Preparations for a Brexit VI: views from the EU’s institutions, France, and Germany

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If Britain votes to leave the EU it will have to negotiate its exit and a new post-withdrawal relationship with the EU. Often overlooked in the UK’s debate is the fact that any exit agreement and new relationship will have to be agreed by the remaining 27 EU member states and the European Parliament. What positions might they take in the negotiations? The LSE’s BrexitVote blog is running a series of overviews from each member state and the European Parliament setting out what positions they might take. Written by authors based at universities and research institutions across Europe, and compiled by the LSE’s Tim Oliver, the overviews build on an introductory piece in which Tim Oliver set out the various negotiations the EU will undertake in the event of a British exit. This post is the sixth and final post in the series and gives views from the EU’s institutions, France, and Germany.

EU institutions: EU first and looking forward

If on 23 June British citizens vote to leave the EU, all eyes will quickly turn towards Brussels. Such a decision would obviously shake the EU. The key question is whether this would be a wake-up call or one that is a first step towards disintegration. Major determinants would be to what extent the EU institutions would remain functional and how they would respond in the following months. Much of their attention would turn to dealing with the aftermath of the British vote and negotiating a Brexit, but also to how to take forward the Union so as to ensure it does not break-up.

The European Council has already postponed its usual meeting that should have started on the same day as the referendum. This gathering of all the EU Heads of State and Government will now take place the following Tuesday and Wednesday (28-29 June). Several issues are already on its provisional agenda (migration, country specific recommendations and European semester, EU-NATO cooperation) but the results of the British referendum will surely be on top of it, especially in the case of a leave vote. Any contingency plans would be taken out of the safe deposit boxes and the European Council would have to decide on the first emergency measures. The first thing would be to provide some general guidelines for moving forward and the European Commission would be mandated
to conduct the negotiations following these terms.

The European Commission would proceed as requested but would not hesitate to use its central negotiating role to shape the process. As illustrated by a comment made by Commission President Jean-Claude Juncker on the treatment reserved to “deserters”, the line of conduct would be tough. The European Commission is likely to uphold its role of promoter of the general interest of the Union by taking the steps it thinks will keep the rest of the EU together. Being conscious that there is no other way than activating article 50 of the treaty on European Union, the Commission would try to isolate as much as possible this earthquake in order to prevent aftershocks and spill-over effects. The Council would be entitled to reach a deal through a qualified majority. However, the consensus rule might in this case remain the preferred option in order to avoid any further division among the remaining 27 member states. A strong voice might come from the European Parliament (EP), which would have to give its consent at the end of the exit negotiation process.

In addition to these roles in the negotiation process, EU institutions would quickly have to adapt themselves in preparation for the UK’s withdrawal. They would have to decide how to deal with the British Members of the European Parliament (MEPs), representatives and civil servants. While the British MEPs would probably be sidelined, they are likely to stay until the end of their mandate. The issue would, however, be much more complicated to decide on for the thousands of British employees in EU institutions and agencies, especially for those occupying senior positions.

Beyond these aspects of dealing with the immediate situation, what would be the position taken by the EU institutions towards this unilateral decision?

The EU institutions have until now adopted a conciliatory stance to help David Cameron convince British citizens of the merits of continued EU membership. This willingness to compromise would suffer a backlash if the British voted to leave. Faced with fears of disintegration, the EP and the Commission might want to respond by looking forward towards some new way of encouraging further integration. It should be remembered that making progress through crises has long been a modus operandi of the European integration process.

The EP is likely to look for opportunities to help push forward integration in a new way. Its own internal evolution would facilitate such an attitude. As Simon Hix explains, the “Eurosceptic coalition” in the EP would be considerably weaker without the British and thus the “integrationist coalition” would be reinforced.

Several reports are currently being discussed and drafted that could represent an attempt to move forward: a report on a “budgetary capacity for the Eurozone”, another one “on the possible evolutions and adjustments of the current institutional set up of the EU”, and finally one on “improving the functioning of the European Union building on the potential of the Lisbon Treaty”. Due to mutual interests, economic issues would be at the centre of the UK-EU exit negotiations. On one side the Commission would then be looking for a new economic relationship with a departing member, while on another side the EP will be making proposals to further strengthen its economic core. These different concerns might complicate the inter-institutional dialogue.

These initiatives might also suffer from a lack of enthusiasm from the Member States. Previous failed attempts to further structure the Eurozone, a poor appetite for institutional reforms and short term views due to electoral deadlines could lead national leaders to look for alternative options. Security and defence issues are already high on the European agenda, not least thanks to the imminent publication of the German white book on security strategy and rumours of European plans to re-launch the idea of a European military and cooperation structures. An attempt could also be made to use this area as a way forward in developing new relations with the UK, a country that has often been at the forefront of efforts in this area.

It is clear that multiple variables will determine the road taken by the EU after Brexit, a road which promises to be bumpy. Each proposal risks creating new tensions and divisions within the remaining Member States and their regions. The leeway would therefore be minimal, but in front of a chaotic existential crisis, the status quo will not be
France: Brexit or not, the EU shall not recede

Should “Leave” be the outcome of the upcoming referendum in the United Kingdom, France will be faced with a series of questions. Is it an opportunity for further EU integration or is it the beginning of the much feared “détricotage” (unravelling) of the EU?

The Franco-British relationship within the EU is marred with difficulties and only rare glimpses of intense cooperation. No need to go back decades to see the fraught relations. At a European Council in October 2011, then President Nicolas Sarkozy told David Cameron that he ‘lost a good opportunity to shut up’ when the EU leaders were discussing the Eurozone crisis. On occasions, opportunities for a fruitful cooperation between the two countries have emerged, notably for the creation of the European Security and Defence Policy at the Saint-Malo summit in 1998. Yet, even then, they had short term common interests but not long term ones.

Their bilateral relationship has been mostly defined outside the EU, as illustrated by recent agreements, such as the Touquet agreement in 2003 on the issue of migration and the Lancaster House treaties in 2010 on strategic affairs. Whatever some may have said, even ministers sometimes, none of those two agreements would be jeopardised in case “Leave” wins.

France has become increasingly uninterested in the UK’s role in the EU. Having shunned all mechanisms the EU implemented since the beginning of the crisis, the UK rarely features in French plans. Indeed, when France thinks about the future of the EU, its focus is entirely on the Eurozone – explicitly paving the way for differentiated integration. A few voices have even argued in favour of Brexit and the French are often perceived as the most ambivalent toward the UK membership. However, French leaders have overwhelmingly said that they do not want a Brexit.

Many reasons can explain the French support for “Remain”. The fear of contagion is a strong one. There is indeed a growing fear that if the UK leaves, it could weaken the EU’s cohesion and lead other member states to follow suit. It could also boost the far-right Front National and support for a Frexit. While the former is possible, the latter seems overblown. The French are indeed very ambivalent on the EU, but it seems far-fetched to imagine a scenario in which an in-or-out referendum in France – a growing possibility – could lead to France leaving the EU.

The current government has been adopting a position of principle on the Brexit. Whatever the UK citizens decide on June 23rd, the EU needs to move forward. In other words, the French, in close cooperation with the Germans, want to put forward proposals for further integration. The timing is unclear and the content even more. It seems that the first proposals would primarily address closer cooperation in security and defence, as it is, oddly enough, perceived as a less thorny issue than other kinds of integration. Afterwards, there would be proposals for further integration within the Eurozone. The government has limited room for manoeuver, because its popularity is low and presidential and parliamentary elections are scheduled for next year.

If the UK leaves, it is very likely that France will take a hard line in the exit negotiations. An area of particular attention for the French will be on the access to the single market, especially in the services sector. Some in France hope that a Brexit could lead to firms moving to Paris – instead of Frankfurt or other places in Europe. At this stage, this is so theoretical than any posturing should be taken with a grain of salt.

Germany: Thinking less about the UK and EU-UK relations, and more about the EU as a whole

The German government hopes the “Bremain” campaign will succeed. Berlin has been among the strongest
supporters of Britain remaining an EU member, with Angela Merkel herself (albeit in a carefully calibrated way) sending signals to the British public that London is a valuable partner at all level within the Union. During the negotiations over the UK’s reform treaty, Germany was ready to accommodate to a certain degree British positions. The formula that Angela Merkel and her negotiators used was that of “a strong Britain in a strong Union”. This formula suggested that Britain was to be kept as a strong partner, but not under concessions that would undermine the Union as a whole (in particular in EMU governance and over a fundamental pillar of the Union such as free movement of people).

Having said that, the thinking in Berlin a week ahead of the referendum rotates less around the future of the UK and of EU-UK relations, but around the Union as a whole. There is a realisation that a Brexit vote would be yet another blow to an already fragile Union, and the risk of contagion is seen as a real danger. At this point in time there are discussions about the right balance between a signal towards a constructive future engagement should the third largest member leave, and a signal that discourages others to push their luck with concessions in the months ahead. Germany will therefore respond to a possible Brexit vote in a way that both communicates with the British government and people and to other EU members. While Angela Merkel has been playing a more accommodating role, federal minister of finance has been taking a tougher stance, suggesting that should the UK leave it was far from certain that it could benefit from single market access: “in is in, out is out”.

The main German reflex when discussing the future of the Union at large is to first work with Paris, but there are questions about what a strong Franco-German alignment on a Brexit could look like in substance. There is some thinking in Berlin that the time is not yet ripe for another push to deepen integration, but that the EU’s wider reform agenda, and in particular that of the Eurozone (such as economic reform and debt restructuring), remains clear. The problem with any big new initiative lies in implementation, partly because of a Franco-German set of disagreements. Berlin is well aware that even within the wider coalition of founding members it is currently difficult to get a sense of togetherness on major questions. There is a risk that a Franco-German initiative would only contribute to more rifts within the rest of the Union.

When it comes to the process of handling a Brexit, Berlin will stick to article 50 of the EU treaties, i.e. the government will wait until the domestic political situation in the UK settles and Britain invokes the withdrawal clause. While some supporters in the UK of leaving don’t appear to care about the procedures for leaving, Berlin will seek to ensure a Brexit is dealt with through article 50 and so cements the EU’s treaty procedure in an orderly way for years to come in case another EU member embarks on a similar path.

In a nutshell, what we are likely to see the morning after the referendum is a German declaration that expresses this country’s commitment to the Union rather than a fully-fledged initiative for moving further along a path of European integration. Berlin will be ready to get back to what it considers the EU’s core business – one that is messy, but still worth protecting and fighting for.

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