

EGMONT PAPER 99

**TOWARDS A BELGIAN POSITION  
ON BREXIT**

**ACTIVELY RECONCILING NATIONAL  
AND EUROPEAN INTERESTS**

ALEXANDER MATTELAER



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#### **ABOUT THE AUTHOR**

Prof Dr Alexander Mattelaer is the director of the European Affairs programme at Egmont – the Royal Institute for International Relations. He is also an assistant professor at the Vrije Universiteit Brussel and a visiting professor at the College of Europe in Bruges. His teaching portfolio includes courses on the European Union, international security, and defence policy-making. Earlier he was the Assistant Director at the Institute for European Studies as well as a Fulbright Schuman fellow at Harvard University and at the National Defense University. He obtained his PhD in Political Science from the Vrije Universiteit Brussel and Master degrees from the University of Bath and the University of Leuven.

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## INTRODUCTION

The prospect of seeing the United Kingdom (UK) leave the European Union (EU) presents Belgium with its most significant foreign policy challenge in decades. Caught between its traditional support for advancing European integration and its longstanding links to the Anglo-Saxon world, Belgium finds itself at a crossroads at which its two deepest foreign policy instincts conflict with one another. Yet like any other EU member state it has no choice but to engage in the debate on what Brexit will look like. As this process unfolds, this Egmont Paper seeks to explain what is at stake for Belgium and contribute to understanding the delicate balancing act that will be required. For every member state it will be essential to reconcile its own national interests with the broader European interest. While it may not be possible to predict how the EU-UK negotiations will unfold in the coming months, one thing is clear: all Belgian citizens can and should expect their diplomatic apparatus to actively seek to deliver the best possible outcome.

It is difficult to underestimate the extent to which Brexit puts the European construction and Belgian interests therein under stress. On the surface, it sets a dramatic precedent for EU governance. By formally notifying the European Council of the UK's intention to leave, Prime Minister Theresa May has set in motion a process leading to the UK ceasing to be an EU member state by the spring of 2019. By itself this constitutes proof that European integration is not a one-way street. When its member states no longer support it, the EU and everything it stands for can crumble and disintegrate. At a deeper level, this is nothing but an existential challenge for Belgian foreign policy. Together with the Netherlands, Belgium was historically one of the early supporters of British membership of the European Economic Community.<sup>1</sup> This was not only an expression of strong bilateral economic and cultural ties, but also in keeping with the logic of Belgian diplomacy post-1945 and the search for balance in the European construction.

For several decades, the three pillars underlying Belgian foreign policy have intertwined, reinforced and supported each other. Firstly, Belgium has a long tradition of supporting European cooperation with a view to avoiding conflict on the continent and building a common European home. Secondly, Belgian diplomacy has constructed deep ties to the Anglo-Saxon world, originally across the English Channel and then also across the Atlantic Ocean. These links have long served as a mechanism for stabilising intra-European rivalries. Thirdly, Belgium has displayed a timeless preference for multilateral institutions, in which the voice of smaller countries is protected from naked power politics. With the accession of the UK to the European

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<sup>1</sup> See Skander Nasra and Mathieu Segers, "Tussen argwaan en pragmatisme: Belgisch-Nederlandse relaties en de Europese integratie, 1949-1969", in Duco Hellema, Rik Coolsaet and Bart Stol (eds.), *Nederland-België: De Belgische-Nederlandse betrekkingen vanaf 1940*. Amsterdam: Boom, 2011, pp. 136-137.

Communities in 1973, these three pillars merged into a solid Belgian consensus.<sup>2</sup> Yet due to the new dynamics in Europe as well as the wider world, the symbiotic interplay between these policy strands can no longer be taken for granted. At the most fundamental level, Brexit therefore begs the question whether the fabric of the European political architecture has started to come apart – or how it can be saved and perhaps renewed.

This Egmont Paper is structured as follows. The first section discusses the main features of the UK's withdrawal from the EU. It highlights the political context in which the Article 50 process is unfolding, flags the key sticking points in the ongoing negotiations and previews the main scenarios that can be envisaged after Brexit becomes a reality. The second section reviews the principal courses of action Belgian authorities may pursue. In a nutshell, these are to shape the Belgian position (a) in function of its own national interests, or (b) in line with the wider logic of European integration, or (c) to keep a low profile and let the process unfold without significant Belgian input. These options are not presented as recommendations, but instead as conceptually most distinct alternatives that carry their own advantages and disadvantages. Paradoxically, it could be argued that the third course carries a significant likelihood, as the first two options risk neutralising each other. The third section then deals with the question of how these different approaches can be blended into one, with a view to maximally combining their benefits and minimizing their shortfalls.

This analysis suggests a general position in which Belgium would be wise to fully support the European Council guidelines provided to the European Commission, while making clear that a 'no deal' outcome is not an acceptable outcome – unless this is the desire of the UK itself. For this scenario to be avoided, a transition agreement may provide a useful backstop. Having said that, all parties involved in the negotiations would do well to refrain from wishful thinking and plan for multiple outcomes, including worst-case scenarios. At the Belgian level, this entails an urgent need to substantially strengthen Belgium's ability to deal with external shocks. This requires both budgetary room for manoeuvre and a solid diplomatic apparatus to protect Belgium's position in Europe as well as in the wider world.

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<sup>2</sup> For a historical discussion, see Daniel Paulus, *Les milieux dirigeants belges et l'adhésion du Royaume-Uni aux communautés européennes*, Brussels: ULB Éditions de l'Institut de Sociologie, 1971.

## THE CHALLENGE OF NEGOTIATING BREXIT

On 23 June 2016, the UK voted to leave the European Union. On 29 March 2017, Prime Minister Theresa May submitted the so-called notification letter to European Council President Donald Tusk. This initiated withdrawal proceedings as per Article 50 of the Treaty on European Union and set the stage for the opening of negotiations between the EU and the UK in the summer of 2017. Before turning to the discussion on how Belgium can position itself in these debates, this section reviews the main parameters of the withdrawal process. These include the political context in which Brexit is materializing, the procedural intricacies of the Article 50 negotiations and the question what may lie beyond the point of departure for both parties involved. As many of these issues have been extensively commented upon elsewhere, this overview can only aspire to provide the reader with a short introduction to the vocabulary of Brexit.<sup>3</sup>

Firstly, it must be kept in mind that the Brexit process is unfolding within a political context that is far from auspicious on both sides of the English Channel. For the UK, the outcome of the referendum must be respected. In the words of Harold James, “the Brexit vote on June 23 was a revolution in a country with little experience of revolutions”.<sup>4</sup> Whatever the composition of the British government, it cannot avoid the political imperative to deliver Brexit and make the best of an unknown situation. Given that the debate over immigration played such a prominent part of the Leave campaign, it can also be expected that the principle of free movement of persons cannot be maintained in the future relationship between the UK and the EU.<sup>5</sup>

Yet Brexit also resonates in the domestic politics of every other EU member state. The Irish Taoiseach, for instance, has labelled the Brexit negotiations “the most important in our history as an independent state”.<sup>6</sup> It is not difficult to see why this is the case. Any Irish government must seek to avoid the return of a hard border, but simultaneously ensure that trade flows continue within the framework of a level playing field.<sup>7</sup> To a greater or lesser extent, every EU member state will face its own

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<sup>3</sup> For a more extensive introduction, see HM Government, “The United Kingdom’s exit from and new partnership with the European Union”, London: Department for Exiting the European Union, 2 February 2017. Available from: <https://www.gov.uk/government/publications/the-united-kingdoms-exit-from-and-new-partnership-with-the-european-union-white-paper>. For a gateway to all EU documentation on Brexit, see [https://ec.europa.eu/commission/brexit-negotiations\\_en](https://ec.europa.eu/commission/brexit-negotiations_en).

<sup>4</sup> See Harold James, “Britain and Europe: What Ways Forward”, Harold Wincott Memorial Lecture, Princeton, 26 October 2016. Available from <http://www.wincott.co.uk/lectures/2016.html>.

<sup>5</sup> Cf. Dominic Cummings, “How the Brexit referendum was won”, *The Spectator*, 9 January 2017. Available from <https://blogs.spectator.co.uk/2017/01/dominic-cummings-brexit-referendum-won/>.

<sup>6</sup> Enda Kenny, “Address by the Taoiseach: Ireland at the heart of a changing European Union”, Dublin: Institute of European Affairs, 15 February 2017.

<sup>7</sup> On the risk that Brexit poses to the peace process in Northern Ireland, see Edward Burke, “Ulster’s fight, Ulster’s rights? Brexit, Northern Ireland and the threat to British-Irish relations”, London: Centre for European Reform, 7 July 2017. Available from [http://www.cer.eu/sites/default/files/pb\\_ireland\\_brexit\\_6.7.17.pdf](http://www.cer.eu/sites/default/files/pb_ireland_brexit_6.7.17.pdf).

domestic political imperatives. For the Union as a whole, the integrity of the European project is key. Brexit will constitute a legal precedent for future invocations of Article 50. The member states and the institutions of the EU will therefore interpret any developments through this lens, in most cases with a view to avoiding the prospect of European disintegration. All these political imperatives must be accounted for when proceeding to the ratification stage of any future agreement.

Secondly, both parties must approach the withdrawal process within the existing framework of European law. Article 50 of the Treaty on European Union stipulates that “in the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union”. On 29 April 2017, a special meeting of the European Council adopted such guidelines – the first in a set that will be updated as negotiations progress.<sup>8</sup> These guidelines marked the choice for a phased approach. The first phase would aim to provide clarity and legal certainty for EU citizens and businesses affected by Brexit, as well as to settle the disentanglement of the UK from the EU, most notably in a budgetary sense. The second phase would turn to the future relationship between the UK and the EU, starting “as soon as the European Council decides that sufficient progress has been made”.<sup>9</sup> As such, the European Council established a clear order of priorities: guaranteeing the rights of EU citizens derived from EU law comes first, a single financial settlement second and a future framework third. The European Council also recognized the “unique circumstances” that exist on the island of Ireland and endorsed “the aim of avoiding a hard border, while respecting the integrity of the Union legal order”.<sup>10</sup> On 22 May, the General Affairs Council went on to translate these guidelines into a set of directives for the European Commission’s negotiating taskforce that had been set under the stewardship of Michel Barnier.

The British Prime Minister Theresa May set out her approach to Brexit in a policy speech delivered at Lancaster House on 17 January 2017.<sup>11</sup> Her list of negotiating objectives highlighted the need to end the jurisdiction of the European Court of Justice, the desire to establish full control of immigration, and the need to strengthen the union between the four nations of the UK. With respect to the future relationship, she indicated the objective to pursue a new partnership between Britain and Europe, principally based on an ambitious free trade agreement rather than continued membership of the single market. Apart from preparing the negotiations with the EU, the UK also started laying the groundwork for maintaining its own legal

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<sup>8</sup> European Council, “Guidelines following the United Kingdom’s notification under Article 50 TEU”, Brussels, 29 April 2017, doc. n° EUCO XT 20004/17 (hereafter abbreviated to “European Council Guidelines”).

<sup>9</sup> European Council Guidelines, § 5.

<sup>10</sup> European Council Guidelines, § 11.

<sup>11</sup> Theresa May, “The government’s negotiating objectives for exiting the EU”, speech held by the Prime Minister at Lancaster House, London, 17 January 2017. Available from: <https://www.gov.uk/government/speeches/the-governments-negotiating-objectives-for-exiting-the-eu-pm-speech>.

architecture in place, as indicated by the government’s White Paper for preparing the so-called Great Repeal Bill.<sup>12</sup> Last but not least, the UK government and British businesses began exploring the fiendish question how trade links with the European continent could be maintained while leaving the EU and its single market.<sup>13</sup>

Formal negotiations opened in June 2017. Both parties agreed to a common terms of reference. These outlined the structure of the negotiations and planned five rounds of talks in the run up to the European Council meeting of October 2017. Both parties began circulating papers on topics related to their respective objectives. The Commission opened with papers on citizens’ rights and on the financial settlement, whereas the UK government opened with papers on future customs arrangements and on Northern Ireland and Ireland.<sup>14</sup> The dynamic is clear: the Commission negotiates principally with a view to arriving at an orderly exit, the UK’s Department for Exiting the EU is already thinking about what lies beyond the date of departure.

A key sticking point is that of mutually acceptable dispute settlement and withdrawal agreement enforcement mechanisms. The Commission’s position paper on governance makes clear that EU citizens’ rights ultimately fall under the purview of the European Court of Justice (ECJ), at least for the duration of protection as codified in a future withdrawal agreement. Yet the future role of the ECJ is set to be a controversial topic because it negates the “take back control” message of the Brexit campaign.<sup>15</sup> On 20 October 2017, the European Council welcomed the progress made on citizens’ rights and tasked the drafting of additional guidelines for the second phase, which can start as soon as the remaining issues are sorted out, most notably those related to financial obligations.<sup>16</sup>

The third dimension to negotiating Brexit relates to the future relationship between the UK and the EU. Given that Article 50.3 of the Treaty on European Union stipulates

<sup>12</sup> The Great Repeal Bill constitutes the legal act for repealing the European Communities Act of 1972 and converting EU law into UK law. See Department for Exiting the European Union, “Legislating for the United Kingdom’s withdrawal from the European Union”, White Paper presented to Parliament by the Secretary of State for Exiting the European Union, 15 May 2017. Available from: <https://www.gov.uk/government/publications/the-repeal-bill-white-paper>.

<sup>13</sup> For discussion, see e.g. Allie Renison, “Navigating Brexit: Priorities for business, options for government”, London: Institute of Directors (IoD), 22 February 2017. Available from: [https://www.iod.com/Portals/0/PDFs/Campaigns%20and%20Reports/Europe%20and%20trade/Navigating\\_Brexit\\_Priorities\\_for\\_business\\_options\\_for\\_government.pdf](https://www.iod.com/Portals/0/PDFs/Campaigns%20and%20Reports/Europe%20and%20trade/Navigating_Brexit_Priorities_for_business_options_for_government.pdf).

<sup>14</sup> These position papers are published on the websites of the European Commission ([https://ec.europa.eu/commission/brexit-negotiations\\_en](https://ec.europa.eu/commission/brexit-negotiations_en)) and Her Majesty’s Government (<https://www.gov.uk/government/policies/brexit>), respectively. For a practical, consolidated overview, see the *Jack of Kent* blog, available at <http://jackofkent.com/brexit-negotiations-resource-page/>.

<sup>15</sup> For discussion, see Franklin Dehousse, “Why the future role of the European Court of Justice is a tricky topic for Brexit”, Brussels: Egmont Institute, 27 June 2017. Available from: <http://www.egmontinstitute.be/why-the-future-role-of-the-european-court-of-justice-is-a-tricky-topic-for-brexit/>. For compromise-oriented ideas, see Andrew Duff, “Brexit: Dealing with withdrawal symptoms”, Brussels: European Policy Centre, 5 September 2017. Available from: [http://www.epc.eu/documents/uploads/pub\\_7891\\_brexitdealingwith-withdrawalsymptoms.pdf](http://www.epc.eu/documents/uploads/pub_7891_brexitdealingwith-withdrawalsymptoms.pdf).

<sup>16</sup> European Council, “Conclusions Article 50 meeting”, Brussels, 20 October 2017, doc. n° EUCO XT 20014/17. Available from [http://www.consilium.europa.eu/en/meetings/european-council/2017/10/20-euco-art50-conclusions\\_pdf/](http://www.consilium.europa.eu/en/meetings/european-council/2017/10/20-euco-art50-conclusions_pdf/).



a two-year time window to negotiate a withdrawal agreement (a period that can only be extended by unanimity), it must today be assumed that Brexit materializes in a legal sense on 29 March 2019.<sup>17</sup> What lies beyond this departure date? Early British hopes for negotiating a free trade agreement in parallel with the withdrawal agreement have faded. The scenario of a hard Brexit therefore cannot be discarded. This would have the UK crashing out of the single market and being subjected to trade with the continent under WTO most favoured nations terms. This option would involve a reintroduction of custom controls and a severe disruption of supply chains. As this would also hurt the economies of the remaining EU member states, many governments were initially keen to explore softer types of Brexit – along the model of the relationship between the EU and Norway or Switzerland, for instance. Yet the choice of Theresa May's government for a bespoke agreement contributed in significant ways to a narrowing of possible future scenarios. Such an agreement will take time to negotiate in detail. The resulting timespan between the end of the UK's participation in the single market and the entry into force of a future trade and partnership agreement will likely need to be addressed by means of a transition arrangement.<sup>18</sup>

With the negotiation process now well underway, led by the UK and the European Commission's taskforce, one may well wonder what is now the role for individual EU member states like Belgium. In April 2017, the Belgian state (i.e. the federal government, after consulting the regions and communities) approved the European Council Guidelines. But many of the hard decisions still lie ahead. During the coming months, the European Council will need to evaluate whether the answers resulting from the negotiations are acceptable, determine when sufficient progress has been achieved to open negotiations on the future framework, and define its own parameters for what such a framework may look like. All these decisions must be made in the full knowledge that the future may bring widely different scenarios depending on the outcome of the negotiations – effectively ranging from the revitalization to the paralysis of the European architecture. The question thus becomes: what are the beacons on which basis a country like Belgium can orient its policy positions?

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<sup>17</sup> It bears emphasizing that the two year deadline was included in the Treaty with a view to protecting the remaining member states. See Franklin Dehousse, "Can the British Brexit notification be withdrawn?", Brussels: Egmont Institute, 21 April 2017. Available from: <http://www.egmontinstitute.be/can-the-british-brexite-notification-be-withdrawn/>.

<sup>18</sup> For more in-depth discussion, see e.g. Allie Renison, "Bridging the Brexit Gap: Options for transition", London: Institute of Directors (IoD), August 2017. Available from: [https://www.iod.com/Portals/0/PDFs/Campaigns and Reports/Europe and trade/Bridging-the-Brexit-Gap.pdf](https://www.iod.com/Portals/0/PDFs/Campaigns%20and%20Reports/Europe%20and%20trade/Bridging-the-Brexit-Gap.pdf).

## BELGIUM AND ARTICLE 50: THREE CONCEPTUAL RESPONSES

The outcome of the UK referendum on EU membership took many observers by surprise. Yet the Belgian authorities at both federal and regional levels swiftly mobilized resources with a view to investigating the implications the departure of the UK would have. The coordination of Brexit-related work was entrusted to the Directorate General European Affairs within the Belgian Ministry of Foreign Affairs. At the instigation of federal minister of employment, economy and consumer affairs Kris Peeters a High-Level Group was set-up under the presidency of Paul Buysse. This resulted in the publication of the report *Towards a Belgian Economic Brexit Strategy*.<sup>19</sup> Simultaneously, federal and regional layers of government administration completed parallel impact assessment exercises, and various parliamentary hearings were organized.<sup>20</sup> As the EU heads of state and government assembled to adopt the Brexit negotiations guidelines, Prime Minister Charles Michel insisted on a “loyal and intelligent” negotiating position.<sup>21</sup> So what would this mean in practice?

This section disentangles the complex debate about how to approach Brexit from a Belgian perspective into three distinct conceptual approaches. Firstly, the Belgian government can use its voice in the European Council debate on Article 50 to relentlessly pursue its national interests. Alternatively, it can set its national interests aside in favour of the greater European good. Or thirdly, it can choose to keep a low profile and let the European institutions and other EU member states determine the Article 50 agenda. All three options have their own merits and drawbacks. Of course, these different ways of approaching Brexit are but caricatures for describing a reality that is always infinitely more complex. Yet as the diplomatic challenge for Belgium boils down to an exercise in balancing different impulses, it is enlightening to discuss these options as distinct ideal-types.

### The pursuit of national interests

Throughout history, Henry Kissinger argued, “nations have pursued self-interest more frequently than high-minded principle, and have competed more than they

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<sup>19</sup> Brexit High Level Group, “Towards a Belgian Economic Brexit Strategy: Position of the Belgian Employers’ Federations”, Brussels: FPS Economy, SMEs, Self-Employed & Energy, 2 February 2017. Available from: [http://economie.fgov.be/nl/modules/publications/analyses\\_studies/rapport\\_van\\_de\\_belgische\\_brexit\\_high\\_level\\_group.jsp](http://economie.fgov.be/nl/modules/publications/analyses_studies/rapport_van_de_belgische_brexit_high_level_group.jsp).

<sup>20</sup> See e.g. the parliamentary report “De gevolgen van de Brexit voor België / Les conséquences du Brexit pour la Belgique”, Brussels: Belgian Federal Parliament, 19 June 2017 (doc 54K2544/001). Available from: <http://www.dekamer.be/FLWB/PDF/54/2544/54K2544001.pdf>.

<sup>21</sup> Charles Michel, “Doorstep statement ahead of the Special European Council”, Brussels: European Council, 29 April 2017. Available from: <https://tvnewsroom.consilium.europa.eu/event/european-council-april-2017-16af3/arrival-and-doorstep-michel-be-170cc>.

have cooperated.”<sup>22</sup> Precisely because of the disruptive nature of Brexit the temptation to approach the Article 50 process as a zero-sum game is easy to understand. After all, the European construction is itself at least partly the product of hard-nosed intergovernmental bargaining. Having a longstanding bilateral relationship with the UK, Belgium is arguably uniquely vulnerable to what is set to unfold. What are Belgium’s national interests in this regard, and how can they be best protected? Belgium has substantial economic, security and political interests at stake. Citizens have the right to expect that their government seeks to protect and further these interests. Yet at the same time a narrow understanding of the national interest carries important downside risks.

With Belgium being an open economy with extensive trade links to the UK, Brexit threatens to adversely affect Belgian economic interests. In 2015, Belgian exports to the UK accounted for 31.9 billion EUR in goods (representing 8.8% of the total of Belgian exports) whereas imports were valued at 17.4 billion EUR (or 5.1% of all Belgian imports).<sup>23</sup> This makes the UK the fourth-largest customer of the Belgian economy and the fifth-most important provider of goods and services to Belgian citizens and enterprises. In recent years Belgian exports to the UK have been steadily growing, resulting in a trade balance that is distinctly positive. Belgian exports to the UK include transportation equipment, chemical products and a variety of other goods. They also feature an important services component (8.8 billion EUR or 8.7% of the services total) that includes the financial sector, transport and other services, such as trade-transit, leasing services, consulting and accountancy etc.

Unsurprisingly, the Belgian High-Level Group on Brexit called for “vigilance” and recommended the Belgian government to pursue as much continuity in trade arrangements as possible.<sup>24</sup> This position was strongly supported by the Federation of Belgian Enterprises, which called for an orderly and trade-friendly “proper Brexit”.<sup>25</sup> Having said so, it must also be kept in mind that the EU’s single market itself constitutes an essential economic interest for Belgium and its constitutive regions.<sup>26</sup> Even without the UK, the twenty-six remaining EU member states together account for nearly two-thirds of all Belgian exports.<sup>27</sup> Last but not least, it must also be kept

<sup>22</sup> Henry Kissinger, *Diplomacy*, New York: Simon & Schuster, 1994, p. 19. For another conceptual introduction, see Thierry de Montbrial and Thomas Gomart, *Notre intérêt national: Quelle politique étrangère pour la France*, Paris: Odile Jacob, 2017.

<sup>23</sup> These trade data are all derived from Dennis Gijsbrechts, “Impact van de Brexit op de handel tussen België en het Verenigd Koninkrijk / Impact du Brexit sur le commerce entre la Belgique et le Royaume-Uni”, Brussels: Belgian Foreign Trade Agency, August 2016. Available from [www.abh-ace.be/](http://www.abh-ace.be/).

<sup>24</sup> The Brexit High Level Group calls in its fifth recommendation for an economic relationship between the UK and the EU that is “as close as possible to the achievements of the single market” (op. cit., p. 153).

<sup>25</sup> Benoit Monteyne, “Memo: Towards a Proper Brexit”, Brussels: VBO/FEB, 20 January 2017. Available from: <http://www.vbo-feb.be/globalassets/actiedomeinen/europa/europa/het-vbo-pleit-voor-een-proper-brexit/vbo-input-tussentijds-rapport-hlg.pdf>.

<sup>26</sup> Cf. e.g. Hans Maertens, “Europa mag niet gegijzeld worden door de minst bereidwillige”, *De Tijd*, 10 March 2017.

<sup>27</sup> See Fabienne L’Hoost (ed.), “Belgian Foreign Trade 2016”, Brussels: Belgian Foreign Trade Agency, June 2017. Available from: [http://www.abh-ace.be/sites/default/files/Statistics/Belgiums\\_foreign\\_trade/belgian\\_foreign\\_trade.pdf](http://www.abh-ace.be/sites/default/files/Statistics/Belgiums_foreign_trade/belgian_foreign_trade.pdf).

in mind that the possible disruption of the EU's Multiannual Financial Framework 2014-2020 threatens to cause some collateral damage in Belgium, most notably with respect to recipients of European research funding and agricultural support.

It is often remarked that bilateral trade between Belgium and the UK is asymmetrically distributed across the Belgian territory.<sup>28</sup> The lion's share of Belgian trade with the UK is situated in the region of Flanders: 27.2 billion EUR of exports and 15.03 billion EUR of imports in 2015.<sup>29</sup> While it is true that Flanders constitutes the principal engine of Belgian exports, it is important not to exaggerate these regional asymmetries for three reasons. Firstly, the UK is also an important commercial partner for other regions in relative terms. Even for Wallonia, arguably the most continental of the Belgian regions, the UK is still the fifth most important export market, characterized by a trade balance that is positive and growing.<sup>30</sup> Secondly, the matter of asymmetrical distribution can be observed within the different regions as well as within Belgium as a whole. Due to the presence of the port of Zeebruges, the fishing fleet and much of the textile industry, the province of West-Flanders will be hit much harder by Brexit-related trade disruption than the province of Limburg, for instance.<sup>31</sup> Yet thirdly and most fundamentally, any economic pain that Brexit causes will be spread across the Belgian territory via fiscal redistribution mechanisms. Put simply, it does not matter where economic activity is located for it to affect the state of Belgian public finances as a whole, with all the associated consequences for public services this entails. Unsurprisingly, Prime Minister Charles Michel therefore recognized in his 2017 state of the union address that Belgium's "economic interests need to be protected".<sup>32</sup>

Belgium has some of its deepest security interests at stake in the Brexit negotiations. While less well-known than its economic interests, it is hard to avoid the fact that Belgian national security interests are intimately tied up into the axis Brussels – London – Washington. After all, it was for guaranteeing Belgian neutrality that the UK entered the First World War in 1914. And during the period of occupation in the

<sup>28</sup> See e.g. Hylke Vandenbussche, William Connell and Wouter Simons, "De impact van Brexit op de Vlaamse economie: een analyse van het output- en jobverlies", Leuven: KU Leuven Research Center for Regional Economics (VIVES Beleidspaper), November 2017. Available from: <https://feb.kuleuven.be/VIVES/publicaties/beleidspapers/BP/bp2017/beleidspaper-impact-van-brexit>.

<sup>29</sup> Flanders Investment & Trade, "Post-Brexit UK: Handel met het Verenigd Koninkrijk onder de loep. Wat zijn de mogelijke gevolgen", Brussels: Flanders Investment & Trade, 13 December 2016. Available from: [https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market\\_studies/BrexitStudie\\_0.pdf](https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/BrexitStudie_0.pdf).

<sup>30</sup> Trade figures quoted by Paul Magnette, "Les contacts entre la Wallonie et la Grande Bretagne sur les conséquences potentielles du Brexit", Namur: Parlement de Wallonie, 5 April 2017. Available from [https://www.parlement-wallonie.be/pwpages?p=interp-questions-voir&type=all&id\\_doc=77376](https://www.parlement-wallonie.be/pwpages?p=interp-questions-voir&type=all&id_doc=77376).

<sup>31</sup> A total of no less than 45% of Zeebruges cargo and container traffic is tied to trade with the UK. See Marc De Roo and Kris Van Haver, "Brexit dreigt Zeebrugge te wurgen", *De Tijd*, 4 March 2017. On the slow decay of Belgian fisheries, see e.g. Nico Tanghe, "Het is te laat. Het schip is al gezonken", *De Standaard*, 16 September 2017.

<sup>32</sup> Charles Michel, "Regeringsverklaring: 3 werven en één ambitie", Brussels: Belgian Federal Parliament, 10 October 2017. Available from: <http://premier.fgov.be/nl/regeringsverklaring-3-werven-en-%C3%A9%C3%A9n-ambitie>.

Second World War, the Belgian government set up shop in London. The postwar reconstitution of the Belgian security apparatus was therefore geared to a special partnership with the UK and the US, which eventually consolidated into the NATO Alliance. In the realm of intelligence, for instance, Prime Minister Paul-Henri Spaak struck an agreement with MI6-chief Stewart Menzies in January 1949 to consolidate Belgo-British intelligence collaboration at the deepest level.<sup>33</sup> In addition, many of the key components of the Belgian armed forces structure (such as the battlegroup *Liberation*, the F-16 squadrons No. 349 and No. 350, and the paracommando regiment) have their roots in the UK armed forces. While all of this may seem like ancient history, its contemporary relevance cannot be underestimated. The UK government's *Eurofighter Typhoon* proposal for replacing the ageing F-16 fighter fleet is very much inspired by the desire to strengthen the bilateral partnership between Belgium and the UK, for instance.<sup>34</sup> This includes not only the future of Belgium's air combat capability, but also the budding area of cyber security and counter-terrorism cooperation – both of which are large and growing headaches for the Belgian government.

Not unlike other member states, Belgium also has two major political interests that need to be defended in the Article 50 negotiations. The first of these concerns the need for European cooperation and unity. In an economic as well as a geopolitical sense, the European construction itself is a Belgian national interest of the first order. As this aligns closely with the European interest this matter will be discussed in the next section. The second, however, relates to the unity and cohesion of the Kingdom of Belgium itself. The uncertainty and potential chaos caused by Brexit threatens not only the cohesion of the European Union, but also that of Belgium, precisely because it pulls different language and policy communities into opposite directions. For the Belgian federal government, it is therefore a political imperative to seek a balanced approach in which the demands of different regional and policy constituencies get reconciled. In the eyes of some, Brexit constitutes a tempting argument to strive towards greater diplomatic autonomy.<sup>35</sup> In this landscape of competing layers of government, it is up to the federal government to articulate a position that arbitrates between legitimate subnational interests and embodies the motto that unity makes strength.

The pursuit of national interests has some important merits as well as drawbacks. At face value, Belgian citizens have a right to expect as much from their governments. After all, this is why they pay their taxes: to have their legitimate interests like

<sup>33</sup> See Hervé Hasquin, *Le soi-disant "Gladio Belge": Aux origines du désamour d'un pays et de ses services secrets*, Brussels: Académie Royale de Belgique, 2016, pp. 47-56.

<sup>34</sup> For more detail, see HM Government, "Eurofighter Typhoon: Providing Security and Prosperity for Belgium", British Embassy: Department for International Trade, 2017.

<sup>35</sup> See e.g. Jan Peumans, "Toespraak ter gelegenheid van de feestdag van de Vlaamse Gemeenschap", Brussels: Vlaams Parlement, 11 July 2017. Available from [https://www.vlaamsparlement.be/bestanden/Tekstenvoorzitter/20170711-11juliviering-Toespraak-voorzitter-Jan-Peumans\\_1.pdf](https://www.vlaamsparlement.be/bestanden/Tekstenvoorzitter/20170711-11juliviering-Toespraak-voorzitter-Jan-Peumans_1.pdf).

security and well-being looked after and actively defended if need be. *Mutatis mutandis*, if a government would abdicate the pursuit of its own citizens' interests, it would forfeit its own political legitimacy. National interests do not have to pose a problem for European decision-making in the sense that the European architecture features multiple levels of governance. All member state governments have their democratic role to play: they represent their respective constituencies at the highest level of decision-making. As long as member state positions are themselves founded on legitimate claims and national governments participate in the European deliberative process as team players, interest-based policy-making is inherent to European politics. The drawback, however, is that a narrow definition of (or an excessive emphasis on) the national interest risks resulting in a slippery slope towards the type of national selfishness and corresponding divisions that the European project has sought to overcome. The process of European integration itself rests on cooperation amongst *member states* substituting for competition amongst *nation states*. As such, the European project has a wider interest and a logic of its own.

### The wider logic of European integration

“European unity is not a blueprint, it is not a theory”, Jean Monnet wrote in 1963, “it is a process that has already begun, of bringing peoples and nations together to adapt themselves jointly to changing circumstances.”<sup>36</sup> This process of adaptation has gone a long way since then. For a large part of that historical trajectory, Belgium has been at the forefront of pushing for more European integration. Not only was Belgium one of the six founding member states, it has also perceived its own future as a state as gradually integrating into a political construct above and beyond itself. In line with its longstanding tradition of advocating federal solutions for the EU – just as it embraced federalism at a national level – Belgium may feel attracted to approach Brexit not so much from a national, but rather from a uniquely European perspective. This has significant implications for the Article 50 process. First and foremost, Brexit qualifies as a critical test for the EU's own future because of the legal precedent it sets. A perception of weakness on the part of the EU may prove to be a self-fulfilling prophecy leading to greater fragmentation. Secondly, the EU has obligations to its own citizens to safeguard the European interest. Indirectly, the legitimacy of the EU as a political construct is at stake: if it cannot guarantee the rights of own citizens, then what is it good for? Thirdly, the EU's institutional architecture is itself the product of painstaking negotiations and compromises. While negotiating with external parties, the coherence of the project must be maintained at all costs – precisely because member states will react when they see their legitimate interests being trampled over.

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<sup>36</sup> Jean Monnet, “A Ferment of Change”, *Journal of Common Market Studies*, 1 (3), 1963, pp. 203-211.

Belgium has a longstanding tradition of positioning itself alongside the European Commission as a custodian of the European project. While the evolving relationship between Belgium and the EU has been widely commented upon elsewhere, the close intertwining between Belgium's political interest in European integration and the project itself cannot be over-emphasised.<sup>37</sup> After all, the idea that Belgium needs European integration for maintaining its own national equilibrium has a pedigree going back many decades in time. Already before Belgium embarked on its trajectory towards the federal state it is today, foreign minister Pierre Harmel argued that a balance needed to be found between the Belgian state, its linguistic communities and the European Community: "*Trois étages de fidélités nous sollicitent.*"<sup>38</sup> Successive generations of political leaders have presented this European vocation as a key political interest and emphasised Belgium's distinct role as a federalist prototype. The late Wilfried Martens went as far as to say that "a country as federalized as Belgium requires a project above and beyond itself to stay intact."<sup>39</sup> Having no stable construction as a nation state to fall back on, Belgium is arguably the member state that feels strongest about the idea of 'ever closer union'.<sup>40</sup> It is therefore unsurprising that Belgium vehemently resisted David Cameron's proposal to scrap the phrase from the European treaties when the UK membership was renegotiated early in 2016. While this strongly pro-European consensus has been fraying in party political terms, the Belgian position in the Article 50 negotiations may well be derived from this longstanding tradition.<sup>41</sup> What would that mean in practice?

From a purely European perspective, the conduct of Article 50 negotiations is shaped by three considerations. Firstly, the invocation of Article 50 will constitute a legal precedent of how a member state can withdraw from the Union. This means that the UK cannot be granted any sort of special treatment simply 'because it is the UK'. Political generosity in this case may translate into a scenario in which other member states may be tempted to follow the British example. The UK may think of Brexit as a one-of-a-kind type of negotiation, but its European negotiation partners cannot adopt the same perspective. This is especially relevant to the discussions on the single financial settlement. If a precedent is set that exiting member states can walk

<sup>37</sup> For a short introduction, see Alexander Mattelaer (rapporteur), "New Pact for Europe: National Report BELGIUM", Brussels: Egmont Institute / European Policy Centre, May 2017. Available from: <https://www.newpactforeurope.eu/documents/NPEFINALreportBelgiumonlineversion.pdf?m=1494341309>. See also Pascal Delwit, "La Belgique et l'Union européenne", in Dominique Reynié and Bruno Cautrès (eds), *L'opinion européenne 2001*. Paris: Presses de Science Po, 2001, pp. 173-197.

<sup>38</sup> Pierre Harmel, "La politique extérieure belge au seuil de 1969", *Chronique de Politique étrangère*, XXII (1), 1969, pp. 5-52.

<sup>39</sup> Quoted in Hugo de Ridder, *Omtrent Wilfried Martens*, Tiel: Lannoo, 1991, p. 193.

<sup>40</sup> It is worth noting that this tradition is widely shared across the Belgian regions and communities. In its *Vision on the future of the EU*, for instance, the Flemish government noted the need for EU reform, but also confirmed its principled support for the EU (Brussels: Flemish government, 23 December 2016, available from <http://www.vlaanderen.be/int/europese-unie/en/article/vision-future-eu>).

<sup>41</sup> For extensive analysis, see Bart Haeck, *Na de kater: hoe we ons geloof in de Europese Unie verliezen*, Kalmt-hout: Polis, 2017, pp. 79-103.

away from budgetary commitments they have taken on while being a member, it effectively transforms EU budget planning into a Ponzi scheme.

Secondly, the notion of EU citizenship has provided the Commission negotiators with a direct political and legal incentive to pursue the interests of their citizens. It is well-recognised that any agreement on citizens' rights must stand up to judicial scrutiny and will inform legal arbitration debates for many years to come. What can EU residents in the UK do if their right to healthcare gets curtailed at some point in the future, for instance?<sup>42</sup> This is not only a matter of protecting the legal rights of individual citizens as much as possible, but also to be seen as living up to the political responsibility this entails. If the European institutions do not stand up for all Europeans – irrespective of their nationality – then who will? The member states and policy communities that are most invested in the European construction (and Belgium is a case in point) may argue it is precisely the role of the Commission's Brexit taskforce to play hardball.

The third consideration is the delicate equilibrium that the EU in its present institutional form embodies. The EU has repeatedly changed shape in the past, and may well do so again in the future. Yet all previous rounds of Treaty change entailed difficult discussions amongst member states keen to push their own national agendas.<sup>43</sup> The eventual product codified into EU primary law therefore always constituted a convoluted compromise amongst different positions. In fact, Article 50 is itself the product of a compromise not to scrap the 'ever closer union' phrase but to provide Eurosceptical member states with an escape hatch instead.<sup>44</sup> The withdrawal agreement with the UK will not only constitute a legal precedent, but may also put this carefully constructed political equilibrium codified into EU treaties into jeopardy.

All member states are stakeholders in the European construction and consequently must consider the interest of the EU as a whole, at least to some extent. The very spirit of European cooperation hinges on the idea that member states accept that the wider European interest may occasionally supersede their national interest and are ready 'to take one for the team'. This has two important advantages. On the one hand, it assures that the combined interests of all EU citizens are served to the greatest extent possible. On the other hand, it also transforms the EU into a challenging negotiating partner, precisely because it is constrained by its many different stakeholders about what it can and cannot do. In turn, the downside of this approach is that it could render agreement more difficult to achieve. The more one thinks 'purely European', the harder it renders the desired negotiating position, and the more it clouds the interplay between economic, security and political interests of

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<sup>42</sup> For discussion, see e.g. Colin Yeo, "Britain's miserly post-Brexit offer to EU nationals shows a disdain for rights", *The Guardian*, 6 July 2017.

<sup>43</sup> Cf. e.g. Andrew Moravcsik, "Negotiating the Single European Act: national interests and conventional statecraft in the European Community", *International Organization*, 45 (1), 1991, pp. 19-56.

<sup>44</sup> See Dehousse, "Can the British Brexit notification be withdrawn?", *op. cit.*



different member states. Most problematically, the hierarchical subordination of national to European interests is easily exploited by Eurosceptic forces operating solely in the (sub-)national democratic arena. Any European compromise can thus be painted as ‘selling out to Brussels’ – arguably one of the principal drivers of the Brexit referendum outcome itself.

### **Belgian neutrality as the product of diplomatic weakness**

The third course of action Belgian authorities may end up pursuing in the Article 50 negotiations is that of relative neutrality. After all, one may argue that the European Commission has been tasked to negotiate with the UK on behalf of the Union and that Belgium may passively support whatever consensus may emerge in the European Council. This does not even have to be a conscious choice. This course of action could be the default scenario that emerges from diplomatic weakness, i.e. as the product of the tension between the previous two options. For Belgium, more than for any other member state, there is the risk that national and European interests end up neutralising each other, namely because its deepest foreign policy instincts do not necessarily align with one another.<sup>45</sup> Such a policy of Brexit neutrality constitutes the easy option, but also the one engendering the least political resistance.

There exists a remarkable contrast between a Belgian position on Brexit based on a clear identification of the national interest, which would arguably put the Belgian authorities in the UK-friendly camp, and one based on Belgium’s tradition of playing the European avant-garde, which would entail the opposite. To some extent, this juxtaposition overlaps with other societal cleavages, such as those between conservatives and progressives, between right and left, or between realists and idealists. With its longstanding tradition of coalition governments, permanent dialogue with civil society and grand compromises, one could expect a similar ‘big tent’ approach to emerge with respect to Article 50. As a grand Belgian consensus would take a long time to develop, and would to a significant extent be informed by the political debate in neighbouring countries, the Belgian position in the European Council would probably only materialise late in the game. To the extent that there is already an emerging consensus within the European Council, the temptation would be strong to reinforce the consensus that already exists and to play the role of mediator wherever differences still need to be bridged, perhaps by proposing some creative institutional engineering. Critics may call this course of action either an abdication of national responsibilities, or alternatively a lack of European vision. What is clear is that this third course of action may well have the highest probability of the three, simply

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<sup>45</sup> Or even worse, there is also a risk of petty disputes unrelated to Brexit itself causing Article 50 paralysis within the Belgian government.

because it is emerges naturally from the resistance that the national and the European approach in their extreme form would prompt.

The neutrality this generates in terms of policy content has both advantages and disadvantages. As always, the search for a lowest common policy denominator will have broad support but little content. Extensive intra-Belgian policy coordination will take time, putting it at a disadvantage compared to several other member states, but the eventual consensus would be resilient. For some, it would provide an important signal of inclusion in the domestic politics of Brexit: all voices can be taken into account. For others, it would suggest the weakening of Belgium's diplomatic position on the international stage. By doing nothing, or by flip-flopping policy positions, Belgium's voice risks losing the limited credibility it has. Or worse, it would open opportunities for other actors to actively exploit intra-Belgian differences for their own advantage. After all, it would not be the first time that foreign powers would be tempted to instrumentalise Belgium's political and linguistic diversity in function of their own agenda.

## RECONCILING NATIONAL AND EUROPEAN INTERESTS: TOWARDS A ‘BEST-OF’ APPROACH

To approach Brexit from the national interest, the wider European interest or a position of neutrality, that is the question. The conceptual approaches outlined above each have their own appeal, their own internal logic, and their own pitfalls. How can the Belgian authorities navigate this landscape of political dreams and disillusion? This section makes the case that the prudent course of action is to blend these approaches into one: a proactive reconciliation of national and European interests. The challenge is to combine, to the extent possible, the advantages of the three, while simultaneously avoiding the dangers they entail. This does imply walking a tightrope, but striking an acceptable balance between national and European interests is arguably the hurdle that every EU member state needs to overcome to bring the Article 50 negotiations to an acceptable conclusion. What would this challenge look like for Belgium?

Whatever approach one prefers, several elements are easy to agree upon. First, the baseline is that priority must be given to an orderly withdrawal process and the avoidance of a ‘no deal’ outcome. The latter would hurt not only Belgium’s economic interests, but also the wider interest of the EU, as it would unleash powerful centrifugal forces. Second, in terms of process, it is broadly accepted that the European Commission will continue leading the negotiations on behalf of the Union, while the European Council will ensure detailed scrutiny and update its guidelines as appropriate. In this division of labour, member states weigh in as one of the twenty-seven, but refrain from striking bilateral deals with the UK. Thirdly, general recognition exists that it is not only the relationship between the UK and the EU that is the topic of discussion, but also the future of the Union itself. Just as the UK government seeks to strengthen the unity between its four constitutive nations, the sixtieth anniversary of the Rome treaties has set the stage for separate but parallel discussions amongst the twenty-seven about their relative unity. By highlighting the possibility of “different paths of integration”, the Benelux vision paper on the future of Europe has signalled a principled willingness to contemplate options that could make a future relationship with the UK easier to reconcile with the framework of the EU.<sup>46</sup> Even French president Emmanuel Macron admitted as much in his Sorbonne speech: “in this revamped, simplified European Union that I propose, I cannot imagine that the UK would be unable to find its place”.<sup>47</sup> As such, Brexit can be an impetus to redefine

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<sup>46</sup> “Benelux vision on the future of Europe”, 3 February 2017. Available from: <http://premier.fgov.be/en/benelux-vision-future-europe>.

<sup>47</sup> Emmanuel Macron, “Initiative pour l’Europe: Discours d’Emmanuel Macron pour une Europe souveraine, unie, démocratique”, Paris, 26 September 2017. Available from: <http://www.elysee.fr/declarations/article/initiative-pour-l-europe-discours-d-emmanuel-macron-pour-une-europe-souveraine-unie-democratique/>.

the existing European political architecture and to render it more resilient for the times to come.

What seems increasingly clear is that the EU and UK will need more time to reach an agreement on their future trading relationship than Article 50 allows for. As Prime Minister Theresa May stated in her Florence speech, a time-limited implementation period would provide much-needed certainty for businesses.<sup>48</sup> If the UK makes good on its budgetary commitments within the present Multiannual Financial Framework (2014-2020), this already removes one important stumbling block for Belgium and its regions. If combined with custom union membership, this could allow for market access on current terms to be maintained until a new regime can be phased in for both trade and migration. With respect to dispute resolution, it has already been argued that the European Free Trade Association Court may offer a useful model allowing for differentiation from full EU membership as well as a maximum of certainty for businesses via ECJ-compatible jurisprudence.<sup>49</sup> In sum, such a transition arrangement is in both the Belgian national and the wider European interest – at least as a backstop solution for avoiding cliff-edge scenarios.

Over the longer term, all parties will face difficult choices when it comes to combining the desire for maintaining trade links and upholding the logic of the single market. On the one hand, the UK will need to accept that a level playing field on regulatory matters is key to keeping trade flows going – which itself is essential to the UK's national economic interest. This implies that dispute resolution over the longer term will always need to maintain a supranational flavour. On the other hand, however, the EU cannot hope to export the full logic of the single market and its four freedoms to all external partners. Given the political resonance of the migration theme in the referendum campaign, it cannot be expected that the free movement of persons across the Channel can remain in place, except perhaps along the Irish border. It is worth contemplating whether a comprehensive trade relationship with the UK cannot resemble membership of the European Economic Area, but without the limitless movement of persons that contributed so much to the strengthening of Euroscepticism in the UK. While this may strike some as sacrilegious, it needs to be kept in mind that different EU member states have their own problems with limitless free movement – be it economic brain drain, concern over social dumping, or more existential angst about migration per se. Such an arrangement would not entail changes to the functioning of the EU itself. Instead, it would open a door for a

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<sup>48</sup> Theresa May, "A new era of cooperation and partnership between the UK and the EU", speech held by the Prime Minister, Florence, 22 September 2017. Available from: <https://www.gov.uk/government/speeches/pms-florence-speech-a-new-era-of-cooperation-and-partnership-between-the-uk-and-the-eu>.

<sup>49</sup> See Rob Heirbaut, "Wil Groot-Brittannië een "Belgische" oplossing voor het Europees Hof?", *VRT Nws*, 17 July 2017. Available from: <https://www.vrt.be/vrtnws/nl/permalink.1500285184888/>. Cf. Also Franklin Dehousse, "In the Brexit negotiation, the UK will never escape the close connection between judicial and trade cooperation", Brussels: Egmont Institute, 14 September 2017. Available from: <http://www.egmontinstitute.be/in-the-brexite-negotiation/>.

genuinely new type of relationship with a key strategic partner of the EU that could provide a useful model for other critical relationships within the wider European neighbourhood.<sup>50</sup>

Precisely because they allow for a modernisation of the European political order, the ideas outlined in the preceding paragraphs are fully compatible with Belgium's national interests and the wider European interest. They offer a mechanism to maintain economic ties across the Channel as well as across the continent. They build on the proven idea of cooperation and partnership for redesigning the political architecture of European affairs. What is more, the notion of 'differentiation' allows the discussion on Article 50 to follow a similar path as the one on the future of the Union itself. Finally, such a stance can be actively promoted, not as some lowest common denominator approach, but rather as a positive sum game for all parties involved. In this sense, greater differentiation allows the European project to move forward in full respect of the political diversity that exists amongst and within member states.

A government has a duty towards its citizens to look after their well-being and interests in all future scenarios. Quite apart from the obligation to strive towards the best possible outcome of the Article 50 process, this implies the Belgian government must have contingency plans for addressing worst-case outcomes – which is to say a 'no deal' scenario with the UK and even that of a continued fraying of the Union itself. Preparations for 'hard Brexit' outcomes are in full swing in several other member states, at least at business-level.<sup>51</sup> The building of resilience to deal with undesirable outcomes is a critical part of a pro-active approach that avoids the pitfalls of indecision and neutrality. Of course, it is to be welcomed if this exercise occurs on the European level, but within the constraints of existing European policy competences this can only yield limited results. The call for resilience is therefore particularly relevant when it comes to national budgetary planning, the state of Belgian diplomacy and the Belgian security apparatus.

Having the bandwidth available to invest additional resources in function of changing international circumstances is the key to improving resilience at the national level. If Belgium wants to attract new businesses after Brexit materialises, this will require a major effort to foster a business climate that is friendly to long-term private investment. In turn, this presupposes that Belgian governments reserve sufficient fiscal space for addressing longstanding public investment shortfalls, for instance in 21<sup>st</sup>

<sup>50</sup> For a more extensive discussion of such 'out of the box' proposals, see Jean Pisani-Ferry, Norbert Röttgen, André Sapir, Paul Tucker and Guntram B. Wolff, "Europe after Brexit: A proposal for a continental partnership", 25 August 2016. Available from: <http://bruegel.org/2016/08/europe-after-brexit-a-proposal-for-a-continental-partnership/>.

<sup>51</sup> See e.g. John O'Donnell, "German industry group preparing for hard Brexit", *Reuters*, 6 September 2017, available from: <http://uk.reuters.com/article/uk-britain-eu-germany-industry/german-industry-group-preparing-for-hard-brexit-idUKKCN1BH1LF> and Nicholas Vinocur, "French commerce lobby chief: Business braced for 'catastrophic' Brexit", *Politico*, 31 October 2017, available from: <https://www.politico.eu/article/pierre-gattaz-french-commerce-lobby-chief-business-braced-for-catastrophic-brexit/>.

century energy infrastructure. Similarly, Brexit may well trigger an urgent requirement for more custom control capacity. Yet most fundamentally, the search for resilience hinges upon the need to reverse the longstanding trend of hollowing out Belgium's diplomatic and security apparatus. The proposals that are presently being debated in relation to European security and defence cooperation, for example, cannot possibly substitute national responsibilities and Alliance obligations. Investing in the national ability to cope with strong headwinds does not imply that Belgium should forego its preference for multilateral solutions. It simply means that Belgium should be able to adjust its sails when the next storm of history should break.

## CONCLUSION

The prospect of seeing the UK leave the EU is not a happy thought for Belgium. When the UK applied (twice) for European Economic Community membership in the 1960s, Belgian elites across the political spectrum welcomed this evolution, and readily papered over the contradiction between simultaneously deepening and widening the European project.<sup>52</sup> Some fifty years later, the desire to have the best of both worlds haunts us still. The question remains whether a new solution can be found that secures what has been achieved so far and at the same time allows for the political demands of the twenty-first century to be met. Can the three pillars underlying Belgium's foreign policy – European cooperation, deep ties to the Anglo-Saxon world, and the preference for multilateralism – once again come to support and reinforce each other? The Article 50 negotiations, together with the debate on the future of the EU itself, constitute the context in which this critical diplomatic exercise will largely unfold.

This Egmont Paper has presented readers with a brief overview of the Brexit negotiation process and the conceptual tools to navigate the difficult questions it entails. For a country like Belgium, three distinct approaches can be envisaged with respect to how it should position itself as one of twenty-seven voices in the European Council. The pursuit of the national interest, the defence of the wider logic of European integration and the option to watch history unfold as a neutral bystander: these three approaches compete with one another intellectually and all present advantages and disadvantages. This analysis articulated the case for blending these three ideal-type options into one: the 'best of' approach that actively reconciles national and European interests, maximising advantages and avoiding pitfalls. This entails not only avoiding a 'no deal' outcome, but also working towards substantial compromises on the different issues to be settled in Article 50 – money, dispute resolution and the coherence of the single market. In the best possible outcome, this turns Brexit into an opportunity for renewing the wider European political architecture. In the worst case, national governments still face the responsibility of mitigating the damage in any way they can.

For the past twenty-five years, Belgium could permit itself to spend limited attention and resources on foreign policy. It could effectively navigate on autopilot and assume that the European institutions created by the Maastricht and Lisbon treaties would increasingly take over this most sovereign of state competences. This period is coming to an end. In the case of Brexit as well as in the debate on the future of the Union itself, hard choices and uneasy compromises are difficult to avoid. This

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<sup>52</sup> For a historical discussion, see Rik Coolsaet, *België en zijn buitenlandse politiek*, Leuven: Van Halewyck, 2001, pp. 452-453.

requires a substantial strengthening of Belgium's European policy: in terms of staffing and resourcing levels, but most notably in terms of ideas. Simultaneously, policy coordination amongst different layers of governments – European, national and regional – is essential, but requires sufficient resources to be effective. This is perhaps the most critical role that the Belgian Ministry of Foreign Affairs can play in the years to come.

Of course, the requirement to reinvigorate Belgian diplomacy reaches far beyond the European continent. Across the wider world, multilateral frameworks are coming under pressure and the brute ways of *Realpolitik* are making a comeback. The implications are clear: when the size of the challenge increases, the need for appropriate instruments to deal with them increases as well. These needs are felt at all levels of government. All Belgian citizens have therefore a right to expect that their diplomatic apparatus delivers the best outcome it possibly can. Ensuring the security and well-being of both present and future generations, that is after all what states are for.



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Egmont – Royal Institute for International Relations  
Rue des Petits Carmes 15, 1000 Brussels, Belgium  
[www.egmontinstitute.be](http://www.egmontinstitute.be)

Lay-out: punctilio.be

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