

Renewing and Rethinking Bilateralism after Brexit

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Executive Summary

This report examines three central policy challenges arising from the UK's need to renew and rethink bilateral relations with key European countries after Brexit:

- What agenda should drive specific diplomatic relationships and how can economic and institutional resources best be devoted to this objective?
- How far can bilateralism recreate, or substitute for, the so-called "multiplier effect" of EU membership and maintain UK aspirations for a prominent global role?
- Finally, as a multi-national state, how will the UK's changing relations with the EU be mediated by devolution arrangements, which themselves are in flux?

The UK and Spain

- There is appetite on both sides for a stronger UK-Spain bilateral relationship, but there is a practical challenge regarding policy fragmentation across UK government departments.
- London must make sure Spain is given appropriate consideration, especially because of Madrid's potentially increasing influence in the EU – although unprecedented Spanish parliamentary fragmentation is leading to policy uncertainty.

The UK and the Visegrad Four

- They all label the UK an important partner and most likely support arrangements allowing some UK participation in EU decision-making, but goodwill would be jeopardized if the UK reneges on its promises regarding the future rights of EU citizens living in Britain.
- Political engagement with Hungary and Poland carries reputational risk for the UK, although their leaders will be grateful for any additional legitimization that they can derive from such engagement.

The UK and France

• This deeply institutionalized relationship can withstand potential Brexitrelated acrimony, especially since both countries share global ambitions for which the EU itself is not always a necessary and sufficient instrument. Heightened UK expectations of enhanced bilateralism are counterbalanced by the possibility of disappointment as the UK struggles with the coherence of its objectives and France will not always have the sway to sustain joint EU-UK enterprises.

The UK and Turkey

- Turkey's trade relations with the UK have special meaning in the current economic climate and because the outcome of the Brexit negotiations could help reframe Turkey's bilateral ties with the EU.
- The UK can mediate to reduce regional tensions involving Turkey, but balancing good relations with Ankara while raising concerns over human rights and democracy poses a challenge for London.

Devolution and UK Diplomacy

- The EU footprint of Britain's nations and regions will have to be recalibrated as Brexit enhances the incentive for Britain's devolved authorities to foster relations in Europe via regional representative offices.
- Coordination among devolved authorities is vital, especially in the contentious area of EU-UK trade – hence the need to set out common frameworks, including to provide policy coherence to preserve the UK's single market.

Introduction: Renewing and Rethinking Bilateralism after Brexit

Andrew Glencross

In the post-1945 international order, the UK's influence was rooted in its membership of three organizations: NATO, the permanent five of the UN Security Council, and the European Union. This presence at the heart of the institutional architecture of multilateral diplomacy - combined with the cultivation of a close relationship with the United States – enabled a succession of British governments to talk up their global influence. Brexit fundamentally alters the UK's stance towards multilateralism because multilateral leadership in the EU and on the world stage previously went hand in hand. The UK practiced, and this was one of the chief reasons for joining the EEC in 1973, a "multipronged European diplomatic strategy" that consisted of treating EU relations as a subset of its broader international diplomatic strategy for promoting free trade, human rights, and a rules based order.¹ British governments of different political stripes notably sought to be a bridge between Europe and the US as part of their "special relationship" with Washington. Indeed, reflecting the fact that post-war US-UK relations were based on power asymmetry, US administrations actively encouraged UK integration with European peers. Even when diffident about encroaching on the transatlantic security partnership, the UK came to cultivate EU support for its own approach towards economic relations with China or for dealing with security threats posed by Russia.

Outside the EU club, the way the UK engages with the world is necessarily very different. The British government will have no seat at the table to influence EU foreign policy in a direction it favours, thereby reducing the importance of London for US policy-makers. The EU could also evolve in a way that goes against long-standing UK policy preferences – there are intimations of a more protectionist approach to trade based on how France and Germany are promoting an EU

¹ Whitman, R.G., 2016. 'Brexit or Bremain: what future for the UK's European diplomatic strategy?' *International Affairs*, *92*(3), pp.509-529.

industrial strategy designed in part to restrict Chinese investment in strategic sectors.² Consequently, this report explores the challenges facing the UK as it seeks to engage with the EU on a bilateral basis by nurturing relationships with key member states and their leaders.

Relying on bilateral ties to influence the EU from the outside is a highly demanding proposition. This kind of engagement is more fickle, because it is based on personal relations between leaders that can be upended by shifting political currents at home or abroad, compared with the highly institutionalized and lawgoverned relations that constitute EU membership. Hence the approach taken here is to examine three of the central policy challenges that emerge from the UK's predicament of having to renew and in many ways rethink bilateral relations with key European countries.

The first challenge concerns the ways and means of nurturing bilateral relations in a set of countries that had slipped down the list of UK diplomatic priorities. What agenda should drive specific relationships and how can economic and institutional resources best be devoted to this objective? The second policy question explored here is the issue of how far the UK's aspirations for a prominent role in global multilateral leadership, notably in the UN but also in institutions such as the WTO, can be reconciled with an EU-UK partnership built on a web of bilateral relations. That is, what can bilateralism do to recreate, or substitute for, the so-called "multiplier effect" of EU membership by developing a consensual EU-UK approach to global problems? Finally, it is important to remember that the UK is a multinational state with a complex system of devolved governance. So how will the UK's changing relations with the EU be mediated by devolution arrangements, which themselves are in flux?

The contributions offered here thus explore these fundamental questions as they pertain to specific instances of inter-state diplomacy and, more generally, devolution and EU policy after Brexit. The bilateral relationships selected for inclusion in this report reflect the variety of cross-cutting economic, security, and

² 'Germany, France agree industrial policy plan for Europe', *Reuters*, 19 February 2019 <u>https://www.reuters.com/article/us-germany-france-industrial-policy-idUSKCN1Q81I0</u>

diplomatic concerns that characterize UK engagement with Europe after Brexit. UK relations with France, Germany, Spain, Turkey, and the Visegrad Four (V4; the Czech Republic, Hungary, Poland and Slovakia) are scrutinized to determine how far bilateralism is likely to address the first two policy challenges described above. The final chapter brings back in to focus the complicating factor of devolution, looking at how territorial governance arrangements elsewhere in Europe can provide lessons on conducting "paradiplomacy" with the EU.

2. Brexit and the UK-Spain Diplomatic Relationship

Caroline Gray

The UK and Spain do not benefit from the history of institutionalised bilateral cooperation outside the EU framework that characterises the UK's relations with France, for example. Moreover, the thorny question of Gibraltar continues, in part, to militate against a closer political relationship. The two countries do, however, share a huge amount in economic and people-to-people terms. The UK is the main destination of Spanish investment abroad, and the UK is the top European investor and second global investor in Spain, behind only the US.³ Spain also hosts the largest number of UK citizens living in other EU countries.

Since Spain is not Germany or France, which are usually the primary focus of the Foreign and Commonwealth Office's (FCO) bilateral efforts in Europe, it thus falls within the next group of European countries that are particularly important to the UK for economic and social reasons. Politically, the relationship is also set to become even more important since Spain, one of the most euro-enthusiastic countries, looks potentially to be on the cusp of becoming more of a key player in the EU context. This makes healthy UK-Spain relations paramount if the UK still wants to be able to engage with the direction of the EU from outside its ranks. In the context of Brexit, the UK-Spain relationship is thus a key case study to look at to assess what the UK government is doing and the challenges it faces to strengthen bilateral relations with EU member states beyond France and Germany.

Bolstering bilateral relations: the work of the British embassy in Madrid

Since the Brexit vote, the FCO, through the work of its Embassy in Madrid, has actively taken steps to bolster existing bilateral engagement with Spain in a range of economic and public policy matters. Examples of areas under the UK government's Industrial Strategy and wider Prosperity Agenda where activity has been particularly strong in Spain include collaborative work on smart cities, as well as science and innovation outreach and events. Beyond central government-to-

³ Ignacio Molina and Salvador Llaudes, 'Brexit and the (stronger than it looks) UK-Spain relationship', *The UK in a Changing Europe*, 1 November 2017. <u>https://ukandeu.ac.uk/brexit-and-the-stronger-than-it-looks-uk-spain-relationship/</u>

government collaboration, the British Ambassador and his team have long been travelling all over Spain to meet with regional and local leaders to promote trade and investment opportunities with the UK and to design bilateral strategies for engaging with individual Spanish regions that feature prominently in UK-Spain economic relations. This is in recognition of the fact that Spain's 17 regional governments hold many of the responsibilities for industrial policy and delivery of the EU's single market agenda, and certain regions are particularly important to UK-Spain relations, most notably (in alphabetical order) Andalusia, the Basque Country, Catalonia, Madrid and Valencia.

A clear sign of the UK government's recognition of the importance of the UK-Spain economic relationship came in early 2019 with the appointment of a senior diplomat to a newly created role in Madrid as Counsellor responsible for bilateral relations and the regions. The post holder is responsible for drawing up the FCO's new UK-Spain bilateral strategy for the post-Brexit context, to be underpinned and informed by a regional engagement strategy that reflects the varying importance and nature of different Spanish regions to UK-Spain economic relations. The role is one of approximately 50 new posts, many at senior diplomat level, that the FCO decided to create in Embassies across the EU-27 in the wake of the Brexit vote, to boost FCO competence and resources in EU member states. This decision followed years of the UK government moving personnel and resources away from embassies in Western Europe towards other parts of the globe (particularly Asia), relying on the fact that UK representatives interacted regularly with their European counterparts in EU institutions in Brussels.⁴

The fact that the new Counsellor has been tasked with seeking out the best way to cooperate with Spain and bolster UK-Spain relations, rather than being given a pre-designed, centralised strategy to follow and implement, mirrors the bottomup approach of the FCO's Bilateral Strategy team more widely in its approach to future relations with EU member states. The unit was designed to put more programme spending into the network and get posts in different EU member states talking to each other, due to the prevailing sense that the FCO had not been doing

⁴ House of Commons Foreign Affairs Committee, 'The FCO's resources in Europe', in 'The Future of UK Diplomacy in Europe', Second Report of Session 2017-2019, pp. 17-19.<u>https://publications.parliament.uk/pa/cm201719/cmselect/cmfaff/514/514.pdf</u>

as much bilaterally as it could have done. Its main approach so far appears to have been to seek out successful bilateral initiatives and activities in individual Embassies to promote as examples of best practice, which is positive in that it allows for country-specific and regional variation where appropriate.

It is not just the FCO that is bolstering resources in Spain and other key EU member states, but also the Department for International Trade (DIT). Indeed, the two departments go hand-in-hand in the sense that political engagement and economic or business engagement are two sides of the same coin under the current UK government's Industrial Strategy and Prosperity Agenda. Thus, DIT and the FCO are both working on trade policy to leverage the FCO's overseas network and promote British trade and investment abroad. Almost all of the thematic areas that the British Embassy in Madrid is seeking to collaborate on with its Spanish counterparts fall under the remit of the four grand challenges identified in the Industrial Strategy, namely Artificial Intelligence and Data, the Ageing Society, Clean Growth and the Future of Mobility. ⁵ While most overarching agreements in these areas are reached in multilateral fora, the FCO sees bilateral engagement as crucial not only to help shape decisions taken in those fora, but also to work on best practices for implementation afterwards.

It is widely recognised that value-based work via soft power is generally more feasible to do bilaterally than work on specific economic policy issues, which tend to be more tied to the EU-policy side. And yet, the FCO can use – and has been using – its share of the cross-government Prosperity Fund to forge bilateral relations on economy-related projects, such as smart cities, that complement EU economic policy making, rather than interfering with it. To reduce the risk of such collaboration being subject to the political vagaries of the moment, the UK could work towards establishing an official strategic dialogue with Spain akin to the ones that it already has with France, Germany and Italy. Neither side wants ongoing frictions over the status Gibraltar to reduce the scope for bilateral engagement in other areas.

⁵ HM government, Industrial Strategy White Paper, 2017, p. 10. <u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf</u>

Challenges to bilateral engagement

While there are thus opportunities in UK-Spain bilateral relations, there are also sizeable challenges. On a practical level, one of the first of these is fragmentation across UK government departments. Previous governments had gradually diluted international policy making among different departments, thereby reducing the FCO's oversight capacity. Coordination over bilateral relations has thus become somewhat disjointed across the various departments dealing with international policy issues including, most notably, the FCO and DIT, but also others such as the Department for Environment, Food and Rural Affairs (DEFRA). After the UK leaves the EU, it all needs to be more joined up again, and the FCO should lead on that, raising the question of whether it has the right infrastructure in place to do so.

There is also going to be continual work for the British Embassy in Madrid to do back in London to make sure Spain is given appropriate consideration. The positive news in this regard is the increased quantity of visits from London-based senior government and civil service representatives to Spain since the Brexit vote, but the Embassy cannot rest on its laurels. Once a third country, the UK is unlikely to be putting weight on relations with smaller EU member states. The FCO will likely focus on the 5 or possibly 6 most important EU members, but other departments involved in international policy making will have a more reduced focus, with Spain potentially on the fringes depending on the subject matter. Importantly, the Treasury is unlikely to focus on 6-7 EU member states in depth. It will focus primarily on the G-7 and beyond that the G-20, with the Embassy in Madrid just able to get Spain in on the G-20 budget.

Issues will also inevitably arise around prioritisation. The Political team within the Embassy may wish to work with Spain on the Maghreb region, but the Economic team has other priorities. Of course, this will also depend on reciprocation, on what Spain most wants to work on with the UK – mirroring wider prioritisation issues that the FCO will have to address in its bilateral relations with EU member states generally. Even in areas that do not infringe on EU competences, there is a sense that Spain is understandably somewhat reluctant to engage in new bilateral initiatives with the UK until there is more clarity on Brexit and the situation is more settled. Some Spanish departments such as the Ministry of Industry, Trade and

Tourism have been proactively seeking to work with the UK on issues of shared concern such as the WTO reform, China, and digital matters, but that has become more the exception rather than the rule.

Brexit Britain and euro-enthusiast Spain: an awkward fit?

Spain and most of its political class – both right and left alike – remain strongly pro-EU overall. The far-right VOX party, which appeared much later on the political landscape in Spain than its counterparts in Germany, France, Italy or elsewhere, performed poorly overall at the Spanish general election in April 2019, as well as the European, regional and local elections held the following month. Moreover, it has been far more focused on Spanish domestic issues such as the Catalan crisis, rather than positioning itself clearly on the EU question.

Much as Brexit is anathema to Spaniards in general, a potential silver lining for Spain is that it could give it an opportunity to carve out a more leading role for itself in the EU, replacing the UK as one of the key players. Spain has long been considered to be punching below its weight in the EU.⁶ Former Socialist (PSOE) prime minister José Luis Rodríguez Zapatero (2004-2011) proved unambitious on the world stage, while his Conservative (PP) successor Mariano Rajoy (2011-2018) became too heavily embroiled in the impact of the aftermath of the financial crisis on the country, as well as other domestic challenges such as the Catalan crisis. Although such domestic challenges persist, recent indications suggest that current Socialist prime minister Pedro Sánchez is seeking to carve out a role for Spain alongside France and Germany in the higher echelons of the EU, now that the UK is leaving and Italy has a Eurosceptic government.

Holding office since June 2018 after ousting the Conservatives through a noconfidence vote, the Socialists under Sánchez increased their number of seats to 123 (out of 350) from 85 at the snap general election held in April 2019. They then went on to win the most seats of any party in the Socialist grouping of the EU parliament at the European elections the following month, putting them in a

⁶ For example, Charles Grant, 'Will Spain remain a small country?', *Centre for European Reform Briefing Note*, 1 May 2009. <u>https://www.cer.eu/publications/archive/briefing-note/2009/will-spain-remain-small-country</u>

strong position to seek to increase their influence in the EU and get Spaniards into top EU jobs, where they have traditionally been under-represented.

Sánchez appears more comfortable on the international stage and more ready to speak up in key European and international fora than his predecessors, Zapatero and Rajoy. That readiness does not automatically percolate down through the system, but the country's top political analysts and think tankers are seizing on it as an opportunity to try and increase Spain's weight in EU circles and beyond. Notably, the Royal Elcano Institute, headquartered in Madrid and with an office in Brussels, has set up a working group bringing together Spanish players from a variety of spheres (politics and administration, business and civil society) to analyse how to improve the country's influence in the EU in the 2019-24 cycle, which appears to be very active and has already resulted in several publications based on the group's presentations and debates.⁷

For Brexit Britain to boost bilateral engagement with a country that is simultaneously trying to increase its role and influence in the EU is not straightforward, and there is recognition and understanding within FCO circles that Spain will not want to break away from the EU-27 pack on dossiers and policies going through Brussels. At the same time, however, Spain's potentially increasing influence in the EU makes it all the more important to maintain strong UK-Spain relations if the UK is to manage to engage with the direction of the EU from outside its ranks.

Nothing, however, is straightforward for Sánchez and the Socialists. While they may wish to increase Spain's influence in the EU, they continue to face the challenges of a very fragmented national parliament in which five main state-wide

http://www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido?WCM_GLOBAL_CO_ NTEXT=/elcano/elcano_in/zonas_in/commentary-oteroiglesiastoygur-sanchez-mustsnatch-economic-vice-presidency-for-spain; Ilke Toygür & Carlos Carnicero Urabayen, `Spain's influence in the European Parliament: an historical survey and predictions for the new political cycle', *Real Instituto Elcano*, 21 May 2019,

⁷ Examples of such publications available in English include: Miguel Otero-Iglesias & Ilke Toygür, 'Sánchez must snatch the Economic Vice-presidency for Spain', *Real Instituto Elcano*, Expert Comment 20/2019, 11 June 2019

http://www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido?WCM_GLOBAL_CO_NTEXT=/elcano/elcano_in/zonas_in/ari56-2019-toygur-carnicero-spains-influence-ineuropean-parliament-historical-survey-and-predictions-for-new-political-cycle

parties and several regionally-based parties have representation.⁸ As a result, at the time of writing in July 2019, they have not yet been able to secure the backing needed for Sánchez to be sworn in again as prime minister, which requires absolute majority support in a first-round investiture vote. With the centre-right Citizens (Cs) party ruling out a coalition government with the Socialists, and the Socialists themselves reluctant to form a coalition government with Podemos to their left since they would still lack an absolute majority, Sánchez wants to govern in minority in order to be able to shift alliances and seek support from different parties as needed. A second-round investiture vote only needs a simple majority if it comes to that, though governing effectively thereafter will not necessarily be easy without a strong majority, in a country unused to coalition-building.

The April 2019 elections were Spain's third in four years, and it has already had two different governments since late 2016, both of which have been its weakest governments ever due to unprecedented parliamentary fragmentation and the lack of coalition-making tradition at central government level. This has resulted in rapidly changing policy priorities, and inevitably made it difficult for many third parties to gain access to and influence on government.

Outlook ahead

To conclude, there is appetite on both sides for a stronger UK-Spain bilateral relationship, building on the collaborative work already being undertaken on a range of economic and public policy matters. The FCO's appointment of a new senior diplomat in Madrid tasked with designing a new bilateral strategy for the UK in its relations with Spain, and a regional engagement strategy to underpin it, is a clear sign of the FCO's commitment to fostering prosperous relations with Spain. This should help not only to maintain, but even to strengthen relations between the two countries in the difficult Brexit climate going forward.

There are, however, also substantial challenges. Some of these are practical, regarding issues such as potentially insufficient collaboration between government

⁸ On the 2019 general election result, see, for example, Caroline Gray, 'Spanish election: victory for Socialists as VOX surge fragments right-wing vote', *The Conversation*, 29 April 2019. <u>https://theconversation.com/spanish-election-victory-for-socialists-as-vox-surge-fragments-right-wing-vote-115962</u>

departments on the UK side, or the still relatively new context of parliamentary fragmentation on the Spanish side, which makes seeking out channels of influence difficult. Others are more ideological in nature, arising from the perhaps rather awkward embrace, and potentially clashing priorities, between a country seeking to leave the EU and another seeking to gain weight and influence within that very organisation. The challenge for the UK in this regard is to find a way to mobilise the relationship to mutual benefit.

3. Bilateral Relations between the UK and the Visegrad Four after Brexit

Balazs Szent-Ivanyi

The UK has never viewed the four members of the Visegrad Group (V4; the Czech Republic, Hungary, Poland and Slovakia) as countries to be prioritized in bilateral relations, at least when compared to larger Western European countries. The four countries combined only accounted for 2.7 percent of British exports in 2016, and even the largest country, Poland only just made it into the top 20 export destinations of the UK.⁹ While Britain concluded bilateral investment treaties with all of the countries in the late 1980s, the four countries only represented around 1.1% of the UK's total outward foreign direct investment (FDI) stock in 2017.¹⁰ These economic factors have been very much reflected in the diplomatic relations between the UK and the members of the group: while the UK has enjoyed good diplomatic relations with all four countries since their transitions to democracy in 1989, these relations have never really stood out in any way.

The importance attached to bilateral relations seems slightly different when viewed from the V4 capitals, and indeed some degree of asymmetry is present, again illustrated well by economic ties. The UK is a top export destination for all four; indeed, it was the second largest market for Polish exports in 2016; among the top five for the Czech Republic and Slovakia, and the ninth for Hungary. All four countries run trade surpluses with the UK in both goods and services. British investments are significant in each economy, with UK firms being among the top ten investors in terms of FDI stock in all four. The importance of the UK is further underlined by the fact that there are significant expatriate communities from all four countries living in the UK. Exact numbers are difficult to establish, but clearly the Polish community is the largest with more than one million members. The number of Hungarians (around 250,000) and Slovaks (around 100,000) in the UK, relative to the size of their home countries, is also substantial. Czech expatriates are perhaps the smallest group.

⁹https://wits.worldbank.org/CountryProfile/en/Country/GBR/Year/2016/TradeFlow/EXPI <u>MP/Partner/by-country</u>

¹⁰ <u>https://stats.oecd.org/Index.aspx?DataSetCode=FDI_FLOW_PARTNER#</u>

There are some further differences and even cleavages between the four countries, which show that lumping them together under the Visegrad umbrella needs to be done with caution. First, Hungary, and more recently Poland have embarked on paths of authoritarianism, or, to borrow the preferred term of Hungary's Prime Minister, Viktor Orban, "illiberal democracy". Both countries have made attempts to limit the independence of the media and the judiciary, and the Hungarian government has enacted legislation to change electoral rules and limit civil society engagement. Due to these and other measures, both countries have had a highly confrontational relationship with the EU, and are currently being investigated for breaching the rule of law, under Article 7 of the Treaty on European Union. Slovakia and the Czech Republic, on the other hand, while certainly featuring a degree of populist politics and high levels of corruption, have remained democratic. Second, the approach of the V4 countries towards further EU integration differs. Slovakia is generally seen as the most pro-European country, with governing politicians repeatedly expressing enthusiasm about deepening EU integration.¹¹ Slovakia is a member of the Eurozone, while the other countries are not, and nor is there an accession date for them in sight. Third, Poland is highly vocal about the need to contain Russia, while the other countries are less so; in fact, Hungary has clearly been developing close strategic ties with Russia. Fourth, EU Structural and Cohesion policy has been an important common cause for these four countries. While all four are significantly dependent on the inflows of EU funds, the Czech Republic is likely to become a net contributor to the EU relatively sooner than the others (by the mid-2020s), which may strain the cohesion of the V4 even further.

A changed diplomatic strategy

In the aftermath of the Brexit referendum in 2016, a flurry of diplomatic statements from the four countries emphasized how much they value their bilateral relationship with the UK, and that they see Britain as an "important" partner.¹² All four governments expressed regret at the UK's decision to leave the

¹¹ <u>https://www.reuters.com/article/us-slovakia-politics-eu/slovakias-future-is-with-core-eu-not-eurosceptic-eastern-nations-pm-idUSKCN1AV1YY.</u>

¹² See, for example: <u>https://www2.aston.ac.uk/migrated-assets/applicationpdf/lss/363132-V4_brexit_report.pdf</u>

EU. Indeed, all four countries have seen the UK as a predictable ally in EU decision making: hiding behind the UK when the need arose to block measures towards greater integration was a favoured strategy in the region. The Czech Republic for example shared very closely the UK's views on issues such as the internal market and the reform of the Economic and Monetary Union. Hungary was the only country to join the UK in opposing the selection of Jean-Claude Juncker to head the European Commission in 2014. There is a well-founded fear among the V4 that with the UK's departure from the EU, their voices will become weaker, while the influence of the traditionally pro-integration member states will increase.

Britain has intensified its bilateral diplomatic efforts towards the four countries in the past years, clearly with the goal of building support among them and ultimately convincing them to push for a softer EU negotiating position on Brexit. Several visits from high ranking cabinet members to each country, and even by the Prime Minister Theresa May, who visited Poland twice and Slovakia once during her three-year tenure between July 2016 and June 2019, illustrate this well. There has been talk among ministers about using British foreign aid to "buy" the support of the Eastern European members.¹³ Perhaps the most visible element of these efforts however was the treaty on defence and security cooperation which the UK signed with Poland in December 2017. France is the only other European country to have a similar treaty with Britain, and Polish commentators did not miss the implicit symbolism.

Despite the UK's efforts and the asymmetric nature of the relationship, the extent to which the V4 are willing to go in support of the UK are, realistically speaking, limited. Due to their close economic integration and dependence on EU funding, as well as their close integration with the German economy, there will always be limits to how far these four countries will be willing to prioritise bilateral relations with the UK, especially if this is seen to come at the expense of their position in the EU. The UK may be the second largest market for Polish exports, but exports to Germany, the top partner, are more than four times larger exports to Britain. Government officials from the V4 have emphasized on numerous occasions that

¹³ <u>https://www.independent.co.uk/news/uk/home-news/ministers-uk-aid-divert-africa-to-eastern-europe-for-better-brexit-deal-a7588116.html</u>

maintaining the current level of market access to the UK post-Brexit is important for them. However, the V4 economies are very heavily integrated into global value and supply chains, and the overwhelming majority of their trade is carried out within these networks. There is a view that Brexit will not hurt V4 trade significantly in the longer term, as these value chains will adapt, and certain activities will be moved away from the UK to new locations. V4 exports will continue, just not to the UK.

The priorities of the V4 countries, stemming from this reality, were shown well throughout the Brexit negotiations. Despite comments from the Polish and Hungarian Prime Ministers about how the UK should be given a fair and flexible treatment, and some calls for changes in the EU's united negotiation position,¹⁴ neither of them actually broke away from the common position or challenged it when it would have actually mattered. The behaviour of the V4 during the Brexit negotiations clearly shows how it would be a mistake to read too much into casual political statements.

Given this context, does it make sense for Britain to devote resources to enhancing bilateral relations with the Visegrad Four countries? It is possible that at least some of these four countries can promote interests similar to those of Britain in the EU, and can also be sympathetic towards UK interests in other international forums. While one must not have any illusions about the length these countries will be willing to go in terms of supporting the UK, especially if UK interests clash with those of Germany, there are some possibilities for mutual benefits.

Possibilities for mutual benefits

In the area of security, the UK shares mutual interests with all the V4, as well as other Eastern EU member states, especially the Baltic countries. All of the V4 countries see NATO, and the UK's presence and commitment within it as vital to their national security. While Britain has reinforced its commitment to NATO on several recent occasions, there are perceptions among the V4 questioning this. Security issues have been especially important for Poland, where the current

¹⁴ <u>https://www.theguardian.com/politics/blog/live/2018/sep/20/salzburg-eu-summit-brexit-theresa-may-polite-doing-her-job-eu-chiefs-non-committal-verdict-on-mays-brexit-appeal-at-salzburg-politics-live?page=with%3Ablock-5ba3537fe4b0b5565ec309fd</u>

government, led by the Law and Justice Party, sees the country to be under an existential threat from Russia. The 2017 UK-Poland treaty on defence and security cooperation, and the commitment to station British troops in Poland are both seen as important reassurances of the UK's commitment towards regional security. Poland can be relied upon to promote a view of Russia similar to that of Britain within the EU. The other three V4 members, while also expressing the need to ensure the UK's role in NATO, see the UK as vital more in terms of intelligence cooperation, especially in the field of counter-terrorism.

The V4 also have a strong interest in maintaining an open international trading system, which is especially important given current global trends towards protectionism and the trade war between the USA and China. With the exception of Poland, all the V4 countries are small open economies, which are extremely dependent on the global business cycle, and thus have a strong interest in ensuring market access for their exports, both in Europe and beyond. So far, the British government has also been a strong proponent of open markets, and the talk about a post-Brexit Global Britain, open to trade, has been well received in the V4 capitals. A more protectionist EU is not in the interest of the V4 countries or the UK, and the V4 are likely to want to counter creeping protectionism in the EU.

Given their shared interests with the UK, the V4 states would most likely support the emergence of any kind of future arrangements that would allow some degree of UK participation in EU decision-making. There is little precedent for such arrangements, and discussion on these is currently not on the table. But whatever form Brexit will eventually take, and whatever future relations emerge, the UK will not be able to ignore the fact that in order to access the single market, it will have to abide by its regulations. Those arguing that the UK, due to its size and global influence is not comparable to Norway or Switzerland clearly have a point, and it is thus not unrealistic to expect some form of joint EU-UK governance to emerge. If the V4 continue to see the UK as a like-minded partner, they will be supportive of such arrangements when the time comes.

In order to ensure that the V4 continue to see the UK in this way, Britain will need to demonstrate goodwill towards the interests of these countries, or at least not engage in actions that might alienate the V4. Three brief points follow in that context. First, as mentioned above, all four countries have sizable expatriate communities living in the UK, and V4 politicians have repeatedly expressed their desire to protect the rights of these people following Brexit. Safeguarding the rights of their citizens already in the UK has been seen as paramount national interest in all four countries, and the UK should not only live up to its generous promises regarding the future rights of these citizens, but also ensure that they are not disadvantaged in any way during their daily lives. That said, the V4 will most likely be relaxed about any future immigration regime the UK will implement. All of the countries, and especially Hungary, are experiencing severe skills shortages, and emigration has been an important – although not the sole – cause of this. More difficult access to the UK labour market for their citizens may actually benefit these countries. Second, and linked to the discussion on security issues, the UK has so far avoided using these as a bargaining chip with the EU, and it should refrain from this in the future as well, as it could alienate the V4. Finally, the V4 countries, and especially Poland and Hungary, due to their troubled relationship with the EU, may appreciate the emergence of Britain as a non-EU member power, in as much as ties with Britain provide them with an alternative to the EU, at least to some degree. While British foreign policy needs to be aware of potential criticism that it could receive from high level political engagement with these two increasingly authoritarian countries, their leaders will be grateful for any additional legitimization that they can derive from such engagement.

4. The UK-France Diplomatic Relationship

Andrew Glencross

The more than century-old *Entente Cordiale* (officialised in 1904) between France and the United Kingdom is sometimes breezily dismissed as a marriage of convenience. It is true that both these Europeans powers have long felt anxious about their ability to remain influential on the global stage and have turned to each other for mutual support. However, the strength of this bond is not to be underestimated, as illustrated by Prime Minister John Major's landmark *Chequers Declaration* in 1995 that 'President Chirac and I have concluded that the vital interests of one could not be threatened without the vital interests of the other equally being at risk'.¹⁵ Building on this shared perception of what constitutes an existential threat is thus the key to finding a common approach to global challenges that will prove increasingly significant in a post-Brexit environment.

Before turning to the institutionalization of the UK-France diplomatic relationship, it is worth recalling the extensive history of bilateral business collaboration in modern times. Concorde, the daring project for a supersonic passenger jet that ended in commercial failure, is perhaps the most symbolic instance of such cooperation between the two nations. Yet the list of private-public partnerships also includes the Channel Tunnel, Airbus, the next generation Hinkley Point C nuclear reactor, and a growing number of electricity interconnectors. In this, way both economies are increasingly inter-linked in the energy sector despite the UK's decision to leave the EU.

Institutionalized cooperation

What stands out when assessing the state of Anglo-French relations is the depth of cooperation that takes an institutional or treaty-based form, thereby securing it against the vagaries of political expediency or changes in leadership. In the field of immigration and border control, the much-maligned Le Touquet Treaty has

¹⁵ John Major, Joint Press Conference with President Jacques Chirac, 30 October 1995. Available at <u>http://www.johnmajorarchive.org.uk/1990-1997/mr-majors-joint-press-conference-with-president-chirac-30-october-1995/</u>

provided for juxtaposed border controls since 2003.¹⁶ Senior French politicians have often criticised the terms of this arrangement, which in practice mean the area around Calais has become a staging post for migrants seeking to enter the UK illegally. But governments of left and right in France have not torn up the agreement, even in the throes of Brexit talks, because both states approach the issue of irregular immigration from the same security-centric perspective.¹⁷ In addition, expressions of French dissatisfaction provide useful leverage to secure UK funding for border infrastructure.

The 2010 Lancaster House Treaties are the centrepiece of security cooperation born precisely of the mutual threat perception first expressed by Major and Chirac. These provide for a range of initiatives that by now have reached different stages of development.¹⁸ The Combined Joint Expeditionary Force was declared operationally ready (for low and medium intensity combat) in 2016 and compromises maritime, land, and air components available for rapid deployment, reaching a force size of potentially 10,000 by 2020. Missile procurement is another area of exceptionally close cooperation under what is dubbed the One Complex Weapons Initiative. This resulted in collaboration on the Future Cruise/Anti-Ship Weapon, led by the industrial champion of European missile technology MBDA, currently in its conception phase until 2020, with a goal of entering production from 2024. The overarching aim is to realize the synergies of joint procurement, hence the other projects surrounding an unmanned combat air system, maritime mine countermeasures, and the establishment of a High Level Working Group for arms cooperation. The latter meets several times a year and brings together the UK Minister for Defence Procurement and France's Director-General for Armaments. In the atomic field, Lancaster House established unprecedented sharing of test facilities for nuclear weapons and a joint hydrodynamics capacity known as TEUTATES for modelling the safety and performance of nuclear stockpiles without resorting to actual explosive tests.

¹⁶ This agreement entered in to force on 1 February 2004. <u>https://assets.publishing.service.gov.uk/government/uploads/system/...data/.../6604.pd</u> <u>f</u>

¹⁷ Black, James, Alex Hall, Kate Cox, Marta Kepe, and Erik Silfversten. "Defence and security after Brexit." *Understanding the possible implications of the UKs decision to leave the EU. Overview report, Cambridge* (2017).

¹⁸ Ricketts, Peter. "National Security Relations with France after Brexit." *RUSI Briefing Paper* (2018).

These institutionalized ties constitute an anchor point that can withstand potential Brexit-related acrimony. This can be seen by the way the UK and France sought to extend the remit of their security partnership in the aftermath of the 2016 referendum. Theresa May and Emmanuel Macron clearly had rather diverging views on the benefits of leaving the EU and on what terms this should happen, but this did not stop them from proceeding with joint initiatives. These included the 2017 French-British Action Plan to tackle terrorist and criminal activity online,¹⁹ leading to a common position in the G7 and EU on these issues. The 2018 Sandhurst Summit saw both leaders commit to deepening bilateral ties in areas including education, sport, development, and climate change. Most concretely, the UK agreed to supply heavy lift capabilities to the Barkhane mission in the Sahel, while France gave the green light to contributing to NATO's forward presence in Estonia as part of a UK-led battlegroup.

A striking element of the Sandhurst get-together was the presence of both countries' intelligence agency chiefs (MI5, MI6, GCHQ, DGSE, DGSI) who had never been assembled in this fashion before. This emphasis on increasing intergovernmental contact is a key part of bilateralism post-Brexit, a message reinforced by the signing on the same occasion of a Foreign Policy and Development Compact.²⁰ The agenda of this compact includes not just a joint commitment to promoting multilateralism and sustainable development, but also the establishment of further institutional means to achieve those ends. Two annual Strategic Ministerial Dialogues, on Foreign Policy and Development, and Foreign Policy and Defence are planned, along with an annual consultation of the heads of French and UK diplomatic services. These developments echo the successful joint training and reciprocal exchanges that exist between the militaries of both countries.

Bilateralism nested in the EU context

However, Anglo-French relations remain nested in a broader EU context that places the UK in an awkward situation following the 2016 referendum. France

¹⁹ <u>https://www.gov.uk/...data/.../french_british_action_plan_paris_13_june_2017.pdf</u>
²⁰ <u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachm</u>
<u>ent_data/file/674884/Foreign_Policy_and_Development_Compact.pdf</u>

automatically has the option to use the EU framework to pursue its goals and seek to shape foreign and security strategy accordingly. Brexit kills this automaticity for the UK. For instance, the European Commission's paper on the future defence and security relationship²¹ notes that the UK cannot continue to host EU military operational headquarters (prior to the original Brexit date, Spain took over responsibility for Operation Atalanta, which had been run from the UK) or remain in command of EU operations. Thus British governments will need to rely on constructing opting in arrangements on a formalized or *ad hoc* basis. The contours of this approach – and especially the downsides this may bring – are apparent in developments in EU defence and security policy since 2016.

In a clear sign of the need to maintain EU goodwill in order to recreate strong ties after it officially becomes a third country, the UK lifted its veto on a rise in the European Defence Agency budget in November 2016. In fact, the immediate post-referendum period provided a new impetus to European security cooperation with the establishment of the European Defence Fund, the Coordinated Annual Review on Defence, and the Permanent Structured Cooperation programme (PESCO). Taken together, these moves, which the UK accepted, represent a concerted effort to endow the EU with the means for an autonomous capacity to act in the field of international security – a long-cherished French objective.

By contrast, the UK struggles with the principle of EU strategic autonomy for fear of unsettling NATO. British reluctance goes a long way to explain the unfulfilled expectations created by the launch of the EU's Common and Foreign Security Policy (CFSP) – itself a France-British co-production set in motion by the St Malo Declaration in 1998.²² Yet frustration with CFSP's lack of bite can also be found in France, which is why the UK will remain a key partner even outside the EU. French willingness to bypass the EU where necessary is most evident in President Macron's European Intervention Initiative whose goal is to establish a common European intervention force and a common doctrine for action, independent of the

²¹<u>https://ec.europa.eu/commission/sites/beta-</u> political/files/security_defence_and_foreign_policy.pdf

²² Menon, Anand. "Empowering paradise? The ESDP at ten." *International Affairs* 85 no. 2 (2009): 227-246.

EU.²³ Ten European countries, including the UK, have signed a Letter of Intent to participate in the project, which aims to be more flexible and responsive than the EU when it comes to conducting operations.

In this complex and evolving field, there is thus scope for strengthening the relationship between both countries, but Brexit poses a huge risk because France - as well as other countries - has to evaluate whether to accommodate UK requests for participation in EU security and defence structures. The EU will have an unprecedented ability to exclude the UK, as it decided to do with the military element of the Galileo satellite navigation system in 2018. This is a worrying precedent at a time when the UK seeks to find a way to participate in the work of the EDA, the EDF, and PESCO in the next phase of Brexit negotiations. Moreover, the domestic politics of negotiating a treaty-based security arrangement with the EU are far from simple. If the UK government wants to participate in the crimeand terrorist-fighting work of Europol and the European Arrest Warrant, it will have to accept the jurisdiction of the European Court of Justice in the relevant areas. All this uncertainty, creates a serious commitment problem for the UK, whose indecisiveness over whether to pursue the Future Combat Air System as outlined in the Lancaster House treaty already pushed France to join forces with Germany to develop a next-generation fighter. It is no surprise then to hear Louis Gautier, tasked by President Macron to report on the state of European defence, tell the French Senate that Anglo-French relations "have become very difficult because of Brexit".24

Shared goals, heightened expectations

Ultimately, Franco-British mutual attraction stems from shared global ambitions for which the EU itself is not always a necessary and sufficient instrument. A case in point is the two countries' Indo-Pacific strategy. France has increased its focus on this region, as illustrated by the 2018 military cooperation agreement with India,²⁵ which contains a number of French territories and is home to 1.5 million

²³ Nováky, Niklas. "France's European Intervention Initiative: Towards a Culture of Burden Sharing." *European View* 17, no. 2 (2018): 238-238.

²⁴ <u>https://www.senat.fr/compte-rendu-commissions/20190513/etr.html#toc8</u>

²⁵ <u>https://in.ambafrance.org/Agreement-between-France-and-India</u>

of its citizens. Although UK interests and military posture are different in this region, both countries are committed to pursuing freedom of navigation operations together, as in June 2018, or with their virtually overlapping regional allies. Yet this joint vision for upholding a liberal international order is nevertheless more complicated than before because Brexit requires greater coordination and new institutional structures to replace what automatically follows from EU membership. The coherence of French and UK sanctions policy, for instance, currently coordinated at the EU-level, will have to be sustained via a different mechanism.

Although the outcome of the Brexit process is far from certain, what seems clear at this stage is that a new set of expectations about enhancing bilateral ties surrounds the UK-France diplomatic relationship. UK policy-makers appear to have heightened expectations of working with France because of the latter's evident desire to partner for operations and weapons procurement in line with a shared understanding of global threats as well as responsibilities. Yet there is the very real possibility of Brexit-related disappointment, for one of two reasons. Firstly, the UK needs to be able to give a clear message about where and how it is willing to cooperate, something leaving the EU militates against by virtue of taking up government bandwidth and creating unprecedented political and policy instability. Secondly, it is not clear that France will always be able to deliver on UK expectations as many areas of foreign and security policy other EU countries will need to have their say when it comes to joint UK-EU enterprises. However cordial the Franco-British Entente may become, it is at best a partial replacement to, and not a substitute for, the EU as a multiplier of UK influence in the world.

5. Brexit and the UK-Turkey Relationship

Yaprak Gürsoy

In answering the question of how bilateralism can substitute for the "multiplier effect" of EU membership, the UK's relationship with Turkey – a non-EU country at the periphery of Europe – offers interesting insights. As a "strategic" partner of the UK and an EU candidate country for more than three decades, Turkey's relationship with the UK after Brexit will not be altered to the same extent as its relations with individual EU member states. Yet Turkey has been going through major shifts in its domestic politics and foreign policy that will lead to new opportunities and challenges for the UK. While Britain can increase its influence in multilateral diplomacy through its bilateral ties with Turkey, it will also have to tread carefully. More specifically, the UK will have to balance its relationship with the current Justice and Development Party (Adalet ve Kalkınma Partisi, AKP) government alongside its ties to other EU and NATO allies and Turkish domestic opposition. The UK can play a crucial role mediating between Turkey and other countries especially in the aftermath of Brexit, with more freedom to establish new relationships outside of the EU. However, the amount of cooperation that the UK can have with the AKP government is limited by London's own strategic and security interests.

In foreign and security policy, since the start of the Syrian civil war in 2011, Turkey has been involved in the conflict across its southern border. Aside from the 3.5 million refugees that the country is hosting at the moment, the Turkish military has carried out operations in northern Syria, while southern Turkish towns near the border were the scene of attacks. The Turkish government has perceived Kurdish elements' increasing control of northern Syria as the most important security threat arising from the civil war. Turkey has claimed that the Kurdish Democratic Union Party (*Partiya Yekîtiya Demokrat,* PYD) and its military arm, People's Protection Units (*Yekîneyên Parastina Gel,* YPG), are directly affiliated with the Kurdistan Workers' Party (*Partiya Karkerên Kurdistanê*, PKK). Since the mid-1980s, Turkey has been fighting on its own territory against the PKK, also

recognized as a terrorist organisation by NATO and the EU. The US, however, has cooperated with the PYD and YPG, especially in its fight against ISIS.²⁶

The NATO dimension

This difference between Ankara and Washington over the Syrian conflict has had serious consequences for Turkey's position in NATO. In part to fend off attacks from its southern border, Turkey has been working on the procurement of an antimissile system. Ankara first made an attempt to buy the American Patriot system in 2013, but this request was rejected by the American Congress. Ankara then initiated a tender and made a deal with the Chinese company CPMIEC, only to cancel it due to American pressure. Finally, Ankara has decided to purchase a missile defence system from Russia. Russia provided support to the Erdoğan government during 2016 coup attempt, leading to a rapprochement between Moscow and Ankara. Reflecting these good relations, in 2017, Turkey signed a deal with Russia for the purchase of the S-400 missile system. Since then, the US and NATO have argued that the S-400s are not compatible with the alliance's systems and could enable Russia to gain access to NATO technology. The US has warned Turkey that if it goes through with its purchase of the S-400s, its contribution to the production and procurement of the F-35 Lightning II fighter jets would be cancelled and the US would retaliate with economic sanctions on Turkish companies.

Turkey's relationship with the US is thus at a historic low point. At this juncture, the UK might be in a unique position to act as an intermediary between Washington and Ankara. The UK was also one of the countries that condemned the 2016 failed coup attempt the fastest, which did not go unnoticed by President Erdoğan, who declared two years later that "we will never forget the solidarity shown with our country."²⁷ The UK is also one of the nine countries that is

http://www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido?WCM_GLOBAL_CO_NTEXT=/elcano/elcano_es/zonas_es/defensa+y+seguridad/ari73-2018-gursoy-toygur-turkey-in-out-nato-turbulent-alliance-western-institutions

²⁶ Yaprak Gürsoy and Ilke Toygür, Turkey in and out of NATO? An instance of a turbulent alliance with Western institutions, *Royal Institute Elcano* (2018)

²⁷ Turkish president hails strong relations with Britain <u>https://www.aa.com.tr/en/europe/turkish-president-hails-strong-relations-with-</u> <u>britain/1144052</u>

participating in the F-35 project. Although Britain is now preoccupied with Brexit and it might be too late to overturn the purchase of Ankara's S-400s, in the future, the UK could take the lead in preventing the further deterioration of relations. This would give London the multilateral edge it seeks through bilateral ties.

Another consequence of Ankara's strained relationship with NATO has been its drift from European allies. There have been reports of interruptions of German arms to Turkey, increasing tensions with France and Netherlands, Ankara interfering against Austria's cooperation with NATO and the questioning of the status of the Incirlik joint air base in southern Turkey. ²⁸ The eastern Mediterranean dispute over the exclusive economic zones around the island of Cyprus has flared up as well, leading to renewed tensions with Greece.²⁹ These developments clearly show that Ankara's disputes are not only with the US, but with many other nations in NATO. The UK is currently one of the few countries that has managed to increase military cooperation with Turkey, as reflected in the multimillion deal between BAE Systems and Turkish Aerospace Industries to develop the TF-X Turkish Fighter Jet Programme.³⁰

Despite the possible role the UK can play as a broker in NATO, there might also be challenges that London would have to face in its bilateral dealings with Turkey. Ankara and London do not necessarily have the same threat perceptions. The Kurdish issue is still central to Turkish foreign and security policy with no resonance in the UK. However, Russia is a major concern for the UK although Turkey has been strengthening ties with its former Cold War adversary. It is unclear how long this marriage of convenience between Ankara and Moscow would last, but if it gets too deep, the UK might be forced to reconsider its engagement with Turkey. For example, Turkey's relations with Qatar wavered over the TF-X engine deal between Rolls-Royse and the Kale Group.³¹ The UK government's

²⁸ Turkish tensions undermine its role in NATO, *Politico*, 29 June 2017

https://www.politico.eu/article/turkish-tensions-undermine-its-role-in-nato/

²⁹ Greece and Cyprus call on EU to punish Turkey in drilling dispute, *The Guardian*, 18 June 2019 <u>https://www.theguardian.com/world/2019/jun/18/greece-and-cyprus-call-on-eu-to-punish-turkey-in-drilling-dispute</u>

³⁰ Britain, Turkey sign defence deal to develop Turkish fighter jet, *Reuters*, 28 January 2017 <u>https://uk.reuters.com/article/uk-britain-eu-turkey-bae/britain-turkey-sign-defence-deal-to-develop-turkish-fighter-jet-idUKKBN15C0IM</u>

³¹ Turkey and UK battle to save fighter jet project, Financial Times, https://www.ft.com/content/9b6d7af6-6d6a-11e8-92d3-6c13e5c92914

concerns over the sharing of sensitive information with Qatar became a point of contention, which can be replicated in the future in other deals involving other countries.

Domestic Turkish concerns

On the domestic front, Turkey has been struggling with an impending financial crisis. The Turkish lira lost 40% of its value in the summer of 2018, inflation reached 20 percent, unemployment increased to nearly 15% and the economy contracted after years of steady growth. There are political reasons behind this crisis. Turkey has had a referendum, general and local elections for three consecutive years now, which encouraged the government to follow policies that would stimulate the economy, instead of combating inflation rates. President Erdoğan's reservations about and public statements against increasing interest rates have also contributed to the crisis by decreasing market confidence in the viability of the government's economic plans. There are, however, deeper structural reasons for the recession. Turkey's growth in the last decade was due to cheap foreign credit. The availability of such credit globally shrank after the Federal Reserve in the US increased interest rates. Continuing tensions with the US also mean that Turkey has not been able to borrow from the American markets as easily and faced tariffs to its steel exports to the US. The overall current account deficit of Turkey has also contributed to the crunch.

In this volatile context, Turkey's trade relations with the UK have special meaning. Turkey's second largest export destination is the UK (after Germany). The UK is also the only big European country with which Turkey enjoys a trade surplus. Therefore, Ankara values its commercial ties with the UK and worried about the potential consequences of a hard Brexit. Turkey's EU customs union membership is currently working to its advantage in maintaining the trade surplus. However, in the event of a hard Brexit, Ankara would not be able to immediately sign a Free Trade Agreement (FTA) with London due to the same customs union agreement.³² Both sides have repeatedly asserted their willingness to continue commercial relations, but not much can be done until it becomes clear what kind of a deal the

³² Yaprak Gürsoy Why would a third country root for a soft Brexit? Views and Lessons from Turkey, *Foreign Policy Centre* (2019) <u>https://fpc.org.uk/why-would-a-third-country-root-for-soft-brexit-views-and-lessons-from-turkey/</u>

UK will have with the EU. In the event that the UK concludes an FTA with the EU, Turkey could also be covered in this deal, either by pressuring the EU for such participation or by simultaneously working with Ankara to sign a similar deal taking effect at the same time.

Indeed, there is a good chance that the future EU-UK deal, if it covers customs, could be applied as a model for Turkey's relationship with the EU. Turkey has been dissatisfied with its customs union agreement for a long time now and has been looking for ways to improve its own economic partnership with the EU. With membership prospects dwindling further, both the EU and Turkey are more willing to reconsider the future of their relationship. Therefore, the outcome of the Brexit negotiations in the long run could be an inspiration for reframing Turkey's bilateral ties with the EU. In this way, and unexpectedly, the UK can see its multilateral influence expand toward other non-EU countries. The UK would see this "multiplier effect" work more substantially if it also negotiates with the EU with this wider perspective in mind rather than having a narrower focus on its immediate and short-term self-interest.

Political stability in Ankara

In considering its bilateral relations with Ankara after Brexit, the final challenge that London faces is related to the question mark hanging over the stability of the regime in Turkey. Since the 2016 coup attempt, critics in and out of the country have accused the AKP government of being increasingly authoritarian, violating human rights, repressing the media, and annihilating the rule of law. Turkey transitioned to a presidential system with the 2017 constitutional referendum that in effect meant that President Erdoğan's power and authority have substantially increased. The government was also restructured with nine new councils chaired by the president, including the economy and the security and foreign policy councils. The number of ministries was reduced to 16 and their influence were reduced. Overall, it is unclear how (or to what extent) these changes will be reflected in Turkey's foreign policy-making practices. In light of the renewed Istanbul mayoral elections won by the opposition, there is also a real chance that the rule of the AKP might come to an end in half a decade and it is not yet clear what kind of repercussions this type of governmental change would have on the presidential system. However, for now, critics stress that these institutional

changes are a sign of authoritarianism. Obviously, these anxieties are closely related to the looming financial crisis (as market actors are wary of the risks of investing there) and deteriorating relations with NATO allies and the EU.

There are also critical voices in the UK regarding the regime in Turkey.³³ So far, UK diplomacy has been able to balance good relations with Ankara while raising concerns over human rights and democracy.³⁴ This will continue to be a challenge for London. It is critical for the UK to continue to have relations with the AKP government, without alienating the opposition parties, civil society organizations, academics and intellectuals in Turkey. In dealing with Ankara, London should maintain connections with different groups in this diverse society that has become quite polarized in recent years. With half a million people of Turkish origin living in the UK, thousands of Britons buying property in Turkey and 2.5 million tourists from the UK visiting Turkey each year, continued personal interactions between the two countries would help keep all channels of communication open.

In summary, Turkey has been going through a rough patch in its foreign relations, economy, and domestic politics. In the era of Brexit, continued links and partnership with Turkey would give London a unique opportunity to sustain its multilateral influence. The UK can serve as a mediator in NATO and as a model for the future of EU-Turkey relations, as long as it can continue its dialogue with diverse groups in Turkey, work towards strengthening its trade relations and focus on its mutual security interests with Ankara.

³³ The UK's Relations with Turkey, Foreign Affairs Committee, *House of Commons* (2017). <u>https://www.parliament.uk/business/committees/committees-a-z/commons-select/foreign-affairs-committee/news-parliament-2015/uk-relations-with-turkey-report-published-16-17/</u>

³⁴ May warns Turkey's Erdogan not to lose sight of democratic values, *Reuters*, 15 May 2018. <u>https://uk.reuters.com/article/uk-britain-turkey/may-warns-turkeys-erdogan-not-to-lose-sight-of-democratic-values-idUKKCN1IG1YM</u>

6. The International Relations of the UK's Nations and Regions following Brexit

Carolyn Rowe

The UK's international relations are not solely concentrated in the hands of Westminster. As with any liberal democratic state, the reality of "international relations" sees national interests expressed and promoted through a variety of different state, non-state and sub-state channels. Led by economic imperatives and by constitutional rights, sub-state governments are now firmly positioned as actors within the global order, signalling a fundamental challenge to some of the core logics of the modern international system. The new reality is one of perforated sovereignty and "paradiplomacy," a multiplicity of internationally organised actors, and a semi-hierarchical power structure where nation state governments no longer fully dominate the international order.³⁵ Clearly, the UK's departure from the EU complicates the existing picture of sub-state paradiplomatic activity of its constitutionally empowered authorities. And it gives rise to a number of questions to which in a practical sense, sub-state actors will have to devise answers.

There are two principal axes along which both the constitutionally empowered UK nations and the English regions will have to reconfigure their international activities and agendas after Brexit. Firstly, there is the British regional footprint in Brussels itself. All of the UK's sub-state territories have maintained direct offices in Brussels since the 1990s, though these differ in role and ambition. Their new post-Brexit remit is still to be determined, in particular, the issue of how to manage bilateral, sub-state relations. Relationships with sub-state actors from other EU member states have been a powerful means of shoring up support for domestic agendas on European issues; beyond this, there are numerous international profiles to reconsider. This leads then to the second, and arguably most significant, dimension of how Britain's nations and regions will pursue international agendas after Brexit: the domestic politics of foreign affairs. Will they have a voice? Both these axes will be considered in detail.

³⁵ Tavares, Rodrigo (2016) *Paradiplomacy. Cities and States as Global Players* (Oxford: Oxford University Press).

The EU footprint of Britain's nations and regions after Brexit

This is the most significant area where engagement will have to be recalibrated post-Brexit, and is certainly the most visible aspect of the new ecology of British regional representation to the EU2. Currently, there are three different types of regional representation to the EU: legislative regions, economic regional actors, and non-constitutional actors. Each will face significant challenges in remodelling their operation after Brexit and are examined in turn below.

Much of the diplomatic work of carried out by the Brussels offices of the Scottish Government, the Welsh Government and, once power-sharing is restored, the Northern Ireland Executive, will continue, albeit with a somewhat different remit. The Brussels offices of the devolved authorities in the UK currently provide support to ministers travelling to Brussels for European Council meetings, something which will no longer be necessary. Nonetheless, and possibly more relevant, will be the support which these offices offer to their ministerial colleagues for engagement with the European Commission, the European Parliament and other relevant networks where they may gain a foothold as third county members. If anything, the incentive structure for representatives from Britain's devolved authorities to foster relations in Europe, facilitated through the networks which these regional representative offices maintain, is enhanced after Brexit, particularly in times of non-contiguous partisan governments. An SNP-run Scottish Government, for instance, will see direct relations with other states, sub-state governments and regions, as a fundamental means by which to shore up support for their own EU policy preferences, particularly when these run counter to the dominant wishes of any Westminster administration. As has hitherto been the case, the intelligence provided through the Brussels representation can empower Scottish actors within domestic negotiations and the building of a UK position, though this itself will in future be articulated outside rather than within the EU's decision-making machinery.

The challenge for Britain's devolved authorities in Brussels as they move from having *formal* to *informal* powers of influence³⁶ will be to make effective use of

³⁶ Tatham, M. (2018) 'The Rise of Regional Influence in the EU – from Soft Policy Lobbying to Hard Vetoing", *Journal of Common Market Studies*, Vol. 56, No. 3, pp. 672-686.

their new status as third country actors. Their post-Brexit position as constitutionally empowered sub-state entities from non-EU member states, or 'third countries', instantly aligns them, on a political level, with the Canadian provinces or the US states, for example. Here, new relations will have to be forged, where common interests can seek to shape EU policy through collaborative lobbying from the outside.

Complementary to the political and diplomatic work of the devolved authorities, we have seen economic development agencies from Scotland and Wales in particular establish a presence in the European Union, with the overarching aim of "economic promotion". This bland phrase covers a multitude of financial aims, from the showcasing of regional investment opportunities to the numerous actors who circulate within Brussels decision-making networks, as well as looking to engage in opportunities to secure EU funding. These require cross-national partnerships, both within the EU or at times also beyond even the EEA members, and economic regional representations are a primary means by which both awareness of these funding programmes can be brought to the relevant domestic actors, and through which networks of like-minded authorities can be constructed as a way to submit an application for funding. Beyond securing funding, these networking opportunities also offer scope for bilateral partnership building and support an exchange of expertise.

Most English regions continue to maintain a presence in the European Union for the time being, sometimes in partnership with other regional actors such as organisations from the cultural and voluntary sector, universities or individual city authorities. Along the lines of the economic regional actors described above, their chief motivations are "pull factors" of financing schemes, rather than the constitutional "push factors" of a need to engage directly in EU policy decisions that supported the development of the constitutional regions' presence in Brussels. Whilst many are keen to engage in upstream policy work, their remit, and the chief measure by which their effectiveness is assessed in the domestic context by their supporting partners, remains financial. This is not likely to change in the immediate post-Brexit era, though with a more fluid founding rationale than that sustaining the sub-state nations' representations, their domestic clients may question the longer term viability of membership until results are proven. For the English regions, their geographical status as European authorities, as opposed to cities and regions from other continents who maintain an EU presence, may however offer some additional access points to policy and funding networks. The regions of Norway for instance, might offer a blueprint here. These engage in numerous, horizontal policy networks focused on themes such as environmental protection, consumer issues or research and innovation policy. The European Regions Research and Innovation Network (ERRIN – www.errin.eu), a successful alliance which promotes sub-state interests in Europe's research and innovation landscape, is supported by the mid-Norway European Office, the North Norway European Office and the Stavanger Region European Office, amongst others.

Renewing Britain's bilateral relations: a voice for the nations and regions?

Brexit changes the entire incentive framework for building international partnerships between sub-state entities, overnight. The UK's constitutional authorities have established strong horizontal partnerships with other constitutionally empowered legislative regions in other EU member states. Their representative offices in Brussels have been particularly successful in facilitating these networks, but they are sustained also through ministerial visits and partnerships and other exchanges. Together, constitutional regions have been able to lobby for political changes at the EU level (take for instance the Conference of European Regions with Legislative Power, or RegLeg grouping, and its work on the introduction of a subsidiarity watchdog for the EU),³⁷ in addition to promoting joint policy objectives. Collaboratively, strong sub-state actors with a powerful political resource base within their member state have been able to upload their policy preferences to the EU. After the UK leaves the EU, its constitutional authorities will no longer have the option to pursue influence by this formal route, which means that the domestic route for securing influence becomes strategically even more significant.

Intergovernmental tensions over the new bilateral relations will have to be resolved within the domestic policy, just as disputes over EU policy in the past had to find agreement within the UK's policy-making nexus. With the lack of any formal

³⁷ See for instance Martinico, G. (2018) 'History of a (Limited) Success: Five Points on the Representativeness of the Committee of the Regions'. In *Perspectives on Federalism*, Vol. 10, Issue 2, pp. 96-117

system, however, for intergovernmental agreement on international affairs, new mechanisms will have to be established. As a means to regulate this intergovernmental cooperation going forward, both the British Government and the UK's devolved authorities are in the process of negotiating a host of "common frameworks". These would offer coherence in policy development across the UK after EU withdrawal, by setting out, for instance, common goals, minimum or maximum standards, harmonisation, or mutual recognition ³⁸ thereby safeguarding the functioning of the UK's own single market.³⁹

A common framework will clearly be needed to cover one of the most contentious areas of the UK's future bilateral relations – trade. The UK government has already highlighted free trade deals with third countries as a priority area where a robust mechanism for intergovernmental cooperation is required, and fast.⁴⁰ This is one area where competing agendas are likely to develop, and have the potential to spill over into public spats. In a post-Brexit world, Scotland's trading interests will be dependent on the UK's bilateral, rather than the EU's multilateral, agreement with external partners. So whereas regions with similar constitutional resources such as Bavaria will be able upload their preferences on future EU trade deals both domestically, by holding their national government to account through the federal system, and at the EU level, through alliance building with like-minded, and predominantly other constitutionally-empowered, regions, Scotland's formal powers on international trade will be reduced to the extent to which they can shape the UK's national negotiating position on future bilateral agreements. Thus, the shape and scope of this particular common framework is driving considerable reflection on how such a model can be established.⁴¹

³⁸ Joint Ministerial Committee communiqué, 16 October 2017 <u>https://www.gov.uk/government/publications/joint-ministerial-committee-communique-16-october-2017</u>

 ³⁹ Policy Paper: Legislating for the United Kingdom's withdrawal from the European Union - Foreword from the Prime Minister. (2017, May 15). <u>https://www.gov.uk/government/publications/the-repeal-bill-white-paper/legislating-for-the-united-kingdoms-withdrawal-from-the-european-union</u>
 ⁴⁰ Ibid.

⁴¹ In March 2019, following an extensive inquiry, the Scottish Parliament's Finance and Constitution Committee, for instance, published a report on common frameworks that addressed precisely this issue https://www.parliament.scot/parliamentarybusiness/CurrentCommittees/108907.aspx

In conclusion, the work of British regional representations in the EU can be subsumed under three headline activity areas: diplomatic engagement, economic development, particularly in the sense of engaging in pan-European networking schemes to draw down European funding, and cultural promotion. Of these three, the diplomatic endeavours of the constitutionally empowered Scottish Government, Welsh Government and Northern Ireland Executive will experience the most substantive reconfiguration after Brexit. Access to governmental lines of communication will be cut off as they transition from internal decision-makers with a seat around the table at Council meetings on devolved matters, to external observers, albeit with a strong vested interest in policy outcomes. Other regional engagement in the EU after Brexit will be dependent largely on the extent to which subscribing partners in the UK which support these offices feel that they continue to deliver value for money.

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The Aston Centre for Europe (ACE) acts as a hub for a range of Europe and EUrelated research projects and stakeholder activities across Aston University in Birmingham, United Kingdom. Since its launch in 2009, ACE has become a major centre for research in European politics and society and ensured the real-world applicability of that research through practitioner engagement. Reflecting the European strengths of Aston's research culture, ACE became a Jean Monnet Centre of Excellence in 2016, and has collaborated with many outside organizations, including universities, think tanks, and learned societies across Europe. It currently has 41 members, a grouping that includes a considerable number of country specialists. ACE promotes research on Europe, its constituent states, and its role in the world, as well as engaging with stakeholders (policy makers, business and the professions, civil society) and supporting Aston-based researchers and students.

https://www2.aston.ac.uk/lss/research/lss-research/aston-centre-europe