

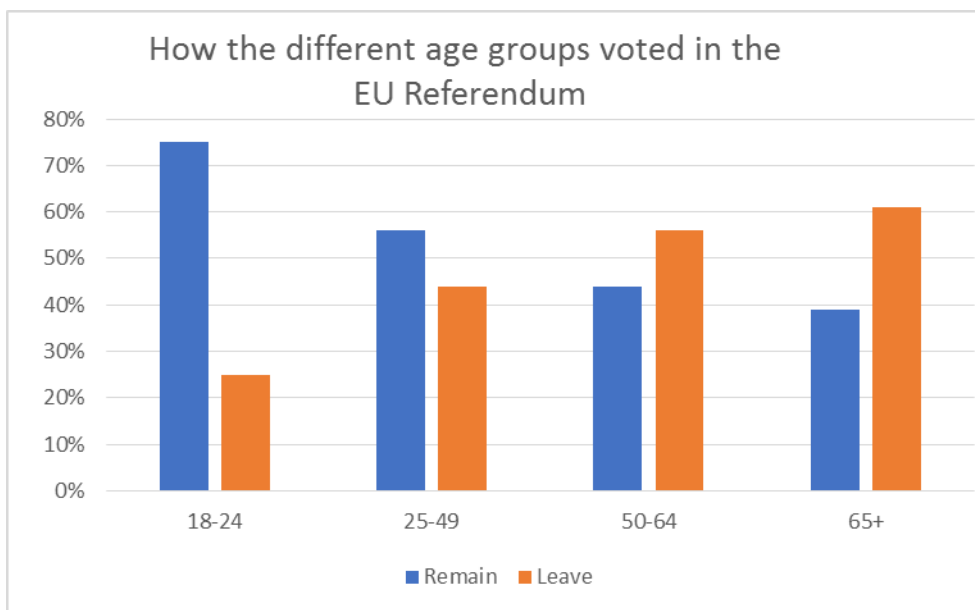
# Brexit and Older People

## Introduction

On 23 June 2016 the UK electorate voted to leave the EU by 52% to 48%, and in the 18 months since then we have had a substantial drop in the value of the pound, a new prime minister, a snap general election, and a continuous stream of news coverage of the UK-EU negotiations, now entering their second and crucial stage.

## A Generation Gap

Whilst it is impossible to say how each individual voted, a YouGov poll (based on a sample of the electorate) has been widely circulated in the UK showing the age break down of referendum voters. The results show how the majority of those under 50 voted to Remain, whilst most of those over 50, and in particular over 65, voted to Leave:



There have already been comments that older people – some of whom will not have to live with the longer-term consequences of this decision – have adversely affected the lives of younger generations. This has given rise to some very negative anti-pensioner sentiment that may trigger a further backlash against concessions that older people receive, such as free bus travel, fuel allowances and also pensions.

There is clearly an age divide in this debate. The latest research shows that 28% of Leave voters of retirement age believe that lower wages for the next generation would be a price worth paying for Britain's departure from the European Union. In fact, more Leave voters aged 65 and over agree with this proposition than disagree. Equally strikingly, a similar number (28%) of those who voted Remain aged 18 to 34 would be willing to see pensions for older people reduced if it meant a stop to Brexit.

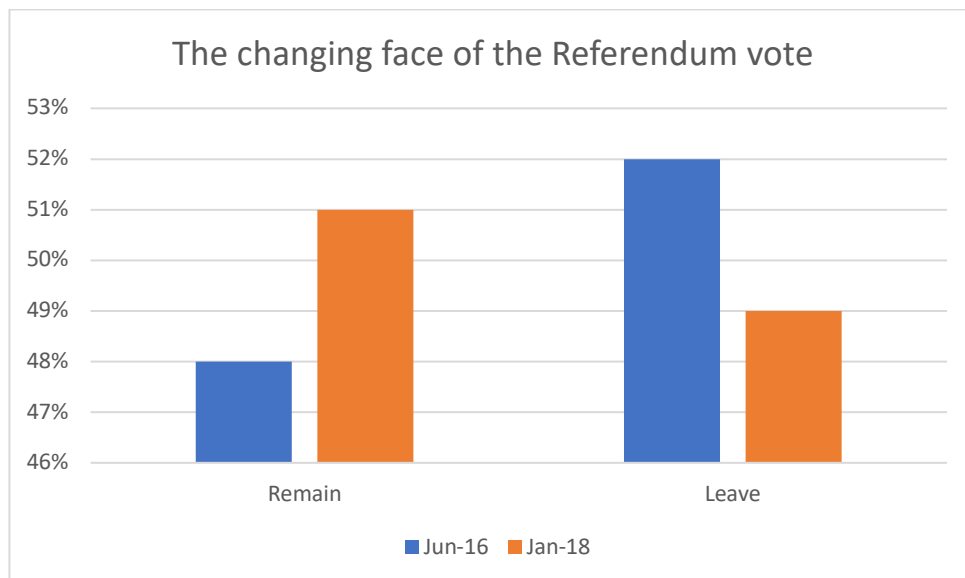
The need to bridge that divide by uniting the generations to improve younger people's prospects is therefore even more vital now than it was before. Finding those key issues on which we can campaign together will be crucial.

It's also worth noting that the under 65s account for 41m voters in the UK, compared to 11m pensioners. Other factors such as educational attainment, social class and geography were also very significant factors in the way in which people voted. Any argument that older people therefore determined the outcome of the referendum is factually incorrect.

### Are we still Brexiteers?

There is a constant debate in the UK media as to whether or not people are changing their minds over the referendum and the way they voted. A major survey at the end of January 2018 gave some interesting results:

- 58% want a say on the final deal
- 42% oppose re-opening the debate
- 51% now want to remain - up from 48% in the referendum
- 49% still want to leave - down from 52% in the referendum



Interestingly, the reasons why there has been a change in views since the referendum result in 2016 is because of concerns about the UK economy post Brexit (49% now think the UK economy will be worse as a result of leaving the EU), Labour voters who voted leave now want a second vote, and there is a possibility that large numbers of older people who originally voted to Leave are no longer alive and would not take part in a second vote.

The results also break down in various categories:

- Social class - the poorer you are the more likely you want to leave the EU. This is largely the group that worries about immigration affecting the availability of jobs and housing.
- Gender - slightly more women (53%) than men (49%) want to stay.

- Ethnicity - 49% of white UK citizens want to stay, compared to 74% of non white citizens. This in itself is hardly surprising given that recent generations of immigrants are more likely to see the free movement of citizens in a positive way.
- Age - the majority of those aged up to 64 want to remain, whilst the majority of those aged 65 still want to Leave. Among the over 75s – only 1 in 3 want to stay.

It has now been decided that the UK Parliament will have a say on the final deal, but what is unclear is what would happen if politicians reject the terms of the deal. If the vote is portrayed by the UK government as “take it or leave it”, the prospects of not having any arrangements in place – and with no more time to negotiate – will have a very serious impact on the UK economy.

### **Impact of Brexit on the UK Economy**

In a supreme case of irony, official government reports have now shown that those parts of the UK that backed a Leave vote would face the heaviest economic blows as a result of Brexit.

The forecasts model the 15-year impact of the UK staying in the single market, doing a trade deal with the EU or leaving without a deal and they suggest that in England, the North East and West Midlands would see the biggest slowdown in growth.

In each scenario, growth would be lower, by 2%, 5% and 8% respectively, than currently forecast. The research suggests London - which backed Remain - would fare the best, whilst Scotland and Northern Ireland (which voted to Remain) and Wales (which voted Leave) would all suffer quite significant problems with economic growth.

<b>Government assessment of Brexit deals on economic growth over 15 years compared to current forecasts</b>			
<b>Government region</b>	<b>Single market</b>	<b>Free trade</b>	<b>No deal</b>
<b>East Midlands</b>	-1.8%	-5%	-8.5%
<b>Eastern</b>	-1.8%	-5%	-8%
<b>London</b>	-1%	-2%	-3.5%
<b>North-East</b>	-3%	-11%	-16%
<b>North-West</b>	-2.5%	-8%	-12%
<b>South-East</b>	-1.5%	-4.5%	-7.5%
<b>South-West</b>	-1%	-2%	-5%
<b>West Midlands</b>	-2.5%	-8%	-13%
<b>Yorkshire and Humber</b>	-1.5%	-5%	-7%
<b>Northern Ireland</b>	-2.5%	-8%	-12%
<b>Scotland</b>	-2.5%	-6%	-9%
<b>Wales</b>	-1.5%	-5.5%	-9.5%
<b>UK</b>	-2%	-5%	-8%

## **The Referendum and the Rise of Racism**

One of the very noticeable consequences of the Referendum campaign and the subsequent result has been the sharp increase in racism within the UK. The day after the result, trade unions reported that some workers actually ask their European (and non-European) colleagues why they were still at work and hadn't packed their bags and left.

Data from 31 police forces showed that 1,546 racially or religiously aggravated offences were recorded in the two weeks up to and including the day of the referendum on June 23. But in the fortnight immediately after the poll, the number climbed by almost half to 2,241.

In September, the National Police Chiefs' Council released figures which showed the number of incidents rose by 58% in the week following the vote to leave the EU and the latest figures show incidents surged by 23% – from 40,741 to 49,921 – in the 11 months after the EU referendum, compared with the same period the previous year. This is not a coincidence and needs to be understood in a wider context as to what is happening across Europe.

Germany's AfD is now the official opposition, the Italian Lega Nord is now the fourth popular party in the country, Austria's FPÖ holds 38 seats in the National Council and the National Front in France was able to secure over 25% of the vote in last year's Presidential ballot.

We know that the far right exploit the economic failures of capitalism to blame – not those who have caused the problems – but those who they feel they can scapegoat. They have played on scepticism about the European Union and used racist rhetoric to exploit a migration crisis.

In the UK, far right populist parties like the UK Independence Party connected with disillusioned white, working class voters to persuade them to vote Leave during the referendum campaign. However, now they have seen a dramatic decline in their support.

## **The Concerns of Older People**

Obviously, everything about the UK leaving the EU concerns people, but there are a number of specific issues directly affecting pensioners:

### **State Pension**

As a member of the EU, the UK is part of long-standing provisions in EU law to co-ordinate social security schemes for people moving within Europe. The UK state pension is uprated by what is known as the "triple lock" - the higher of the rate of inflation, average earnings or 2.5%. This is passed on to British recipients abroad, but only in an EEA country or where there is a reciprocal social security agreement. At the moment, there are 474,130 UK pensioners living within the European Union (including Ireland).

Until the UK formally leaves the EU, the existing social security rules therefore continue to apply and entitlements remain unchanged. As of September 2017, a joint

technical note of the EU-UK positions on citizen's rights said, both sides were committed to lifetime export of uprated pension, recognising contributions both before and after exit. However, it is important to note that this is not yet part of the final agreement.

### **National Health Service and Social Care**

Over 60,000 people from EU countries, outside the UK work in the NHS in England and around 90,000 in adult social care. As of December 2017, a joint document from the UK and the EU stated that both EU citizens and UK nationals can continue "to live, work or study as they currently do under the same conditions as under EU law". Anyone who arrives legally before the 29<sup>th</sup> March 2019 will therefore have the right to stay. EU citizens in the UK will also have equal access to social security, health care, education and employment. However, the biggest concern surrounds long term recruitment. There is no doubt that the UK's health and social care sectors rely on overseas workers. It is important that nothing is done to undermine the employment or residency rights of these people during and after Brexit negotiations.

The impact of Brexit on recruitment across different sectors has also proved difficult to measure and at this stage it is too early to make a comprehensive assessment. However, data from the Nursing and Midwifery Council has shown a substantial reduction in the number of applicants to the nursing register from EU nationals since the referendum. Uncertainty amongst the health and care workforce is therefore a key concern.

### **Human Rights protection**

Since the UK joined the EU, EU legislation and EU Court of Justice judgments have frequently required improvements to UK anti-discrimination law. The UK is a signatory to two key human right documents with Europe. One is the European Convention of Human Rights (ECHR) and the other is the EU Charter on Fundamental Rights (CFR). The former will not be affected by Brexit as this convention is separate from the EU. However, in the current form of the EU withdrawal bill the CFR will not apply in Britain following March 2019.

The Equality and Human Rights Commission in the UK has lobbied for the Charter's inclusion in UK law, saying it protects certain rights, including those specifically for older people. For example, Title III Article 25 of the charter states: "The union recognises and respects the rights of the elderly to lead a life of dignity and independence and to participate in social and cultural life."

### **VAT on fuel bills**

One immediate and obvious area where a campaign could be launched would be related to fuel. Under EU rules, VAT has to be added to energy bills, and after a NPC-led campaign the figure was reduced to 5%. However, under a new arrangement, this requirement would no longer be justified. This demand could therefore be part of our ongoing anti-fuel poverty campaign.

### **The Irish border and universal benefits**

A fundamental challenge and contentious item of the Brexit negotiations surrounds the border between Northern Ireland and the Republic of Ireland. Since 2005, there have been no checkpoints on the border. In relation to older people, a key issue

would be the use of free travel across the two countries. Should a hard land border emerge following the negotiations this would put this at risk. As in the rest of the UK, concessionary bus travel is essential to ensuring older people can retain independence in later life.

### **Next phase of the process**

The transitional period has now been agreed and will last from Brexit day on 29 March 2019 to 31 December 2020. A number of key issues have also now been decided:

- EU citizens arriving in the UK between these two dates will enjoy the same rights and guarantees as those who arrive before Brexit. The same will apply to UK citizens living on the continent
- The UK will be able to negotiate, sign and ratify its own trade deals during the transition period. However, the UK will still be party to existing EU trade deals with other countries
- Northern Ireland will effectively stay in parts of the single market and the customs union in the absence of other solutions to avoid a hard border with the Republic of Ireland

### **Conclusion**

It is often claimed that the EU vote showed that the “people had spoken”, but three significant categories of people did not get a chance to vote: 16-17 year olds (who arguably will be most affected by the outcome), EU citizens who work and pay taxes in the UK and our own citizens who are living abroad (outside the EU). When this is taken into account, just 37% voted to Leave. It is also worth noting that the legislation putting through the EU referendum was an Advisory Bill, but the result was immediately interpreted as mandatory.

It was clear the “bus and bananas” approach of misinformation during the referendum campaign did have an impact, but it should be recognised that large numbers of white, working class people (irrespective of age), felt marginalised by the impact of austerity and globalisation and wanted an opportunity to protest against elites. Even Michael Gove declared the time for listening to experts was over!

A study by Kings College London also shows that older people did not feature in the referendum campaign as an issue. It was only after when people started to analyse the voting figures that this idea of a generational divide was put forward. However, the idea of blaming older people for the problems faced by the young is like saying “if you have it now, you must have stolen it from someone who hasn’t got it yet.”

Interestingly, it was stated that if the Republic of Ireland had conducted a referendum at the time when the EU and the IMF were imposing tough economic conditions, the public would have probably voted to Leave. Now, the country is improving economically and the EU is seen in a more positive way. Similarly, when discussed in France, it was noted that there was no guarantee the public wouldn’t also vote the same way as the UK.

The entire process of Brexit and all it entails has effectively brought all other government activity to a standstill. There is no additional time in Parliament to debate any other legislation, and our national media is consumed with how negotiations are proceeding and the likely outcomes, along with the internal fighting inside the Conservative Party.

Whilst there have been some calls for a second referendum (by the likes of Tony Blair and Nigel Farage!), neither the Conservatives nor Labour are in favour.

From the view of being an older person's organisation, Brexit has also thrown up some very real challenges. It is clear that the majority of older people voted to Leave and this has led to a backlash about a generational conflict that is unhelpful when it comes to trying to defend pensions and other benefits. Some have even suggested that the over 65s should lose the right to vote because they have stolen the younger generation's future!

Ironically, those very older people that were concerned about immigration into the UK will need to rely on younger migrant workers coming into the country in order to work and pay taxes to support the services, pensions and benefits that an ageing population will require.

For now there is a genuine sense of powerlessness – like watching a car crash in slow motion – in which many feel simply unable to influence the outcome of the negotiations. Furthermore, there is also a distinct lack of confidence that the UK government is likely to come away with a good deal; a view supported by the Prime Minister's most recent speech in which she warned that “no-one would get everything they wanted”. In the meantime, we wait to see what happens.

### **Some of the wider issues explained**

**Customs Union:** A group of states that have agreed to charge the same import duties as each other and usually to allow free trade between themselves. The customs union reduces administrative and financial trade barriers such as customs checks and charges, and boosts economic co-operation.

The advantages of leaving the customs union are that Britain would not have to pay contributions to Brussels - in 2015 it paid £13bn into the EU, according to the Treasury - and would not have to sign up to the free movement rule. The government would also be able to negotiate free trade deals with non-EU countries.

The disadvantages are that though the UK could still trade with EU countries, it would face tariffs, and vice-versa - which could push up the cost of goods and services. The UK will also have to negotiate new trading deals with the EU which all member countries would have to agree.

**Single Market:** An association of countries trading with each other without restrictions or tariffs. The European single market came into effect in 1993. It accounts for 25% of global GDP and is, by far, Britain's biggest trading partner.

Currently, 45% of the UK's exports are to the EU while 50% of imports are from the EU.

Access to the single market is based on countries signing up to the core principle of the free movement of goods, people, services and capital.

**European Economic Area:** The area that provides the free movement of people, services and capital within the European single market. Membership is open to member states of either the EU or the European Free Trade Association (EFTA).

EFTA states which are party to the European Economic Area Agreement participate in the EU's internal market without being members of the EU, such as Norway and Switzerland.

**European Court of Justice:** This is the judicial institution of the EU. It deals with disputes between parties and ensures that European law is interpreted and applied in the same way in every member state. It has been argued that leaving the EU would mean human rights encapsulated by the European Court of Human Rights would be adversely affected in the UK on matters such as employment rights.

**World Trade Organisation:** WTO agreements are negotiated and signed by most of the world's trading nations. Britain joined the WTO as a member of the EU and it is expected that it would have to negotiate new and updated terms of its membership.

This could be a long process because the UK would need all the other WTO members to agree on these terms. The Treasury has also warned that if this option was adopted (because no alternative trade agreements were reached with the EU) it could cut the UK's GDP by 9.5% and trigger a loss of tax revenues of £66bn a year under WTO rules.