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Mapping Member States' Stances in a Post-Brexit European Union

by Eleonora Poli

ABSTRACT

During the 2016 Bratislava Summit, European Union member states concluded that although the UK vote to leave the EU is a serious matter, the EU can survive a British exit. Nonetheless, the current political atmosphere is one of deep unease. Brexit has exacerbated a general European malaise, highlighting member states' struggle in reaching agreement when dealing with EU matters. This will have a fundamental impact on future negotiations with Britain. To date, while countries are afraid that public opinion might support exit referenda at national levels – especially if EU institutions negotiate too "soft" a deal with the UK – their ideas regarding a British exit agreement are not always aligned. In an attempt to foresee the UK-EU negotiating pattern, this paper will map the member states' views, which the EU should take into consideration while discussing the exit deal with the UK.

keywords

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by Eleonora Poli*

1. A post referendum UK and the path towards Brexit

In the aftermath of the British referendum on UK membership of the EU, the European Commission and member countries have been waiting for the UK to trigger Article 50 and start the negotiation process with the union. However, new Prime Minister Theresa May has only relatively recently declared that the UK will trigger Article 50 by the beginning of 2017, in order to then begin the anticipated two-year-long negotiation process with the EU. Generally, in order to satisfy the demands of "leavers," the UK Government needs to retain access to the single market, rescind the supremacy of EU directives and regulations over British law, control the free movement of labour and be able to independently implement free-trade agreements with other countries. Nonetheless, formally, the UK will have to adopt one of two possible macro-political strategies: a "soft" Brexit, which will oblige it to maintain some economic and even political ties with the EU, or a "hard" Brexit, which will reshape UK-EU political and economic relations and could lead to a possible free-trade agreement between the two.[1] Yet, the precise terms and conditions of these two options are not easy to define since there is little knowledge on what member countries might allow Britain to obtain. In other words, within the framework of a soft or hard Brexit, member countries could be more or less flexible and decide to favour the UK or not. This is one of the reasons, behind the UK Government's procrastination over triggering Article 50 and opening formal negotiations with the EU.[2]

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[1] Robin Niblett, "Preparing for the UK's Brexit Negotiation", in *The World Today*, August-September 2016, https://www.chathamhouse.org/node/24234.

[2] Certainly, the recent ruling of the High Court is also playing a role. The latter has indeed provided that the UK Government cannot invoke the Royal Prerogative to trigger Article 50, without the British Parliament having a say on the matter.

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Brexit "zero-sum" game	Soft Brexit	Hard Brexit
Positive outcome for the UK	UK retains access to the single market (European Economic Area - EEA).	The UK will not be required to accept free movement, accept EU regulations or pay into EU budget. It could possibly implement a trade agreement with the EU in subsequent years.
Negative outcome for the UK	EEA will require the UK to accept EU regulations and free movement, and pay into the EU budget.	The UK will remain outside the single market. This will result in economic loss.

Knowing European countries' stances on the UK-EU deal is particularly relevant not only for a potential British advantage but also for the future of the union itself. The European institutions will have to negotiate an exit deal with London taking into consideration the interests of 27 member countries. Moreover, once an agreement with the UK is reached, all the remaining member countries will have to approve the conditions agreed. The absence of a common vision on the Brexit deal might well favour the UK. Indeed, while Theresa May could more easily change her political strategy under such circumstances, for the EU the result could be an extremely complex process, in which 27 different national interests might clash, undermining the possibility of reaching a common goal.[3]

Within an already fragmented European Union, this eventuality would be extremely risky, as it could weaken an already complex European integration process. Moreover, while the UK Government has to respect the will of the 52 percent of its citizens who voted "leave" and pursue a British exit from the European Union, for the EU coordinating 27 possibly different reactions of public opinion to a Brexit deal will be extremely difficult. In this respect, EU governments will have to carefully measure the impact of their political decisions on the UK-EU agreement in relation not only to their national interests but also to public opinion.

In this respect, the paper will be structured as follows. The first part will analyse public opinion on Brexit in order to highlight whether European citizens support it and whether additional exit referenda are to be expected in other EU member countries. Fear of a "domino effect" will certainly influence member states' will and ability to adopt a more or less flexible approach towards the UK. The second part will take into consideration the British macro-options, namely soft and hard Brexit, and examine how member countries could react to such strategies. Methodologically, the findings will be based on opinions expressed by members of national parliaments of the EU member countries during the Mercator European

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[3] Pol Morillas, "The Brexit Scenarios: Towards a New UK-EU Relationship", in *Documents CIDOB*, No. 7 (June 2016), http://www.cidob.org/en/content/download/64268/1984216.

Dialogue held in Bratislava on 14-26 October 2016,[4] and also on primary and secondary sources. The aim of the paper is to map member states' positions on the UK-EU deal in order to shed some light on what kind of approach the EU will more likely adopt during the Brexit negotiations and what the agreed values and principles should be on which it would be possible to build a coherent post-Brexit union.

2. Public opinion on Brexit

Public reaction to the Brexit vote has been different in practically each member state. In western European countries, like Germany and Belgium, the most common response was one of incomprehension. No less than 45 percent of Germans against 15 percent, and 31 percent of Belgians against 18 percent declared that they could not understand the reasons behind the British vote.[5] Germans and Belgians believed that the UK had already achieved a special status within the union, and that the consequences of Brexit would be so catastrophic as to make the acceptance of some European political and economic ties seems relatively convenient to Britons. Additionally, in both countries, the majority of citizens – 66 and 67 percent respectively – believed that the future of their own nation would not be better outside the EU.[6]

The Italians (26 against 18 percent) and French (23 against 22 percent) appeared to be more sympathetic towards the British decision to leave the EU.[7] This might certainly be explained by anti-EU sentiments registered in those countries over the previous few years. Although in Italy this trend is reversing, 54 percent of Italians and 59 percent of the French still declare that they do not trust the European Union.[8] To date, the euro-critical Five Star Movement, which is advocating a referendum on the Euro currency,[9] constitutes the second most important party in the Italian Parliament. In France, the eurosceptic Front National was supported by an unprecedented number of voters in the first round of the regional elections held in December 2015.[10]

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[4] The third Mercator European Dialogue entitled "Quo Vadis EU? Brexit, Political Polarisation and Democratic Deconsolidation" was organized by the German Marshall Fund of the United States (GMF) together with Stiftung Mercator in cooperation with the Istituto Affari Internazionali (IAI), the Barcelona Centre for International Affairs (CIDOB), and the Hellenic Foundation for European and Foreign Policy (ELIAMEP). For more information, see: http://www.iai.it/en/node/6852.

[5] "Europeans and Brexit", in *The Progressive Post*, No. 2 (Autumn 2016).

[6] See Open Data Portal (Table QA19a.5) in European Commission, *Standard Eurobarometer 85 (May 2016)*, July 2016, http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/Survey/index#p=1&instruments=STANDARD.

[7] "Europeans and Brexit", cit.

[8] See Open Data Portal (Table QA8a.9) in European Commission, *Standard Eurobarometer 85 (May 2016)*, cit.

[9] "Questions and answers about exiting the Euro", in *Beppe Grillo's Blog*, December 2014, http://www.beppegrillo.it/en/2014/12/questions_and_answers_about_ex.html.

[10] Helene Fouquet, "Le Pen Moves to the Mainstream: Can the French Far-Right Leader Break Her

In countries like Spain (28 percent) and Poland (22 percent), the most diffused sentiment was one of concern.[11] In Spain, citizens are afraid that Brexit and a possible independence referendum in Scotland might fuel separatist movements in Catalonia. On the other hand, with an estimated headcount of 850,000, Poles represent the biggest group of European migrants living and working in the UK (9.1 percent of the immigrant total).[12] Hence, Polish citizens fear for the future of their compatriots in Britain.

In member states like Portugal and Greece – and even Austria, Sweden and Finland – citizens are distressed by the possible negative consequences in their countries. According to the Greeks and Portuguese, Brexit could negatively affect their already depressed economies – making a Eurozone exit possible in the case of Greece.[13] In Austria, Sweden and Finland, right-wing anti-establishment parties such as Austria's Freedom Party (38 out of 183 seats in the national parliament), the Swedish Democrats (48 out of 349 seats) and the True Finns Party (37 seats out of 200) might profit from a political momentum to push their eurosceptic agenda even further.[14] In particular, the True Finns Party is organizing a petition in support of holding a similar referendum in Finland. However, 69 percent of Finns do not wish for a British style in/out vote, and 68 percent would vote to stay in the case of such an exit plebiscite being held.[15] The Swedish Democrats have also raised calls for a UK-style referendum on EU membership. However, increased concerns over potential political chaos have resulted in 63 percent of Swedes maintaining that they would vote to remain if a referendum on "Swexit" were ever to be held.[16] The situation is slightly different in Austria. The Freedom Party has maintained that it would seek a Brexit-style referendum if more power were to be transferred to Brussels. At the same time, preparations for the country's next presidential election (December 2016) see the Freedom Party candidate, Norbert Hofer, preferred by 53 percent of Austrians.[17] Polls are, however, also showing that 53 percent of the

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Glass Ceiling?", in *National Post*, 30 September 2016, http://wp.me/p2zm7z-56Vs.

[11] "Europeans and Brexit", cit.

[12] Cinzia Rienzo and Carlos Vargas-Silva, "Migrants in the UK: An Overview", in *The Migration Observatory Briefings*, 28 January 2016, http://www.migrationobservatory.ox.ac.uk/resources/briefings/migrants-in-the-uk-an-overview.

[13] See George Tzogopoulos and António Raimundo opinions in Tim Oliver, "Preparations for a Brexit IV: Views from Austria, the Czech Republic, Finland, Greece, and Malta", in *LSE BrexitVote*, 21 April 2016, http://wp.me/p6zUkq-DG; "Reaction in Portugal over Brexit", in The Portugal News Online, 30 June 2016, http://www.theportugalnews.com/news/reaction-in-portugal-over-brexit/38700.

[14] For more information on those parties, see Tamás Boros (ed.), *The State of Populism in Europe in 2015*, Budapest, Policy Solutions, April 2016, http://www.progressivepost.eu/?p=1535.

[15] Raine Tiessalo, "Brexit Mess Scares Finns Away From EU Referendum Many Had Sought", in *Bloomberg News*, 30 June 2016, http://bloom.bg/29fBN7b.

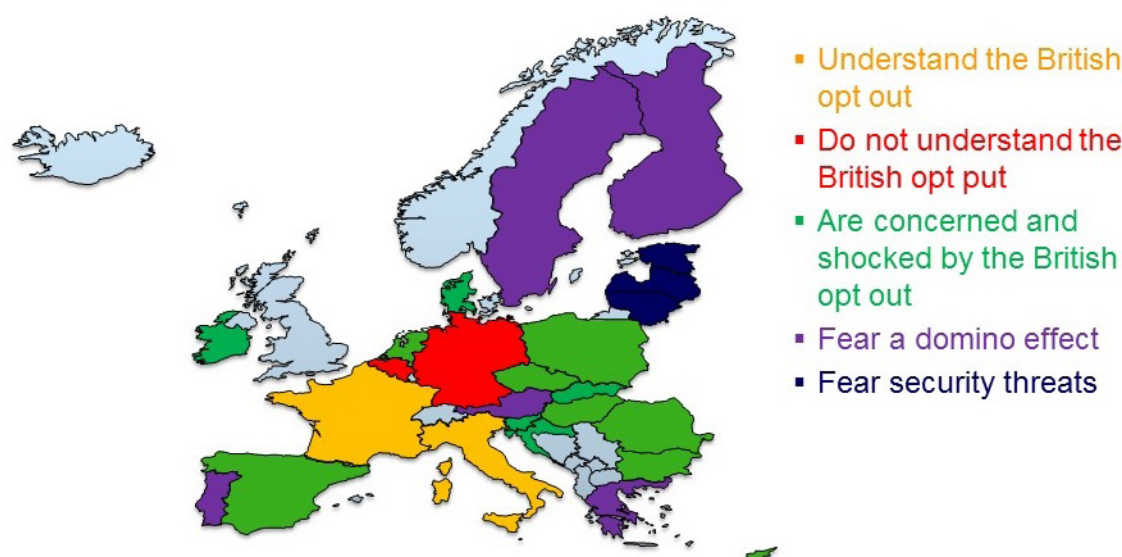[16] Gabriel Samuels, "Swedish Support for EU Membership Surges Following Brexit", in *The Indipendent*, 14 July 2016, http://www.independent.co.uk/node/7136426.

[17] Alexander Weber, "Austria Populists Soften EU Stance as Brexit Shapes Campaigning", in *Bloombeg News*, 29 August 2016, http://bloom.bg/2bxc3Pz.

nation is willing to stay in the EU.[18] Public opinion in the Baltic countries respects the British decision but is worried by potential security threats. Indeed, Brexit might undermine the EU's position towards Russia, given the stronger recent anti-Russian drive of the UK by comparison with other western European countries such as Germany or France.[19]

Generally, the overall sentiments on Brexit that characterize continental European public opinion are incomprehension, concern and fear. Certainly, the Italians and French have shown some degree of understanding of the Brexit decision.[20] However, the level of sympathy displayed by statistics is not significant and does not suggest similar referendum outcomes in those countries. To date, looking at the low level of citizens' support for the British decision to leave the EU, a successful exit referendum in other member countries is not to be expected.

Figure 1 | EU citizens' reactions to Brexit

- Understand the British opt out
- Do not understand the British opt put
- Are concerned and shocked by the British opt out
- Fear a domino effect
- Fear security threats

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[18] "'Auxit' Vote Within Year: Far-Right Hofer Warns Austria Could Follow in British Footsteps", in *Reuters*, 26 June 2016, https://www.rt.com/news/348492-auxit-brexit-eu-hofer.

[19] Max Boot, "Why Brexit Alarms Britain's Baltic Allies", in *The Washington Post*, 20 June 2016, http://wapo.st/26b4a9l; "Brexit Sad But No Tragedy, Say Baltic Countries", in *BBC News*, 30 June 2016, http://www.bbc.com/news/world-europe-36674345; Eoin Micheál McNamara, "Brexit: Hidden Implications for Baltic Security", in *UT Blog*, 24 March 2016, http://blog.ut.ee/?p=5614; "Baltics 'in Shock,' Regret Over Brexit, But Respect Decision", in *The Baltic Times*, 24 June 2106, http://www.baltictimes.com/baltics____in_shock_____regret_over_brexit__but_respect_decision; Tomass Pildegovičs, "The Brexit Dilemma: A Baltic Perspective", in *Latvian Institute of International Affairs Comments*, 20 June 2016, http://www.lai.lv/viedokli/the-brexit-dilemma-a-baltic-perspective-490.

[20] IFOP, *Les Européens et le Brexit*, July 2016, http://www.ifop.com/?option=com_publication&type=poll&id=3442.

Yet, much will depend on how the UK-EU deal is structured and whether the union will grant the UK access to the common market whilst allowing restrictions on migration. For the time being, public opinion on the UK-EU deal is not homogeneous. For instance, Dutch, Danish and Baltic citizens would probably prefer the European Union to make some concessions to the UK while negotiating its exit deal. On the contrary, Italians, French, Germans and Belgians seem inclined to adopt a more intransigent approach.[21] In this respect, either too soft or too rigid an attitude towards the UK might well change public stances on the opportunity for further exit referenda.

3. "Soft" or "hard" Brexit?

Considering the exit negotiation as a zero-sum game, the ultimate prize for the UK would be to obtain access to the common market whilst restricting free movement. This would allow the UK Government to respect the will of the 52 percent of Britons who voted to leave the EU while preserving the UK economy from possible setbacks and the unknown consequences of a full exit, not only from the EU but also from the larger European market.[22]

The majority of member states seem little inclined to provide the UK access to the European common market without the preservation of the so-called "four freedoms," including the freedom for EU citizens to work in the UK.[23] Western European countries such as France and Germany – and also Sweden, Austria, Slovenia and Croatia – do not want the UK cherry-picking only the most advantageous political economic options from the EU. The main objection is that providing the UK with a more special status than it already had would result in a profound loss of credibility for EU institutions. Similarly, southern Europe – namely Italy, Greece, Portugal and Spain – believes that this would make the exit deal a tempting option in the eyes of their citizens, who are suffering the consequences of European austerity. Finally, the Visegrad group (the Czech Republic, Hungary, Poland and Slovakia), along with Bulgaria and Romania, most strongly supports the idea that access to the EU single market depends on the acceptance of free labour movement. This position is also shared by the other member states.[24]

Within this framework, however, it would be unthinkable for the UK to advance a soft-Brexit option, which would entail a special deal within the European Economic Area (EEA) providing full access to the common market without the burden of accepting, as Norway does, EU directives and regulations as well as free

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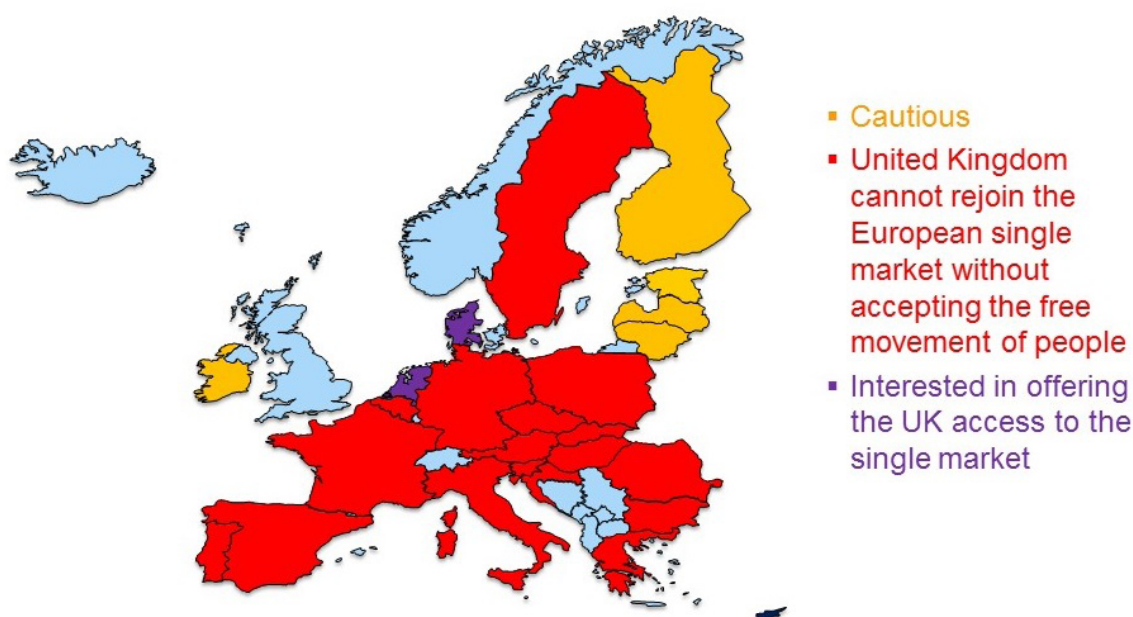[21] Ibid.

[22] Paul De Grauwe, "What Future for the EU After Brexit?", in *Intereconomics*, Vol. 51, No. 5 (September 2016), p. 249-251, https://www.ceps.eu/node/11884.

[23] Fabian Zuleeg, "European Views on the UK's Renegotiation: Germany, Greece, Slovakia and the EU's institutions", in *LSE EUropp Blog*, June 2016, http://wp.me/p2MmSR-9hm.

[24] Ibid.

movement of people. Indeed, while it is unlikely that member states would agree on such conditions, Norway has already highlighted its opposition to making the UK rejoin the EEA.[25] Since hopes for achieving such an exceptional relationship seem far from realistic, the UK will most probably opt for a hard Brexit.[26]

Figure 2 | UK access to the common market, mapping member states governments' stances

- Cautious
- United Kingdom cannot rejoin the European single market without accepting the free movement of people
- Interested in offering the UK access to the single market

A hard Brexit would entail an immediate exit from the single market and the termination of any other ties binding the UK to the continent. Certainly, the UK will negotiate exceptions for those European citizens who are already living and working in the country, in exchange for the same conditions for British citizens in the rest of Europe.

Such a deal would provide the current government with more legitimacy, as it would be acting in accordance with what was decided by British voters. Moreover, according to the Leaving side supporters, it would possibly allow the UK to avoid an outright economic drop, as it would result in a relatively fast, clean break from the EU. Nevertheless, the recent crash of the pound (-0.3 percent) after Theresa May's hint of a possible hard Brexit might prove the contrary to be the case.[27]

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[25] Nat O'Connor, "A New EFTA-EU Relationship Post-Brexit?", in *Progressive-Economy@TASC*, 8 July 2016, http://www.progressive-economy.ie/2016/07/a-new-efta-eu-relationship-post-brexit.html.

[26] Jennifer Ranking, "UK Heading for Hard Brexit, Say European Diplomats", in *The Guardian*, 30 September 2016, https://gu.com/p/5577h/stw.

[27] Josh Lowe, "Pound Falls as Theresa May Warned Over 'Hard Brexit'", in *Newsweek*, 3 October

Trade relations with the EU could only be disciplined, at least initially, under World Trade Organization (WTO) rules, and the UK could negotiate free-trade agreements with non-EU countries.[28] With time, the UK is expected to even open negotiations for a comprehensive free-trade deal with the EU – a Cross-Channel Trade and Investment Partnership (CCTIP) – in order to lower or eliminate import/export tariffs for mutual benefit.[29] In this scenario, the UK will have to retain most EU regulations and standards and it could agree with the EU27, a framework for the movement of people and workers into each other's jurisdictions in exchange for special conditions on financial services, given the size and importance of the London financial market to both sides.[30] However, such a process will take many years, and, seeing the recent negotiations between the EU and Canada on a Comprehensive Economic Trade Agreement (CETA) struggling, a CCTIP has no guarantee of success.

Table 1 | British exports and imports to the EU and non-EU countries, September 2016

Partner country	British exports (mln pounds)	Change from Sept. 2015 (%)	British imports (mln pounds)	Change from Sept. 2015 (%)
Germany	3,045	16.9	6,072	14.5
France	1,702	30	2,124	2.1
Netherlands	1,621	20.1	3,251	29.8
Belgium	1,106	3	2,259	18.6
Italy	899	22.5	1,482	7.4
Spain	826	16.1	1,427	17.4
Total EU	13,025	13.1	21,938	14.8
Total non EU	12,518	-11	23,635	51.2

Source: UK Government, *UK Overseas Trade Statistics: September 2016*, cit.

In the meantime, London could arguably lose its leadership in the financial-services sector as well as part of its economic attractiveness.[31] Considering that in 2015, EU member countries accounted for almost half the stock of Foreign Direct Investment in the UK (496 billion pounds out of a total of 1,034 billion pounds: 48 percent), it is realistic to envision that, at least in the short term, the British economy would suffer.[32] Certainly, the UK will attempt to maintain a good economic

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2016, http://europe.newsweek.com/brexit-theresa-may-sterling-falls-dollar-nicky-morgan-nick-herbert-hard-brexit-505341.

[28] Kamal Ahmed, "What Does 'Hard' or 'Soft' Brexit Mean?", in *BBC News*, 29 September 2016, http://www.bbc.com/news/business-37500140.

[29] Robin Niblett, "Preparing for the UK's Brexit Negotiation", cit.

[30] Ibid.

[31] Kamal Ahmed, "What Does 'Hard' or 'Soft' Brexit Mean?", cit.

[32] Dominic Webb and Matthew Keep, "In Brief: UK-EU Economic Relations", in *House of Commons Briefing Papers*, No. 06091 (13 June 2016), http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06091.

performance by addressing non-European markets to a greater extent. Already in 2015, the UK increased trade activities with non-EU countries. Yet once outside the EU, the UK could cease to be an interesting market for foreign investors. It is, however, important to note that other EU member countries – in particular, the UK's biggest trade partners: namely Germany, France, the Netherlands, Belgium, Italy and Spain – will also suffer from a hard Brexit. In September 2016, the value of UK exports from EU countries was 13,025 pounds (up 13.1 percent since September 2015).[33]

4. Mapping member countries' stances within the Brexit deal

Leaving aside the consequences of a hard Brexit for UK-EU trade relations, it is important to notice that some EU member countries are very concerned by the political, economic and security consequences of an isolated Britain, and would prefer the European institutions to adopt a more lenient approach. Within this framework, the UK Government might play the "hard-Brexit card" in order to threaten other member countries and push them to change or soften their positions. Indeed, in northern Europe, Ireland already fears that a hard Brexit would result in the reintroduction of borders and tariffs to trade as well as restrictions on Irish citizens, metaphorically widening the gap between Belfast and Dublin and undermining the effectiveness of the Good Friday Agreement (GFA).[34] Introduced in 1998,[35] the GFA allowed the overcoming of 30 years' of violence between unionists and nationalists by introducing power devolution from Westminster to Northern Ireland. The GFA also regulated the development of cross-border initiatives and institutions such as the British-Irish Council (BIC) – which comprises representatives of parliaments from Northern Ireland, the Irish Republic, Wales, England, the Isle of Man, the Channel Islands and Scotland – and the British-Irish Intergovernmental Conference (BIIC).[36]

The Netherlands and Luxembourg are also keen to provide the UK with the best possible Brexit deal. Both countries have huge investments in the UK and there are many successful Anglo-Dutch multinationals, whose interests need to be protected.[37] For different reasons, Denmark, which has previously expressed sympathy for British intentions to limit or stop EU citizens' access to benefits,

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[33] UK Government, *UK Overseas Trade Statistics: September 2016*, 9 November 2016, https://www.gov.uk/government/statistics/uk-overseas-trade-statistics-september-2016.

[34] Tim Oliver, "Preparations for a Brexit II: Views from Croatia, Estonia, Ireland, Lithuania and Romania", in *LSE BrexitVote*, 29 April 2016, http://wp.me/p7N97l-FJ.

[35] UK Government, *The Belfast Agreement*, 10 April 1998, https://www.gov.uk/government/publications/the-belfast-agreement.

[36] Etain Tannam, "Brexit and the Future of the United Kingdom", in *IAI Working Papers*, No. 16|16 (July 2016), http://www.iai.it/en/node/6565.

[37] Joris Luyendijk, "Why the Dutch Won't Rush to Nexit and Follow Britain Out of the EU", in *The Guardian*, 24 June 2016, http://gu.com/p/4mkgx/stw; Simon Kennedy, "Why a 'Hard Brexit' Looms for Britain", in *Bloomberg News*, 29 September 2016, http://bloom.bg/2dfPIch.

would also prefer the EU to make some concessions to the UK so as to favour a soft Brexit, in the form of an EEA deal (which would require the UK to continue to contribute to the EU budget). Moreover, the Netherlands and Denmark, both of whom used to back the UK when blocking EU attempts to centralize more power, are very concerned by a post-Brexit scenario of a fast-tracked political union led by Germany and France. Together with Ireland, they fear that without having the UK somehow involved in European affairs the EU will become less economically liberal and less Atlanticist.[38] A hard Brexit worries Estonia and the other Baltic countries too. This scenario could result in Scotland, where Britain's nuclear deterrent is based, rejoining the EU after a separatist referendum. Although British nuclear capability will then be transferred to the UK, such a transition could potentially challenge Britain's military capacity within NATO – at least in the short term.[39] Similarly, other EU member countries could end up supporting a softer attitude towards the UK for several other reasons, such as the need to resist an alleged centralization of power in the hands of a few western European countries or the Eurozone.[40] In this respect, Hungarian Prime Minister Viktor Orbán has already maintained that the EU should be "fair" to Britain.[41] Similarly, refusing to cede the leadership on any Brexit deal to France and Germany, Austria has been asking for more meetings to prepare for the negotiations.[42] Nevertheless, since Austria, along with the Visegrad group, heavily depends on the German economy, it is unlikely that they would opt to sustain too favourable a position for the UK against Berlin's wishes.

Indeed, Germany and France might well accept a "full" Brexit if the UK would opt for such a deal. German Chancellor Angela Merkel has (several times) highlighted the fact that any UK access to the single market, when outside of the EU, would require free movement. In order to avoid complying with such a condition, hard Brexit would be the only way for Britain. Some members of the German Government, as well as the country's business representatives, are already arguing that it would be better, for both political and economic reasons, to have an effective hard Brexit than some "grey," fudged deal. The latter would be unsustainable politically, as it would discredit the union, and economically, as it could worsen trade relationships by creating uncertainty.[43] Similarly, the French Government does not wish a Brexit deal to be convenient for the UK, as a way of discouraging a "domino effect" in other EU countries.[44] However, much will depend on the outcome of next year's

[38] Tim Oliver, "European and International Views of Brexit", in *Journal of European Public Policy*, Vol. 23, No. 9 (2016), p. 1321-1328.

[39] Max Boot, "Why Brexit Alarms Britain's Baltic Allies", cit.

[40] Vince Chadwick, "Viktor Orbán to Lobby against Brexit", in *Politico*, 19 June 2016, http://www.politico.eu/article/viktor-orban-news-uk-brexit-newspaper-ads; Tim Oliver, "European and International Views of Brexit", cit.

[41] Simon Kennedy, "Why a 'Hard Brexit' Looms for Britain", cit.

[42] Ibid.

[43] Ibid.

[44] Anne-Sylvaine Chassany, "Hollande Demands Tough Brexit Negotiations", in *Financial Times*, 7 October 2016. See also Tim Oliver, "European and International Views of Brexit", cit.

political elections in France and Germany. Possible increased legitimacy for the eurosceptic and pro-Brexit Front National, which could win up to 30 percent of national votes, might well challenge France's current approach in dealing with a UK exit deal.[45] In the case of Germany, in the recent Berlin state election, the Christian Democratic Union (CDU, 19 percent), led by Angela Merkel, was battered in by the eurosceptic party Alternative for Germany (AFD, 21.8 percent). While it is unlikely that AFD will win next year's federal election, it could certainly challenge Merkel's party – and thus, Germany's stance on the Brexit deal.[46]

Elsewhere – in Belgium, for instance – the possibility of securing an economic advantage might persuade the government not to support softer conditions. Indeed, in the aftermath of Brexit, large companies might decide to move their headquarters from London to Brussels in order to maintain a presence in the EU market. Moreover, southern European countries, such as Italy and Greece, will most probably support Germany and France if they decide to accept a full Brexit, in exchange for concessions on economic flexibility and migration. Brexit is, to some extent, regarded positively by Italy, which sees it as an opportunity to move forward to an "ever-closer union" with a common European asylum and migration policy as well as a completed banking union. On the other hand, hard Brexit would represent a possibility for Spain to secure closer ties with Gibraltar. Indeed, during the June referendum, 96 percent of Gibraltarians voted to remain in the EU. Since the majority of British voters wanted to leave the European Union, Gibraltar might call a "reverse Greenland" and ask to retain EU membership while remaining a British Overseas Territory. This might not be legally possible, resulting in Gibraltar granting Spain some form of co-sovereignty in order to remain in the EU.[47]

Generally, it appears that the majority of governments are not willing to compromise any further with the UK. To this end, it is also important to add that the European Commission has underlined several times its unwillingness to offer any convenient deal to the UK.[48] Yet, there might be some exceptions, which could make the negotiation process even more complex than currently foreseen. Much will depend on how Germany and France decide to act. Should Berlin and Paris adopt a more lenient approach towards the UK, the majority of EU countries could follow the same line. To date, however, granting the UK access to the common market in exchange for free movement is already considered a concession by many European countries.

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[45] Elena Berton, "Far-right National Front Riding Anti-Establishment Wave Ahead of French Elections", in *The Washington Times*, 12 October 2016, http://go.shr.lc/2dxt7Gs.

[46] Philip Oltermann, "Angela Merkel's party Beaten by Rightwing Populists in German Elections", in *The Guardian*, 4 September 2016, https://gu.com/p/5xnnq/stw.

[47] Hortense Goulard, "Spain: Post-Brexit UK Should Drop Gibraltar", in *Politico*, 24 June 2016, http://www.politico.eu/article/spanish-minister-calls-for-gibraltar-to-be-returned-to-spain-on-back-of-brexit-vote-eu-leave-sovereign.

[48] Dan Alexe, "Juncker: no 'à la carte' access to the single market for UK after Brexit", in *New Europe*, 14 September 2016, https://www.neweurope.eu/?p=468440.

Figure 3 | Hard Brexit

- Countries that will support hard Brexit if the UK asked for such a deal
- Countries that will agree with hard Brexit if Germany and France do so
- Countries concerned by hard Brexit because of security reasons
- Countries concerned by the consequence of hard Brexit on the rights of their citizens living and working in the UK
- Countries concerned by hard Brexit because of economic and/or political reasons

Conclusion

While public opinion is certainly convinced that the UK should not benefit from any Brexit deal, member countries have to consider many other issues in the UK-EU negotiations. The majority of European countries will probably suffer economic loss from a hard Brexit; still, it appears that both France and Germany are unwilling to compromise any further with the UK. For various different reasons, the Baltic countries and the Visegrad group – as well as the Netherlands, Denmark and Ireland – could instead attempt to provide the UK with some concessions for security, economic, political and social reasons.

While Ireland, the Netherlands and Denmark are strongly connected to the UK, the more distant Baltic countries need Britain to remain economically wealthy in order to secure its military power within NATO. The Visegrad group, instead, has to consider that a growing number of its citizens currently live and work in the UK; a hard Brexit might result in the reduction of their rights. On the other hand, all the above countries are also concerned that without the UK "on board," western European countries could push the EU towards a fast-tracked Eurozone-led political union, loosening its ties with the Atlantic sphere and making the EU economic model less liberal.

Within this framework, Brexit represents a fundamental challenge for the European Union – not only because Britain is one of the biggest economic and political actors in Europe but also because the leaving process might reveal fractures and divergences among and within the EU member countries. Indeed, member countries seem to be concerned not only by the Brexit deal per se but also by what the EU could become without the UK influencing its integration process. In this respect, Brexit negotiations might end up being the test bed for the future of the EU.

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