



## **The UK elections and Brexit**

*A view from Brussels*

### **They got it wrong – again**

Brussels has been observing with increasing astonishment how the UK political establishment (and in particular the Government and the Conservative party) has recently got it wrong every time:

- David Cameron in 2015 launched his plans for a referendum on membership of the EU. His political gamble went terribly wrong, and ended with the decision to leave the EU and a deeply divided country.
- Theresa May- after becoming Prime Minister- used a year to close doors in relations to the EU and came up with a platform for negotiations, which had no chance of success. She believed that she could strike a deal with Angela Merkel, after which everybody else would fall into line. She ended up with the the 27 other member states sticking together and backing a Brexit mandate on their own terms, while firmly rejecting any notion that the UK could have its cake and eat it.
- And lastly Theresa May launched a surprise snap election on the premise of returning with a stronger parliamentary mandate, which would enable her to negotiate the best possible Brexit deal. She ended up with a hung parliament, a government bailed out by the hardline Northern Irish DUP, and an uncertain future for the forthcoming negotiations with the EU.

### **EU keeps calm and carries on**

Above all, the EU is anxious to begin negotiations. Jean Claude Juncker reacted to the election results by saying "as far as the EU Commission is concerned, we can negotiate tomorrow from 9:30am" and that "we're waiting for visitors from London". Behind the scenes, many will be regretting the uncertainty that the election result will bring to proceedings – EU negotiators want whoever is on the other side of the table to be in a stable and reliable position for the negotiations ahead. It has obvious interest in rapidly sorting out the withdrawal issues and creating reasonable clarity on future relations with the UK as soon as possible, so that it can concentrate on other burning issues. The EU is therefore likely to press for sticking to the initial timetable for negotiations and start on 19 June.

The debate has started in the UK on whether the election result will lead to a softer Brexit. It is worth recalling what former European Council President Herman Van Rompuy said soon after the referendum: "the only alternative to a hard Brexit is continued membership". There is also little hope that the new UK Parliament could agree on a revocation of the Art. 50 letter notifying the UK's decision to leave. Nor would this necessarily be welcome on the Continent - the EU has moved on, and a deeply divided UK could become a very awkward partner as a continuing EU member. Nor is it likely that continued free movement of persons, which is a condition for being part of the internal market, could be accepted by the main parties in the UK. Labour might favour continued membership of the customs union, but it is difficult to see how the Conservatives could forget their (unrealistic) ambition of a "global Britain" free to strike its own trade deals with the rest of the world.

Reasonable people should now concentrate on avoiding the chaos of a "cliff edge". This requires that the UK start seriously addressing the divorce issues – EU citizens rights, budget contribution/ settlement and borders. It would be helpful if the UK for a start could offer an ambitious package on citizens' rights, which according to rumours was already on its way. Hopefully, the election result has definitively removed David Davis' threat of walking out if negotiations, if the EU sticks to its negotiating mandate.

The UK must also stop dreaming about concluding a full deal with the EU before the Art. 50 deadline expires. A transition period of at least three years will be needed to achieve this. Chaos can only be avoided if the UK remains during this transitional period in the internal market (without voting rights and accepting the full *acquis*) and does not touch on free movement of people for now. Similarly, continued membership of the customs union for the same period and under the same conditions will be necessary.

Are there still people in the UK political establishment that are prepared to accept this reality and actively engage down this road? Mrs May's signals the day after the election are unpromising in this regard.

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09 June 2017