought to be the authority with the power of enforcement is deliberately given very little power, for what was in a way the sort of climax of the commu—of what was supposed to be the sort of the traditional community method, it

was very intergovernmental with all the weaknesses that implies, that basically if you can't get agreement among everybody, you're stuck.

AL: Again the paralysis that so frustrated Alistair Darling in his last weekend as Chancellor. The institutional answer is clear: give the Commission the power to cut through the inertia caused by national disagreements and allow it to force member states to obey the rules they've agreed to. The problem with that is profound and so far unanswered - it's not very democratic. Should there be a more powerful, but democratically elected Commission? Lord Kerr.

LK: I think it should not be democratised. It's very important that the Commission should be the unpopular policeman of the rules, the person who takes you to court, the person who insists that what is written down in legislation in the single market is actually applied by the member states. Nobody likes the policeman, but the last thing you want is a Commission where people regard themselves as their country's representatives inside the Commission. It should be run by a very powerful figure and its job should be to look after the common interest, not the interest of any particular country.

JACQUES LAFITTE: I am one of the forefathers of the stability pact. So I'm not going to throw the baby out through the window, but we had announced that an ex-post punitive system would be completely workable and sufficient to hold the monetary union together in the long run.

AL: Jacques Lafitte was, at the time, French treasury official seconded to Brussels to help build the single currency. He says the pact emerged as a compromise. The punishment it allowed for governments that crashed through the deficit limits was, as he says, ex-post punitive – in other words the Commission could only fine them after they'd broken the rules. This was flawed in several ways: first, the sanction came too late to prevent the overspend; and the subsequent fine would make the overspend even worse. That's another reason why when the crunch came those finance ministers at the Ecofin meeting voted to let Germany and France off. Lafitte and others wanted the Commission to have a pre-emptive power to prevent member countries over-spending in the first place. What he calls an ex-ante punishment system.

JL: We did make a number of other suggestions to the member states at the time, that were rejected, because they would have resulted in transferring sovereignty from national capitals to Brussels or maybe Frankfurt.

AL: What kind of systems did you propose?

JL: All sorts of things. One of the issues then was about the external representation of the euro, who would be Mr Euro in front of, say, the US authorities? On the banking side it was clear – it would be the President of the ECB. On the political side it was far less clear. Member states essentially said, 'We don't need anything like this – Commission go away'.

AL: Because it involved a transfer of sovereignty from member states to the centre?

JL: Yes, that has always been the issue.

AL: The stability pact at the time was the best enforcement mechanism you could get?

JL: Yes. We knew, deep inside . . . again, we could not say, we were mere technocrats, supposed to shut up and listen to the member states who were, by definition almost, no better. I was convinced it would not be enough, although I wrote certain bits and pieces of the stability pact myself, I was dead sure that we needed an ex-ante convergence system.

AL: So, member states retained the power to police themselves, and as we now know, this in some cases included the power to cook their books and disguise their real expenditure and publish hopelessly unrealistic

accounts of their economic performance year after year. There was no EU institution with the power to enforce it - until now that is. For the eurozone is now moving in this direction. Soon national governments will have to submit their annual budgets in advance for approval in Brussels, before they put them to their national parliaments. And the shape of what is to come can be seen clearly on the Berlaymont building which houses the European Commission in the heart of Brussels. Draped down the side of it across many stories is an enormous blue banner whose slogan captures the direction in which Europe is now moving. The slogan says, 'Towards a stronger European economic governance'. This crisis has made even more fraught a very old tension in Europe: how long will it be before national populations start to say, 'Wait a minute, is the government that we elected accountable downwards to we the people - or is it accountable upwards to a bunch of people whose names we don't even know, who work in the European Commission'? Next week: can the centre hold if national populations revolt in the name of democracy.

UNNAMED SPEAKER: Of course the European Union won't last forever. It emerged from a particular historical constellation after 1945. Ironically, the next great moment in European history, 1989, was a moment of unification but also sowed the seeds of dis-unification. I would say, 'be careful what you wish for.'

PRESENTER: Now on Radio 4, the final part of Europe's Choice. Today, Allan Little looks at how the current crisis might affect the future of the European Union.

ALLAN LITTLE: This is what the Greek government faces in their attempts to impose austerity on the Greek people - another day of action, another general strike by public sector workers has brought the country to a standstill. Already several thousand demonstrators have gathered here near the National Museum for a march down to Constitution Square and the country's parliament. But this is not just a revolt by Greeks against their own government, it's also a revolt by Greece itself against Europe, because the demonstrators here have the added arguments that the Prime Minister they blame for imposing austerity was not chosen by Greeks themselves, but was chosen by other European powers and principally Germany.

PETER DOUKAS: Germany is the one that's the locomotive of paying for other people's problems, that will probably ask to have a much bigger say in what's happening in Greece and Italy and Spain.

AL: Peter Doukas is a former Greek budget minister. The EU was conceived, in part at least, as a way of addressing the problem of Germany's mighty weight in Europe. Integration was, its leaders thought, a way to normalise, to Europeanise Germany. Is this crisis in the eurozone having the opposite effect - of Germanising much of Europe?

PD: Decisions will be made by those who are actually pay for the biggest part of the bill. So the centre of gravity of Europe is rapidly moving towards Berlin.

AL: So do you think there's a kind of Germanisation of Europe taking place?

PD: Well, first of all, we had a customs union that benefitted Germany because it could export its competitive products freely. And then we had the monetary union, and now we have a fiscal union, and in the fiscal union they will be the ones dictating the terms with France as a junior partner.

AL: European opinion is fragmenting. Half the continent now thinks Germany has grown too powerful. Greek television casually portrays a caricature of Angela Merkel, strutting around the Parthenon dressed as Hitler. But the other half thinks Germany is not aggressive enough and that German inaction is now an existential threat to the single currency. Is the euro bleeding to death, because Germany will not allow the European Central Bank to intervene on the scale that's now urgently needed? France has always wanted a much more interventionist ECB. Ed Balls, the shadow chancellor, as an adviser to Gordon Brown, played a key role in keeping Britain out of the euro.

ED BALLS: If you have a body on the floor bleeding, every hour of blood loss makes the patient weaker. There's not much point in the European Central Bank or certain leaders giving, you know, the kind of troubled patient a lecture about the fitness regime they should have had for the previous ten years. And this massive doubt is being created about whether the commitment is real and 100%. And you can't make a monetary union work in those circumstances.

AL: What are the main impediments to the ECB acting in the way that you believe it should act?

EB: The ECB doesn't feel as though it has the political support of its major and most powerful shareholders and therefore is hamstrung and hampered from doing what is necessary.

AL: To be clear is it German reluctance to go down that road?

EB: Well, it is very clear that, erm, that is what the French have wanted, but erm, you have to reach a collective agreement and it's not been possible because I don't think that Germany - and others - have been

willing to sign up to that view of what needs to be done. But without that you can't make this monetary union work.

QUENTIN PEEL: Germany's in a position today where it is, like it or not - and the truth is it doesn't like it in the driving seat of the European Union, Germany's never wanted to be in the driving seat. My memories of Germany in Brussels over twenty years or more, is a country that was always utterly incompetent in punching its weight.

AL: For no one is more spooked by the idea of German supremacy in Europe, by the historical resonance of that, than the Germans themselves. Quentin Peel of the Financial Times in Berlin, is a veteran Europe watcher.

QP: It goes back to the very Federal German system, you have a devolution of power and a coalition system of government which by definition means weak government, and Germans like weak government - it's not what they had in the 1930s anything not to be back in the 30s. And I remember going to see the German ambassador in Brussels, back in the 1980s, and I said, 'Ambassador I really want to understand what your position is on reforming the common agricultural policy?' And he said, 'Peel, I would like to understand that too.'

AL: The European leaders who built the EU were driven by their experience of the most destructive war in human history. They wanted to answer Europe's German question: how do we stop it happening a third time? They succeeded, but there is a new, younger Germany now. This Germany resents the assumption that it will be Europe's paymaster, endlessly picking up bills run up by feckless and ill-disciplined neighbours. The historian, Timothy Garton Ash.

TIMOTHY GARTON ASH: The problem is that the consensus which was there twenty years ago or even ten years ago for making this work by moving forward to closer union is no longer there in Germany, because Germany has become a more normal country like France or Britain.

ULRIKE GUÉROT: We see clearly in polling now today that many Germans are either disappointed from Europe or confused or both.

AL: Ulrike Guerot of the European Council on Foreign Relations based in Berlin.

UG: We have a new generation of the, let's call it the 30 something people who are now going into the ministries, going into the media, and they have just a different narrative. You have basically still a very pro-European Germany, but a Germany that puts a price tag behind Europe. I'm still from a generation without price tag, which is Europe at any price, any condition, good for us, glue of history. This has gone. Germany's still European, but with a price tag - what Europe at which price?

AL: Almost everywhere the crisis has provoked greater suspicion of the idea of Europe - a retreat to the nations, and not just in Greece and Germany. If I'd been making this program even five years ago I'd have gone to Turkey to consider where Europe ends geographically. Turkey first applied for membership forty years ago. But does our common European home really stretched to the borders of Iran and Iraq, to the Euphrates Valley and the fringes of Babylon? The question seems dated now. Turkey is moving on. Sinan Ülgen is a former member of the Turkish delegation to the EU.

SINAN ÜLGEN: At the time opinion polls were showing a support of almost 75%. Since 2004, what we have seen is a gradual but clear decline in domestic support for EU membership. Today we have, according to, you know, to the opinion polls, we have about between 35 and 40% support for EU membership. So there has been a slide of almost 35 basis points.

AL: The economic benefits of membership for Turkey are now in doubt. Over the last ten years Turkey's economy has grown by an average of 5% a year, per capita income has tripled, it's now the world's sixteenth largest economy. In the Arab Spring, Turkey is seen as a political model to emulate - a successful fusion of Muslim and democratic sensibilities. Turkey is turning its back on a European future and forging links with a world familiar to previous generations of Turks - the Ottomans. Turkey is drawing closer to its old imperial territories.

SU: Turkish policymakers don't like to use the term of the Ottoman, because it has imperial connotations. However, when you look at what's happening in practice, it is difficult to argue against that. When you look at where Turkey wants to grow its influence, it happens to coincide with the Ottoman geography. But obviously another explanation is that really Turkey was able to take advantage of two trends in this geography. One is rising anti-Americanism after the war in Iraq, and two is really the lack of a true Arab leadership and possibly a third one is still the continuing ineffectiveness of the EU as a foreign policy (*word unclear*)

AL: And so the shape of future Europe is shifting. In the beginning, Germany and France married their fortunes together. The European project was designed to protect German industry and French agriculture and it's served that purpose well. But that was when Germany was West Germany with its little provincial capital at Bonn, close to the Belgian border. That Germany was easy for France to embrace. In a suburb of Berlin, the capital of a reunited Germany, Carolyn Beck is the director of a family company founded by her great grandfather in 1874. Today they make heat insulation equipment for power plants, amongst other things. She's one of the Germany's prodigious, prolific exporters.

CAROLYN BECK: I would say more than 70% of my business is foreign business now.

AL: You don't just mean 'not German' you mean 'not European.'

CB: (*speaking over*) Not German, not European. So America, Asia, Russia, Ukraine, Kazakhstan, Tajikistan, all the (*word unclear 'Stalin'?*) countries (*laughs*).

AL: Germany is the world's second largest exporter. Exports account for a third of the country's output, and most of its exports are sold inside the EU. So Germany is probably the biggest single beneficiary of the single market and currency. But Berlin is emphatically not West Germany. It is Prussia. It faces east beyond Europe's borders. The Germany that France married in 1957 didn't include this. It wasn't nearly so Eastern.

CB: Ukraine and Russia because it's near, it's near to our mentality, yeah? As a Berlin company there was always a Moscow-Berlin relationship. Two thirds of my stuff comes from Eastern German (*sic*) and this is why we started in Russia. Because at that time China was too far away.

AL: So you felt naturally at home in a community composed of Russians, Ukrainians . . .

CB: (*speaking over*) Sort of, yeah, sort of. I think I can understand the Russians better than I could probably understand the Chinese.

AL: Or the French?

CB: Much better than the French, definitely.

AL: Why?

CB: We are very close to the East here in Berlin. I'm sure that my grand-grand parents came from, dunno, Poland or Russia or somewhere round the area. I don't know, but I think so.

AL: How important will Europe be in the future to your business plans?

CB: Not important at all. Sorry to say.

AL: In the ashes of its lost war, Germany emerged to build Europe's strongest economy. It did it on the solid rocks of fiscal discipline and a sound currency. The Germans are not alone in believing they are being punished for their own success and prudence. Finland suffered a devastating recession in the early 1990s, they did not riot, they did not strike, they did not take bailouts from Brussels, they took their self-prescribed austerity medicine and turned their fortunes around.

TIMO SOINI: We are trying to go into the government, we will negotiate with the other parties who are coming into coalition what should be the future with the European Union.

AL: In their recent general election, a nationalist party called the True Finns took 20% of the seats in parliament. Their message was this: why should our currency be put at risk by the behaviour of nations who did not share our pain, who chose the easy spendthrift path? Sampo Terho is a True Finn Member of the European Parliament. He says Finland made the mistake of joining the euro in a short-lived fit of naive optimism after the fall of the Soviet Union, when Finland, until then constrained by its Russian neighbour, was free at last to join the Western European mainstream.

SAMPO TERHO: Finland was in a sort of EU-phoric state.

AL: EU-phoric?

ST: Yeah, that's right. It was sort of a great relief to finally go to the West and join everything we could. And for years and years we were the yes men of the EU, the nice guys who always wanted to be in the core, no matter what the cost. Now, for the first time, after the elections, we have started to use the word 'no' in the EU circles and that has caused some eyebrows to (*laughs*) lift.

AL: And what are you saying 'no' to?

ST: We're saying 'no' to giving up our independence, our sovereignty, to this . . . well, monster of bureaucracy. As we all know, the Commission hasn't got single member who was democratically elected, as we have now seen during this crisis, it is the Commission that is getting most of the powers that are now given to EU. And that is really worrying from our view. Of course we appreciate the peace project and the things we can achieve economically and environmentally and all that cooperation that the EU was made for originally. But we went too far, we went too far and too fast.

AL: The European achievement has been remarkable. Europe has had seventy years not only of free trade and steadily rising standards of living, not only of peace but of a peace in which war is now all but unimaginable. But public opinion has often followed the van of European integration reluctantly and at a distance. Now integration has run up against a powerful foe: a democratic backlash, a revolt of the nations. Even at its Franco-German core. Timothy Garton Ash.

TGA: There is self-evidently a popular revolt against the way the European project has developed and politicians have neglected for far too long to make the case for this project to their own public opinion. It's not going to be made up by having a better European Parliament or a directly-elected European Commission President, I simply don't believe it, there is no United European public opinion, there's virtually no European media, we speak different languages, we live in different mental worlds. We're not suddenly going to feel, 'Oh, that's alright because we voted for John Smith as Commission President'

SIR STEPHEN WALL: It was always a project devised by elites, starting with Jean Monnet, but which, with the exception, perhaps, of Britain and one or two Scandinavian countries did have popular support.

AL: Sir Stephen Wall was a chief adviser on Europe to successive British governments and a renowned British European.

SW: You have a group of 27 countries who without some mechanism to unite them, a) would be very quarrelsome on trade and economic issues, that's the negative side of it; on a positive side of it we are all democracies we do have some shared values and I think that in terms of trade policy and aid policy and its political stance generally, the European Union is a power for good in the world. Now, that doesn't deal with your fundamental question of how then do you get popular buy in for it, except I suppose you could argue that now as in the past if it actually delivers in terms of economic prosperity then people will be less worried about the democratic deficit.

AL: It's a bit like China.

SW: Yes, it's a little bit . . . (*laughter in voice*) don't take that analogy too far, because it's not undemocratic, I mean the decisions are being taken by ministers, all of whom are democratically elected, they are mandated by their parliaments.

AL: Yes, but those democratically elected parliaments, how much power will they have in the Europe that emerges from this crisis? Almost certainly, national budgets in the eurozone will in the future have to be submitted to Brussels for approval. Won't national populations start to say, 'Wait a minute, this government we've elected, is it accountable down the way to us, or upwards to Brussels, to an institution we haven't elected? The Finns are already saying it.

ST: In the beginning of the 90s we had a huge depression, we were almost in a similar shape of Greece or Portugal now. During that time, thank God, we still had our own currency, we devaluated and hit a lot of savings, and in the end we pulled through. (*words unclear due to speaking over*)

AL: (*speaking over*) You're one of the richest countries in Europe.

ST: Yes, at the moment, yes.

AL: But do you accept that if you're in a single currency you have certain responsibilities to the people you share, the nations you share that currency with?

ST: Now that is the big question. How could they sell this idea to Finnish people in the first place and to the peoples of Europe in the first place, that we should join the euro? Part of the deal was that we do not have any sort of bailout policy, it was clearly said in the EU treaties. As we broke this fundamental rule, we broke the original euro system.

AL: The economic imperative is for more Europe, more fiscal discipline imposed by Brussels. There is a political backlash to this, a resistance by some of the nations. But not all.

RADOSLAV SIKORSKY: Every time I come to Berlin, every time I see the Brandenburg Gate I always remember the night in November, in 1989, when I drove up here from Warsaw with an American journalist called Anne Applebaum. We actually arrived here in the East then crossed Checkpoint Charlie to the other side . . .

AL: Radoslaw Sikorsky was, in 1989, a young journalist working for the Sunday Telegraph. He's now Poland's foreign minister and one of the most interesting politicians on the continent. This is him speaking in Berlin in November. In the context of the history of these two countries it's a remarkable speech.

RS: I will probably be the first Polish foreign minister in history to say so, but here it is anyway: I fear German power less than I am beginning to fear German inactivity.

AL: Think of it, a Polish foreign minister in Berlin, urging Germany to throw its weight around in Europe. It was as though as he was saying we've got over the Nazi nightmare, so should you.

RS: I think it was a statement of Poland's new confidence. As you know there is plenty of history between us and Germany but we have carried out a successful transformation from a dictatorship to democracy and from a command economy to a market economy that survived the recent crisis without a recession, so we now have the confidence to tell the Germans what their responsibility in the current situation is and that as the biggest economy on the continent and the biggest beneficiary of the current arrangements they have the biggest duty to do something about it.

AL: Poland has emerged with a stronger and stronger voice almost every year now in Europe, it's becoming more influential, more important, the centre of gravity is moving to the East how do you see Poland's role in Europe changing in the years that lie ahead?

RS: Well without moving our borders for once we have moved from Eastern Europe thirty years ago to be in Central Europe a decade ago to now becoming Northern Europe in terms of our financial policies, our business culture. But you should also remember that Poland has a historic memory of itself as a largish regional country, we like to think that we've had a bad patch for a couple of hundred years and that we are only now simply returning to what used to be.

AL: Radoslaw Sikorsky is an Anglophile. He was Oxford-educated, admired Margaret Thatcher. In Britain he would be a natural Tory, but he laments the Euroscepticism of his Tory friends in the UK. This was his caution to Britain in that Berlin speech.

RS: Your total sovereign, corporate and household debt exceeds 400% of GDP. Are you sure markets will always favour you? We would prefer you in, but if you can't join, please allow us to forge ahead. And please start explaining to your people that European decisions are not Brussels diktats, but agreements in which you freely participate.

JOACHIM BITTERLICH: What has Poland reached in the last ten, fifteen years? I'd say the (*word unclear*) status of the economy, political stability, Poland is, let's say, in the heart of Europe.

AL: Joachim Bitterlich was a senior foreign policy advisor to Chancellor Helmut Kohl, and one of the architects of the single currency. The European Union, since its inception, has been founded on the relationship between Germany and France, you can imagine in the future the German-Polish relationship becoming more important than the Franco-German relationship?

JB: Perhaps yes, perhaps as important, because if you take for free (?) where you see the mirror of Europe, and at the same time the backbone, the French in my eyes underestimate the importance of Poland till today. The Germans, I think, Berlin, has understood it. If you want one of the advantages of being in Berlin, it's that relationship.

AL: The single currency was designed to stop nations gaining an unfair advantage by devaluing. Germany has been the great beneficiary of what the Treaty of Rome called ever-closer union. The True Finns are now flying a conspiracy kite: that European Federalists will use the current crisis as a way of binding the nations of Europe more tightly together. In fact, they're starting to say maybe that's been the plan all along - the purpose of the current crisis.

ST: Is it really possible that they did not see the problems of the Greeks? I heard from a very reliable source that the problems of the Greeks and even the tampering of the numbers was widely known in here, your parliament, and it was just ignored because it didn't fit the image that the euro system is perfect. Now,

when the crisis is here, the federalists are not willing to take one single step backwards. They're trying to advance the integration even further because of the crisis.

AL: So they're using the crisis . . .

ST: They're using . . .

AL: . . . in order to push forward the federalist project?

ST: Exactly. That makes me think how far was the euro system an unintentional failure? Was it a deliberate plan to create a United States of Europe at any cost?

AL: It is a seductive theory with a powerful appeal among those already inclined to Euroscepticism. You hear this in Athens everywhere, that the euro crisis is a manufactured emergency to allow foreign capitalists to pillage the country's assets. It is a Greek revolt against the European ideal. Paradoxically, Ed Balls claims he was against the euro, in part at least, because he believed it would in the long-run damage not strengthen the European project.

EB: I was always and have always been a strong pro-European. My view was that the potential stress this would mean for the European project was big and risky, but my view for Britain was always that pro-Europeanism here was too fragile to deal with the potential stress and shock of our membership. So far from being a sceptic argument about Britain's relationship with Europe, my argument was always that the pro-European could potentially be set back for a generation if we got this wrong, and that's why it had to be proceeded with great caution. And I think, actually, that is an argument which history may show should have been applied to the whole of the European Union. We'll see, maybe they'll come through this.

AL: For this is an existential crisis in Europe. The single currency is in danger of unravelling. Quentin Peel.

QP: Crises in Europe do eventually, finally, force people to respond and try and find a solution. The financial crisis that we've got now is that sort of shock to the system - urgent measures are needed now to prove to the markets that Europe's got an answer to the problem of not having a fiscal union. Can we do in a matter of six months or even two to three months? I don't know, I don't know if it's going to work. I mean, as somebody who's always been fascinated by this project, and has always believed that actually it was a really exciting project that was going on in Europe, I have real concern that it is a moment when it could fall apart, there is a possibility of that.

AL: Europe's elites want more Europe not less. They want Germany to act to help impose its legendary discipline on the rest of the continent. Given its history Germany is squeamish about imposing anything. Lord Kerr, the former British ambassador to the EU.

LORD KERR: For them it's really important to internationalise the controls. They don't want Germans to be seen as controllers. They genuinely don't want to control, in my view, I think it's not just perceptions, it's reality. Now that drives them to wanting a bigger Brussels and that is not popular in Paris and clearly very unpopular in Britain.

AL: The eurozone now faces a clear choice: force some countries to drop out of the single currency and retreat to national silos, or lock more tightly together and surrender more sovereignty, especially over tax and spending to Brussels. The choice it makes will be made, in effect, in Berlin. The project began in the 1950s as a way of Europeanising Germany, half a century on the fate of the continent lies in the hands of a reluctant German Chancellor.

Will the UK referendum result lead to real legal independence?

28 Jun 2016, 30 minutes

JOSHUA ROZENBERG: Good afternoon, and welcome to a special live edition of the programme. There's only one topic of conversation today, and that's legal effect of Brexit - the view held by a majority of those who voted in the referendum last Thursday that the UK should exit the European Union. And despite what some people may think of experts – I have three of them to talk to this afternoon, all professors of law. I'm going to ask them to introduce themselves.

CATHERINE BARNARD: Yes, good afternoon, my name's Catherine Barnard and I'm Professor of European Union Law and Employment Law at the University of Cambridge.

JR: Well, Catherine is in our Cambridge studio, but my other guests are both with me here in London.

STEVE PEERS: Good afternoon, I'm Steve Peers, I'm a professor of European Union law and Human Rights law at the University of Essex.

MARK ELLIOT: And I'm Mark Elliot, and Professor of Public Law at the University of Cambridge.

JR: Well, Mark Elliot, let me start with you, I think some people were rather surprised to find out that although it was a majority in favour of leaving the EU in the referendum last week, it had no direct legal effect?

ME: Yes, that's right, the political ground, I think, is moving beneath our feet, erm, but legally nothing has changed and nothing will probably change for some time to come, and that's because a referendum is not legally binding as a matter of UK law, and neither is the referendum the thing that triggers that British withdrawal from the European Union under EU law.

JR: Okay, well, we'll come onto what does trigger it in a moment, erm, but, but Steve Peers, nothing has changed, but I suppose everything has changed in a way?

SP: That's right. Really it is politically going to be very difficult to stop the withdrawal from the European Union, but legally speaking it's perfectly possible for Parliament to do nothing or two in some way prevent the government of it tried to do something from, from leaving the European Union if it, if it came to that. So really what's changed is essentially political.

JR: And Catherine Barnard, do you agree with that? We're still in the EU?

CB: We're still in the EU, and we're still in the EU until the completion of the so-called Article 50 withdrawal process.

JR: Okay, Catherine Barnard, you mentioned Article 50, it seems to be the treaty paragraph that's on everybody's lips?

CB: Yes, *(words unclear due to tape being played over)*

DAVID CAMERON: A negotiation with the European Union will need to begin under a new Prime Minister. And I think it's right that this Prime Minister takes the decision about when to trigger Article 50, and start the formal and legal process of leaving the EU.

JEAN CLAUDE JUNCKER (*translated*) I have ordered that the Commission should not talk with the British officials. I told them they should not the prior negotiation with British representatives. No notification, no negotiations.

JR: Sorry to cut you off Catherine, I wanted to listen to the Prime Minister saying last Friday morning that it would be at least two months and possibly longer before his successor triggers article 50 and we also her Jean-Claude Juncker, the president of the EU Commission saying this morning that it should be done more quickly. So Steve Peers, let me start with you, what is Article 50.

SP: Well, it's the . . . the part of the treaty on the European Union, which sets out the process for a member state leaving.

JR: And we talked than about triggering it, what does triggering it mean?

SP: Well, first of all there has to be a decision by the member state that wants to leave, and then they have to notify it. And then that start the process. Then there is a two-year deadline and talks begin at that point. But what the Prime Minister was saying is that he hasn't officially made the decision, and that he is not going to notify it – it hasn't been made anyway. And it's up to his successor, who of course, possibly, if there's a general election called, there might be another Prime Minister very shortly after the person elected, probably in September, to replace David Cameron.

JR: Okay, Mark, the European Parliament passed a resolution this morning saying that it expected David Cameron to notify the outcome of the referendum to the European Council at a meeting today and tomorrow, and the European Parliament says this notification will launch the withdrawal procedure. Well, that's nonsense, isn't it?

ME: It is nonsense, that's right. Erm, there's been suggestions that the Prime Minister might, by the use of careless language, somehow accidentally trigger Article 50, by talking about the referendum. Erm, the European Parliament is wrong in that by notifying the Council of the outcome of the referendum, the Prime Minister is not thereby telling it of a decision by the UK to leave the EU. The referendum outcome is not a decision for the purpose of Article 50, and until that decision is taken by the UK, there can be no question of Article 50 kicking in.

JR: Mark Elliot, you said that decision is taken by the UK. Who takes that decision within the UK? Is it the Prime Minister, or does Parliament have to vote on this?

ME: It's the Prime Minister. The matter falls under the government's powers to conduct foreign policy, powers that it uses to negotiate with other countries or international organisations like the EU, and the government has those powers inherently, and there independent of Parliament and of any powers that Parliament might give the government.

JR: Some people have said that it does need an act of Parliament before the Prime Minister can trigger Article 50.

ME: Yes, that argument has been made, it's not a view that I share. My view is that although Parliament will have to be involved at various stages in the process, erm, most obviously by repealing the European Communities Act at some point, I don't agree that the issuing of the Article 50 notice and the making of that decision is a matter for Parliament, legally.

JR: Okay, Catherine, why does it matter when we trigger Article 50?

CB: It matters because once Article 50 has been triggered the clock starts ticking, and essentially there is a two-year period, and in that two-year period there is meant to be negotiations over the UK's withdrawal. But

at the end of that two-year period if there's no agreement the treaties stop applying, so essentially that would be a disorderly exit, exit of the UK from the European Union.

JR: *(interrupting)* And Catherine, can we stop the clock?

CB: Well this is, this is . . . this is disputed, it's not clear from the text of Article 50, but what is certainly clear is that the clock can be extended, the period, two-year period can be extended, but that requires that the unanimous agreement of the other 27 member states. And that puts the boot very firmly on the foot of the EU member states, because they hold the power to say whether we'll extend the period or not.

JR: So, so Steve Peers, presumably it's very important to not trigger Article 50 until the United Kingdom government is ready?

SP: Well, that's exactly right, I think that's what David Cameron was thinking when he said, 'Well if I'm going to resign, it's a bit odd for me to do it, it in a sense works against the country's interests as a whole, because it would then mean several months when that clock is ticking, and we don't really have a government in place to start those negotiations' – so it does make sense to do what he did and say, 'I'm going to wait, and let my successor do it', and there might be, of course, a few weeks or . . . when we have an election, even without that or after that, then there'd then be a few weeks for the government to think about the details of its negotiating strategy before we did send the notification.' So if we are going to do it, I think it will be something close to the end of the year.

JR: And can we have informal talks with Europe in the meantime, Steve?

SP: Well, it's perfectly possible to have informal talks, but that clip you ran earlier Jean-Claude Juncker saying we are not going to have informal talks. Now, it's not just up to him, we could also have informal talks with member states, and I imagine that the . . . he was only talking about the European Commission, and I'd imagine the government would want to have informal talks. It's not . . . far (*sic? Means 'clear'?*) how much we could have informal talks yet, of course, because we don't have a negotiating position. And what's going to be happening in the next few months is the EU in a sense has a head start, they can start discussing their negotiating position before we've really started to formulate hours with . . . under a new government.

JR: Catherine, what Mr Juncker said was 'No notification, no negotiations' - in other words, until you trigger Article 50 you can't have talks, and he was even ordering the Commission, the civil service, if you like, not to talk to the United Kingdom. But Donald Tusk, who leads the body on which the heads of government sit, he used similar words, he said, 'Without notification from the UK we will not start any negotiations on the withdrawal process', but he didn't seem to rule out informal talks, so presumably that will still be possible.

CB: I think I think that's right, and of course we know that there are negotiations and then there are discussions and then there are perhaps chats, so they're a whole level of interaction erm, and of course, crucially although er, EU (*fragment of word, unclear*) the EU, the EU institutions will have a key role to play, we know the most important player in practice is Germany, in particular Chancellor Merkel.

JR: So, she could force the pace maybe Catherine?

CB: Or she could slow it up for . . . but at least there could be some discussions going on at a sort of bilateral level between the UK and Germany about what Germany might countenance.

JR: You see, politically, I can't tell whether European leaders are keen to push this through quickly, because they want to punish the United Kingdom for having the temerity to have had this referendum vote, or whether they're trying to slow things down in order not to lead to the breakup of the EU. It's a very big question. Catherine?

CB: Yeah, I would, I would say they're keen to push it through, not so much to punish the UK - although you might hear some of that language – but the uncertainty is extremely damaging for all states both within the EU and beyond, erm, and markets abhor uncertainty, and so I think that's where the pressure comes from that at the moment, this sort of vacuum that we are operating in, is, is very unsatisfactory for all concerned.

JR: Steve?

SP: Well, there seem to be different points of view among member states. The Telegraph today was reporting that Poland isn't anxious to push this at all, in fact, Poland would quite like us to have a second referendum. So there . . . so one interesting question is although Mrs Merkel is undoubtedly the most important person in the decision-making process, it's never going to be one hundred percent her way, it's, there's going to be discussions with France, Spain, Poland, Ireland is going to have a lot of concerns and, er, we have some friends, like the Dutch, the Irish, the Swedes and so the dynamics are going to be quite complex on the EU side.

JR: Mark, could Scotland veto this deal?

ME: Erm, no, erm . . . the, the Scottish and other devolved governments will doubtless, rightly, try to exercise considerable political influence over how things develop, but as far as the decision to, er, trigger Article 50 is concerned that, as I said earlier, is a matter simply for the UK government. The point at which the devolved, erm, governments and parliaments, erm, may be able to exert greater influence is the point at which the UK Parliament begins to enact legislation relating to Brexit, because that will inevitably affect the extent of the devolved legislatures' powers, it will free them of the obligation to comply with EU law, and in that way it will expand their powers. That will trigger constitutional convention and understand that the devolved legislature at that point can object to or withhold their consent to that legislation.

JR: Mark, can I move you onto something that Jeremy Hunt wrote today, the Health Secretary, he said, 'Before setting the clock ticking, we need to negotiate a deal and put it to the British people – either in a referendum or through the Conservative manifesto at a fresh general election.' So he's envisaging a whole level of informal talks before we trigger Article 50, he's envisaging either a second referendum or . . . the idea of triggering an early general election, and putting whatever the deal is, if there is a deal, to the British people, er, the Conservative government would go the country on the basis of that, is that a possibility?

ME: Well, I think either of those things are possible. Erm . . . I think it's becoming increasingly clear, er, to the extent that the, er, referendum we've had clarifies anything is that there is a majority in favour of not retaining the relationship that we presently have with the European Union. What I think is very clear that that has not resolved is whether, and if so, what kind of relationship we want to have in the future. And there could be a second referendum, but I think there could equally be an election which would inevitably be a single issue election where this would be the predominant question.

JR: Because what we're talking about then, is an informal negotiation, not triggering Article 50, remaining within the EU, the government then goes to the country on the single issue, as a manifesto commitment, the government is elected, it could be the Conservatives, it could be a coalition, it could be any government, but nevertheless the country votes for a manifesto and would that give the new government the authority to ignore the referendum?

ME: I think that that's a very difficult question to answer, and I think it really depends on how you understand democracy and how democracy works in the UK. Erm, by holding a referendum, we've flirted with the idea of direct democracy and of putting a question to the whole electorate, as we did last week. But fundamentally, the UK is a parliamentary democracy, we elect MPs to make decisions for us, and my view is that if there was an election of that nature, which delivered a clear, er, sort of majority in favour of a particular

way forward, then I would see that as the . . . as the most significant factor, and the referendum would then form part of the backdrop to that.

JR: So, Catherine, it's possible that the UK may never trigger Article 50, it may never happen?

CB: Yep, that's certainly true, but, erm, if we want to leave, it looks like Article 50 is really the only realistic way forward, it was introduced in 2009 by the Lisbon treaty to allow states like the UK to leave. Erm, but we've got to go through that process and jump through the hoops.

JR: And Steve Peers, will we trigger Article 50, is it inevitable?

SP: I don't think it's inevitable. There are some people who firmly have the view that we never will, and some people firmly have the opposite view. I'm not sure, I think it's maybe a, you know, a 70-30 likely that we will, but one factor is the EU come back and offer a re-negotiation, it doesn't like it at the moment, but the Poles would be willing to do it, and maybe if they convince a few other countries, they've got a group of East European countries that might (*fragment of word, or word unclear*) also be willing to do it, and then maybe we start talking about that in the near future. I think the politics of all this are very dynamic on both sides.

JR: Okay, well let's hear from another politician. Let's assume that we've triggered Article 50, the clock has started ticking, we have two years to reach an agreement, what sort of deal are we looking for?

PHILIP HAMMOND: I hope we will remain a country with full access to the single market, but look, here's the rub, the fundamental dilemma at the heart of the Brexit position is that we will have to now make a decision about how much access to that single market we want and need to protect our economy, and how much freedom of movement we are prepared to accept in order to buy it.

JR: Well, that was Philip Hammond, the Foreign Secretary, speaking on the ITV programme Peston on Sunday. Catherine Barnard, he referred there to the single market, what is the single market?

CB: Yep. So, the single market is comprised of the so-called four freedoms, which are free movement of goods, free movement of persons, free movement of services and free movement of capital. And what that means is goods can move, so goods . . . physical objects, cars for example can move from one state to another, but so can workers, so I can go and work in another country or a Polish person can come and work in the UK. It's also about free movement of services, so selling of, for example, financial services from the UK to other member states, and free movement of capital is about investment in other member states.

JR: And Catherine, could we remain part of that single market, and not stay in the EU?

CB: We can, if we join the so-called European Economic Area, which is sometimes known as doing a Norway, for short, Norway being the largest member of the EEA – the European Economic Area – and that basically allows for access to the single market for the members of the European Economic area. It's essentially EU law-light.

JR: And presumably that was what Boris Johnson was referring to yesterday in his newspaper article when he said there would still be access to the single market, although Michael Gove seems to want to not do that but to pull out of everything, Catherine?

CB: That's absolutely right. But Philip Hammond seem to envisage, likewise, in the clip you've just played, erm, that there would be access to the single market, but he points out, it is conditional on having free movement of persons, which includes the rights for British people to work in other member states and also for Poles and Czechs to work in the UK.

JR: So, Steve Peers, that's migration, which is, to some extent what the referendum was fought on?

SP: To some extent yes, although it's only migration of EU citizens, that was a point that got a bit confused during the referendum, of course, because the EU law, as far as the UK is concerned doesn't . . . cover non-EU citizens coming here, and some people are concerned about that, there's actually a majority of migration to this country is non-EU citizens within our control, erm, it's only the minority who are the EU citizens at the heart of this EU law issue. One interesting thing though, about the Norway option, is that there is a safeguard clause that would be, it's in there, which we don't have as a member of the European Union, we could say that due to social, economic pressures we're going to limit the free movement of people, but still have access to the single market. Now there'd then be some, you know, legal argument about how exactly that works, but in principle we could do that and that could be a way of trying to say to the population, 'Well, for those of you who voted Remain, or who voted Leave but are very interested in the economics of this, well, we can keep the single market, but for those of you who are particularly concerned about the free movement of people, we're going to limit it, it'll still be there in principle, we'll limit it, we'll have fewer people coming in as workers, maybe target certain professions or, pay-, pay-grades and so on.

CB: *(fragment of word, unclear)*

JR: So . . . yes, Catherine, go on.

CB: I'd just like to come in there and say, what would be interesting, I mean, given that, erm, everything is new and you know the table is bare at the moment is whether a clever thing would be to try and mix up doing something like join the European Economic Area, but also borrow some of the elements of David Cameron's February deal. If you remember, David Cameron had this deal which he came back and . . . allowed him to campaign for the Remain side. Now, that deal at the moment is dead, because it was a condition that the British public vote to Remain before the deal would come into force. But there are some interesting things in that deal which might benefit the UK and might be of interest to other member states, for example, the emphasis on only allowing people to move got jobs, erm, prior to coming, rather than allowing people who are work-seekers, i.e. looking for work to come.

JR: But, I mean, I can see that as a neat compromise, we leave the European Union, we remain in the Economic Area, the European Economic Area, but there's a price for everything as, as, as Mrs Merkel tells us, and we would have to contribute, we would not only have to accept free movement of people, but we would have to, to pay a contribution so would we be better off or worse off, because we wouldn't have a seat at the EU table?

CB: We'd certainly have to pay. Norway is the 10th largest contributor to the EU budget, and furthermore, we would have to comply with EU rules adopted by the EU institutions and of course we would not have any say in the adoption of those rules, we'd have no formal say. That's the price.

JR: And Steve Peers – good idea, or not?

SP: Well, it's true that in principle we would have to comply with EU laws, but two points on that. First of all, we'd have to comply with a lot fewer EU laws, we wouldn't be part of the agricultural policy, we wouldn't be part of the fisheries policy, so people who have concerns about those things, they'd be addressed. We wouldn't be part of the international trade policy, we'd have to sign our own trade deals with third countries, and also there is a possibility of actually saying, if the EU adopts a law and we don't like it, we will refuse to apply it to the UK.

JR: I think what we've been talking about so far is pre-talks which, you know, which Mr Juncker doesn't really fancy, but maybe that's still possible, what if we actually trigger the deadline, trigger the Article 50 and we have the two-year deadline, do you think that we could do a deal in, in two years, even one that might not come into force until a little later, Steve?

SP: Well, I think is possible. I think one interesting feature about the Norway option is it could be done very quickly, the treaties are already there, we're technically already a party to it, we could simply continue with that, with a few adjustments perhaps. And then that could be well within the two-year deadline. The problem . . .

JR: (*interrupting*) But we would never actually trigger Article 50?

SP: Well, I think to do that we'd be out of the European Union, we would have to trigger Article 50 to do it . . .

JR: I see.

SP: And they, they, say they refuse to talk to us until we trigger Article 50, if they stick to that, then erm, er, you know, then that's the only way it could work.

JR: Yes, I see. Okay, well, and, and, and that of course would just be the deal to pull out, it wouldn't actually cover the whole deal about the UK's position in the future, unless it was this Norway er . . . model that you're recommending?

SP: Yes, although many supporters of the Norway model say, well, it would be temporary anyway, so, in a way some of those downsides to it about free movement of people possibly, and contributions, would only be temporary, and that would be maybe a way of selling them a bit, because we then use it to buy time, to have that longer period, which we would, I think, need to negotiate some future deal.

JR: Okay. Let me remind you of something that Boris Johnson wrote in The Telegraph yesterday.

WORDS OF BORIS JOHNSON: The only change, and it will not come in any great rush, is that the UK will extricate itself from the EU's extraordinary and opaque system of legislation, the vast and growing corpus of law enacted by the European Court of Justice, from which there can be no appeal.

JR: Catherine, what do you make of that comment from Boris Johnson that we read you there?

CB: I'm afraid it's nonsense on stilts - and for the simple reason that, er, you'll recall that Boris Johnson said that it was, er, he talked about legislation being enacted by the Court of Justice. Now, surely as a Member of Parliament he would know that legislation is adopted, is enacted by Parliament's and not by the courts. The courts enforce legislation, they interpret legislation, but the courts themselves never legislate.

JR: Okay, well let's talk about legislation. Mark Elliot, presumably, if we do a deal with the EU, that's one thing, but Parliament would still need to change the law here in the United Kingdom?

ME: Yes, I mean, a great deal of the law that is applied here in, in the UK, although not as much of it as was claimed during the referendum campaign, derives from our membership of the EU, and EU law gets here in two different ways. Some of it comes indirectly, and if we were to leave the EU, then in principle, that might all vanish, but that would bring its own problems. And secondly a good deal of the British legislation that we make is made in order to give effect to obligations that we've had under the terms of membership of the EU. Erm, that law in itself would not necessarily disappear overnight, Acts of Parliament made to implement EU law would remain Acts of Parliament, and it would be necessary over a period of time to think about whether we keep those laws or whether we get rid of them, or amend them, because we're now free to do as we please.

JR: And on a practical level, I suppose we could say that all EU laws in force on Brexit day remain in force, unless or until repealed?

ME: We could and I think that given the volume that we're talking about here, it would be very, very difficult not to have some kind of provision like that to take a snapshot and then, over a substantial period of time to think about how we start to make changes to the laws that we have inherited from the EU.

JR: And Mark, how would that affect UK citizens living in other EU countries, or EU citizens living here in the UK? Presumably everything would carry on until something changed?

ME: Well, I think that if we take a snapshot of the European laws that apply on Brexit day, then people would retain the rights that they have under those provisions, erm, but that of course wouldn't address the question of British citizens in other EU countries, that would be a different matter.

JR: And Catherine, what about the field of employment, because that's very much part of the EU law, where would they be after all of this?

CB: Well, it's a mixed bag in the case of employment law. Some key bits of employment law in the UK are entirely domestic in origin, so . . . unfair dismissal, redundancy, that is domestic law, unaffected by Brexit. But other key bits of employment law, equality legislation for example, erm . . . a large part of that has its origins in EU legislation, EU directives, and that's been given effect to in the Equality Act 2010, and so the question is what happens to the Equality Act, should it get repealed in its entirety, or should the government say, 'Well actually the principles in that legislation are so sound and such a fundamental part of our law now that we won't repeal it anyway.' And certainly Vote Leave in, during the campaign, said that they would divide the legislation into . . . the existing legislation into three groups, the, the rules which were stupid, those which were amendable, and those which we would keep almost . . .

JR: Okay . . .

CB: . . . unaffected.

JR: So we'd have to decide really . . .

CB: (*speaking over*) Exactly . . .

JR: . . . what to do. Okay, last question to you all. We've seen a lot of buyers' remorse, and not just from the voters. Do you think this is all going to happen? Is a, is a future Prime Minister going to get out of this referendum? Er, Mark?

ME: I think it's hard to get out of a referendum, but I think, I think where the opportunity lies is in saying that, erm, that while EU membership, erm, as it currently is understood has been rejected, there are many other options that remain open to us.

JR: Catherine, is it all going to happen?

CB: Erm, something will happen, I think in this case direct democracy, the voice of the people will prevail to an extent over the voice of Parliament.

JR: And er, and Steve, what do you think's going to happen.

SP: I think it's probably going to end up with something like the Norway option, but there's always a possibility of some other type of deal being whisked up and, and er, somehow not leaving after all.

JR: And Mark, what you're saying really is that anything can happen with a political will.

ME: Exactly. I mean, in terms of the legal position, er, we, we are free not to leave the European Union, erm, that, it seems very unlikely nothing will change, erm, and I think it all depends on how the politics of this develops over the coming weeks and months.

JR: Because we have a flexible constitution, and whatever we can do, whatever we want to do we can do with a sovereign parliament, presumably? Alright, well look, that brings us to the end of this special edition of Law in Action. My guests were Professor Catherine Barnard, Professor Mark Elliott, and Professor Steve Peers. As I said last week on, what I thought was going to be the final programme in the current series, we'll be back at the end of October – or maybe sooner if we find European law in action, once again.