

The top five likely effects of a Brexit on the EU's policies

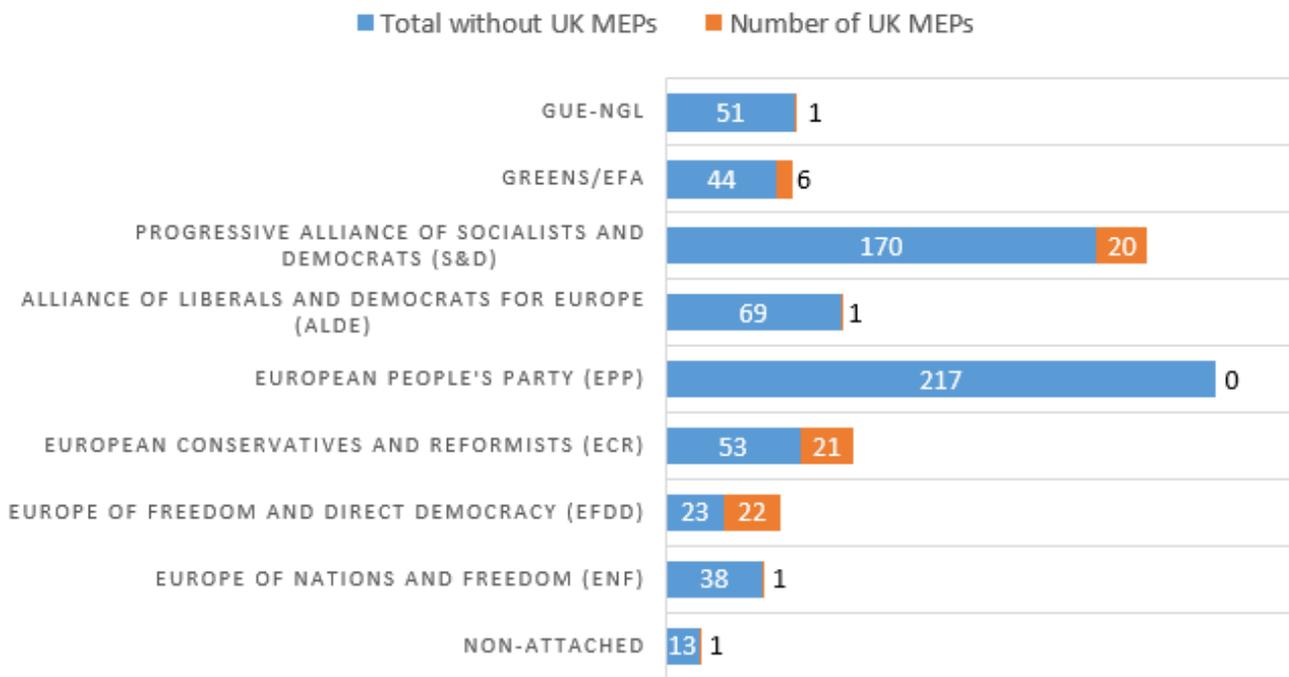
What impact would a Brexit have on EU policymaking? Based on data from recent votes in the European Parliament, **Doru Frantescu** outlines five key effects on EU policies that could be expected if the UK opts to leave in its upcoming referendum: a larger regulatory burden on EU businesses; weaker copyright protection in the EU; a smaller EU budget, but larger Member State contributions; a stronger push for increased and harmonised taxation; and less support for nuclear and unconventional energy.



With the UK's EU referendum looming on the horizon, several analyses have been published which examine the effect a Brexit would have on the British and European economies. Yet arguably just as important is the issue of how the direction of EU policymaking might change in the absence of UK representatives within the EU's decision-making bodies.

In terms of the political groups in the European Parliament, the removal of British MEPs would produce the situation shown in the chart below. While the group of the **European People's Party (EPP)**, which is currently the largest group in the Parliament, would not lose any MEPs; other groups, such as the **European Conservatives and Reformists (ECR)**, which includes the British **Conservative Party**, and the **Europe of Freedom and Direct Democracy (EFDD)** group, which includes **UKIP**, would lose a significant portion of their membership.

Chart: Political groups in the European Parliament without British MEPs (2015)



Note: Non-Attached refers to those MEPs that are not part of any group. For more information on the political groups, see: [European United Left–Nordic Green Left \(GUE-NGL\)](#); [The Greens–European Free Alliance \(Greens/EFA\)](#); [Progressive Alliance of Socialists and Democrats \(S&D\)](#); [Alliance of Liberals and Democrats for Europe \(ALDE\)](#); [European People’s Party \(EPP\)](#); [European Conservatives and Reformists \(ECR\)](#); [Europe of Freedom and Direct Democracy \(EFDD\)](#); [Europe of Nations and Freedom \(ENF\)](#).

But beyond this influence on the numerical composition of the European Parliament, what concrete effects would a Brexit potentially have on EU policy overall? There are at least five major effects that could be anticipated if the UK votes to leave in its referendum, based on the policies that the UK’s MEPs have previously supported.

Effect number 1: A larger regulatory burden on EU businesses

Generally speaking, British politicians are substantially more in favour of reducing ‘red tape’ than their continental counterparts. If they no longer took part in decisions regarding the internal market, the pressure on EU decision-making apparatus to simplify legislation and reduce red-tape would undoubtedly be much weaker.

For instance, in May 2015 nearly all British MEPs, regardless of their political family, supported a move to cut red tape. Specifically, they all voted in favour of a paragraph that backed the European Commission’s approach to withdraw from the legislative process those bills that are considered obsolete or that are suspected to add too much administrative burden on the institutions and businesses working across the EU.

The provision [was adopted](#) with 412 votes in favour, 258 votes against and 11 abstentions. Without British Members, the majority for cutting red tape would clearly have been smaller: the result of the vote would have been 357 in favour, 251 against and 10 abstentions. The smaller the EP majority behind a Commission proposal gets, the more the Commission becomes hesitant to change the course of policy. Notably, within the S&D group, the British Labour delegation had a different opinion from many of its partners, voting alongside the centre-right in favour of less legislation.

Effect number 2: Weaker copyright protection in the EU

In September 2010, the European Parliament adopted a report titled “[Enforcement of intellectual property rights in the internal market](#)”. The final version of this non-legislative resolution was largely in favour of strengthening the position of rights holders and asked for the introduction of an effective set of measures to combat intellectual property right infringements.

The text was controversial and [was approved](#) by a small margin of votes. The resolution passed with 328 votes in favour to 245 against and 81 abstentions. The MEPs from the two main British delegations, Labour and the Conservative Party, all voted in favour of the text. Notably, Labour MEPs did so even against the line adopted by their Socialist continental counterparts. In the absence of UK Members, the outcome of the vote would have been 295 votes in favour, 225 against and 78 abstentions. Indeed, after the 2014 European elections, the majority supporting stronger copyright laws has diminished substantially and without the British MEPs it would no longer be a majority at all.

Effect number 3: A smaller EU budget, but bigger Member State contributions

Recent disputes between Brussels and London on the matter of how much the UK should contribute to the EU budget are far from a new development. Every year, when voting on the EU budget, the pro-European parliamentary groups try to increase it, while the British representatives oppose this.

The same situation occurred recently when voting on the resolution addressing the 2016 draft budget. The text [was supported](#) with 422 votes in favour, 173 against and 85 abstentions. British MEPs from all political groups voted against the resolution. If they had not taken part in the vote, the result would have been 421 votes in favour, 116

against and 78 abstentions.

As the UK contributes a significant proportion of the EU budget, the overall budget would certainly be smaller without the British contribution. However, the European Commission and the Parliament would nevertheless have a greater opportunity to push for larger contributions from the remaining Member States in the absence of British opposition.

Effect number 4: A stronger push for increased and harmonised taxation

If British MEPs had not been there to vote, the harmonisation of taxation across the EU would have been more likely. An illustration of this is the rejection of a call for EU-wide tax harmonisation that took place in March 2015. MEPs from the S&D, ALDE and Greens/EFA groups had wanted to adopt a measure calling for the EU to put forward tax harmonisation measures. However, the proposal [was rejected](#), with 308 votes in favour to 370 against, as most of the centre-right MEPs from the EPP and ECR groups opposed the measure.

Again, inside the Socialist and Democrats group, the British Labour delegation disagreed with the position expressed by their continental counterparts and voted alongside the centre-right. Without the UK's members, the majority against the harmonisation of taxation would have been much thinner: 298 votes in favour and 317 against.

Effect number 5: Less support for nuclear and unconventional energy

Finally, supporters of nuclear energy would lose some strong allies if British MEPs were to leave the Parliament. When voting on an amendment within the report “[EU Energy Security Strategy](#)” calling on the Member States and the EU institutions to phase out subsidies and other public funding for new and existing nuclear facilities, most British MEPs voted against. The call for the phasing out [was rejected](#) with 248 votes in favour and 419 against. With no UK representatives, the result of the vote would have been 239 votes in favour and 360 votes against. In other words, the pro-nuclear camps would become much smaller.

Similarly, there would be less backing for exploiting unconventional energy resources such as shale gas. Another amendment in the same report asking Member States “to refrain from any shale gas exploration and exploitation activities” [was also rejected](#) with 289 votes in favour, 388 against and 25 abstentions. Without the British delegation, the outcome of the vote would have been 276 votes in favour, 329 votes against and 25 abstentions. As with the other examples above, the lack of British MEPs could again have an important impact on the balance of support within the Parliament.

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