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***“Brexit – Where are We?”***

**EPP European Affairs Network "Future of Europe: State of Play of  
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Brexit is an unprecedented process, where a big modern economy voluntarily leaves a preferential trading area and the biggest common internal market.

There are two facts in the recent history of Brexit that matter these days. First is about the decision of the House of Commons and the European Council to extend Brexit till the end of January 2020. The second is the already known date which is Thursday, 12 December when the Brits will go to the polls to choose between parties. In principle, the outcome will be either leaving the European Union on the basis of Boris Johnson deal with the EU if the Tories get the majority or having a new government which might create a possibility of a new referendum.

But one cannot exclude, and for some it seems even obvious, an outcome where the next parliament will be unable to make any binding decision. So we might actually be after 12 December in the same place, like never leaving a room. Of course, there are many other issues that we should take into account in the context of Brexit. Looking at the economic data for UK these days one can say that the British economy is not doing well. Also, potential recession announcing factors in the EU might get additional hit from further Brexit evolution.

Those of you who came to previous meetings where Brexit issues were debated know that the EP has worked very closely with Michel Barnier and his team throughout the negotiation period.

We were not negotiating but thanks to unprecedented transparency of Michel we were able to contribute to EU negotiating position, we were briefed after all negotiating sessions and in difficult moments of the process. As EPP we had two representatives in the BSG, the second being the chair of the Constitutional Affairs Committee (AFCO).

We have established also an EPP advisory committee on Brexit where those of us involved can share and listen to.

From day one, most of the EP standing committees have been involved, with highest intensity those with competences in citizens related issues.

AFCO, both in previous parliamentary term and in the current one chaired by EPP members, has become a broad platform for debating with all stakeholders affected by this process.

The involvement of the EP was necessary to develop the sense of ownership and responsibility of the Members with a view to build a constructive majority in the context of the consent procedure.

Consent, the responsibility of AFCO, if not granted through a plenary vote, might lead to Brexit without agreement where the cost would be dramatically high for all of us.

That is why the EP, together with all other European institutions and member states, we all have been of the opinion that Brexit, if it has to happen, should be based on an orderly withdrawal approach. No-deal based Brexit should not be allowed to happen. We supported this approach in all five EP resolutions and all statements of the Brexit Steering Group.

Three issues covered by the Withdrawal Agreement were of particular concern and interest to the EP: citizens' rights, Irish border and budgetary settlement.

Let me, first, say a few words about citizens issue.

We did not see any justification for making EU citizens - who had made their life choices regarding residence, studies and work - pay for Brexit.

It was actually amazing how Brexit raised awareness of the EU citizenship benefits. The negotiations have led to a total overhaul of initial British position regarding more than three million EU citizens in UK and more than million of UK citizens on the continent. We continue as EP to monitor the situation in UK regarding implementation of the settled status procedures and even this week several committees will have hearing on the current situation. We insisted also that twenty seven member states applied the most generous bilateral approach to solve the Brexit challenges of the UK citizens residing on the continent. I hope that national parliaments monitor closely this process in their member states. We see it as our duty to protect citizens rights in the context of Brexit.

But the situation is far from guaranteeing the best outcome.

The challenge is that on the EU side there is still national competence on many aspects and UK does not have any legal act guaranteeing rights agreed in the Withdrawal Agreement (WA). Chapter two of the WA is protecting basic rights of those that before Brexit enjoyed free movement of people, meaning residence, work, social security coordination.

No-deal Brexit which cannot be excluded implies contingency measures which will be unilateral and temporary. From UK side there is only a verbal promise, no legislation has been adopted and only political document of December 2018 is available.

On the EU side national competences play crucial role for most of issues. Most generous approach has been encouraged. Voting rights in few member states were secured through bilateral agreements regarding local elections.

Recognition of qualifications has not been ensured yet, except for very few bilateral agreements, like the one between France and UK.

Ring fencing of citizens rights, demanded by many organizations representing citizens, has been rejected by EU as a solution. It would require support from ECJ. There has been also an argument used that this would be an opening for many other issues to be solved this way. This would be of risk to EU. Let me mention as well that one of the frustrating moments for BSG was when the UK authorities rejected the idea of replacing the application approach with a declaration approach to granting the settled status.

Regarding the future it is worth mentioning that in the current version of the political declaration on the future relationship it is said that free movement will not apply any more.

Let me also share with you some political takeaways from this nonsense in my view, self harm aimed process of Brexit.

We could see that British politicians reached out to one of the most noble democratic instrument which is referendum to address a political party interest. Neither the interest of the state nor the interest of citizens have been seriously contemplated.

Citizens were asked to say if they wanted to leave the EU without adequate information on where they would go after leaving. All was about taking back the control. The campaign was based on misinformation, fake news, false promises.

Years of negotiations, the need to extend the deadline for leaving three times, dramatic political instability and constitutional volatility in UK, justify in my view the opinion that Brexit is simply not doable.

Where we are today looking at it from the European Parliament perspective ? We are under the third extension, this time justified with a democratic event which is election. That is the only certainty we can see. But of course, as I said before, it is impossible to guess the outcome of it. And the uncertainty continues, implying costs across all areas of citizens life and economic activities. Uncertainty generates costs also to external agents, outside UK and EU, for example in the area of trade and investment. There is a soft commitment from the current prime minister that if he wins a majority he will continue proceeding with the withdrawal bill, interrupted after second reading. There is of course a risk that depending on the result of the election there can be further amendments to the withdrawal bill leading to inconsistencies with the withdrawal agreement to which EU will say no.

But I would not dare trying to imagine what can happen after election. We expect that Boris Johnson will have majority allowing him to get the withdrawal bill through the Parliament, most likely not before Christmas, and UK will leave end January or earlier. A technical extension can be considered as well.

In the meantime, as you know we have a fully fledged British representation in the European Parliament with a very colorful participation of the Brexit party.

We expect as well that British government will propose a candidate for British commissioner though some of us interpret the EU law as not preventing the European Commission from being launched without all member states delivering on it. Never the less one cannot exclude the possibility of launching an infringement procedure against UK. We see also rather ad hoc participation of British representatives at different levels of institutional architecture. And as you know we expect from the UK a loyal cooperation.

On the issue of the consent, AFCO, responsible for preparing recommendation to the plenary, is prepared to do it. There is the possibility of several committees to provide their opinions as well.

And, as EP, we have made it very clear that we will wait for the finalization of the full ratification on the British side and only then we will proceed on our side. We take the view that the consent procedure with regard to the Withdrawal Agreement is not a formality but must be preceded by a thorough and exhaustive scrutiny of the text.

As you know this agreement requires qualified majority on the council side. The Council has already made all necessary steps required before the EP consent.

In the meantime we are of course seeing that all necessary steps preparing the EU for the situation of no-deal are in place. And we welcome serious preparation in the Commission and in the Council to start negotiation of the future agreement the day after the UK leaves the EU.

The Withdrawal Agreement is a legal document that provides legal certainty to all those affected by Brexit. If the UK leaves on its basis this would create a relatively better environment for the negotiations of the future deal.

No deal would mean that EU would put on the table a set of pre conditions for launching the future negotiations which is the solution to the three major issues of the Withdrawal Agreement I mentioned: the citizens rights, the Irish Protocol and the budgetary settlement.

Regarding future agreement, ambitions of the current prime minister do not go so far as was the case of Ms May. We hear about a more conventional FTA, zero tariff and zero quota, with limited scope of level playing field measure. This might be an area of major disparity of views between UK and EU.

We have to take into account a potential mixed agreement which would imply unanimity in the Council and ratification by national parliaments in addition to the European Parliament consent.

Ms May talked about a deep, close partnership with an adequate scope of level playing field rules. The current government sees a rather conventional, bare bones FTA and feels a sort of aversion to the level playing field measures covering competition and state aid, labor market standards, consumer protection norms, environmental standards.

Michel Barnier was very clear that the scope of FTA will be in function of level playing field instruments.

Unfortunately, we have heard at different level of negotiation so far that UK is in reality interested in diverging from the EU regulation. This is how taking the control back from EU is understood. So, in post Brexit reality we can expect regulatory divergence starting the day after the departure.

Competition on the basis of lower standards is something we cannot exclude. This might embrace also taxation. That, however, would be a very short sighted policy of UK. So, as usual we have to hope for the best and prepare for the worst.