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**European Parliament**

***“Brexit – what now?”***

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We meet ten hours from the moment when the United Kingdom has become for us in the EU a third country. People say Brexit has become a reality. I would say, not really, because we will be now till the end of this year in the period of transition or implementation as our British friends say. European law applies but UK representatives are not any more in the European institutions. The Brits do not participate in making decisions in the Union.

I speak to you as member of the European Parliament Brexit Steering Group which now has become a UK Coordination Group.

Brexit has been an unprecedented process through which a big, influential state, member of an international preferential trade area is leaving the “club” voluntarily.

It is also a process of extremely divisive nature that has triggered divisions of constitutional, existential, economic and political nature within the United Kingdom, opening a potentially confusing reflections on future of the United Kingdom.

It has been realized in instalments. And only the first phase of the process initiated by the British government as a result of the referendum on leaving the EU, held on the 23rd of June 2016 has been closed last night.

Now the goal is to negotiate an agreement on the future relationship between the EU and the UK.

For nearly four years, we, on the other side of the English channel, have been using this buzzword or indeed a buzz sentence: “we regret but respect”. My private supplement to this buzzword had been till last December elections in UK an expectation that somebody will call from London and call it all off. It did not happen and there is no more any legal opening for such a miracle to happen.

But I believe it legitimate to put a big question mark on the way the referendum, one can say the most democratic tool to make decisions essential for people's lives, was used for Brexit purposes.

As we know, the promise of referendum was used by the Prime Minister and Tories' leader, David Cameron to protect the unity of his party.

And we all remember the referendum campaign as mostly based on fake news, false promises and foreign intervention.

It was supposed to be a consultative referendum but has been ex-post presented as a democratic decision and as such used by the political class.

The history of the Brexit process runs from that gloomy morning of 24 June, 2016 when results of the referendum were made public, through notification by Prime Minister Theresa May of the intention to leave the EU brought to Brussels on 29 March, 2017, through negotiations that started on 19 June 2017 and produced the Withdrawal Agreement, including the Irish backstop and a political declaration, presenting a framework for future relationship.

This agreement has been on the table since 25 November, 2018 and was three times rejected by the House of Commons. The content of agreement had never been consulted by the Prime Minister with the opposition.

Initial date for leaving on time in accordance with Article 50 TEU, which was two years after the notification, was never respected. There were three extensions of Article 50, the last date 31st January, 2020 has become THE B-date.

In the meantime, the change of Prime Minister in July 2019, led to renegotiations of the Political Declaration, resulting in a much less ambitious future relations framework compared to the previous version.

The Irish backstop was replaced by a final deal on the Irish border, not requiring a backstop and establishing the border on the Irish Sea. Elections in December 2019 gave Prime Minister Boris Johnson a sufficient majority to push the new version of the agreement on Brexit through the British parliament.

This made Brexit doable. It is true, however, that we should not look at the UK as just one more third country.

It is a big economy, big market, just around the corner, and ex-member state of the EU, strongly interconnected in nearly all fields of peoples' lives and for the time being fully compliant with EU law, norms and standards.

Its exit from the Union will make the EU smaller internationally. But it will reduce the political size of the UK even more. My impression is that political elites in the UK ignore that fact that the global weight of UK benefited from it being member of the European community.

We in the EU know only too well that the UK is a permanent member of the UN Security Council. That it has significant military and diplomatic forces. Nobody would question either that it has one of the best intelligence services. And it goes without saying that it has been always important at the European table. I would add, for the good and for the bad.

But the most obvious indication of British influence was in my view the history of the European single market. It was an initiative energetically promoted by Margaret Thatcher's government. One can not deny either that its initial implementation was masterminded by a British Commissioner, Arthur Cockfield. One should admit that at that time both Germany and France were much more ambivalent about the single market than UK. British support and backing for it were clearly essential for its realisation. UK can legitimately claim to have had a decisive impact upon the whole trajectory of European integration in the last decades of the 20th century

Another area of a remarkable British influence has been European policy of enlargement. UK was a consistent advocate of the opening of the European Community to new member states, especially those of Central and Eastern Europe. I do not want to sound cynical about the vested British interest in watering down rather than consolidating the integration process. Whatever the intention, enlargement benefited from the British support.

Competition policy would be a further example. Britain's departure indeed may well call into question the underlying philosophy in this context, with market considerations losing ground to the desire to establish "European champions".

What EU must not lose regarding the British legacy is what I would call a global mindset. For example in the area of financial services sector. Also, in trade policy, the UK has been a liberalising voice of some weight. Let us hope this legacy remains.

Not many Europeans are aware of the fact that the British had been important shapers of the Community's regional policy when it was first introduced during the 1970s, in response to the British dissatisfaction with their access to the common agricultural policy.

The UK has over the course of its more than four decades within the European system exercised an important influence over the operation of the European institutions. This has not been solely, or even mainly, a matter of language. The gradual displacement of French by English as the lingua franca of the EU system has had multiple causes. British membership was just one factor amongst many in this context but an important one. While the influx of British civil servants certainly helped tilt the linguistic balance away from French and towards English, even more important has been the manner in which UK-trained officials have altered the way in which officials have interacted, the way meetings have been prepared, and the way in which records have been kept.

The briefing notes with which European Commissioners were equipped when attending important international meetings were deeply transformed by a new set of practices introduced by Roy Jenkins' cabinet in the late 1970s.

There are numerous examples of how the way the European civil service have been influenced by the British administration practices.

The Brits had been champions in forging alliances with like-minded governments, often including the Scandinavians, and more recently the states of Central and Eastern Europe. They have developed practice used effectively during many rounds of negotiations when they were really uncomfortable with the direction of travel taken by the Union, to negotiate effective opt-outs. Beginning of this can be found at the end 1970s with regard to refraining from participating fully in the European Monetary System. Later on it covered Euro membership, participation in Schengen, and important aspects of justice and home affairs provisions.

The "fiscal compact" is another example. The Czech Republic and the UK opted out of the legally binding treaty. Prime Minister David Cameron objected to proposals for financial service regulations that would affect the City of London. He also noted that there were insufficient safeguards for the future workings of the EU single market. After he was denied an opt-out, he rejected the deal. The use of EU institutions to police the new treaty is also controversial for the UK government. Mr Cameron insisted that the European Court of Justice and the European Commission could only carry out policies applying to all 27 EU states. So, yes British contributions to the practice of European integration cannot be denied.

What is ahead of us now are three strands of action during the transition period. It is the negotiation of the future relationship. It is the necessity to ensure that

contingency measures will be in place to protect us against a potential new cliff edge in case agreement on the future is not in place by end of the year and it is the implementation of the Withdrawal Agreement, including in particular the citizens rights and the Irish Protocol.

The Withdrawal Agreement's importance comes from the fact that it provides legal certainty to all those affected by Brexit.

Our, EU priority in these negotiations had been the citizens' rights, both of those more than 3 million of continental Europeans who made their life choice to reside, study, work and live in UK and more than 1 million of British nationals residing in the EU 27 member states.

These were very difficult talks with the British authorities that started with two totally divergent approaches but ended up with a lot of good news for all those who would come to UK before the end of the transition. Even if in general terms these were very successful negotiations, we continue to see possibility to improve the way the agreement is implemented.

The second issue that we considered an absolute priority during negotiations of withdrawal and which will require a lot of attention regarding its implementation is the Irish border.

Avoiding emergence of a hard border on the Irish border was one of the bigger if not the biggest challenges of the withdrawal negotiations.

The challenge stemmed from the fact that British negotiators' red lines included leaving the single market and customs Union. This made avoiding emergence of a hard border a very difficult mission.

But even a bigger challenge was to preserve peace process and ensure that there was a full respect of Good Friday Agreement in all its parts.

Our aim was a frictionless border and all island economy but also protecting the integrity of European single market.

Additional political challenge that had to be taken into account was that the vote to leave the EU was not supported by the majority of people in the Northern Ireland.

Up to 3000 people cross the border every day to work and study, not including movements for societal, domestic, recreational purposes. Many businesses and factories have premises on the other side of the border. This border has actually been open for the last 20 years, so any hard border could be exploited by enemies of peace.

Now, as UK is a third country, and orderly withdrawal allows for a transition period, the goal is to negotiate an agreement on the future relationship between the EU and UK.

Most likely the negotiating mandate, already proposed by the European Commission, will be supported by the EP in two weeks' time and the Council will adopt it on 25 February.

That would allow Michel Barnier and his enlarged team to start negotiations at the very beginning of March.

Time, which has been a limiting factor during the whole Brexit period, will be an even bigger restriction this time around. We have never negotiated an important comprehensive agreement with a third country against a deadline, and a deadline that offer unprecedentedly short time for negotiations.

It is basically eight months if we respect "no extension of transition" rule demanded by the Brits. Negotiations with Canada lasted close to 10 years.

European Parliament in all its resolutions opted for an association agreement form of future cooperation framework. It seems that Member States also give preference to a comprehensive agreement with two major components of economic partnership and security. An association agreement has, however, a weakness as it requires unanimity and national ratifications. This can be made more flexible by allowing for provisional implementation of the parts of agreement under exclusive EU competence.

What will matter strongly in the future negotiations is the need to respect certain principles important from the EU perspective. I would say that among these horizontal principles I would see: an adequate balance between rights and obligations of our new partner, respect of level playing field measures, understanding that a third country cannot have the same level of benefits as members, preserving EU autonomy in decision making, ensuring an effective mechanism of dispute settlement and enforcement, as well as avoiding that there is a negative impact on our relations with other third countries.

I also believe that the fact that UK has made it very clear that the free movement of persons will be terminated in the future, that they will leave single market and custom union, that they will preserve regulatory autonomy, and will have their own, independent trade policy - all these conditions will have a huge restrictive impact on the nature and scope of future relations.

I believe Level Playing Field measures can become the most challenging element of the negotiations.

Geopolitical proximity, existing interdependence and ties and at the same time a zero tariff, zero quota approach can lead to unfair competition, and loose regulatory cooperation will not be enough.

A comprehensive agreement will require a comprehensive mandate. It will also require a horizontal elements covering all sectorial agreements and providing solutions to all elements of governance and level playing field measures. This will be key. But there will also be areas of negotiations where reciprocity will matter or the role of ECJ. There will be areas where national British law would apply and we do not know the choices that will be offered. Future is also unknown regarding political stability in UK.

World seems to be going back to great powers. With whom UK will associate itself, is not at all clear. Choosing between Atlantic and Channel dimension of alliance, is an option which can surprise the world.