

[Tim Oliver](#)

The world after Brexit: from British referendum to global adventure

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The World after Brexit: From British Referendum to Global Adventure

Introduction

The vote by the British people to leave the European Union has confronted both the UK and the EU with an unprecedented challenge. For the UK, the decision means the Conservative government led by new prime minister Theresa May faces a period of difficult choices over the unity of the UK, its political economy, and place in the world. Such is the scale of those choices and the potential for them to turn out wrong for the UK that the *FT*'s Philip Stephen's (2016) declared the vote had left Britain 'a nation surrendering its claim to be one of the world's most stable democracies.' The EU itself risks coming out little better. It is now faced with the prospect of agreeing a divorce with one of its largest member states. This comes at a time when the EU continues to struggle with Eurozone problems, the migration crisis, Russian revanchism, and the election of a hawkish US president. It is hardly surprising then that Brexit has added to talk of European disintegration (Oliver, 2016). The effects of Brexit are not confined to the UK and the rest of Europe. The vote has fed into debates about the rise of such figures as Donald Trump, the politics of 'left behind' voters, of managing the effects of globalisation, and the future of the transatlantic relationship in an emerging multipolar world.

Brexit is not an event but a process, and one that could take a prolonged period of time and involve decisions and votes in various political arenas in both the UK and elsewhere in the EU. The actors involved face numerous possibilities as they move forward. Those actors range from individual EU leaders through to millions of voters in the UK and other EU member states. The story of Brexit could end up being written in any number of ways. This article outlines the various challenges that Brexit now poses in British, EU, European and international politics. It does so by mapping out the negotiations and debates that will now unfold. This process has many potential flashpoints that could cause delay, division and animosity. They could also create opportunities for the UK, EU and international partners. It has long been apparent that Brexit would be one of the biggest political, constitutional, administrative, diplomatic, economic, social, security and cultural challenges to face the contemporary UK. As this article shows, finding a way through this minefield will be no easy task for leaders in the UK, the EU or elsewhere.

UK – Brexit Narrative

When in 2013 David Cameron committed the Conservative party to holding a referendum on the UK's EU membership he announced that, 'it is time to settle this European question in British politics.' Despite a wide-ranging speech, Cameron failed to articulate what that question was. That is in no small part because the issue of Europe in UK politics reaches deep, often becoming a proxy for a host of matters (Glencross, 2015; Oliver, 2015). In the scramble to shape the post-vote political debate, defining what the British people voted for will shape what positions the UK government takes in negotiations. This will not be easy because the referendum became a proxy for a host of other matters (Beauchamp, 2016). A short sample of what drove fifty two per cent of British voters to back leave would include concerns about democracy, a desire to assert British sovereignty, the failure of young people to vote in large enough numbers, people worrying more about immigration than economics, nationalism and especially English nationalism, anti-elitism, anti-London, hostility to the outside world, a desire to embrace a more global as opposed to European worldview, and the EU's own failings. The key

debates have been over immigration, sovereignty and economics (Goodwin, 2016). The emerging narrative is also shaping how the world interprets and responds to Brexit. The vote was one of the most anticipated signposts on the direction of international relations (Fordham and Techau, 2016). Whether the vote confirms a move towards isolationism, nationalism and populism will be confirmed or rejected in how well, to take the most prominent examples, Donald Trump and Marine Le Pen do in the US and French elections.

UK – Party politics

Negotiations and a leadership race might have now concluded over the leadership of the Conservative party and therefore of HM Government, but the leadership of other parties remains in flux. Theresa May's appointment as Prime Minister has left a reluctant remain campaigner leading a Conservative party where tensions over Europe remain clear (Shipman and Pancevski, 2016). May's appointment thanks to Andrea Leadsom's withdrawal from the leadership race might have avoided a potential party split (Boffey and Helm, 2016). A reminder that difficult choices over Brexit may yet still expose divisions. Her appointment of prominent Eurosceptics such as Liam Fox, David Davis and Boris Johnson to senior EU and international positions demonstrated the strength of that side of the party. Tensions over UK-EU relations will continue to shape how the party – with a slim governing majority of twelve – defines and enacts Brexit. The Labour party, meanwhile, has also found itself facing a potential split in part because of the fallout from the referendum and Jeremy Corbyn's lacklustre efforts during the campaign (Boffey and Helm, 2016). The uncertainty facing Labour reduces the pressure on the Conservative party, potentially emboldening Eurosceptic ministers. UKIP too is in flux, with Nigel Farage's resignation depriving it of the man who defined the party. Despite its strong connection with the European issue, support for the party has not been driven by Europe alone. Instead it has capitalised on a range of opportunities, including different attitudes towards immigration between the Labour party and large numbers of traditional labour supporters (Goodwin, 2015). UKIP could remain an effective political force, casting a shadow over both the Conservative and Labour parties as they face the challenges of Brexit. That shadow will likely be seen in by-elections, where the pro-European Liberal Democrats may also see a comeback; a reminder that forty-eight per cent of voters backed remain (Rankin, 2016). The idea of either party making headway in an early general election faces the problem of the Fixed-term Parliaments Act 2011. Unless somehow repealed, or a deal done with the opposition parties to dissolve parliament early, the next general election will not be until May 2020 (Strong, 2016).

UK – Parliament and the people

The close result of the referendum led to calls for a re-run of the vote, including a petition that attracted 4 million signatures. Whether another referendum happens depends on the UK government calling one, or the House of Commons overcoming government opposition by voting one into law. In addition to calls for a re-run there have been calls for the British people to be given a vote over any new post-withdrawal relationship the UK agrees with the EU (Oliver, 2016a). This would be one way in which the meaning of Brexit could be defined and approved. Again, this would require government to back such a vote or the Commons to vote for one. It is more likely that the House of Commons will vote into law whatever new deal is reached with the EU, but this does not promise to be an easy route for HM Government given the Conservative party's slim majority and tensions within all parties over what Brexit means

(Strong, 2016). A majority of MPs campaigned for Britain to remain in the EU. Those MPs may vote for a closer relationship to the EU than leading pro-Brexit campaigners would like (Cooper, 2016). The debate about the narrative of Brexit will therefore be played out most clearly in the House of Commons division lobbies as MPs vote into law what Brexit means. This sets up a potential clash between popular sovereignty (the votes of the British people) and parliamentary sovereignty (the right of Parliament to do what it wants). The Commons could insist on the UK remaining in the European Economic Area, but it could not be sure of doing this with popular support and, as noted, could not easily call a general election to try and settle the matter. The British government will also have to regularly consult parliament during the negotiations. The slim Conservative majority, party divisions and the opportunity for other parties to cause trouble means a strong possibility of MPs voting to reject some part of a UK-EU negotiation. Into this enters the role of the UK's Supreme Court. It has already been asked to rule on whether the UK Government can trigger Article 50 – the EU's withdrawal clause – without consulting parliament (Gower, 2016). Further challenges could be brought by public and private individuals or organisations seeking to disrupt or shape Brexit.

UK – a united kingdom?

The referendum exposed political divisions between the component parts of the UK, divisions that will require an inclusive process for managing Brexit. One of Theresa May's first visits as Prime Minister was to Edinburgh where she met with Nicola Sturgeon, the First Minister of Scotland (BBC News, 2016). 62 per cent of Scottish voters opted for the UK to remain in the EU, putting them at odds with the 51.9 per cent UK-wide result for leave, and the 53.2 per cent support for leave in England (Uberoi, 2016). This presents a constitutional and political problem. Because of the transfer of powers entailed in a UK withdrawal from the EU, the permission of the Scottish Parliament will be required (known as the Sewell Convention) to repeal the European Communities Act 1972 because this would touch on matters that are devolved (Douglas-Scott, 2016). While Theresa May has shown a willingness to consult with the Scottish government, it is likely that difficulties will arise in the exit negotiations. Sensing problems and opportunities ahead, the Scottish Government quickly reached out to interested parties within the EU (Peterkin, 2016). Brexit could lead to another Scottish independence referendum, with Scotland seeking to remain or rejoin the EU. That would open a Pandora's box of issues such as over Britain's nuclear weapons, which are based in Scotland (Dorman, 2014). A second referendum leading to independence is a possibility. It must, however, be noted that the SNP lack a majority in the Scottish Parliament to trigger one (although a majority could probably be found) the timeframe for such a vote, independence and (re)securing EU membership could very complex, and winning a vote could still be difficult given support for independence is still not overwhelming.

The focus on Scotland can distract from two other regions where majorities supported remaining and where there will be negotiations to manage any Brexit fallout: Northern Ireland and London. In both regions the fallout could extend far beyond the UK. With Northern Ireland concerns about the stability of the peace process along with the potential implications for the Irish republic led the Irish government to publicly oppose UK withdrawal (Barrett et al. 2016). Brexit will complicate the UK-Irish common travel area, possibly see a hard border as opposed to the open one that exists now. Such a border could trigger political and economic uncertainty in Northern Ireland, something that alarms the EU, Irish, US, and British governments.

London's vote to remain in the EU came as no surprise to those who know the metropolis (Oliver, 2014). London is a global city with a population and economy reflecting this. Its demographics reflect a mix of English, British, European and international citizens, with 'White British' the largest minority. Its economy is the most diverse and globalised in Britain. According to the Centre for Cities, London generates almost thirty per cent of all UK tax receipts (McGough and Piazza, 2016). This comes from only twelve per cent of Britain's population. In no other similar sized country does the capital city dominate as London does the UK. Not all Londoners voted to remain, or have gained from London becoming such a global city (London is home to some of Britain's worst poverty and highest levels of inequality). Nevertheless, the referendum highlighted London's unique place in Britain. The Mayor of London, Sadiq Khan, has sought to protect London's interests in the Brexit negotiations. In doing so he has also outlined proposals for more powers and taxes to be devolved to London (Mayor of London, 2016).

London's differences and demands have not passed unnoticed elsewhere in Britain, and especially England, where the leave vote sometimes carried an anti-elite and anti-London feeling. The referendum saw English nationalism come to the fore (Barnett, 2016). Polling shows that if a Briton identifies themselves as English then they are more likely to be Eurosceptic. That doesn't explain all Euroscepticism. The Welsh voted to leave and thirty eight per cent of Scots backed leave, a figure expected to be much lower. And, in England, the connection between English nationalism and Euroscepticism is not automatic. But English nationalism has become the hallmark of angry, disillusioned sections of England that feel left behind in the modern world and contemporary Britain. When this mixes with unease at immigration, we have a combination that British politicians have been loath to go near. Instead they have been more comfortable with being 'British,' fearing English nationalism is racist, causes tensions with Scotland and is an outlook of the working class and football supporters. But the English side of UK politics is not something British politics can any longer live in denial of.

UK – Brexit and the world

The referendum result took many around Europe and the world by surprise. There had been an underlying assumption in the financial markets, diplomatic community and media that the British would opt for the status quo. The Remain campaign had drawn on the support – and warnings – of a wide range of international voices from the IMF through to President Obama. The dominant message from the rest of the world was therefore one of opposition to Brexit and an assumption that should it happen then Britain would face painful costs and be headed towards isolationism. That message was reinforced by the political, economic and constitutional uncertainty that immediately followed the result. The British government now faces the challenge of shaking off a narrative of Brexit adding to British decline and disunity. Part of this will depend on Britain's soft power. According to a poll in 2015 (Portland, 2016) Britain was the world's leading soft power. By 2016 Britain had slipped to second place behind the USA. Time will tell whether Britain slips further. Whether remaining at the top of soft power rankings will be enough to ensure Britain remains an effective player in international relations is another matter.

Britain will need to undertake negotiations with non-EU countries such as the USA to discuss any changes Brexit will mean for bilateral relations. In the case of the USA this

could entail discussion of what a Brexit could mean for NATO (of which more below), and the future of the Transatlantic Trade and Investment Partnership (TTIP) (Oliver and Williams, 2016). Britain will need to secure full WTO membership as opposed to being a member via the EU. Doing so will require Britain to undertake a prolonged task of drawing up ‘schedules’ of tariffs, quotas, subsidies and other concessions on market access with the WTO (Ruparel, 2016). These will first need to be agreed with the EU, with whom the UK will initially try to remain in line. Changes to take into account new deals or preferences with other countries around the world would open up the possibility of other WTO members objecting, if only to cause mischief for Britain. Britain will also need to negotiate deals with the more than fifty countries that have free trade agreements with the EU (Dhingra et al. 2016). UK participation in these agreements will more than likely lapse when Britain leaves the EU, leaving Britain and the countries in question to agree a new arrangement. Having not negotiated a trade deal since it joined the EU, the UK Government may find itself in a vulnerable negotiating position, dependent on good will and cooperation of others. The biggest partner to begin with will be the EU, with whom reaching agreement over a new relationship will be a first order priority. Despite hopes of striking new deals quickly with emerging powers or long-standing allies, other countries may well be weary of dealing with Britain until UK-EU relations are clarified. For example, whether Britain will or will not remain in the single market or parts of it. For the foreseeable future the focus of British efforts will be on negotiating close relations with the EU.

UK-EU: Article 50 and a Brexit transition

Brexit will require at least two deals between Britain and the EU: an exit deal and a deal over a new post-withdrawal relationship. Bridging the two may require another deal for a transitional arrangement (Grant, 2016b). The exit deal required under article 50 will cover such issues as the future of UK staff in EU institutions and UK financial contributions to shared projects. It will also deal with the rights of UK citizens in the EU and vice versa. There could be fraught debates about when the cut-off point will be for new arrivals into the UK to be eligible for such rights, with concerns about a rush of EU citizens moving to the UK before any agreed date (Home Affairs Committee, 2016). The prominent place immigration played in the referendum means that as time passes there will be mounting pressure to close the UK border to EU citizens. Article 50 provides a two-year period for negotiations, extendable by unanimity of all 28 member states. There is some pressure from the rest of the EU to see the UK officially leave the EU before the 2019 European Parliament elections and before the EU’s new 2020 budget cycle is agreed (Grant, 2016b). While the rest of the EU cannot make Britain trigger article 50, delaying for too long risks antagonising not only the rest of the EU but also leave campaigners in Britain. The article 50 route is one that some British Eurosceptics would prefer to avoid, seeing in it a process that strengthens the hand of the EU by putting the UK under pressure in terms of timing and securing the agreement of the rest of the EU. Unless agreement were reached within two years Britain would find itself leaving the EU with no choice but to trade with the EU under the WTO rules (Renwick, 2016).

Reaching agreement over a post-withdrawal relationship will be a separate deal, something discussed further below. Article 50 merely covers the deal by which Britain withdraws, albeit one that should be undertaken by the EU while ‘taking account of the framework for its future relationship with the Union’. This has led to speculation that a deal over a new relationship can only be negotiated once Britain has left (Miller, 2016). Such a scenario would see both Britain and the EU suffer economically because the

WTO option is widely considered the least desirable relationship. However, alternatives such as a reformed European Economic Area or a free trade deal will take much longer to agree than the two year framework of article 50. Both Britain and the EU will need some form of transitional arrangement, perhaps one that sees Britain join the EEA. By doing so Britain would remain a member of the single market, uphold EU law, continue to allow free movement, and contribute to the EU budget. Whether leave campaigners would be satisfied with such an arrangement is another matter. That has led to various proposals (Chalmers and Menon 2016; North, 2016) that would see a special transitional deal, perhaps one that limits freedom of movement, the application of EU law and budgetary contributions. As discussed below, whether the remaining EU members would agree to such an arrangement remains unclear. Some may seek to use the negotiations to extract concessions from Britain. Limited time and political patience will make for extremely difficult and tense negotiations.

UK-EU: New relationship

Britain and the EU will need to agree a new relationship, whether this is completed during the two years allowed by article 50, after a formal UK exit or during a transition period. The EU is notorious for presenting offers with little room for compromise because the offer is itself a compromise worked out between twenty eight member states – with attention also paid to the opinions of the European Parliament – which the EU is then loathe to unpick. Whether the EU can reach such a compromise on what to offer a departing Britain will be the focus of a great deal of the negotiations and play a significant part in deciding what form of deals Britain can expect. As we discuss below, several of the post-withdrawal possibilities on offer could trigger national ratification processes, including possible referendums.

EU(UK): Article 50, Brexit transition and new relationship.

Article 50 allows Britain to remain a member state until a withdrawal has been agreed. Until then the British government and representatives in the EU (such as MEPs) are entitled to partake in all EU business and meetings except those that relate to Britain's withdrawal. This does not mean Britain is banished entirely from the EU's negotiations about a Brexit. It does, however, mean that the EU will have the right to discuss the British exit without Britain's presence. As it did with the 2015-16 UK-EU renegotiation of Britain's membership, the British government will need to put on – and invest the necessary resources for – a concerted diplomatic effort to shape the positions of various member states and EU institutions (Foreign Affairs Committee, 2016). Unlike the renegotiation, Britain will not have the right to sit in on all EU level meetings on the matter.

How the EU – collectively or as individual member states and EU institutions – responds to a Brexit will depend on five Is: Ideas, Interests, Institutions, International and Individuals (Oliver, 2015b). The biggest tensions within the EU will be in balancing ideas (e.g. protecting political ideas such as 'ever closer union') and interests (e.g. limiting the economic, social and security costs). Institutional limits such as WTO rules and the EU's own rules limit what the EU can and cannot do to punish Britain or offer it in terms of new relationships. International pressures may convince some EU member states to seek a quick agreement with a country that still packs a punch internationally. What will individual leaders such as Merkel or Hollande be able to offer given they face elections in 2017? Some individual leaders will note their state faces little costs from a

Brexit, so may seek deals from states that do. Others may view the situation as one that is not a zero-sum game, where Britain's loss of investment or trade is not automatically the EU's gain. Those investments may instead go elsewhere in the world.

The EU will face three problems in reaching agreement. First, as noted above, the process set out in article 50 requires the EU to reach agreement on a new deal not only with Britain but amongst itself. While the exit deal will be dealt with by the member state governments through a European Council vote, the deal over a new relationship could require national ratifications through a national and/or regional parliaments, rulings by national supreme courts, and in some cases through referendums. The potential economic, social and political implications of Brexit vary across the EU (Irwin, 2015; Möller and Oliver 2014; BrexitVote blog, 2016). Agreeing to deals over an exit, transition or new relationship would be of higher importance for some states than others, creating the possibility of some EU member states that are more pro-UK resenting certain other states delaying or complicating any agreement.

Second, this raises the broader question of whether the EU can maintain a united front in facing a withdrawing UK or if disagreement amongst themselves and lobbying by the UK will prevent any EU solidarity. While the UK's ability to divide and rule should not be overplayed, the EU has long struggled to create unity in the face of other powers such as the USA, Russia or Israel. In the case of Britain it would face a state with a long record of working the corridors of Brussels and national capitals (Smith and Tsatsas, 2002).

There are seven possible new relationships the EU could reach with the UK, each with pros and cons for the EU (Piris, 2016). Many have been debated in detail elsewhere and so only require a brief reprise here. First, a customised special deal that would see Britain opt out of any costly parts of EU membership such as free movement. This could create a type of relationship with the EU that is less costly than traditional membership, leading to concerns that other member states would try to replicate it. Second, an EEA model similar to that of Norway. Such a deal could serve as a transition arrangement, but as noted above some leave campaigners would balk at the sovereignty, budget and immigration requirements. Third, Britain could rejoin EFTA, although the EFTA agreement is very out-dated. Fourth, the Swiss model (a tailored version of EFTA) with a series of bilateral UK-EU agreements. This model has long irritated the EU, with a British version likely to be strongly resisted. Fifth, Britain could remain in the EU's customs union, like Turkey, accepting the EU's external tariffs without having any say over them. Sixth, a UK-EU free trade deal lowering tariffs below WTO levels. This could extend more to goods than services, with the EU demanding tough concessions (potentially involving free movement or budgetary contributions) from Britain for a deal over areas such as financial services. Seventh, no agreement would see the UK-EU relationship automatically switch to trading under WTO rules. This is widely predicted to be an option that would lead to the worst economic costs for both the UK and the EU.

EU-UK: Foreign, Security, and Defence Cooperation

As a major military, diplomatic and economic power, Britain has sought to use the EU to boost its own standing while also ensuring the EU itself pursues an agenda aligned with Britain's international priorities. Britain's standing and clout is much reduced, with Brexit itself likely to further this. Nevertheless, foreign, defence and security cooperation remain areas where Britain is in a strong position vis-à-vis the rest of the EU and likely to seek on-going close links. Britain brings important links – albeit not the only ones – to

the USA, NATO, the UN and more. Working through the EU is not without its flaws, but other options for Britain to pursue its interests such as by rebuilding the Commonwealth, developing the ‘Anglosphere’, joining NAFTA, or becoming a ‘Switzerland with nukes’, are seen as limited or overplayed. Attempting to work closely with partners in the EU (bilaterally or multilaterally) will therefore remain a starting point for British foreign policy. It remains unclear whether any relationship can be agreed by which Britain will be formally involved in foreign policy decision making, as opposed to informal discussions. It may be that events necessitate arrangements, meaning interests and international pressures trump any ideas about EU-only cooperation. Other areas of cooperation may also open over climate change negotiations and international development. One possibility is that the EU engage the UK through forums such as an EU+1 arrangement, an EU2+1 involving France, Germany and the UK, or a modified version of the EU’s current G6 (von Ondarza, 2013). Objections may, however, be raised in Britain where continued involvement with the EU’s CFSP arrangements could be seen as Britain giving succour to efforts that some fear will in the longer-term undermine NATO.

EU(EU) – Rebalancing the Union

While the EU and Britain are negotiating an exit and new relationship the EU itself will be busy negotiating how to change itself internally to reflect Britain’s departure. The clearest changes will be over allocation of votes under QMV, national distribution of MEPs, changes to the EU’s budget and spending, and staffing changes. These changes will be fought over because they will form part of a changing balance of power in the Union from changes to the Eurozone and Schengen (Grant 2016a; Oliver, 2016a). There exist numerous scenarios over how the EU will be changed. The position of the Eurozone could be strengthened to the detriment of non-Eurozone members. There has been some speculation that countries such as France and Germany may make a renewed push for integration (Posener 2016). However, this has been limited by fear of provoking Eurosceptic feelings elsewhere in the EU. The EU could see further differentiated integration, but it is not clear where this would take the Union, as it would vary across policy areas. That said, Britain’s withdrawal will end Britain’s opt outs, simplifying some of the EU’s policies and structures. A final possibility is that Brexit unravels the EU, or is the latest signal of a Union headed towards disintegration. Polling suggests that Britain’s experiences since the 23 June have (at least initially) pushed up support for European integration elsewhere in the EU (FEPS, 2016). Nevertheless, the situation facing the EU as Britain withdraws is one of institutional change, shifting priorities and tense political relations between publics and elites (Morillas, 2016; Niblett, 2016). If the UK overcomes the economic and political challenges of Brexit while the EU and Eurozone struggle, then there could be an increase in scepticism towards interstation, potentially beginning a process that unravels the EU. European disintegration could happen in a number of ways, with the focus being on the response of Germany (Webber, 2014; Vollaard, 2014). The Europe that follows any unravelling could be one where the supranational political setup of the EU is either maintained amongst a small group of countries centred around Germany or a more intergovernmental arrangement re-emerges focused largely on trade. So far the EU has tended to muddle through in the face of the challenges that could unravel it, coping with rather than solving them (Wright, 2013). Muddling through Brexit is a likely way forward given a new relationship will be complex and about more than relations with Britain because it will also connect to the changing place of the EU in Europe and the world.

EU(Europe) – An EU in a multipolar Europe

Brexit will necessitate negotiations between the EU and other non-EU European countries and be part of a longer-term change that sees the emergence – or clarification – of a multipolar Europe. Should the new UK-EU relationship involve the EEA or EFTA then there will be discussions primarily with Norway (EEA) and Switzerland (EFTA) about how the new UK-EU deal affects relationships that have become largely tailored to their needs. Should Britain secure some new form of relationship then non-EU European states may be minded to request changes to their own relationships to replicate or cherry-pick from the British deal.

A multipolar Europe will see Turkey and Russia as the other two European poles to that of the EU (Krastev and Leonard, 2010) with Brexit adding – or clarifying – another pole in Western Europe. While Brexit has reduced Britain's international standing and capacity to affect change internationally, Britain retains a large global economy, London is Europe's most global city and if population projections hold then sometime in the 2040s Britain's population could grow similar or larger to that of a declining Germany (Eurostat, 2011). This does not mean the poles will be of equal standing. Should the EU unite then its relationship with Britain might come to resemble that of the USA's relationship with Britain: a one-sided 'special relationship'. As noted above, that relationship will be important for both if they are to manage common problems such as the uncertain futures facing the other two poles of Russia and Turkey. If the EU itself cannot overcome the uncertainties overhanging its future then an outcome as outlined by Techau (2014) could emerge of a Europe that, 'is not a pillar of world affairs but a territory that risks being pulled asunder between the United States and Asia'.

Close relations with the USA will remain the cornerstone of European and British security. Brexit is not going to end, at least in the short term, the close security links that are the heart of the UK-US special relationship. Nor does Brexit mean the USA will give up on the EU or its long-standing support for European integration (Oliver and Williams, 2016). Brexit has, however, forfeited Britain's right to claim 'primus inter pares' in the EU when it comes to relations with the USA. Brexit does create opportunities to further heighten US exasperation at Europe's divisions and inability to think about geostrategic concerns – whether they be Russia, China or ISIS – and invest in the necessary defence commitments. Britain's decision in the wake of the 23 June vote to commit resources (around 650 troops) to the defence of the Baltic states was a move intended to assuage fears in the US, EU and NATO of UK isolationism (Riley-Smith, 2016). These fears were in part based on the UK's reluctant and limited role in the 2014 Ukraine crisis. While the move was also intended to generate goodwill, suggestions have been made that ministers have made the commitment to secure leverage over Eastern European countries for negotiations about the UK's EU exit and post-withdrawal relationship. As Grant (2016) cautioned: 'if they imply that they are defending Eastern Europe in order to engineer a better FTA, rather than because they care about democracy and deterring bullying by Russia, they will rapidly lose credibility in the region.'

EU(World) – An EU in a multipolar world

As discussed above, the EU and Britain will not only need to discuss how to cooperate with one another on international matters but also negotiate with international partners whose views of the EU will be changed by Brexit. Brexit has added to perceptions of the

EU as a declining and fragmenting power (David, 2016), perceptions already given prominence by problems in the Eurozone, Schengen and with Russia. The rest of the world will know from these other problems that the EU is likely to spend a period of time naval gazing as it comes to terms with the fallout from Brexit. An immediate concern, especially for the USA, will be the future of TTIP. TTIP's future was uncertain before the 23 June vote because of public opposition across the EU (Novotná, 2016). Representatives of both the USA and the EU have made clear TTIP could take place without Britain. However, the loss of such a large economy and one with extensive links with the USA could be the fatal blow to negotiations. If TTIP survives then a negotiation can be expected at some point as to Britain's part in the agreement, or later inclusion along with countries such as Canada. Failure of TTIP would end hopes for some economic relationship to balance NATO in the transatlantic relationship, and thus a powerful geo-economic tool for both sides in the face of emerging economic powers (Kupchan, 2014).

The collapse of TTIP could also add to concerns that the transatlantic allies will find it increasingly difficult to agree approaches to emerging powers, especially when this touches on security challenges connected to China. Europe's inability to think geostrategically about emerging powers (de France and Witney, 2013) has long concerned Washington D.C. The UK's own behaviour has caused alarm in the USA, for example the British government's decision in 2015 to join the Asian Investment and Infrastructure Bank, an institution viewed in the USA with suspicion as a harbinger of a wider challenge to the existing US-European institutional order (Hemming, 2016). A Britain trying to find its way outside the EU may seek closer relations with emerging powers, pursuing a mercantilist foreign policy that puts it at odds with US security concerns. US concerns about possible British positions could become similar to those about Germany, a country with Europe's largest trading links with markets such as China. Brexit could strengthen Germany's dominant position, reinforcing at an EU level Germany's preference for geo-economic thinking over the geopolitical (Kundanani, 2011).

EU(Business) – business as usual?

While Brexit unfolds (at least until the end of the article 50 process, and potentially as part of some transition arrangement) Britain will be excluded from discussions and decisions relating to its withdrawal, but remain a member of the EU and able to vote and conduct business on all other matters as any member state is entitled. There will be some unease within the EU as to whether Britain should vote or make decisions on matters that will shape the EU's policies post-UK exit. There may be some pressure for Britain to withdraw from such discussions. Some in Britain have called for the British government to use its remaining powers to disrupt EU business as a way of leveraging a good exit deal for Britain (Nixon, 2016).

Riding out Brexit

The numerous overlapping negotiations, multiple actors and various options for going forward can be reduced to two outcomes: Brexit could unfold as a 'soft Brexit' or a 'harsh Brexit' (Morillas, 2016). The key difference between the two lies in the levels of trust shown between all involved. A harsh Brexit would see Brexit defined by a collapse in trust between Britain and the EU, an uncertain political situation within Britain, and heightened tensions within the remaining EU that risks European disintegration. This

would come about through difficulties within the remaining EU at reaching a withdrawal deal with Britain that would balance the economic costs (especially as felt by some member states compared to others) with protecting integration; Britain's own internal political and constitutional difficulties; strained personal relations between leading politicians and decision makers in Britain and the EU; and the alignment of Brexit with another crisis such as a Grexit or collapse of Schengen that ends the EU's existing approach of muddling through such crises.

The implications of a harsh Brexit would be severe, with Britain seeing any initial economic shock from the leave vote turned into a longer-running economic challenge. The EU would also feel an economic shock, with both sides feeling the social shocks thanks to the knock-on implications for British citizens living elsewhere in the EU and EU citizens resident in Britain. Geopolitically such a scenario would see strained transatlantic relations and, in perhaps the most radical outcome, some reordering of European geopolitics whether in the form of a fragmented Britain and/or of the EU and the emergence of a replacement system for managing pan-European politics. Central to such a development would be a 'crisis made in Germany', where Berlin loses faith in the current EU project as a result of a widespread break-down in EU solidarity and the increasing costs Germany is asked to carry to try to maintain EU unity (Webber, 2014).

This does not mean a soft Brexit – where more harmonious relations prevail – is the only hope. It is possible to sketch out a positive outcome from the above negotiations leading to a harsh Brexit. It could be that having experienced the pain of a harsh Brexit, Britain and the EU eventually – perhaps after a decade – find a more settled relationship with positive outcomes for their economics, politics and security. The EU has a long history of integrating through facing crises, and a Brexit could therefore drive forward integration. Rid of an often awkward partner, the EU could find it integrates further in the face of having to face the costs of a Brexit at the same time as facing a Grexit or other crisis. Instead of muddling through in the face of repeated crises, the EU could find it negotiates a new treaty that brings a degree of enhanced unity that creates a more stable EU. But where this will leave the UK remains an open question.

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Choose Your Own Brexit Adventure

Abstract: The decision by a majority of the British people to leave the European Union was in turn shocking insofar as few experts saw the leave camp winning, unprecedented insofar as no country has ever left the EU, not to mention hitting global business confidence with warnings of worse to come. Viewed after the event as being a revolt against globalization, a rejection of austerity, or simply a nativist rejection of all things foreign, there is little doubt that the consequences of the vote will be long-lasting for the UK in particular and the rest of the world. As this article shows, the decision itself, and the determination by the new British government to make sure Brexit really does mean Brexit, leaves nearly every question unanswered. It is of course perfectly reasonable to think of what has happened – and might happen in the future – as ‘events’. But it is clear that Brexit will be less an event and more a process in which all manner of outcomes are possible. The process will unfold through multiple overlapping negotiations, which will take place at various levels of policy making and involve numerous political actors. The process holds plenty of opportunities for a breakdown in relations in UK politics, between the UK and the EU and in European geopolitics with international implications. Brexit need not turn out badly, but there will be many opportunities for it to do so. This article maps out the thirteen negotiations that will now take place, identifying the key actors and issues each will cover.

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Key words: United Kingdom, Brexit, European Union, European integration, European geopolitics.

Dr Tim Oliver

Email: t.l.oliver@lse.ac.uk
Address: LSE IDEAS
London School of Economics
Houghton St
London, WC2A 2AE
Tel: +44 (0) 7786 362 304

Bio: Dr Tim Oliver is a Dahrendorf Fellow on Europe-North American relations at LSE IDEAS. He spent several years as a lecturer in defence and international affairs at the Royal Military Academy Sandhurst. He has also taught at LSE and UCL and been a visiting fellow at New York University. He has worked at the German Institute for International and Security Affairs (SWP) in Berlin, the Center for Transatlantic Relations of Johns Hopkins University’s School of Advanced International Studies (where he remains a non-resident fellow), and the RAND Corporation (both in Washington D.C.). His political experience includes several years working in the European Parliament and the House of Lords.