

Why the UK must trigger Article 50 immediately

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*Despite the UK's referendum on 23 June, David Cameron has so far not decided to trigger Article 50 of the Lisbon Treaty, which outlines how a country can voluntarily leave the EU. **Sebastian Koehler** argues that this process should not be delayed any further given the uncertainty which is damaging the UK economy. He writes that while Britain remains an EU member state, the country is now effectively marginalised from EU decision-making and has little to gain from taking longer than need be to negotiate its exit.*



The vote in favour of Brexit caused expected turmoil in the markets and in the political arena. With the dust settling, the focus needs to be on negotiations, not party politics. The political class owes at least that much for its collective failures. Postponing serious talks means losing precious time by prolonging the period of political uncertainty.

Political uncertainty damages investment both from foreign and domestic firms, which reduces economic growth. It will also cause job losses, as companies have already started to enact plans for parts of their operations to be moved to other EU countries. Quickly resolving uncertainty is therefore crucial for containing the damage to the economy. To make matters worse, rising unemployment and slower growth will put strains on public finances as tax revenue will go down while social spending will go up.

And this uncertainty also puts pressure on the exchange rate. The economy of the United Kingdom is highly dependent on imports of goods, which means inflation will increase as a consequence. The National Farmers Union have already warned that prices for food and clothing **will rise** as a sizeable share of such goods are imported. Buying British won't help as in the short run it is impossible to increase agricultural production. Those who will be hurt the most are the most vulnerable. While some may argue they'll just get what they asked for by voting for leave, this would have deeply problematic consequences. Internal divisions would be exacerbated further, potentially beyond repair. Quickly resolving uncertainty is therefore a necessity.



But there are political arguments, too. The political environment is dramatically changed. With the vote for Brexit, the UK has de facto lost all influence in the European Union. A first sign of this is the resignation of Jonathan Hill from his position as Commissioner for Financial Services. **Mounting pressure** to sideline him was apparently one of the reasons for his resignation. It is clear that while the UK is a full member state until the negotiations following the triggering of Article 50 are concluded (or the two year deadline for such negotiations expires), they will be unable to influence any decision in Brussels from now on.

British members of the European Parliament will not be nominated as Rapporteurs anymore and British Ministers will be ignored by their colleagues in the Council. Any objection raised by a British delegate in Brussels will be answered with the response that the country is leaving in any case, so should therefore be unconcerned with the

outcome of decisions. The same is true for the right to vote against legislation – it would be seen as undue interference by the UK in European matters. Stripped of all bargaining power, the UK is now *de facto* no longer a full member of the European Union, even though *de jure* it still is.

The loss of influence is the price Britain has to pay for access to the common market. After leaving the European Union, political influence on EU policies will be reduced to zero. Postponing negotiations, however, will neither buy more influence nor improve the bargaining position. Pressures will mount on the economy as long as Article 50 is not triggered, thus forcing the country to make concessions in order to get a deal.

The EU, on the other hand, will not agree to informal negotiations before Article 50 is triggered. If they did so, a series of other European Union countries could immediately demand to start such negotiations, destabilising the European Union and diverting resources needed for its normal operation. It would also send the signal that states can ‘have their cake and eat it’, further damaging the stability of the EU. Didier Seeuws, the chief negotiator for the European Union, will therefore insist on the UK triggering Article 50 before agreeing to negotiations.

Triggering Article 50 and seeking a quick deal to secure access to the common market is therefore vital. This deal will include the acceptance of free movement and payments into the European Union budget. While this partly defeats the will of many who voted for Brexit, it is inevitable that this will form part of the final agreement.

First, the European Union will insist that acceptance of those two points is a precondition for starting serious negotiations. Switzerland should be a warning. The 2014 Swiss immigration referendum forced the Swiss government to renegotiate the bilateral treaties with the European Union in order to scrap free movement. The answer from Brussels was clear: “We are happy to renegotiate anything you want, *once you have accepted free movement*”.

Second, while still obeying the will of the voters to leave, it will improve the future prospects of the young who feel let down by the elderly. Getting to a deal quickly might therefore help reduce the internal conflict caused by the referendum. A clean and fast deal might also help to prevent a secession of Scotland. It will secure access to the internal market and many of the benefits currently enjoyed will be maintained. The political damage is still significant. Combined with other political measures, for example supermajority requirements for future referendums, which demand an overall majority and a majority in all constituent parts of the United Kingdom, could be a way out of the seemingly inevitable break-up of the country.

Lastly, in a globalised world, national decisions have international consequences. By voting to leave, voters in the United Kingdom have negatively affected the lives of 450 million people in the 27 European Union member states who will suffer economic and political consequences over the next months or even years. Brexit will also affect non-EU economies as well. Taking back control implies assuming responsibility for one’s action. Triggering Article 50 would be a start.

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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