

Goodbye Europe

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Main ideas

➤ It is of the outmost importance to keep the UK in...

- Brexit would be costly and negative for the UK, as well as for the EU
- Geopolitical reasons: division of the West is dangerous (US/Canada clearly against Brexit); fragmentation would please Putin
- Economic reasons: pro-business, open country/driving force for the Single Market and trade agreements
- Historical and democratic achievements of the UK

➤ But a sound legal basis is essential

- On 19 February, international agreement made between the 28 Member States, outside the EU Treaty framework; ambiguous nature; circumvents Treaty revision procedures; the Commission should have objected; no debate in national parliaments/no debate/vote in the EP
- Legally binding or interpretative? Nobody knows; agreement deposited by the UK at the UN/no ratification in the national parliaments of the other Member States
- Opaque promises of Treaty changes, as well as modifications to EU social legislation still to be confirmed; for example: to give blocking rights for national parliaments obviously requires Treaty change; bypassing legal framework of Treaties not appropriate/efficiency of EU legislative process reduced

➤ **Need fair 'agreement' for all - from a French/euro area perspective, the deal is unfair**

- Until now, single set of institutions (1 EU Parliament/1 EU Commission) because the euro is the single currency of the whole EU (2 countries, including UK, having an opt out); if the UK definitively refuses to join the euro, it should have no right to participate further in decision making process
- Asymmetric concessions on sovereignty ("ever closer union" removed from Treaty); the UK has signed and ratified the Treaties which were the result of give and take
- No reason to give an outsider an emergency brake on Banking Union; settlement unclear on the Single Market for financial services; UK still Single Market oriented?
- If the UK manages to reduce its commitments, why should France (and Italy) still pay an unchanged contribution to the British rebate: EUR 1,6 billion a year (Italy EUR 1,2 billion)?
- 'Agreement' very weak concerning competitiveness

➤ **Cameron¹ was right on 3 points:**

- the need to boost Europe's competitiveness
- the need to reform the EU/deepen the euro area
- No British veto on any euro area reform, as the UK is outside

➤ **The EU leaders were not right:**

- Taking the risk of destroying the EU/creating a dangerous precedent - to solve domestic problems in one country at the EU level; hazardous gambling
- Interpreting the Treaty as giving a government the right to blackmail its partners with the threat of leaving; art 50 of the EU only foresees the right to leave, certainly not to unilaterally obtain a special status

¹ Bloomberg speech, January 2013

- Accepting the narrative that the UK is discriminated against concerning the euro area; it has not been put in a minority, it has made the sovereign choice not to join the euro, which is quite different
- Buying the argument that democratic accountability can only derive from national parliaments; the European Parliament has been directly elected since 1979 (UK committed member; excellent work of many British MEPs)

Conclusion

- Whatever the British people decide, deepening /democratizing the euro area should be the priority
- If the UK stays, need to clarify the future relationship EU/euro area: presidential election in France/federal election in Germany in 2017, opportunity to open a debate and get a popular mandate to renegotiate the Treaties (including concerning the UK's role) which would offer a more balanced deal for all
- If the UK leaves
 - need to respect the article 50 procedure (2 years/majority decision/consent of the European Parliament)
 - consequences for the UK should be clear (no more Single Market, no passporting, clearing houses for euro transactions in the euro area)