Introduction

When on 23 June 2016 a majority voted in favour of the United Kingdom (UK) leaving the European Union (EU), it generated a host of unknowns. Prior to the referendum, scholars had already started to anticipate the implications of a potential Brexit from different perspectives, including considering the legal (Cardwell 2016; Łazowski 2016; Butler et al. 2016), political (Kroll and Leuffen 2016; Oliver 2016; Freedman 2016) and economic (Jensen and Snaith 2016) implications. After the referendum, studies have begun to address the reasons for the Brexit vote (Hobolt 2016; Clarke et al. 2017) and its potential consequences. This chapter will add another piece to the Brexit jigsaw by focusing on the impact upon the EU itself. To do so, it first develops an analytical framework to study the shifts in power that may occur because of Brexit, using an approach that tackles in turn the micro, meso and macro levels of analysis (focusing alternately on changes within the institutions, between the institutions and outside of the institutions). It afterwards outlines a brief introduction to Britain’s historically fractious relationship with the EU as a means of demonstrating where key policy divisions lie and suggesting where Britain’s exit will leave the greatest strategic vacuums. The subsequent analysis centres on the actors that will likely win and lose from the UK’s exit from the Union.

Analysing power in UK–EU relations

Power is central to any understanding of the EU. It is a system that has not only been built on the pre-existing power of the member states but also one in which the main purpose is to transform the exercise of this power. Power in the EU can be divided into three dimensions that correspond to the three analytical levels that must be considered when estimating the effects of Brexit. At the micro level is the intra-institutional level, which is concerned with the power distribution within the institutions, such as member states in the Council and members of the European Parliament. At the meso level is the inter-institutional level, which focuses on the balance of power among the EU institutions, for example the European Council, the Council, the European Parliament, the Commission and the Court. Finally, at the macro level, the EU is seen as an aggregate actor whose position might change in the international system because of Britain’s departure (see Table 21.1).
Brexit will certainly influence power distribution across all three levels in the EU, but estimating exactly how is highly challenging due to the interlinked nature of the dimensions. To wit, an example: a change in the power distribution (let us say among the member states in the Council) should be anticipated by the actors concerned and consequently lead to a change in the power balance between the institutions (let us say from supranational to intergovernmental decision-making), which again could influence the EU’s position in the international scene. The following is therefore written under a *ceteris paribus* assumption.

For each of the three dimensions or levels, we need to define what types of power we scrutinize with regard to Brexit. At the micro level, Wallace (2005) reminds us of the many different forms power can take, ranging from hard power, such as veto rights, to soft powers, such as trust generation or providing appealing ideas. This broad understanding of power embraces both the realist (material) and the constructivist (ideational) approaches. At the meso level, scholars have focused on the distribution of power among the different EU institutions, where two key questions have been addressed: how powerful are the institutions in shaping policy outputs, and to what extent do the intergovernmental or supranational institutions dominate (Marks et al. 1996; Tsebelis and Garrett 2000; Thomson and Hosli 2006; Hix and Hoyland 2011; Thomson 2011)? At the macro level, we draw on Manners’ (2002) concept of ‘normative power Europe’ to help illustrate the ways in which the EU is likely to seek to exercise global influence in the post-Brexit era. In particular, we focus on the debate on the EU’s power in economic spheres, such as global trade, but we also consider possible changes to its ability to transform its surroundings through military intervention (Manners 2002; Hyde-Price 2006).

Past and current studies of Brexit generally face the challenge that they are dealing with a moving target, where the consequences will materialise slowly and may change over time. To address this challenge, this study will use the behaviour and impact of the UK’s more than forty years of membership of the EU as proxy for what will happen when taking it out of the EU ‘equation’. In other words, this chapter uses the past as a predictor of the future by looking at studies that have directly or indirectly addressed the UK’s historic impact with regard to the three dimensions/levels. It thereby engages in discussing empirically founded counterfactuals, but it also applies secondary simulations of what would have happened in the EU without the UK. These estimations are combined with empirical evidence, to the extent that it has already emerged in the wake of the Brexit vote, to judge the impact.

| **Table 21.1** A taxonomy for measuring the impact of Brexit on the balance of power in the EU |
|---|---|
| **Level** | **Theory** | **Research questions** |
| **Micro** | Wallace’s (2005) many faces of power in EU intra-institutional decision-making | What will the impact be within the different institutions? |
| **Meso** | Theories and models about power in inter-institutional decision-making and on the overall balance of power in the EU | How is the balance of power likely to shift among the institutions? Will the EU become more supranational or more intergovernmental? |
| **Macro** | Theories about the EU as a global actor | How will the EU’s position change in the world? |
Britain’s historic contribution to the EU

The following section outlines how the UK’s membership to date has proven significant in shaping both the material and ideational terrain of the EU. Right from the beginning, Britain’s membership of the EU has been fractious: the UK held its first referendum on membership in 1975, a mere two years after it had eventually joined in 1973. In a series of events that proved eerily similar to the 2016 referendum, the 1974 Labour majority was won partly on the back of a manifesto promise to deliver a renegotiation on the terms of, followed by a vote on, continued membership. The outcome of the negotiations was an agreement with the other eight member states on the introduction of the Community’s regional policy and creation of a budgetary correction mechanism (Miller 2015) – on which basis, the government advocated continued membership. The referendum was won with a Remain vote of 67 per cent, but the terms of the debate have shaped the narrative in Britain ever since: core areas of concern included the Common Agricultural Policy (CAP), the UK contribution to the budget, the nascent goal of the Economic and Monetary Union, the harmonisation of the value-added tax (VAT) and national sovereignty in pursuing regional, industrial and fiscal policies (ibid.). On all of these topics, the UK has been vocal.

Britain’s economic priorities have been significant in shaping the policy direction of the Union. The differences in the UK’s economic structure from the original six, especially where agriculture was concerned, were so significant that they prevented Britain’s initial applications for membership in 1963 and 1967 from being accepted. The UK’s farming sector was markedly smaller than that of the other members (Ackrill 2000); consequently, the UK has long been in favour of minimising CAP support, helping to drive changes such as the MacSharry reforms and Agenda 2000. The relative paucity of the UK’s CAP receipts was a significant factor in the budgetary correction mechanism negotiated in 1975, in the rebate granted in 1984 at Fontainebleau (which in turn was responsible for initiating a web of other rebates across the rest of the EU’s members) and in the creation and corresponding expansion of the regional policy that accompanied these moves. The UK, with its depressed post-industrial regions, was initially a substantial recipient; it has worked to promote the expansion of regional policy, which has since evolved to become the biggest area of spending in the EU. The UK’s exceptional status has therefore played a significant part in generating the economic policies of the contemporary EU.

The UK has pursued ideational leadership in a number of areas, manifesting particularly in a desire to advance market liberalism and minimal regulation. It has also historically been a liberalising force concerning external trade, with the signing of the Lomé Convention in 1975 driven primarily by the need to accommodate the Commonwealth countries with preferential trade deals. (One of the major planks of the 1975 renegotiation deal concerned market access for New Zealand dairy products) (Miller 2015). The Single European Act is likewise an example of Britain’s role in shaping the EU’s internal ideational direction. This programme to complete the Single Market originated in the white paper of Lord Cockfield, the British commissioner for the Internal Market, Tax Law and Customs, and culminated in Margaret Thatcher’s belligerent stance on market opening during the final negotiations. The UK later opted out of the ‘social chapter’ agreed at Maastricht, by which Jacques Delors intended to provide an antidote to the liberalising policies of the SEA. In line with this historically market-based approach to European integration, the UK has been key in providing expertise and policy leadership in a number of cognate fields at the EU level, such as in financial regulation (Moloney 2017) or the Lisbon strategy. Most recently, the British fought to gain the newly created Financial Stability, Financial Services and Capital Markets Union brief within Jean-Claude Juncker’s commission. The appointee, Lord Hill, initially attracted a critical reception from MEPs but later proved dynamic in the role, particularly with respect to providing impetus for the Capital Markets Union.
The UK has also exercised influence in order to shape the emergence of particular institutional arrangements, which then in turn tilts the playing field upon which power is exercised. Negotiations over the Single European Act, for example, resulted in the European Parliament being awarded greater powers as a corollary (although this was more of a side effect than a conscious strategy by the UK). The UK has also helped to shape the Commission’s functioning, for example through the so-called Kinnock reforms (spearheaded by the former Labour leader), which, in the wake of the Santer scandal, reorganized strategic policy setting, human resources and financial management. By 2003, it was reported that eighty-four of the ninety-three task areas had been actioned or completed (Peterson and Birdsall 2008). These reforms were also designed to prepare the Commission for the 2004 enlargements – of which the UK was a key supporter, not least because it would disrupt the existing alliances of EU policy agreement and move the Union closer towards being a loose alliance of states rather than a federation.

Brexit and the changing distribution of power in the European Union

In light of Britain’s historic role, the remainder of this article goes on to estimate which members and institutions within the organisation that emerges (the EU27) will be best able to benefit from the strategic vacuum created by Brexit, by deploying the micro, meso and macro frameworks outlined in the previous section.

The micro level: power balance within the institutions

The Council of Ministers and the European Council

According to Wallace (2005), of the different ways power can be gauged in the EU, the first and the most obvious is ‘political weight’, which in accordance with the voting rules is determined by population size. As a big member state comprising nearly 65 million citizens (amounting to 12.74 percent of the EU’s population) the UK is a significant actor. However, when looking at the voting record in the Council, the UK was in the period 2009–2015 the member state that was most frequently on the losing side (12.3 per cent of the time) (Hix et al. 2016). The UK found itself on the losing side more often when it came to ‘budgetary policies, foreign and security policy, and international development’ whereas it was more commonly on the majority side in areas such as ‘international trade, industry, environment, transport, legal affairs, economic and monetary union and internal market policies’ (ibid.: 5). However, an important caveat is in order: being outvoted in the Council is very much a political strategy, which is used to signal dissent to voters ‘back home’ (Goetz and Meyer-Sahling 2008: 9). In other words, there might be member states whose preferred policy is further away from the Council compromise than the UK but who nonetheless decide not to create antagonism by voting against a proposal. In terms of coalition partners, the UK voted most often together with Sweden, the Netherlands and Denmark, which are likely to lose an important ally when it leaves the EU (Hix et al. 2016).

It is also possible to project the systemic impact that the removal of the UK will have. Utilizing the Shapley–Shubik power index, Köczy (2016) has calculated the power distribution in the EU with and without the UK, through which the following pattern emerges. In general, the big member states are going to win greater power by virtue of Brexit, whereas the small member states are going to lose out. The reasoning is as follows: majority and blocking minority coalitions usually comprise a mixture of big and small member states. However, with the UK leaving, the small member states have fewer big member states to cluster around when forming coalitions, which, everything else being equal, diminishes the small member states’ influence. Looking at the
power index, the cut-off point based upon population size is around 5.4 million (corresponding to states the size of Finland and Slovakia). Member states with populations smaller than this will experience a loss of power, whereas member states with larger populations will gain. The member state benefiting the most according to the study is Spain, with 44.4 million inhabitants, which will move from being the 5th to the 4th most populous member state. Dividing the member states into other groups according to factors such as their accession time (old vs. new) and geographical clustering (North, South, East, Centre) suggests that the central and old member states, such as Germany and France, will gain the most from Brexit.

The second aspect concerns the ‘economic weight’ exercised by member states. The UK is a major economy and net contributor to the EU’s budget (Stenbæk and Jensen 2016). As shown in the previous section on Britain’s historic contribution to the EU, the country has been very active in creating items in the budget from which it would benefit (such as regional policy), cutting spending on items to which it was/is a net contributor (such as the CAP) and securing itself a rebate, as an overall net contributor to the budget. With the UK gone, the coalition of ‘better spending’, which comprises net contributors to the budget, has lost its most vocal and hardest fighting member in the Council (ibid.).

The third source of power is ‘compelling demands’. The UK has historically as well as recently been a so-called demandeur when it comes to policies related to or impacting upon the internal market, as illustrated in the previous section. It has, for instance, forcefully defended non-Eurozone member states’ rights to have a say on decisions taken by the Eurozone member states, if these will have impact on the functioning of the internal market (for example, over the signing of the fiscal compact and on banking union) (Miller 2012). With Brexit, non-Euro member states such as Sweden (which for technical reasons does not fulfil the accession criteria, operating a de facto derogation by refusing to join the ERM) and Denmark, which has a formal opt-out, will be in a weaker position to defend these rights vis-à-vis the Eurozone member states.

The fourth power asset is ‘persuasive ideas’. Taking the UK out of the decision-making equation, the EU will lose a powerhouse when it comes to launching market-related ideas. This will certainly be an advantage for member states in the South advocating regulation of markets (market shaping), whereas member states in the North, in favour of market-creating polices (market making, who therefore share an accord with the UK) (Quaglia 2010), are expected to lose out. In particular, the loss of UK influence over Capital Markets Union and trade deals such as the Transatlantic Trade and Investment Partnership (TTIP) may be keenly felt by member states enthusiastic to achieve them.

The last source of power and influence, according to Wallace (2005), is ‘credibility and consistency’. Historically, the UK has been seen as a member state with great negotiating capital because of its credible and consistent behaviour in the Council, which is not least due to its extremely well functioning internal coordination system (Bulmer and Burch 2001). However, the UK diminished a lot of its negotiation capital during the preceding two governments headed by David Cameron (Rasmussen 2015; Jensen 2017), whose strategy surrounding first the fiscal compact and subsequently the renegotiation of Britain’s membership atrophied goodwill towards the UK. Despite this, the UK’s loss is likely to be deeply felt, as it performs two significant functions. First, the UK is important for structuring negotiations in the Council, as it has been the initiator of different coalitions such as ‘friends of better spending’ and groups of like-minded member states (Stenbæk and Jensen 2016). Second, the UK provides an information-sharing function in the Council, as it over the years has proven extremely capable at gathering and disseminating information both about the potential consequences of different legislative solutions and other member states’ positions. With the UK out of the picture, it might be more difficult to find compromises due to lack of information and the restructuring of political conflict.
The European Parliament

The European Parliament is structured according to ideology rather than territory, which makes it more difficult to apply the faces of power suggested by Wallace (2005). Nonetheless, Hix et al. (2016) show that proposals for legislation are likely in future to be less focused on decreasing regulatory burdens for businesses and defending property rights by running simulations of voting in the European Parliament without the members from the UK. According to the study, the influence of UK members of the European Parliament has been decreasing in recent years, due to a self-created distance from the institution (ibid.). A related example of this is the Conservative Party’s decision in 2009 to leave the dominant centre-right block, the European People’s Party, and join the newly created European Conservatives and Reformists. With the UK out of the equation, representation of the European Conservatives and Reformists will be significantly reduced, implying diminishing influence on legislation from an already low baseline. Of the UK’s seventy-three members of European Parliament (MEPs), nineteen are currently Conservatives affiliated with the European Conservatives and Reformists, which has forty-five MEPs in total; furthermore, twenty-four UK MEPs are from UKIP, contained in the Europe of Freedom and Direct Democracy alliance, which is chaired by Nigel Farage and has seventy-three MEPs in total. With the UK gone, the right wing in the European Parliament will therefore be weakened, especially since it in several cases has won votes due to a higher turnout of members when compared to the left wing. The groups most likely to benefit from this will be the two largest groups, the European People’s Party and the Socialists and Democrats.

Occupying central positions in the Parliament is another way of exercising power because it enables the individual MEP to be an agenda setter, which can be used both in a realist sense to assert one’s preferences or in an ideational sense to frame issues. Here a distinction can be made between leadership positions and rapporteurship. Looking at the former data indicates that taking the UK’s size into account, its MEPs have quantitatively been somewhat less successful in securing important positions in the European Parliament when compared to other big member states, which might be due to self-distancing, as described in the previous section (ibid.). Qualitatively, however, UK members of the European Parliament have taken on key positions. Since 2004, two vice-presidents, three quaestors and four political group leaders, as well as a number of committee chairpersons including one from the important internal market committee, have come from the UK (Hix and Benedetto 2016).

In addition to occupying leadership positions, MEPs from the UK have also been successful in getting rapporteurships on many significant legislative proposals when compared to other big member states. Getting a rapporteurship implies writing up a report on a legislative proposal for a committee. Though this report should reflect the preferences of the committee members as a whole, it can be an important vehicle for influence because of information asymmetry. The key question is then how Brexit will influence the daily work of the European Parliament when these different posts are taken over by MEPs from other nationalities (and who will benefit?). This process is already beginning, with the midterm reshuffle being used as an opportunity to shift the British out of these key positions. The most likely winners will be MEPs from big member states such as Germany and France, who are best placed to exploit the uncertainty generated. As these MEPs can be expected to favour less internal market and deregulation, it will reinforce the tendencies from the voting simulations.

The Commission

The UK has (as with the Council and the Parliament) mostly defended a deregulatory approach in the Commission, which will in consequence be ideationally weakened due to Brexit. However, given that this has been an ongoing agenda within the Commission for some time (with
José Manuel Barroso’s establishment of the Impact Assessment Board in 2006, subsequently replaced by Juncker in 2015 with the Regulatory Scrutiny Board, it is unclear how materially affected this platform will be in the absence of the UK. What is certain is that EU agencies based in London, such as the European Medicines Agency and the European Banking Authority, will be moving, resulting in disruption to their staffing structures and the potential loss of institutional memory. Other member states are looking to benefit from this process. Nineteen countries applied to host the European Medicines Agency, and eight vied for the European Banking Authority. The Netherlands won the European Medicines Agency and Paris the European Banking Authority, both determined by drawing lots after a draw in the Council.

Though Commissioners do not formally represent the interests of their member states, they are nevertheless an important vehicle for injecting national preferences into the work of the executive (Hooghe 2002). Historically, Commissioners from the UK have occupied portfolios related to the internal market and regional policy. With the UK leaving, many senior positions will be up for grabs by other member states. As of 1 January 2017, only 3.2 per cent of all Commission staff are from the UK (compared to 10.3 per cent from the greatest contributor, France). However, they are disproportionately likely to be senior: the percentage of British officials at the so-called administrative grades (AD 5 to AD 16) is 4.02 per cent, and British citizens compose 6.5 per cent of officials at the top two grades (AD 15 and 16). Regardless, the Commission would appear to be the least threatened of the three institutions, not least because there appears to be no immediate intention to offload the British staff that are currently incumbent, with Juncker reassuring British officials that ‘you are “Union officials.” You work for Europe. You left your national “hats” at the door when you joined this institution and that door is not closing on you now’. It should be noted, however, that staff on secondment from British institutions working on sensitive dossiers in DG FISMA have been sent back, and this may presage wider moves. In general, however, the status quo is more likely to be preserved than in the European Parliament and Council, where the ejection of British influence will be immediate.

**Power balance between the institutions**

Turning to the inter-institutional balance, one should expect, *ceteris paribus*, the EU to become more supranational as a consequence of the UK leaving, as it over the years has defended an intergovernmental approach and blocked federal aspirations. However, Brexit could also cause the EU to become *more* intergovernmental by causing more decisions to be shifted to the European Council. In other words, the UK’s egress could be the cause of two possible, contradictory outcomes – one of which empowers the European Council and one the Commission. There are several aspects to this uncertainty. First, one ‘diagnosis’ of Brexit is that increasing Euroscepticism is at least partly caused by the EU’s inability to deliver viable solutions to significant challenges such as the euro and refugee crises. According to this argument, solutions to such problems cannot be delivered at the systemic level but require the political power of heads of states and governments at the super-systemic level in the EU. This implies that decisions could be moved from the Council to the European Council. Such a move would also accordingly weaken the European Parliament, Commission and the Court, as these institutions play a less significant role when decisions are reached through intergovernmental means.

Second, although Germany and the UK are the member states voting together least in the Council (Hix et al. 2016), the two have shared interests in many areas such as the internal market and the budget. With the UK gone, Germany fears that the way will be paved for more protectionism and higher spending in the EU – and, with Angela Merkel weakened in the most recent German elections, Germany may be keen to preserve influence wherever possible. Therefore,
Germany and the other Northern European member states, such as the Netherlands and Denmark, will have an interest in shifting decision making from the Council, which in many areas uses qualified majority voting, to the European Council, which reaches decisions with unanimity. By doing so, Germany and its allies can veto decisions that run counter to their interests. Given Germany’s current status as the economic ‘primus inter pares’ (Bulmer and Paterson 2013), its interests in this sphere should not be discounted. However, Germany’s dominance is treated by some authors as symptomatic (along with Brexit) of a broader legitimacy crisis in the EU, where domestic populations are increasingly sceptical of the EU as a vehicle for positive change. The need to manage domestic pressures may also cause member states opposed to Germany (particularly in the Southern periphery) to fight for more repatriation of powers via the European Council.

However, the story of member state disagreements and domestic politics could yet spin both ways. The Commission might, paradoxically, be a key beneficiary of the centrifugal forces unleashed by Brexit. The political process of negotiations under Article 50 has involved both the Commission and the European Parliament nominating representatives (Michel Barnier and Guy Verhofstadt, respectively). In the initial phase after the vote, many of the interventions shaping the possible terrain of Brexit have come from member states themselves, whose different interests are competing and may yet prove irreconcilable. But the Commission’s receipt, after the triggering of Article 50, of a set of guidelines from the European Council, followed by negotiating directives from the Council of Ministers has shaped the potential for the Commission to take charge of the negotiations and to act as a conduit for conflicting member states.

One key way in which the Commission could leverage Brexit for its own benefit is if it is able to mobilise uncertainty over the budget. On the revenue side, the UK may have to pay if it wants future access to the internal market (depending on the terms of such access). Regardless of whether continued contributions are negotiated, Brexit will leave at least a shortfall, which could mean that net recipients from the budget receive less – or that net contributors (especially Germany) have to pay more. We are already witnessing the contours of this shift, as the drop in the value of the pound following the Brexit vote left a €4 billion hole in the EU’s funds for 2017, which was partially filled by letting the EU temporarily keep the money it collects in corporate fines (€1.1 billion) instead of remitting them to the member states (via a draft amending budget). Negotiations on how to resolve the rest of the shortfall are ongoing.

The upshot of the budgetary uncertainty is that it will probably lead to some kind of wholesale revision of the budget come the next Multiannual Financial Framework (MFF), for the period after 2020, which is due to be negotiated by 2019. Several other member states have rebates that are dependent on the UK’s (including Germany, Austria and Denmark), and this web of different allowances is likely to unravel post-Brexit, an eventuality considered by the EU’s High Level Group on Own Resources (HLGOR), which published its findings in December 2016. Brexit could lead the EU to get some kind of direct or indirect taxing powers future, either in addition to or as a replacement for its existing own resources (drawn from VAT and customs lev- ies), which are prone to fluctuation and which now constitute a mere 20 per cent of its revenues. More stable and autonomous revenue streams could potentially empower the Commission, if it is able to capitalize on the uncertainty generated by Brexit.

The external dimension

In a number of respects, the UK’s exit will shape the EU’s external policies going forward. Key areas of external policy include trade (involving the Common External Tariff, CET) and security and defence (falling under the Common Security and Defence Policy, CSDP). In evaluating the external impact of Brexit, we draw on Manners’ (2002) ideas on the EU is a normative power.
The core of this approach specifies that the EU’s power lies not only (or even primarily) in its
civilian or military capacity but rather in its ability to shape conceptions of what is normal in
international relations. This has the benefit of allowing us to think broadly about the possible axes
along which the EU’s influence may be redefined post-Brexit. Uncertainty, not least, is a threat:
the possibility of disintegration will itself diminish the EU’s ideational status with regard to the
rest of the world, and the EU is likely to fight hard to project a more positive image.

Concerning material influence, the key variable is trade. Here, much depends on what kind
of Brexit is agreed – in particular, which elements of the package of Single Market (including
services) and common external tariff (including the EU’s external trade policy) it retains: current
UK Government policy is to leave both. Other association agreements have demonstrated that
to an extent these elements are separable (such as the EEA, which does not include the CET),
although it is unlikely that freedom of movement will be one of the options available à la carte.
If the UK leaves the CET and ceases to be subject to the EU’s trade policy – which seems likely,
given the creation of a Department for International Trade – major ongoing deals like the TTIP
could be called into question. The UK is, as of 2014, the second largest EU destination for US
exports, behind Germany, which could make the deal less appealing to the United States (indeed,
the Trump presidency appears to have cooled on TTIP, but this may reflect internal vacillation
as much as an externally coherent policy shift). One possible outcome of TTIP would be to set
global standards for trade (Siles-Brugge and De Ville 2015), the loss of which would mean a
diminution in potential global normative impact for the EU. The recently signed CETA agree-
ment demonstrates the difficulty of garnering agreement amongst the EU27, and, without the
UK as a driving force, it may be that appetite for further deals diminishes both within the EU
and amongst potential external partners (at least for deals following the same mixed agreement
model). Of course, the converse is also possible: that the EU views the UK’s exit as a catalyst for
further initiatives, with the recent Japanese agreement as a precedent.

With the UK out of the picture, the EU will also lose one of its strongest military forces meas-
ured on a number of indicators, corresponding to almost 25 per cent of all military spending
in the EU (Guzelyté 2016). Together with France, the UK has been important in terms of pro-
moting the view that the EU should also be able to use military force. In 1998, the British Prime
Minister Tony Blair and French President Jacques Chirac agreed on the Saint Malo declaration.
The declaration, which was a response to the EU’s failure to prevent the atrocities committed
in the armed conflicts in Kosovo in the late 1990s, stipulated that the EU should have its own
military capabilities so that something similar could not happen in the future. Though the UK
and France have disagreed over key military issues, such as the second Iraq War, both countries
have emphasized the importance of backing up the EU’s soft power with hard power. Although
Britain has indicated that it has common interests with the EU when it comes to military issues,
Brexit means that a strong advocate for hard power will disappear from the EU.

The EU would not only lose out in terms of hard power but also in soft power – its main tool –
as the UK commands a strong diplomatic corps and network (Patel and Reh 2016). Together
with pressure from the United States for Europe to contribute more, this may force the EU as a
whole to advance its military capacity. This in turn could prove an opportunity for Germany to
replace the UK as the choice of strategic partner for the United States in Europe, as, ceteris pari-
bus, the United States would prefer a member state of the EU to a non-member state. Another
perhaps more likely alternative would be that France increases its military capacity significantly
in exchange for concessions from Germany with regard to economic issues. However, the out-
come of both elections may yet prove to reshape the Franco-German axis and make predictions
difficult to render. Macron will wish to stamp his authority on the Élysée, not least by delivering
on his promises to take a bold stance on Europe. Meanwhile, the rise of the AFD in Germany
may limit Merkel’s room for manoeuvre and limit her capacity to act as an honest broker in international affairs. However, for the EU as a whole, Brexit could also mean an opportunity for the EU to develop a stronger military arm under the CSDP: the UK, despite being in favour of supplementing soft power with hard power, has to date vetoed attempts in that direction, which it perceived as being supranational rather than intergovernmental in orientation. It is therefore possible that Brexit may prove either a divisive force amongst the military powers of Europe or conversely a chance to bolster the reach of the EU itself.

Conclusion

This article has sought to provide an estimate of how the UK’s intention to leave the EU is likely to affect power relations within the Union. Both material and ideational factors have been significant in conditioning the UK’s relationship – and occasional culture clashes – with the EU. The UK has played an important role in shaping the politics of the Union, and thus its removal will generate significant legacies. We have mapped these potential legacies by deploying a framework detailing the micro-, meso- and macro-level shifts likely to occur. Our major findings are threefold. Firstly, in terms of administrative and political arrangements within the institutions, the Parliament and Council are likely to be significantly more affected than the European Council or Commission. Secondly, in terms of the balance of power among institutions, one of these two latter institutions is most likely to be the principal beneficiary of the uncertainty created by Brexit, although this is likely to be zero sum, and it is impossible at this stage to determine which will benefit more. Finally, the changes within the EU will undoubtedly have implications for the organisation’s place in the world. Whether Brexit will prove to be a geopolitical threat or opportunity for the EU as a whole remains to be seen.

Notes

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2 Tara Palmieri and Carmen Paun, EU Leaders to UK Staff: We’ll Try to Protect You after Brexit, Politico, June 24, 2016. Available at: www.politico.eu/article/eu-leaders-to-staff-well-try-to-protect-you-after-brexit-eu-referendum-consequences-uk-leave-europe/ [Accessed February 16, 2018].
3 The shape of any potential alliance with Emmanuel Macron may also prove critical.

References


