Washington Post (Monkey Cage) Analysis June 26, 2017

One year after the Brexit vote, Britain's relationship with the E.U. is unlikely to change much. Here's why.

By Andrew Moravcsik



In this file photo, demonstrators fly E.U. and U.K. flags during a rally following an anti-Brexit, pro-European Union march in London on March 25. Tens of thousands of pro-E. U. protesters took to London's streets Saturday to mark the European Union's 60th anniversary. (Daniel Leal-Olivas/Agence France-Presse via Getty Images)

It has been a year since the Brexit referendum. Negotiations between Britain and Europe have now begun and will continue for most of the next decade. As a matter of formal international law, we do not know whether Britain will remain in the European Union, become an associate member, achieve a "partially attached" status akin to that of Norway or Switzerland, or negotiate a unique arrangement.

Yet one thing has become clear: A broad renunciation of substantive policy coordination with the European Union — the "hard Brexit" option — is unlikely. Instead, when it is all over, surprisingly few real policies are likely to change — and those that do will probably favor Europe, not Britain.

These predictions stem from an analysis of the three most important factors that political scientists believe structure international economic and political affairs: interdependence, influence and institutions.

Interdependence: Why Britain does not really want to eliminate E.U. policies

British Euroskeptics often decry E.U. policies as unnecessary and damaging regulations crafted by arbitrary bureaucrats and unelected judges. But Brexit is unlikely to change the substance of very many E.U. rules — because the British government does not really want it to.

In recent decades, Europe has moved decisively in directions Britain favors. The European Union is now built around a single market with shared regulations. Participation in other policies is essentially optional; that's true for the Euro, collective defense, the Schengen zone for free movement, social policy, homeland security, external immigration, and so on. Britain long opted out of most E.U. policies it dislikes. But on those issues where Britain participates fully in the European Union, it is deeply connected to Europe. Prime Minister Theresa May's negotiating stance toward Brussels actually treats most of Britain's current commitment to policy coordination with Europe as essential or uncontroversial. London does not even propose, much less expect, to tamper with free trade in manufactured goods and services under common regulations, which is the European Union's most important policy, or with common research policies or the rights of all Europeans currently living abroad.

Britain needs the European Union's liberal rules because it benefits from them: It wants continental countries to guarantee access for its exporters, service providers and educated individuals — all areas where the British are relatively competitive. Nor does London propose to dilute anti-crime and homeland security policies or defense cooperation, which help keep Britain safe.

Influence: Why Britain lacks the bargaining power to get a better deal

The second reason Brexit is unlikely to involve major policy changes is that Britain is weak. British leaders are tempted, as governments usually are in international negotiations, to "cherry-pick" policies, keeping those they like but rejecting a few they don't. London has proposed to retake control of fisheries, agriculture, foreign trade and especially immigration policies, where it feels disadvantaged, and it has voiced ambivalence about the process by which rules are enforced. The Europeans, naturally, will not want to let Britain treat such policies as optional items on a menu. On these disputed issues, Britain's ability to exempt itself from existing E.U. policies depends on its power. The government promises toughness. May asserts that "no deal is better than a bad deal." David Davis, her secretary of state for exiting the European Union, adds, "If our country can deal with World War II, it can deal with this."

Yet experienced diplomats and political scientists distrust such Churchillian rhetoric. They know that what a government can get in an international negotiation depends on that country's relative bargaining power.

Decades ago, political scientists Robert Keohane and Joseph Nye identified "asymmetrical interdependence" as the basic source of influence in international economic negotiations. When a buyer and seller bargain over the price of a house or a car, the person who needs the deal more is at a structural disadvantage. In world politics, power similarly stems from interdependence: The more dependent a country is on external flows of trade and investment, the more concessions it will make to secure a liberalizing agreement. That is why small countries, for which trade constitutes a critical lifeline, usually have less clout.

Britain is unlikely to extract many concessions from a far larger Europe on which it is asymmetrically dependent. Almost 50 percent of British exports go to Europe: They total 13 percent of British GDP, while European exports to Britain total only 4 percent of European GDP. If no agreement is reached, Britain has at least four times more to lose.

Britain will have to prioritize what it cares most about, such as future migration; it is likely to expend its limited bargaining power to achieve those goals. Yet, generally, if anyone is to make concessions to preserve the basic relationship, it is more likely to be Britain than Brussels. And that means retaining current policies.

To enhance British bargaining power, some Tories suggest rapidly signing trade agreements with non-European countries. Yet such trade agreements generally take a decade or more to negotiate and implement, and Britain is so small that it is unlikely to wield more influence on the United States or China than on the European Union.

Institutions: Why European political institutions block the spread of Euroskeptic populism

British Euroskeptics still hoping for a "hard Brexit" might look beyond these international factors and hope that domestic politics will lead to their preferred outcome. Euroskepticism could spread, leading the European Union to collapse. Over the past year, many commentators have jumped on the bandwagon, portraying the Netherlands, France and other European countries as teetering on the brink of government by radical-right Euroskeptic populists who would demand "Frexit," "Grexit" and similar referendums.

Yet a final reason a hard Brexit is unlikely is that surprisingly few Europeans are skeptical about the European Union; almost all who are lack real domestic power.

European political institutions create a bulwark against radicalism. Electoral systems underrepresent small splinter parties. Two-round elections prevent minorities from imposing their views. Coalition government excludes or moderates extremist parties. Binding referendums are widely illegal or narrowly constrained by the need for parliamentary approval.

Few of the dire press predictions about populism have come to pass or have any realistic chance of doing so. In France, National Front (FN) candidate Marine Le Pen's first-round presidential run became global news, although she never had a real chance to prevail in the decisive second round. Now Emmanuel Macron's pro-European party has swept legislative elections, leaving only eight out of 577 seats for the FN. Recent Austrian elections had a similar result. In the Netherlands, even though Gerd Wilders's antiimmigrant and moderately Euroskeptic party came in second in recent parliamentary elections with 13 percent, it has been shunned as a coalition partner.

Even in the rare circumstances when Euroskeptics win, the fundamentals of E.U. policy remain largely unchanged. In a nonbinding referendum a year ago, Dutch voters rejected the European Union's treaty of association with Ukraine — yet last month, without any public controversy, the Dutch parliament ratified the treaty anyway. In Hungary, Euroskeptic Prime Minister Viktor Orbán's right-wing party controls the government. Yet while Orbán has criticized Brussels's immigration policy, he has never proposed exiting the European Union — a suicidal prospect for a small country such as Hungary.

Britain is in a difficult negotiating position: Its economy and security are too deeply connected with Europe, its international bargaining power too limited, and its populists too politically constrained to sustain a hard Brexit. In theory, Britain could ultimately carry out its threat to leave the European Union, but in practice, more will remain the same than will change.

Andrew Moravcsik is professor of politics and public affairs at Princeton University and director of Princeton's European Union Program.