

## HOW 'BREXIT' COULD IMPACT THE EUROPEAN COUNCIL

On the day of the UK referendum on EU Membership FleishmanHillard (FH) is taking a closer look on the aftermath of the 23 June. This insight piece focuses on one of the aspects of the referendum that very few people have concretely looked at in the past months – the impact of a “Brexit” or a “Bremain” on the European Council. How will alliances look should Article 50 be invoked? Which Member States will “benefit” or “lose” from a change in the status quo? Whatever the result on Thursday, one thing is certain – the dynamics could change.

### IN THE EVENT OF A “BREXIT”

#### VOTING WEIGHTS WOULD SHIFT

While voting rules are expected to remain the same, relative voting weights for all Member States would increase. Germany and France would both increase their respective weights by around 2% (18% and 15% as their overall share respectively), while Italy, Poland and Spain would gain 1.0 - 1.5% respectively. More specifically:

- + Without the UK, only 15 Member States would have to vote in favour in order to achieve the necessary 55% of Member States threshold. However in case of Brexit, this majority needs more mid-sized countries, to match the second threshold of 65% of the EU’s population (“double majority” voting rules).
- + Spain, Italy and Poland could become more influential actors in a Union without the UK by playing a crucial role in facilitating a majority or a blocking minority.

What happens until Article 50 is invoked? Nothing in legal terms as until the UK actually activates Article 50 nothing in a legal sense changes. Of course politically speaking there may be attempts to exclude the UK from decision-making or it may be possible to agree a gentleman’s agreement for the UK not to attend.

Before the two-year Article 50 “Brexit” procedure is completed and the UK leaves the EU formally, the UK would be excluded from voting in all Council meetings in the case of a unanimity vote. The UK would be expected to abstain, thus not prevent a decision from being taken should all other Member States vote in favour.

However, in the normal course of events, the Council rarely undertakes formal votes, with agreements generally reached by consensus. Rather what ultimately matters in the Council is alliances. What should therefore be considered, beyond the change in voting weights is the impact of a “Brexit” on established alliances.

POSSIBLE BLOCKING MINORITIES ACCORDING TO GEOGRAPHIC AFFILIATION		w/o UK	with UK
Non-Euro	SE, DK, PL, RO, CZ, HU, BG, HR, (UK)	23.60 %	33.50%
South	FR, IT, ES, PT	41.55 %	36.11%
	FR, IT, ES, PT, EL, BE	46.55%	40.51%
North	SE, DK, FI, IE, NL, (UK)	9.57%	20.91%
	SE, DK, FI, IE, NL, DE, (UK)	27.77%	36.84%
North +	SE, DK, FI, IE, NL, DE, PL, (UK)	36.35%	44.39%
North +(+)	SE, DK, FI, IE, NL, AT, DE, LT, LV, EE, (UK)	31.11%	39.81%
CEE	CZ, HU, SK, PL, RO, BG, LT, LV, EE, SI	23.34%	20.39%
Visegrad	CZ, HU, SK, PL	14.50%	12.80%

In **green**: working blocking minority  
 In **red**: unachievable blocking minority

**To Note:**

A proposal will be adopted with 55%\* of Member States (i.e. currently 16 countries) representing at least 65% of the EU population (\*72% if the text has not been proposed by the European Commission).  
 A blocking minority will be possible if four countries representing at least 35% of the EU population are against.

\*Source: Council Legislative Transparency

#### WHO “WINS”?

The obvious answer would be “no one” given the wider impacts on the EU. However, the largest Southern European Member States, namely France, Italy, and Spain would maintain their ability to form a blocking minority with Portugal’s support. Without the UK, France would likely try to reinforce its position as one of the key leaders in Council.

However, despite these aspirations, France alone will not be able to drive the Council forwards. Over the past years it has been criticized for its declining influence at EU level and has been considered as overambitious on issues such as environmental policy. This means, that without a strong partners France would not be able to leverage its power.

#### WHO LOSES?

Overall, without Britain, a traditionally pragmatic member of the Council (in policymaking terms), the Northern more economically liberal group of states including Sweden, the Netherlands, Ireland, Denmark, Finland and Germany (and increasingly the Baltics) would lose their influence in the Council, across a number of areas. This would affect policies on the single market, transport, environment, and energy

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Market, which would be affected by the loss of Britain's voice in advocating in favour of a more liberalised market, as well as generally lower budget contributions and 'better regulation'.

A "Brexit" would also put Germany, in particular, in a challenging position. **Germany, with its national elections coming up in 2017, could find it much more difficult to find allies.** Today's "primus inter pares" could be challenged by France, which could jump on the opportunity to push Germany close to its more statist position, in light of its Presidential elections, or by coalitions of Member States particularly in the East that have a different vision both of internal market policy and of the EU's external relations, mainly with Russia. It will also unbalance the wider EU between (broadly) Northern liberal Member States and Southern countries.

Lastly, while many commentators had predicted that Poland **would be the EU's new driving force, latest divisions with Brussels on media freedom or the rule of law have led Warsaw to be temporarily sidelined.** A key member of the Visegrád group, which brings together Hungary, the Czech Republic, and Slovakia, Poland will try to leverage its leadership to set the agenda. In a post-"Brexit" era the group's power would increase from 12.80% to 14.5%. In combination with Warsaw's "king-maker" role in a North+ coalition (see table), the Visegrád group's increased voting share would only require the support from other Southeastern Member States to form a blocking minority. This will for example in particular play a crucial role in questions around migration.

### NORTH-SOUTH, EAST-WEST DIVIDE TO BE MORE STRONGLY FELT

Future alliances in the Council will be linked to national visions of issues of strategic interest of Member States. In

the past months, issues such as immigration or defence and security have demonstrated that the EU can be divided in different blocks with opposing views. In the event of a "Brexit" these divisions could be further exacerbated leaving many negotiations to linger as no obvious influential coalition could be formed.

### HOW ABOUT IF THE UK REMAINS?

Even if the UK decides to stay on 23 June, the status quo could still change. If David Cameron wins the referendum he will be the first national leader to win a referendum on the EU at a time when there is growing Euro-skepticism across the continent. Whilst the European Parliament is bound to maintain a level of hostility to the UK, the Council may be more understanding of the national pressures that drove the referendum (up to a point).

Nonetheless, a "Bremain" does not mean that the UK will maintain the same level of influence. While relieved that an obvious period of insecurity which could damage the Union and Member States has been avoided, some countries such as France or Visegrád Members could seize the opportunity to use the UK's renegotiated relationship with Europe as a way to re-assert their role at EU level, mainly for domestic politics reasons ahead of national elections.

So far, predictions on the future of the Council have only been based on our understanding of past events. Going forward, with populism gaining more influence in domestic politics across Europe, elections coming up in many large Member States, and immigration flows persisting, it is expected that alliances in Council could still change. Either way the UK will have to undertake a serious engagement programme in advance of their second half of 2017 Presidency of the Council; it will be an opportunity to rebuild bridges.

### TABLE OF REFERENCE

<b>DE</b> Germany	<b>NL</b> Netherlands	<b>AT</b> Austria	<b>LT</b> Lithuania
<b>FR</b> France	<b>BE</b> Belgium	<b>BG</b> Bulgaria	<b>SI</b> Slovenia
<b>UK</b> United Kingdom	<b>EL</b> Greece	<b>DK</b> Denmark	<b>LV</b> Latvia
<b>IT</b> Italy	<b>PT</b> Portugal	<b>FI</b> Finland	<b>EE</b> Estonia
<b>ES</b> Spain	<b>CZ</b> Czech Republic	<b>SK</b> Slovakia	<b>CY</b> Cyprus
<b>PL</b> Poland	<b>HU</b> Hungary	<b>IE</b> Ireland	<b>LU</b> Luxembourg
<b>RO</b> Romania	<b>SE</b> Sweden	<b>HR</b> Croatia	<b>MT</b> Malta