



Estrangement Day: The implications of Brexit for the EU

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The UK's leap in the dark

In a post-imperial burst to define the boundaries of its sovereignty, Britannia is ruling the waves again, albeit in the form of air time devoted to the fallout from its referendum vote rather than in a show of force from its flotilla. It was with disbelief and sorrow that the UK's partners in Europe and the rest of the world woke up to the news of the British Leave vote in the referendum on its EU membership. The prospect of a Brexit has sent shock waves throughout the international financial and political system and is set to occupy media debate for months to come.

Warnings about the negative impacts of a Brexit from Remain campaigners, from leaders of the UK's strategic partners such as US President Obama and China's Xi Jinping, from major international organisations like the World Bank, IMF and OECD, and think tanks like ours, were all lost on 52% of the voters. The trending hashtag 'Bregret' shows how many of them now feel betrayed by the lies of Leave campaigners who told them not to listen to 'experts' but to choose instead for a new UK 'Independence Day'. As it turns out, the experts were right to warn about the dire consequences of a possible Brexit: markets have nose-dived and sterling has plummeted. Scotland, Northern Ireland and London have voted overwhelmingly to remain in the European Union and the Scots are now actively contemplating a second independence referendum. Sinn Fein has called for the reunification of the Irish island, and the Leave camp has been exposed for not having a credible alternative to EU membership. The term 'Estrangement Day' might therefore be more apt.

It is distressing to hear now that the anger of some racist Leave voters is being directed against immigrants, and deeply saddening to think that the murder of a pro-EU Member of Parliament by a 'Britain First' extremist did not persuade floating voters to let common sense prevail. Now, that the die has been cast in Prime Minister Cameron's irresponsible gamble with the unity of the United Kingdom and his own Conservative Party, what are the consequences of a possible Brexit for the EU?

Wait and listen

The bitter referendum campaign has not just opened up deep political, social and emotional rifts across the UK; it has also divided opinion across Europe. European Council President Donald Tusk was quick to react. Prior to a joint statement with the Presidents of the European Parliament, European Commission and rotating Presidency of the Council, he admitted that there was "no hiding the fact that we wanted a different outcome of [the UK] referendum" and that "there's no way of predicting all the political consequences" of this "historic moment".¹ In an attempt to assure markets and citizens that the EU is prepared for this negative scenario, he announced talks with the EU27 in the context of the European Council of June 28-29 and stressed that "[w]hat doesn't kill you, makes you stronger". With his fellow Presidents, he followed up by stating that "[t]he Union of 27 Member States will continue" and that "[t]he Union is the framework of our common political future".²

The healing process will be long and hard, though, not just for the UK but also for the other 27 member states whose citizens and politicians have felt betrayed by the British snub.³ The Brexit vote does not solve any of the other challenges facing Europe. In fact, it sucks oxygen out of the debates that the EU should be having on the interlocking crises that are plaguing it. In anticipation of Westminster's proposals to extricate itself from

¹ Press statement by President Donald Tusk on the outcome of the referendum in the UK, No. 380/16, 24.06.2016.

² Joint statement by Donald Tusk, President of the European Council, Martin Schulz, President of the European Parliament, Mark Rutte, holder of the rotating Presidency of the Council of the EU, and Jean-Claude Juncker, President of the European Commission, on the outcome of the United Kingdom referendum, No. 381/16, 24.06.2016.

³ A pre-referendum poll by the Bertelsmann Stiftung indicated that, on average, only 54% of European citizens were in favour of the UK remaining in the EU (25% were undecided), only 41% of the French were willing to support this (34% undecided). See eupinions 2016/2, "Keep calm and carry on. What Europeans think about a possible Brexit", Guetersloh, 20 June 2016 (www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/Survey_EZ_Keep_calm_and_carry_on_2016.pdf).

the EU — which may take months given the political instability in the UK, it will be tempting for heads of state or government to go back to the business of EU crisis management ‘as usual’.

Yet, presidential hopefuls in France and leaders of right-wing anti-immigrant parties in the Netherlands and other member states have welcomed the British vote to pull up the drawbridge and called for ‘In/Out’ referenda in their own countries. These populists most vocally express a feeling that is widely shared around Europe. A recent Pew Research Center opinion poll among 10,000-plus people surveyed in ten EU member states showed that, on average, 47% of Europeans have an unfavourable view of the EU.⁴ In France, a remarkable 61% is against the European integration project (up from 44% one year ago). That is second only to Greece, where only 27% views the EU favourably. Negative opinion in Germany is also on the rise (48%), thus reaching UK levels.

These figures cannot be dismissed. Bertelsmann Stiftung’s own European-wide polling data⁵ show that the state of public opinion is twofold. There is a clear disenchantment with the actual political situation the European Union is in. And there is little trust in its ability to come out of the crisis mode in the near future. Which does not mean however, that a majority of people have given up on the European Union as a whole or do not believe in the utility of European integration. European politics has to understand that this general support is at risk as well, if they fail to deliver results that are felt by the public.

The fall-out from the UK referendum comes on the back of a series of Eurosceptic expressions in national referenda and elections: from the Danish rejection of the Maastricht Treaty in 1992 (in France, only 51.1% voted in favour), to the Irish ‘No’ against the Nice Treaty in 2001; the rejection of the ‘European Constitution’ by the French and the Dutch in 2005; and the second Irish ‘No’ in 2008, this time against the Lisbon Treaty

In the past, such objections have been overcome by making cosmetic changes to the EU projects concerned and either asking citizens to vote in a second referendum or by recycling the essence of the projects in new treaties ratified via more traditional constitutional procedures, i.e. by generally EU-friendly national parliaments. However, both methods have increased discontent and distrust among voters. Anti-establishment and anti-EU sentiment has been on the rise since 2009, also due to the hapless ways in which European elites have struggled to get to grips with the banking, debt and refugee crises, hampered by the incomplete integration schemes of the eurozone and the Schengen area.

Popular consultations in referenda held since then have played out in different ways. The Greek rejection of the terms attached to its third bailout package in July 2015 was reversed by a parliamentary vote ten days later and sanctioned in general elections in September, thereby giving in to lenders’ demands for immediate reforms to prevent a chaotic ‘Grexit’ from the eurozone. A second Danish ‘No’ in 2015, against the government’s desire to opt into EU rules on justice and home affairs, has been honoured, while the answer to a second Dutch ‘No’ last April, against the ratification of the EU’s Association Agreement with Ukraine, is still pending.

What these past consultations and the Brexit referendum have revealed is that they lead to deep polarisation. In countries with a strong parliamentary tradition where, unlike Switzerland, consultative referenda are not well embedded in the system, pitting parts of the population against each other in defence of irreconcilable positions creates an atmosphere of animosity in which violence can erupt. Moreover, they undermine the system of indirect democracy that is based on regular general elections and expert involvement of elected representatives in parliamentary procedures. Of course, any reversal of the popular vote expressed by way of a referendum should be properly communicated to prevent citizens’ trust from being further eroded.

⁴ See B. Stokes, “Euroskepticism Beyond Brexit”, Pew Research Center, 7 June 2016 (www.pewglobal.org/files/2016/06/Pew-Research-Center-Brexit-Report-FINAL-June-7-2016.pdf). The sample of 10 member states together account for 80% of the EU’s total population and 82% of its combined GDP.

⁵ See Eupinions #2015/01 – #2016/02 <https://www.bertelsmann-stiftung.de/de/unsere-projekte/europa-staerken-und-verbinden/eupinions/>.

Clearly though, old remedies to circumvent popular discontent no longer work if mainstream establishments are being replaced by protest parties, and if the fringes of the political spectrum radicalise to such extremes that their diametrically opposed ideologies connect on the targets of their discontent. In such a context, EU integration is the first project to suffer. As Euroscepticism grows throughout the Union, there is a risk of contagion, in the sense that exception-seekers hold the rest of the EU to ransom until their demands are met. The Hungarian referendum on whether to accept any future EU quota system for resettling refugees, planned this autumn, is a case in point.

Next steps

With a constitutional referendum in Italy this autumn, presidential elections in April/May 2017 in France and federal elections in Germany later next year, the pro-EU parties representing the political mainstream should heed the strong warning sent by the relative success of the Leave campaign in the UK referendum: if they do not wish to lose the next national elections then they cannot afford to skirt around the public's disenfranchisement with the EU any longer.

If there is anything to be learnt from the Brexit outcome of the UK referendum, then it is the monumental failure of the British government to counter lies spread by the tabloid press and cynical politicians, and to communicate the benefits of working through the European Union. Not drawing any conclusions from the multi-stakeholder exercise it carried out in the context of the Balance of Competences Review, was, in hindsight, a mistake of colossal proportions. Even the much-revered BBC fell short in its public service duty to categorically debunk the propaganda of the Leave campaign: in upholding its neutral, even-handed stance it left the public to choose between two campaigns of seemingly equal merit. Obviously, the European Commission, which respected the plea by the British government not to interfere in the referendum campaign, has a key role to play too, especially by assisting member state governments in terms of fact-checking and debunking propagandist myths about the EU.

But more is needed. A post-referendum consensus on Europe's future should create a buy-in for European citizens into the 'community of law'. Injecting a sincere sense of modesty and realism that does not create illusions about what the EU and member states governments can actually still achieve in a highly interconnected world would be a good starting point.

There is considerable longing for a new narrative for the European Union. But what is so wrong with the old one, some may ask? Peace and prosperity in the EU are not a given, as the consequences of the Greek debt crisis and the war in Ukraine have taught us. Perhaps the original symbolism could be complemented, however, with a more utilitarian approach to explaining the value added and force-multiplying effects of working through the European Union: from generating cheaper air travel to slashing roaming charges, creating study opportunities abroad, assuring the quality of bathing water at European tourist destinations and providing protection to the consumption of imported goods. Arguably, such an explainer should go hand-in-hand with an emphasis on taking the subsidiarity principle seriously: indeed, the EU should concentrate on the issues where there is a clear common interest for supranational action.

In short, there is a positive case to be made for the EU. As former Prime Minister Gordon Brown observed prior to the referendum:

"Positive arguments are the sharpest arrows in the quiver of those who want Britain to remain in Europe. Meeting the needs and aspirations of the British people in the twenty-first century requires us to let go of the past, acknowledge that the present is defined by globalization, and recognize that the future is filled with opportunity. Our increased interdependence suggests the

*need for greater international cooperation and coordination, and that is precisely what the EU offers.*⁶

The EU is not a zero-sum game but the framework for creating win-win solutions for all its members. That would mean in the first place to change the rhetoric from contest to commonality: “Brussels is us”, as the late Robin Cook so acutely observed.⁷ Member state governments should stop scapegoating the EU for the deficiencies of the compromise solutions they make collectively. Similarly, one might consider that all heads of state or government hold a post-summit press conference to defend the conclusions adopted. It is the responsibility of member states to thwart the perception that they do not ‘own’ the decisions; with greater intergovernmentalism, they in fact own more.

Before returning to business as usual, let alone leaping into new integrationist adventures, political elites across the continent should wait and listen. The heads of state or government would be well advised to enter a period of reflection to forge political consensus around the aims and contours of the yet unscheduled future treaty reform. Any next move should be designed to create a greater sense of ownership of EU citizens in ‘their’ Union.

Under the headline **“The UK and the EU: Simulating the agendas for EU reform”** the Centre for European Policy Studies (CEPS) and the Bertelsmann Stiftung have joined in a cooperation starting in August 2015. This commentary, written by Steven Blockmans, Senior Research Fellow and Head of EU Foreign Policy at CEPS, and Stefani Weiss, forms the capstone of the project. It is also available at <https://www.ceps.eu/publications/estrangement-day-implications-brexit-eu>.

Further readings encompass:

Steven Blockmans and Stefani Weiss, “Will Cameron get what he wants? Anticipating reactions to Britain’s EU reform proposals”, CEPS/Bertelsmann Stiftung October 2015

<https://www.bertelsmann-stiftung.de/de/unsere-projekte/europa-staerken-und-verbinden/projekt-nachrichten/eu-reform-wird-cameron-das-bekommen-was-er-will/>

Stefani Weiss and Steven Blockmans, “The EU deal to avoid Brexit: Take it or leave”, CEPS/Bertelsmann Stiftung, February 2016

<https://www.bertelsmann-stiftung.de/de/unsere-projekte/europa-staerken-und-verbinden/projekt-nachrichten/eu-deal-zu-brexit-alles-oder-nichts/>

⁶ See G. Brown, “Leading, not Leaving Europe”, Project Syndicate, 13 June 2016.

⁷ Speech by the Foreign Secretary Robin Cook to the Centre for European Reform, reprinted in The Guardian on 13 November 2000 (www.theguardian.com/world/2000/nov/13/eu.foreignpolicy).

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