Consent of a majority of the rest of the EU will be needed if there is to be a new UK-EU relationship

The only place in the EU where the issues that might arise from a UK renegotiation or withdrawal are being debated in any detail is in the UK itself. But any change in the relationship will have an impact on all member states. Tim Oliver and John Bruton write that it is therefore not simply about what Britain wants from its relationship with the EU, but also what the other 27 states would want, and whether these can be reconciled.

The possibility of the UK leaving the EU is likely to remain a live issue for many years to come. It is not an issue that London, Brussels, Dublin, the rest of Europe or the UK’s allies should casually dismiss. An in-out referendum could be brought about by a government seeking a renegotiation and referendum, triggered by a treaty change or new treaty, or from a backbench rebellion in a House of Commons where a government has a slim majority.

The only place in the EU where the issues that might arise from a UK
renegotiation or withdrawal are being debated in any detail is in the UK itself. Even then the debate is narrowly focussed on UK concerns, and takes little account of the effect on the 27 other member states of the EU of the various UK renegotiation/withdrawal scenarios. Nor, with a few exceptions, is there any appreciation of what a separation would mean for Britain and Europe’s allies and others around the world.

Other EU leaders have taken a vow of silence on the internal UK debate, even though it is one in which their own electorates have a vital interest. Understandably, they do not want to aggravate UK public opinion, which might claim to resent “foreign” intervention in what would be construed, inaccurately, as a purely “domestic” UK matter.

The downside of this approach is that UK public and media opinion may develop unrealistic expectations of the terms it could achieve in a renegotiation, leading to disappointment, and a consequent increase in support for outright withdrawal. In fact, EU countries are already so integrated with one another that any UK attempts to alter the relationship will be a domestic issue for all members. Furthermore, there is a risk that the UK public will make the mistake of thinking that they will be negotiating with a single entity called “Europe”, when in fact they will be involved in something much more complex: a negotiation with 27 other EU members, all of whom will have different red lines, different ambitions, and different axes to grind.

Even if the UK withdraws, the painful truth for the UK – government, parties, business and public – is that the consent of a majority of the rest of the EU will be needed for a new UK-EU relationship. Britain cannot simply assume this will happen. For example, it will be for the rest of the EU to decide whether it allows continued privileged access for the UK to the EU Single Market (for example in financial services).

Certainly both sides have much to lose if the negotiations fail. The UK
runs an overall £28 billion (2011 figures) trade deficit in goods and services with the rest of the EU, and by 2050 the UK could be the largest country in the EU in terms of population and economy. But the £28 billion forms a small part of an EU economic area worth around £11 trillion. Focusing on the economics also overlooks the politics. The EU is a political union, and the UK will retain a deep political and strategic interest in how the EU evolves, whether it is a member or not. Shaping that political union, in British interests, from the outside will be very difficult indeed.

So should the UK decide to leave, what could it expect the EU to set down as negotiating red lines? This would all depend on the rest of the EU’s assessments of the economic and political implications for the EU of a UK exit; an issue which, with a few exceptions, has been subject to little or no discussion.

A UK withdrawal would take place under the EU Treaty’s Article 50, requiring both the European Council and the European Parliament to agree the terms to be granted to the UK for a new relationship. The decisive role of the Parliament, or that of the Council, is little appreciated in the UK. Similarly few appreciate the potential for these two, and potentially the European Court of Justice, to block or delay a deal, for example on grounds of unfair discrimination.

It is highly likely that, as with Norway and Switzerland, the UK will be expected to make a continuing financial contribution to the EU budget, in return for UK access to the EU single market. It is highly unlikely the EU will willingly accept any formal UK involvement in EU decision making that compromises the EU’s own sovereignty.

Brussels will expect the UK, even if outside the EU, to uphold the rights of EU citizens in the UK, as the rest of the EU will be expected to uphold the existing rights of UK citizens living elsewhere in the EU. UK involvement in deals such as the Transatlantic Trade and Investment Partnership will be possible, but strictly only on whatever terms are agreed between Brussels and Washington D.C.

EU and UK officials, diplomats and negotiators will, no doubt, work hard and constructively to find solutions to these dilemmas.

The problem will lie in the politics. Will the UK accept what the EU has to
offer and what can it do if it doesn’t? Could the UK decide to hold a second referendum before any withdrawal actually happens, a sort of double-lock system to ensure the British people are comfortable with what they have been offered by the EU? Could a government be sure it could get any withdrawal bill through the House of Commons if the terms of a new relationship are not to Britain’s benefit?

In the event no agreement was reached within the two years (or no extension to negotiations agreed, which could only be done with the unanimous agreement of all 27 EU states), the UK would be out of the EU, with no special rights at all, and automatically subject to WTO agreed restrictions and tariffs on its exports to EU countries and services. Customs posts would have to be reintroduced on the border in Ireland and at cross-channel ports. It would be a loss for both sides, but more so for the UK.

The UK will also have to ask itself what type of EU it can hope for, if it is no longer a member. The EU will remain the UK’s single largest relationship, dwarfing that with the USA. The UK has to ask itself if it wants the EU to remain a viable and confident organisation, one it is comfortable living next to, and in the shadow of.

In or out of the EU, the UK has a clear interest in the EU remaining effective. An effective EU, like an effective NATO, contributes to European security, and creates a single market that is good for British prosperity. Britain would not sell as much in a Europe that had reverted to 27 different markets with 27 different currencies. An EU that could not make decisions, because it was paralysed by fear about who might be next to follow the UK out the door, would not be good for Britain.

And what might the US and other UK allies think? The UK should not expect the USA to give up on the EU, just because the UK has.

A question likely to weigh heavily in the minds of those in Washington is what a British withdrawal would mean for what was originally an American sponsored project: the European Union. The wider geopolitical implications remain unclear, with possible implications for states such as Turkey, and the future of NATO and European cooperation on defence and security. That UK involvement in European integration has been an important background factor to the Northern Ireland peace process should not be forgotten. The entire dynamics of the relationship between
the two parts of Ireland, and within Northern Ireland, would be radically changed by a UK exit from the EU.

The question to ask then is not simply what Britain wants when renegotiating its relationship in the EU or when leaving the EU, but also what each of the other 27 states in the EU would want, and whether these can be reconciled.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our comments policy before posting.

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[...] relationship will depend largely on what the remaining EU (including the European Parliament) is prepared to grant it. The UK will be the junior partner, despite the UK’s significant trading and political [...]

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