

## RULES OF ENGAGEMENT FOR BREXIT



Rule No. 1 about European Union engagement after the 23 June British Leave vote states that almost nothing any protagonist said before the EU decision – whether from the ‘in’ or ‘out’ camp, or from pontificating foreign leaders – holds true in the post-referendum world. Rule No. 2 sets down that the compromises behind statements on post-Brexit Europe will grow ever more subject to complex political calculations as electoral tussles in the Netherlands, France and Germany draw nearer.

A generation ago, in negotiations over the 1991-92 Maastricht treaty that launched monetary union, John Major, then British prime minister, said navigating through different countries’ sensitivities was ‘12-dimensional chess’. With 28 countries now in the European Union along with the UK, against 12 then, and divisions widening on everything from migrants to Greek debt, the balancing act has grown much more convoluted. Theresa May, the British prime minister, has won manoeuvring room by assembling a government more quickly than expected after the dashing of predecessor David Cameron’s aim of staying in the EU. Short-term advantage may grow if the British economy remains on an even keel and the rest of the EU becomes increasingly mired in domestic politics. But benefits will seep away if May fails to retain control of a restive Conservative party, with many factions suspicious of May’s apparent deviations from Leavers’ aim for a speedy, reasonably clear-cut withdrawal. Dissonance within May’s cabinet trio of red-blooded ‘Brexiters’ – Boris Johnson, David Davis and Liam Fox, the ministers responsible for foreign affairs, exiting the EU and foreign trade – augurs possible future instability. Of the threesome, Johnson has recently been the most sure-footed. But at the week-

end he signalled an effort to re-energise May by broadcasting support for a new cross-party exit campaign. One of the most important changes across Europe is the growing likelihood that the anti-immigrant, anti-euro Alternative for Germany (AfD) will enter the German national parliament after next autumn’s general election. For the first time since the second world war, this will mark the establishment in the German political calculus of a party to the right of the Christian Democrat/Christian Social Union grouping, at present under the helm of Chancellor Angela Merkel. By constraining the number of Bundestag seats for her conservative grouping, this could mar the chances that Merkel – heading consecutive Berlin coalitions since 2005 – will accomplish a fourth term. The conservatives could be vulnerable to a Social Democrat-led left-wing alliance. The new constellation could even lead to Merkel’s unseating before next year’s election if she suffers more significant setbacks. The most likely short-term replacement would be Wolfgang Schäuble, the wheelchair-bound finance minister, 73 – the same age as Konrad Adenauer, Germany’s first post-war chancellor, when he took office in 1949. In one of the few still-valid pre-referendum comments, Schäuble said shortly before the UK vote that EU governments, after a possible Leave decision, should not push for deeper EU integration, as voters would find this ‘crazy’. Whatever its nature, the coalition that will emerge in Berlin from end-2017 onwards will be more resolute in pursuing purely national goals in European bargaining. Moreover, a ‘France-first’ line could emerge from Paris after a probable move to the right after the April-May 2017 presidential elections. May’s and Merkel’s manoeuvring bears some resemblance to the difficult compromises weighed up by Mario Draghi, the European Central Bank president. Last Thursday’s ECB governing council agreed to make an extension beyond March 2017 of the ECB’s controversial bond purchases dependent on ‘a sustained adjustment in the path of inflation consistent with its inflation aim’.

The complex wording is replete with politically sensitive, ill-defined variables with different meanings in different constituencies and different languages. The linguistic juggling offers a disconcerting indication of the task facing May and Merkel as they plot a path through the Brexit morass.

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