

# Brexit

## Policy Briefing for London Assembly Members

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# What are the (next) steps in the UK's withdrawal process?

## Art. 50 is triggered

- **Who?** Theresa May
- **How?** Letter to European Council (EUCO)
- **What?** PM's aim = “divorce agreement” plus “future agreement” (“comprehensive free trade agreement” & “new strategic partnership”)
- **When?** 29 March 2017

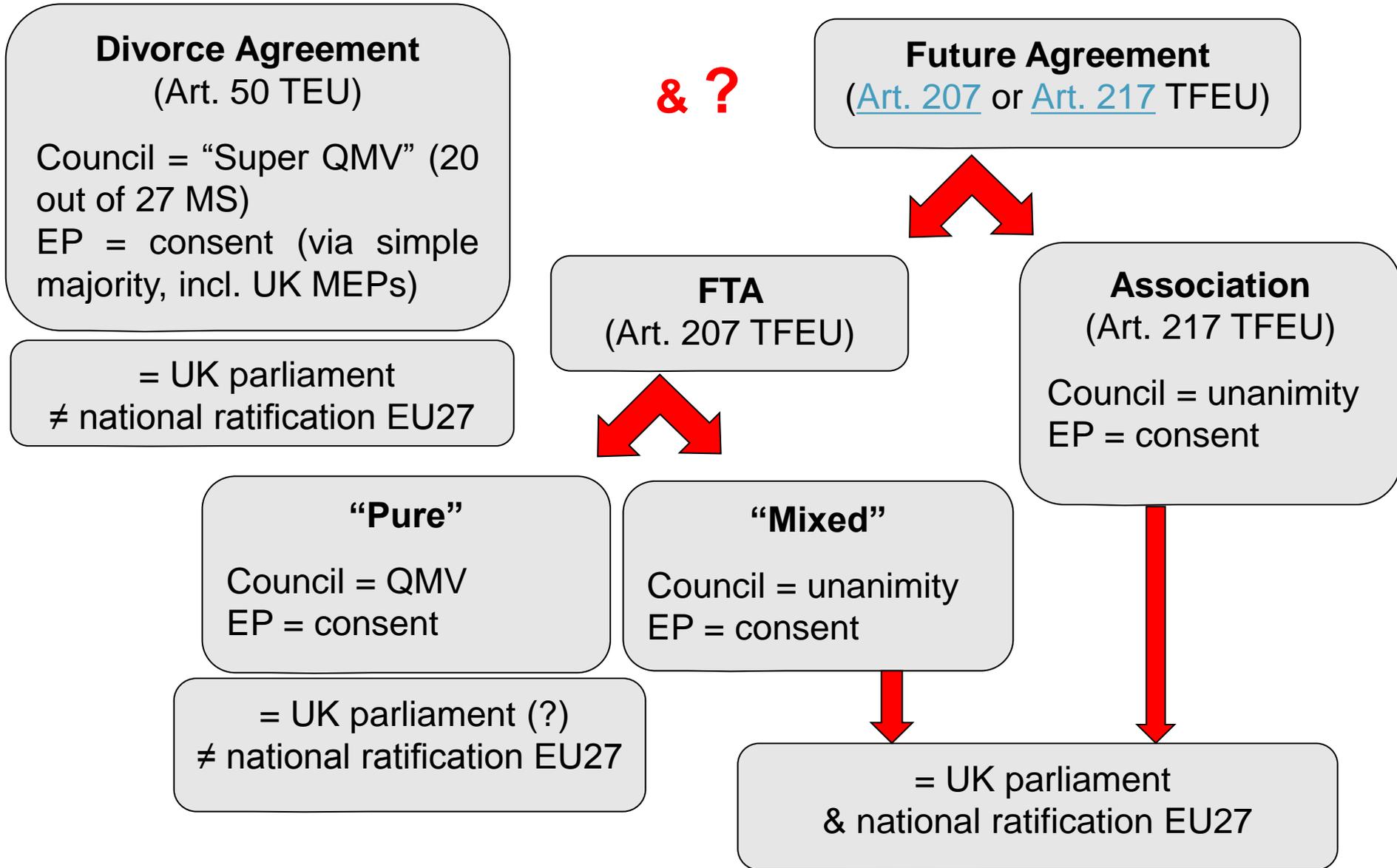
## The EU's negotiation mandate is agreed

- **Who?** 27 Heads of State or Government in EUCO & Europe ministers in General Affairs Council (GAC)
- **How?** EUCO: consensus & GAC: super qualified majority (QMV) (*de jure*) but consensus (*de facto*)
- **What?** guidelines (EUCO) & “negotiating directives” (GAC)
- **When?** April/May & June/July (and ongoing)

## The negotiations unfold

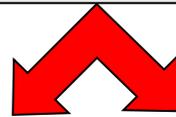
- **Who?** UK government & European Commission (Michel Barnier) on behalf of EU27 & representatives of rotating Presidency and EUCO (pre-negotiation by sherpas & working groups)
- **How?** TBC: EUCO guidelines
- **What?** “divorce” & “future” in parallel (UK) vs. in sequence (EU27)
- **When?** June/July 2017 (?)-October 2018 (but: German elections?) & ratification until March 2019 (but: extension?)

# Who needs to agree to the agreement?



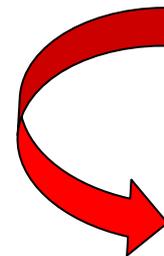
# What happens if there is no ratified agreement on 28 March 2019?

**Art. 50(3):** “The Treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification ...”.



**No negotiated deal in sight**  
= “crash-out” (WTO terms)

**Negotiated deal in sight** but  
more time required



**Extend negotiation period** (EUCO unanimity & UK approval)

**Stop the clock for ratification** (to allow parliamentary scrutiny)

**Include a transition period** (unlikely if not agreed early)

## What needs to be negotiated

### ‘Divorce agreement’

- Rights of citizens
- ‘divorce bill’
  
- Relocation of EU agencies
- International treaties to which the UK is signatory via the EU
- Transfer of regulatory and policing responsibilities
- Status of British citizens working for the EU institutions

### Future relationship

- Trade agreement
- Free movement
  
- Land borders (NI, Gibraltar)
- Security and Defence Cooperation
- Participation in specific programmes (e.g. research, European Arrest Warrant)

Transitional arrangement/“implementation phase”?

# Principles and complications

## EU

Indivisibility  
of four  
freedoms

No cake!

Integrity and  
cohesion of  
the  
European  
Union

## UK

No free  
movement

Bespoke SM  
and CU  
arrangements

No  
jurisdiction  
for CJEU

## MS

Germany:  
Level playing field –  
CJEU  
Reluctant hegemon  
Brexit not sole concern

France:  
Hard line, pro-EU (\*)  
Financial sector

V4: close ties  
Economic liberalism  
No EU fragmentation  
Citizens' rights

Nordics:  
Foreign & security policy  
Liberalism & Euro-Outs

Baltics:  
Foreign & security policy

## Wild cards

French &  
German  
elections

Divorce bill

'perception gap'

Eurosceptic  
domestic  
pressures

'divide & fail'?

Russia,  
Trump

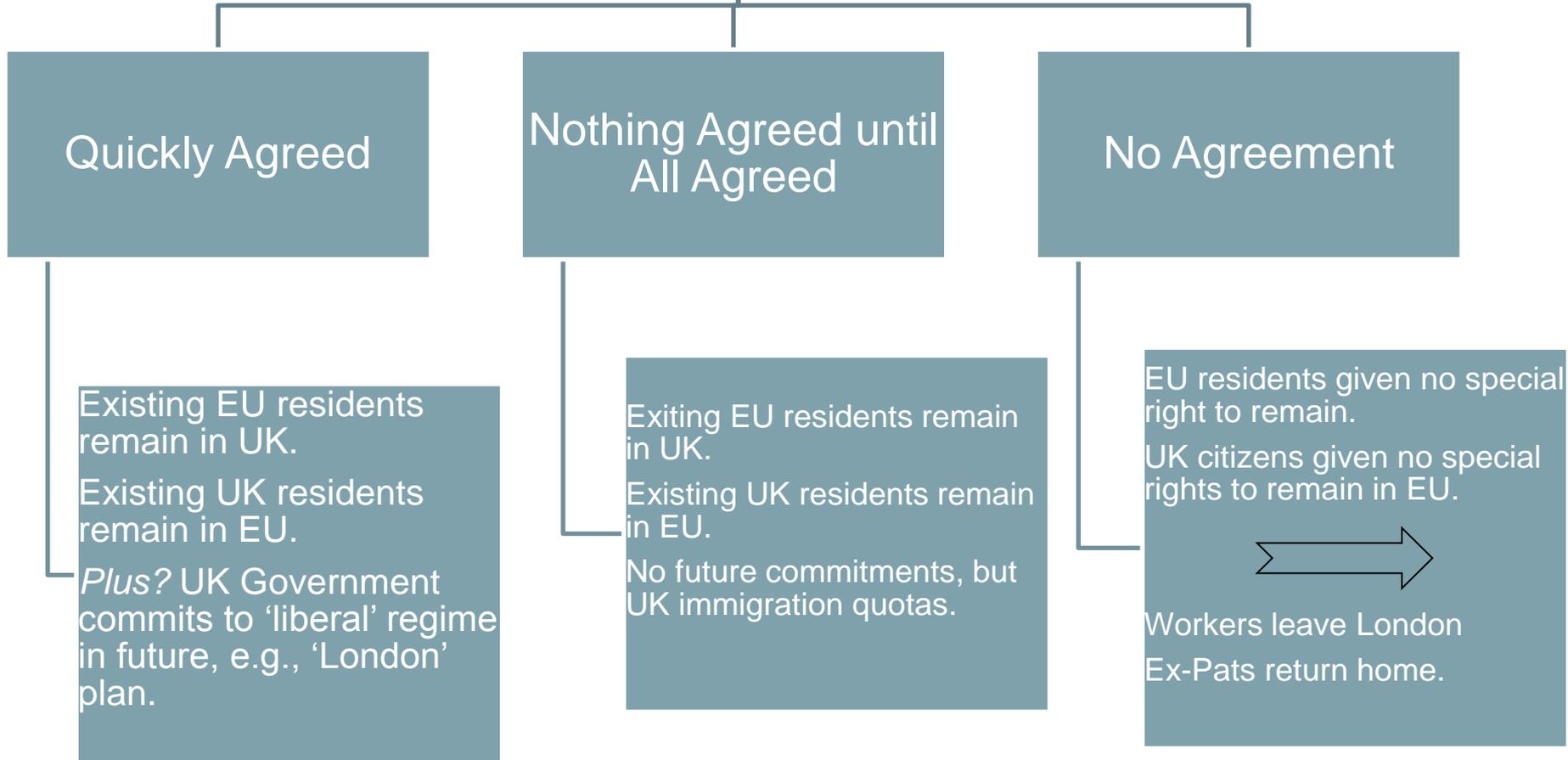
Gibraltar, NI,  
Scotland

# The Policy Context

‘The Secretary of State has said that he wants to secure the best possible access for goods and services to the European market. The Prime Minister has made it clear that she places top priority on controlling the UK’s borders and extricating the UK from the jurisdiction of the European Court of Justice. The pronouncements of the EU’s chief negotiators on the indivisibility of the four freedoms seem to indicate that achieving all these objectives will be difficult.’ Commons Exiting the European Union Committee, *The Process for Exiting the European Union and the Government’s Negotiating Objectives*, 11 January 2017, paragraph 162.

‘The Government has options for a new immigration system for EU nationals that ranges from an approximation to continued free movement to applying the current system for non-EEA migrants to the UK to EEA migrants. Introducing restrictions on migration to and from the EU will introduce complexity to the system, and a balance will need to be struck as to who takes on the administrative burden—the applicant, their employer, or the Home Office.’ Commons Exiting the European Union Committee, *The Government’s Negotiating Objectives: The Rights of UK and EU Citizens*, 1 March 2017, paragraph 133.

# Issue: Free Movement



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