

SNAPSHOT

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Giving you insight to what is on the EU agenda

Rebooting friendships after Brexit

What happens after the withdrawal negotiations?

March 2019

Everyone is so bogged down in the cut and thrust of the tortuous Brexit negotiations that we are in danger of losing sight of the importance for all Europeans of shoring up the genuine friendships and shared values of the UK and EU27. Louise Harvey, Non-Executive Chair at FTI Consulting Brussels, looks at the challenges that the United Kingdom and Europe face in rebuilding important relationships.

Every day brings a new conundrum relating to the withdrawal agreement between the British government and EU. On the EU 27 side, there is disbelief, disappointment and impatience at ongoing British twisting in the wind.

At some point, but it's still not clear when or how, there will be conclusion to the terms of withdrawal. Then the fun starts when we get into the arguably even more challenging task of negotiating a new trade arrangement.

There are already signs that long-standing friendships are under strain. Anybody plugged in to Brussels has long been hearing continental Europeans vent about British politicians focused on party rather than national - let alone wider European - interests. Irish complaints that the UK had not thought about the damage to cross border trade and the peace process as a result of the leave vote - as if the UK itself had properly thought through its own domestic interest. The UK's closest trading partners in the EU, including those geographically close such as The Netherlands, Belgium, Denmark and France are all also expecting their industries to take a hit, especially in the event of a crash out. Relative patience and has been replaced with increased exasperation.

Discord and misunderstanding

Against this moving wallpaper, it's not surprising that positions are hardening, despite the potential consequences. The rot first set in at the time of the financial crisis with the British veto on 9th December 2011 of the proposed fiscal pact: EU 27 members were astonished and infuriated by the narrow political position adopted by the UK, views further compounded by the referendum result.

Where was the voice of one of Europe's liberal standard-bearers? What impact would this have on the European project and the values of an open Europe?

Negotiations have sowed discord and misunderstanding. Trust has been eroded. Feelings on both sides of the Channel are fraught. There is a real danger that it could take years for old friendships to be fully restored.

Avoiding the deep freeze

Yet there is also recognition amongst European political leaders that these are dangerous times for our continent. Now is not the moment for UK/EU friendships to be relegated to the deep freezer. Europe as a whole is buffeted by threats and challenges both on its doorstep and around the world. Terrorism, the movement of people, the rise of extremism, coupled with an upsetting of the liberal democratic order and the rise of populism and nationalism have all contributed to a sense of unease among many European governments. There is a palpable fear for the future.

All Europeans share interests in countering these challenges. This has been reflected in the way European responses have continued to be in step with each other. The UK and EU27 have not broken rank since the referendum on global issues as diverse as global climate policy, extending sanctions against Russia or continuing to do business with Iran. President Macron, looking ahead in his recent address to Europe's citizens noted the UK being '*on board*' with the European Security Council '*to prepare our collective decisions*', cryptically concluding that in his vision for Europe '*the United Kingdom, I am sure, will find its true place*'.

But whilst British and EU27 positions on key global issues and potentially security issues generally continue to be aligned, reflecting our common interests and values, there may be damaging splits further down the line which will test friendships. Moreover, when previously differing opinions and approaches were hammered out behind closed doors, where leaders have met regularly, enabling good close working relationships, in future these will be subjected to colder public scrutiny.

How are UK and EU policies towards the United States, China and Russia likely to evolve and diverge? What about competition policies? Tax policies? Financial services policies? There are a myriad of tricky issues to manage where diverging approaches and decisions could potentially lead at best to irritation between natural friends and, at worst, serious misunderstanding and a souring of relations set against the current backdrop of alienation, nationalism and disappointment on both sides as a result of a bad tempered Brexit.

We all need to take steps to prevent this, in common interest. Governments are already turning their attention to nurturing bilateral relations since the UK - the second largest economy in Europe, a global financial centre, a leading player in scientific research and a global cultural 'influencer', will no longer be rubbing shoulders on a weekly basis with continental friends, allies and neighbours to share views and agree approaches to big issues. Both sides will have to make conscious decisions simply to meet each other regularly, at personal levels, to explore areas of agreement and disagreement, reforge trust and find a common vision. As part of this process, the UK will certainly have to ramp up its diplomatic presence in all EU capitals; and you can be sure soft diplomacy and public diplomacy programmes are being dusted off and reviewed in many European capitals.



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The role of civil society

But it is not just governments that will need to take action to rebuild these relationships. Civil society and the business community also have important roles to play in cementing social, cultural, commercial and economic interests, in both directions.

Since the run up to the referendum, most captains of industry have - until very recently- been coy about articulating publicly their views on the commercial and economic consequences of Brexit for their businesses, for fear of being accused of interfering inappropriately in the democratic decision and ensuing political negotiations. But now is the time for them to bolster long standing friendships between their British and European stakeholders in the face of broader trends hostile to European interests as a whole.

Every company should be reviewing its own UK/EU relationships programmes now in the context of its own business needs and aspirations. The commercial landscape is changing - and will change further. If your interests - commercial, economic or political - depend on strong relations with other Europeans, now is the time to reboot old friendships.



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