



Mapping Member States' Stances in a Post-Brexit European Union

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MAPPING MEMBER STATES' STANCES IN A POST-BREXIT EUROPEAN UNION

During the 2016 Bratislava Summit, European Union Member States concluded that although the UK vote to leave the EU is a serious matter, the EU can survive a British exit. Nonetheless, the current political atmosphere is one of deep unease. Brexit has exacerbated a general European malaise, highlighting member states' struggle in reaching agreement when dealing with EU matters. This will have a fundamental impact on future negotiations with Britain.

To date, while countries are afraid that public opinion might support exit referenda at national levels – especially if EU institutions negotiate too “soft” a deal with the UK – their ideas regarding a British exit agreement are not always aligned. In an attempt to foresee the UK-EU negotiating pattern, this paper will map the Member States' views, which the EU should take into consideration while discussing the exit deal with the UK.¹

TOWARDS A EUROPEAN UNION WITHOUT THE UK

In the aftermath of the British referendum on UK membership of the EU, the European Commission and Member States have been waiting for the UK to trigger Article 50 and start the negotiation process with the union. However, new Prime Minister Theresa May has only relatively recently declared that the UK will trigger Article 50 by the end of March 2017, in order to then begin the anticipated two-year-long negotiation process with the EU.

Leaving aside the issue on whether the British Parliament has the right to vote on a Brexit bill, which will soon be decided by the Supreme Court, to date, the UK is facing two possible macro-political strategies to leave the EU:

- a “soft” Brexit, which will oblige the UK to maintain some economic and even political ties with the EU,
- a “hard” Brexit, which will reshape UK-EU political and economic relations and could lead to a possible free-trade agreement between the two.

Yet, the precise terms and conditions of these two options are not easy to define. Apart from the UK's internal decision-making process, there is little

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European role in regional conflicts resolution. Eleonora holds a PhD in International Political Economy from the Department of International Politics at City University London. She has been a doctoral researcher at the City Political Economy Research Centre (CityPerc) and she has also worked as researcher at IDS Thomson Reuters in London. Her main research interests lie in the area of international political economy, competition policy, economic and financial crises, globalisation and European governance.

knowledge on what other EU Member States might allow Britain to obtain. Indeed, within the framework of a soft or hard Brexit, Member States could be more or less flexible and decide to favour the UK or not. Knowing European countries' stances on the UK-EU deal is particularly relevant not only for a potential British advantage but also for the future of the Union itself. The European institutions will have to negotiate an exit deal with London taking into consideration the interests of 27 member countries. Moreover, once an agreement with the UK is reached, all the remaining Member States will have to approve the conditions agreed. The absence of a common vision on the Brexit deal might well favour the UK. Indeed, while Theresa May could more easily change her political strategy under such circumstances, for the EU the result could be an extremely complex process, in which 27 different national interests might clash, undermining the possibility of reaching a common goal.

¹Methodologically, the findings will be based on opinions expressed by members of national parliaments of the EU member countries during the [Mercator European Dialogue held in Bratislava on 14-26 October 2016](#), and also on primary and secondary sources.

Table 1 - Overview of Potential Outcomes

Brexit "zero-sum" game	Soft Brexit	Hard Brexit
Positive outcome for the UK	UK retains access to the single market (European Economic Area - EEA).	The UK will not be required to accept free movement, accept EU regulations or pay into EU budget. It could possibly implement a trade agreement with the EU in subsequent years.
Negative outcome for the UK	EEA will require the UK to accept EU regulations and free movement, and pay into the EU budget.	The UK will remain outside the single market. This will result in economic loss.

"SOFT" OR "HARD" BREXIT?

Considering the exit negotiation as a zero-sum game, the ultimate prize for the UK would be to obtain access to the common market whilst restricting free movement. This would allow the UK Government to respect the will of the 52 percent of Britons who voted to leave the EU while preserving the UK economy from possible setbacks and the unknown consequences of a full exit, not only from the EU but also from the larger European market.

However, the majority of member states seem little inclined to provide the UK access to the European common market without the preservation of the so-called "four freedoms," including the freedom for EU citizens to work in the UK. Western European countries such as France and Germany - and also Sweden, Austria, Slovenia and Croatia - do not want the UK cherry-picking only the most advantageous political economic options from the EU. The main objection is that providing the UK with a more special status than it already had would result in a profound loss of credibility for EU institutions.

Similarly, Southern Europe - namely Italy, Greece, Portugal and Spain - believes that this would make the exit deal a tempting option in the eyes of their citizens, who are suffering the consequences of European austerity.

Finally, the Visegrad group (the Czech Republic, Hungary, Poland and Slovakia), along with Bulgaria and Romania, are the strongest supporters of the idea that access to the EU single market depends on the acceptance of free labour movement. This position is also shared by the other Member States. However, limitation to the labour movement, especially for the Visegrad group, could result in a number of skilled workers moving back to their countries of origin and contributing to national economic development.

Within this framework, it would be unthinkable for the UK to advance a soft-Brexit option, which would entail a special deal within the European Economic Area (EEA) providing full access to the common market without the burden of accepting, as Norway does, EU directives and regulations as well as free movement of people. Indeed, it is unlikely that Member States would agree on such conditions.

Figure 1- Member States' Stances towards UK's Common Market Access



- Countries that will support hard Brexit if the UK asked for such a deal
- Countries that will agree with hard Brexit if Germany and France do so
- Countries concerned by hard Brexit because of security reasons
- Countries concerned by the consequence of hard Brexit on the rights of their citizens living and working in the UK
- Countries concerned by hard Brexit because of economic and/or political reasons

To date, hopes for achieving such an exceptional relationship seem far from realistic. For this reason, as recently stated during her speech at the Lancaster House Prime Minister Theresa May's vision for leaving the bloc will most probably rely on hard Brexit.

THE UNSUSTAINABLE UNCERTAINTIES OF A HARD BREXIT

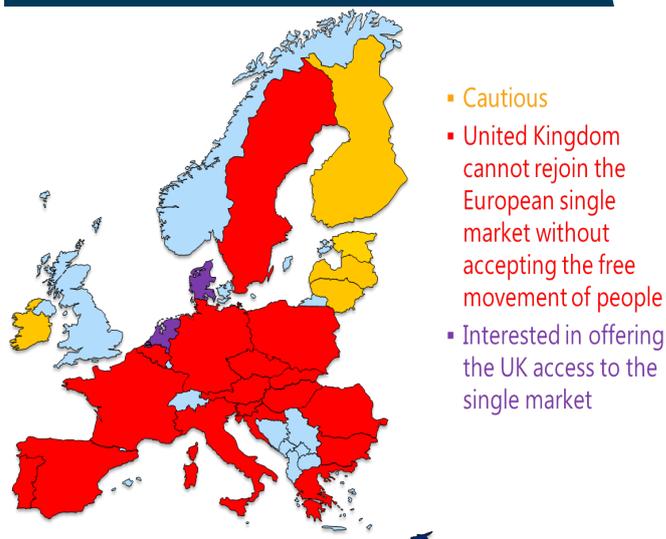
A hard Brexit would entail an immediate exit from the single market and the termination of any other ties binding the UK to the continent. Certainly, the UK will negotiate exceptions for those European citizens who are already living and working in the country, in exchange for the same conditions for British citizens in the rest of Europe.

Such a deal would provide the current government with more legitimacy, as it would be acting in accordance with what was decided by British voters. Moreover, according to the Leaving side supporters, it would possibly allow the UK to avoid an outright economic drop, as it would result in a relatively fast, clean break from the EU. Trade relations with the EU could only be disciplined, at least initially, under World Trade Organization (WTO) rules, and the UK could negotiate free-trade agreements with non-EU countries. With time, the UK is expected to even open negotiations for a comprehensive free-trade deal with the EU - a Cross-Channel Trade and Investment Partnership (CCTIP) - in order to lower or eliminate import/export tariffs for mutual benefit.²

Yet, in Northern Europe, Ireland already fears that a hard Brexit would result in the reintroduction of borders and tariffs to trade as well as restrictions on Irish citizens, metaphorically widening the gap between Belfast and Dublin and undermining the effectiveness of the Good Friday Agreement (GFA). Introduced in 1998, the GFA allowed the overcoming of 30 years of violence between unionists and nationalists by introducing power devolution from Westminster to Northern Ireland. The GFA also regulated the development of cross-border initiatives and institutions such as the British-Irish Council (BIC) - which comprises representatives of parliaments from Northern Ireland, the Irish Republic, Wales, England, the Isle of Man, the Channel Islands and Scotland - and the British-Irish Intergovernmental Conference (BIIC).

The Netherlands and Luxembourg are also keen to provide the UK with the best possible Brexit deal. Both countries have huge investments in the UK and there are many successful Anglo-Dutch multinationals, whose interests need to be protected. Yet, such a position has been vacillating since the UK Chan-

Figure 2- Hard Brexit



cellor Philipp Hammond has maintained that the UK might have to change its economic model to remain competitive, lowering corporate taxes.

On the other hand, the Netherlands and Denmark, both of whom used to back the UK when blocking EU attempts to centralize more power, but also Hungary and Austria are very concerned by a post-Brexit scenario of a fast-tracked political union led by Germany and France. Together with Ireland, they fear that without having the UK somehow involved in European affairs the EU will become less economically liberal and less Atlanticist.

A hard Brexit worries Russian neighbouring Member Countries such as Estonia and the other Baltic countries for security reasons. This scenario could result in Scotland, where Britain's nuclear deterrent is based, rejoining the EU after a separatist referendum. Although British nuclear capability will then be transferred to the UK, such a transition could potentially challenge Britain's military capacity within NATO - at least in the short term.³

Moreover, the majority of EU member countries - in particular, the UK's biggest trade partners: namely Germany, France, the Netherlands, Belgium, Italy and Spain - will economically suffer from a hard Brexit.

IF THE UK WANTS A HARD BREXIT, IT WILL GET A HARD BREXIT

Yet, Germany and France might well accept a "full" Brexit if the UK were to opt for such a deal. From a German perspective, it would be better, for both political and economic reasons, to have an effective hard Brexit than some "grey," fudged deal.

² Robin Niblett, "Preparing for the UK's Brexit Negotiation", in *The World Today*, August-September 2016, <https://www.chathamhouse.org/node/24234>

³ Max Boot, "Why Brexit Alarms Britain's Baltic Allies", in *The Washington Post*, 20 June 2016, <http://wapo.st/26b4a9l>

Table 2 - British Exports and Imports, September 2016

Partner Country	British Exports (M Pounds)	% Change from September 2015	British Imports (M Pounds)	% Change from September 2015
Germany	3,045	16.9	6,072	14.5
France	1,702	30.0	2,124	2.1
Netherlands	1,621	20.1	3,251	29.8
Belgium	1,106	3.0	2,259	18.6
Italy	899	22.5	1,482	7.4
Spain	826	16.1	1,427	17.4
Total EU	13,025	13.1	21,938	14.8
Total non-EU	12,518	-11.0	23,635	51.2

Source: UK Government, UK Overseas Trade Statistics: September 2016, cit.

The latter would be unsustainable politically, as it would discredit the Union, and economically, as it could worsen trade relationships by creating uncertainty. Similarly, the French Government does not wish a Brexit deal to be convenient for the UK, as a way of discouraging a "domino effect" in other EU countries.

However, much will depend on the outcome of next year's political elections in France and Germany. Possible increased legitimacy for eurosceptic Front National and Alternative for Germany might well challenge their current approach in dealing with a UK exit deal.

Elsewhere - in Belgium, for instance - the possibility of securing an economic advantage might persuade the government not to support softer conditions. Indeed, in the aftermath of Brexit, large companies might decide to move their headquarters from London to Brussels in order to maintain a presence in the EU market. Moreover, southern European countries, such as Italy and Greece, will most probably support Germany and France if they decide to accept a full Brexit, in exchange for concessions on economic flexibility and migration. Brexit is, to some extent, regarded positively by Italy, which sees it as an opportunity to move forward to an "ever-closer union" with a common European asylum and migration policy as well as a completed banking union. On the other hand, hard Brexit would represent a possibility for Spain to secure closer ties with Gibraltar. Indeed, during the June referendum, 96 percent of Gibraltarians voted to remain in the EU. Since the majority of British voters wanted to leave the European Union, Gibraltar might call a "reverse Green-

land" and ask to retain EU membership while remaining a British Overseas Territory. This might not be legally possible. Yet, Gibraltar is refusing the idea of granting Spain a joint sovereignty with the UK over its territory, even if such an agreement would allow the country to remain in the EU and Gibraltarians to keep their British nationality while acquiring the Spanish one.⁴

Moreover, since Austria, along with the Visegrad group, heavily depends on the German economy, it is unlikely that they would opt to sustain too favourable a position for the UK against Berlin's wishes. Within this framework, although many Member States share different visions on the Brexit deal, much will depend on how Germany and France will decide to act. Should Berlin and Paris adopt a more lenient approach towards the UK, the majority of EU countries could follow the same line.

CONCLUSION

While the majority of European countries will probably suffer economic loss from a hard Brexit; still, it appears that both France and Germany are unwilling to compromise any further with the UK. For various different reasons, the Baltic countries- as well as the Netherlands, Denmark and Ireland - could instead attempt to provide the UK with some concessions for security, economic, political and social reasons.

While Ireland, the Netherlands and Denmark are strongly connected to the UK, the more distant Baltic countries need Britain to remain economically wealthy in order to secure its military power within NATO. On the other hand, all the above countries

⁴ Hortense Goulard, "[Spain: Post-Brexit UK Should Drop Gibraltar](#)", in Politico, 24 June 2016

are also concerned that without the UK “on board,” Western European countries could push the EU towards a fast-tracked Eurozone-led political union, loosening its ties with the Atlantic sphere and making the EU economic model less liberal.

Within this framework, Brexit represents a fundamental challenge for the European Union – not only because Britain is one of the biggest economic and political actors in Europe but also because the leav-

ing process might reveal fractures and divergences among and within the EU member countries. Indeed, Member States seem to be concerned not only by the Brexit deal per se but also by what the EU could become without the UK influencing its integration process. In this respect, Brexit negotiations might end up being the test bed for the future of the EU.

An extended version of this article was published as an IAI working paper and can be accessed [here](#).



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