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**Policy Brief** 

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### Brexit and the British Election: Limiting the Damage

By Sir Michael Leigh

British Prime Minister Theresa May aims for a big win for her Conservative Party in the general election on June 8. She may use an increased majority to marginalize Brexit hardliners and negotiate a smooth transition for Britain when it leaves the EU at the end of March 2019.

But negotiations will be tough and may break down at any stage, particularly over the EU's demand for sizeable exit payments by Britain. Both the "divorce settlement" and the future framework for EU–U.K. relations pose major challenges to the negotiators. A "hard Brexit" in which Britain leaves the EU with no agreement in place remains a significant risk. Brexit came about as a result of leadership failures in the United Kingdom; it was not inevitable. The most egregious error on the road to Brexit was the promise of an "in/out" referendum in the Conservative Party's 2015 election manifesto in an effort to appease Euroskeptics. It had the opposite effect and produced a narrow majority in favor of leaving the European Union in the June 2016 referendum.

Brexit is a lose-lose process that will leave both Britain and the other EU countries weaker than they would have been otherwise. "Brexit will never become a success. It is a sad and sorry event,"<sup>1</sup> according to a top EU official, after initial skirmishes with the British authorities. The former Swedish prime minister and foreign minister Carl Bildt told GMF's Brussels Forum in March 2017 that EU "decisions will be taken without the United Kingdom in the future, to the detriment of Europe....and to the detriment of the United Kingdom."<sup>2</sup> A parliamentary spokesman for Germany's ruling Christian Democratic Union (CDU) commented recently: "The EU will be worse off without Britain, and Britain will be much worse off."<sup>3</sup>

<sup>1</sup> Florian Eder and David Herszenhorn, "Brexit Will Never be a Success: Juncker's Top Aide," Politico, May 3, 2017.

<sup>2</sup> Carl Bildt, "Brexit and the Implications for Europe," GMF's Brussels Forum, March 23, 2017.

<sup>3</sup> Arthur Beesley et al., "Call for Truce in Brexit War of Words," *Financial Times*, May 4, 2017.

By spring 2017, the British food and agriculture sector, the City of London, and the automobile industry, among others, were waking up to the costs.<sup>4</sup> Various companies plan to relocate or transfer staff from London to continental cities. Fearing possible restrictions, citizens of EU countries who reside in the U.K. and British citizens who reside elsewhere in the EU are applying for new nationalities in record numbers. A tenfold increase in the number of British citizens interested in moving to New Zealand was reported in the three months following the June referendum.<sup>5</sup> Brexit increases economic uncertainty and drains political energy from far more pressing problems. It has revived latent tensions from Gibraltar to Ireland.

Against this background, both sides now prefer to avoid a "cliff edge" and to ensure that Brexit takes place in an orderly manner, despite an increase in cross-Channel tensions, as preparations for withdrawal talks began.

### Brexit and the British Election

Brexit was the route to power for David Cameron's successor as prime minister, Theresa May, previously a mild defender of remaining within the EU. As prime minister, she embraced Brexit enthusiastically and used it to conduct a purge of the Conservative leadership, bringing in her own supporters and key "Leavers" as ministers to prevent them from attacking her from outside the government.

Once in office, she claimed that the referendum gave her a specific mandate for exiting not only the EU but also the single market and the customs union. In reality, no such plan had been put to the British people before the referendum. She adopted this position, which carried major political, administrative, and economic costs, partly from conviction (immigration, sovereignty) but mainly to ward off attacks from extreme Brexiters, especially given her narrow parliamentary majority of 17 seats.

Now, Theresa May urges her fellow citizens to "move on" and has called a general election for June 8, 2017, largely to obtain a popular mandate for her radical approach to Brexit. Her initial efforts to engage EU leaders on this agenda produced mutual

recriminations that she brandished publicly for electoral reasons. <sup>6</sup>Nonetheless, insiders insist that, despite these opening clashes, she wants a divorce by mutual consent, realizes that to leave the EU with no agreement would bring chaos, and will prove pragmatic in the negotiations. She has spoken of the dangers of walking over a cliff edge when Britain actually leaves the EU at midnight on March 29, 2019.

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Theresa May called the June 8 election because she realized that it was hard to manage parliament with a narrow majority, which would probably be reduced in by-elections. Spring 2017 is likely to be the highwater mark of her popularity, before the costs of Brexit are felt by the population. The Labour Party is exceptionally weak under its present leadership. The prime minister can claim to have delivered Brexit already with her formal notification of Britain's intention to withdraw from the EU. An increased majority could provide stronger leverage against hardline Brexiters, if she needs to give ground in the negotiations. The prime minister claims that it will also strengthen her hand with EU negotiators, though this is questionable given the initially unified position of the 27 other member states and the fact

<sup>4</sup> These effects have been examined in detail by the British House of Lords EU Select Committee and its sub-committees. See, for example, its report concerning the impact of Brexit on agriculture and the food industry, "Brexit: Agriculture Report," Lords Select Committee, May 3, 2017.

<sup>5</sup> Lincoln Tan, "Tenfold Increase in Interest from Brits Wanting to Move to New Zealand since Brexit Referendum," *New Zealand Herald*, August 22, 2016

<sup>6</sup> Heather Stewart and Peter Walker, "Theresa May Declares War on Brussels Urging: 'Let Me Fight for Britain,'" *The Guardian*, May 3, 2017.

that the Netherlands, France, and Germany, as well as a number of smaller member states, will have new governments following their own elections this year.

Above all, the British election means that the prime minister will no longer be bound by 2015 Conservative the manifesto drawn up by predecessor David her Cameron. She will write her own manifesto not only on Brexit but on economic and social issues as well. The coming British election is an opportunity for Theresa May to obtain endorsement from voters

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as prime minister in her own right, and to see off the Labour Party under its present leadership as well as the United Kingdom Independence Party (UKIP), which has lost its reason for existing, following her decision to mainstream a hard Brexit.<sup>7</sup> The Conservative Party may gain seats from the Scottish National Party (SNP) in Scotland, where the Conservatives have an effective leader in Ruth Davidson, reducing the risk of a second referendum and Scottish secession. An increased majority will enable the prime minister to get rid of some of her principal hardline Cabinet colleagues, though she will be wary of creating a rallying point for diehards outside the government. The Liberal Democrats, who call for a second referendum on EU membership, may gain seats without posing a threat to the Conservative majority. With the election brought forward to 2017 from 2020, May will hope to be re-elected for a second term in 2022 instead of 2025. This ambition should give her an additional incentive to be pragmatic in the negotiations, to avoid too heavy an economic burden falling on the electorate. This may change, however, if the negotiations turn nasty.

### The Issues at Stake

Against this background, let's look briefly at the main issues at stake in the Brexit negotiations and how these are likely to proceed in practice. The British position is set out in the prime minister's letter to the EU Council president to notify him of the U.K.'s intention to leave,<sup>8</sup> and the British government's February 2017 White Paper on exit from and new partnership with the European Union.<sup>9</sup> The position of the EU is set out in the negotiating guidelines approved on April 29, 2017 by the European Council.<sup>10</sup> These have been completed by more detailed draft directives approved by the Commission in May 2017.<sup>11</sup> An early version of these was leaked in April.<sup>12</sup> Once these directives have been approved by the European Council, they will define the EU's negotiating goals and room for maneuver. The Council can issue further directives in the course of the negotiations.

The principal divergences between the two sides are already apparent. Others will crystallize during the negotiations. Hardline Brexiters will want to hold May to her earlier declaration that "no deal for Britain is better than a bad deal for Britain."<sup>13</sup> But she believes an agreement is desirable and possible both on withdrawal arrangements (referred to here as "the divorce settlement") and on Britain's future relationship with the EU.

#### Sequencing the Negotiations

The first basic difference in approach between the British government and the EU concerns the sequencing of the negotiations. Theresa May wants to

<sup>7</sup> Earlier, it had been widely assumed that Britain would follow "the Norwegian model" or similar arrangement that would keep it inside the single market and possibly the customs union after formally leaving the EU. This approach is still favored by much of British industry.

<sup>8</sup> Government of the United Kingdom, "Prime Minister's Letter to Donald Tusk Triggering Article 50, March 29, 2017.

<sup>9</sup> Government of the United Kingdom, "The United Kingdom's Exit from and New Partnership with the European Union White Paper," May 15, 2017.

<sup>10</sup> European Council, "European Council (Article 50) Guidelines for Brexit Negotiations," April 29, 2017.

<sup>11</sup> European Commission Article 50 Task Force, "Taskforce on Article 50 Negotiations with the United Kingdom."

<sup>12</sup> Alex Barker and David Blood, "Brussels' Opening Brexit Bid – Annotated: How to Read between the Lines of the European Commission's Negotiating Paper," *Financial Times*, April 20, 2017.

<sup>13</sup> Government of the United Kingdom, Speech by Prime Minister Theresa May, "The Government's Negotiating Objectives for Exiting the EU: PM Speech," January 17, 2017.

discuss the divorce settlement (the terms governing Britain's withdrawal from the EU) and the framework for Britain's future relations with the EU in parallel; "alongside," is the word she uses repeatedly.

The EU, however, insists on a two-stage process. In the first phase, only the divorce settlement should be discussed in its view. The second stage covers Britain's future relationship with the EU. Substantial progress must be made on the divorce settlement before there can be even "preliminary and preparatory discussions" of the future framework. The EU reserves to the European Council, its top decisionmaking body, the right to determine when such progress has been made. The divorce settlement will need to cover a number of practical issues including legal certainty for businesses and individuals and some territorial questions, such as arrangements applying to British sovereign base areas in Cyprus. The most sensitive issues, however, concern citizens' rights, the financial settlement, the European Court of Justice (ECJ), and Ireland.

#### Citizens' Rights

The EU is seeking, on a reciprocal basis, the perpetuation of the existing rights of EU citizens resident in the United Kingdom, extended to family members. The Commission expects "equal treatment" between EU residents and British citizens to continue to apply after withdrawal and a guarantee to be given by Britain of "directly enforceable vested rights for the lifetime of those concerned." It is also calling for continued recognition by the United Kingdom of diplomas and professional qualifications from other member states, a key requirement for securing and maintaining employment in Britain.

The Commission wants "simple and swift procedures" to replace the U.K.'s current 85-page application for a residence permit, which is required even for people who have lived and worked in the U.K. for many years and threatens to overwhelm the government's administrative capacity. The British government's position on citizens' rights has not been made public in such detail. However, it is clear that Britain expects any arrangements in this area to be fully reciprocal and refuses to confirm at the outset that EU citizens living and working in the U.K. will be entitled to remain after Brexit.

#### The Financial Settlement

The Commission is proposing a single financial settlement, covering obligations arising under all EU institutions, treaties, and common policies from which the U.K. will be withdrawing. Britain, like other member states, has entered into extensive financial commitments stretching into future years and the EU insists that these be honored in full. It wants these obligations settled in euros, a normal requirement but one likely to be costly for the U.K. because of sterling's

recent depreciation. It also wants the U.K. to pay for all the costs of withdrawal including the removal of EU agencies from Britain to other member states (notably the European Banking Authority and the European Medicines Agency, which together employ over 1,000 people and have multiannual leases expensive on properties in London.)

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It expects, too, that Britain should pay interest on outstanding amounts if, as expected, payments are stretched over future years.

Initial headline figures for the U.K.'s financial liabilities have ranged up to 100 billion euros.<sup>14</sup> This figure is top of the range and reflects pressure from some member states to include future commitments, including farm payments, and to exclude assets, such as EU buildings that Britain jointly owns. It was immediately rejected by the chief British negotiator David Davis and is subject to extensive bargaining and recalculation. Many Brexiters, as well as a House of Lords committee report, maintain that the EU cannot require any payments at all from Britain

<sup>14</sup> Zsolt Darvas, "Divorce Settlement or Leaving the Club? A Breakdown of the Brexit Bill," Bruegel, Mach 30, 2017; Alex Barker, "Brussels Hoists Brexit 'Bill' to 100 Billion Euros," *Financial Times*, May 3, 2017.

after withdrawal, from a strictly legal perspective.<sup>15</sup> Any final figure will only be determined as part of an overall agreed divorce settlement.<sup>16</sup> In the end, the two sides will try to agree on an equitable and manageable figure and meanwhile will focus on the methodology used to calculate it.

The financial settlement, however, is already highly politicized in Britain and, to some extent, in countries, including Germany, that are net payers, as well as net recipients like Poland. It will be difficult for the EU to adjust to the loss of Britain's 12–14 percent contribution to the EU budget. The financial settlement, especially when expressed in exaggerated headline figures, could derail the divorce settlement at an early stage before the talks have made much progress.

#### **Enforcement and Dispute Settlement**

The Commission considers that the jurisdiction of the ECJ should be maintained on all matters arising from the divorce settlement related to EU law. It opens a narrow window for other enforcement mechanisms on matters unrelated to EU law, provided they offer equivalent assurances. The U.K. might accept continuing ECJ jurisdiction for a transitional or implementation period. But the ECJ is a neuralgic point for Brexiters, including the British prime minister, as it touches directly on the emotive question of sovereignty that played a major role in the 2016 referendum campaign. British negotiators will press for an alternative, ad hoc, dispute settlement arrangement, inspired, for example by the European Free Trade Area (EFTA), court.

#### Ireland

The divorce settlement will also cover the sensitive question of the border between Northern Ireland, which is part of the United Kingdom, and the Republic of Ireland. All parties wish to avoid the construction of a land border across Ireland and aim to maintain the Common Travel Area, which now applies to the U.K. and Ireland.<sup>17</sup> However, after Brexit, this border will become part of the EU's external border and so "flexible and imaginative solution" will be needed, according to the Commission, to keep it open. Otherwise there is concern that the 1998 Good Friday Agreements between the political parties in Northern Ireland and between the British and Irish governments could be called into question, increasing the risk of a return to violence.<sup>18</sup>

In referring to the Good Friday agreements, the European Council, in its conclusions of April 29, 2019, implicitly endorsed the understanding that, following Brexit, Northern Ireland would be absorbed smoothly into the EU, if the peoples of the North and the South of the island decided in the future on unification. The Irish Prime Minister compared this to the way in which East Germany was absorbed into the EU following unification in 1990.<sup>19</sup>

#### Britain's Future Relations with the EU

"Article 50 of the Treaty on European Union requires that the framework for the future relationship with the Union is taken into account in the agreement setting out the arrangements for the withdrawal," as the Commission observes in its draft negotiating directives. This opens the door to informal discussions about future EU–U.K. relations during the first phase of the negotiations. However, the EU has made clear that it will be ready to negotiate Britain's future relationship with the EU only when

<sup>15 &</sup>quot;We conclude that if agreement is not reached, all EU law—including provisions concerning ongoing financial contributions and machinery for adjudication—will cease to apply, and the UK would be subject to no enforceable obligation to make any financial contribution at all." House of Lords, European Union Committee, "Brexit and the EU Budget," March 4, 2017.

<sup>16</sup> David Davis, "Brexit: U.K. and EU at Odds Over Size of 'Divorce Bill,'" BBC, May 3, 2017.

<sup>17</sup> Sylvia de Mars, "The Common Travel Area: Prospects after Brexit," Centre for Cross Border Studies, January 2017.

<sup>18</sup> Government of the United Kingdom, "The Belfast Agreement," April 10, 1998.

<sup>19 &</sup>quot;EU Says United Ireland would be Automatic Full Member," EURACTIV.com with *Reuters*, May 2, 2017.

it judges that sufficient progress has been made on withdrawal arrangements. The official negotiating positions drawn up by the EU, therefore, are silent on future EU–U.K. relations, which could be the subject of further negotiating directives in due course.

The U.K. government, however, has been more forthcoming on the subject. On procedure, it considers that the divorce settlement and future relations should be discussed simultaneously, not in two successive phases of the negotiations. On substance, Theresa May rules out continued participation in the single market, because this involves free movement of workers, as well as goods, services, and capital, or in the EU customs union, as this would preclude bilateral trade agreements between Britain and third countries around the world. Such bilateral trade agreements figure prominently in her vision of a "truly global Britain" following Brexit.

The British prime minister seeks, for the long term, "a deep and special partnership" with the EU "taking in both economic and security cooperation." She seems to have in mind a more far-reaching version the EU–Canada Comprehensive Economic and Trade Agreement (CETA) tailor-made for Britain.<sup>20</sup> It should cover trade in general and especially sectors of particular interest to the U.K., such as financial services and automobiles, but stop short of participation in the single market or the customs union. The future agreement, or parallel arrangements, should also cover justice, home affairs, and security. British representatives continue the Saville Row metaphor by referring to a "bespoke" agreement while the EU warns against "cherry picking."

If sufficient mutual trust is established, it should be possible to bridge these conflicting positions on the sequencing of the negotiations. Informal conversations, in parallel with negotiations on the divorce settlement, could sketch out the possible shape of future relations. In the end, the EU view that "nothing is agreed until everything is agreed" and the U.K. view that the divorce settlement depends on a common understanding of the shape of future relations could become a common vision of the way forward.

### The Way Forward

The negotiation of the withdrawal agreement must be concluded by October 2018 to allow time for approval by Britain, EU member states, and the European Parliament before March 29, 2019. This is the date when Britain's withdrawal will take effect, at midnight, unless the negotiations are prolonged by unanimous consent.

Despite British assertions to the contrary, it will be impossible to negotiate an ambitious free

trade agreement (FTA) governing future EU–U.K. relations within this short period. Technically, anyway, such an agreement can only be finalized once the U.K. has become a third country. Experience with Canada and other partners suggests that several years are needed for the EU to negotiate and ratify a major FTA. If it is a bold and ambitious agreement, the British prime as

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minister proposes, it will include issues of national legal competence going beyond trade in goods and, therefore, require ratification by all 27 EU member states as well as the U.K. and the European Parliament. Eight parliamentary chambers in Belgium must give

<sup>20</sup> European Commission, "In Focus: EU–Canada Comprehensive Economic and Trade Agreement (CETA)."

their consent to such agreements.<sup>21</sup> There is many a slip in the ratification process as the EU discovered with CETA and the Association Agreement with Ukraine. <sup>22</sup>An ambitious agreement between the EU

and the U.K. could well be taken hostage in one member state or another.

The clock is already ticking and, despite the Commission's fast work in drawing up technical plans for the negotiations, their actual pace will be affected by this year's elections in France, Britain, and Germany.<sup>23</sup> This means that substantive negotiations The easiest way to ensure a smooth transition after British withdrawal would be a standstill for a certain period."

on sensitive issues will be squeezed into a one year period following the German elections between October 2017 and October 2018.

It will take time for the U.K. to enact into national law European legislation that it wishes to retain and to put into place the necessary implementing capacity. Extensive new institutional arrangements will be required in the U.K. in areas as diverse as aviation and fisheries. The authorities will also need to find the necessary budgetary resources to finance administrative infrastructure and subsidy regimes within the limited fiscal space available. It will take many years to replace the EU's political, trade, technical, and financial agreements with third countries and international institutions by bilateral agreements. There will be a lengthy period before the U.K. is able to become fully operational in areas previously covered by the EU and before a long-term agreement with the EU enters into force.

The British government aims to bridge the gap, in part, through its proposed "Great Repeal Bill,"<sup>24</sup> is a misnomer as it would actually maintain the provisions of EU law in force in Britain, while at the same time repealing the European Communities Act that legislated for Britain's original accession to the EU's predecessor bodies. Much remains to clarify in such an arrangement, not least how the U.K. treats new EU decisions and legislation, as well as how it builds the necessary implementing capacity, following withdrawal from the EU.

Transitional arrangements will be required to avoid a cliff edge and to allow time for the conclusion of a long-term agreement.<sup>25</sup> With impeccable logic, the Commission maintains that transitional periods can only be discussed in the second phase of Brexit negotiations, once the divorce settlement has been concluded and the outline of future relations agreed. After all, the notion of "transition" implies movement toward an agreed destination that has already been identified. However, businesses and individuals in Britain, the EU, and third countries require legal certainty and continuity in order to conduct their affairs.

The easiest way to ensure a smooth transition after British withdrawal would be a standstill for a certain period, possibly, on a renewable one year basis,<sup>26</sup> during which EU rules and laws would continue to apply in the U.K. Britain could retain its place in EU agencies during the transition by mutual agreement. Such a standstill would, in itself, require detailed

<sup>21</sup> At federal level, the House of Representatives; Regions: Flanders, Wallonia, Brussels-Capital; Communities: French Community, German-speaking Community, French Community Commission (COCOF), Common Community Commission (COCOM). The Flemish Parliament consists of representatives of the Flemish Community and the Flemish Community Commission, together with the Flemish region. European Parliament, "Ratification of International Agreements by EU Member States," November 2016.

<sup>22</sup> Meg Hilling and Hanne Cokelaere, "Netherlands Sticks with EU-Ukraine Deal Despite Referendum No Vote," Politico, April 19, 2016.

<sup>23 &</sup>quot;EU Maps Out Plan for 4-Week Cycles of Brexit Talks," Politico, May 4, 2017.

<sup>24</sup> Government of the United Kingdom, "The Great Repeal Bill: White Paper," March 30, 2017.

<sup>25</sup> Jean-Claude Piris, "It is in Europe's Interest to Treat Britain Fairly on Brexit," *Financial Times*, May 3, 2017

<sup>26</sup> Matin Wolf, "Britain Has the Chance to Secure a Smooth Brexit Transition," *Financial Times*, May 5, 2017.

negotiations. It is, therefore, important and urgent that transitional arrangements be introduced into the negotiations at an early stage.

May will need considerable political capital to win acceptance for such an arrangement in the U.K., as it involves continued free movement of workers, payments into the EU budget, and the jurisdiction of the ECJ during the interim period. This is one of the reasons why a big win for the Conservative Party in the general election on June 8 is so important to the prime minister. It will enable her to head off the inevitable objections from hardline Brexiters to such an arrangement. The EU, too, will need to move beyond its present negotiating guidelines to permit transitional measures to be discussed at an early stage in the negotiations.

Serious negotiations will begin after the British election on June 8, though they will not enter a decisive phase until a new German government has taken office in October. It also remains to be seen whether President Emmanuel Macron will have a working majority in the French Parliament, following the country's legislative elections in June. This will affect France's posture in the EU's negotiations with the U.K.

The European Commission has proposed both substantive negotiating directives and a methodology, inspired to some extent by previous enlargement negotiations, though with the opposite goal.<sup>27</sup> Like an applicant country, *mutatis mutandis*, Britain must accept the rules of the game for the negotiations as decided by the club it is planning to leave. This includes holding negotiating sessions in Brussels, rather than alternating between the two capitals.

With the necessary will and domestic support, the British government and its EU interlocutors could succeed in concluding the withdrawal settlement, agreeing on transitional arrangements, and sketching out the framework for a long-term relationship by October 2018, though the talks may go down to the wire. Following formal withdrawal, negotiations for a "bold and ambitious" trade agreement may take several years, and face serious obstacles to ratification. In this event, the transitional arrangements may be prolonged, to the satisfaction of all favoring free interchange with the EU but to the frustration of hardliners. Anticipating this, they could push May to fix firm time limits for any transitional arrangements.

It cannot be excluded, however, that the negotiations will break down at any stage, probably early on, if the EU sticks to its demand for a costly financial settlement and if the British popular press and hardliners shout it down. The British government's room for maneuver will depend on the outcome of the general election in June. A strong showing by the Conservative Party should give the prime minister a wider negotiating margin though it may also increase the ratio of hardliners to former "remainers" in the House of Commons.

In the worst case, Britain will leave the EU at midnight between March 29–30, 2019 without an agreement in place. It has become a commonplace that the U.K. would then fall back on World Trade Organization (WTO) rules to conduct its international trade. But this outcome, which carries many disadvantages, especially given complex international supply chains and high tariff peaks for sensitive goods, supposes that all the members of the WTO will accept Britain's schedule of commitments. This would essentially reproduce the EU's current schedule. However, WTO members may be reluctant to do so before being informed of Britain's own farm support regime, applicable standards, and access to the EU market. None of these elements may be in place on the date of withdrawal from the EU. WTO members have begun to raise bilateral problems with Britain as a condition for their approval of its schedule of commitments. It will also be essential for Britain to reach agreement with WTO members in order to establish the baseline for its own planned negotiation of bilateral agreements

<sup>27 &</sup>quot;EU Maps Out Plan for 4-Week Cycles of Brexit Talks," Politico, May 4, 2017.

with the United States and other countries around the world. Each of these agreements will, in turn, pose its own challenges.

EU and U.K. negotiators should calibrate their negotiating strategies to minimize these risks in the months ahead. Brexit will never be a win-win strategy. But a concerted effort to lower the emotional temperature and to concentrate on identifying workable arrangements, including smooth transitional arrangements, will help to limit the damage. The views expressed in GMF publications and commentary are the views of the author alone.

#### About the Author

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#### About the Europe Program

The Europe Program at GMF enhances understanding of the challenges facing the European Union and the potential implications for the transatlantic relationship. It contributes to the European and transatlantic policy debate through policy-oriented research, analysis, and convening to help improve the political, economic, financial, and social stability of the EU and its member states. The Europe Program focuses on the following key areas: integration and disintegration in the EU; Germany's role in Europe and the world; challenges in the EU's neighborhood; reconnecting Southern European member states; migration; the rise of populism; and EU energy security.

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