

# Brexit or Bremain: what future for the UK's European diplomatic strategy?

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Prime Minister David Cameron's decision to hold an in/out referendum has placed the UK's relationship with Europe on the banks of the Rubicon.<sup>1</sup> A public vote to leave the EU would introduce uncertainty into the 50-year-old strategy, pursued by successive British governments, to structure its political and economic engagement with Europe through the politics, policies and institutions of the European Union.<sup>2</sup>

Much recent analysis of the UK's relationship with the EU has focused on whether a referendum would be held, of what nature a new relationship between the UK and the EU might be, and the likely outcome of a vote. There has also been considerable rehearsal of the existing alternatives to EU membership adopted by other European states such as Norway and Switzerland.

Rather less explored are the implications for the UK's diplomacy, defence and security of a Brexit—and the effects of a decision to 'Bremain' under new terms negotiated for the UK's EU membership. Stay or go, Europe presents significant challenges for the UK. From the EU's perspective, a UK exit would add a new problem, alongside those of migration flows and the atrophy of the eurozone economy. The UK has not confronted a more uncertain environment within which to pursue a European strategy since the end of the Second World War.

## The UK's European diplomatic strategy

Since its accession to the European Economic Community (EEC) in 1973, the UK has evolved an uncodified, multipronged European diplomatic strategy.<sup>3</sup> The UK has sought to reinforce its approach by shaping the security of the continent,

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<sup>1</sup> Andrew Glencross, 'Why a British referendum on EU membership will not solve the European question', *International Affairs* 91: 2, March 2015, pp. 303–17; Tim Oliver, 'To be or not to be in Europe: is that the question? Britain's European question and an in/out referendum', *International Affairs* 91: 1, Jan. 2015, pp. 77–91.

<sup>2</sup> This article will use the descriptor 'European Union' throughout except where a reference to the 'European Economic Community' or 'European Community' is intended to designate specific treaty arrangements.

<sup>3</sup> Anthony Forster and Alasdair Blair, *The making of Britain's European foreign policy* (London: Longman, 2002); William Wallace, 'Foreign policy and national identity in the United Kingdom', *International Affairs* 67: 1, Winter 1991, pp. 65–80.

preserving a leading diplomatic role for the UK in managing the international relations of Europe, and maximizing British trade and investment opportunities through a broadening and deepening of Europe as an economically liberal part of the global political economy.

The UK's European diplomatic strategy is a subset of its broader international diplomatic strategy.<sup>4</sup> Whether Europe should be the *central* focus of the UK's international relations has been a contested idea.<sup>5</sup> Many discussions on British foreign policy strategy take Churchill's notion of three interlocking circles of influence as a point of departure for analysis, assuming that Europe would be only one component of Britain's place in the world.<sup>6</sup> A sophisticated reimagining of this idea has placed the EU at the centre of a set of three concentric circles,<sup>7</sup> the relationship with the United States in the second circle and other bilateral and international relationships in the third, outer circle.

For the purposes of this article the UK's European diplomatic strategy will be examined as it affects the UK's relationship with the EU and its constituent member states. NATO membership is the other central component of the strategy; however, as the UK's membership of and role within NATO is not being called into question in the Brexit discussion, it will not be the subject of analysis here. This and other elements of the UK's grand strategy—including its desired position as the United States' indispensable partner—are explored elsewhere in this issue by Oliver and Williams.<sup>8</sup>

The EU's place in the UK's European diplomatic strategy has evolved since the end of the Cold War.<sup>9</sup> The development of the EU in scale and scope since the early 1990s, both through the enlargement process and through the expansion of its range of activities and competences, notably to include foreign, security and defence policies, has required a considerable adjustment in the UK's approach.

The UK has consistently pursued four interconnected strategic goals with respect to the EU, which can be extrapolated from the broader objectives set for

<sup>4</sup> Jamie Gaskarth, 'Strategizing Britain's role in the world', *International Affairs* 90: 3, May 2014, pp. 559–81.

<sup>5</sup> This contestation is normally manifest as resistance to the idea that the UK should confine itself to being a regional or continental power. Europe has been a perennial foreign policy challenge for the UK, at its most acute since the end of the Cold War. See William Wallace, 'British foreign policy after the Cold War', *International Affairs* 68: 3, Autumn 1992, pp. 423–42.

<sup>6</sup> A refreshing recent exception is Jamie Gaskarth, *British foreign policy: crises, conflicts and future challenges* (Cambridge: Polity, 2013).

<sup>7</sup> Robin Niblett, 'Britain, Europe and the world: rethinking the UK's circles of interest', Chatham House research paper, Oct. 2015.

<sup>8</sup> Tim Oliver and Michael John Williams, 'Special relationships in flux: Brexit and the future of the US–EU and US–UK relationships', *International Affairs* 92: 3, May 2016, pp. 547–68 below.

<sup>9</sup> The end of the Cold War was also the most recent juncture at which Britain's European diplomatic strategy was in state of considerable flux. The uncertainty about the future shape of the European security order, the consequences of German unification and a reunited Germany's place in Europe's international relations created considerable debate in policy-making circles in the UK. See Louise Richardson, 'British state strategies after the Cold War', in Robert O. Keohane, Joseph S. Nye and Stanley Hoffmann, eds, *After the Cold War: international institutions and state strategies in Europe, 1989–1991* (Cambridge, MA: Harvard University Press, 1993); Wallace, 'British foreign policy after the Cold War'. For Prime Minister Margaret Thatcher's reaction to German reunification, see Hugo Young, *This blessed plot: Britain and Europe from Churchill to Blair* (London: Macmillan, 1999), ch. 9; Lisbeth Aggestam, *European foreign policy and the quest for a global role: Britain, France and Germany* (London: Routledge, 2013).

the UK's diplomacy.<sup>10</sup> These are: first, to maintain and to deepen the EU's single market as a liberalization and deregulation project, open as widely as possible to the free trade agenda, through the EU's foreign economic policy; second, to see the EU maintain a commitment to an ongoing programme of enlargement—a strong preference for a 'widening' of the EU; third, to halt or slow the development of the EU as a nascent political union and to veto any definition of the EU's final destination as a United States of Europe—a resistance to the 'deepening' of integration and a preference for intergovernmentalism over supranationalism; and fourth, to ensure both that the UK maintains a leadership role as one of the EU's largest member states and at the same time that a Franco-German tandem does not set the agenda for the future strategic priorities of the EU.

Each of these goals was pursued with a remarkable degree of consistency by both Conservative and Labour governments after 1973.<sup>11</sup> Although British prime ministers have struck different tones and tenors in their public statements on the EU, the underlying policy objectives have been shared. Since the middle of the 1990s the UK has also demonstrated a preference for 'promiscuous bilateralism' within the EU, working with shifting coalitions of countries on different issue areas rather than seeking an enduring bilateral alliance similar to that between France and Germany.<sup>12</sup>

## **The instruments of the UK's European strategy: intra- and extra-European diplomacy**

Since accession the UK's European diplomatic strategy has been to use membership of the EU to facilitate the enhancement of its international influence, primarily as a vehicle for leveraging and amplifying broader national foreign and security

<sup>10</sup> The UK has not operated under a formally recognized diplomatic strategy for Europe; rather, the EU has been accommodated within a broader diplomatic strategy. The most recent organizing framework for British diplomacy is the Foreign and Commonwealth Office's 'Single departmental plan: 2015–2016', 19 Feb. 2016, which sets the vision and objectives for Britain's place in the world. See <https://www.gov.uk/government/publications/fco-single-departmental-plan-2015-to-2020/single-departmental-plan-2015-to-2020>. (Unless otherwise noted at point of citation, all URLs cited in this article were accessible on 6 April 2016.) The single departmental plan and its predecessor arrangements are set alongside the government's broader national strategies found in the National Security Strategy (NSS) and the Strategic Defence and Security Review (SDSR), and informed by the comprehensive and medium-term spending review processes which set out the financial resources to be devoted to Britain's international relations. See HM Government (2015) *National Security Strategy and Strategic Defence and Security Review 2015*, Cm. 9161 (London, 2015). For a summary discussion of the various key strategy documents informing British diplomacy within the last two decades see House of Commons Foreign Affairs Committee, *The role of the FCO in UK government*, 7th Report of Session 2010–12, HC 665, 12 May 2011.

<sup>11</sup> For an insider's perspective on this, see Stephen Wall, *A stranger in Europe: Britain and the EU from Thatcher to Major* (Oxford: Oxford University Press, 2008). See also Anthony Forster, *Euroscepticism in contemporary British politics: opposition to Europe in the Conservative and Labour parties since 1945* (London: Routledge, 2002); David Gowland and Arthur Turner, *Reluctant Europeans: Britain and European integration, 1945–96* (London: Routledge, 1999); Young, *This blessed plot*.

<sup>12</sup> For the origins of this approach, see Julie Smith (who coined this colourful description), 'A missed opportunity: New Labour's European policy 1997–2005', *International Affairs* 81: 4, July 2005, pp. 703–21 at p. 709; Julie Smith and Mariana Tsatsas, *The new bilateralism: the UK's bilateral relations within the EU* (London: Royal Institute of International Affairs, 2002).

policy objectives.<sup>13</sup> The EU strand of the UK's European diplomacy has had two interrelated components: an intra- and an extra-European dimension.<sup>14</sup>

The intra-European EU strategy provides significant efficiencies for the UK in enabling it to address a wide range of policy issues via a multilateral format—with 27 other European countries—within which mechanisms exist to facilitate the resolution of interstate disagreements, the ironing out of differences and the pursuit of collective policies and positions on issues of common concern. Despite the evolution of the EU as a political system with the greater assignment of powers to the European Parliament and legislative processes akin to those found in national polities, at its heart still lies a diplomatic process requiring bargains to be struck with other member states, albeit via processes that draw in a range of government departments. Over time, a distinctive system of UK decision-taking and coordination within the EU has evolved between the United Kingdom Permanent Representation to the EU (UKRep), the Foreign and Commonwealth Office (FCO)—including the UK's network of embassies—and the UK Cabinet Office (which combines strategic coordination with diplomacy).<sup>15</sup> Paradoxically, EU membership has also given rise to an enhanced bilateralism in relationships between the UK and other member states, in which British prime ministers play a central role. The prime ministerial lead in the UK's EU diplomacy has been further strengthened by the increasing institutionalization and frequency of the meetings of the EU's heads of state and government as the European Council, which became formalized as an EU institution in 2009. Consequently, EU membership has led to the creation of a distinctive ecosystem of decision-making processes and the use of bilateral and multilateral arrangements to pursue the UK's intra-European strategy.

The extra-European EU strategy involves those of the UK's relationships beyond the EU that are influenced by the obligations accruing to the UK as an EU member. Initially these were predominantly in the area of foreign economic policy (as a direct consequence of joining the customs union and its attendant trade policy) and development policy. Cooperation and coordination on foreign and security policy between the member states, which was not a component of the EU's founding treaties, was in its infancy in the early 1970s, and has become a more developed component of the EU over the past two decades. A key strand of the UK's existing foreign and security policy is participation in the EU's Common Foreign and Security Policy (CFSP), Common Security and Defence

<sup>13</sup> Michael Aktipis and Tim Oliver, 'Europeanization and British foreign policy', in Reuben Wong and Christopher Hill, eds, *National and European foreign policies: towards Europeanization* (London: Routledge, 2011); Robert Dover, *Europeanization of British defence policy* (Aldershot: Ashgate, 2013).

<sup>14</sup> The UK's European diplomacy is itself an element of the broader EU diplomatic system which is constituted by the other member states' diplomatic systems and the EU's own arrangements for diplomacy. See Michael Smith, Stephan Keukeleire and Sophie Vanhoonacker, eds, *The diplomatic system of the European Union: evolution, change and challenges* (London: Routledge, 2015); Petar Petrov, Karolina Pomorska and Sophie Vanhoonacker, 'The emerging EU diplomatic system', *Hague Journal of Diplomacy* 7:1, special issue, 2012.

<sup>15</sup> For an analysis of this system in operation, see Scott James, *Managing Europe from home: the changing face of European policy making under Blair and Aherm* (Manchester: Manchester University Press, 2011); Simon Bulmer and Martin Burch, *The Europeanisation of Whitehall: UK central government and the European Union* (Manchester: Manchester University Press, 2009); House of Commons Foreign Affairs Committee, *The role of the FCO in UK government*, Seventh Report of Session 2010–2012, HC665, 12 May 2011.

Policy (CSDP) and external relations. These strands are now collectively brought together and implemented under the banner of the EU's External Action Service (EEAS) and through the position of High Representative and Vice-President of the European Commission (HR-VP) created under the Lisbon Treaty of 2007.

The various strands of the UK's extra-European diplomatic strategy were mapped and summarized during the Review of the Balance of Competences exercise undertaken during the term of the 2010–2015 coalition government. The collection of reports covered the full extent of the UK's relationship with the EU across 32 separate documents. The reports on foreign policy, enlargement, trade and investment, and development cooperation and humanitarian aid outlined the areas covered substantively by the UK's extra-European diplomatic strategy. These reports are the only systematic and comprehensive study to date of the costs and benefits of a member state's relationship with the EU.<sup>16</sup> The foreign policy report summarized the expert evidence that it received with the assessment that it is 'generally strongly in the UK's interests to work through the EU in foreign policy'.<sup>17</sup> It argued that benefits come from: the increased impact from acting in concert with 27 other countries; greater influence with non-EU powers, derived from Britain's position as a leading EU country; the international weight of the EU's single market, including its power to deliver commercially beneficial trade agreements; the reach and magnitude of EU financial instruments, including for development and economic partnerships; the range and versatility of the EU's tools, as compared with those at the disposal of other international organizations; and the EU's perceived political neutrality, which enables it to act in some cases where other countries or international organizations might not be able to.

## **The parameters of the UK's European diplomatic strategy**

Britain's European diplomatic strategy has been played out against the backdrop of the UK's broader foreign, security and defence policy. The latter has both conditioned and constrained the parameters of Britain's European diplomacy.

The general trend of the last two decades of Britain's foreign and security policy has been towards heightened international leadership and activism, followed by the perception in more recent years that this is now much reduced in tempo and conducted with shrunken resources.<sup>18</sup>

The period of heightened activity and prominence covers the decade of the Blair premiership from 1997 to 2007. The New Labour period of foreign and security policy continues to be the subject of heated debate and contrasting appraisals. It was marked by its active approach to interventionism and a commitment to a strong relationship with the United States on the part of the Blair

<sup>16</sup> For an overview of and inquiry into the process, see House of Lords European Union Committee, *The Review of the Balance of Competences between the UK and the EU*, 12th Report of Session 2014–15, HL 140, 25 March 2015.

<sup>17</sup> HM Government, *Review of the Balance of Competences Report between the United Kingdom and the European Union: Foreign policy*, July 2013.

<sup>18</sup> *Strengthening Britain's voice in the world: report of the UK Foreign and Security Policy Working Group* (London: Chatham House, Nov. 2015).

administration.<sup>19</sup> Alongside this there was also a strong rhetorical commitment by Blair to place Britain at the heart of the EU. The interventionist and Atlanticist strands of the Blair government's foreign, security and defence policy came to overshadow the European strategy.

Blair set the tone for the interventionist foreign policy of his premiership with his 'Chicago speech' of 1999, which advanced a 'doctrine of the international community'.<sup>20</sup> The early interventions by the New Labour premiership in Kosovo and Sierra Leone were presented as instances where intervention could be justified on the basis of 'just war' principles, and the imperative of responding to crimes against humanity could be allowed to trump national sovereignty.<sup>21</sup> The case made for humanitarian intervention was transformed by the terrorist attacks of 11 September 2001 and the subsequent development of the 'war on terror'. The rationale for intervention on grounds of security and the need to counter terrorism came to the fore in Blair's second and third terms as premier. British participation in the interventions in Afghanistan and Iraq became the subject of intense political controversy, with significant ramifications for Britain's foreign policy and for Blair's premiership. Critics came to see the UK's foreign and security policy as closely coupled to a neo-conservative US administration under President Bush with a unilateralist approach to interventionism that favoured 'pre-emptive action'.

The early Blair government pursued an EU public diplomacy offensive which pledged to put the UK at the 'heart of Europe'. Underlying the rhetoric, however, there was considerable continuity in the UK's European diplomatic strategy. The UK was able to achieve a key objective (held also by previous governments) in seeing two waves of EU enlargement in 2004 and 2007. The New Labour government was content to agree major treaty reforms on three occasions: in 1997 with the Treaty of Amsterdam, in 2001 with the Treaty of Nice, and in 2007 with the Lisbon Treaty, each of which deepened European integration.<sup>22</sup> This enthusiasm for widening the Union was, however, tempered by a strong preference for inter-governmentalism and the preservation of British opt-outs and national vetoes in areas such as the CFSP. On defence, the UK could lay claim to a leading role in reviving the EU's ambitions for a defence policy, set out in the Maastricht Treaty, at the 1998 Anglo-French summit in St Malo, at which Tony Blair and Jacques Chirac agreed to push for greater EU defence capabilities. As the EU's two most capable military powers, the UK and France laid the ground in this agreement for what was to become the CSDP in 2009.

Blair recognized the constraints that domestic public opinion placed on his government by not advocating UK membership of the passport-free Schengen travel zone or the adoption of the single currency. The promise of a referendum on the UK's membership of the single currency was made conditional on the

<sup>19</sup> Paul Williams, 'Who's making UK foreign policy?', *International Affairs* 80: 5, Sept. 2004, p. 922.

<sup>20</sup> Speech at the Chicago Economics Club, 23 April 1999. <http://www.tonyblairoffice.org/speeches/entry/tony-blair-speech-to-chicago-council-on-global-affairs/>.

<sup>21</sup> For a comprehensive overview of Blair's and Brown's foreign policy, see Paul D. Williams, ed., *British foreign policy under New Labour, 1997–2005* (Basingstoke, Palgrave: 2005).

<sup>22</sup> Smith, 'A missed opportunity?'.

UK economy converging sufficiently with that of the existing eurozone members and on the passage of five economic tests. The decision not to press ahead with a referendum was viewed by the UK's EU partners as a failure by Blair to give substance to his 'heart of Europe' pledge. Further, Blair's promise of a referendum on the proposal for a new EU constitutional treaty, made during a debate in the House of Commons on 20 April 2004 (and contained in the manifesto on which the Labour Party fought, and won, the 2005 UK general election), was viewed as unhelpful as it triggered calls for referendums in France and the Netherlands.<sup>23</sup> The constitutional treaty was subsequently rejected by French and Dutch public votes in May and June 2005.

The UK government's aligning itself with the Bush administration's decision to go to war against Saddam Hussein's Iraq had profound consequences for the UK's European diplomatic strategy. With the UK in opposition to Germany, France and a substantial minority of the EU's other member states, Blair was widely condemned by continental European governments for dividing the EU on a key foreign policy issue. This split was to overshadow Britain's relations with other member states for the rest of Blair's premiership.

If discontent over foreign policy, and more particularly the decision to go to war in Iraq, was the *leitmotiv* of the second half of Blair's premiership, the successor administration led by Gordon Brown was marked by the need to deal with the global financial crisis. Distinctions can be drawn between the respective foreign policy approaches of the Blair and Brown administrations. The differences were, however, ones of style and emphasis rather than substantive ones in respect of the direction and objectives of British foreign policy. The period from Brown's assumption of the premiership in 2007 until the 2010 election can be characterized as one in which New Labour attempted to 'normalize' foreign and security policy by reducing its salience as an area of widespread public political concern, but then found itself struggling to respond to an unprecedented challenge to the global political economy.<sup>24</sup> Brown's preoccupation as prime minister with the global financial crisis was pursued at some cost to the UK's European diplomatic strategy. He was generally viewed as disengaged from and uninterested in the EU's agenda, as exemplified by the decision to be the only EU member head of state to be absent from the signing of the Lisbon Treaty in December 2007. The emergence of the eurozone crisis also terminated any discussion of whether the UK met the conditions for eurozone entry.

The coalition government that in 2010 succeeded those headed by Blair and Brown sought a public departure from many of the preoccupations of the preceding 13 years of UK foreign and security policy. Unlike previous prime ministers, David Cameron did not make a speech early in his administration committing the UK to be at the heart of Europe. Rather, the tone and tenor of the coalition government's public positions were intended to mark out a different set of priorities and

<sup>23</sup> For the 2005 Labour Party manifesto, see <http://ucrel.lancs.ac.uk/wmatrix/tutorial/labour%20manifesto%202005.pdf>.

<sup>24</sup> Clara Marina O'Donnell and Richard G. Whitman, 'European policy under Gordon Brown: perspectives on a future Prime Minister', *International Affairs* 83: 1, March 2007, pp. 277–96.

interests. The Conservative and Liberal Democrat parties forming the coalition had both fought the 2010 general elections on substantively different positions on the replacement of the Trident missile system and on Britain's relationship with the EU. These differences were recognized and addressed in the coalition agreement concluded by the two parties which set out the policies to be pursued in government.<sup>25</sup> Alongside differences between the coalition partners, Cameron also had to address the strong Eurosceptic component of his own Conservative Party. The strategy adopted was an attempt to neutralize the European Union domestically through the twin processes of passing an EU Bill legislating for a referendum if a substantive deepening of European integration were proposed by the EU's member states, and embarking on the 'Review of the Balance of Competences' to assess fully what the impact of EU membership was for the UK.<sup>26</sup>

However, David Cameron was not able to exercise similar control over policy issues at EU level that the UK was forced to confront. The response to the eurozone crisis presented particular problems for the first Cameron-led administration, unwilling as it was to participate in the rescue packages for beleaguered eurozone member states. The tensions arising from the UK government's reluctance came to a head at the summit called to establish the Fiscal Stability Treaty in December 2011.<sup>27</sup>

Both Cameron-led governments have sought to recalibrate Britain's place in the world in order to 'decentre' the EU in the UK's foreign policy. This has been seen in the context of a new narrative on Britain's place in the world constructed to respond to the emerging new powers and the shifts in the global political economy, according greater prominence to China and Asia.<sup>28</sup> A stress has been placed upon the UK as a 'networked' foreign policy actor for which the EU is only one network of influence alongside others such as the Commonwealth. This vision was fleshed out at an early stage of the coalition government in a quartet of speeches given by its Foreign Secretary, William Hague, in 2010.<sup>29</sup>

<sup>25</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/78977/coalition\\_programme\\_for\\_government.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/78977/coalition_programme_for_government.pdf).

<sup>26</sup> The European Union Act 2011 provides for a referendum to be held in the event of any amendment to the Treaty on European Union (TEU), the Treaty on the Functioning of the European Union (TFEU) or other instances (listed under section 4 of the Act) involving an enlargement of the EU's powers or a reduction in safeguards such as unanimous voting. For the text of the Act see <http://www.legislation.gov.uk/ukpga/2011/12/contents>.

<sup>27</sup> At the December 2011 European Council, called to react to the deepening eurozone crisis, Cameron left the summit early after failing to agree on UK participation in a Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (to become known as the Fiscal Stability Treaty), intended as the successor to the failing Stability and Growth Pact.

<sup>28</sup> As indicative of this new thinking in March 2015 the UK agreed to become the first Western founder member of the new Asian Infrastructure Investment Bank (AIIB), an initiative of China's government and despite the opposition of the US government to the UK's participation: 'Europeans defy U.S. to join China-led Asian development bank' *Financial Times*, 16 March 2016, <http://www.ft.com/cms/s/0/0655b342-cc29-11e4-beca-00144feab7de.html#axzz45VjMOw1X>.

<sup>29</sup> The four speeches were: 'Britain's foreign policy in a networked world', 1 July 2010, <https://www.gov.uk/government/speeches/britain-s-foreign-policy-in-a-networked-world--2>; 'Britain's prosperity in a networked world', 15 July 2010, <https://www.gov.uk/government/speeches/britain-s-prosperity-in-a-networked-world>; 'Britain's values in a networked world', 15 Sept. 2010, <https://www.gov.uk/government/speeches/foreign-secretary-britains-values-in-a-networked-world>; and 'International security in a networked world', 17 Nov. 2010, <https://www.gov.uk/government/speeches/international-security-in-a-networked-world--2>.



The message was reinforced by Cameron in a programme of foreign trips early in his first term in which he sought to tackle overseas perceptions that austerity would see the UK taking a diminished role. His 'straight talk' diplomacy was demonstrated on his first overseas tours to Turkey and India, during which he rhetorically made the case for a continuing significant role for the UK in international relations. Furthermore, the choice of locations for his visits was intended to stress that the UK was in tune with a rapidly changing global environment and that the new government recognized that this had significant implications for the UK's future security and prosperity, requiring a reappraisal of priorities and a reduction in the over-emphasis on the EU as the context for British diplomacy.

The creation of a new National Security Council (NSC) with the responsibility for overseeing a UK National Security Strategy (NSS) was also intended to convey a new sense of purpose in British foreign policy, alongside a new five-yearly Strategic Defence and Security Review (SDSR). While the NSS was generally well received, the SDSR faced considerable criticism from defence and security policy analysts as being underpinned by a concern with austerity rather than cogency in allocating resources to address threats.<sup>30</sup> The 2010 NSS and the SDSR were very much in line with the 'decentring' approach to the EU, which did not feature prominently in either document. This position has been reconfirmed in the successor 2015 NSS and SDSR. Both documents place the EU in a minor supporting role to the UK's defence and security.<sup>31</sup> The Foreign and Commonwealth Office's single departmental plan likewise places the EU in a subordinate rather than a central place in British diplomacy.

The implications of austerity are also a contributory factor in the UK's reduced capacity for exercising diplomatic influence in Europe and beyond. With expenditure on the FCO's core functions falling by 16 per cent in real terms over the course of the 2010–2015 parliament, there has been a consequent reduction in UK-based staff in posts overseas and a shrinking of specialist expertise in languages and in some countries and regions.<sup>32</sup> The Cameron government's ambitions for further overseas military interventions have been severely curtailed after its involvement in the bombing campaign in Libya in 2011. The chaos in Libya after the air campaign has added to the considerable unease among the British public over military deployments overseas that followed withdrawal from the wars in Iraq and Afghanistan. Members of parliament have also demonstrated considerable turbulence in their views in voting down military action against the regime of President Bashar al-Assad in Syria in August 2013, and reversing their position only in December 2015 after the terrorist attacks in Paris the previous month, when they approved the use of air strikes in Syria against Islamic State in Iraq and Syria (ISIS).

<sup>30</sup> Timothy Edmunds, 'Complexity, strategy and the national interest', *International Affairs* 90: 3, May 2014, pp. 525–39; Paul Cornish and Andrew M. Dorman, 'Complex security and strategic latency: the UK Strategic Defence Review 2015', *International Affairs* 91: 2, March 2015, pp. 351–70.

<sup>31</sup> HM Government, *National Security Strategy and Strategic Defence and Security Review 2015*.

<sup>32</sup> *Strengthening Britain's voice in the world*; House of Commons Foreign Affairs Committee, *The FCO and the 2015 spending review*, 1st Report of Session 2015–16, HC 467, 23 Oct. 2015.

The initial burst of activism on foreign policy by Cameron's government has given way to a general perception that the UK is retrenching on foreign policy and taking a less prominent stance on key international issues. In respect of the UK's European diplomatic strategy, initial attempts to pursue new forms of bilateral and trilateral diplomacy in Europe, such as the Northern Future Forum, have not gained prominence.<sup>33</sup> Remaining aloof from measures to address the eurozone crisis, and as a non-participant in the Schengen zone outside the crisis management of Europe's borders, Britain is not a central player on the issues currently at the top of the EU's agenda.<sup>34</sup> Also, the UK's lack of visibility in the recent Franco-German diplomacy on Ukraine is held up as an example of Britain appearing to be a player of diminished significance in Europe.

It is, however, Cameron's decision to hold a referendum on the UK's continued membership of the EU which has demonstrated the most profound shift in the UK's European diplomatic strategy.

### **The referendum: determining the future for the UK's European diplomatic strategy**

The domestic political controversy over the EU has until recently been largely kept separate from the European strategy pursued through the UK's diplomatic machinery. Intra-party political disputes were kept behind the firewall that EU membership was a central component of Britain's European strategy. More broadly, the EU—alongside NATO membership, the 'special relationship' with the United States, the UK's permanent seat on the UN Security Council and membership of the Commonwealth—has been a key component of Britain's place in the world for over 40 years.

Cameron's decision to negotiate new terms of membership for the UK has been driven primarily by endogenous rather than exogenous factors. The EU has become a matter of domestic political significance primarily as a totemic issue on the centre-right of British politics.<sup>35</sup> The post-Thatcher Conservative Party leadership has faced the challenge of managing an increasingly Eurosceptic party persistently preoccupied with what it sees as the negative effects of the UK's EU membership. However, as long as the Conservative Party was not in government, while this Euroscepticism was an issue of domestic political salience its significance for the UK's European diplomatic strategy was limited.

In his 'Bloomberg speech' of 23 January 2013 Cameron became the first prime minister since Harold Wilson, in 1974, to commit to holding an in/out referendum

<sup>33</sup> This was originally the UK–Nordic–Baltic Summit and first took place between 19–20 January 2011. It was renamed the Northern Future Forum for the second meeting in Stockholm in 2012 and is now an annual informal meeting of prime ministers, business leaders and policy entrepreneurs from Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Sweden and the United Kingdom.

<sup>34</sup> For an effective rehearsal of a narrative of decline and marginalization in the UK's recent relationship with the EU within a broader exploration of the UK's present and future relationship with the EU, see Tim Oliver, 'Europe's British Question: the UK–EU relationship in a changing Europe and multipolar world', *Global Society* 29: 3, 2015, pp. 409–26.

<sup>35</sup> Julie Smith, 'The European dividing line in party politics', *International Affairs* 88: 6, Nov. 2012, pp. 1277–95.

on the UK's EU membership.<sup>36</sup> This commitment to hold a referendum by the end of 2017, following negotiations for a 'new settlement' between the UK and the EU, was a key component of the manifesto on which the Conservative Party fought the May 2015 general election.<sup>37</sup> Defying opinion polls, the Conservative Party won an overall majority of seats and came into power in its own right for the first time since 1992.

Reinstalled as prime minister, in November 2015 David Cameron publicly set out the areas in which he wished to renegotiate the terms of the UK's EU membership.<sup>38</sup> The four areas, or 'baskets', on which the British Prime Minister sought to amend terms covered a very limited number of aspects of the UK's relationship with the EU and its member states.<sup>39</sup> These were then the subject of an intensive period of negotiation between UK and EU officials, and extensive bilateral diplomacy between the UK and the EU member states, with the President of the European Council, Donald Tusk, seeking to prepare the ground for an agreement that accommodated both the British government's objectives and what the other EU member states were willing to accept. The determination of the Prime Minister to see the renegotiation concluded on a brisk timetable was demonstrated in the negotiations at the European Council meeting on 18–19 February 2016, which ran into a third day after all-night negotiations. With the agreement between the UK and member states reached and detailed in European Council conclusions, the Prime Minister announced that he had achieved all of his objectives for a new settlement and that the referendum on the UK's continued membership of the EU would be held on 23 June 2016.<sup>40</sup>

At the time of writing, a major public debate on the costs and benefits of the UK's membership of the EU is under way. The outcome of the referendum in June will be a pivotal moment in determining whether the EU has a future as a component of the UK's European diplomatic strategy or whether there is to be a major recalibration of how the UK relates to Europe and the world.<sup>41</sup> Although the terms of agreement reached at the European Council of February 2016 are fundamental to the issue, the Prime Minister has sought to cast the debate in broader terms, with the UK's security a recurring *leitmotiv*.

Even without the prospect of a Brexit, the UK is facing its most challenging security environment since the middle of the twentieth century. Broader structural shifts within international relations are taking place alongside considerable volatility in the UK's European neighbourhood. Managing change and complexity are key challenges for the UK's grand diplomatic strategy, of which its European

<sup>36</sup> <https://www.gov.uk/government/speeches/eu-speech-at-bloomberg>.

<sup>37</sup> *Strong leadership, a clear economic plan, a brighter, more secure future*, <https://www.conservatives.com/manifesto>.

<sup>38</sup> 'The future of Britain's relationship with the EU', speech at Chatham House, London, 10 Nov. 2015, <https://www.chathamhouse.org/sites/files/chathamhouse/events/special/20151110DavidCameron%20%28NEW%29.pdf>.

<sup>39</sup> These were set out in Prime Minister Cameron's letter to Donald Tusk, President of the European Council, on 10 November. They set out reform proposals in the areas of economic governance, competitiveness, sovereignty and immigration. See [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/475679/Donald\\_Tusk\\_letter.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/475679/Donald_Tusk_letter.pdf).

<sup>40</sup> See <http://www.consilium.europa.eu/en/meetings/european-council/2016/02/18-19/>.

<sup>41</sup> See Oliver and Williams, 'Special relationships in flux'.

diplomacy is a component part.<sup>42</sup> The UK has already been grappling with appropriate responses to the changing structure of international affairs, including notably the rise of new globally significant actors such as China and the other BRICs (Brazil, Russia and India) and the continuing effects of the recent global financial crisis and its attendant austerity, and seeking to address these changes through the SDSR process.<sup>43</sup>

The 2015 SDSR reflected the consensus among strategic analysts that the UK now confronts an arc of crisis in its European neighbourhood, running to the east through and south of the Mediterranean, in which it is being confronted by multiple security challenges. To its east it faces a direct challenge from Russia, which is willing to use state power to alter borders and impose its will on its neighbours.<sup>44</sup> The emergence of ISIS has changed the dynamics of Syria's civil war and had a marked impact on the wider Middle East.<sup>45</sup> Libya's descent into civil war and state collapse has fuelled and facilitated significantly increased cross-Mediterranean migration from Africa and the Middle East by those seeking a better future in Europe. The combined magnitude of these challenges already requires multi-institutional and multinational responses. On present trends the EU will be a central player—and payer—in mitigating these challenges. Adding a Brexit to this mix would significantly complicate both the UK's and the EU's task in addressing. Furthermore, a Brexit vote might well raise the spectre of a new referendum on Scottish independence which, in turn, would revive a further set of questions about the UK's role in the world that were rehearsed during the 2014 Scottish referendum debate.<sup>46</sup>

## **Bremain: still challenges to a UK European diplomatic strategy**

A public vote for the UK to remain a member of the EU would represent continuity in the UK's existing approach to European diplomacy. The intra- and extra-EU components of the UK's European strategy would remain in place. Key aspects of the UK's current foreign and security policy—extending to its trade and development policies—would remain embedded within, and pursued through, the EU. The UK would continue its approach of using its membership

<sup>42</sup> David Blagden, 'Global multipolarity, European security and implications for UK grand strategy: back to the future, once again', *International Affairs* 91: 2, March 2015, pp. 333–50; Paul Cornish and Andrew M. Dorman, 'Smart muddling through: rethinking UK national strategy beyond Afghanistan', *International Affairs* 88: 2, March 2012, pp. 213–22; Doug Stokes and Richard G. Whitman, 'Transatlantic triage? European and UK "grand strategy" after the US rebalance to Asia', *International Affairs* 89: 5, Sept. 2013, pp. 1087–1107.

<sup>43</sup> HM Government, *National Security Strategy and Strategic Defence and Security Review 2015*.

<sup>44</sup> Roy Allison, 'Russian "deniable" intervention in Ukraine: how and why Russia broke the rules', *International Affairs* 90: 6, Nov. 2014, p. 1255–97; Sten Rynning, 'The false promise of continental concert: Russia, the West and the necessary balance of power', *International Affairs* 90: 3, May 2014, pp. 539–42.

<sup>45</sup> Fred Lawson, 'Syria's mutating civil war and its impact on Turkey, Iraq and Iran', *International Affairs* 91: 3, May 2015, pp. 539–52.

<sup>46</sup> Andrew M. Dorman, 'More than a storm in a teacup: the defence and security implications of Scottish independence', *International Affairs* 90: 3, May 2014, pp. 679–96; House of Commons Foreign Affairs Committee, *Foreign Policy considerations for the UK and Scotland in the event of Scotland becoming an independent country*, 6th Report of Session 2012–13, HC 643, 23 April 2013.

of the EU to enhance its international influence and as a vehicle for leveraging and amplifying national foreign and security policy objectives.

The UK would preserve the situation outlined in the 'Balance of Competences' reports, with freedom to act independently where it chooses and to act collaboratively and leverage common resources where it prefers. This would perpetuate the view that EU membership gives the UK a greater influence in world affairs than it would have if acting purely on its own; and, furthermore, that the EU's current foreign and foreign economic policy arrangements are particularly attractive for a large member state like the UK with historical engagements and widespread commercial interests around the world. As a large member state the UK would also preserve a greater ability to influence EU policy on a wide range of issues, as it has a more extensive and ambitious foreign and security policy than the majority of the smaller and medium-sized member states.

But alongside these aspects of continuity in the UK's European diplomatic strategy there are areas where adjustment is required even if Britain remains an EU member. The key adjustment that has already been taking place has been the transition away from the post-Cold War European security architecture, marked by the absence of military confrontation on the European continent and a prevailing philosophy that Russia was a security partner, economic collaborator and political ally. This has significant implications for both the NATO and EU components of the UK's European diplomacy. The role proclaimed for the EU as a normative or transformative power both within Europe itself and in its neighbourhood is now more problematic.<sup>47</sup>

Even with a Bremain decision in the referendum, the UK would be confronted with key future challenges. Not the least of these is that the decision to seek renegotiation of the terms of its EU membership has already had an effect on perceptions of the UK.<sup>48</sup> Another is the need to reverse a decline in experienced British personnel in EU institutions.<sup>49</sup> In managing the eurozone crisis the members of the single currency area have put in place nascent arrangements for economic governance which have generated strong advocacy for a move further down the road of economic, fiscal and political union.<sup>50</sup> Cameron recognized the logic of this development in his Bloomberg and Chatham House speeches. Having accepted that logic, the UK has therefore accepted the notion that a more developed form of integration is likely to emerge in the EU, and that the UK

<sup>47</sup> Ian J. Manners, 'Normative power Europe: a contradiction in terms?', *Journal of Common Market Studies* 40: 2, 2002, pp. 235–58; Heather Grabbe, *The EU's transformative power: Europeanization through conditionality in central and eastern Europe* (Basingstoke: Palgrave Macmillan, 2006).

<sup>48</sup> For a comprehensive survey of viewpoints from across the EU and internationally, see Almut Möller and Tim Oliver, eds, *The United Kingdom and the European Union: what would a 'Brexit' mean for the EU and other states around the world?* (Berlin: Deutsche Gesellschaft für auswärtige Politik, 2014).

<sup>49</sup> See the analysis and recommendations in *Strengthening Britain's voice in the world*.

<sup>50</sup> See the 'Five presidents report' authored by the President of the European Commission, Jean-Claude Juncker; the President of the European Council, Donald Tusk; the President of the Eurogroup (the informal grouping of Eurozone finance ministers), Jeroen Dijsselbloem; the President of the European Central Bank, Mario Draghi; and the President of the European Parliament, Martin Schulz. The report sets out how to deepen the economic and monetary union (EMU) and how to complete a process of deeper integration for the eurozone by 2025; Jean-Claude Juncker, *Completing Europe's economic and monetary union* (Brussels: European Commission, June 2015), [https://ec.europa.eu/priorities/sites/beta-political/files/5-presidents-report\\_en.pdf](https://ec.europa.eu/priorities/sites/beta-political/files/5-presidents-report_en.pdf).

will not be a part of this ‘hard core’.<sup>51</sup> This acceptance is a departure from the position maintained by British governments since the Maastricht Treaty, in which they have sought to retain the power to exercise a veto over the deepening of the European integration process.

The UK’s strategic objective of ensuring an ongoing programme of enlargement—its preference for further widening of the EU—is now tempered in two respects. First, the EU’s member states continue to suffer from a general enlargement fatigue. Although efforts continue to promote democratization and vibrant civil societies in the non-member states of the western Balkans and eastern Europe, full integration of these countries into the Union is becoming a more remote proposition. Second, the experience of 2004 and 2007 and the volume of labour migration to the UK that these enlargements generated has acted as a brake on the UK’s enthusiasm for further enlargement to additional new members which may add further to migration flows.

The UK’s desire to maintain a leadership role as one of the EU’s largest member states is now tempered by the fact that the UK has sought a new settlement within the EU. The past British objective to ensure that a Franco-German tandem does not set the agenda for the future strategic priorities of the EU has to be recalibrated to take account of the centrality of Germany as the key gatekeeper to Europe’s future.

The liberalization and deregulation agenda that the UK has advocated for the EU is also confronted with challenges, most especially in its external aspects. The Transatlantic Trade and Investment Partnership (TTIP), a geoeconomic project aimed at demonstrating that Europeans and the United States are still able to expand the political economy component of the western alliance, faces considerable opposition within the EU. The various moves made by the EU’s member states to accommodate themselves to the rise of China and the other BRICs, and their own relative decline in the international political economy, have the capacity to generate trade-restricting responses and economic nationalism. A precedent exists in the use of trade defence measures in the 1980s, championed by some European governments in response to Japan’s strengthening position as an exporting nation.

## **Brexit: a rupture in UK European diplomatic strategy**

If the British public votes to leave the EU in June 2016 the decision will have major impacts on both the UK’s European diplomatic strategy and its place in the world more broadly. Over 55 years after the UK submitted its first application to join the precursor to today’s EU, the country faces a departure from a core tenet of its European strategy—to be a participant in the European integration process in order to set the agenda to reflect British interests. This would also mark a

<sup>51</sup> For an exploration of the issues around a ‘core Europe’ and the costs/benefits for the EU of differentiated integration, see Nicolai von Ondarza, ‘Core Europe and the United Kingdom: risks, opportunities and side-effects of the British reform proposals’, SWP Comments no. 6 (Berlin: Stiftung Wissenschaft and Politik, Jan. 2016); Nicolai von Ondarza, ‘Strengthening the core or splitting Europe? Prospects and pitfalls of a strategy of differentiated integration’, SWP research paper no. 2 (Berlin: Stiftung Wissenschaft and Politik, March 2013).

significant change in the UK's relationship with its neighbours in Europe. More generally, a decision in favour of exit from the EU raises questions as to Britain's broader role and position within international relations and the international political economy.

There is no precedent for a country choosing to leave the EU. This means that the consequences of departure for the UK's foreign and security policy are uncertain and the full costs cannot be calculated on the basis of any available evidence. A Brexit would raise a broader set of questions for the UK on the orientation and objectives of its national foreign and security policy. EU membership has been a key component of the UK's diplomacy and foreign policy since 1973. The UK's pre-accession past is not a helpful guide to an alternative future, as the contemporary international context is very different from the Cold War environment in which the UK joined the EU in the early 1970s.

In seeking exit from the EU, the UK would be going against the trend of post-Cold War European international relations, which has seen more and more European states seek to make better provision for their security and prosperity by joining the EU through successive waves of enlargement. Current UK advocacy that countries such as Bosnia and Herzegovina, and Serbia, should pursue the difficult economic and political reforms necessary to secure EU membership would ring somewhat hollow should the UK itself decide in favour of exit.

Alteration of Britain's status in relation to the EU would require an extensive recalibration of its relationships with its European neighbours. Negotiating an exit from the EU itself would occupy extensive diplomatic and political bandwidth for a long time (possibly as much as a decade)—capacity which would then be unavailable to focus on the extensive and pressing set of security challenges currently faced by the UK.

A Brexit might also create a broader international diplomatic crisis, forcing the UK to counter a view that Britain was opting for a reduced international role and influence, and raising questions such as whether its membership of key bodies, for example the UN Security Council, was any longer appropriate. However, given the importance of the EU as the predominant export market for UK goods and services, a priority after a Brexit vote would be to determine a new settlement in the relationship between the UK and the EU.

The UK's foreign and security policy could be preoccupied for the best part of a decade in reorganizing its existing foreign relations at a time when new challenges within international relations might be a better focus for attention. Furthermore, the UK would still need to be heavily occupied with influencing the EU's policy agenda from outside an organization which represents the world's largest trading bloc, the most significant provider of overseas development aid, a major player in international environmental diplomacy, and a key actor in Europe's diplomacy and security. The UK may choose Brexit, but its security will still remain intertwined with the successes and failures of the EU.

The impact of disentangling the UK from its foreign and security policy relationships would be a costly exercise with an uncertain outcome. At present

the UK is able to combine British foreign policy assets with EU policy in pursuing its objectives in international relations. The exercise of national sovereignty is preserved in the EU's CFSP and CSDP, as collective action can be pursued only if all member states agree. The current collective EU sanctions regime towards Russia, following its occupation of Crimea and military involvement in eastern Ukraine, has been highlighted by the current UK government as an illustration of how significantly divergent views between the member states can be directed into strong collective action.

At this time, while still pursuing a policy of austerity in its foreign and security policy, the UK should be seeking to develop and deepen areas in which it could cost-effectively pool diplomatic and military capabilities with its EU partners.

Through its membership of the EU, Britain participates in a set of policies that structure relationships between the EU and other states and organizations involved in international relations. In the event of a Brexit, this set of policies—covering trade, security (including defence), development and foreign policy—would expire so far as Britain was concerned, and so would all need to be renegotiated bilaterally by the UK.<sup>52</sup> Thus the UK would be expending considerable resources in just seeking to recodify the status quo in its relationships with many third countries outside the EU across a range of issue areas—all while renegotiating a new bilateral relationship with the EU as a non-member.

## **A UK priority: a new relationship with the EU**

Article 50 of the Treaty on European Union provides for the exit of a member state from the EU under a two-year (extendable) time horizon. Negotiations under this article would be between the UK and the European Commission, operating under a mandate from the remaining 27 member states, to reach agreement on a new relationship. There would be a very strong incentive for the UK to seek a swift conclusion of these negotiations to avoid the uncertainty that a Brexit presents for financial markets, business activity, and decisions about inward and outward foreign direct investment—and for UK citizens resident in other EU member states and non-UK EU member state citizens resident in the UK.

The UK government would need to determine whether it was seeking a ready-made post-Brexit alternative, such as the relationship that the EU currently enjoys with Norway (through the European Economic Area) or with Switzerland (through the European Free Trade Association and a collection of bilateral agreements covering a multitude of different areas), or, more radically, as some Brexit campaigners have already suggested, a Comprehensive Economic and Trade Agreement (CETA) type of relationship such as has been negotiated between the EU and Canada, or a free trade agreement as an alternative to full EU membership. A range of other alternatives have also been mentioned, such as a customs union

<sup>52</sup> On trade alone the UK government has suggested that 53 free trade agreements would need to be renegotiated. See Cabinet Office, *Alternatives to membership: possible models for the United Kingdom outside the European Union* (London, 2016), <https://www.gov.uk/government/publications/alternatives-to-membership-possible-models-for-the-united-kingdom-outside-the-european-union>.



or re-entry to EFTA, which Britain left on acceding to the EEC. The advantages and disadvantages of each type of relationship between the UK and the remaining 27 member states have already been examined at length.<sup>53</sup> The default position if no agreement can be reached would be that the UK's trading relationship with the EU would be covered by most favoured nation (MFN) status under the terms of World Trade Organization (WTO) membership. Under such conditions the UK would face an increase in tariff and possibly non-tariff barriers in its exports into the single market.

Even with the most comprehensive form of relationship available to a non-member state, European Economic Area (EEA) status, the UK would not preserve its position within the EU's foreign economic policy, development, internal security or international environmental policies. The EU's CFSP has the option for non-member states to be associated with its activities via 'political dialogue' processes that allow for exchanges of views between the EU and third countries aligning with the EU's declarations and policies (such as sanctions), but does not allow for any direct participation in EU CFSP decision-making processes. Non-member states have also signed framework agreements with the EU to allow for involvement in CSDP operations and cooperation agreements with the European Defence Agency (EDA).

Whatever agreement, or set of agreements, were reached on a new relationship between the UK and the EU, there would be considerable political pressure to have the agreement validated via a new referendum, particularly if the new settlement sought to preserve freedom of movement.<sup>54</sup> Further, when any agreement had been concluded it would still need to be ratified by each of the EU's member states and by the European Parliament. Any member state that felt aggrieved by the UK's exit from the EU would be in no haste to ratify.

Whatever the new relationship—EEA, Swiss or CETA type—Britain would be removed from the EU's decision-making institutions. The UK's remaining capacity to influence EU law-making would not be directly through the EU's legislative processes but in seeking to make an impact in diplomacy with the European Commission or indirectly through other EU member states. To maintain influence on this basis, the UK would need to boost its diplomats and diplomacy in EU member states significantly.

## **The potential costs to the EU of Brexit**

The exit of one of the EU's large member states would catch attention across the globe. Coming on the heels of the eurozone and migration crises, it would raise questions about the EU's capacity to weather current and future challenges.<sup>55</sup>

<sup>53</sup> For an impartial summary of the alternatives, see Vaughne Miller, ed., 'Exiting the EU: UK reform proposals, legal impact and alternatives to membership', briefing paper no. 07214 (House of Commons Library, 12 Feb. 2016).

<sup>54</sup> Tim Oliver has convincingly mapped 16 different possible scenarios in which the UK might have another referendum on UK–EU/Europe-related issues in the future: Tim Oliver, *Why the EU referendum will not be the end of the story* (London: Federal Trust, 2016).

<sup>55</sup> For a succinct analysis of the broader geopolitical context to a possible Brexit, see Luis Simón, 'Britain, the European Union and the future of Europe: a geostrategic perspective', *RUSI Journal* 160: 5, 2015, pp. 16–23.

Non-European commentators would certainly question whether the EU was on the road to dissolution.<sup>56</sup>

Less dramatically, the UK's voice as a key participant in the EU's decision-making would be lost. Britain is often presented as the leading advocate of a deregulated, market-orientated, free-trading agenda. Its departure from the EU would also diminish the EU's collective foreign policy. As a country with a significant track record in international engagement and a range of diplomatic, military, development and other foreign policy resources, the UK's support for, or opposition to, the development of a collective system of EU foreign and security policy-making, and the pursuit of foreign policy initiatives, is highly significant.

The UK has also been instrumental in the recent reforms intended to enhance the institutions and practices of the EU's foreign policy and external relations. It has long sought to bring the member states' foreign policies into more effective coordination, allied to the EU's international economic significance, through the EU's foreign and security policy. This goal was strengthened by the creation of the role of EU High Representative/Vice-President for Foreign and Security Policy, the first holder of which was the British Baroness Ashton, and the EU's diplomatic service, the EEAS.

Since the high point of the 1998 Anglo-French summit in St Malo, the UK's position on the development of an EU defence policy and capability has shifted from that of leader to that of laggard.<sup>57</sup> The CSDP has not been a core component of British security and defence planning over the past decade. The UK's most recent five-yearly SDSR made no reference to the CSDP as a component of the UK's approach to providing for its national security and defence (but does stress bilateral defence and security relationships with France, Germany and Poland).<sup>58</sup> On the operational aspects of the CSDP, the UK has not been willing to engage at a level of significant scale and scope with CSDP military operations, and generally sees itself as having a preference for NATO-focused commitments. Consequently, London has been a modest contributor to the EU's military operations, although it has committed personnel to the majority of the EU's 'civilian' missions deployed for roles such as border observation and capacity-building for third countries.

A UK departure from the EU has already been mooted as advancing the prospects of a federal EU, including a stronger EDA that is aimed at developing a 'European army'.<sup>59</sup> A Brexit would, however, place the UK's military capabilities at even greater distance from the EU—a point of particular relevance given

<sup>56</sup> Academic analysis of the EU has focuses predominantly on processes of integration. For a corrective explaining the process of disintegration, see Douglas Webber, 'How likely is it that the European Union will disintegrate? A critical analysis of competing theoretical perspectives', *European Journal of International Relations* 20: 2, 2014, pp. 341–65; Hans Vollaard, 'Explaining European disintegration', *Journal of Common Market Studies* 52: 5, Sept. 2014, pp. 1142–59.

<sup>57</sup> Sven Biscop, 'The UK and European defence: leading or leaving?', *International Affairs* 88: 6, Nov. 2012, pp. 1297–1313.

<sup>58</sup> For a discussion on what have been the recent imperatives of British defence policy, see: Andrew M. Dorman, Matthew R. H. Uttley and Benedict Wilkinson, 'The curious incident of Mr Cameron and the United Kingdom defence budget: a new legacy?', *Political Quarterly* 87: 1 (Jan.–March 2016), pp. 46–53.

<sup>59</sup> Peter van Ham, *Brexit: strategic consequences for Europe: a scenario study*, Clingendael Report (The Hague: Clingendael, Feb. 2016).

the UK's possession of strategic airlift and intelligence, surveillance and reconnaissance capabilities which are in short supply among the other member states. Indicative of UK assets made available to the CSDP has been the provision of the operational headquarters for the EUNAVFOR anti-piracy operation off the coast of Somalia, which would no longer be available were Britain to leave the EU.

The UK has also seen the CSDP as a key instrument for the creation of capabilities for crisis and conflict management not possessed by other organizations such as NATO, and as a vehicle through which to strengthen other member states' military capabilities and thereby boost European defence. The CSDP has provided countries with opportunity to gain experience in deploying and sustaining their forces overseas for extended periods in combination with other EU nations, and has successfully promoted the creation of EU battlegroups—multinational forces available for rapid deployment in crisis situations. The battlegroups are notable for bringing European countries from outside NATO, such as Finland, Ireland, Norway and Austria, into operational readiness for military conflict management roles.

Brexit would mean the EU losing the UK's voice in setting its agenda on development policy, international environment diplomacy, internal security and trade policy. In turn, the UK would lose the capacity to multiply its national foreign policy objectives through the EU and the power that it exercises in each of these areas. As the Review of the Balance of Competences concluded, the EU's wider geographical coverage means the UK can channel aid through it to reach countries that the UK could not reach alone. To quote from the report: 'The close alignment of UK and EU development objectives, and the EU's perceived political neutrality and global influence, mean the EU can act as a multiplier for the UK's policy priorities and influence.'<sup>60</sup>

## **The impact of Brexit on key bilateral relationships**

One immediate impact of a Brexit vote would be to throw the UK's relationship with the Irish Republic into crisis. The UK is the Irish Republic's most important trading partner; the Irish Republic enjoys a Common Travel Area with the UK and, crucially, has seen the UK's EU membership as a framework through which the peace process in the North of Ireland has been facilitated. Brexit may well trigger a complication of the political settlement reached between the Unionist and Republican communities.

Other key bilateral relationships would also be complicated for the UK by a Brexit. The UK has invested particularly heavily in its relationship with France in recent years. The 2010 Lancaster House treaties created a new Anglo-French defence relationship rooted in collaboration on nuclear weapons technology and increased interoperability of armed forces. The treaties are premised on closer cooperation between the UK and France to facilitate greater burden-sharing in the EU and NATO. France has persisted with the idea of Anglo-French coordination

<sup>60</sup> HM Government, *Review of the Balance of Competences Report between the United Kingdom and the European Union: Development Cooperation and Humanitarian Aid Report*, July 2013, p. 6.

at the heart of a successful EU foreign, security and defence policy despite the reticence of recent British governments in respect of an EU defence policy. Were Britain to leave the EU, the rationale for closer links between the UK and France would diminish, and France might turn to other intergovernmental partnerships with member states such as the Weimar grouping (Poland, Germany and France) which offer ready-made substitutes for defence collaboration.

The UK would face a major complication in its relationship with the United States.<sup>61</sup> President Obama and officials within the administration have already expressed a clear preference for the UK to remain within the EU. Leaving the Union would place the UK in a position counter to the long-term strategy of the United States, pursued by both Democrat and Republican administrations over recent decades, which has been to support and promote both EU and NATO enlargement as a key tenet of transatlantic relations. Outside the EU, the UK would no longer have leverage over future enlargements of the EU or in seeking to ensure that EU defence policies are developed in a manner that also strengthens, rather than duplicates, NATO. This reduction in leverage would most certainly mean that the UK would be considered of diminished significance to future US administrations. The 'special relationship' might no longer be quite so special.

### **The long term: a phoenix or *Titanic* future?**

In the medium and long term, might a Brexit provide a new, enhanced future for the UK? Brexit campaigners argue that the UK's economy would be liberated from the burden of regulation and restriction that comes with EU membership. On this basis an end to EU membership would create a 'phoenix' future for the UK.

In this scenario, the UK's diplomatic and political bandwidth would be liberated from the weight of EU institutions, decision-making processes and existing patterns of external relations, allowing the readjustment of the UK's interests and international relationships. The UK would be able to make full use of its diplomatic and military capabilities alongside its soft power, its position as an unrivalled international financial centre and its memberships of the Anglosphere and the Commonwealth, to seek new international influence, especially with rising powers.

However, as has been suggested above, a less optimistic future—indeed, a *Titanic* future—looks more likely for a UK outside the EU. The UK's place in the world would have encountered a significant setback. The British government would be confronted with an international diplomatic crisis, forced to counter a perception that Britain's international role and influence would be shrinking. Brexit would also raise questions about the UK's international importance and might lead other countries to ask whether its membership of key bodies, for example its permanent seat on the UN Security Council, was still appropriate. The UK would lose the European Union as a vehicle for providing for significant diplomatic efficiencies. It would lose the ability to address a wide range of foreign policy and security issues via a multilateral format with 27 other European countries. As the current

<sup>61</sup> See Oliver and Williams, 'Special relationships in flux'.

EU foreign policy-making system does not allow non-members to participate in its processes, it would have to find new means and other mechanisms to resolve interstate disagreements, iron out differences and pursue collective positions on issues of common concern.

## **Conclusion**

The UK stands on the banks of the Rubicon: it has reached a moment of reckoning in its long-term diplomatic strategy for Europe. Since accession the British approach has been to use the EU as a key instrument and important venue for pursuing a set of broader goals in its relationship with the continent. A vote for Brexit would throw a central component of this half-century-old diplomatic strategy into disarray.

While, until recently, British governments have demonstrated a high degree of consistency in their approach towards the EU, the UK domestic political context has altered in a manner that now acutely complicates the UK's approach towards Europe. Over the past two decades there have been changes both within British political parties and in public attitudes towards European integration which have now coalesced in a manner that calls into question whether the future of the UK's European diplomacy will be as consistent as its past.

Whether one subscribes to the viewpoint that a Brexit would represent a *Titanic* sinking of Britain's future position or believes that it provides the opportunity for a phoenix-like resurgence for the UK, it is certain that an exit vote would require a major reorganization of the UK's place in the world. As well as negotiating a new relationship with the EU, which would then become its most important external trading partner, the UK's foreign economic policy establishment would be preoccupied with replacing the EU's bilateral and multilateral trade agreements which condition the UK's trade with third countries. The components of Britain's defence and security policies which are currently pursued through the EU would need to be rearranged to reflect the non-member status of the UK. More broadly, the UK's bilateral relationships with those European states that remain EU members would be reconfigured in a manner determined largely by the nature of the new settlement the UK sought with the EU, shared membership of other regional and international organizations, and issues of shared mutual concern.

Unless a British departure from the EU creates a terminal crisis for European integration, the UK would still need to be heavily occupied with influencing the EU's policy agenda from the outside. After the UK's exit the EU would retain global significance as the world's largest trading bloc, the most significant provider of overseas development aid, a major player in international environmental diplomacy, and a key actor in Europe's diplomacy and security.

Whether or not the electorate votes for a Brexit in the referendum on 23 June, the UK's national foreign and security policy will remain thereafter intertwined with the policies, preoccupations and crises of the EU and its remaining member states.