

Red lines for Brexit negotiations with the UK

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The narrow decision by British voters to go for Brexit adds yet another complicated task to the EU's already busy agenda. For now, the ball is in the UK's court and it is up to the new British government to trigger the procedure for the withdrawal of a member state from the union under Article 50. Nevertheless the other 27 states need to use this time to develop a strategy for the negotiations on their future relationship with the UK.

Given the UK's economic and geo-political importance, as well as the close interdependence between the UK and the "EU 27", it is in the mutual interest of both sides to carry out the negotiations in good faith and with the aim of ensuring close and lasting cooperation in as many policy areas as possible. From the EU's as well as from a progressive perspective, however, some red lines can and must be drawn.

First, the exit from the European family must not be rewarded. The UK enjoys a very special status within the European Union. Over the four decades of its membership, the country has secured numerous opt-outs and derogations, while maintaining full involvement in the decision-making process. The UK does not have to take part in Schengen, nor in the EMU (Economic and Monetary Union). In the area of justice and home affairs, the UK was not only granted a complete opt-out, but also the possibility to opt into single measures on a case-by-case basis, truly just picking the cherries it likes. On top of that, due to the British rebate of 1984, the country saved more than 100bn euros in national contributions. The now void "new settlement for the United Kingdom within the European Union" contained additional perks, including the possibility to limit in-work benefits for EU migrants.

With this background, it's even more of a puzzle why any member state would give up such an advantageous position. In any case, not least to avoid the UK serving as an example for other member states, any agreement on the future relationship between the EU and the UK must fall considerably short of the status the UK enjoys within the union. Secondly, the four freedoms – the free movement of workers, goods, services and capital – are inseparable. If the UK wants to take part in the common market for goods, services and capital – which might prove essential for the City's financial industry – it must in the same vein accept the free movement of workers. We cannot make any concessions in this

regard, particularly as progressives. The common market is not an aim in itself, but should serve citizens by building more prosperous economies. That citizens must be able to move freely to the places where their workforce is needed is furthermore an economic necessity.

Thirdly, whoever is part of the common market has to respect the rules of the common market. The UK's participation in the common market would therefore mean that it had to abide by the rules governing it, including workers' and social rights, as well as consumer protection rules and environmental standards. The EU's competition law would also continue to apply to companies based in the UK, and the UK would have to follow European state aid rules. The common European market exists as a level playing field for all of the companies active in it – irrespective of where they are based – and exemptions from the above-mentioned rules would give UK companies an unacceptable advantage over their continental European competitors.

Finally, there can be no special involvement of the UK in EU decision-making procedures. Out means out. While the interests of the UK should be duly considered in any EU decision affecting it, EU institutions must be able to decide freely and without interference or even the possibility of a veto from a non-member state.

Whatever status the UK aims for, it is highly unlikely if not impossible that it will be more beneficial than its current position.

