

## Europe after Brexit

### Europe: Escaping the jaws of Brexit

by [David Lea](#).

The rhetoric from the triumphant Brexit camp was clear on 24 June. The EU, long susceptible to decay, was now condemned to collapse and the UK was better off out. This was a statement for our times, where all setbacks are viewed as catastrophes. But amid all the uncertainty about the UK's future as it moves (gradually) towards the exit door, there is a secondary issue of primary importance: what lies ahead for the EU, and how might it change in response to the loss of one of its key constituents?

#### What crisis?

Brexit is a shock to the EU, but is not the most significant the union has absorbed – at least in terms of the organisation's viability. Despite the predictions of widespread nationalist anti-EU revolt, anti-EU movements in other member states are not much stronger than before. The likes of Marine Le Pen and Geert Wilders were doing perfectly well before Brexit – and before the election of Donald Trump in the US – and have not seen a significant boost in their ratings thereafter. Polling data suggests support for the EU has shored up in much of Europe in response. Populism may be stronger than before (particularly in the member states of Central and Eastern Europe), but there is as yet no staunch campaign to leave the bloc.

Compare this with the response to the Wallonian parliament's (eventually overturned) rejection of the Comprehensive Economic and Trade Agreement (CETA) treaty with Canada, which has sent sub-national legislatures rushing to see what kind of veto powers they can negotiate into their next settlement. Meanwhile, the migration crisis continues to threaten the Schengen Accords on free movement, Greece remains injured and indebted, and Italy's multiple near-crises may erupt into an actual crisis newly imperilling the euro at any point. By comparison, subtracting one member state from the union, juggling the arithmetic on representation and parliamentary seats, and forming a new relationship with that departed nation appear relatively tractable by comparison.

#### Taking back control

Indeed, there is scope for thinking that the EU will find life rather easier without the UK. Each country's negotiators have a stereotype at EU level – that of the British was always 'sneaky', as the institutional knowledge of centuries of British diplomacy was brought to bear on what was supposed to be a friendly alliance. The UK was 'the awkward squad' of the European integration process, even if its image as a serial demander of opt-outs and caveats was occasionally overstated. So there is a sense that the UK's departure might see fewer obstacles in the legislative and executive pathways.

The other side of this argument is that the UK's unpredictability often helped to avoid the development of semi-permanent alliances among the member states. The concern now is to prevent the emergence of 'eurozone vs non-eurozone', 'north vs south', 'Old Europe vs New Europe', 'core vs periphery' or some other similar narrative. Moreover, the idea of German hegemony in the EU, frequently expressed during the financial crisis, always had the UK as a substantial counterweight – rarely getting involved, but ensuring that things never got out of hand. And much of the UK's recalcitrance on issues of integration or collective action was quietly shared by other member states – though they felt no need to 'come out' while the UK was so ready to take a public stance. So we may see more honesty and communication on contentious issues – the sort of thing we are always told is so positive in relationships.

### **Stronger together**

One constant source of tension in recent years has been the financial sector, the UK's predominant position within it and the will of David Cameron's government to go the extra mile to protect it. The likely loss of 'passporting' rights for banks based in the UK, Theresa May's rather more ambivalent attitude towards the City, and political and economic will in continental Europe to drag euro-denominated trade back within the eurozone are all likely to contribute to a shift here. This is not to say that the sector will abandon London entirely – the roots run too deep, the cultural and structural advantages of remaining in arguably the world's pre-eminent global financial centre will not disappear overnight – but a partial relocation (even if only to anglophone, low-tax, globalist Dublin) would be a success for the EU.

Meanwhile, the UK will continue to fixate on trade and immigration. The phrase 'but the Germans want to sell us cars' has become so familiar in pro-Brexit discourse in the last few months that it bears restating that other markets exist for these manufacturers, as do ready competitors from elsewhere. A new trade relationship between the UK and EU will surely not be on similar terms to the existing single market membership. Although eventually something firmer and less barrier-ridden than simple WTO rules will be established, this is likely to prove more favourable to the EU than the UK. Meanwhile, the EU will continue to enjoy its trade agreements with global partners, while the UK, like a stressed air traffic controller, struggles to decide its order of priorities.

### **Business as EUusual**

Institutionally, the EU will remain trapped in its familiar bind – it suffers from a democratic deficit, but nobody is keen on establishing directly elected institutions with the power to change this. There is little prospect of the European Commission facing any form of popular vote, nor of turnout in European Parliament elections increasing towards national levels. Brexit will trigger lots of fine words about reconnecting with the public, but little in the way of action that is acceptable to the parliament, the commission and, most significantly of all, the council. For all the talk of unelected bureaucrats, the real business of the EU will continue to be done in the room with the heads of government in it.

Brexit will not be transformative for the remaining EU of 27. Things will, to use that very British phrase, be like they were before, only different. Brexit will encourage some member states to be

more assertive – see the prospect of other ‘-xits’ being raised every time a country seems out of step with the rest – but it will not lead to mass popular uprisings against the EU institutions. Simply put, nowhere else enjoys the UK’s combination of deep-seated half-heartedness towards the European project (even among those who are not openly eurosceptic) and a virulently anti-EU popular media. The British decision to leave will not kill the EU, but if it makes it stronger, it will be via a series of marginal gains, rather than the dawning of a bold new era.

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