

European views on the UK's renegotiation: Italy, Poland, Bulgaria and Malta

The success or failure of David Cameron's planned renegotiation of the UK's EU membership will depend to a large extent on how the other 27 EU member states respond to his proposals. But how do countries across the EU view the UK's renegotiation? Building on a [report](#) published in 2014 by the German Council on Foreign Relations, EUROPP is running a series of overviews of the renegotiation from each of the EU's member states. Compiled by the LSE's Tim Oliver and written by authors based at universities and research institutions, the overviews will set out what discussion – if any – there has been about the renegotiation and the wider views within each country on a potential Brexit. The series begins with Italy, Poland, Bulgaria and Malta.

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Italy: A Brexit would create a dangerous political precedent for Italy

Pressured by the current migration crisis and the need to accelerate growth and employment, Italian political and economic stability may be hindered by further British opt outs from the EU. From a political point of view, with [1.1 Italians out of three](#) believing that Italy would be better off without Europe, a Brexit would create a dangerous political precedent.



It would break the Italian government's taboo over the inadmissibility of EU Treaty renegotiations, fostering demands for a tailored membership for Italy. To date, [half of the parties](#) represented in the Italian Parliament have run Eurosceptic campaigns. Among them, the [Five Star Movement](#) and [Lega Nord](#) have campaigned on the need for a referendum on the euro. If the UK decided to push for further opt outs from the EU then current Italian support for European integration would certainly come under pressure.

At the same time, the potential cost of failing to find a compromise with the UK does not pass unnoticed. Since 2014, Italian exports to the UK have grown [9.4 per cent](#), reaching a value of €9 billion. Apart from trade relations, the UK's net contribution to the EU is estimated to be around [€13.5 billion](#). In this respect, a Brexit would reduce the EU budget, [making it likely Italy will need to pay more](#). A British exit from the EU and a possible limitation for European migrants to move and work in the UK would therefore have devastating social and economic consequences for Italy. According to the [Office for National Statistics](#), in 2014 150,000 Italians lived in the UK. In 2015, 57,600 Italians [registered](#) for UK national insurance numbers, which was 37 per cent more than in 2014.

Given the potentially detrimental political and economic consequences of a Brexit, the Italian government has supported a middle ground solution, whereby the EU would allow the UK some reforms. However, Italian endorsement of British requests for a renegotiated membership have been quite generic. In particular, Prime Minister Renzi backs Cameron in the need [for a less bureaucratic and more democratic Europe](#), one that fosters economic growth through effective free competition and employment. Yet, there are areas where Italy is not willing to compromise.

Above all, Italy will not validate the revision of the EU's guiding principle of '[ever closer union](#)', Moreover, Italy believes

in the need to foster a stronger economic and monetary union together with the implementation of a common foreign and security strategy to face external threats such as the migration crisis. Therefore, while the Italian Prime Minister has [maintained](#) that there cannot be an EU without the UK, it is hard to see how he will endorse Cameron's requests. His hopes for more political and economic integration make the Italian position towards the EU quite far from the British one.

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Poland: Warsaw's stance will remain uncertain until after the October elections

Poles will vote in parliamentary elections on 25 October. The [Civic Platform](#) party has been in a governing coalition with the [Polish Peasant Party](#) for the last eight years. But according to opinion polls it looks set to lose to the right-wing [Law and Justice](#) party. The priority for Ewa Kopacz, the Polish prime minister is to improve her own ratings in the eyes of Polish citizens and so she has little time to contemplate Cameron's reform plans. But this leaves the British prime minister with a great deal of uncertainty about Warsaw's stance on his ideas for reform and complicates his plans to reach a deal with his European partners by the end of December. So what will Warsaw's position be on central issues in Cameron's renegotiation?



Whoever wins in October there would certainly be support for Cameron's first reform area: making the EU more competitive by cutting red tape and further liberalising the single market. Poland is a clear beneficiary of the single market. Between [2004 and 2013](#) its exports to the rest of the EU grew almost three-fold, to reach a value of [€114 billion in 2013](#). But Law and Justice's sympathy for deregulation does not mean the party believes in Adam Smith's 'invisible hand' in all circumstances. On the contrary, it has promised to tax large retailers, many of which are foreign owned. But the party thinks that the EU's institutions have interfered too much in citizens' lives and hopes that Cameron's ideas could help tame the Commission's zeal.

Second, if Cameron's aim to allow the UK to opt-out from 'ever closer union' were to trigger treaty change then he may find a more sympathetic ally in Law and Justice than in Civic Platform. But the risk is that Law and Justice may use discussions on 'ever closer union' to argue for its own opt-outs. Its representatives have already hinted they would attempt to secure exemptions from the EU's climate policy. If the party decides to use Cameron's reform agenda to unpick what it does not like about EU then other European capitals may follow suit, delaying the renegotiation process.

Third, Cameron wants national parliaments to have a greater say in EU decision-making. Both parties are ready to compromise in this renegotiation area. They might agree to a strengthening of the '[yellow card](#)' procedure, but a fear of EU institutional gridlock means they would both stop short of collective veto rights for national parliaments.

Fourth, the two parties are likely to have completely different views on Cameron's fairness agenda. The British prime minister worries that deeper Eurozone integration could damage the integrity of the single market and Britain's interests. He wants therefore to obtain some safeguards for euro-outs. The current Polish government has been more interested in participating in Eurozone deliberations and its decision-making than in securing safeguards for countries outside the euro area. This is because Civic Platform wants Poland to adopt the euro once the economic turmoil in the Eurozone is over. In contrast, Law and Justice's prime ministerial candidate Beata Szydło has indicated that she would put off any discussion about Poland's euro membership until the wages of Poles were similar to those of their Western European colleagues. Her mistrust of the euro makes her a natural ally of Cameron's.

Finally, both parties will oppose Conservative attempts to limit access to unemployment and in-work benefits if this discriminates against EU citizens. Poles are the largest group of EU migrants living in the UK (Poles constituted [8.7 per cent](#) of all foreign citizens in Britain in 2013) and they are eligible to vote in Poland's parliamentary elections.

Neither Law and Justice nor Civic Platform will risk losing these votes by striking too submissive a tone to British demands.

But Warsaw's opposition to Cameron's anti-immigration rhetoric is not merely a political calculation. Cameron should realise that Poles see free movement of people as one of Europe's greatest achievements, not a problem. The country was separated from Western Europe by the Iron Curtain for too long to sympathise with ideas that put freedom of movement at risk. If Cameron, on the other hand, can focus on improving the EU for everyone, whether in Western or Central Europe, he may be able to get the support he needs from Warsaw, no matter which party forms the next government.

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Bulgaria: Brexit has been overshadowed by Ukraine, Grexit and the refugee crisis

The Conservative party's May 2015 election victory has put real flesh on David Cameron's January 2013 pledge to hold a referendum on the UK's EU membership. Despite this, Cameron's pledge resulted in more public debate and media reporting in Bulgaria than the 2015 election result. Brexit has been overshadowed by the Ukrainian crisis, Russia's geopolitical game around the South Stream pipeline project, the potential danger of a Grexit, and last but not least the refugee crisis in the Mediterranean.



It is important to note two further things about UK-Bulgarian relations. First, anti-EU attitudes remain marginal in Bulgaria and go hand in hand with pro-Russia and pro-Putin sentiments. This means any affinity between Bulgarian and British Euroscepticism is extremely difficult. Second, given that British renegotiation demands are still vague and in a state of development, there are no explicit Bulgarian views on them except the view that they should be accommodated without treaty changes.

There have been two most relevant high-level contacts on Britain's EU reform agenda. The first was a meeting in January 2015 between the UK Foreign Secretary and Bulgaria's Foreign Minister. The second time Philip Hammond and Daniel Mitov met was in London in June 2015. The first meeting led to the impression that UK concerns about "benefit tourism" had the potential to cause tensions with Bulgaria. Yet the meeting also led to Minister Mitov's public statement: "I cannot imagine a European Union without the United Kingdom". In their joint [June statement](#) the two ministers demonstrated general agreement on virtually all relevant issues on the UK's EU reform agenda.

One of the UK's biggest concerns – migration – is reported to have been discussed with mutual understanding for the rather different concerns on both sides. The UK made clear its concerns about abuse of the UK's welfare system, while Bulgaria made clear that – like other EU member states – the freedom of movement of people to work is a "red line".

The two ministers agreed "on the need to develop an EU that is more competitive, democratically accountable and fair to all member states, whether part of the euro or not". Both the UK (with its opt-outs) and Bulgaria (not yet part of the Eurozone) have common concerns. Bulgaria can therefore be expected to favour any safeguards that guarantee it will not become subject to economic policy decisions without being involved in or informed about the decision making process.

Last but not least, the two ministers expressed their governments' commitment to complete the Single Market in services (including financial services), digital and energy; to reduce the regulatory burden on business, especially Small and Medium sized Enterprises; to finalise ambitious Free Trade Agreements, including the EU-US Free Trade Agreement, and to communicate its benefits.

Finally, Bulgaria and Estonia are due to chair the EU's presidency in 2018, with them forming part of the EU's Troika Presidency in 2017. The UK's Foreign Office has given its Bulgarian and Estonian partners assurances that the UK's involvement will not be affected by the referendum (due by early 2017), whatever the outcome might be. There are no opinion polls on what Bulgarians believe the outcome of the UK's referendum will be, but it is likely a majority of Bulgarians would back continued British EU membership.

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Malta: Should Brexit materialise, UK influence in Malta is likely to diminish

The possibility of a Brexit does not make waves in Malta. This is extraordinary for an island that boasts long-standing historic ties with Britain and which since joining the EU in 2004 has struck a strong working relationship with the country. Since the 2015 UK election, Brexit has featured prominently in the Maltese print media, but more so in the English than in the Maltese language publications. Since the UK's top newspapers easily top the league of foreign papers sold in Malta, Brexit is known in the 'Maltese street'. However, Maltese opinion leaders have not really picked up on the issue.



This does not mean that no one cares about Brexit. The ties uniting the two countries make it impossible to ignore. But missing is the more serious discussion of what the implications of a Brexit will mean for Europe and for Britain itself. Furthermore, at the time of writing I could not trace any local public opinion polls on the issue, least of all on how the local British expatriates perceive Brexit.

Just under half a million UK citizens visited Malta in 2014, out of a total of 1.7 million tourists. Maltese, Cypriot and Irish citizens residing in the UK are the only foreigners who will be allowed to vote in the EU referendum. But this privilege has passed largely unnoticed in Malta. The 2011 population census showed that 6,652 out of 20,289 non-Maltese residents in Malta (population 420,000) held a UK passport, thus constituting by far the largest group of non-Maltese residents on the island.

But typically they tend to keep a low profile and their presence has not led to loud public debates on how they are likely to be affected should Britain decide to leave the EU or what they actually think about it. The loss of EU citizenship may see some of their privileges pruned, such as the right to vote in European Parliament elections, but in all else they are unlikely to lose much, certainly not to the extent of being forced to leave. Some might also lose their work permit but all this depends on what kind of exit agreement (if we reach that point) is negotiated between the EU and the UK, if at all.

What has raised some speculation is whether the referendum might impact Malta's turn at the helm of the Council of the EU Presidency, which is scheduled for the first half of 2017. Foreign Minister George Vella was reported to have said that while relations between Malta and the UK are expected to continue to prosper, the referendum could have some impact on Malta's EU presidency.

The UK's turn at the EU Council Presidency begins immediately after Malta's. "We have already raised this possibility with our UK counterparts and I hope this does not mean we will have to remain at the helm of the EU for a whole year instead of six months," Dr Vella said jokingly. He added: "Our counterparts have told us that by the time we will be occupying the presidency, the issue of whether the UK should still be part or not of the EU would have been settled."

In June 2015 Prime Minister Cameron sounded out his Maltese counterpart Joseph Muscat on the possibility of EU treaty changes. But Muscat made it clear that he would not accept treaty reforms by "stealth". Dr Muscat was reported to have also insisted that there should be no changes on taxation and benefits unless there is agreement on treaty amendments. Malta is extremely sensitive to any expansion of the EU's powers in the realm of taxation which

could somehow jeopardise its lenient tax regime in the flourishing financial services, ship registration and gaming sectors.

The UK and Malta have developed links across the board, particularly in education and health services. British universities are still the most popular among Maltese students seeking further education abroad and a Brexit might well affect them should the reduced tuition fees enjoyed by EU citizens be discontinued. In the health sector, reciprocal agreements ensure that some categories of patients for whom treatment is unavailable in Malta are sent to the UK while UK citizens in Malta have access to the NHS.

Malta forms part of the Commonwealth, which not only strengthens its links with the UK, but also with countries such as Australia and Canada where there are sizable Maltese migrant communities. But the Commonwealth is not perceived as a substitute for EU membership while should Brexit materialise, UK influence in Malta is likely to diminish.

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