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Issue Brief

Post Brexit Europe: Treading on Thin Ice?

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Unique to its form of regionalism, the European Union has been a cohesive political and economic unit for the larger part of its existence. It serves as the only “Economic Union” in the world. Such deep rooted integration has had its benefits, as well as seen turbulent times. The previous couple of years are indicative of these very turbulent times as nascent conflicts surface.

The European Commission though plans to ensure consolidation amidst diversifying opinions in the region. Stances on immigration and the euro crisis on two opposing ends of the spectrum have emerged within European nations. To mitigate the surfacing of such hardline positions, the European Commission came together for a summit on March 25,



2017. The summit reinforced European integration and reiterated the need for cooperation aligned with the European values inclusive of:¹

1. **A safe and secure Europe** which assures protection for European citizenry in the wake of the immigrant crisis and increase in terrorism in the region.
2. **A prosperous and sustainable Europe** functioning along the lines of sustainable growth. The need for the strengthening of the euro to increase commercial activity is of utmost importance. Monetary reforms ensuring growth will consolidate national economies further.
3. **A social Europe** recognizes the diversity across the continent. It aims for social inclusion of all racial and ethnic groups that allows for effective reform to reduce unemployment, discrimination, marginalization and poverty.

¹ European Commission Press Release. *European Commission*, March 25, 2017.

4. **A stronger Europe on the global scene** transcending regional boundaries and forming cooperative defense and economic pacts. Defense organization is imperative given its need as a counter mechanism to terrorism.

Brexit comes at a time when Europe is struggling to hold its integrative infrastructure together. The influx of migrants associated to the increase in terrorist activities has forced the Commission to “Reduce incentives for irregular migration”². While the Commission remains adamant at the establishment of a “Common Asylum Policy” for the Union, it has recognized the surge in terrorist activities. The Commission maintains that its counter terrorism policy serves to:³

1. **Prevent** people from resorting to terrorism
2. **Protect** citizens
3. **Pursue** terrorists and dampen their intelligence network
4. **Respond** effectively to terrorist attacks minimizing their effect

This escalation in violence across the continent has given impetus to the budding populist movements. It must be noted that the increased terrorism has effectively been a cause of ISIS’s evolution in radicalization measures. The group’s physical and ideological infiltration across European borders has been deemed a gross miscalculation in the immigration infrastructure by the populist leaders across Europe. Marine Le Pen, one of the two frontrunners in the upcoming French elections, has used her party’s portfolio to expound on the anti-immigrant rhetoric citing the rise in terrorism related incidents. Following the Paris attacks in November 2015, Le Pen called for an immediate suspension of immigration measures. She has criticized Europe’s open border policy on numerous occasions and has launched her Presidential campaign vowing to pull France out of the European network.⁴

Calls for similar measures to ensure citizen security in Europe have echoed throughout the continent with Geert Wilders from the PVV in The Netherlands and Norbert Hofer (Freedom Party of Austria) following the suit. Both Euroskeptic party leaders adopted far right stances proposing stringent measures demonstrative of national exclusivity. Their defeats in the national elections came at an

² European Commission, https://ec.europa.eu/commission/priorities/migration_en

³ European Commission, https://ec.europa.eu/home-affairs/what-we-do/policies/crisis-and-terrorism_en

⁴ Ingrid Melander, “France’s Le Pen promised the same things as Trump during her election bid launch, *Business Insider*, February 6, 2017.

inconvenient cost for the governing Pro European parties that did not win by significant margins as had been hoped. Angela Merkel, the German Chancellor, is showing signs of giving in to the backlash against her open border policy. Following the Berlin attack in the Christmas market in Berlin, Germany has announced stricter regulation of immigrant settlements.⁵

The European Commission has maintained the Euro as inherent to commercial stability. Stability in the euro binds national economies and improves monetary coordination. Financially, uncertainty in the Pound's value ensued as Britain voted to leave the European Union. The vicissitudes of political rhetoric surrounding the referendum saw the Pound fall to a record 11% against the dollar and 7% against the euro.⁶ Investors flocking to the 'Euro 'are being confronted by the same demons that haunted them in the wake of the Brexit vote. Fueled by Britain's decision, the likes of Marine Le Pen and Melenchon who promise significant institutional reform of the EU, if not an outright withdrawal of their nation have seen their support rise dramatically. On the contrary, the ratio between international trade and GDP in France rose from 11% to 22% in the previous decade.⁷ The rise is indicative of French aspirations to embrace international finance and capital .The UK rose to 20% and the US to 10% during the same period. However, political ambiguities across Europe have forced many investors to turn towards the dollar as their safest bet.⁸

While economic and political crises run their course in the region, underlying social factors have been the most divisive among the populace. Despite the European Commission's agenda of ensuring inclusiveness for all races and ethnicities, racial and religious exclusivity haunts the Commission's goal. Rising xenophobia amidst a burgeoning immigration crisis has gained prominence since the start of the decade. However, Europe is no stranger when it comes to the marginalization of the Muslim community. France, Belgium, Italy, Netherlands, Switzerland and Bulgaria have banned the veil which has not gone unnoticed by the Muslim population, specifically the Arabic diaspora, and human right groups.⁹ The resentment against the Islamic community has been politicized effectively by far right leaders inclusive of Le Pen and Wilders. Le Pen has grounded her rhetoric in increasing terrorist activities exacerbated

⁵ Stefan Wagstyl, "Germany to tighten security in wake of Berlin terror attack", *Financial Times*, January 11, 2017.

⁶ Roger Blitz, "Who are the winners and losers from the pound's fall", *Financial Times*, October 7, 2016.

⁷ Jean-Baptiste Main de Boissière, "The economic role of France and Europe", *2007 Gala evening of the French-American Chamber of Commerce of Greater Cincinnati (speech)*, May 10, 2007.

⁸ Sean Ross, "How Brexit can impact the Euro and the U.S. Dollar", *Investopedia*, July 5, 2016.

⁹ Alice Foster, "Where in the world are the burqa niqab banned", *Express*, December 7, 2016.

through unregulated immigration, as well as the alleged use of religious centers as breeding grounds for ‘fundamentalism’.¹⁰

The European Commission has taken stock of the ambiguity surrounding European politics. The aforementioned ambiguities have also been significantly amplified because of the ongoing election season. Populist rhetoric has become means to an end that far right leaders are willing to achieve and the anti-global discourse helps them achieve just that. While prospects for either the National Front in France or the Alternative for Germany are weak, they do represent a decline in favor of the European Union among the masses.

The European Commission has started acting on the discrepancies in the institutional structure of the EU. It is looking into possible areas for inter-governmental cooperation to counter the narrative growing against them by the day. France and Germany find themselves in a position where bilateral cooperation complementing The European Commission’s agenda can cement the institution’s place. The countries did not see eye to eye in the Greek euro crisis, but the prospect of a ‘European common army’ proposed by Jean-Claude Juncker and Angela Merkel is a promising prospect. Britain’s exit from the Union will weaken the criticism levelled against the development of a European army in tandem with NATO. Though Britain has retained its veto until negotiations with the EU over its exit are not complete¹¹, its refusal to cooperate will only serve to unite Germany and French in their pursuit for a safe and secure Europe. Brexit is a watershed in the European integration, one which has potential to unify the growing social and political diversity if the more powerful states come and align themselves with the European values reinforced in the Rome Declaration held in the previous month.

¹⁰ Victoria Friedman, “Le Pen: I will bring Islamist Fundamentalism to its kneed,” *Breitbart*, April 4, 2017

¹¹ Tom Peck, “Britain will veto EU army, says Defence Secretary”, *The Independent*, September 17, 2016.