



**VIII BELLAS ARTES INTERSCHOLASTIC MODEL
UNITED NATIONS
(VIII BAIMUN)**



HOUSE
OF
COMMONS

United Kingdom Parliament- House of Commons

“UK separation from the European Union”



PRESIDENT'S LETTER

Dear delegates,

Greetings from the board and please be welcome to the 8th edition of the Bellas Artes Interscholastic Model of United Nations, BAIMUN. Every year our goal is to surpass everything accomplished the year before.

Our expectations for this model are always high, especially this year, as we're looking forward to get the best performance from all of you, proving an impeccable knowledge and dominance of the topic, and finding the perfect balance between leadership and negotiating skills in order to find the best solutions.

This time the debate focuses around Great Britain's conservative party's plan, called "Brexit". It's basically a plan to call for a general vote to determine if people want the country to remain a part of the European Union or not. There's a lot of undecided citizens, and it's all summing up to a destabilization environment, so it's really important to make a decision as soon as possible. It's not a game, it's Great Britain's future and there's a lot to keep in mind in this decision.

In order to succeed in this model it's necessary to be extremely prepared and put up your biggest effort possible. From your board, we expect you delegates to fit into the traits explained before, and for the debate to come out the best possible way

Alfredo Machado,
President.

Samuel Steiner,
Vice president.

Valery Andrade,
Secretary.



MEMBERS OF THE PARLIAMENT:

1. **Aldous, Peter** Conservative Party
2. **Bardell, Hannah** Scottish National Party
3. **Betts, Clive** Labour Party
4. **Brennan, Kevin** Labour Party
5. **Cartlidge, James** Conservative Party
6. **Corbyn, Jeremy** Labour Party
7. **Crabb, Stephen** Conservative Party
8. **Cox, Geoffrey** Conservative Party
9. **Crawley, Angela** Scottish National Party
10. **Duncan, Sir Alan** Conservative Party
11. **Freeman, George** Conservative Party
12. **Grady, Patrick** Scottish National Party
13. **Greenwood, Margaret** Labour Party
14. **Hall, Luke** Conservative Party
15. **Johnson, Alan** Labour Party
16. **Robertson, Angus** Scottish National Party
17. **Robinson, Gavin** Democratic Unionist Party
18. **Smith, Andrew** Labour Party
19. **Smith, Julian** Conservative Party
20. **Watson, Tom** Labour Party



TOPIC: UK SEPARATION FROM THE E.U.

THE HOUSE OF COMMONS

House of Commons is a popularly elected legislative body of the bicameral British Parliament. Although it is technically the lower house, the House of Commons is predominant over the House of Lords, and the name "Parliament" is often used to refer to the House of Commons alone.

The House is an elected body consisting of 650 members known as Members of Parliament (MPs). Members are elected to represent constituencies by first-past-the-post and hold their seats until Parliament is dissolved.

The House of Commons is the effective legislative authority in Great Britain. It alone has the right to impose taxes and to vote money to, or withhold it from, the various public departments and services. The House of Lords has only infrequently held up major legislation passed by the Commons, and the British sovereign almost automatically provides the Royal Assent to any bill passed. Indeed, the last bill to be rejected by a monarch was the Scottish Militia Bill of 1707, which was vetoed by Queen Anne. Parliament Acts are not subject to judicial review.

The passage of legislation is the House of Commons' primary function. Almost all legislation proceeds from the majority party in the Commons, which forms the government and the cabinet; the latter is composed of senior ministers chosen by, and belonging to the party of, the prime minister, nearly all of whom serve in the House of Commons. The government's main work in the Commons is to implement the legislative program on which it fought and won the last general election.

THE TOPIC AND ITS SITUATION

Britain's relationship with Europe is low down on the list of concerns for most voters in the coming election, but the subject of the "Brexit", Britain's secession from the European Union will come to dominate our political lives should the Conservatives find themselves in some kind of power after May 7th. David Cameron has promised a



2017 referendum on UK place in the EU, a referendum "our survey suggests is favored by the majority of the population". The result of any plebiscite looks less certain, with those wishing to leave Europe just outnumbering those likely to vote for the status quo, but there are still many undecided.

The arguments on either side are clear. If you're a Eurosceptic, the impositions of European Union bureaucracy are daily infuriation's, with Britain supposedly ceding control to Brussels of immigration policy, of its legal system. UK contributes a small fortune to the European Union budget each year (between £8bn and £20bn).

Anti-European feeling, stoked by an aggressively Eurosceptic press, sees British secession from the EU as opening up new vistas of global economic co-operation and integration, while slamming the door on the legions of European migrants.

One of the main arguments employed by those in favor of remaining in the EU is simply how difficult it would prove to leave. The UK is deeply integrated with the European allies, economically, militarily and culturally. It's likely that the Brexit would lead to plummeting stock markets and an economic recession, with losses to GDP calculated by the Centre for Economic Performance at up to 9.5% – worse than the 2008 financial crisis. Parliament's joint committee on national security strategy has warned that leaving the EU would risk "crucial connections being missed" in the war on terror and other future ones.

While it is not known yet the terms under which any secession from the EU would be negotiated, here are set out some of the key potential ramifications of Brexit, drawing on the expertise of a wide range of figures from the worlds of politics and economics.

BUSINESS

More than 50% of Britain's trade flows are with the EU, and trading costs in the EU are some of the lowest globally.



If it really is the economy, then it will be the winner of the economic arguments that prevails in any potential Brexit negotiation. Leaving aside for a moment implications of uncertainty in the stock market in the run-up to a referendum, it is looked at the place of British business within, and without, the European Union.

If the UK left Europ, foreign-owned car production would probably move out of Britain if it was no longer guaranteed access to European markets.

For the Eurosceptics, Brexit would free its businesses, particularly the financial services, to operate on a global stage. Robert Oulds, director of the Bruges Group, a person that advocates cutting ties with Europe, has researched extensively the impact on business of a post-Brexit world: "If we left, we'd be outside the reach of the financial transactions tax [proposed by the EU and due to be introduced in January 2016], which is worrying many in the City and will certainly drive financial business outside of the EU. We'd also have the ability to get out of EU rules like the cap on bonuses in the City." Membership of the EU is costing British business more than £150bn each year.

One of the areas of focus for the coalition government has been a renewed concentration on industry and manufacturing in the UK, recognition that the economy had become too reliant on the service sector. It is seen Brexit as a threat to this old industry renaissance.

INTEGRATION

Leaving Europe to join the world is really the isolation option, out in the cold with allies, no influence.

In a recent speech in support of Ed Miliband, Tony Blair focused on the dangers of leaving the EU. He said that secession would leave us "diminished in the world, do significant damage to our economy and, less obviously but just as important to our future, would go against the very qualities and ambitions that mark us out still as a great global nation". This is the central line of those seeking an "in" vote (or wishing to avoid a



referendum altogether): that Brexit would not only leave us poorer financially (something that, at least in the short term, even Eurosceptics concede), but it would also mark a kind of moral failing, a sign that we were in retreat from a golden age of British internationalisation.

Brexit is often presented as a paradoxical situation, where the UK is so enmeshed in the EU that any separation must produce intolerable pain, at least in the short term. John Springford, senior research fellow at the Centre for European Reform who has carried out a lengthy study of the economic costs of Brexit, says: “The trade-off is an uncomfortable one for Britain if it votes to leave. It’s leave the EU and get your sovereignty back, regulate your economy as you see fit, but lose market access and damage your economy. Or you leave the EU, sign up to the EEA [European economic area] or try to have a bespoke trade agreement with the EU like the Switzerland. But that would mean the UK would have to sign up to most of the regulations, the UK would have no control over them, and it will have to agree to the free movement of labour. It seemed to us that both of these alternatives are far worse than EU membership.”

With the Commonwealth’s overall GDP set to overtake the EU’s in 2019, the UK should look to embrace the global market as an option.

FINANCIAL SERVICES

Every few months, there seems to be a cry from certain sectors of the City of London that government interference (usually in the form of higher taxes or caps on bonuses) or EU regulation (the dreaded financial transactions tax) will drive our financial services into the arms of Switzerland or Singapore. Some Eurosceptics see Brexit as a great opportunity to remodel Britain’s economy, increasing the UK reliance on financial services and using Switzerland as a model for future success freed from the shackles of the EU.



Denis MacShane notes that “Dubai and Singapore are making huge bids to get financial services to move there, offering huge tax-free incentives, but of course nobody actually wants to live in these countries”. As for Switzerland, it’s a mistake to suggest that it is trading with the EU without signing up to EU regulation, he says. “The Swiss are hanging on by their fingernails. I was over in Berne talking to the Swiss Bankers Association about Brexit a few weeks ago and they’re tearing their little hairs out because they’ve got a very tricky renegotiation with the EU coming up. They had this crazy vote to cap immigrants last February. And the EU said, ‘No way! If you enforce that, you’re out of everything, none of the existing agreements – research, trade, business – can stand.’ The Swiss are going to have to offer another vote [on immigration] in 2017, would you believe it, and businesses and the government will then come steaming out of the traps to ensure that the relationship with the EU is maintained. I think this is what would happen if Britain left the EU. There’d be the mother and father of all political crises in Britain. Cameron would just walk away and hand the problem over to someone else and it would be their job to go grovelling to Brussels to let us back in.”

“The financial services sector is likely to find itself in an uncomfortable position outside of Europe. Europe is the biggest consumer of the UK’s \$60bn of financial service exports. And even beyond Europe its access to markets would have to be renegotiated if it no longer fell under the EU’s trade agreements and regulatory framework. The industry might struggle to regain all its relationships from outside the tent. As Britain’s largest industry in terms of contribution to GDP, this is likely to have a material impact on the economy.”

IMMIGRATION

Control of EU immigration has been one of the most headline-grabbing arguments in the Brexit debate so far; with press and the EU pushing for the UK to adopt a points system where immigrants are graded on their potential use to the economy before being granted visas.



EU migration has increased significantly and is now almost at a similar level to non-EU migration.

John Springford believes that one of the benefits of a referendum debate would be that it would allow people to understand the myriad benefits conferred by EU membership, rather than the knee-jerk reactions encouraged by sensationalized newspaper reporting of the subject. “I think it might be cathartic to have a referendum, with people understanding a bit more about what the trade-offs are. So maybe they don’t like immigration and they don’t like rules being imposed from Brussels, but when you speak to people, they don’t really understand what the benefits of these are. The campaign may draw them out and force them to think about that.”

The facts about the effects of migration on the UK economy, wages and employment are often distorted, difficult to understand or poorly explained. Government research from 2015 suggests that immigration actually has very limited impact on levels of employment, while a wide-ranging study by the Oxford University-based Migration Observatory showed that a 1% rise in immigration depressed wages by only 0.3%. Looked at over a longer timescale, immigration actually boosted wages. The research did point out, however, that the benefits were not spread across all income groups and that those at the bottom tended to suffer. “The greatest wage effects are found for low-waged workers. Each 1% increase in the share of migrants in the UK-born working-age population leads to a 0.6% decline in the wages of the 5% lowest-paid workers and to an increase in the wages of higher paid workers.” Crucially, migrants are far less likely to claim benefits than native Britons (although EU migrants are marginally more likely to claim than their non-EU counterparts).

There is a gulf between people’s perception of immigration as a national issue, and one that affects their own lives.

FREEDOM OF MOVEMENT



There are nine countries within the EU that have British expat communities of 20,000 or more, all of whom would be dramatically affected by Brexit. More than one million Brits live in Spain alone. British secession from the EU would bring with it any number of consequences, some of them foreseen, others less so. For example, we'd need to apply for visas in order to take our holidays in France, says Denis MacShane, fill out endless forms for any European business we wished to do. "In Spain, every non-EU resident has to pass a driving test and file five years of tax returns." He adds that another Scottish referendum could become a possibility, with Nicola Sturgeon already having made clear her position on Europe – that Scotland should remain an EU member whatever Britain decides to do. More recently, Fabian Picardo, chief minister of Gibraltar, has said that he would want a separate referendum on EU membership if Britain sought to leave.

Then there's the problem of the border between northern and southern Ireland. Relatively fluid and even continental under the current system, it would become a major international frontier, manned by border patrols and customs guards. The Taoiseach is already setting up a special unit to investigate the situation. Currently, Britain exports more to Ireland than to China, India and Brazil combined, trade worth over €1bn a week. "We cannot afford the potential deep uncertainty that would inevitably result from a fundamental change in the EU-UK relationship, let alone the concrete difficulties which could arise," says the Irish European minister, Dara Murphy.

The pro-Europeans have to hope that the British will realise that the UK has too much to lose by leaving the EU. It would feel the cold economic wind of a post-Brexit world and we'd draw back from the edge. As James Ind puts it: "The arguments when you look at them objectively for staying in Europe may not be as emotionally appealing, but they do appeal to self-interest."



CURRENT SCENARIO

As the UK inches closer to 2016 and the last full year before the UK's referendum on its European Union status, the debate about a possible "*Brexit*" situation is ongoing.

For those unfamiliar with the term, the Brexit refers to the idea that the UK would abandon the EU and split off entirely. They would maintain trade and defense agreements, but they would no longer have the specific arrangements of EU membership.

The UK population is still in the midst of a prolonged period of debate, discussion and analysis. It is known, however, that with each passing day, the idea of the Brexit moves closer to the forefront of UK consciousness and that of Europe at large.

The basic debate is divided between two sides: Eurosceptic UK citizens who believe the nation could better protect its interests and form trade agreements independent of the EU's regulations; and others who believe the UK remains in a stronger negotiating position internationally if it's part of a larger entity. Border control, national security, business regulation and economic distribution, and international trade agreements are the core issues over which these two sides disagree about the impact of EU membership. And because the Brexit is essentially an unprecedented concept, there isn't a consensus as to which side has the more reasonable argument.

There appears to be some growing momentum against the idea of a Brexit, at least in terms of the loudest opinions being heard. For instance, analysts estimated that economic savings generated by not contributing to the EU's budget—something pro-Brexit people have argued harms the UK's economy—would amount to only about 0.6 percent of annual economic output.

This analysis could actually have a strong impact on the state of the debate. That's because in the opinion of one policy analyst close to the situation, there are fairly even numbers of proponents and opponents of EU membership in Parliament, but the



number of undecided MPs easily outnumbers both of these groups. This speaks to Prime Minister David Cameron's approach to the situation, which is to attempt to restructure the UK's membership with the EU, rather than sever it. It's an idea that could placate dissatisfied opponents of EU membership to some extent, without risking negative developments.

To add even more pressure against an EU exit, it's become clear that the United States—the UK's most powerful ally—is firmly on the side of ongoing membership. It was recently suggested by a U.S. trade representative that the U.S. wasn't that interested in a separate free trade agreement with a UK that might vote to leave the EU. That's quite an alarming suggestion for the UK given its 200-year relationship with what has become its most valuable (and most heavily invested in) overseas partner. This, too, could conceivably sway undecided MPs toward the conservative approach.

There remain many loud voices in favor of a separation between the UK and EU. The referendum is expected by many to be held sometime in 2016, and it's going to be a tense time right up until the final decision is made. As of now, there appears to be some slight momentum toward an avoidance of the Brexit scenario.

