



# Jean Monnet Centre of Excellence – Tensions at the Fringes of the EU

## Stream 2: Variegated Geometry, Differentiated Integration and Transnational Governance

### ‘BREXIT’ 15 months on – socio-legal perspectives for the EU & Europe – 23 Sept 2017 – Abstracts

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#### Keynote presentations

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##### **Free movement of people in the European Union after ‘Brexit’**

*Prof. Catherine Barnard, University of Cambridge*  
(Pending)

##### **The implications of ‘Brexit’ for EU social policy**

*Prof. Mary Daly, University of Oxford*

The focus of this presentation will be on social policy and the implications of BREXIT for EU social policy. These will be identified and examined through the vantage point of two main questions. One question asks whether the departure of one member state out of 28 can affect EU social policy? This question requires some analysis of the nature of EU policy and policy making processes, the extent to which it is consensual and how it is governed and funded. The second question asks whether and how the fact that it is the UK that is leaving is significant? This requires an examination of the role and contribution of the UK to social Europe, how UK actors have shaped both the content of policy and the alliances in favour of one approach over others, including placing limits and constraints on supranational social policy. This part of the presentation will identify the signature moments of UK engagement with social Europe, identifying the positions taken by a range of UK governments over time on signature EU issues.

##### **The EU’s role in policing the rule of law: reflections on recent Polish experience**

*Prof. Robert Grzeszczak and Dr. Stephen Terrett, University of Warsaw*

This presentation uses recent (and ongoing) developments in Poland to discuss the efficacy of the EU’s role as a regional enforcer of the rule of law. It discusses Article 7 TEU and the New EU Framework to Strengthen the Rule of Law against the backdrop of various legal reforms proposed or implemented in Poland since the 2015 Presidential and Parliamentary elections. It considers whether these legal instruments are appropriate ways of protecting the rule of law within the EU and/or whether an alternative approach should be considered.

##### **The ‘De-Europeanisation’ of Border Conflicts: The ‘Brexit’ effect on UK territorial borders**

*Dr. Nikos Skoutaris, University of East Anglia*

During the time of the Big-Bang Enlargement, a number of academics such as Coppieters, Tocci and Diez proposed the ‘catalytic effect’ thesis. According to it, the closer the form of association of (a)

State(s) with the EU, the stronger the potential to achieve the respective conflict resolution goal. To a certain extent, their thesis has been verified empirically. The positive impact of Europeanisation on the stabilisation of some conflicts such as the ones in Northern Ireland, Serbia/Kosovo and Serbia/Montenegro is well attested.

If Europeanisation enhances the possibilities of resolving a conflict, the logical extension of this argument would be that the detachment of a certain State from the EU structures would lead to the deterioration of the environment of a given conflict. If that is the case, Brexit might prove particularly challenging for the UK territorial borders in Ireland, Gibraltar and Cyprus that are all somehow linked with conflicts in those areas.

Having the literature on the Europeanisation of border conflicts and especially the 'catalytic effect' thesis as the theoretical background, the aim of the paper is to assess whether a special status for those three regions can absorb the tensions of Brexit. To this effect, the paper analyses how such special status might look like in each case and whether the EU and the respective national legal orders can accommodate it. This is the background paper for a project that is funded by UACES and will run during the next academic year.

### **EUropean solutions for the island of Ireland**

*Prof. Dagmar Schiek, Queen's University Belfast*

The island of Ireland, considered as a whole, may well be the area most adversely affected by the UK's decision to withdraw from the European Union. Since the EU is, among others, based on solidarity among its Member States, this fact alone indicates that the EU should develop strategies to address this special risk. Further, the peace process on the island of Ireland not only emerged with considerable support by the EU, but also constitutes a living example of successes of EU integration. The peace process was initiated by an international agreement between the UK and Ireland (the Belfast Agreement). However, the practical integration of Northern Ireland and the Republic of Ireland in socio-economic and civic aspects rests on the common EU membership of both countries. In particular, this common membership has provided the legal framework for free movement of persons, goods and services on the island, within the Internal Market and the Customs Union. This paper explores options to maintain that legal framework or to replace it by functional equivalents, focusing on options for cooperation instead of taking the predominant perspective of border management.

### **A European Social Union after the crisis**

*Prof. Frank Vandenbroucke, University of Amsterdam*

We need a clear-cut concept with regard to the social dimension of the EU: not a European Welfare State, but a European Social Union. Why is it necessary? First, monetary integration requires supranational stabilization instruments: stabilization implies risk-sharing and a 'responsibility cut'. Moreover, there is a limit to the diversity of social models that can be accommodated in a monetary union. Hence, monetary integration forces upon its members a basic consensus on the social order it has to serve. The second reason why such a consensus is imperative refers to the need to reconcile free movement and domestic social cohesion.

The EU must become a holding environment that allows Member States to be flourishing welfare states. What is exactly the agenda of a European Social Union? The agenda depends on normative choices. These choices have to reconnect with the point and purpose of the European project as it originally emerged, but not in an uncritical way. On a foundational level, reciprocity within and between member states is a key normative idea. On a practical level, we must reconsider the original division of labour envisaged by the European founding fathers, in which economic policy would be supranational and social policy national.

## Parallel sessions

### (1A) Free movement and social policy

#### **The UK out, social Europe in? Recalibrating the EU's socio-economic priorities**

*Konstantinos Alexandris Polomarkakis, University of Bristol, UK*

The UK has not traditionally been an ally of Social Europe. From its opposition to the Charter of the Fundamental Social Rights of Workers, to its late acceptance of the Agreement on Social Policy and, more recently, its scepticism towards welfare benefits for EU nationals, the UK's behaviour was akin to that of a veto player, that dragged down deeper integration in the field. Now, that the UK looks set to leave, can the EU's social side finally draw level with its economic one?

The referendum's result prompted various stakeholders at EU level to ruminate on the possible futures of the Union, encapsulated in the White Paper on the Future of Europe, and more specifically for social matters, in the Reflection Paper on the Social Dimension of Europe. Among the latter's scenarios, the third one describes a further integrated Social Europe as the sole viable option if deregulation and racing to the bottom are to be avoided. Moreover, the Reflection Paper's publication coincided with the announcement of some concrete initiatives under the European Pillar of Social Rights, such as the proposal of the work-life balance Directive, and the consultation of social partners on the rules of labour contracts and access to social protection. Are these merely a coincidence or a sign of things to come?

This paper contemplates on the prospects of Brexit for Social Europe, focusing on the developments that have taken place at EU level in the wake of the Brexit Referendum, namely the Reflection Paper on the Social Dimension of Europe and the European Pillar of Social Rights. The loss of a vocal opponent of social integration, might just provide the right impetus to help realise the social market economy paradigm introduced by the Lisbon Treaty, despite the Pillar's primarily soft integration approach.

#### **"Benefit tourism" post-Brexit: a new form of solidarity between EU citizens?**

*Dr Konstanze von Papp, Keele University, UK*

Hardly any issues have been as emotionally discussed during the BREXIT debate as immigration, with a negative connotation regarding people arriving in England for the sole reason of obtaining social benefits ('benefit tourism'). From an EU perspective, the two need to be separated: immigration concerns the defence of the EU's external borders in times of mass immigration and humanitarian crisis while at the same time respecting international human rights. Benefit tourism is a problem arising from free movement within the EU, requiring reasonable limits for people from poorer Member States living on the public finances of host states with a more robust system of social security and assistance.

This paper will consider the potential impact of BREXIT on ‘benefit tourism’. It will first test the notion of “solidarity” pre-BREXIT, and distil the criteria for integration of EU citizens in another Member State by looking at cases like Grzelczyk, Brey, Dano, and Alimanovic. It will suggest that the debate needs to shift from combatting ‘benefit tourism’ to clarifying under which circumstances Member States can shield their public finances from unlimited exposure. I will look at this question from a citizen’s point of view: do fundamental rights, non-discrimination and freedom of movement end when an EU citizen claims social benefits? This approach will allow for a discussion of the meaning of citizenship from an inter-disciplinary perspective, also comparing the US experience (*Shapiro v Thompson* and *Saenz v Roe*).

The paper will then extrapolate the findings into post-BREXIT scenarios. The exit of one Member State illustrates the political risk of building a social Europe based on a loose notion of “solidarity”. So the notion of “solidarity” needs to be more openly discussed, taking into account the degree of social integration of newcomers. I will rely on sociological and political science literature dealing with citizenship and collective identity in Europe, considering also the potential impact of a new citizenry of people with two or more passports following BREXIT.

### **The consequences of Brexit for the labour market and employment law**

*Prof Łukasz Pisarczyk, University of Warsaw, Poland*

Among the most important problems caused by Brexit is the question concerning the situation on the labour market, the position of migrant workers and future development of labour law in various European countries. Opponents of the European Union have raised arguments drawing upon the large number of migrant workers coming to the UK and exploiting public services as well as the social security system. At the beginning of the Brexit procedures the British government vows to impose caps on the number of migrants eligible to come (“tens of thousands”) and welcomes those who are skilled and well-educated. Brexit implications spur particular interest and concern in the countries of Central and Eastern Europe whose citizens have been migrating in massive numbers to the United Kingdom. Unfortunately, at the moment it is very difficult to formulate any precise conclusions concerning the Brexit impact on labour legislation and the position of migrant workers. A lot depends on the results of future negotiations. However, it is possible to identify the problems most likely to eventuate and try to predict the potential consequences of the UK's decision.

Problems concerning EU migrant workers in the United Kingdom can be divided into two main groups. First, it is necessary to guarantee the rights of those workers who came to the UK before the Brexit date (or before another date to be pinpointed) – which is strictly connected with more general guarantees for EU citizens in Britain. Clear guarantees for this group of people are widely expected in the rest of the European countries. However, the British government closely links the situation of migrants from EU countries to the position of British citizens in the European Union. The important idea of “settled status” meets a number of practical problems. The same applies to a planned transition period (“grace period”) including its length. Second, the UK and the EU will have to solve the problem of migrant workers coming to Great Britain after the Brexit date (or another negotiated date). For it will be necessary to find a replacement mechanism for the hitherto accepted principle of free movement of people. If the UK introduces a system of permits, the European Union will probably expect a special (simplified) procedure for its citizens. A lot will depend on the situation on the British labour market that needs foreign workers (however, it may be difficult to admit this fact at the political level).

Another problem is the situation of multinational institutions of labour law, e.g. European Works Councils. One has to distinguish between two situations: EWCs established under a jurisdiction of another Member State (will British members of EWCs retain their mandates?) and EWCs established in Britain that is even more complicated. Similar concerns may relate to European Framework Agreements if they are regulated at the EU level.

Irrespective of the adopted measures, the situation of EU migrant workers is changing. A percentage of workers may choose other countries of Western Europe. Undoubtedly, some will return to their home countries. These shifts will change the situation on the labour market (a growing number of workers searching for employment). The incidence of returns may also indirectly affect labour legislation. For instance, legislators will be forced to adjust working conditions to an increasing unemployment rate (e.g. by introducing more flexible solutions). This may have implications for the freedom of movement within the European Union.

### **(1B) Between internal market and free trade**

#### **EU trade policy and Brexit**

*Dr Dylan Geraets, University of Leuven, Belgium*

Brexit raises dozens, if not hundreds or thousands, of legal questions that were unthinkable until not too long ago. Although the trade aspect of Brexit, and in particular the terms of the trade-relationship between the EU and the UK – and the UK and rest of the world – have been discussed in several fora, the implications for EU trade policy have so far suffered from a lack of (academic) attention. Although dissatisfaction with the EU's trade policy was arguably not one of the main drivers behind the Brexit-vote, broader global discontent, rising populism, and criticism of bilateral trade deals such as TTIP and CETA raise the question whether the European Commission is sufficiently responsive to societal concerns relating to parts of EU trade policy.

This paper examines whether the EU's trade policy could be inadvertently fostering dissatisfaction with the EU in a general sense. Thereto it examines two separate issues. First, the debate around the inclusion of investment protection chapters in EU trade agreements and the Commission's proposed Investor Court System. Second, the reform of the EU trade defence instruments. Both debates reflect an attempt to take the concerns voiced by NGOs and civil society into account. However, questions remain as to whether the common commercial policy, an exclusive competence of the Union, is sufficiently responsive to these concerns. This paper reflects on these issues and suggests that a different approach may be needed in order to retain support, not only for the EU's trade policy, but also the EU as a whole.

#### **The impact of Brexit on cross-border company migrations**

*Dr Bastiaan Kemp and Dr Stephan Rameloo, Maastricht University, The Netherlands*

The upcoming Brexit undoubtedly will affect 'many British private limited companies (LTDs) with their effective place of management in Germany. Following the Brexit decision, they see the potential risk of Germany ceasing to recognize them as an EU/EEA company – with an adverse impact in terms of liability and possibly taxation, too. The cross-border conversion might prove to be an alternative to the more common cross-border merger as a means of transforming an LTD into the more "sustainable" equivalent German GmbH in a tax-neutral way.' (Quote: M. Winter/E. Marx/N. De Decker, blog August 2016, available <https://www.fgs.de/en/news-events/news/news/details/from-paris-to-charlottenburg-cross-border-conversion-in-practice-1.html>.)

The paper will focus on cross-border company migration modalities (i.e. a transfer of either the company's headquarters, registered office, or both), before and after a "Brexit", each of these constellations bearing consequences from 'inbound' and 'outbound' perspective. To that end, first the 'rise and fall' of the UK LTD as preferred SME business format in continental legal orders such as Germany and the Netherlands pursuant to the CJEU rulings in notably Centros and Inspire Art Ltd. will be given notice first. A further 'decline' of the popularity of the UK LTD may follow, if not resulting from the Brexit itself, than at least from legal uncertainty caused by long-term negotiations. Notably a German court order (March 21, 2016) concerning the legality of a cross-border conversion of a French private limited liability company (s.à.r.l.) into its German counterpart (GmbH) may serve as 'flesh to the bone' and illustrate the legal ramifications (company law, insolvency law, etc.) for in particular UK LTD's to be converted into business formats offered under 'domestic' law.

The paper will then turn its focus on national law and legal practice of the NL, including alternative legal operations like mergers, transformation/conversion operations.

### **European insurance markets post "Brexit"**

*Marta Ostrowska, University of Warsaw, Poland*

The United Kingdom is perceived as the world's leading insurance centre. London's financial institutions have access to enormous amount of potential consumers, which reflects its economic potential. Currently, a great amount of the British insurers is operating all over the Europe, which contributes to continuous growth of the European insurance market.

Bearing in mind the above, it reveals obvious that Brexit will have a significant impact on both the UK and EU Member States. The extent of this impact will largely depend on the nature of the arrangements adopted between the UK and the European Union, i.e. on how the institutions in each jurisdiction will continue to access markets on a cross-border basis. Probably it will also depend on the extent to which the UK continues to apply the law based on EU financial services legislation.

At this moment, it is very difficult to predict the outcome of negotiations between the concerned parties. Nevertheless, a long period of uncertainty would clearly be challenging for both British insurers and insurers from EU Member States. The main problem arising from the insurance market perspective is a single licence regime and multiplication of regulations which a British insurer operating abroad or a European insurer willing to enter the British market will probably be subject to. Therefore, it is now crucial for the insurers to find new potential models of cooperation between the UK and EU in order to commence the process of their implementation as soon as possible.

Loss of the right to passport and other EU market's benefits will probably force British insurers to restructure their businesses. For instance, they could potentially seek permission to conduct insurance business in each EEA state in which they operate without using the passport. Alternatively, they could operate through an EEA based company which would need permission to conduct insurance business in the relevant EEA country. Regardless of the option chosen, such adaptation to the new circumstances will definitely require a lot of effort.

In the light of the above, a relevant question arises: what are the potential legal consequences of Brexit for insurance business? As the shape of things to come is uncertain, the presentation will cover the prospective models for the relationship between the UK and EU insurance markets.



## (2A) EU environmental law and policy

### Fragmentation or enhanced integration? The consequences of Brexit for the EU ETS and emissions reduction legislation

*Jędrzej Maśnicki, University of Warsaw, Poland*

The aim of this paper is to present the consequences of Brexit for the EU ETS and emissions reduction legislation at the European level. The Brexit's impact on the implementation of the Energy Union and environmental legislation may result in contradicting tendencies, which may lead either to fragmentation or to enhanced integration of the future environmental framework. These two general tendencies would be depicted by the possible Brexit impact on the post-2020 legislative framework (EU ETS Directive and the non-ETS Regulation) as well as the industrial emissions reduction ambitions, which are transferred into legal framework through the 2010/75/EU directive (IED) and BAT Conclusions.

On the one hand, the UK's withdrawal from the EU (and the increasing relevance of Germany and France), may push EU environmental law and policy into a more ambitious direction, furthering enhanced integration. On the other hand, any concessions to the UK in the post-withdrawal treaty, would trigger demands for further opt-outs by Member States less interested in the further strengthening the EU ETS (e.g. Poland, Romania, Greece, Bulgaria, Croatia, Estonia). Presently, the short-term impact of Brexit on EU environmental legislation is unclear, as the UK's negotiation position has not clarified, and UK administration continues to take an active interest in ongoing legislative processes. However, in the long-term perspective, Brexit will not allow a business-as-usual scenario

This paper will analyse the likely developments in the long-term perspective, using the EU Emissions Trading Scheme (ETS) as a case study. The ongoing process of the EU ETS revision is advanced so far to introduce any UK dedicated or opt-out oriented solution. The UK's position regarding continuing contribution to or abandonment of the EU ETS would significantly determine the post-2030 legislative framework. Should the UK succeed in implementing the Paris Agreement obligations without the EU, the arguments that the EU ETS is the only tool to ensure that the Paris Agreement obligations would be timely delivered may be weakened. If, on the other hand, the UK – whose industry contributes a large share to pollution emanating from the EU – fail to observe its share of the Paris Agreement obligation, the success of the Paris Agreement in Europe may be endangered overall. There is a risk that the BAT-AELs application would be deferred or not adopted. The lower environmental standards in one of the biggest EU trade partner, may cause the rise to the bottom in the future EU27 in order to avoid the additional burden for the national economies.

### European energy & environmental law post “Brexit”

*Dr Leonie Reins, University of Leuven, Belgium*

On 23 June 2016, the UK voted to leave the European Union. One day later the FCA confirmed that EU law stays applicable firms until any changes are made, which is a matter for the UK government and Parliament. Not even a year later, the UK Government published a white paper on the UK's exit from and new partnership with the EU. For energy and environmental law, the White Paper does not provide any scenarios for the effects a 'hard' or 'soft' Brexit would have on these disciplines. The paper aims to establish possible scenarios for the future energy and environmental law in the EU and the

UK, using the EU ETS as a case-study. The areas of “energy” and “environment” are both shared competences under Article 4 TFEU and secondary legislation is hence passed with both, Member States and European influence. In the past, the UK has been a strong driver towards the integration of the energy market, as well as the high level of environmental protection in the EU. It is to be expected that the common playing field and high standard of environmental and energy regulation will drift apart in the future. This will have considerable impacts also on the global fight against climate change. As such, Brexit creates uncertainty for the future of the EU-ETS. The UK is one of the few Member States having established a form of a reserve price mechanism for carbon. Additionally, UK companies hold a surplus of allowances which will have impacts on all market participants.<sup>1</sup> The remaining EU-27 Member States might have to accept additional reduction targets in order to compensate for the UK’s departure if the 40% emissions reduction target for 2030 is to be achieved.

The presentation will discuss the impacts on the EU ETS specifically and energy and environmental law more broadly, depending on the different models: (a) hard Brexit, (b) soft Brexit with the flexible EEA membership model (Norway) and the static ETFA membership model (Switzerland).

### **Losing an ally or opponent? EU climate & energy policy after “Brexit” from the Visegrad Group and the Polish perspectives**

*Dr Maciej Sokolowski, University of Warsaw, Poland*

Over the years, the United Kingdom has been influencing the EU climate and energy issues, being an advocate for more liberal, open, and transparent European energy market driven by European goals on renewable energy, CO<sub>2</sub> emissions, and energy efficiency. Yet, the Visegrad Group (V4) was many times negative about the EU regulatory proposals on climate and energy policy; trying to either block them or reduce their impact, repeatedly led by Polish scepticism. However, the Visegrad states have found common ground in enhancing energy security, as confirmed by many of the V4 Joint Statements and the V4 Presidency’s goals, as well as bilateral discussions with other states (e.g. during the first ever UK-Poland intergovernmental consultations of 2016).

The outcome of the “BREXIT” referendum in June 2016 has resulted in opening a discussion on the future shape of the EU internal energy market without the UK, including the shape of the EU climate and energy policy of 2020 and 2050 without the UK. How will it influence the European legislation, including the new proposals (Winter Package, Energy Union)? How will it affect the V4 negotiators during talks with other EU leaders on energy issues? Will it strengthen or undermine the Polish position?

Seen in this light, the aim of the paper is to delve into the V4 approach to EU climate and energy policy after “BREXIT”. To answer the question posed in its title I will try to describe this approach and evaluate its energy context, both at the national, regional, and European level. For this purpose, the primary documents and legal acts relevant for the discussion on the implications of “BREXIT” for EU climate and energy policy will be analysed. It includes verifying both the previous and current British, V4 (group) and Polish (individual) positions on the energy sector as presented at different stages of the European legislative process. As a result, the issue of the EU climate and energy policy after “BREXIT” will be presented from different perspectives (national, regional, European), giving the possibility to draw a picture of the directions that the EU (and Europe) may develop after “BREXIT” with respect to climate and energy matters.

### **Maintaining the coherence of EU and UK environmental policy post-Brexit**

*Dr Roderic O’Gorman, Dublin City University, Ireland*



A cooperation between University of Warsaw, Faculty of Law and Administration, and Queen’s University Belfast, School of Law, through its Jean Monnet Centre of Excellence.





The departure of the United Kingdom from the EU will have substantial implications for the coverage, implementation and funding of Union environmental policies. Bearing the transboundary nature of environmental degradation and based on the premise that it is preferable that the UK would continue to be closely linked to EU environmental policy in the post-Brexit scenario, this paper examines the options whereby this might be achieved.

The paper considers the implications for environmental policy in the (increasingly unlikely) event that the UK remains with the European Economic Area. It looks at how an EU-UK customs union would be impacted by EU environmental law. It examines the options for bilateral or multilateral cooperation on environmental issues between the UK, the EU and the Member States, in light of existing models in place. It addresses how international environmental agreements, which are often reflected in EU environmental laws, will continue to be binding upon the United Kingdom. Finally, it gives some consideration to the particular situation as regards the Republic of Ireland, examining existing cross-border environmental measures.

In light of the degree to which the Brexit referendum result was understood as a rejection of any continuing authority for the Court of Justice of the European Union in the UK, particular attention will be given under each option to whether the enforcement of such environmental standards will be effective and what implications any adjudication on these measures will have on state sovereignty.

## (2B) European polity and society

### **Brexit and the metaphors of Union citizenship: citizens of somewhere, elsewhere, nowhere**

*Dr Stephen Coutts, Dublin City University, Ireland*

Union citizenship has been described as a ‘mobilising metaphor’ for the European project. The purpose of the paper is to explore the various metaphors of Union citizenship and the manner in which these metaphors interact with the choice represented by the vote for Brexit.

It is argued that Brexit represented, amongst other things, a call for a return to a more communitarian and rooted social life in the United Kingdom. Union citizenship and the form of life it represents can be presented as the antithesis of this philosophical-political choice. Union citizenship has been presented as undermining local solidaristic communities, contributing to the devalorisation of national citizenship and resulting in a loss of control over membership in the national community. On a more abstract level, Union citizenship represents in an institutionalised form the infamous rootless cosmopolitan; individualistic, instrumental and elitist. Union citizenship in its various forms thus epitomises two contemporary global trends in citizenship: the hollowing out of national citizenship and the rise of the post-national citizen. Both of these dimensions of Union citizenship would appear to be incompatible with the form of life expressed in the Brexit result.

Brexit thus prompts us to reflect on the current shape of Union citizenship and the manner it interacts with national communities and forms of life in the Union and how it might be reformed or rethought. The paper will conclude by exploring two complementary strategies for developing the positive dimensions of Union citizenship as a cosmopolitan citizenship: the strengthening of a sense of European community on the one hand and the development of a greater degree of inter-subjectivity and mutual concern between Union citizenship qua individuals on the other through social integration.

### **Brexit and the security of the European project**

*Dr Massimo Fichera, University of Helsinki, Finland*

Following the start of the Brexit negotiations, at least three options are open (possibly more). 1) The Norwegian Approach, which implies joining the European Economic Area (EEA), including the provisions on the free movement of goods, services, people and capital. 2) The Swiss model, which involves the negotiation of a series of bilateral treaties governing relations with the EU in specific areas of common interest, especially free trade. In particular, the UK may re-join the European Free Trade Association (EFTA), although technical barriers to trade in goods, trade in services and free movement of persons are not covered by EFTA rules and would have to be the subject of separate bilateral agreements. While losing voice, the UK would retain significant financial obligations to the EU. 3) The World Trade Organisation (WTO) model, which has no free movement of labour provisions, and few provisions on the liberalization of trade in services.

There is evidence that, in any case, Brexit will determine weaker income growth in the UK. What will be the consequences for national and EU social policies?

This paper aims to take stock of the ongoing negotiations between the UK and the EU and the implications this has for the EU internal market. Does Brexit suggest that EU citizenship has never really existed as a "fundamental status of nationals of the Member States", but is rather a contingent status, as citizens and workers may at any time be converted into "bargaining chips"? Moreover, what is the meaning of the internal market? Is it a tool for further integration, promoting social embeddedness, and to what extent does it comply with the principles of equality and non-discrimination? This paper's hypothesis is that the Brexit negotiations will tell us a lot not only about the UK, but also about the mind frame behind EU integration.

### **The European Union and national referendums: need for change after the Brexit vote?**

*Prof Jukka Snell, University of Turku, Finland*

This paper compares the referendums in France and the Netherlands on the Constitutional Treaty and the Irish referendum on the Lisbon Treaty with the Brexit vote. It is argued that the results have hinged on two key factors: voters perceive the EU as an agent for economic internationalization and increased competition, and there is a low level of understanding of the EU. The article then turns to solutions. The basic bargain where the EU took responsibility for bolstering economic growth while the distribution of the gains was left for the Member States may need revisiting. Further, Europeans need to be educated to become Union citizens, like the Member States educate their nationals for national citizenship. However, such a heightened role for the EU for redistribution and education, traditionally bastions of the Member States, raises uncomfortable questions about the competences and the nature of the Union.