

BREXIT: Strategic consequences

Pierre RAZOUX

Research Director at IRSEM¹

On 23 June 2016, 52% of the British population (with 72% participation) decided to leave the European Union. As the number of analyses mount in terms of the challenges inherent to what some are already referring to as “the 9/11 of European integration”², IRSEM contributes to the debate with this prospective brief. It outlines how **in the short term, the vote** – welcomed by Russia, Turkey and China, while the US remains sceptical – **prefigures a long negotiation process on the exit procedures for the UK, which brings with it the risk of exacerbated divisions within the EU. It encourages populism and foreshadows the diminishment of the CSDP, which systematically leads to the strengthening of NATO’s role in Europe. Most of all, Brexit leaves France alone with Germany, while the United Kingdom risks both economic and strategic downgrading, as Scottish independence is now a plausible scenario. While Brexit should not in theory affect Franco-British defence cooperation, it does suggest a reduced British defence effort in the medium and long term, as well as the risk of partial or total withdrawal of British nuclear deterrence. France would therefore be the only nuclear-weapon state in Europe. In this situation, the strategic link between the United States and NATO would be significantly weakened. In order to maintain a key role in Europe, it would be in France’s best interests to step forward as the natural intermediary between the UK and the EU and cultivate Franco-British defence relations.**

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¹ Pierre Razoux is familiar with the British state apparatus. For several years, he worked at the British Ministry of Defence’s policy division; he was in charge of Franco-British bilateral defence relations and has worked at NATO Defence College.

² See in particular Schwarzer D., 24 June 2016, *With Britain leaving, Europe will need to quickly carry on*, The German Marshall Fund of the US; Dempsey J., 24 June 2016, “The British vote No to Europe”, *Carnegie Europe*; Guibert N., 25 June 2016, “Confiance sur l’avenir de l’alliance militaire franco-britannique”, *Le Monde*; de France O. & Maulny J.P., June 2016, “Après le Brexit : quelle stratégie de défense pour l’Union européenne ?”, *IRIS*.

1] In the short term, Britain's political play is exacerbating divides, leaving little hope for a new referendum and allowing the UK's exit procedure from the EU to stagnate

In the immediate aftermath of the Brexit vote, Britain's domestic politics looked like a battlefield where both of its major parties (conservatives and worker) tore each other apart, each excessively stigmatising the other. Prime Minister David Cameron has resigned; he has been replaced by Theresa May, who has made clear she will not be going back on the referendum result.. Jeremy Corybn, leader of the opposing Labour party, is being challenged by his own side, who are calling for his rapid replacement. The Liberal Democrats, traditionally pro-Europe, were steamrollered and their voices unheard. The nationalist party, UKIP, has never been as powerful, even if its leader Nigel Farage has resigned as leader of the party. Britain's political stage is evolving towards a tripartite model in which ad hoc alliances will depend more than ever on support from a people who are predominantly hostile to the United Kingdom remaining in the European Union. Unlike London, other English and Welsh cities voted over 60% in favour of Brexit. The City alone does not represent the United Kingdom.

The British people remain stoically attached to the value of referendum, even more sanctified due to its rarity. **The likelihood of an "Irish-style" referendum being held in the hope of rendering the previous one void is low**, if we are to consider British democratic practice. There is no precedent for such a scenario, and it would be hard to believe that Theresa May would take the risk of going against the people's will, especially as her power is fragile and new, even if the City and the financial world are calling for one. It is also highly unlikely that she will call for new legislative elections, merely eighteen months after the last: it is neither in her interest (since her party are in the large majority) nor in line with the practice of the British political system, to which the people, the elites and the royal family are strongly attached. Here again, there is no recent precedent to support it.

The most realistic scenario that now appears is that of a long negotiation period (at least two years) for Britain's exit from the European Union, if we take into account the internal political games and pressure from the finance sector, as well as certain EU Member States (Germany, the Netherlands, Denmark and Sweden) that are reluctant to see a swift departure. In doing so, Theresa May will make pledges to each, hoping that this period will create greater division among them and weaken them, thereby boosting the UK's chances to negotiate an acceptable compromise. **For the same reasons, it appears definite that she will eventually trigger Article 50 of the Treaty (withdrawing from the EU), most likely in September-October 2016** because, if she were to go against the will of the people, she would lose all hope of winning in the next legislative elections; she may, however, take advantage of postponing this procedure in order to obtain significant benefits.

Likely consequences:

1-1 : **Greater risk of division within the EU.** It is probable that those who wish to "punish" the British people and push them out of the EU as soon as possible will clash with those who wish to conciliate them, both among Member States and among the most powerful figures within the state apparatus. Several European capitals are likely to clash over control of the financial flows from the City. It is also highly likely that the British leaders will use the time allocated to the separation to create as much division as possible in the EU, and then attract a certain number of traditionally Eurosceptic states. British European officials (particularly those who have not acquired another nationality in the meantime), who have long understood the workings of the EU, will not hesitate to weaken the EU in order to maintain good appearances in the eyes of their fellow citizens, who see them as freeloaders that helped sell off the Kingdom's sovereignty.

1-2 : **NATO, a safe haven for the short and medium term**, as the Warsaw Summit has recently shown. If the British can no longer play in the EU's yard, some of them may be tempted to **torpedo the CSDP and convince their former partners of the uselessness of this tool** that they no longer contribute to. Their message would be simple: without them, the CSDP loses an essential actor that the active presence of France – who would become its only major actor, and therefore the only one capable of providing a form of reassurance while being able to act across the military spectrum – could not offset. **By returning its focus to NATO, Britain will further push its ambitions and its agenda.** The era of polite negotiations on the awarding of key positions (both civilian and military) will end. London will fight tooth and nail for every important position, while toughening the line on certain affairs of high political value. This new line will provide **Germany and France the opportunity to cooperate further within the Alliance..**

1-3 : **France will maintain bilateral defence cooperation with the United Kingdom. The Lancaster House bilateral treaties**, signed on 2 November 2010 and comprised of two agreements on Franco-British defence cooperation, has the immense advantage of being secured by a nuclear cooperation agreement, preventing it from including other partners. As Britain was highly enthusiastic in concluding these treaties, and given the increasingly unpredictable international context and ongoing budgetary constraints, it is **highly unlikely that London would want to put it back on the table.** Whether they remain in or leave the EU, **Britain remains for the foreseeable future France's most credible and reliable partner in the realm of defence on the European continent.** The two countries share **similar interests** (global vision, permanent seat on the Security Council, nuclear-weapon state, several overseas territories to protect, and largely similar geostrategic interests) that Brexit will not change. On the industrial level, the UK and France are committed to **important projects** currently under development (light anti-ship missiles, future combat air system) which remain strictly bilateral.³ **A new Franco-British treaty** attached to the previous (or even a simple amendment to it) that sanctifies for example the future combat air system (FCAS) and that initiates one or two other federating projects **would enable France to stand resolutely at the heart of the European "defence" network.** Similarly, **France has everything to gain from assuming the role of natural intermediary between the United Kingdom and the EU.**

1-4 : **France will be the sole member of the EU in P5.** With the United Kingdom gone, France will be the only member of P5 (permanent members of the Security Council) that is a member of the EU, which will strengthen its position, though it also risks being **exposed to continuous requests that its seat become that of the EU.**

1-5 : **Populists rule. Brexit will inevitably be manipulated by the populist parties and alliances for sovereignty in Europe in the hope that other countries hold referendums** on EU membership. This is particularly pertinent in France, where the issue of a referendum may become key in the presidential campaign of spring 2017. **Russia and China will naturally be overjoyed**, as this leads to greater divides in the EU, weakening the European continent's overall resilience.

1-6 : **Uncertainty in the United States over Brexit.** Brexit provoked mixed reactions in the U.S. On the one hand, the result suggests an opportunity for closer relations between the United Kingdom and the United States, as well as the strengthening of NATO's hold in Europe. On the other, the USA has lost their Trojan horse in the EU for promoting their economic and geopolitical interests. They understand that **the negotiation of the Transatlantic Trade and Investment Partnership (TTIP) between Europe and the United States will be far more difficult**; they also realise that Germany emerges stronger from Brexit.

³ However, in defence industry terms the United Kingdom must withdraw from the European Defence Agency (EDA), in which it was very little involved in any case, and in no project affecting France.

1-7 : **The EU will be forced to “reinvent itself” to survive.** This is undoubtedly the only positive outcome of Brexit: the political jolt that it has created will force European leaders to **draw lessons from it in order to envisage the EU differently**, most likely in a more pragmatic manner (perhaps by opting for the “multi-speed” Europe), that is less idealist. The EU must show more awareness of the people’s expectations; they are wary of what they see as a descent into technocracy, and have lost faith in their state apparatus, which appears unable to fight the agenda of the European Commission. **Schumpeter’s Europe (the principle of creative destruction and innovation) is replacing that of Jean Monnet. Without thorough reform, it is likely that Brexit will set a precedent.** In this regard, it would almost certainly be wiser not to keep “luke-warm” states in Europe if they are tempted to follow the UK; as such, European construction can be strengthened with those who remain.

2] In the medium term, there is a genuine fracture risk in the United Kingdom, which would result in economic and geopolitical downgrading

When the referendum results were announced, Nicola Sturgeon, Scottish Prime Minister, declared that a second referendum on Scottish independence and its membership in the European Union would be organised as soon as possible.⁴ She pointed out that 62% of the Scottish people voted to remain in the EU. A poll published on 26 June by the *Sunday Post* showed that 60% of Scots would support independence, if the United Kingdom does indeed leave the EU. **A Scottish exit from the UK is in no way certain, but it is a possibility that we cannot ignore.** While everything indicates that it would remain a member of the Commonwealth, as it recognises the British monarch as its head of government (thereby reassuring the monarchy), **its independence would have significant consequences for British defence.** Eleven thousand troops are deployed in Scotland across approximately fifty sites, including the famous naval base at Faslane, where the Royal Navy keeps its ballistic missile nuclear submarines (SSBN). **The British Armed Forces would lose around 10% of its service members** and with them, their traditionally Scottish units; **they would have to relocate several dozen garrisons, and most importantly their submarine service** – unless the British government was able to negotiate keeping them in place – which would not come cheap. **Several studies estimate the cost of Scottish independence to be around 3 billion pounds in losses to the annual British defence budget.**⁵

Brexit also destabilises the fragile peace that reigns in Northern Ireland. In the past year, small indicators have multiplied, revealing a desire to bring the North closer to the Republic, and in the long-term, a reunified Ireland. As soon as Scotland announced its intention to hold a referendum on independence, several Northern Irish political leaders called for a referendum on **the reunification of Ireland within the EU** (56% of the Northern Irish people voted against Brexit). Dublin has kept a prudent silence on the subject, while the Northern Ireland Prime Minister firmly rejected such a proposal, stressing that it would bring with it the risk of reigniting tensions in Northern Ireland. Whether such a referendum is held or not, it will create complications for British home politics.

On another level, **it is likely that the United Kingdom will encounter problems with Gibraltar.** While it was a member of the EU, Brussels remained neutral, refusing to take sides with London or Madrid. Now that Britain is no longer in the EU, it is likely that Brussels – like most European capitals – will

⁴ The previous referendum on Scottish independence (18 September 2014) resulted in a 55% vote to remain in the UK, in a political context that was radically different.

⁵ Lagneau L., 26 juin 2016, [“Quelles conséquences aura le Brexit sur la politique de défense britannique?”](#), *Zone militaire*.

grant full support to Spain.

In five years' time, or perhaps before, the United Kingdom could be reduced to England and Wales, bringing an end to three centuries of unity in the British Isles. It would then lose 8.5 million inhabitants (13% of the British population) and 220 billion pounds sterling in annual revenue (10% of the British GDP) and 38% of its territory. Even if today it doesn't seem likely, this scenario must be taken into consideration, given the gravity of its potential implications.

Foreseeable consequences:

- 2-1 : **Uncertain sustainability of the British defence budget.** If it lost Scotland and Northern Ireland, it is unlikely that the United Kingdom could maintain its defence effort in absolute terms. In equivalent GDP percentage, the defence budget would lose between 8% and 10%. The British government should therefore adopt a new Strategic Defence Review which would enable it to withdraw certain capabilities; the British do not hesitate to make radical decisions, as they have shown in previous Strategic Defence Reviews. The rise in power of the Royal Navy, particularly with the commissioning of the *Queen Elizabeth* aircraft carrier planned for 2020, may be slowed down and offset by the sale of efficient ships such as the *HMS Ocean*. The procurement programme for F-35 stealth fighters could be reduced.
- 2-2 : **London strengthens defence cooperation in operations with several partners: The United States, the Commonwealth and France.** To counterbalance possible losses in capabilities, **the United Kingdom may be tempted to further strengthen its cooperation with the United States**, even if it is uncertain of their geopolitical and societal development. Donald Trump's presidential campaign is unlikely to be of reassurance to London with regard to the long-term evolution of their "special relationship". For this reason, Britain will most likely try and **strengthen ties with the three other partners of the "Five Eyes" club** (Canada, Australia and New Zealand), **as well as France**, with whom they co-signed the Lancaster House treaty.
- 2-3 : **France, the European Union's number one military power, must now handle a complex and sensitive face-to-face relationship with Germany.** The United Kingdom's exit from the EU, and its eventual downgrading, will place **France in a delicate position with regard to Germany**. The political context is far from that of the 1960s. Germany is economically powerfully, and knows it. **France can no longer rely on the United Kingdom to balance this complex relationship**, unless it too keeps one foot out of the EU and builds closer ties to London on defence matters, which could encourage Germany to carve its own role unreservedly. Those who today celebrate the planned exit of the United Kingdom may be the first tomorrow to condemn the geopolitical ambitions of an uninhibited Germany.
- 2-4 : **Increased risks of fracturing in Europe.** The possibility of Scottish independence will only serve to **encourage centrifugal forces in Europe** (starting with Catalonia), all the better for those who rejoice in a weakened EU.⁶ **Ultimately, there is a risk that weakened states, quasi-independent regions and populist governments become ideological bedfellows. A Russia backed into a corner, or on the contrary an overly-confident Russia, might be tempted to take advantage of the situation and attempt to gain leverage, testing European and Atlantic solidarity, similar to the non-state and proto-state actors that promote jihadism.** Now more than ever we must recall the following equation: **fragmentation + populism = heightened vulnerability to external threats.**

⁶ Avril P., 27 June 2016, "[Brexit : la Russie se réjouit du malheur européen](#)", *Le Figaro*.

3] In the long term, British nuclear deterrence may be compromised, and the gap is widening between the "Atlantic" bloc and the "European" bloc

If the United Kingdom were to reduce its defence effort for any reason – and both Scottish independence and a closer relationship with the United States would be two valid ones – **it is possible that it would come to the decision that its nuclear deterrence programme is too costly**, especially as popular support for deterrence remains extremely mixed, as parliamentary debates have shown in previous Defence white papers and other Strategic Defence Reviews. Maintaining the Scottish base at Faslane for the British SSBNs, in the event of Scottish independence, would not be likely to strengthen support from the population and Parliament for the deterrence force: it would be extremely costly to the British crown and would indicate a minor relinquishment of sovereignty (to Scotland) of a tool that represents the very essence of sovereignty. Financial constraint remains very much the *ultima ratio* for British political choices.

Possible consequences:

3-1: **Reduction to a minimum, or total withdrawal of the British nuclear deterrence tool.** Initially, Britain would abandon the notion of permanence at sea of their SSBN submarines (which requires them to have four), so that they could gradually get rid of one, then two submarines in order to save on costs. If their posture is no longer credible, they would then place themselves fully under the American nuclear umbrella, while waiting on a technological or geopolitical game changer. As a pragmatic nation, they will always ensure they maintain some knowledge in the field of nuclear weapons so that they can build power up again, should any event call for it. Maintaining this skill (simulation, and even design) would herald a **possible rapprochement with France**, because of the nuclear dimension of the Lancaster House treaty.

3-2: **France will be the only nuclear-weapon state in the European Union**, obliged to explain to its taxpayers, as well as its neighbours, why it must maintain the nuclear deterrence tool when the British have abandoned it and the Germans refuse to acquire it.

3-3: **A widening gap between the United States, Canada and the United Kingdom on one side, and Europe on the other, for the greater benefit of Russia and Germany.** Once the United States learns that it can no longer rely on its British bridgehead in the EU, or the British nuclear stockpile, it may be tempted to **fall back on the "Five Eyes"** (this is in substance the argument put forward by Donald Trump and some of the Tea Party supporters).

Russia might see this as American indifference, encouraging it to attempt to gain leverage in Europe and/or in the Middle East to consolidate its positions and once more, test European determination. Germany, which may not have previously got along with France and the founding states of the EU, may be tempted to negotiate with Russia and Turkey to stabilise its central role in Europe, while securing its new area of economic co-prosperity. **France, like its closest European partners, would then be faced with the threat of dual marginalisation**, making it difficult for it to assert its positions in each of the two new blocs.

To avoid such an outcome, France has every interest in strengthening dialogue with Germany and stepping forward as the natural intermediary between the United Kingdom and the EU. It is also important that France cultivates its bilateral defence relations with London and treats the British people with respect, without adopting a "punishing" mindset that some may be tempted to exploit.