

# Barnier's La Grande Illusion: a masterclass in how to prepare for, and conduct, a negotiation

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Michel Barnier's <u>La Grande Illusion</u> is his diary of the Brexit discussions. It starts July 2016, when Jean-Claude Juncker, the EU Commission president, asked Barnier to take charge of the upcoming negotiations with the UK, and ends when he stood down earlier this year, having delivered both the Withdrawal Agreement and the Trade and Cooperation Agreement.

It is a long book, 532 pages and is in French. An English edition will be published in September. It is a fascinating read about the Brexit process from someone, on the European side, who was at the heart of all that happened.

I doubt very much if there is anyone on the UK side who could write a similar book. There was an everchanging cast of UK actors involved in the discussions, from David Davis and Ollie Robbins, through Dominic Raab, Steve Barclay and on to David Frost. Not to forget May and Johnson. And backroom operators like Dominic Cummings.

Poor players, the lot. Shakespeare's words come to mind:

Life's but a walking shadow, a poor player, That struts and frets his hour upon the stage, And then is heard no more

While La Grand Illusion will be of interest to anyone who wants to understand the past five years, it is, for me, above all a masterclass in how to prepare for, organise and conduct a negotiation.

# No plan

On June 23, 2016, the UK voted, narrowly, to leave the European Union. It was, of course, entitled to do so. There was only one problem. No one on the Leave side knew what quitting the EU actually meant. There was no plan, no road map. If there was, it was very well hidden at the time and remains hidden to this day.

Brexiteers believed that quitting the EU would be easy, could be done in an afternoon "over a cup of tea", according to one of them. The EU would be so shaken by the UK's decision to leave that it would be only too willing to cut it any deal it wanted. The UK would be able to extract from the EU all the benefits of the Customs Union and the Single Market, with none of the costs and obligations attached to actual membership. Some Brexiteer actually believed that the EU would soon fall apart, leaving the UK to pick up the pieces and put a new, European free-trade architecture in place.

None of this happened, and the UK left the EU on terms dictated by the EU. It also ended up with a minimalist free trade agreement, the downsides of which are everyday becoming clearer and clearer. (here

for example). The Brexiteers never really did understand the EU or the depth on UK integration into European business, political, and social value chains.

## Basics of Negotiations

The basics of a successful negotiation are well known, they are no secret.

- Have tightly defined objectives, be clear about what it is you want to achieve
- Build a competent team who know their subjects to the last detail
- Pay close attention to structure, process, and procedure
- Build a consensus among all your stakeholders and constantly keep them informed and updated. There should be no surprises.
- Separate the people from the problem, focus on the issues, do not indulge in personal attacks.
- Always agree what has been agreed and keep proper records
- Be aware of the future as well as the present.

#### Enter Barnier

Immediately after the Brexit vote, Juncker appointed Barnier to take charge. Barnier was a politician of immense experience, having served both as a French government minister and as an EU Commissioner.

Barnier knew that there would be nothing positive about Brexit. It wasn't even a zero-sum game. It was a negative-sum game, with both sides being worse off afterwards, though the UK, which started the game, would be more badly hit than the EU. The Brexit discussions would not be a classic negotiation in which both parties hope to be better off afterwards. They were more a damage limitation exercise in which one side, the UK, was asking for worse terms than it now had. Which is the way it has turned out. The EU's interest was to limit the damage as much as possible.

Brexiteers have never admitted that there would be costs, considerable costs, involved in Brexit. When you build barriers to trade in goods and services, trade drops. Businesses, and people, get hurt. Jobs are lost. To this day, Brexiteers refuse to accept this.

#### Article 50

Article 50 of the Lisbon Treaty defined how a country could leave the EU. It had to formally notify the EU of its intention to leave. Once it did so a two-year clock started ticking. Within those two year the EU and the departing country would have to negotiate both the withdrawal terms and the parameters of the future relationship between them.

The EU refused any talks with the UK on Brexit before the A50 notification was served. Before the 2016 referendum Brexiteers had confidently precited that they would have a future deal in the bag before notice would be served. However, once the referendum was over demands to "get on with it" became more and more strident. Especially from the Brexit supporting press. Pushed, the UK did "get on with it" even thought there was no consensus in the UK about what "getting on with it" meant.

From the outset, the EU made it clear that Brexit would be a two-stage process. First, the withdrawal terms, then the future deal. The UK wanted to negotiate one package, but the EU refused to budge from the two-

step approach. The UK's position was not helped by the absence of a plan. For months, all Theresa May could say was that "Brexit means Brexit".

When asked by Angela Merkel what Brexit really meant and what she wanted, all May could say was "make me an offer". Merkel pointed out that she was not going to make May any offer as the UK was the one that was leaving, and it fell to it to say what it wanted. May repeated: "make me an offer".

The EU identified three core objectives for the Withdrawal Agreement negotiations.

First, the UK must meet the financial obligations it had incurred during its time as a member.

**Second,** the rights of EU citizens in the UK and UK citizens in Europe needed to be secured.

**Third,** there could be no return to a hard border on the island of Ireland in order to safeguard the Good Friday Agreement.

Only once agreement on these three issues had been finalised would the EU move on to discussing the "framework" for future relations, but the granular details of that relationship would only be negotiated after the UK had left the EU.

So, the EU dictated the agenda and structure of the negotiations and the timetable. It also made it clear that all negotiations would be held in Brussels. It was the UK that was leaving the EU, not the other way around. There would be no travelling to London for negotiating rounds.

## Building a Team

Barnier set about building a team that would handle the Withdrawal Agreement negotiations. He was able to draw team members from across the resources of the European Commission, each one an expert in their own subject. The team stayed together until the Withdrawal Agreement was delivered.

In the UK, Brexiteers distrusted anyone who knew anything about the EU. For example, the highly experienced civil servant Sir Ivan Rodgers, with a depth of knowledge of the ways of the EU, was forced to resign because he insisted on telling uncomfortable truths.

Brexit loyalty was the acid test for the Brexiteers. Not knowledge or competence.

#### Stakeholders

Anyone with experience of negotiations will tell you that reaching consensus on your side can be harder than doing a deal with the other side. While the EU and its remaining 27 Member States quickly agreed on how to conduct the negotiations and what they wanted out of them, Barnier was aware that, at every hand's turn, the UK would attempt to "divide and rule". It had centuries of experience of doing so. So it turned out.

To counter, Barnier visited and revisited every EU member state. Not only did he talk to prime ministers and presidents, he spoke to parliaments and parliamentary committees. He held meetings with employer organisations and unions. He met with civil society groups. In Denmark, he went out to sea on a fishing boat. In Derry in Northern Ireland he sat down to discuss Brexit with school children.

At time his diary almost reads like a travelogue.

Of course, he continually talked to the EU Commission, the Council of Ministers, ambassadors to the EU and Permanent Representatives. He attended meetings in the EU Parliament constantly. No one was left out of the loop.

He succeeded. EU unity never cracked, much to the dismay of the Brexiteers.

Can anyone point to such inclusiveness on the UK side? From the get-go, May decided that the Conservative Party, and the Conservative Party alone, would "own" Brexit and reap the electoral rewards. May consulted no one, not even her own cabinet at times, it seems. She tried to block Parliament having a say, until instructed to do so by the Supreme Court. Business and unions were left crying in the wilderness. May certainly "took back control" and refused to share control with anyone.

## **Transparency**

Theresa May told the House of Commons that she would not give a "running commentary" on the Brexit negotiations. At an ill-starred dinner in Downing Street with Juncker and Barnier, she said she wanted the negotiations to be conducted in total secrecy, with nothing to be made public until the text of the final deal was publish.

Juncker and Barnier demurred, saying that they would be open and transparent and would make known at the end of each negotiating round what had been discussed and what, if anything, had been agreed. The Commission could not negotiate behind the backs of the 27 Member States.

So it proved. Barnier brief the press after every round of talks. Sometimes along with his UK counterpart. Which was not easy to do as David Davis quite often just did not turn up.

# **Behaving Properly**

At all times, Barnier, and his team, conducted themselves in a courteous and proper manner, despite numerous British attempts to undermine him personally. The Brexit press in the UK tried to paint him as an inflexible, French Brussels bureaucrat standing in the way of a "flexible and pragmatic" agreement. By "flexible and pragmatic" the British means that the EU should tear up the rules of the custom unions and the single market to suit them. At one point, Jeremy Hunt, strutting his hour on the stage as Foreign Secretary, accused the EU of acting like the Soviet Union in refusing to let the UK leave on its own terms.

On another occasion an aggressive Dominic Raab turned up in Brussels and told Barnier that if the EU did not more or less immediately agree to give the UK what it wanted it was leaving with "no deal". Barnier politely told him that if that was the UK position then the negotiations were at an immediate end, and he would report as much to the European Council. Raab quickly retreated.

Wave after wave of hard-line British Brexit positions were dashed on the rocks of reality.

# Agree What you Have Agreed

Many a negotiation has ended with an agreement being signed and both parties having completely different interpretations of what had been agreed. Rarely, do you find a negotiation ending with one side signing an agreement that it has no intention of following-through on.

I believe that this is what happened with the Withdraw Agreement and the Political Declaration. Johnson signed both simply to "Get Brexit Done". He had no intention of honouring either.

At a meeting on February 20, 2020, Frost simply announced that the UK no longer felt itself bound by the Political Declaration which Johnson had signed the previous October 17. Subsequently, as I write this in August 2021, Frost is trying to renege of the Northern Ireland Protocol, part of the Withdrawal Agreement. In late 2020, the UK government said it was going to break international law "in a specific and limited way" over the Irish Protocol.

Such bad faith behaviour destroys your reputation as a negotiator. The UK government may be able to live with that. Individual negotiators can't.

Agree what you have agreed and be certain the other side will honour its commitments before you leave the room.

## The Future

Good negotiators know that there is a tomorrow, as well as a today. When you buy a car, you do not have to worry about sales guy's feelings, or his career prospects. If the price is right, the deal gets done.

But in dealings between "sovereign equals", to use David Frost's words, you do have to worry about the future and how the other party sees you. It is the same in business... and in labour negotiations. Reputations matter. Especially when you need the other party, more than they need you.

The UK still does about 50% of its business with the EU. That may well drop because of the new Brexit barriers to trade. For EU exporters, they can swap UK trade for trade within the Single Market. UK traders have no such option, except if you believe that it is as easy to export to Indonesia as it is to Germany. It isn't.

Barnier always tried to leave the door open to the UK to come back and improve on what was on offer, if the UK was prepared to redraw its red lines.

From *La Grande Illusion* you are left with the impression that all Johnson and Frost wanted to do was to assert "UK sovereignty". They knew nothing, and cared less, about the difficulties of sending a truck load of mixed goods ("groupage") from Dover to Calais. Still less about visa issues for touring musicians and their supporting roadies. For Johnson and Frost, the less Europe the better. Others could pay the price for their "grande illusion." And they are.

## *In conclusion*

Anyone interested in developing their own negotiating techniques would do well to buy and study this book. It is not often that you come across a case study where one side does (almost) everything right and the other side does (almost) everything wrong. But that is what happened with Brexit over the past 4 to 5 years.

One important takeaway. When your side does everything right and the other side does everything wrong the result will be a sub-optimal agreement, a lose-lose for both sides. Just like it takes two to tango, so it takes two to negotiate. When it came to Brexit, only one side really turned up.

For his part, Barnier has done Europe some service. Very few others would have had, the patience, the intellectual resolve, the political skills, the deep reservoir of experience, the network of contacts, and the modest demeanour to do what he did. *The only pity is that he wasn't Irish*.

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