

*The Brexit Effect on Deeper Integration*  
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## *The Brexit Effect on Deeper Integration*

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Despite the fact of many uncertainties around the process of withdrawal of the United Kingdom (UK) from the European Union (EU), the EU will negotiate on the bases of pursuing the vital interest of the 27 members of the Union. The UK is aware of the need to negotiate and Exit Agreement that ensure it enjoys the best of the EU Treaty in relation to the economics and security frameworks contain in the Lisbon Treaty.

The main hypothesis of this paper is that, between the *Grexit* and the *Brexit*, the founding countries of the EU project started to prepared themselves to defend the historic project that allowed them to build the most ambitious integration project in the history of the humankind. The question is could the Brexit mean a new moment for integration?

France and Germany have warned that they are prepared not only to maintain but to deepen the European project. Once again, as it has been occurred before with events like the terrorist attacks or the euro-zone crisis, the European leaders have responded with: the “more Europe” formula.

France and Germany are willing to postpone any differences, with the overriding goal of maintaining the viability of the European project. The leaders of the 27 recognize that the European construction is the best safeguard for the security and well-being of their states and societies in a context of growing uncertainty in the face of instability in areas close by the EU (war in Syria, conflicts in northern Africa, instability in the Middle East, refugee crisis), the rise of Donald Trump in the United States and the geopolitical repositioning of Russia.

It is also important to mention that one of the main forces behind the idea of stopping the supranationalist/federalist EU project is the rise of the populist right-wing extremism in Europe.

In other words, although the UK was always the leader of the minimalist during the last 44 years, in the sense of reducing the transfer of sovereignty of the member states to the EU institutions, it never attacked the supranationalist foundations of the EU project. What is new is that the main promoters of the Brexit were the ultranationalist of the UK Independent Party (UKIP) that, in fact, belong to the same family of parties of the Marine Le Pen's National Front in France.

Therefore, in the current context the UK decision could actually spread to other European countries where nationalism is promoting the exit of them from the EU (Holland and France, for example).

The main paradox is that the UK government seeks to maintain "a deep and special partnership" with the UE. As Theresa May has pointed out:

"Britain may be leaving the European Union as an organisation, but we will be stronger than ever as a dependable partner for our friends in France and across Europe, working to enhance the security and prosperity of all our citizens."<sup>1</sup>

In other words, the EU has become an electoral flag, a referent for the nationalist parties to win election. But, in the case of Britain the conservative leadership knows and recognizes the deeper levels of interdependence in economic and security issues with Europe.

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<sup>1</sup> Theresa May, "We have voted to leave the EU, but not Europe", *Le Figaro*, 17 February 2017

How can the EU and the UK ensure an orderly withdrawal?

How can the UK get the best out of the withdrawal and negotiating a new deal with the EU?

It is not easy to answer the previous questions; however, we have to assess during the following months the effects of the implementation of the first phase of negotiations.

The core principles under which the negotiation process will be conducted, will not give the UK many facilities to continue enjoying the best of the EU Treaty. In other words, the British Government knows that “the four freedoms of the Single Market are indivisible and that there can be no "cherry picking"”, and also the EU will speak with a one voice and will negotiate a single package.

In other words, there will be no “free launch” for the UK, on the contrary, they will have to pay for its decision, it is calculated that the British will have to pay at least 60 billion euros as a result of its exit.

Beyond the monetary payments that the UK has to make to the EU, the implications of an orderly withdrawal, will affect the daily life of the EU's citizens in the UK, as well of the UK's citizens in the European countries in terms of work, study, rights and everyday life. The agreement of reciprocal guarantees will be a challenge.

Another challenge is related to the business trading and the financial sectors in the UK and in the EU. On the one hand, the EU will have to withdraw the UK business trading companies and the financial sector institutions advantages of the Common Market. On the other hand, the UK business and financial sectors will have to adapt to the new frameworks of the relationship with the EU.

Despite the fact that the “Guidelines following the United Kingdom's notification under Article 50 TEU”, have been approved by the European Council focusing on economic matters, security in the region will continue to be one of the main areas of cooperation and coordination between the EU and UK. The cooperation on exchange of information and intelligence among law enforcement agencies will continue crucial to fight against terrorism.

The evolution of the organization around the Islamic Radicalism have gone beyond the penetration of the so called “foreign fighters”, because now many of the terrorist attacks come from either cells of the Daesh organized with local people or they come from the so-called “lonely wolfs” that actually demonstrate the complexity of this threat.

Let’s put in perspective that the UK will continue as a full member of the EU during the following two years of negotiation. Therefore, all the legal and technical terms of the process will be decisive for the bases of the future Free Trade Agreement between both parties.

Independently that this process should not be a game of losers and winners, the UK will never again enjoy the benefits of the Single Market. It looks to me that these negotiations will put the UK in the same situation back in 1960 when they launched the EFTA, within a context of new challenges of competition in the capitalist international market.

For instance, the UK cannot demand fiscal, social and environmental deals with the EU as its members can do.

At this stage of the Brexit, the strategy of the 27, and the Commission and the Council will be:

First of all, one of “control damage”. Particularly on the economic sphere.

Second, to create the perception that the main loser is the exiting country, and

Third, to warn the rest of the members how costly it would be to follow the same UK's path.

How can we evaluate this process as a positive sign to foster deeper integration?

Let us give some answers:

First, both France and Germany (considering that tomorrow the 7<sup>th</sup> Macron will win and Schulz will win in September in Germany) constitute a real hope to have "more Europe", that is to say, to defend deeper integration.

Second, the Brexit could have been expected sooner than later considering the poor commitment of the British political elite to construct the references of the European identity among their citizens throughout all these years. And,

Third, let us remember that the UK accession to the former European Community was based upon their economic weaknesses, hence it could happen that the potential economic crisis in the UK will push them to reconsider the cost of the exit, and then the need to get back to the EU.