In the wake of the referendum on the withdrawal of the UK from the EU, much of the discussion has focused on the procedural details of Article 50 and whether the UK can retain access to the single European market.

Both are critically important. And negotiating trade deals with the EU and other countries should top the political agenda. But important as market access is, the EU has a much broader role. It is therefore imperative to also examine other policy areas and think about ways to make the separation work.

EU foreign policy cooperation has received little attention since the referendum. The Brexisters have repeated time and again that ‘we still have NATO’ and so there is nothing to worry about. At the same time, Defence Secretary Michael Fallon – a Brexainer – noted on 19 July that the UK can continue to participate in EU military operations as a non-EU country. But such superficial statements do not really give sufficient consideration to the challenge that Brexit actually presents.

The discussion over the UK’s relationship with EU foreign policy will be a difficult one, particularly because it is so political. The UK has traditionally been sceptical of an integrated EU foreign policy, so it is possible it may choose not to pursue continued cooperation. The ambiguous concept of British ‘sovereignty’ also played a key role in the Brexit debate: overblown fears about the potential creation of an EU army worried even some Bremainers.

Yet on a day-to-day basis, at the micro as well as at the macro level, a coordinated EU foreign policy has been able to get things done. This was acknowledged in the coalition government’s July 2013 review of the balance of competences between the UK and the EU on foreign policy: ‘The majority of the evidence we received argued that it was generally strongly in the UK’s interests to work through the EU in foreign policy.’ Rather than breaking off all foreign policy ties, it would appear to be in Britain’s interests for it to think about how to continue interaction.

As a starting point, it is worth pointing out that EU foreign policy cooperation was established in the 1970s as an informal platform for ministers and diplomats to exchange views and share information. In his authoritative 1992 account of the evolution of European foreign policy, Simon Nuttall, then a British civil servant working for the European Commission, likened European Political Cooperation, as it was called at the time, to ‘a private club, operated by diplomats, for diplomats’.

While the initial ambition was for the six European foreign ministers to take part in an exclusive retreat twice a year (and for their political directors four times a year), the amount of consultation increased rapidly. Today, EU foreign ministers meet every month in the Foreign Affairs Council in Brussels, while ambassadors and diplomats meet daily in a range of permanent committees.

In addition to this continued exchange in Brussels, European diplomats also participate in coordination meetings in countries and international organisations around the world. From Washington to Moscow to Beijing, European diplomats meet continually in the offices of EU delegations. At the UN in New York, for instance, there are thousands of annual intra-EU meetings. Diplomats from EU member states often meet in the morning, before negotiating with their UN counterparts later in the day.

The risk of Brexit is that the UK would be completely cut out of these EU foreign policy coordination meetings. This would be a tremendous loss for both the EU and the UK. The UK has one of the best diplomatic networks in the world and therefore occupies a privileged position. The process of sharing its information and views with the other member states enables the UK to canvass support for its positions, while British diplomats also benefit from hearing what the French, Germans and others have to say on any given topic.
In addition to exchanging views, EU member states also make joint statements and adopt common positions on a wide range of international events. After Brexit, the UK would naturally want to issue its own statements on global events (as it does today). But beyond the headlines, the EU also adopts various positions and issues statements. And the question is how the UK will relate to them. The EU currently allows non-EU states (such as candidate countries) to ‘align’ themselves with EU positions, but they do not have any input. It would be strange if the UK, as a major diplomatic actor, were meekly to align itself post hoc with EU positions that had been debated and agreed in its absence.

It is also striking that EU actors, such as High Representative Federica Mogherini, increasingly negotiate on behalf of EU member states. The high representative participates, for instance, in the Middle East Quartet with the US and Russia. Mogherini and her civil servants were also the key negotiators on the non-proliferation agreement recently concluded with Iran. They also negotiated normalisation deals between Serbia and Kosovo.

These are important international diplomatic negotiations, which the UK is currently able to significantly shape by providing input and formal control, and about which it receives ongoing briefs. Brexit would reduce the UK’s input and all but end its control over such high-level diplomacy. Yet Brexit would also be harmful for EU diplomatic efforts. The high representative would, for instance, have more credibility if she spoke on behalf of the EU with the UK rather than the EU without the UK.

It is clear that a full withdrawal of the UK from the area of EU foreign policy cooperation would be a major setback for both the UK and the EU. Completely ignoring EU foreign policy during the exit negotiations – to find that all ties are cut at the end of the process – is therefore undesirable. Naturally, it is also clear that, for political reasons, the UK cannot continue to participate as if nothing has changed. Furthermore, the remaining EU member states may want to move forward on certain aspects of EU foreign policy, whether or not the UK is involved.

But it does not have to be a simple ‘in’ or ‘out’. Once again, it is worth looking back at the informal arrangements of the 1970s and 1980s. European Political Cooperation was kept entirely separate from economic cooperation, precisely because it was recognised as different and much more sensitive. In this spirit, it should not be too difficult to consider a number of informal mechanisms which would enable this cooperation to continue.

One obvious possibility is that the UK foreign secretary continues to attend the Foreign Affairs Council, if not monthly, then perhaps four times a year. To make this appear more palatable to both the EU and the UK, the council could meet in an ‘EU+ format’ with participants consisting of the EU, European Free Trade Association (EFTA) members and the UK. The foreign secretary (and the defence secretary) could also attend informal meetings of the Foreign Affairs Council (following what is referred to as the Gymnich format, where meetings have an agenda but no formal decisions) as well as those formal meetings where decisions are taken on security operations with British contributions.

Naturally, such arrangements would require political will on the part of both the EU and the UK, but it is worth pointing to several precedents. During the NATO operation in Afghanistan, the North Atlantic Council regularly met in ‘ISAF (the International Security Assistance Force) format’ with all the troop-contributing countries (51 in total) around the table. Furthermore, the NATO secretary general regularly attends the Foreign Affairs Council, as did US Secretary of State John Kerry on 18 July.

Opening up the EU Foreign Affairs Council should therefore be discussed. Beyond this it should not be too difficult to invite British diplomats to EU foreign affairs coordination meetings in Brussels and across the world. Particularly in third countries, far away from Brussels, local EU diplomats should be accorded some discretion. Finally, the UK should seriously consider continuing to second staff members to the European External Action Service, since such exchanges are mutually beneficial.

While much can be done informally, the EU and UK should also consider formal arrangements for consultation and British participation in the Common Security and Defence Policy (CSDP). As the EU continues to deploy autonomous civilian and
military operations, it would be good to keep the UK on board. While the actual contribution of the UK in the CSDP has been limited in recent years, it nonetheless brings significant experience to this relatively new policy area.

As has been observed, including by Fallon, the UK can continue to participate in CSDP missions as a non-EU country. Yet this is not ideal. Troop contributions from non-member states are only sought after plans have been established. In other words, non-EU countries do not have much influence over the mandate or the objectives of a mission. For both symbolic and practical reasons, non-member states cannot take command roles, which means that the EU would lose access to the UK military headquarters in Northwood.

It would therefore be much better if the UK (and the EFTA countries) were to be granted a formal seat (without a formal veto) on the Political and Security Committee at ambassador-level when CSDP missions are discussed. This would provide the UK with significant input and would allow it to contribute more extensively. It would be helpful if the UK were to continue to second a couple of staff members to EU planning bodies.

These are only some of the challenges that Brexit presents in the area of EU foreign policy. While the current focus seems to be on internal market access and free trade, the EU is much broader in scope and aspiration. While it is already clear that Brexit will likely be harmful for both the EU and the UK in terms of individual policy areas, Britain’s traditionally strong role in foreign policy makes it particularly important to acknowledge the potential consequences of Brexit for EU foreign policy.

**Dr Hylke Dijkstra**
Assistant Professor with tenure at the Department of Political Science, Maastricht University, The Netherlands. He is author of *International Organizations and Military Affairs* (Routledge, 2016) and *Policy-Making in EU Security and Defense: An Institutional Perspective* (Palgrave Macmillan, 2013).

Twitter: @DijkstraHylke

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**Sanctions on Russia: Moscow’s Attempt to Soften the Blow**

Ahmed Mehdi

**Despite attempts by Russia to create mechanisms to soften the impact of ‘targeted’ financial and energy sanctions, full reintegration, even in a scenario of future divergence between the US and the EU, will be difficult to achieve.**

Sanctions, like other tools of financial warfare, have increasingly become the weapon of choice in both US and EU foreign policy. Sanctions against Iran, some of the most sophisticated in recent decades, have been touted as a key success. The considerable costs inflicted on the country by coordinated US and EU sanctions were directed against the banking, financial and energy sectors. These included a cut-off from SWIFT’s (Society for Worldwide Interbank Financial Telecommunications) global financial messaging service, an EU embargo on Iran oil exports and asset freezes.

The measures have been crucial in convincing Tehran about the need for engagement. This led to an agreement on the country’s nuclear programme last year.

Alongside Iran, ongoing sanctions against Russia are among the most complex in operation. Notwithstanding a few carve-outs, both capital market and energy-related sanctions have prompted Russia to create a number of mechanisms to adapt to the short-term costs these have caused. Moscow has deployed a number of strategies, including increased support from Russia’s central bank, identifying new sources of liquidity to support sanctioned firms, exploiting Russia’s energy relationship with EU customers and leveraging the fallout of wider geopolitical shocks such as political fragmentation within the EU and the Syria crisis. However, Russia has not fully succeeded in mitigating the damage of sanctions, which have generated complications for Moscow’s eventual reintegration into both energy and financial markets.

In a speech delivered in November 2014, US Under Secretary of the Treasury for Terrorism and Financial Intelligence David S Cohen claimed that the sanctions against Russia were designed to be ‘targeted’, reflecting both the size of Russia’s economy (substantially larger than Iran’s in 2009, at the height of international action against Tehran) as well as the need to provide ‘sufficient’ pressure on Moscow’s calculations in Ukraine, without causing volatile ‘risk[s]