Can the EU Afford to Lose the UK?

Written by Jan Zielonka

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JAN ZIELONKA, JUL 23 2014

In her book *Statecraft*, published in 2002, Lady Thatcher wrote, "The blunt truth is that the rest of the European Union needs us more than we need them." We may soon learn how true Maggie's words are. In the United Kingdom, some of the most prominent businessmen, journalists, and academics are trying to convince Britons that a British exit, or "Brexit," would be a disaster for their country. In the rest of the EU, a Brexit does not seem to be a sensitive issue; in fact, many continental pundits seemed happy to see Britain leaving the last European Council with a bloody nose after the fight about Jean-Claude Juncker. Will the EU be better off without Great Britain? Or will a Brexit herald the fall of the EU?

The Core of the Matter

European integration is about many things, but managing divergence across the continent is one of its principal tasks. This is partly because the EU's official aim is striving for an "ever closer union," but also because of the policy of enlargement. The EU (and previously the EEC) has enlarged several times from the original six member states to the current twenty-eight ones. Those enlargements implied "imports" of different cultures, priorities, and perceptions that had to be accommodated without paralysing the EU. No wonder, enlargements were always controversial, causing lengthy, and at times painful, processes of mutual adjustment with rather mixed results. As Spyros Economides (2005, p. 471) observed, "Greece was long considered the black sheep of the European Union (EU) for its economic underperformance – if not mismanagement – and its obstructiveness within the framework of the EU's foreign policy." Spain has long contested the terms of its accession, which made the country a net contributor to the EC budget for several years and allegedly hampered its agricultural and fishery sector. Yet the British membership in the EEC/EU has arguably been most contentious, if not traumatic, over the past decades. President de Gaulle even tried to veto the British application to the EEC, but after the UK was admitted, it was always assumed that problems should be managed or else integration would falter. The integration project envisaged a movement towards one direction only: states could join the Union, but never leave it.

This vision is now in tatters. The EU enlargement into Central and Eastern Europe a decade ago made some politicians in Western Europe doubt the wisdom and sustainability of the arrangement. Later, the Euro Crisis prompted discussions about a Grexit (Greek exit). Now a Brexit is on the agenda for a variety of reasons. This prospect questions the very purpose of integration, even though the revised treaty makes such an exit legally possible.

An integration project that is unable to accommodate divergence and differences between some of the member states is bound to be seen as a failure, with serious implications for the legitimacy of the EU. In family life, divorce may be seen as a reasonable option for coping with irreconcilable differences, but divorce is never a boost to the image of the institution of marriage. This is the most important reason for taking the prospect of the Brexit very seriously.

Pragmatic Considerations

Existential problems apart, there are also numerous practical implications of a possible Brexit. First, the UK is one of the largest European economies; London, rather than Frankfurt, is Europe's key financial centre. The EU's global

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economic clout will be much less impressive without the UK; the single market will require new arrangements, and Europe's banking system will be difficult to run with the UK as a competitor rather than a partner.

Second, the UK and France are key actors behind Europe's foreign and defence policy. Germany is an awkward partner for France in this field, as manifested by a clash over the military intervention in Libya. One wonders whether the EU can have any common security policy without the British military capabilities and willingness to resolve, particularly in comparison with other member states of the EU.

Third, the Brexit will represent a legal nightmare, leading to chaos and instability affecting firms and citizens across the entire continent. There are 2.2 million Brits living in the rest of the EU, and 2.3 million citizens of other EU nations living in the UK. Their professional and personal lives will be profoundly affected by a Brexit. Renegotiation of legal treaties between the UK and twenty-seven other states will also have destabilising implications for firms; there will be prolonged uncertainty about their access to cross channel markets, rules of industrial competition, and numerous important details, such as the safety of food, transport, or medicine.

Brexit will also change the political geography of Europe with serious practical implications. The UK has been an important European actor, able to influence an ever mightier Germany. EU member states from Central and Northern Europe will lose an important ally in their efforts to make Germany more security conscious, especially vis-à-vis Russia. Member states from Southern Europe will lose an important ally in their efforts to make Germany more flexible (and less ordoliberal) in common economic endeavours.

How to Keep Britain In?

The EU is not a great communicator, and its efforts to engage in the internal public debate in the UK may backfire. However, the EU can embrace a reform agenda that may meet the expectations of the pro-European British politicians. Of course, Labour politicians have a different vision of Europe than their Conservative or Liberal counterparts. Scottish politicians look at Europe with more sympathy than the English ones. Yet, they all agree on a number of points.

First, they all want to see a more decentralised, flexible, and pluralistic EU. This is not such an outrageous demand, given the clumsiness of central EU institutions to cope with recent crises in the fields of energy, migration, and the financial sector. The EU envisioned a model of territorial integration run by a single institutional centre in charge of too many things, without adequate legitimacy and resources. This vision is now in tatters, and Europe needs to change its course.

Second, British politicians want to make sure that the single market remains the EU's utmost priority. Again, this is a reasonable demand. The single market project has yet to evolve in the field which generates most of Europe's growth, i.e. the field of services. There is also a danger that the single market project will be sacrificed on the altar of the Euro project, especially if the Euro-group is tempted to dictate policies to those EU members which do not have the Euro.

Third, British politicians want the EU to get serious about migration. In this sense, they are not different from most of Europe's politicians. True, some British politicians argue in favour of the single market while demanding restrictions in the field of intra-European movement of labour. This populist argument is difficult to accept, as the latter is a crucial part of the former. That said, the EU needs to get serious about migration, regardless of the issue of Brexit. Addressing migratory concerns now, rather than after the potential Brexit, seems sensible.

Fourth and finally, British politicians want to make sure that the US remains a pro-European, rather than becoming an anti-European, power. This is easier said than done, especially given the post 9/11 twist in American policy. Yet the Brits are not the only members of the EU who want to work closer with America in the fields of trade, security, and culture. Having Great Britain on the EU's side would help negotiations with America about such complex matters as transatlantic free trade or intelligence gathering.

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Conclusions

Many advocates of European integration see Britain as selfish obstructionists and would like them to pack-up and leave. However, nation states tend to be selfish, and the EU is composed of twenty-eight nation states, many of them with a pretty obstructionist record. If we invite all selfish obstructionists to pack-up and leave, the EU will be left with few or no members. We should always keep in mind that integration is chiefly about managing divergence and differences. A forced convergence and homogenisation will never work in a pluralist Europe.

Bibliography

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