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What Brexit now?

Possible implications for the UK and the EU

by

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Abstract

Brexit is closer now due to the bombastic victory of the Conservative Party at the British general election. However, this does not mean that its physiognomy is clear at all. No less interesting is its impact on the progress of European integration.

Key-words

Brexit, United Kingdom, European integration



Brexit means ... we do not know it yet, although the results of the general election held on 12 December 2019 seem to suggest that Brexit is closer now due to the bombastic victory of the Conservative Party. This does not mean that Brexit will be immediate. Probably, the British government will respect the deadline scheduled for the end of January but after that the extension period will start until the end of December 2020 and, according to some, this is just <u>the end of the beginning</u>.

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Before it has even happened, Brexit has already destroyed the unity of the United Kingdom and has shown the inadequacy of the British constitution, as said by <u>Bogdanor</u>, amongst others. Something similar seems to emerge from the <u>Conservative Manifesto</u> where important reforms were announced.

While the reference to the Human Rights Act reminds us of the debate on a British Bill of Rights that started in 2005, the functioning of the Royal Prerogative clearly refers to the intervention of the UK Supreme Court in the prorogation case (*Miller and Cherry*), where the Court declared the prorogation void. Food for thought, but also grounds for concern.

Even after the election, uncertainty still rules in many respects. Due to the British electoral system, the Brexit Party disappeared, precisely to ensure that Brexit would finally arrive, thanks to Johnson's victory. The division of the pro-European front was highly damaging. The Liberal Democrats lost significantly after their great results in the European elections. The Labour Party paid the price of its ambiguous position on Brexit and perhaps a too radical manifesto. After the SNP's success Nicola Sturgeon has already announced its intention to ask for a new referendum. But an agreement like that which occurred before the 2014 Scottish Independence referendum is unlikely and the risk here is that of a Catalan scenario. Northern Ireland is the other seismic area. Schedule 1 of the Good Friday Agreement refers to the possibility of a poll on a United Ireland. However, the process to convene it needs the evaluation of the British Secretary of State for Northern Ireland, 'if at any time it appears likely to him that a majority of those voting would express a wish that Northern Ireland should cease to be part of the United Kingdom and form part of a united Ireland'. The role of the Secretary of State does not seem to be a detail in the design of this process. The UK risks waking up more dis-united than ever and this is just the first effect of this curious process called Brexit.

If Brexit seems closer, its physiognomy is far from being clear, as <u>Menon</u> suggested. What kind of future relationship with the EU will be negotiated by the end of 2020 is anyone's guess, especially because Johnson has ruled out a Norwegian or European Economic Area option: he wants to break free from the single market, but no comprehensive trade deal has ever been negotiated by the EU in such a short time. Nor has the UK managed to negotiate a comprehensive trade deal with major partners in the three years since the Brexit referendum. Johnson also pledged not to extend the transition period further: an extension that can be asked just once more for one or two years. The risk of a 'No Deal Brexit' thus looms large.

What seems clear though, is that rather than a global Britain playing a major role on the world stage, we may soon be confronted with a torn-apart UK, forced to choose between following the US or the EU.

For the EU, Brexit is an historic loss. It's the first time that a Member State has decided to leave the Union. And the fact that several others are asking to join it - but have been blocked by France so far - is of little comfort. At the same time it can be a political opportunity. Without Brexit it is unlikely that Permanent Structured Cooperation on Defence would be started. Without the British leadership of the countries less interested in deepening integration, the strengthening of the EU may turn out to be easier. The fact that the European Council was able to approve the Commission's proposal of the Green Deal, notwithstanding the Polish attempt at vetoing it, points in that direction. In the end the best historical answer to Brexit would be a comprehensive reform of the EU. The Conference on the future of Europe can pave the way. It does not need great fantasy as most elements are already on the table. Since the 2008 financial crisis and the 2011 sovereign debt crisis the need to complete the economic and monetary union has been recognized. The 2012 Commission Blueprint, the 2012 Four Presidents Report, and the 2015 Five Presidents Report, have essentially clarified the steps needed to create a banking, fiscal and economic union. Furthermore, various Reports of the European Parliament (such as the Bresso-Brok Report, the Verhofstadt Report, and the Berès-Böge Report have highlighted the institutional reforms needed to establish a political union. The Monti Report (by the High Level Committee on own resources), and the various proposals that emerged during the 2019 European election campaign regarding the creation of European taxes, such as the Carbon tax, the Digital Tax, the Financial Transactions Tax - all targeting subjects currently able to avoid taxation at national level or to externalize their negative externalities towards the collectivity – have made clear what kind of its own resources the EU could count upon to provide the European public goods required by European citizens, as suggested by the Eurobarometer. In this case an historical loss may be transformed into an historical opportunity.

In this issue we cover a variety of jurisdictions and topics.

On the global level, <u>Mariagrazia Alabrese</u> offers an interesting analysis of the concept of food security as emerging from the WTO Agreement on Agriculture and from the FAO's definition. <u>Myriam Di Marco</u> analyzes the Israeli-Palestine Conflict in light of Swiss federalism to see whether the Swiss case can help in solving the turbulence in the area. In his article <u>Ibrahim Harun</u> deals with Devolution and Peacebuilding in Kenya by focusing on Marsabit County. In their essay <u>Najibullah Nor Isak and Ali Yassin Sheikh Ali</u> examine the development of fiscal federalism in Somalia and compare this jurisdiction with Nigeria and Ethiopia. <u>Adriano Dirri</u> deals with the role and place of oil and gas politics in the Iraqi federalism, starting from the vague provisions included in the 2005 Iraqi Constitution. Jumping from Africa and the Middle East to Europe, <u>Demelsa Benito Sánchez</u> offers a detailed analysis of the Directive on the Fight against Fraud to the Union's Financial Interests with particular attention on the Spanish case.

We hope that our readers enjoy this issue and wish them all the best for the new year.

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