

To: Foreign Affairs Select Committee, House of Commons hearing, Costs and Benefits of EU Membership for the UK's Role in the World

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From: Professor Richard Rose

## **THE IMPACT OF BREXIT ON THE UK'S INTERNATIONAL POLITICAL STANDING**

### 1. SUMMARY

\*Foreign affairs by definition involves interdependence, that is, agreement with other states and intergovernmental institutions. The issue is not whether a government accepts interdependence but how it manages interdependence in pursuit of its interests.

\*The United Kingdom belongs to more than 100 intergovernmental organisations to advance British interests. They vary greatly in their purpose, geographical focus, membership and powers and in their capacity for action. Agreements to act are normally voluntary, e.g. OECD. The UK also has significant bilateral ties with such countries as the United States, Australia and India.

\*Among the organisations to which the UK belongs, the European Union is unique in its combination of wide-ranging responsibilities, rules for arriving at collective decisions, and in the binding nature of decisions affecting member states. However, it is not a member of the great majority of international organisations to which Britain belongs. It can promote EU policies only when there is voluntary agreement among member states.

\*Brexit would not affect Britain's position as a member of the United Nation's Security Council, NATO, the International Monetary Fund, the World Bank and other multilateral institutions. Its chief impact would be the exclusion of the UK from participation as a member state in EU institutions.

\*The impact of Brexit on Britain's international standing is different in kind from its economic impact, for a country's political reputation is a form of "soft" power". In fields where the UK retains specific political resources of interest to other countries, e.g. military and security intelligence, its bilateral relations would hardly be affected.

\*Brexit would require the UK to increase its diplomatic activity in European countries on which it would have to rely to present UK views within EU councils. It would also require strengthening relations with major countries on other continents to show that Brexit means a

shift in geographical attention rather than a diminution of its international political standing. It would also need to increase commitment to promote its soft power through such means as encouraging the recruitment of foreign students and investing more in British Council and world broadcasting.

## 2. BACKGROUND OF THE AUTHOR

Since 1953 I have been researching and writing about British politics and foreign policy in a comparative perspective. In addition to a professorship in public policy in Britain, I have spent time at think tanks in Washington, Berlin and Vienna and have been a consultant or fellow at the IMF, the World Bank, OECD, the European Commission, the European Parliament and international NGOs. This submission draws on two books supported by the British ESRC, The Prime Minister in a Shrinking World (2001) and Representing Europeans: a Pragmatic Approach (new edition, 2015) and current research on the implications of the European Union referendum supported by the ESRC programme on the UK and a Changing Europe.

## 3. THE GROWING SIGNIFICANCE OF INTERDEPENDENCE

Political interdependence occurs when the actions of one government are subject to what other governments do. This is true by definition for foreign affairs, defence and international trade. Increasingly, it is reflected in the growth of “intermestic” problems, as what were formerly domestic concerns become affected by international developments, e.g. the growth of trans-national crime and the attraction of immigrants to the UK’s relatively prosperous economy. Interdependence is neither good nor bad in itself; the effect is sometimes enhances a national government’s policy and sometimes frustrates it.

Interdependence challenges the traditional idea of the state as sovereign, that is, having a monopoly of powers to deal with policies within its boundaries. It forces a state to take into account the effects of what happens outside the country on its own decisions and encourages national governments to seek ways to address shared problems through bilateral diplomatic negotiations or through membership in a intergovernmental formed to deal with the particular issue at hand, whether it be setting standards for goods in international trade, infectious diseases or communication between airports and airline pilots. An agreement is usually a bargain in which each participating countries receives benefits and has costs.

The weight of a country is not fixed; it depends on the weight of other countries with which it is interdependent. The past century has seen a radical transformation in interdependent systems in which the United Kingdom is embedded. The UK has not become smaller in absolute terms; by any conventional measure it has become bigger in population, economic income and wealth; and in the capacities of more educated and healthier citizens. However, in relative terms the UK has become less important because more countries and continents have become independent actors in the international system and because their hard economic political power, separately and collectively, have become much greater.

Before the First World War the United Kingdom dominated two overlapping systems of interdependence: the British Empire and the international free trade system. Since 1940 a

special relationship with the United States has been of central importance, in which the UK depended on the United States for its military security and in 1945 one of the Big Three victors in a global war. After two decades of hesitancy, the UK joined what was then the European Economic Community to gain economic benefits by fully participating in a growing Western European market. Since then Europe has changed from having 6 to 28 member states; the breadth and depth of its binding powers have increased substantially; and significant steps toward an ever closer Union have been realised. Concurrently, globalisation has increased through cross-continental trade, investment, and challenges to UK security.

European Union institutions are exceptional in the political powers given it by treaties to which the United Kingdom has been a willing signatory. In a limited number of areas it claims exclusive powers, in many economic fields concurrent competences with national government and a catchall category of subsidiary powers are meant to be left in the hands of member states. It is also unique in the decision-making rules of the EU institutions that exercise. The Council of Europe's formal system of Qualified Majority Voting requires a policy to be endorsed by a double majority, a super-majority of the population and a numerical super-majority. Except on a very few issues, no member state, including the United Kingdom has a veto.

The great majority of Council decisions are not decided by voting but through political bargaining between national diplomats, EU officials, national ministers and European Commissioners. Studies show that this normally results in outcomes in which every member state, including the UK, achieve most of what they want but have to make some concessions to do so. In the European Parliament, an absolute majority of votes is required to approve policies subject to co-decision with the Council. British representatives account for 9.7 percent of the Members of the European Parliament. The Court of Justice has the power to make decisions that compel or void actions by the UK government.

#### 4. THE IMPACT OF BREXIT

In its political relations with other EU member states, British withdrawal from the European Union would have a big political impact. Instead of being an EU member state it would be an outsider. This is already the case in two major policy areas. Since the UK is not a member of the eurozone, it would not face the need to introduce a new currency, and it is not a signatory convention of the Schengen Treaty on the passport-free movement of people across the borders of member states. The UK also has a number of opt outs from other areas of public policy and the Conservative government is seeking to expand this list its current pre-referendum negotiations in Brussels.

To prevent abrupt disruptions in existing arrangements and years of uncertainty, concurrent with withdrawal Her Majesty's Government would need to negotiate new terms of the UK's relation with EU member states. The domestic political circumstances in which a British government negotiated withdrawal would stress limiting new commitments. There is also a political risk that the anti-EU rhetoric associated with a campaign for withdrawal would produce a negative reaction against Britain within EU institutions.

Even if not an EU member, the United Kingdom would find that its continuing interdependence with member states, both singly and collectively, would require it to conform to many EU laws and practices. Politically, the chief difference would be that any new laws would be arrived at without the UK's participation and the UK would have no choice but to implement them or face new obstacles in dealing with a market of some 450 million people and with 27 EU member states. A Norwegian review of what it has done as a partner in the European Economic Area reported that accepted more than 6000 relatively minor EU measures and the Norwegian Parliament had had to enact almost 300 new obligations that the EU agreed without Norwegian participation. Whatever terms the UK negotiated for external association, it would still face what British advocates of withdrawal would regard as infringements on the sovereignty of the British parliament. In other words, a large fraction of the measures that the UK Parliament has already adopted at the behest of Brussels would remain on the UK statute book or undergo only nominal change.

In its political relations with non-EU member states, the direct political impact would be limited, insofar as existing intergovernmental relations reflect shared continuing interests. This is very evident in national security co-operation with Washington, since NATO is conspicuously independent of the EU and military and counter-terrorist intelligence involves both knowledge and trust. It would also hardly affect relations with the next U. S. president, since for two decades the White House has engaged in a dozen or more special relationships of which the UK is only one. Events can create shared interests with other states, for example, when a cross-border terrorist network is uncovered. Although a situation in which the UK was outside the EU and the Republic of Ireland inside it would create manifold economic difficulties, but it would not stop cooperation between London and Dublin intended to prevent further violence in Northern Ireland.

The direct political impact of withdrawal is also limited by the UK retaining membership in many major international bodies in which the EU is not a member or at most has only observer status. In a number of nominally European institutions, such as the OSCE and the European Bank for Reconstruction and Development, the EU is not itself a member, and EU member states constitute less than half the organisation's membership. As a permanent member of the UN Security Council the UK would continue to work with allies such as the United States and France on many matters. In the International Monetary Fund and the World Bank, the UK would remain a major presence because of its global links with new Commonwealth countries and the engagement of British and British-educated economists. Where the UK currently has a low profile, for example, Ukraine, it would continue to have a low profile.

The World Trade Organisation is the main international body where UK withdrawal would affect its political role, since the EU has exclusive powers to represent an economy of 450 million people—provided that they can agree a line for the EU to take. A known unknown is whether the EU will conclude a free trade partnership with the United States in the next few

years. If that occurred, withdrawal would leave the UK outside any benefits or obligations contained with such a Treaty.

The soft power that the UK enjoys in the world, arising from its exemplary command of English, generations of hosting University students from abroad and the circulation and respect of its quality print and broadcasting media, would remain in place. For historic reasons, soft power has a special relevance in India. In or out of the EU, the growth in electronic capabilities for inter-continental communication gives British institutions and individuals opportunities to take advantage of such ties. If a British government appears unpopular domestically, this news will rapidly spread.

## 5. RECOMMENDATIONS

\*To minimize the costs of UK absence from European Union institutions, the UK would need to increase the resources allocated to diplomatic efforts by British embassies in many European capitals. This is because UK ministers would no longer have the personal standing and relations that they currently gain through regular attendance at EU meetings. It would need to give continuous reminders to governments in Berlin and Paris that the UK has a contribution to make as well as a stake in EU bargaining. It would also need to maintain a large embassy to represent the UK to the EU. Initially it could be staffed by the transfer of UKREP staff but their knowledge and contacts will be a dwindling asset.

\*In Washington and across the United States the UK would need to take steps to utilize its soft power in view of the handicaps imposed by withdrawal on efforts to attract inward American investment. A potential asset in doing so is the growth in the United States of immigrants from new Commonwealth countries who have a knowledge of the UK lacking among other immigrants to the United States.

\*A selective priority should be given to collaborating with countries in other continents to leverage UK influence by working with partners of choice rather than partners determined by their EU membership. Australia and Hong Kong are two countries with which the UK both shares interests in Asia and many long established ties.

\*A substantial increase in the promotion of the UK's soft power globally would be appropriate to boost the UK's soft power as an offset to the loss of political advantages that EU membership brings. Among other things, this would involve reversing cuts to the BBC's global services and increasing the attractiveness of quality students to British universities by altering current visa requirements and by using DfID money to fund short-term travel scholarships to the UK and to developing countries as the US Fulbright programme has done.

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